



SPECTRIFIN

Basic questions about credit bureaus

Published on Linked-In on 25 June 2015



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Credit bureaus were quite controversial businesses in South Africa before the National Credit Act was passed in 2007. Originally the bureaus only kept negative lists of people that had not pay their debts and that is why we talk about “blacklisting”.

But since the 1980s many retailers started working with the bureaus to share all information about credit granted to consumers and how people paid their debts, whether good or bad.

Everyone has heard about credit bureaus, but we often get asked how they work, what it means to be “blacklisted” and how to “get off” the bureau or have a listing cleared. This article explains a bit about the bureaus.

1. What is a Credit Bureau?

A credit bureau is a private business, which gathers information and updates every consumer’s credit history. The bureau creates a record on each consumer which consists of:

- Personal contact and employment information;
- Who has enquired about the consumer;
- Details about each account/credit obtained and the payment record on each account;
- Special categories which show poor payment performance in terms of an agreement or legal action taken on an account.

2. Where does the bureau get its information about me?

The bureau can obtain their information/data from:

- When a contract was entered into as well as the loan amount and instalment;
- Updated information regarding the consumer’s contact and employment details;
- Payment record advising how the account is being paid;
- Any special listings such as defaults, handovers for collection;
- Credit Providers, debt collectors, insurance, telecommunication and cell phone; companies who provide the bureau with details;

- Courts e.g. when a judgment is taken or a person is sequestered;
- Debt counsellors;
- South African Fraud Prevention Service.

3. What about my privacy?

- The only way to keep your finances private is if you do not access credit at all.
- Credit providers need to know about your credit history to assess whether they should give you credit (would you lend money to a stranger?).
- At the same time the list of who can provide and access your information is governed by the National Credit Act (“NCA”) to protect your right to privacy. If anyone who is not authorised to access your information obtains a copy of your records, they are in breach of the law, and you have the right to take the matter further.

4. Who has the right to get a copy of my bureau report?

- Is considering employing you in position of trust and honesty;
- Wants to verify your employment;
- Needs to assess your insurance application;
- Has your permission to check for a specific purpose e.g. Landlord before signing a rental agreement;
- Credit Providers – when you apply for credit;
- SAPS – when conducting a fraud investigation;
- You can access a copy of your bureau record

5. Who controls the credit bureaus to make sure that they are trustworthy?

- The NCA requires all bureaus to register with the National Credit Regulator, to provide annual reports and to follow the rules as set out by the NCA. The NCR has the right to inspect any bureau and deregister them if they fail to comply.
- The NCA rules include setting standards to ensure that the information on the bureau is accurate, up to date and that all consumers’ records are protected from getting into the wrong hands or being altered without proper process.