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STANDARD BANK SUBMISSION TO PARLIAMENT

NATIONAL CREDIT AMENDMENT BILL

November 2013

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1 *INTRODUCTION*

1.1 Standard Bank thanks the Portfolio Committee on Trade and Industry for the opportunity to provide comments on the National Credit Amendment Bill. While the social and economic impacts of credit provision are usually strongly positive, Standard Bank entirely supports the need for the industry to be carefully regulated to stop abuses of individual customers and to prevent socially damaging outcomes.

1.2 The National Credit Act has had many positive impacts, including widening access to credit and making credit more affordable. Standard Bank trusts that the process of reviewing the Act will lead to further improvements in the working of credit markets for South African consumers. Credit is a central pillar of financial inclusion: it enables the purchase of wealth-generating assets such as homes and income-generating assets such as vehicles. Consumer credit is an important source of finance for entrepreneurs and small enterprises. The proper functioning of consumer credit markets is essential for broader economic transformation. The introduction of government's consumer credit policy was an important step in making financial markets work for all South Africans.

1.3 We are generally supportive of the National Credit Amendment Bill (NCAB) and appreciate the consultative process followed by the Department of Trade and Industry (DTI). We believe that the amendment of the NCA provides an opportunity to reflect on the success of the NCA, as well as some of the ongoing challenges and unintended consequences.

1.4 Standard Bank has been working with government and the National Credit Regulator to consider and find remedies for the poor market conduct practices by some credit providers, particular regarding unsecured lending. This work has included reviewing affordability assessment guidelines, the use of emolument attachment orders, credit life insurance, and the need for more consumer financial education.

1.5 Our hope is that our submission will contribute to Parliament's consideration of this important matter and serve to reinforce an effective and fair policy and regulatory framework for consumer credit in South Africa.

2 NATIONAL CREDIT ACT AND HOME LOANS

Standard Bank took the opportunity afforded by the DTI's review of the consumer credit policy framework to reflect on how the introduction of the National Credit Act has impacted on home loans. We have found that, unfortunately, despite its many benefits and successes, the NCA has had some unintended consequences for home loans.

We would like to request that Parliament considers a full review of the NCA from the specific perspective of the home loans and role of housing finance in the economy and social development.

2.1 Given the importance of home ownership as a policy goal, we would like to highlight some of the challenges that Standard Bank has experienced. It is our view that the current regulatory framework does not adequately recognise the complexities of housing finance. The slowdown in home loans is deeply concerning to Standard Bank.

2.2 Our mortgage lending over the past four years clearly reflects our desire to facilitate access to housing. We have financed approximately 10,000 new homes in the Affordable Housing segment and have increased our mortgage lending book by R50.2bn. Our market share is now 29%. However, over the past four years, the cumulative growth rate for mortgage lending has slowed in comparison to the previous period, coming in at under 3% annually. This concerns us because a shrinking rate of mortgage growth in a developing economy adversely affects access to housing and has adverse knock-on effects on the wider economy. Our concern has led us to explore reasons behind the slow growth rate, with a view to understanding and creating awareness of the current and future risks facing mortgage lenders.

2.3 Banks are subject to strict prudential regulatory requirements in order to protect depositors, and to promote financial stability in the economy. These prudential requirements directly shape how banks manage their lending business, including how banks have to assess and manage credit risk. For banks, the regulatory framework for consumer credit is made up of both the NCA and the regulations pursuant to the Banks Act. Credit providers that are not licensed banks are not subject to these prudential rules.

2.4 The basis of the prudential rules for South African banks is the Basel III Capital Accord which was finalised by the Basel Committee on Bank Supervision following the global financial crisis. South Africa is a member of this international regulatory body and supported the strengthening of these prudential requirements following the crisis. Basel III not only requires banks to hold more capital, it also introduced new requirements regarding the liquidity of a bank's reserves. These new liquidity requirements have profound implications for banks engaged in mortgage lending. In essence, if banks finance a home loan over a twenty or thirty year period, they need to have twenty and thirty year deposits to match the term of the loan. This is referred to as 'term matching'. The ability to secure long-term deposits is constrained by the

relatively low levels of savings in the South African economy, and for South African banks to meet the new liquidity requirements they will need to raise funds externally. This is expensive, and the result is an increase in the cost of funding for banks, which in turn affects the costs of longer-term loans, such as mortgages.

2.5 South Africa was one of only seven countries to implement Basel III on 1 January 2013, ahead of the United States and the European Union. As more local banks turn to offshore markets to obtain the required term funding, the cost of funding is expected to increase further. With a limited supply of funds within the South African economy, and higher prices and demand, the ability to raise enough funding to meet the needs of the existing mortgage loan book will be restricted; resulting in credit providers having to reconsider any new lending carefully, as well as the sustainability of home loans lending over the longer term. If banks are unable to meet the demand for mortgage loans owing to these regulatory restrictions, we may see a slowing down of the property market. This would drive property prices downward, causing a negative wealth effect for many South Africans which would, in turn, exert downward pressure on growth.

2.6 Owing to the higher capital requirements of Basel III, and a reduction in the supply of matching longer-term funding, we were forced to revisit our overall mortgage lending strategy and to be more selective in the extension of finance; focusing predominately on our own transactional customer base, with limited lending to non-banked customers. If the commitment to introduce further liquidity requirements remains in the prudential regulatory framework, we anticipate that the constraints and pressures will worsen significantly and this will further impact on mortgage lending growth, leading to a depressed property market and creating barriers for new entrants into the housing market.

2.7 Discussions regarding the economic impact of global financial regulatory standards such as Basel III on developing economies are continuing to consider ways to reduce the negative, unintended consequences. However, South Africa is often a policy-taker in respect of international regulatory standards for the financial sector. The achievement of our national goals, like more South Africans owning their own homes, will require us to consider what other policy and regulatory mechanisms are more fully within our control.

2.8 ***We believe that lending for the purpose of buying a home has been discouraged as a result of the interplay between certain unintended consequences of the NCA and of the Basel III liquidity requirements***. We would therefore like to use the opportunity provided by the amendment of the Act to consider how it could be amended to better support mortgage lending and home ownership.

2.9 We submit that one element of the NCA that should be considered in terms of supporting home loans is the current 'one-size-fits-all' approach to regulating the consumer credit market. This approach does not sufficiently differentiate between types of credit providers; or between types of credit agreements. The design of the regulatory framework was, to a very large extent, informed by the need to prevent the market abuses prevalent in the micro-lending sector. Preventing such abuses was – and remains - an unarguably important goal. However, the absence of adequate differentiation in the Act between very different types of lending has resulted in unsecured lending being incentivised over secured lending.

2.10 Mortgage agreements are traditionally for a 20 to 30 year term. The typical length of a home loan agreement sets it apart from other types of lending. It alters the impact of debt review, the *in duplum* rule, and various other elements of the NCA, on both the customer and on the bank. Over twenty to thirty years, a bank's cost of funding can change for many different economic and business reasons. Under the NCA, a bank's inability to change the interest rate offered to a customer when the price paid by the bank for its own funding changes, means that the initial agreement signed for a twenty or thirty year period must take into consideration all the current and potential market dynamics, customer risks and regulatory factors for the following 20 years to 30 years. The results of this rigidity are (1) increased risk aversion among mortgage lenders, which puts upward pressure on the price of mortgages and (2) an automatic reduction in the affordability of all mortgages as the reference interest rate increases. Both of these outcomes restrict access to home ownership. If a bank does not take this conservative approach to home loans, its lending business will not be sustainable (and it may even make a loss) which will make it difficult to remain in this market. A withdrawal from the home loans market by a major bank would severely reduce the options available to new buyers, and potentially severely depress the housing market.

2.11 Affordability Assessment Guidelines

The proposed Affordability Assessment Guidelines are not being discussed by Parliament. However, Standard Bank would like to bring to Parliament's attention the negative consequences that the current proposals will have for housing finance in the lower-income market.

Standard Bank has modelled the effects of the NCR's Affordability Assessment Guidelines. While the results indicate a minimal impact on unsecured lending, there is a larger impact on secured or asset-backed lending resulting in fewer successful credit applications. This is especially marked in relation to Standard Bank's Affordable Housing product where the application of the Guidelines would result in **a twenty percent fall in the number of successful applications for home loans.** The bank's experience is that the customers making use of the Affordable Housing offering have a strong record of meeting their repayment commitments. Given the importance of promoting home ownership in South Africa, Standard Bank believes that restricting access to housing finance to such customers would be an undesirable outcome of the introduction of the Guidelines.

2.12 The role of the NCA in supporting home ownership

The National Development Plan calls for a national discussion on the future of funding of housing in South Africa, and on the respective roles of the state, the private sector and individual households. Standard Bank believes that the role of the regulatory framework for consumer credit needs to be a central aspect of this national discussion on housing finance.

3 DEBT REVIEW

Standard Bank asks Parliament to ensure that the NCA facilitates an effective debt review system that works to expeditiously rehabilitate over-indebted consumers.

Unfortunately, Standard Bank's experience has been that debt review is not always meeting its statutory objectives in practice due to a combination of (i) severe capacity and process constraints in the system, particularly in Magistrates Courts, (ii) misinterpretation of, and failure to enforce, certain provisions of the NCA, and (iii) deficiencies in the application of the process by debt counsellors and credit providers.

Standard Bank asks Parliament to consider the likely consequences of the proposed amendments to Sections 86 and 129 of the NCA, and that Parliament does not support these amendments as these are likely to exacerbate the current deficiencies in the debt counselling system.

3.1 Standard Bank fully supports the need for debt relief mechanisms that are accessible and viable. We would add that such mechanisms need to be fair and need to work efficiently to the benefit of both consumers and credit providers.

3.2 Rehabilitation is preferable to repossession or foreclosure. It is in the interests of both a credit provider and a customer to rehabilitate a customer struggling to meet their obligations and retain that person's business in the future. Prior to the NCA, there was a significant gap in the debt relief and rehabilitation framework which was addressed by the introduction of the debt review process.

3.3 The introduction of debt review was an important innovation, and as a new concept it was to be expected that challenges would be experienced with its practical implementation. Unfortunately, the process has not always fulfilled its intended policy function. After more than five years of debt review, there is a large body of knowledge on the efficacy of this approach to rehabilitating over-indebted customers. One of the central challenges is the current inefficiency of the process.

3.4 These problems have had a negative impact on the bank's lending business; enforcement of debt obligations; operations; and the bank's balance sheet. There has also been a wider impact on credit provision within the economy. The inefficiency, and in some cases abuse, of the debt review process have a negative impact on the prospects of debt recovery, especially in cases where a successful outcome to debt review is improbable from the outset. We have found that there is a close correlation between speed of debt enforcement and the percentage of debt that is ultimately written off. The negative impact on the enforcement of obligations is made worse by the fact that the termination rights for credit providers in the Act can be difficult to exercise in practice.

3.5 The consequences of the manner in which debt review has been implemented has been – perversely - an increase in credit risk, as well as restrictions in credit access for marginal borrowers, an increase in the cost of credit to provide for the likelihood that the losses on lending will increase, and a re-engineering of products aimed at

ameliorating this problem rather than aimed at innovation and improved customer value.

3.6 We fully believe that debt review should be retained in the legislation; however we believe that amendments are required to deal with interpretational difficulties, ambiguities, inconsistencies, and gaps. Further, we strongly believe that the role of voluntary mechanisms needs to be given further consideration. A faster debt review process is beneficial for both customers and banks.

3.7 The regulatory framework should provide for debt re-arrangements to be possible in situations where a customer is over-indebted without the need to burden the courts.

3.8 The current approach to debt review, with a reliance on Magistrates Courts, places an additional burden on the judicial system in the country. However, Standard Bank suggests that serious consideration be given to alternatives to the judicial debt review process, especially in the short- to medium-term. The benefits of judicial oversight and endorsement of debt re-arrangements needs to be weighed against the direct and indirect costs arising from an inefficient process borne by both consumers and banks.

3.9 The manner in which debt review currently functions is in our view another impediment to housing finance and Standard Bank proposes a re-evaluation of debt review from this perspective.

3.10 Clause 17 – Amending Section 86(10) of the NCA – *Application for debt review*

Standard Bank does not support the proposed amendment to Section 86(10).

The proposed amendment will have the effect of further delaying the consumer's rehabilitation, as the debt review process may not be terminated until heard by the courts. It is our experience that the court process is often subjected to postponements and delays. This represents a risk to the consumer whose indebtedness will not be alleviated during this time, and indeed may even be exacerbated.

We have found that not all consumers act with good faith during the debt review process, and there may be recalcitrant consumers who will exploit this provision to avoid repaying their debt obligations as the credit provider will not be in a position to commence enforcement proceedings while the debt review application is pending.

The effect of the proposed amendment is to reduce the credit provider's ability to terminate debt review for a customer who is in default. This is especially problematic in respect of secured or asset-backed lending as such a customer would be able to continue to enjoy the benefits of a vehicle or house without meeting their repayment obligations; during this time the asset also depreciates in value.

Regard must be given to Section 88(3) of the NCA which contemplates that a credit provider may still exercise or enforce by litigation or other judicial process any right or security under that credit agreement if *"(a) a consumer is in default under the credit agreement*". In its current form the proposed amendment may result in conflict between the provisions in practice and create interpretational difficulties.

3.11 Clause 20 – Amending Section 129 of the NCA - Required procedures before debt enforcement

Standard Bank believes that this draft amendment may have serious and harmful consequences for consumers, and recommends that the proposal is reconsidered.

It is our understanding that the effect of this amendment will be to make it impossible for a customer to bring his or her account up to date, and thereby cure the default and retain his or her vehicle or home. The proposed amendment removes the incentive that the customer had to remedy the arrears, and will result in credit providers instituting enforcement actions which could have been avoided. This seems to be contrary to the spirit the NCA.

It is submitted that the clause as currently drafted is contradictory. It appears to imply that "before termination" a credit provider may "revive" the credit agreement. However, before termination the agreement is still in full force and effect. It is unclear what the term "revive" means. It is recommend that the words "*and revive such credit agreement by not effecting termination of such agreement*" be deleted.

We are of the view that section 86(10) should remain as it currently stands; with section 86(11) providing the consumer with the required recourse against the action of the credit provider.

Standard Bank supports the proposals submitted by the Banking Association of South Africa in regards to improving the functioning of the debt review system for all parties.

4 *IN DUPLUM*

Standard Bank would like to request that Parliament uses the opportunity afforded by this amendment process to ensure that the meaning and intention of Section 103(5) is made clear. There have been interpretational difficulties experienced in respect of Section 103(5) of the NCA and the statutory application of the 'in duplum' rule.

Standard Bank proposes that Section 103(5) is amended as follows:

Insert in the definition section of the NCAB a definition of 'default'-
"Default means the non-payment of one full payment, as agreed to under the credit agreement, by the consumer to the credit provider."

Insert in section 103, after subsection (5):
(1) The default referred to in section 103(5) is remedied where:
The consumer pays all outstanding amounts under the credit agreement;
The consumer makes three consecutive instalment payments to the credit provider;
The consumer's outstanding debt under the credit agreement has been rearranged by a debt counsellor; or
The consumer's outstanding debt under the credit agreement has been rearranged by the credit provider and consumer.

Where the default is remedied, the calculation of accrual, as contemplated in section 103(5) shall cease.

Default in the context of Section 103(5) should be defined as one full missed payment. Default should be deemed to be cured in the following circumstances: The customer clears the arrears; where s/he does not clear the arrears, but makes three consecutive payments of the required instalment; where the debt is re-arranged and the consumer's position is regularized, either within debt review or through another more informal debt rehabilitation mechanism in place at a bank.

4.1 The common law *in duplum* rule provides that "interest stops running when the unpaid interest equals the outstanding capital amount". Section 103(5) of the NCA has been subjected to various interpretations since the introduction of the Act. This led to litigation and a declaratory order from the Supreme Court of Appeal. Unfortunately, the SCA's interpretation of the provision in the statute represents a specific impediment to housing finance.

4.2 Providers of housing finance need to be able to offer customers who are experiencing temporary cash flow problems, or who have breached a condition of their agreement, a clemency in their agreement through a debt restructure process. The purpose of a restructure is to enable our customers to get themselves back on their feet or to correct the breach, whilst remaining in their home.

4.3 Over the last four years, we have managed to keep over 35,000 customers in their homes through restructures. We would like to be able to continue offering more customers the opportunity of keeping their homes during hardship. However, the application of the *in duplum* rule to a mortgage restructured under debt review or any other form of rehabilitation effectively limits a bank's ability to recover the real value of the loan.

4.4 We therefore propose that a debt re-arrangement agreement or order should in future be considered as a cure of the default. Thus, as long as the customer performs in terms of this debt re-arrangement agreement, *in duplum* does not apply. If the customer does not perform in terms of this agreement, then the *in duplum* rule should come into effect, from the date of default under the restructured agreement.

4.5 According to Section 103(5) of the NCA, the interest and fees accruing during the time that a consumer is in default under a credit agreement may not, in aggregate, exceed the unpaid balance of the principal debt under that credit agreement as at the time that the default occurs. If a default occurs, and a court subsequently extends the term of the loan as part of a debt restructuring order, the credit provider maintains the credit relationship for the extended period as required for the loan obligations to be met. The default that arose prior to debt review may thus be said to persist until the arrear portion of the loan is eventually settled, or the principal debt is repaid.

4.6 It is proposed that a debt re-arrangement agreement or order is considered as a cure of the default, so that as long as the customer performs in terms of this agreement *in duplum* does not apply. If the customer does not perform in terms of this agreement, then the *in duplum* rule should apply.

4.7 We urge Parliament to revise Section 103(5) of the NCA to provide clarity on when default occurs and when default is cured, for the purposes of calculating *in duplum*, and preferably for the NCA to be amended appropriately such that the rule is unequivocal. Greater clarity on when default occurs and when default is cured would assist in addressing the interpretational difficulties.

5 CREDIT LIFE INSURANCE

Standard Bank requests that Parliament considers the appropriate legislative and regulatory mechanisms for regulating credit life insurance and preventing abusive practices.

Standard Bank suggests that the Short-Term Insurance Act and the Treating Customers Fairly supervisory approach are appropriate mechanisms to ensure that all providers of credit life insurance, and not only credit providers, are subject to enhanced requirements in respect of disclosure and fair conduct.

Standard Bank does not support explicit price controls for credit life insurance. Instead we propose that the National Credit Regulator uses its existing authority in terms of Section s106 of the NCA. In addition, we believe that it is essential that there is a common regulatory standard for all providers of credit life insurance not just credit providers and as such there needs to be alignment between the NCA and the Short-Term Insurance Act. Finally, Standard Bank supports enhanced disclosure requirements to customers on these products.

5.1 The NCAB does not specifically include provisions related credit life insurance, and it is our understanding that the NCR will introduce new requirements for credit life insurance in a code of conduct in terms of the amended Section 48(1) of the Act. Standard Bank has also noted the concerns that have been expressed by members of the Portfolio Committee about credit life insurance. As such, we have included our views on the issue in this submission.

5.2 Standard Bank appreciates the concerns that have been raised about the cost of credit life insurance and the potential role that this might have played in contributing to over-indebtedness. We have participated in the Financial Services Board's review of credit life insurance and await its proposals for ensuring that this product is offered to customers in a transparent and fair manner.

5.3 Standard Bank does not support the introduction of a cap on premiums for credit life insurance. Whilst we understand and fully support the concerns that have arisen regarding the need to treat customers fairly, we believe that a premium cap and prescribed minimum benefits are problematic because credit life insurance is a useful product for customers to manage their own risks and protect their credit records. It is also an important element of banks' credit risk management because loss ratios are not static and therefore a capped premium rate would not be sufficient to cover the risk. This may result in restricting access to credit by lower-income groups, irrespective of affordability.

5.4 Further, Standard Bank is concerned that regulating credit life insurance premiums through a code of conduct issued under the NCA would not regulate non-credit providers who sell credit life insurance. The regulation of credit life insurance should

not be limited only to credit providers, but should cover all providers of this product to consumers.

5.5 It would be unfortunate if the effect of the introduction of a premium cap takes away the customer's choice to buy additional cover, or to choose a policy with additional benefits. The NCR's proposed requirements are silent on the issue of customer choice in this regard. Customers should be allowed to purchase additional cover, over and above the minimum cover proposed, where affordability is not an issue. Where the customer makes the choice to purchase additional cover, at a rate above the cap, such a rate should not be considered as unreasonable.

5.6 We do not agree with the NCR's proposal to prescribe minimum benefits at a maximum premium. Currently, Standard Bank offers various credit life insurance products at different rates based on different features and types of cover provided. For example, we offer policies that cover dread disease and temporary disability in addition to the proposed minimum cover. By limiting credit insurance to permanent disability, death and retrenchment benefits, we believe that a large portion of a consumer's risk may not be properly addressed, leaving such consumers exposed.

5.7 The NCR's proposal that any existing credit life premiums in excess of the proposed cap would need to be reduced accordingly will result in both premiums and cover on existing products needing to be reduced. This would be unfair to those customers who have been paying higher rates for greater levels of cover. It will also impact on credit risk as the initial credit assessment would have been based on a higher level of cover and risk mitigation. As a consequence, the price of the credit granted may need to be adjusted accordingly. Standard Bank strongly recommends that if the proposed premium cap is implemented it should apply only to new business, and should not apply retrospectively.

6 *REMOVAL OF ADVERSE INFORMATION*

Standard Bank has concerns about the impact of the removal of adverse information from credit records on the functioning of the credit market. Standard Bank would like to propose some specific revisions to Clauses 12 and 13 of the NCAB to address some of these concerns and to ensure that the intent and meaning of the relevant provisions is unequivocal.

6.1 While Standard Bank understands that adverse credit records are sometimes used to restrict access to economic opportunities including jobs; we do not support the proposed credit information amnesty in its current form.

6.2 Standard Bank believes that the deletion of any credit information may have adverse long-term effects on the functioning of the credit market and on access to credit. In the absence of reliable information regarding a customer's credit history, credit providers will tend to take a more conservative approach to the granting of credit. This is particularly the case for banks which must also manage their credit risk in accordance with strict prudential regulatory requirements that are set by the SARB in alignment with international regulatory requirements. The information held by bureaux assists credit providers to better measure credit risk which in turn facilitates

responsible lending. Rating agencies have also expressed concern about the proposed amnesty and indicated that banks may be downgraded as a result. This would result in an increase in the cost of banks' funding, and thus to an increase in the price of credit extended to consumers.

6.3 The proposed amnesty may ultimately result in a contraction of lending by banks with negative consequences for economic growth. Such an amnesty would be likely to reduce the supply of credit; raise the cost of credit and ultimately place more South Africans under unsustainable debt burdens, harming them as individuals and damaging the economy as a whole.

6.4 There may also be an increase in consumers turning to unregulated credit providers and to 'shadow banks' which are not subject to the same strict requirements for managing credit risk.

6.5 Standard Bank supports measures aimed at consumer protection and fair market conduct. We believe that the proposed amendments to the National Credit Act, as well as the introduction of new Affordability Assessment Guidelines, will mean that no further credit information amnesties are required. We are concerned that repeated amnesties send the wrong signals to consumers, and as such do little to encourage responsible borrowing.

6.7 Standard Bank would welcome an opportunity to engage further with government on other solutions to address concerns about the impact of adverse credit records.

6.8 Proposed revisions to aide interpretation and implementation

6.8.1 Clause 12 of the NCAB – Amending Section 71 of the NCA - *Removal of record of debt adjustment or judgment*

It is unclear from the provision what "*current obligation*" precisely refers to. It could refer to an obligation under the original credit agreement or to the restructured obligation under debt review. It is proposed that a consumer should only be afforded a clearance certificate once they demonstrate the ability to revert to the original contractual obligation under the original credit agreement.

In order to address the uncertainty referred in the comment above, it is recommend that the following wording is added at end of (1)(b) "*that was subject to that debt re-arrangement order or agreement.*"

6.8.2 Clause 13 of the NCAB – Amending Section 71A of the NCA - *Automatic removal of consumer credit information*

It is proposed that the NCAB provide an explicit definition for '*adverse information*' as follows:

"Adverse information includes:

(a) 'adverse classification of consumer behaviour' which means classifications relating to consumer behaviour and includes a classification such as "delinquent", "default", "slow-paying", "absconded", or "not contactable"; and

(b) 'adverse classification of enforcement action' means classification relating to enforcement action taken by the credit provider, including a classification such as "handed over for collection or recovery", "legal action", or "write-off"."

It is recommended that the above section substitute section 71A(4) of Clause 13 of the NCA Bill.

We submit that the proposed amendment appears to be at odds with Regulation 17 of the NCA which deals with retention periods for credit bureau information and request Parliament to ensure there is no inconsistency between the amended NCA and Regulation 17.

6.8.3 Clause 14 of the NCAB – Amending Section 73 of the NCA - *Verification, review and removal of consumer credit information*

Our comments on Clause 13: Section 71A also applies to Clause 14 of the NCAB.

7 CONCLUDING REMARKS

Standard Bank is fully committed to lending responsibly and we welcome the opportunity to engage with Parliament on ways to promote fair conduct and a well-functioning consumer credit market. We trust that this submission contributes towards the development of an effective regulatory framework for consumer credit that supports the achievement of our national development goals.