

## Media Release

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### **The Tribunal rules that child support and foster care grants cannot be used as consumer's income to apply for credit.**

The National Consumer Tribunal (Tribunal) yesterday handed down judgment in favour of the National Credit Regulator (NCR) against a Aristoscan CC, a micro lender trading as JMK Cash Loans, in which it found JMK Cash Loans guilty of various contraventions of the National Credit Act (the Act), including reckless lending.

The evidence presented by the NCR showed that JMK Cash Loans extended credit to consumers who received child support and foster care social grants.

In its judgment, the Tribunal made a finding that child support and foster care social grants are income to be used for the benefit of third parties and cannot be deemed to be the consumer's income.

"This judgement clarifies that child support and foster care social grants are not to be used as consumer income in credit applications. They are intended to be used for the care and support of the children", says Nomsa Motshegare, Chief Executive Officer of the NCR.

"Credit providers are warned to observe this judgement and ensure that they do not allow consumers to use child support and foster care social grants as income in credit applications", concludes Motshegare.

**Ends**

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**Issued by:**

**About The National Credit Regulator**

The National Credit Regulator (NCR) was established as the regulator under the National Credit Act 34 of 2005 (the Act) and is responsible for the regulation of the South African credit industry. The NCR is mandated with the registration of Credit Providers, Credit Bureaus, Debt Counsellors, Payment Distribution Agents, and Alternative Dispute Resolution Agents; and monitoring their conduct in compliance with the National Credit Act as amended. The National Credit Regulator offers education and protection to consumers of credit in promotion of a South African credit market that is fair, transparent, accessible and dynamic.

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