



The National Credit Regulator
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Media Release

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MSR Financial Solutions (Pty) Ltd and other credit providers flout the National Credit Act and deals with the consequences

The National Credit Regulator welcomes the judgement that was handed down by the National Consumer Tribunal (Tribunal) against MSR Financial Solutions (Pty) Ltd previously known as Major Authorised Debt Mediation (Pty) Ltd which entity is conducting its business in Bloemfontein, Free State region. This judgement follows an investigation by the National Credit Regulator into the conduct of the aforementioned entity. The investigation revealed that the entity was acting in a manner contrary to the provisions of the National Credit Act. “The National Credit Regulator subsequently referred an application to the Tribunal”, says Ms. Nomsa Motshegare, CEO of the National Credit Regulator.

The National Credit Regulator’s investigation revealed that MSR Financial Solutions (Pty) Ltd previously known as Major Authorised Debt Mediation (Pty) Ltd informed to provide alternative dispute resolution services whilst it was not registered as an Alternative Dispute Resolution Agent with the National Credit Regulator. Motshegare explains that in terms of the National Credit Act, an entity providing the services of an Alternative Dispute Resolution Agent must register with the National Credit Regulator.

“MSR Financial Solutions (Pty) Ltd previously known as Major Authorised Debt Mediation (Pty) Ltd also displayed the National Credit Regulator’s logo on its advertisements which gave the impression that the National Credit Regulator condoned its business practices which was never the case”, says Motshegare. “The services offered went beyond the scope of an Alternative Dispute Resolution Agents’ services and was akin to the services provided by a debt counsellor and a payment distribution agency”, adds Motshegare. Consumers were effectively paying fees for an unlawful

service and/or a service which they did not even receive. “The aforesaid conduct was found to be a serious prohibition and a contravention of Section 134A read with Section 1 and Regulation 10B of the Act” adds Motshegare.

Furthermore to this, the entity was found to have contravened Section 44(2), 3(g) and Section 126A and 126(3) of the National Credit Act. The Tribunal imposed an administrative fine against the entity in the amount of R50 000.00 and amongst other orders ordered the entity to refund fees and costs to consumers.

Motshegare alerts consumers of the aforesaid conduct observed within the credit market. It is imperative that consumers ensure that the entities they approach for Alternative Dispute Resolution services are in fact registered with the National Credit Regulator to provide such services. She also stressed that only a registered debt counsellor can make a determination of over-indebtedness. This clearly means that consumers should check if a person declaring them to be over-indebted is indeed registered with the National Credit Regulator by checking on the website www.ncr.org.za or alternatively to call 0860 627 627.

In other matters, the National Credit Regulator investigated and referred the following entities to the National Consumer Tribunal. The following credit providers were deregistered for committing various contraventions of the National Credit Act:

- **TITUSG TRADERS (PTY) LTD** - a registered Credit Provider with registration number NCRCP9727 having its registered place of business at 2 Coleskop street, Rosedale, Upington, Northern Cape.
- **PANGOLIN LOANS (PTY) LTD**, a registered Credit Provider with registration number NCRCP12222 having its registered place of business at Corso Building, Stand no 777 Luphisi, Sibuyile, Mpumalanga 1218.
- **DLAMINI ZAK ENTERPRISES (PTY) LTD**, a registered Credit Provider with registration number NCRCP11532 having its registered place of business at 3097 Luvuyo Street, Kanana Extension 5, Rabie Ridge, Halfway House, Gauteng.

Motshegare warns entities that are flouting the National Credit Act against such conduct as the National Credit Regulator will not hesitate to take action against such entities.

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About The National Credit Regulator

The National Credit Regulator (NCR) was established as the regulator under the National Credit Act 34 of 2005 (NCA) 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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