



We have cut our lunch in half ... in an effort to offer you an even better service. Please note that our new office hours are now:

8:30am - 1:00pm and 1:30pm - 4:30pm.

What's all the puffing about?

Cigars are usually associated with celebration. With much to celebrate in May it seemed fitting to 'puff' away in our trench coats at our Columbo-themed staff lunch.

- Melanie Wilson celebrated 15 years service with Pincus.
- We said farewell to Vincent Neer and wished him all the best for his future endeavours.
- We welcomed Abubakar (Boebie) Hendricks to take over the role of our messenger.



Pincus Matz staff matters

One of the highlights on our monthly calendar is certainly the opportunity to celebrate and share at our staff lunches. Staff pose for a photo at our April meeting.



Boebie Hendricks worked at Wynberg Rotary Club for 14 years before joining Pincus Matz. He is friendly and likes to help others. He enjoys going for walks and spending quality time with his family. Boebie appreciates the opportunity to be at the firm, and aims to exceed the expectation.

Affordability tests and the facts you can't afford to miss

Darren Hanekom
 Candidate Attorney



Consumers the world over have been "burnt" by poor credit practices, and the market needs to be rehabilitated and made sustainable. The newly enacted amendments to the National Credit Act look to address the way in which consumers qualify for credit within South Africa.

A conundrum faces many young people applying for credit. The credit providers will only grant such credit based on a positive credit history as stated by the National Credit Bureau; however a credit history cannot be obtained if the consumer is not able to build up a credit record in the first place.

This conundrum was put to my Bank Manager and I was advised that the best way to go about building up ones credit history is to go out and apply for a cell phone contract or various retail store cards. In theory one should approach a cell phone network to apply for a 24 month contract. After staring at the screen for a few minutes the sales consultant is likely to look up and state that you are classified as "high risk". The term "high risk" sounds very serious and I endeavoured to find out exactly what it meant.

According to the Credit Bureau, if you had managed your finances according to the maxim "Cash is King", you will not be looked upon as a customer they would like to grant credit to. South Africa has 22.5 million credit-active consumers; just under half have impaired credit reports, meaning they are in arrears on their repayments by three months or more. The government is not looking to put an end to lending, but rather to eradicate reckless lending. Credit providers who refuse to carry out robust affordability tests will now be put to task.

What consumers need to know about affordability assessments

Reckless lending occurs when a credit provider lends money without doing an affordability assessment on the consumer first.

The National Credit Act requires that a credit provider must carry out a financial assessment to determine the extent or

amount of credit that a credit applicant can afford before entering into a credit agreement with the applicant.

In performing an affordability assessment, a credit provider must determine and take into account the following:

- whether the applicant has a general understanding and appreciation of the risks and costs of the proposed credit, and of the rights and obligations of a consumer under a credit agreement;
- the applicant's debt repayment history;
- the applicant's existing financial means, prospects and obligations; and
- whether the new credit agreement will cause the customer to become over-indebted.

If a credit provider fails to do an affordability assessment before advancing credit to someone, the credit provider could be guilty of entering into a reckless credit agreement.

Consumer's rights to question the outcome of the affordability assessment

A consumer who is aggrieved by the outcome of the affordability assessment may at any time lodge a complaint with the National Credit Bureau in terms of section 134 or 136 of the National Credit Act which will institute dispute resolution proceedings.

The credit provider must attempt to resolve the complaint within fourteen business days after receiving notification of the complaint from the ombudsman in terms of section 134. If the grievance is not addressed by the credit provider within the prescribed period, the consumer can then approach the National Credit Regulator.

In conclusion, the National Credit Act places a responsibility on both consumers and credit providers as each is held accountable for the accuracy of the details found in the credit agreement. For more information regarding the National Credit Act amendments, feel free to contact our Pincus Matz team of experts.



Pincus Matz Birthday Club

The greatest little birthday club in town hosted a delightful breakfast at Catharina's in April. In May we enjoyed an outstanding breakfast at the VIneyard. Both venues are firm favourites with the Breakfast Club and make it easy for us to relax and enjoy your birthday celebration with you.



Staff Birthdays



Our very best wishes go to Laverne Nolan, Les Masterson, Rachenda Smith, Vanessa Joshua and Nicolette van Belling, who have their birthdays in May and June. May you be blessed with good health and happiness in the years ahead.

Snippets

The agreement has been signed, the money is in the bank, so all hunky-dory, thanks very much. I wish to record that you have afforded me a really professional level of service, a refreshing change. Munro Bloch

Thank you all for the superb Birthday Breakfast this morning. No need for any lunch today! Good company - interesting topics of conversation and we appreciate the effort that Pincus Matz puts into keeping their clients very happy. John and Marian Arenhold

We would like to take the opportunity to thank you for your excellent service and assistance. Carol Kotze

