

Impact of extended power supply failure/loadshedding to the consumer credit market

The consequences of several national disasters in recent years, such as the COVID-19 pandemic, and the flooding in certain parts of the country, as well as the civil unrest in KwaZulu-Natal and Gauteng have created the need for industries to find proactive measures to prepare for any national crisis. In the circumstances, given the current continuous power supply issues in South Africa, preparation for extended power supply failure needs to be factored into strategic planning within the credit industry.

Typical Generic Questions:

1. In the event of an extended electricity supply failure period, would it be possible to extend new credit during this period? And how would the process be conducted if there are network glitches between consumers and credit providers?
 - a. In an event that it is impossible to obtain consumers' credit history from credit bureaus, how would credit then be granted to consumers? Are there any strategies to circumvent that possibility?
 - b. Should consumers be unable to submit supporting documents due to the unavailability of network coverage, what process would be made available to accommodate consumers facing these issues?
2. What implications would an extended electricity supply failure period have on the integrity of information considering the following scenario: if the whole IT system can be corrupted in such a manner that even the back-up system is impacted and data cannot be recovered, how will this scenario be avoided?
3. In the event of an extended electricity supply failure period, how would the Debt Review process be handled (incl. Debt counselling; associated transactions such as PDAs payments and the distribution, etc)?
4. If there is fuel shortage due to stockpiling and the inability of pumping fuel, what alternative measures would be in place in relation to alternative sources of energy such as generators?
5. In the event of an extended electricity supply failure period, will there be any possible relief measures to consumers who face temporary loss of income?
6. Is there anything else that you would like to add on the impact an extended electricity supply failure period would have on the operations of the business and credit consumers?