

DEBT REVIEW CONSUMER TRANSFER



National Credit Regulator

Advocating For Inclusive Credit

004/2026
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1. BACKGROUND

- 1.1. The National Credit Regulator (“the NCR”) hereby issues this guideline to clarify and reaffirm the legal position regarding the transfer of consumers under debt review, in accordance with the National Credit Act 34 of 2005 (“the NCA”), the National Credit Regulations, NCR Circular 1 of 2021 and any other applicable NCR Guidelines.

2. ABSOLUTE RIGHT OF A CONSUMER TO TRANSFER

- 2.1. In terms of Section 86(1), a consumer has an absolute, unconditional, and unfettered right to elect its debt counsellor which includes transferring from one debt counsellor to another at any stage of the debt review process, without providing any reason and without any engagement, consent, approval, or discussion with the existing debt counsellor.
- 2.2. Any conduct that obstructs, delays, conditions, frustrates, or discourages a consumer from exercising this right is inconsistent with the NCA.
- 2.3. Debt counsellors may not impose internal rules, contractual terms, policies, or additional requirements outside of the NCA, the Regulations, NCR Circulars, or NCR Guidelines. Any such requirements are unlawful, and constitute a contravention, which may be enforced.

3. EFFECT OF TRANSFER ON THE DEBT REVIEW PROCESS

- 3.1. The 60-business day period contemplated in section 86(10) of the NCA does not re-commence upon transfer. The debt review process continues from the last procedural step taken by the previous debt counsellor.
- 3.2. The receiving debt counsellor may not charge a new application, administration, restructuring, or legal fee if these fees are already paid by the consumer, and any other fees not utilised by the initial debt counsellor must be refunded. A consumer is required to pay all outstanding debt counselling fees for work factually completed up to date of transfer, prior to transfer taking place.

4. VERIFICATION AND FRAUD PREVENTION

- 4.1. The NCR recognises that fraud is a real and recurring risk within the debt review environment. Verification of a transfer request is therefore limited strictly to confirmation of the consumer’s identity and authority. A valid power of attorney issued by the consumer to the receiving debt counsellor is sufficient proof of authority.

5. LAWFUL GROUNDS FOR REFUSAL OR DELAY

- 5.1. A debt counsellor may only refuse or delay a DHS transfer request on the following grounds:
 - Outstanding documentation, strictly as prescribed in applicable NCR Circulars and Guidelines; or
 - Outstanding fees due and payable to the existing debt counsellor.
- 5.2. No other grounds for refusal or delay are permitted.
- 5.3. Where a transfer is denied based on outstanding fees, the existing debt counsellor must issue a detailed invoice to the requesting debt counsellor within two (2) business days of the refusal, along with proof of work done to justify such fees. Proof of work done constitutes actual evidence of work done by the debt counsellor. A PDA statement is not considered proof of work done.

6. TIMEFRAMES AND PRESCRIPTION OF FEES

- 6.1. No transfer request may remain outstanding for longer than seven (7) business days, provided that the prescribed documentation has been submitted along with the transfer request. Any unreasonable delay will be regarded as non-compliant.
- 6.2. Debt counsellors are reminded that, in terms of the Prescription Act 68 of 1969, read with the NCA, the recovery of debt counselling fees prescribe after three (3) years from the last day the fee became due, provided no legal action had been instituted to recover such fees or where the consumer admitted to such fees (which needs to be proven). Prescribed fees may not be relied upon to delay or refuse a transfer.

7. DELIVERY OF DOCUMENTATION

- 7.1. Upon transfer in accordance with the NCR Circular 1 of 2021, the existing debt counsellor must provide all documentation necessary to enable the continuation of the consumer's debt review, to the new debt counsellor.
- 7.2. Any failure, refusal, or delay constitutes non-cooperation and a direct contravention of the NCA, NCR Circular 1 of 2021, and NCR Guidelines.
- 7.3. The following documents must be provided in order to process the transfer:
 - A signed Power of Attorney from the requesting debt counsellor;
 - A signed Form 17.7 from the existing debt counsellor; and
 - A copy of the consumer's ID.

Please note that a copy of the Form 17.7 must also be sent to all relevant credit providers.

8. FINAL DIRECTIVE AND ENFORCEMENT

- 8.1. Any conduct by a debt counsellor that delays, obstructs, frustrates, or undermines a consumer's right to transfer, including the imposition of unauthorised requirements, refusal without lawful grounds, or failure to act timeously or unreasonably, will be treated as non-compliance.
- 8.2. Such conduct may result in regulatory enforcement action, including review, amendment, suspension, or cancellation of a debt counsellor's registration.
- 8.3. Debt counsellors are hereby directed to comply with transfer requests strictly and without undue delay.

FOR MORE INFORMATION OR TO REPORT ANY OBSERVED PROHIBITED CONDUCT

Please contact **Louise Page** at lpage@ncr.org.za or **Timmy van der Grijp** at tvandergrijp@ncr.org.za



Disclaimer:

While the NCR has taken reasonable care to ensure the factual accuracy of this guideline, it cannot guarantee such accuracy, especially with regards to future events. Accordingly, NCR does not accept any liability for damages incurred by any party as a result of decisions or actions taken pursuant to this guideline.