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Debt Counselling Compliance Monitoring Visits

CIRCULAR NO.14 OF 2015: DEBT COUNSELLING COMPLIANCE MONITORING VISITS

This circular serves to notify and remind all registered debt counsellors that the National Credit Regulator (“the NCR”) has a duty in terms of section 15(c) of the National Credit Act (“the Act”) to monitor the consumer credit market and industry to ensure that prohibited conduct is prevented or detected and prosecuted. The NCR carries out this duty by conducting on site visits at the premises where debt counsellors provide debt counseling services. The approach to these visits is corrective in nature and serves to offer support where necessary.

CONFIRMATION OF MONITORING VISIT APPOINTMENTS

The NCR requires both telephonic and written confirmation of the compliance monitoring visit appointments by debt counsellors. Debt counsellors are required to prepare for the visit in accordance with the specified requirements disclosed by the monitoring officer prior to the visit and to provide, in writing, the physical address of the debt counselling practice as well as the contact details. Further to this, debt counsellors are required to be present during the monitoring visit.

CANCELLATION OF MONITORING VISITS

The NCR has noticed an escalating trend and practice by some debt counsellors who repeatedly and without valid reasons cancel confirmed appointments for the purpose of compliance monitoring. This practice is prohibited, unacceptable and constitutes a contravention of the conditions of registration which all debt counsellors consent to prior to registration.

Debt counsellors’ attention is drawn to the following general condition of registration:

General condition (7): “The Debt Counsellor must permit the NCR or any person authorised by the NCR to enter any premises from which the Debt Counsellor provides debt counselling services or

engages with consumers in respect of debt counselling. The Debt Counsellor must satisfy all requests and enquiries related to monitoring compliance with these conditions and the requirements of the Act.”

In light of the above, the NCR reiterates that compliance monitoring visits are a requirement and will be conducted on all registered debt counsellors as and when required. Continuous cancellation and failure by debt counsellors to avail themselves for confirmed monitoring visits without valid written reasons provided within a reasonable period will be deemed as a contravention of conditions of registration. The NCR urges all debt counsellors to desist from cancelling confirmed monitoring visits and avail themselves during such visits. Failure to do so may attract the imposition of appropriate sanctions in terms of the Act.

FOR MORE INFORMATION

Please send an email to Georgina Kgadima at gkgadima@ncr.org.za

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