

## MEDIA RELEASE

---

DECEMBER 2022

### Spend wisely during festive season

“There is no doubt that consumers spend a lot more during festive season than they would normally during the year, on gifts, food, entertainment, travel, events, spoiling loved one’s etc. While the festive season comes every year and consumers have ample time to plan well in advance, it is unfortunate that many consumers do not plan properly and in the end succumb to the temptation of overspending, using credit cards, bank overdrafts or taking loans to fund festive spending,” said Ms Poppy Kweyama, Manager of Education and Communication at the National Credit Regulator (NCR).

“With ever increasing cost of living including increased interest rates, consumers need to be financially savvy and, make tough but necessary decisions to scale down on festive spending this year. Sometimes it is worth waiting rather than impulsively using credit to buy non-essential items which would only bring misery. In making festive purchases, consumers should always distinguish between the needs and wants. Otherwise, it means you will begin the New Year with more debts than you intended and ended up being saddled with regrets. Make the most of your money,” she advises.

On the flip side, If you happen to be one of the lucky ones receiving year-end bonuses and/or 13<sup>th</sup> cheques, spend it wisely. Always remember the golden rule, pay off your debt first!,” urges Ms Kweyama. “Although it is a bit difficult to define how consumers should spend their year-end bonuses and 13<sup>th</sup> cheques, if used wisely, it could be just the ticket to start your new year debt free and on the path to a soft life. Even if you don’t earn the big bucks or receive bonuses, be credit smart and prioritise paying your debt so that you can reduce your debt and start saving more. Ideally, start paying off the debt with higher interest rates like credit cards, personal loans etc. By so doing, you’re freeing up cash to acquire other valuable assets or

build up an egg nest, and if you are lucky enough to be debt free - consider saving or investing your money”, adds Kweyama.

However, If you decide to make purchases using credit, read and understand the full cost of credit including the terms and conditions of the credit agreement. When applying for credit on social media platforms, beware of sophisticated scammers posing as legitimate credit providers demanding and putting pressure on consumers to make immediate payment of an upfront fee before releasing the “money” you are borrowing. Never, ever pay any upfront fees no matter what!

**Here are practical tips on how to minimize spending during festive season:**

- Plan and save for festive season ahead of time;
- Pay off existing debt first;
- Don't spend money on a “soft” lavish lifestyle to impress others;
- Do not replace presence with presents;
- Create a festive season budget which is aligned to available funds and stick to it;
- Compare prices between different retail stores;
- Don't use credit for consumables like food, alcohol and airtime;
- Beware of scams if you decide to shop online;
- Save money for January expenses; and
- Live within your means during festive season.

Those struggling to keep up with monthly repayment of bills should avoid taking more credit just for few a weeks during festive season. The reality is that festive season is the most wonderful leisure time of the year to relax and unwind with families, beloved ones and friends, but there is still life after festive season. Do not let soft life during festive season lead you to a blacklisting in 2023, concludes Kweyama.

**Ends**

---

**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.

**For more information contact:**

Media Office: [media@ncr.org.za](mailto:media@ncr.org.za)

Or

Didi Sebothoma

064 752 3910

E-mail: [dsebothoma@ncr.org.za](mailto:dsebothoma@ncr.org.za)

Website: [www.ncr.org.za](http://www.ncr.org.za)