Urgent Call for Balanced Credit Reform: DCASA Urges DTI Intervention to Protect Over-Indebted Consumers

Johannesburg, South Africa – September 17, 2025 – The Debt Counsellors Association of South Africa (DCASA) today issues a heartfelt yet urgent plea to the Department of Trade, Industry and Competition (DTIC) and the National Credit Regulator (NCR) to address critical imbalances in the National Credit Act (NCA). While the industry fully supports efforts to expand access to credit for historically underserved communities, we cannot ignore the human cost of over-indebtedness. Millions of South Africans are trapped in cycles of debt, their economic futures stalled, and it's time for meaningful reform to restore balance and hope.

As champions of responsible credit practices, DCASA stands firmly behind the NCA's core mission: to promote a fair and inclusive credit market while safeguarding consumers from over-indebtedness. *"We've seen tremendous progress in making credit more accessible, which aligns with the Act's intent to empower those previously excluded,"* said Vanessa Johst, Operations Manager at DCASA. *"But this focus has come at the expense of effective debt relief mechanisms. Without both sides of the equation—granting credit responsibly and providing swift rehabilitation—we risk deepening economic inequality rather than alleviating it."*

The reality is stark: Statistics reveal a growing number of inactive debt review cases where consumers feel unintentionally ensnared, unable to re-enter the economy. These are not just numbers; they represent families struggling to make ends meet, dreams deferred, and voices drowned out in desperation. DCASA advocates for these individuals, urging the DTIC to revisit the Act and its regulations to prevent such traps and foster true financial recovery.

"We cannot emphasize enough that a thriving credit market depends on a finely tuned balance," Johst continued. *"Focusing solely on credit expansion without robust tools to resolve over-indebtedness is shortsighted and unsustainable. It's time to rehabilitate over-indebted consumers faster, so they can contribute to our economy once more."*

To drive this change, DCASA has submitted a comprehensive set of proposals to the DTIC, aimed at upholding the NCA's integrity and protecting vulnerable consumers. Key recommendations include:

- **Inclusion of Arrears from Incidental Agreements in Debt Review:** To provide more holistic relief.
- **Clarification of 'Eventual Satisfaction' under Section 71(1)(a):** Allowing removal from debt review post-court order to rebuild trust and deter unethical practices.
- **Reclassification of 'Long-Term Agreements'**: To reflect the evolving credit market and ensure inclusivity.
- **Addressing Post-Clearance Certificate Challenges**: Recognizing debt review payments as positive repayment history to facilitate credit access after exit.

- **Incentivizing Reckless Credit Investigations**: Encouraging seasoned debt counsellors through better support and incentives.
- **Statutory Cooling-Off Period for Debt Review Entry**: Preventing unintentional entrapment by allowing consumers time to reconsider.
- **Expansion of the National Consumer Tribunal's Powers**: To handle opposed matters efficiently and affordably, with a review of preparation fees.
- **Amendments for Default and Termination**: Clarifying that termination should only occur on actual default, not premature interpretations.
- **Stricter Enforcement of Section 103(5) (In Duplum Rule)**: Explicitly applying it within debt review.
- **Clarity on Section 126B Prescription**: Determining if debt review judgments qualify as judgment debts for accountability.
- **Inclusion of Lower-Income Consumers**: Ensuring historically disadvantaged individuals can access debt relief, not just credit.
- **Enhanced Accountability for Debt Counsellors**: Requiring registration with a professional body and imposing heftier fines on rogue operators.
- **Mandating Good-Faith Participation from Credit Providers**: Forcing interest rate reductions from non-cooperative providers without penalizing those who negotiate fairly.
- **Sustainable Income for Debt Counsellors**: To retain experienced professionals and curb the rise of unethical actors.
- **Reviewal of PDA Fees**: PDAs are vital to the industry, and their fee structure must be sustainable.
- **Buy Now, Pay Later**: This topic has not yet been addressed, however it is concerning that some of these agreements remain unregulated.

These proposals are not just suggestions—they are essential steps to eliminate rogue elements, such as debt counsellors who exploit loopholes and deter credit access, in violation of Section 3(a) of the NCA.

DCASA calls on all stakeholders—the DTIC, NCR, credit providers, and regulators—to collaborate in overhauling the system. "*What we must remember is that the Act as a whole is designed to protect and empower,*" Johst added. *"By addressing these gaps, we can save our economy, support struggling consumers, and rebuild a credit market that truly works for everyone. We urge the DTIC to act now; the time for intervention is today."*

For more information or to discuss these proposals, please contact:

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About DCASA: The Debt Counsellors Association of South Africa is a non-profit organization dedicated to promoting ethical debt counselling practices, advocating for consumer rights, and supporting the balanced implementation of the National Credit Act.