

Impact of extended power supply failure/loadshedding to the consumer credit market

The consequences of several national disasters in recent years, such as the COVID-19 pandemic, and the flooding in certain parts of the country, as well as the civil unrest in KwaZulu-Natal and Gauteng have created the need for industries to find proactive measures to prepare for any national crisis. In the circumstances, given the current continuous power supply issues in South Africa, preparation for extended power supply failure needs to be factored into strategic planning within the credit industry.

Typical Questions: Retail Sector

1. What Impact do you foresee from a period of extended electricity supply failure on consumers buying on credit?
 - a. How would you verify if the consumer has reached their credit limit, for those using store cards such as RCS, TFG, etc.?
 - b. What mechanisms would be used to confirm affordability for new credit extension if IT systems are down? How would you verify consumer purchasing and repayment history on your records/ credit bureau?
2. In the event of an extended electricity supply failure period, would there be any alternatives besides cash payments to allow consumers to make payments at the point of sale if the payment system (EFT machine) is not working?
3. How would records be maintained if an extended electricity supply failure lasts for a long period?
4. In the event of an extended electricity supply failure period, how would this affect your online shopping offering and what strategies would be implemented?
5. In the event of an extended electricity supply failure period, what mitigation strategies would the store implement to safeguard its infrastructure, stock, equipment, considering the July 2021 unrest?
6. In the event of an extended electricity supply failure period, how would the Debt Review process be handled during this period (incl. Debt counselling; associated transactions such as PDAs payments and the distribution, etc).
7. What implications could an extended electricity supply failure period have on the integrity of information considering the following scenario: if the whole IT system can be corrupted in such a manner that even the back-up system is impacted, and data cannot be recovered. How will the likelihood of such a scenario be prevented?

8. Is there anything else that you would like to add on the impact an extended electricity supply failure period would have on the operations of the business and credit consumers?

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