

## **MEDIA RELEASE**

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**JUNE 2022**

### **Keep your credit bureau record clean regardless of the rising cost of living**

Despite the interest rate hike and the rising cost of living, the National Credit Regulator (NCR) encourages consumers, in particular the youth who have already signed credit agreements to continuously pay their monthly accounts on time and in full in order to maintain a good credit bureau record. The youth are also encouraged to regularly check their credit bureau reports. Checking credit bureau reports enables consumers to spot any incorrect information and/or fraudulent transactions, thus providing them with an opportunity to remedy the situation. Ms. Poppy Kweyama, Manager: Education and Communication Department at the NCR, said knowing what is contained in one's credit report gives consumers an opportunity to improve their credit reports.

All consumer credit information held by credit bureaus must be accurate. Incorrect credit information can adversely affect a consumer's chances of acquiring credit or a job where a company is considering a candidate for employment in a position that requires honesty in dealing with cash or finances. "Hence, it is very important to dispute incorrect information before it affects you adversely," she advised.

In terms of the National Credit Act, every consumer has a right to challenge the accuracy of their information held by the credit bureaus free of charge. If a consumer has challenged the accuracy of the information, credit bureaus must take reasonable steps to seek evidence in support of the challenged information. Credit bureaus have 20 business days to do that. "Should the credit provider and/or service provider fail to prove the listing within the 20 business days, then the credit bureau must remove the disputed information from the consumer's credit profile", said Ms. Kweyama.

It is very important for consumers to know that inaccurate credit information will stay on the consumer's credit profile, until rectified or until its retention period finishes. A retention period relates to the length of time that a credit bureau can retain consumer's information on their credit report. However, consumers should not waste time disputing accurate credit information, knowing very well that they skipped payments or short paid the account.

Consumers are entitled to one free credit report once a year as per the National Credit Act, advised Ms. Kweyama. The National Credit Regulator would like to see more consumers requesting their credit reports from credit bureaus because currently the numbers of those requesting their credit reports are low. According to the Credit Bureau Monitor from the NCR, as at the end of December 2021, credit bureaus held records of 26, 38 million credit active consumers. Out of this total, only 648 280 credit reports were issued. From this total, 35 919 consumers lodged disputes in respect of the accuracy of information held by the credit bureaus. More disputes were resolved in favour of the complainants.

In order to clarify a lingering perception out there, credit bureaus do not decide whether or not to extend credit to consumers. Credit bureaus are organisations that specialise in creating consumer credit profiles based on information received from a person who supplies goods, services or utilities to consumers, whether for cash or on credit, an organ of state, court, judicial officer and a person providing long term or short term insurance. They keep valuable information about consumers' recent and past accounts, payment history, defaults, judgments, trace alerts, collections and enquiries.

Often consumers ask how long their information will be reflected at the credit bureaus. It is important to note that in terms of the National Credit Act, there are different retention periods for consumer credit information held by the credit bureaus. Below is a table on the different retention periods:

Category	Description	Time kept
<b>Details and results of complaints</b>	Number and nature of complaints lodged and whether a complaint was rejected; no information will be displayed on complaints that were upheld Note: WinCredit does not display this information	6 months
<b>Enquiries</b>	Number of enquiries made on a consumer's record, including the name of the entity/person who made the enquiry and a contact person if available	1 year
<b>Payment profile</b>	Factual information pertaining to the payment profile of the consumer Note: WinCredit does not display this information	5 years
<b>Adverse classification of enforcement action</b>	Classification related to enforcement action taken by a credit provider	1 year or within the prescribed period in section 71A
<b>Adverse classification of consumer behaviour</b>	Subjective classification of consumer behaviour	1 year or within the prescribed period in section 71A
<b>Debt restructuring</b>	As per section 86 of the Act, an order given by the court or tribunal	Within the period prescribed in section 71(1) of the Act or until a clearance certificate is issued
<b>Civil court judgments</b>	Civil court judgments including default judgments	The earlier of 5 years or until the judgment is rescinded by a court or abandoned by the credit provider in terms of section 86 of Magistrates' Court Act 32 of 1944 or within the period prescribed in section 71A of the Act
<b>Maintenance judgments in terms of the Maintenance Act</b>	As per court judgment	Until the judgment is rescinded by a court
<b>Sequestration</b>	As per the court order	5 years or until rehabilitation order is granted
<b>Rehabilitation</b>	As per the court order	5 years

<b>Administration order</b>	As per the court order	5 years or until order is rescinded by a court
<b>Liquidation</b>	–	Removed - delete
<b>Other information</b>	–	Removed - delete

In conclusion, Ms. Kweyama advised the youth about the importance of maintaining a good / healthy credit report as this shows credit / service providers that you are making payments as per your credit agreements, depicting you as trustworthy for prospective credit/ service providers and employers.

**Below are credit bureau and other important contact details:**

<b>Experian</b>	(011) 799-3400/ 0861 105 665	<a href="http://www.experian.co.za">www.experian.co.za</a>	<a href="mailto:consumer@creditexpert.co.za">consumer@creditexpert.co.za</a>
<b>TransUnion</b>	0861 886 466	<a href="http://www.transunion.co.za">www.transunion.co.za</a>	<a href="mailto:webadmin@transunion.co.za">webadmin@transunion.co.za</a>
<b>XDS</b>	0860 937 000 (011) 645-9100	<a href="http://www.xds.co.za">www.xds.co.za</a>	<a href="mailto:info@xds.co.za">info@xds.co.za</a>
<b>Consumer Profile Bureau</b>	(010) 590- 9505	<a href="http://www.consumerprofilebureau.com">www.consumerprofilebureau.com</a>	<a href="mailto:support@cpbonline.co.za">support@cpbonline.co.za</a>
<b>Credit Ombud</b>	0861 662 837	<a href="http://www.creditombud.org.za">www.creditombud.org.za</a>	<a href="mailto:ombud@creditombud.org.za">ombud@creditombud.org.za</a>
<b>National Credit Regulator</b>	0860 627 627	<a href="http://www.ncr.org.za">www.ncr.org.za</a>	<a href="mailto:info@ncr.org.za">info@ncr.org.za</a>

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**About The National Credit Regulator**

The National Credit Regulator (NCR) was established in terms of 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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