Debt Counsellors' Code of Conduct for Debt Review

1. Preamble

1.1. By subscribing to this Code of Conduct (Code), I undertake to support the provisions of the National Credit Act 34 of 2005 (NCA) aimed at preventing over-indebtedness and assisting over-indebted consumers.

1.2. Further, I acknowledge that it is necessary to support the implementation of measures introduced by the National Credit Regulator (NCR) to ensure that as many debt review cases as possible are brought to a successful conclusion.

1.3. I commit myself to implement the provisions of this Code and any processes adopted as guidelines of the NCR to give effect to these objectives.

2. Commitments

2.1. Debt review process

I undertake to:

2.1.1. Adopt and implement such processes and other arrangements between the stakeholders as approved by the NCR from time to time in order to improve the efficiency and effectiveness of the debt review process.

2.1.2. Act in a professional courteous and ethical manner towards the consumer, NCR, credit providers, credit bureaus, debt counsellors and payment distribution agencies (PDAs).

2.1.3. Market my services in a professional and responsible way to ensure that consumers understand that debt counselling aims to repay debt without any undue payment interruptions within a reasonable period of time.

2.1.4. Provide factual information to consumers in a plain language to explain the benefits, process, risks, fees and implications of debt counselling under the NCA and in terms of this Code.

2.1.5. Assist qualifying consumers who apply for debt review throughout the debt review process.

2.1.6. Assist consumers during the debt review process and follow up on failed monthly payments by consumers to ensure compliance with accepted repayment plans and court orders.

2.1.7. Refer complaints against myself or my debt counselling business to and co-operate with the NCR.

2.1.8. Use the PDAs accredited by the NCR.

2.1.10. Ensure that the necessary measures are put in place in my business to facilitate the implementation of my commitments under this Code, including having in place clear internal policies and procedures regarding the treatment of debt review applications.

2.1.11. With regards to debt re-arrangement rules, I undertake to:

(a) Submit reasonable repayment proposals to credit providers for consideration and approval;
(b) Submit debt review applications to the magistrates' court in compliance with the NCA and applicable legislation; and
(c) Load the repayment plan with a PDA accredited by the NCR.

2.2. **Dispute resolution**

I shall:

2.2.1. Ensure that I have in place effective internal complaint handling mechanisms to deal with consumers' complaints regarding my conduct under this Code and the NCA.

2.2.2. Ensure that my internal complaint handling mechanisms operate according to policies and procedures that comply with the NCA.

2.2.3. Endeavour to resolve complaints received from consumers in a speedily and fair manner.

2.2.4. Refer the matter to the NCR where the consumer is not satisfied with the outcome of the resolution of a complaint under my internal process.

2.2.5. Provide consumers with the NCR's contact information and documentation to lodge complaints with the NCR.

2.3. **Relationship with other stakeholders**

I undertake to:

2.3.1. Support and co-operate with the NCR in its role of facilitating agreement and co-operation between the stakeholders.

2.3.2. Co-operate fully with credit providers and PDAs in ensuring that the debt counselling process works efficiently.

2.3.3. Make every effort to engage with credit providers and PDAs in order to resolve operational difficulties that may occur in implementing this Code.

2.3.4. Raise and discuss such operational difficulties with credit providers and PDAs in good faith.

2.3.5. Make every effort in co-operating with credit providers to ensure the achievement of debt re-arrangement proposals that are realistic in achieving debt rehabilitation.

2.4. **Consumer awareness and education**

I will:

2.4.1. Take appropriate steps to support national and/or joint industry initiatives, as well as initiatives by independent or non-profit organisations aimed at promoting consumer education and financial literacy.

3. **Monitoring and compliance**

3.1. The NCR will monitor the implementation of and monitor compliance with this Code.

4. **Reporting**

I will:

4.1. Regularly update the NCR Debthelp or such other database approved by the NCR for the purposes of monitoring debt counselling.

4.2. Report annually to the NCR on:-

(a) My progress in regard to carrying out my obligations under this Code;
(b) The profile of consumers, including the types of debt incurred by such consumers, for the purposes of creating a better understanding of over-indebtedness in South Africa; and
(c) Such other statistics as may be requested by the NCR from time to time.

5. **Review of the Code**

5.1. The NCR may review this Code as and when it deems necessary to do so.

6. **Date of commencement**

This Code shall come into effect on 1 May 2013 and replaces the previous Code.

7. **Definitions**

In this Code, the following expressions shall bear the following meaning:

"**Code**" means the Debt Counsellors' Code of Conduct for Debt Review

"**Consumer**" has the meaning given to it in section 1 of the NCA

"**Credit Provider**" means a person registered as a credit provider in terms of section 40 of the NCA.

"**Debt Counsellor**" means a natural person registered as a debt counsellor in terms of section 44 of the NCA.

"**NCA**" means the National Credit Act 34 of 2005

"**NCR**" means the National Credit Regulator.

"**PDA**" means a payment distribution agency accredited by the NCR.