

March 2017

**National Credit Regulator and National Consumer Commission collaborate in enforcing consumer rights**

The National Credit Regulator (NCR) and the National Consumer Commission (NCC) have partnered to strengthen consumer rights in South Africa in line with the World Consumer Rights Day which is celebrated on the 15<sup>th</sup> March of every year with different themes. This year's theme is 'Consumer Rights in the Digital Space' which is relevant as more and more consumers are using the online space.

The NCR and NCC also view the consumer rights month as an opportunity to promote the basic rights of all consumers, demanding that the rights must be respected and protected. "It is also a chance to protest against market abuses and social injustices which undermine these rights."

"During this month, the NCR will focus on educating consumers on their rights and responsibilities as per the National Credit Act as amended; misleading advertising with a focus on SMS and online credit; debt counselling scams and informing consumers about the dangers of using unregistered credit providers. "This is in line with this year's theme as more and more consumers are now using online methods to apply for credit, debt counselling and accessing credit reports", says Nomsa Motshegare, CEO of the National Credit Regulator.

Consumers who are applying for credit online should only apply with credit providers who are registered with the NCR. They can verify the credit provider's registration with the NCR by checking if their names and the NCRCP number are the same as the ones that appear on the NCR's website. Alternatively consumers can also call the NCR's contact centre to verify the credit provider's details. Consumers should not pay any upfront, administration or legal fees to credit providers before they are actually granted a loan as this is unlawful. Consumers should avoid credit providers who promise granting loans to 'blacklisted' consumers - this is unlawful as the National Credit Act requires all credit providers to conduct an affordability assessment prior to granting credit to consumers, added Ms. Motshegare.

She reiterated the fact that debt counselling is a mechanism in terms of the National Credit Act aimed at assisting over-indebted consumers. If consumers are called by debt counsellors marketing their services and urging them to go under debt counselling, consumers should remember that debt counselling is meant only for over-indebted consumers and it is by no means a savings mechanism as some debt counsellors are promising consumers as much as 60% savings or cash back if they sign up with them, this is unethical and unlawful, warned Motshegare.

Ms. Motshegare further warns consumers to be careful before giving their personal information to strangers claiming to be credit providers, debt counsellors or credit bureaus online or telephonically. They should verify if the companies are legitimate by checking with the NCR before committing or giving out their personal information online or telephonically.

According to NCC Commissioner Ebrahim Mohamed, the advent of technology has created various opportunities, both for business and consumers alike. Mohamed says that consumers should be mindful of the risks associated with doing transactions over the internet or the telephone. He warned consumers to listen carefully when they transact over the telephone, and to report suspicious telephone and online marketers to the NCC on 012 428 7000.

**ENDS**

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**Issued by both:**

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