



## NATIONAL CREDIT REGULATOR - STATEMENT

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November 2010

### **National Credit Regulator urges South Africans to save over the festive season**

The National Credit Regulator (NCR) is collaborating with the South African Savings Institute (SASI) as part of its “spend wisely” campaign this festive season. The NCR collaborates with other organisations to help educate consumers about using credit responsibly.

“The number of consumers with impaired credit records continued to increase over the past quarter, reaching 8,59 million by June,” says Abel Tshimole Manager: Registration at the NCR. “Each year, we tend to see the number of consumers falling behind on their debt repayments increase after the Christmas period.”

He says consumers should be careful not to take on unnecessary debt, especially to fund Christmas presents and celebrations. “Consumers often forget that they still have to pay household accounts such as lights and water in the next year and will need to pay for other costs such as uniforms and school fees,” says Tshimole.

Tshimole says the tough economic conditions have made it difficult for families to cover their expenses, as their spendable income may have decreased or they may have been retrenched. “It may make you feel better for a short while to splash out on feel-good gifts for your family, but remember that you’ll be left with a high price to pay at the end of it,” he says. “If you fail to keep up with your repayments, you could lose your most valuable assets, including your home and car.”

He suggests drawing up a budget to determine what you can spend on entertainment, presents and other items. Stick to this if you want to remain in control of your finances.

“Don’t get distracted by “no deposit” deals as these can often end up costing you far more in interest repayments over the longer term,” he says.

Tshimole suggests saving throughout the year to fund year-end holidays and parties. “If you haven’t saved, you shouldn’t borrow,” he says. “Rather pay off all your existing debt first and prioritise payments on your home loan.”

But he points out that consumers who run into financial trouble, shouldn’t bury their heads and hope the problem will go away. “Speak to your bank and try to negotiate a repayment schedule,” he says. “Or talk to a debt counsellor and see if they can help you.”

The NCR was established as the regulator under the National Credit Act and is responsible for the regulation of the South African credit industry. It is tasked with carrying out education, research, policy development, registration of industry participants and investigation of complaints.

The NCR is also tasked with the registration of credit providers, credit bureaux and debt counsellors; and enforcement of compliance with the Act. During the festive season it is running a campaign to encourage consumers to spend and borrow wisely.

“As a consumer you have rights and responsibilities when it comes to debt,” says Tshimole. “Make sure you can afford all your repayments and that you spend wisely so that you can embrace the new year and start off on a sound financial footing.”

*The NCR can be reached on 0860 627 627 or [www.ncr.org.za](http://www.ncr.org.za)*

**ENDS**

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