CREDIT OMBUD
Enforcing Fairness in Credit and Credit Bureaux Matters

2023/4 ANNUAL REPORT

DOORWAYS, GATEWAYS & PORTALS

NFO
National Financial Ombud Scheme
South Africa


CELEBRATING
20 YEARS OF
OPEN-DOOR
POLICIES.

As the saying goes, "when one door closes, another door opens" and this is true of the Credit Ombud, past, present and future. Of course, the CO has always maintained an open-door policy, allowing consumers free access and entry to help resolve their disputes with credit providers. Naturally, much the same can be said of the credit providers who have made use of our services over the years.

The "Doorways, Gateways & Portals" theme of this Annual Report, the 20th, has added resonance however, as 2023 was the year that the people of the Ombud began a much-anticipated transition: our merger with our 3 fellow financial Ombud schemes to form the single unitary National Financial Ombud (NFO) – meaning that this is the final standalone report of its kind.

To add further weight, this Annual Report is a bumper edition, covering as it does an unusual 14-month reporting period, extending to the end of February 2024.

As you will see, in its final act, the Credit Ombud has once again proudly lived up to our core values, mission statement and mandate while retaining our loyal staff (no revolving doors involved) and our liquidity, with a clean audit.

You can read about all of the above in great detail in this report by turning the page and opening the door!


“Preconceived notions
are the locks on the
door of wisdom.”
Mary Browne

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EXECUTIVE SUMMARY

This year we are celebrating 20 years since the establishment of the Credit Ombud in 2004. This is the final Annual Report of the Credit Ombud as we became one of the founding members of the National Financial Ombud Scheme (NFO). As we close the door on the illustrious history of the Credit Ombud we stand at the portal of a bright new future in the NFO.

Much of our management time over the year was invested in ensuring that the amalgamation process was smooth. On 1 March 2024 the NFO was launched and started its operations. The NFO brings together the Ombud for Banking Services, the Ombud for Long-term Insurance, the Ombud for Short-term Insurance and the Credit Ombud.

The Ombud Council granted its recognition to the NFO as an “Ombud with Jurisdiction” with a new set of Rules and the Memorandum of Incorporation as a non-profit company with effect from 1 March 2024. At the same time the recognition of the Credit Ombud was revoked on 29 February 2024. The Ombud Council placed a condition of recognition on the NFO to ensure that all open complaints in the Credit Ombud are completed by the NFO.

The Annual Financial Statements in this report are for a 14-month period ending on 29 February 2024. Our total revenue over this period was R14.74 million and expenditure was R13.45 million leaving a surplus of R1.28 million. This is evidence of the prudent management of our finances.

In this report we present a detailed analysis of the statistics over the past year. Over the year we dealt with 27 197 calls in our contact centre. This resulted in 15 140 general enquiries, and we opened 1939 new cases and closed 1970 cases in this period. This reveals a significant decline in the number of cases opened and closed. Over the year, 66% of the disputes were settled in favour of the consumer and the monetary value of the savings received by the consumers were R 4.9 million.

The Credit Ombud has a mandate to contribute to consumer awareness. Over the year, we produced 15 press releases and conducted 55 workshops in all provinces. We also conducted 135 radio interviews and 16 interviews on television, and 285 articles were published in the print media. This resulted in an AVE of R32.7 million.

We also present the governance report, and the Council members actively participated in the meetings to ensure that we complied with the effective governance and management of the Credit Ombud.

CHAIRPERSON'S FOREWORD

"When one door closes, another opens. But we often look so long and so regretfully upon the closed door that we do not see the one that has opened for us."

Alexander Graham Bell

THE CLOSING OF A FAMILIAR DOOR

With 15 years of experience at the Credit Ombud, and 8 years as Chairperson, **Tefo Raditapole** was ideally placed to usher the scheme from the exit door to a new portal, and a new home as part of the consolidated National Financial Ombud.

This is the final annual report of the Credit Ombud. I joined the Council 15 years ago as a Council member, and have led the Credit Ombud since 2015 as Chairperson of the Council. I, and all my colleagues who have worked with me over the years, have strived to deliver an organisation that resolves disputes between consumers and credit providers, effectively and efficiently. We have proven over the years that we can deliver on this mandate.

On 1 March 2024, the National Financial Ombud Scheme South Africa (NFO) was launched and has taken over the operations of the Credit Ombud, the Ombudsman for Banking Services, the Ombudsman for Short-term Insurance, and the Ombudsman for Long-term Insurance. The amalgamation of the four Ombuds came after a lengthy process of intense negotiations between the entities and consultations with the regulators.

The National Treasury published its first policy document – "A Known and Trusted Ombud System for All" – in 2017. This was the precursor to the amalgamation. The policy was followed by the implementation of the twin peaks legislation which led to the creation of the Ombud Council as the regulator of the Industry Ombud Schemes, from November 2020.

The World Bank Diagnostic Team published its report titled "South Africa – Financial Ombud System Diagnostic", in July 2021. The key recommendation was that the NFO should be established as a non-statutory body, independent from government and industry. Inspired by this report, the Council of the Credit Ombud decided in November 2022 to support the amalgamation of the Credit Ombud with the other three voluntary industry Ombuds. The creation of the NFO relied heavily on the recommendations of this report in its design. The Rules and Governance Structures also follow most of the recommendations in the report.

I want to take this opportunity to thank the Ombud, Mr Howard Gabriels, and the company secretary, Ms Avitha Nofal, who very ably guided our organisation throughout this time of tremendous change. During the year Mr Lee Soobrathi left our organisation after 12 years of committed service. I want to thank him for his work and dedication to the Credit Ombud. I also acknowledge our staff, who embraced the changes that were introduced and remained committed to delivering on our key mandate to resolve disputes between consumers and our members in the credit industry.

Our management team built a positive working relationship with the Ombud Council. During the financial year, the Ombud Council conducted an on-site inspection, where we provided in-depth reports on our work.

The NFO was established on 1 March 2024. The Ombud Council recognized the NFO as an Ombud with Jurisdiction to deal with consumer complaints in the life and non-life insurance, banking and credit sectors. Recognition of the Credit Ombud was withdrawn on 29 February 2024 and the Ombud Council placed, as a condition of recognition on the NFO, the finalisation of the remaining complaints on the legacy systems of the previous Ombuds. In the first few months of the NFO's operations, we can already see benefits of this new organisation in delivering an improved service to consumers and financial sector participants.

This year we report on a 14-month period from 1 January 2023 until 29 February 2024. I am happy to report that we again received a clean audit and secured a small surplus due to the prudent way we managed our finances. The 14-month report is due to the amalgamation of the four Ombuds resulting in the establishment of the NFO on 1 March 2024.

I confirm that the Credit Ombud complies with all financial sector laws and regulatory obligations, including section 217(1)(a) of the Financial Sector Regulation Act, 2017 (FSRA). I also confirm that the Credit Ombud Council, in accordance with our Constitution, ensures compliance through its strategic monitoring of all activities of the Credit Ombud. Finally, I want to express my appreciation for the Council members over the past year. Your steadfast guidance and support helped to place the NFO on a solid foundation.

TEFO RADITAPOLE
Chairperson of the Credit Ombud Council

OPERATIONAL REPORT

"I find that when you open the door towards openness and transparency, a lot of people will follow you through."

Kirsten Gillibrand

KEEPING THE HINGES OF THE SCHEME WELL-OILED

While much of the reporting year was spent preparing for the imminent amalgamation, day-to-day operations at the Credit Ombud still needed to be well-maintained and operating smoothly for all concerned, as **Howard Gabriels** can attest.

This is the final Annual Report of the Credit Ombud. It is indeed a bittersweet moment. As we close the door on the Credit Ombud there are many fond memories of peaks and valleys of the journey we travelled over the past 20 years. At the same time, we stand at the door of a bright future for both the credit industry and consumers of credit. We also celebrate the establishment of the National Financial Ombud Scheme (NFO) which was launched on 1 March 2024.

Central to our work over the past year was the amalgamation of the four voluntary industry Ombud schemes – The Ombudsman for Long-term Insurance (OLTI), The Ombudsman for Short-term Insurance (OSTI), the Ombudsman for Banking Services (OBS) and the Credit Ombud (CO). In July 2021 the National Treasury published a report prepared by the World Bank Diagnostic Team, titled "South Africa – Financial Ombud System." The recommendations in this report guided the work of the four schemes to create the NFO. The Council of the Credit Ombud in November 2022 took a resolution to support the establishment of the NFO. National Treasury published their policy document in February 2024, which broadly supported most of the recommendations of the World Bank Diagnostic Team's report. The management team participated in nine different committees to address the policies and procedures required in all aspects to ensure the smooth operation of the NFO. The major achievements during this financial year in respect of the establishment of the NFO, include the following:

- On 1 April 2023 we moved into our new joint offices at 110 Oxford Road in Rosebank.
- The NFO was registered as non-profit company without members with CIPC and the new Board of Directors was appointed. Mr Tefo Raditapole and Ms Thandiwe Zulu from the Credit Ombud were appointed as independent members of the new board.
- We finalized the Memorandum of Incorporation, and the Rules which were duly approved by the Ombud Council.
- We established the organisational structure and related HR policies with the assistance of the HR consultants. This was a very time-consuming exercise, but eventually we were able to transfer all staff from the four Ombuds to the NFO.
- We established the operational procedures in terms of the new Rules and introduced a new case management system.

The NFO was granted recognition in terms of section 194 of the Financial Sector Regulation Act of 2017 with effect from 1 March 2024. The Ombud Council also revoked the recognition of the Credit Ombud at the end of February 2024. One of the conditions of recognition of the NFO is that it must process consumer complaints that were recorded on the legacy systems of the predecessor schemes. During the year the Ombud Council conducted an on-site inspection of the Credit Ombud. It would be appropriate to thank the Chief Ombud, Leane Jackson, for her support in making the application for recognition of the NFO.

During the year we continued to build our relationship with the National Credit Regulator (NCR). We held two meetings to review the operations and implementation of the Memorandum of Understanding. In addition, we held a meeting with the senior management of the NCR to discuss broader developments in our sector. We also had several meetings with National Treasury.

The Ombud also met with more than 70 members individually. This is an important activity to share with our members the progress we make in the Credit Ombud and to strengthen our ability to resolve consumer complaints. On behalf of the Credit Ombud, I want to thank the staff in our member organisations who play a crucial role in resolving complaints. We also had several meetings with the industry bodies that are representatives of the members. These included meetings and participation in workshops with Micro Finance South Africa, and meetings with both Large Non-Bank Lenders Association and the National Clothing Retail Federation.

Elsewhere in the Annual Report we present the statistics for 2023 in more detail. One of the issues of concern is that in this financial year we observed a significant decline in the number complaints received by the Credit Ombud. In 2023, we received a total of 27,197 calls from consumers, who sought advice and assistance by contacting our call centre. This resulted in our call centre agents recording 15,140 general enquiries. We opened 1,939 new cases during the period and closed a total of 1,970 during the period. The average number of days to close a dispute was 63 days. Over the year 66% of the disputes were settled in favour of the consumer and the monetary value of the savings received by the consumer were R 4,9 million. The results of the Customer Satisfaction Survey indicate that 83% of our consumers were satisfied with the quality of service they received from the Credit Ombud and 87% said that they would refer a friend or family member to use our services.

The Credit Ombud's mandate included an important role in consumer education in the financial sector. Our focus was especially on educating consumers on their rights and responsibilities emanating from the National Credit Act of 2005. Ensuring fairness in the credit industry means that well informed consumers will be a real benefit for the sustainability of the sector. In our consumer education activities, we participated in several fora and with a multitude of partners to ensure our message reached as many people as possible. We would like to thank the NCR, the Departments for Economic Development in the various provinces, the other Ombuds and the Information Regulator for their activities to support our work to create consumer awareness.

During the period we published 15 press releases, and a total 285 articles were published in the print media. We conducted 132 interviews on radio and 16 interviews on television. The Advertising Value Equivalent (AVE) this generated was R32.7 million. During this period, we conducted a total of 55 workshops in all nine provinces. Our presence on the social media also grew to over 5 500 followers.

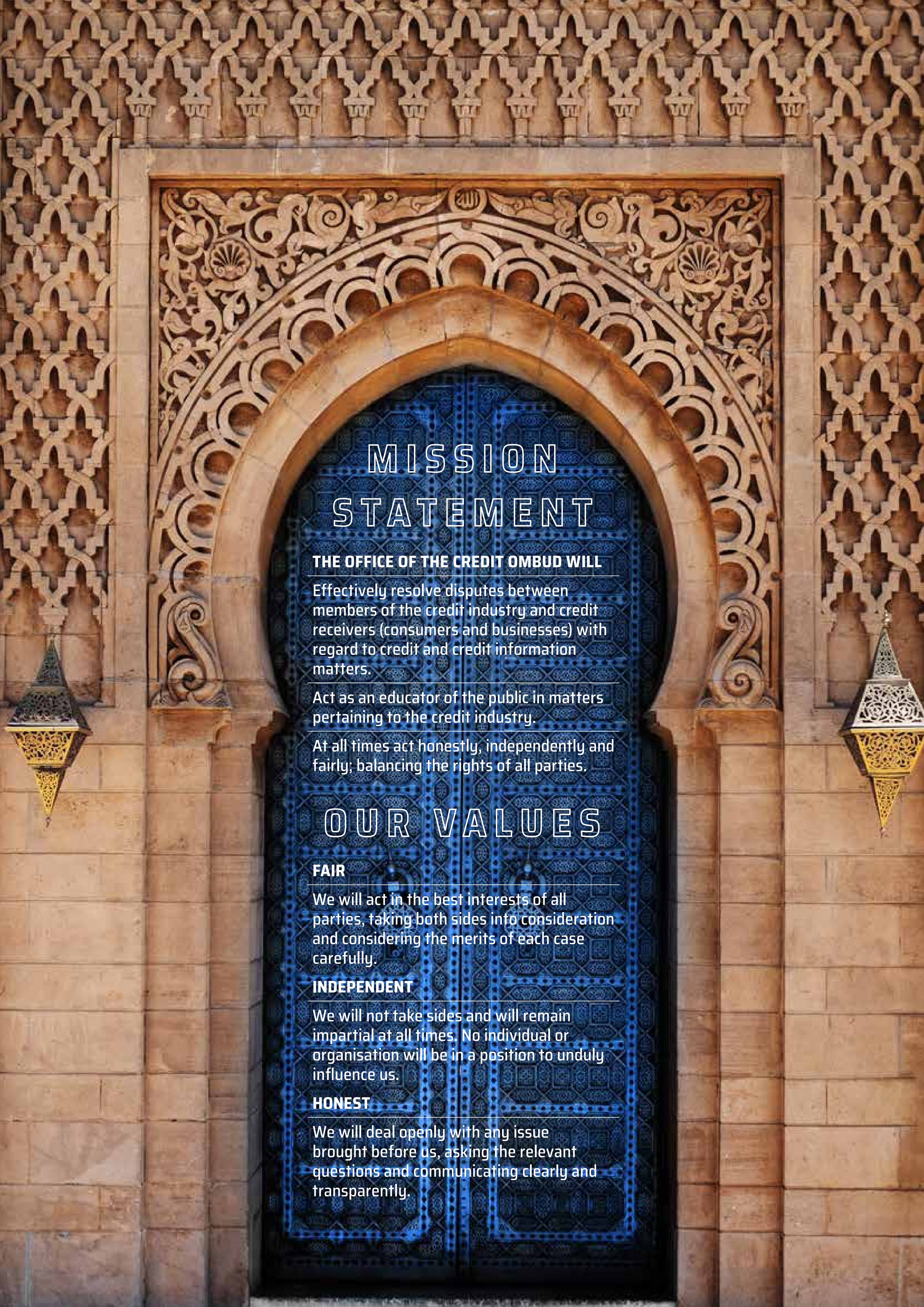
Included in this report is the audited annual financial statements for the period of 14 months ending on 29 February 2024. Originally, we were hoping that the amalgamation would take place on 1 January 2024, but unfortunately this was delayed until 1 March 2024. Over the 14 months we secured a surplus of R1 282 723, which is evidence of the prudent manner in which our management team dealt with the finances of the Credit Ombud.

Finally, I want to thank our Chairperson, Mr Tefo Raditapole, for his support and guidance during the past year. His counsel was very valuable as we navigated the negotiations to create the NFO. I also want to thank the members of the Council. In the governance report you will see that Council members diligently attended all meetings.

Let me also express my appreciation to staff and management team. Change is tough for staff members and through this process they remained loyal and supportive of our efforts to create the NFO, while still performing their tasks diligently on a day-to-day basis. I must pay tribute to our company secretary, Ms Avitha Nofal for her dedication and professionalism in the way she supported the Council and fulfilled all her other management functions. In July 2023, Mr Lee Soobrathi resigned from Credit Ombud after 12 years and took up the position of the Ombudsman at the Consumer Goods and Services Ombud. We are truly proud of his achievements and wish him well in his new role.

HOWARD GABRIELS
Credit Ombudsman

"When one door closes, another window opens."
Julie Andrews



MISSION STATEMENT

THE OFFICE OF THE CREDIT OMBUD WILL

Effectively resolve disputes between members of the credit industry and credit receivers (consumers and businesses) with regard to credit and credit information matters.

Act as an educator of the public in matters pertaining to the credit industry.

At all times act honestly, independently and fairly; balancing the rights of all parties.

OUR VALUES

FAIR

We will act in the best interests of all parties, taking both sides into consideration and considering the merits of each case carefully.

INDEPENDENT

We will not take sides and will remain impartial at all times. No individual or organisation will be in a position to unduly influence us.

HONEST

We will deal openly with any issue brought before us, asking the relevant questions and communicating clearly and transparently.

ANNUAL FINANCIAL STATEMENTS

Financial Statements for the 14 months ended 29 February 2024

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Ombudsman
Registered office	110 Oxford Road Houghton Estate Johannesburg 2198
Postal address	PO Box 805, Pinegowrie 2123
Bankers	Absa
Auditor	Infocus Auditors and Accountants Chartered Accountant (SA) Registered Auditor 1124 Pretorius Street Hatfield, Pretoria 0082
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of their Constitution and in line with the Companies Act 71 of 2008.
Issued	26 August 2024
Legal entity	Association of persons

2023/4

COUNCIL'S RESPONSIBILITIES AND APPROVAL

The council is required by the Constitution and in line with the Companies Act 71 of 2008, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the association as at the end of the financial 14 months and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The council acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the council to meet these responsibilities, the council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The council has reviewed the association's cash flow forecast for the 14 months ending 29 February 2024. Based on this review and the current financial position, they have concluded that the association will not continue its operations for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the association's financial statements. The financial statements have been examined by the association's external auditor and their report is presented on page 12.

Approval of financial statements

Chairperson

COUNCIL'S REPORT

The council has pleasure in submitting their report on the financial statements of Credit Ombud Association for the 14 months ended 29 February 2024.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Constitution and in line with the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior period.

Full details of the financial position, results of operations and cash flows of the association are set out in these financial statements.

2. Council

The council in office at the date of this report are as follows:

Council	Changes
TN Raditapole	
MJ Lawrence	
NN Zungu	
J Naude-Viljoen	
JM van der Merwe	Resigned, 12 July 2021
TP Zulu	
A Hlubi	
S Rudman	Appointed, 02 March 2022

3. Events after the reporting period

After the reporting date of the financial statements, it is important to note significant events that have occurred. The Ombud Council granted recognition, effective from 1 March 2024, to the National Financial Ombud Scheme (NFO) as an industry ombud scheme under the Financial Sector Regulation Act 2017. The NFO is an amalgamation of four predecessor voluntary industry schemes, namely the Credit Ombud Association (CO), The Ombudsman for Banking Services South Africa (OBS), The Ombudsman for Long-term Insurance (OLTI) and the Ombudsman for Short-term Insurance (OSTI), the consolidation aims to provide a simpler and stronger financial sector ombud scheme and address the National Treasury's call for a rationalisation of the financial ombud landscape.

The NFO officially commenced operations on 1 March 2024 marking a new chapter in financial dispute resolution in South Africa. CO ceased its operations on 29 February 2024.

4. Going concern

The council believes that the financial statements should be prepared on a liquidation basis rather than a going concern basis, as the association ceased all operations on 29 February 2024 and its mandate was transferred to the NFOSA. The council has confirmed that the association is no longer in a position to continue operations. They are also unaware of any new material changes, non-compliance with statutory or regulatory requirements, or pending legislative changes that might affect the association.

5. Auditors

Infocus Auditors and Accountants continued in office as auditors for the association for 2024.

INDEPENDENT AUDITOR'S REPORT

To the members of Credit Ombud Association

Opinion

I have audited the financial statements of Credit Ombud Association set out on pages 7 to 15, which comprise the statement of financial position as at 29 February 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 14 months then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Credit Ombud Association as at 29 February 2024, and its financial performance and cash flows for the 14 months then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Constitution and in line with the Companies Act 71 of 2008.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of the association in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The council is responsible for the other information. The other information comprises the Council's Report and the Statement of Comprehensive Income as required by the Constitution and in line with the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The council is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Constitution and in line with the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Infocus Auditors and Accountants
EJ Deyzel
Registered Auditor, Chartered Accountant (SA)

03 September 2024
Pretoria

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2024

Figures in Rand	Note(s)	**14 months ended 29 February 2024**	12 months ended 31 December 2022
Assets			
Non-Current Assets			
Fixed assets	2	330 762	2 142
Current Assets			
Trade and other receivables	3	11 801 951	876 989
Cash and cash equivalents	4	7 072 761	10 917 483
		18 874 712	**11 794 472**
Total Assets		**19 205 474**	**11 796 614**
Equity and Liabilities			
Equity			
Retained income		6 906 363	6 004 777
Liabilities			
Current Liabilities			
Trade and other payables	5	11 961 836	5 791 837
Provisions	6	337 275	–
		12 299 111	**5 791 837**
Total Equity and Liabilities		**19 205 474**	**11 796 614**

Financial Statements for the 14 months ended 29 February 2024

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	14 months ended 29 February 2024	12 months ended 31 December 2022
Revenue			
Membership fees		13 720 853	10 775 083
Other income			
Interest received		998 640	274 901
Cost recoveries		19 190	–
Other income		1 448	–
		1 019 278	**274 901**
Operating expenses			
Accounting fees		35 192	20 315
Advertising		144 840	115 813
Amalgamation costs		180 200	–
Annual reports		59 650	28 025
Auditors remuneration		53 710	48 336
Bank charges		16 029	12 779
Computer expenses		490 585	799 512
Consulting fees		67 800	30 475
Consumer education		47 091	108 695
Council fees & travel		431 818	314 966
Depreciation		64 685	5 439
Employee costs		10 550 027	8 619 652
Entertainment		35 256	9 362
Gifts and flowers		7 190	–
HRM services		36 859	33 120
Insurance		82 902	62 750
Membership fees		64 281	17 690
Office consumables		27 060	3 470
Printing and stationery		37 909	19 735
Rent paid		784 621	499 794
Security		–	10 334
Staff welfare		–	13 847
Telephone and fax		152 030	107 511
Training		56 436	29 726
Travel and accommodation		29 210	–
		13 455 381	**10 911 346**
Operating surplus		**1 284 750**	**138 638**
Finance costs		(373)	(16)
Loss on fixed asset		(1 654)	–
		(2 027)	**(16)**
Surplus for the 14 months		**1 282 723**	**138 622**

Financial Statements for the 14 months ended 29 February 2024

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Retained income	Total equity
Balance at 01 January 2022	**5 338 742**	**5 338 742**
Surplus for the year	**138 622**	**138 622**
Prior year corrections – VAT adjustments	527 413	527 413
Total changes	**527 413**	**527 413**
Balance at 01 January 2023	**6 004 777**	**6 004 777**
Surplus for the period	**1 282 723**	**1 282 723**
Prior year correction - VAT adjustments	(381 137)	(381 137)
Total changes	**(381 137)**	**(381 137)**
Balance at 29 February 2024	**6 906 363**	**6 906 363**

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	14 months ended 29 February 2024	12 months ended 31 December 2022
Cash flows from operating activities			
Cash (used in) generated from operations	7	(4 449 683)	1 282 815
Interest income		998 640	274 901
Finance costs		(373)	(16)
Net cash from operating activities		**(3 451 416)**	**1 557 700**
Cash flows from investing activities			
Purchase of fixed assets	2	(394 959)	–
Sale of fixed assets	2	1 653	–
Net cash from investing activities		**(393 306)**	**–**
Total cash movement for the period		**(3 844 722)**	**1 557 700**
Cash at the beginning of the period		10 917 483	9 359 783
Total cash at end of the period	4	**7 072 761**	**10 917 483**

ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Constitution and in line with the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Fixed assets

Fixed assets are tangible assets which the association holds for its own use and which are expected to be used for more than one period.

Fixed assets is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of fixed assets and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of fixed assets, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of fixed assets are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the association and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Fixed assets is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the association.

The useful lives of items of fixed assets have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 – 10 Years
Office equipment	Straight line	6 Years
IT equipment	Straight line	3 Years
Computer software	Straight line	3 Years

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of fixed assets, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

The association is taxed in terms of section 30 of the Income Tax Act, 1962, and the receipts and accruals are exempt from income tax in terms of 10(1)(cN) of the Act.

1.4 Trade and other receivables

Most membership fees are made on the basis of normal credit terms and the receivables do not bear interest. Where credits on accounts that received the benefits of the association extend beyond normal credit terms, receivables are measured at amortised cost using the effective interest method.

1.5 Trade and other payables

Trade payables are recognised when:

- the association has an obligation at the reporting date as a result of a past event; and
- the amount of the obligation can be estimated or confirmed reliably.

1.6 Revenue

Membership income are recognised as revenue once members are invoiced. Membership fees are invoiced yearly, based on the proportional amount as per the approved budget. When the inflow of cash and cash equivalents is deferred, the fair value of the consideration receivable is present value of all future receipts using imputed rate of interest.

Interest is recognised, in profit or loss, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	14 months ended 29 February 2024	12 months ended 31 December 2022

2. Fixed assets

	2024			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	305 434	(55 996)	249 438	–	–	–
Furniture and fixtures	89 525	(8 206)	81 319	330 000	(329 999)	1
Office equipment	–	–	–	30 690	(28 555)	2 135
IT equipment	135 021	(135 016)	5	985 741	(985 736)	5
Computer software	–	–	–	227 887	(227 886)	1
Total	**529 980**	**(199 218)**	**330 762**	**1 574 318**	**(1 572 176)**	**2 142**

Reconciliation of fixed assets – 2024

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	–	305 434	–	(55 996)	249 438
Furniture and fixtures	1	89 525	–	(8 207)	81 319
Office equipment	2 135	–	(1 653)	(482)	–
IT equipment	5	–	–	–	5
Computer software	1	–	–	–	–
	2 142	**394 959**	**(1 653)**	**(64 685)**	**330 762**

Reconciliation of fixed assets – 2022

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	–	1	1
Office equipment	4 066	(1 931)	2 135
IT equipment	3 514	(3 509)	5
Computer software	1	–	1
	7 581	**(5 439)**	**2 142**

3. Trade and other receivables

Accrued interest	30 783	25 654
Deposits	140 000	231 314
Prepayments	159 605	–
Staff loans	–	4 500
Trade receivables	11 471 563	215 387
VAT	–	400 134
	11 801 951	**876 989**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	14 months ended 29 February 2024	12 months ended 31 December 2022
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	2 142 226	782 759
Credit cards	2 300	–
Short-term deposits	4 928 235	10 134 724
	7 072 761	**10 917 483**

Figures in Rand	14 months ended 29 February 2024	12 months ended 31 December 2022
5. Trade and other payables		
Salary control account – Provident	44 799	89 396
Unutilised fees	9 497 390	–
Amounts received in advance	85 768	5 598 385
Salary control account	35 321	–
Operating lease liability	85 290	–
Supplier control account	50 581	104 056
VAT	2 162 687	–
	11 961 836	**5 791 837**

6. Provisions

Reconciliation of provisions – 2024

	Opening balance	Additions	Total
Leave provision	–	337 275	337 275

	14 months ended 29 February 2024	12 months ended 31 December 2022
7. Cash (used in) generated from operations		
Profit before taxation	1 282 723	138 622
Adjustments for:		
Depreciation and amortisation	64 685	5 439
Loss on sale of non-current assets and disposal groups	1 654	–
Interest received	(998 640)	(274 901)
Finance costs	373	16
Movements in provisions	337 275	–
Changes in working capital	(381 136)	527 414
Other non-cash items 2	(1 654)	–
Changes in working capital:		
Trade and other receivables	(10 924 962)	(555 781)
Trade and other payables	6 169 999	1 442 007
	(4 449 683)	**1 282 816**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	**14 months ended 29 February 2024**	12 months ended 31 December 2022

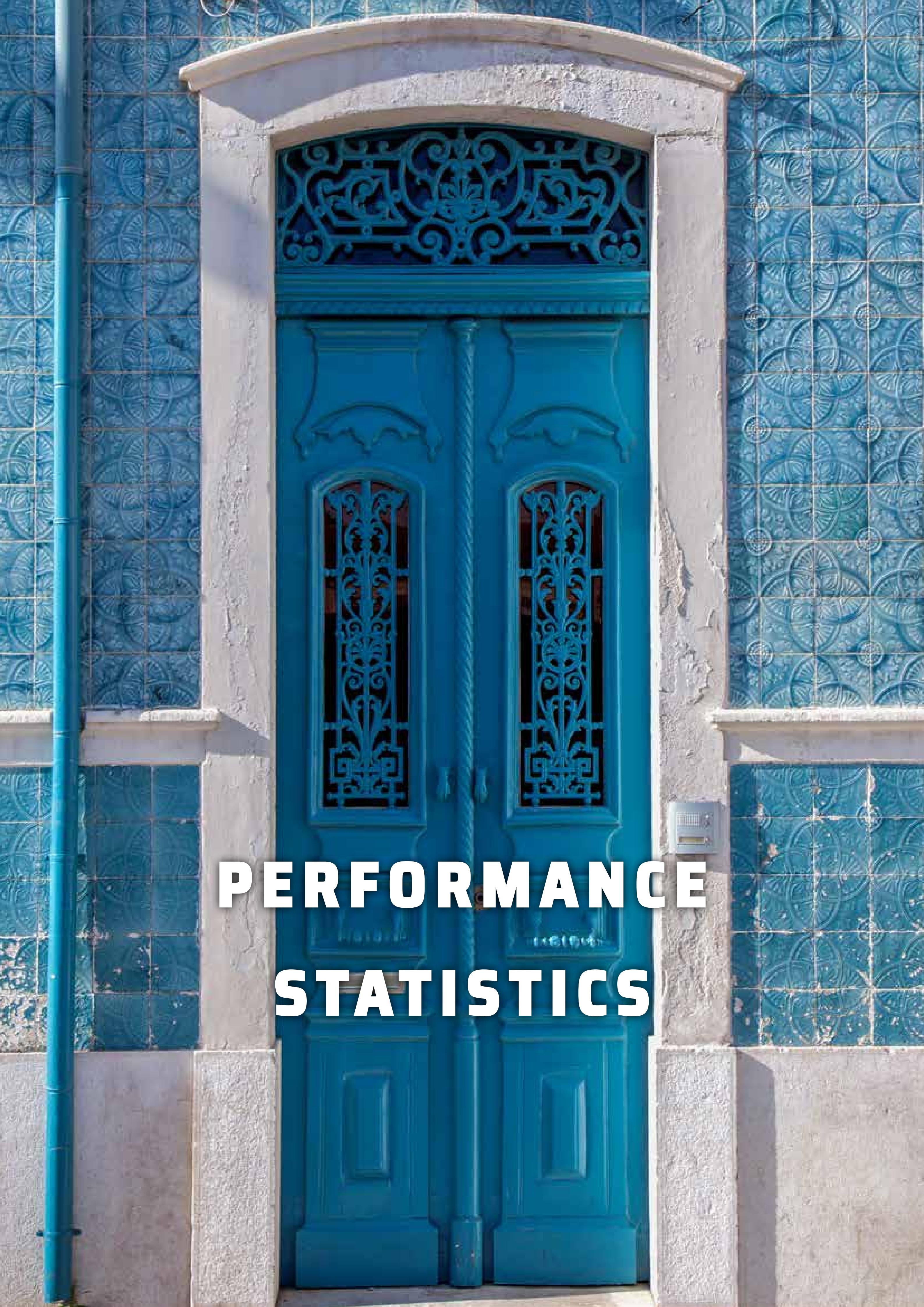
8. Events after the reporting period

As of 29 February 2024, the association ceased all operations, and its mandate was transferred to the NFOSA. Therefore, the financial statements have been prepared on a liquidation basis, reflecting the intention to settle liabilities and realize assets based on their liquidation value, rather than a going concern basis.

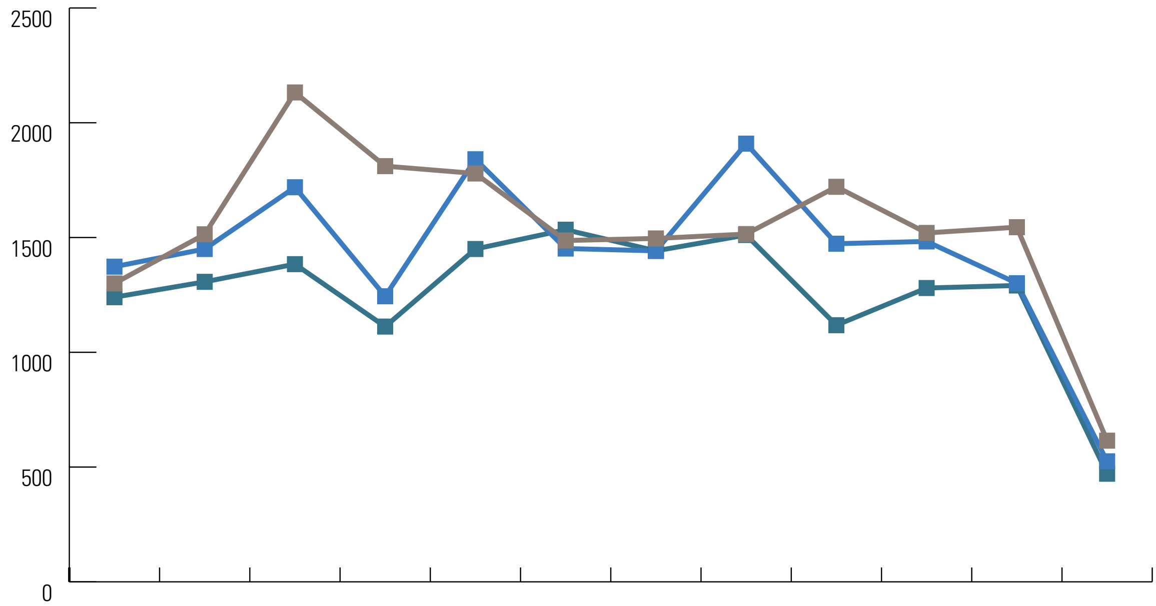
There have been no new material changes or events after the reporting date that would impact the financial statements. The council is not aware of any issues of non-compliance with statutory or regulatory requirements, nor are there any pending legislative changes that could affect the association.

2023/4

PERFORMANCE STATISTICS



Complaints and Enquiries

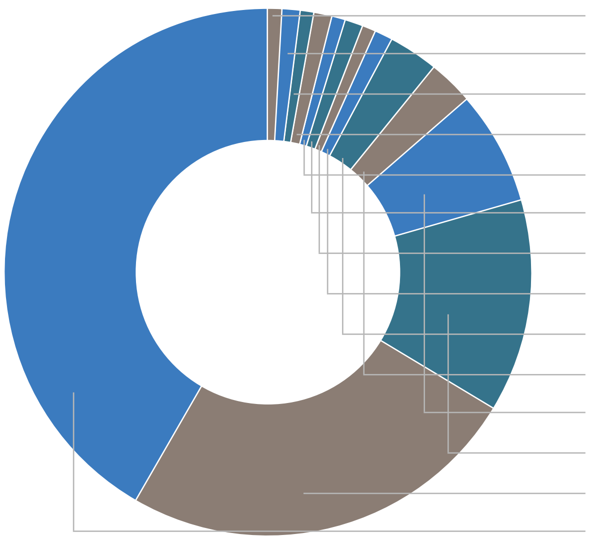


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	1 300	1 514	2 132	1 811	1 779	1 487	1 496	1 515	1 721	1 520	1 545	615
2022	1 373	1 450	1 719	1 244	1 841	1 452	1 442	1 909	1 473	1 483	1 301	525
2023	1 240	1 307	1 384	1 112	1 450	1 534	1 442	1 511	1 118	1 280	1 291	471

TOTAL	2021	18 435	2022	17 212	2023	15 140	YEAR TO DATE COMPARISON vs 2023: –12%

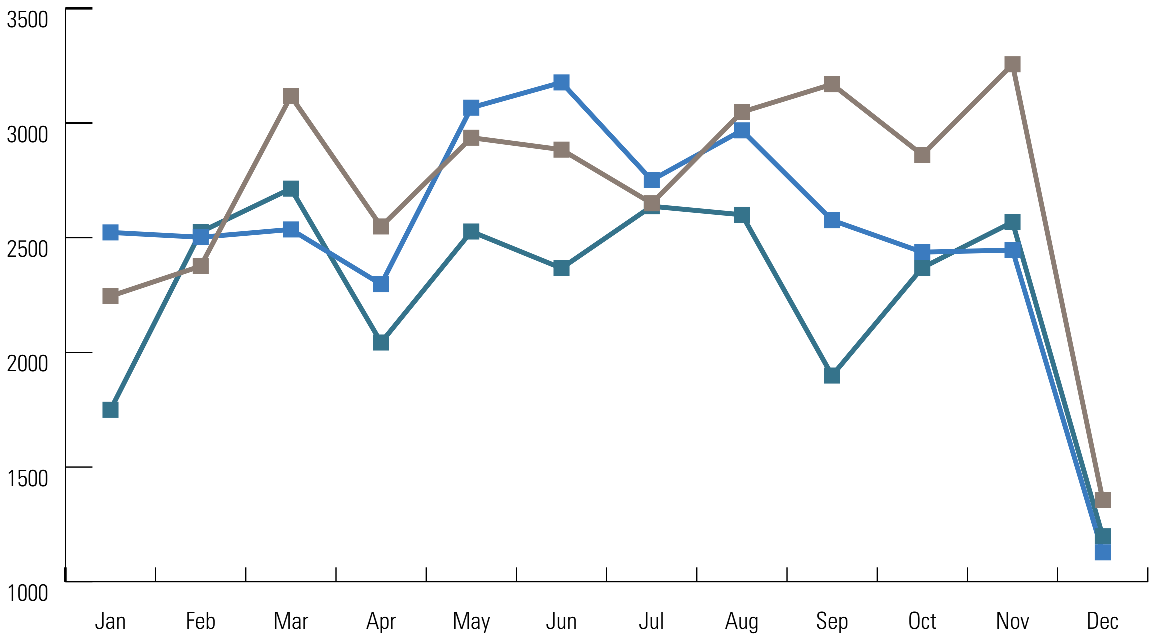
General Enquiry Types

BY CATEGORY



1% Complaint Against Credit Bureau
1% Credit Application Declined
1% Follow Up Outstanding Fax Complaint
1% Prescription
1% Identity Theft Complaint
1% CIO Case Progress & Call Backs
1% Judgement Listing
1% Consumer Requesting Credit Profile
3% Enquiry
3% Other Complaint (Incl Liquidation And Bank Default)
7% Debt Counselling Complaint
13% Complaint Against Debt Counsellor
25% Default Listing
42% Complaint Against Credit Grantor

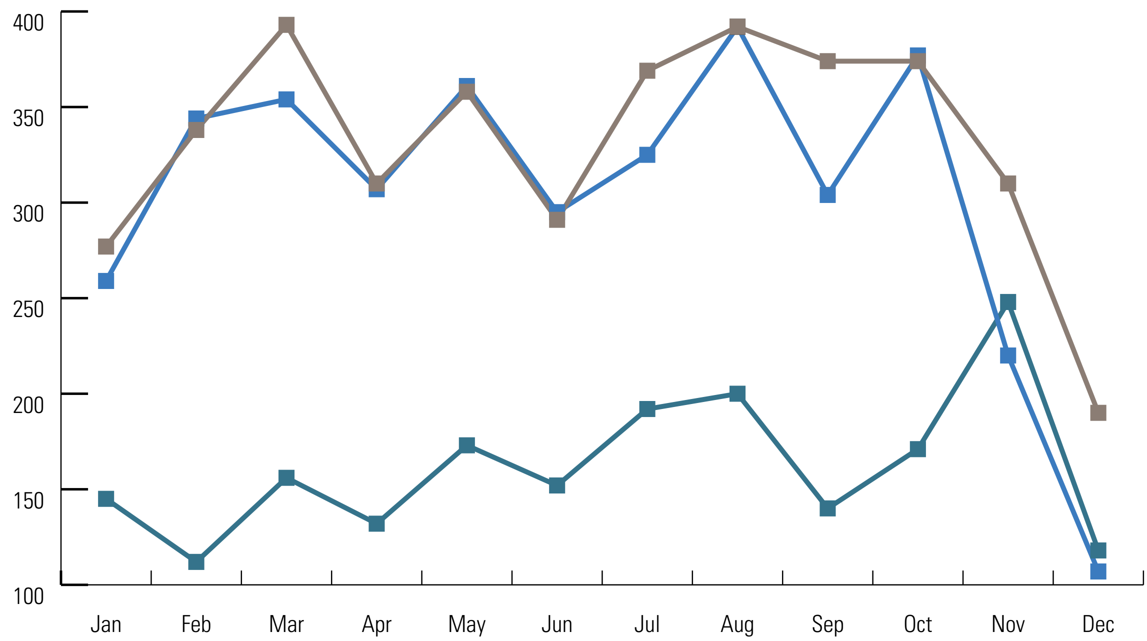
Calls/SMSs Received at CO Call Centre



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	2 245	2 376	3 117	2 549	2 936	2 884	2 650	3 048	3 169	2 861	3 256	1 357
2022	2 523	2 502	2 536	2 297	3 067	3 177	2 751	2 968	2 576	2 437	2 446	1 128
2023	1 750	2 525	2 714	2 043	2 527	2 367	2 637	2 600	1 899	2 369	2 568	1 198

TOTAL	2021	**32 448**	2022	**30 408**	2023	**27 197**	**YEAR TO DATE COMPARISON vs 2023: –11%**

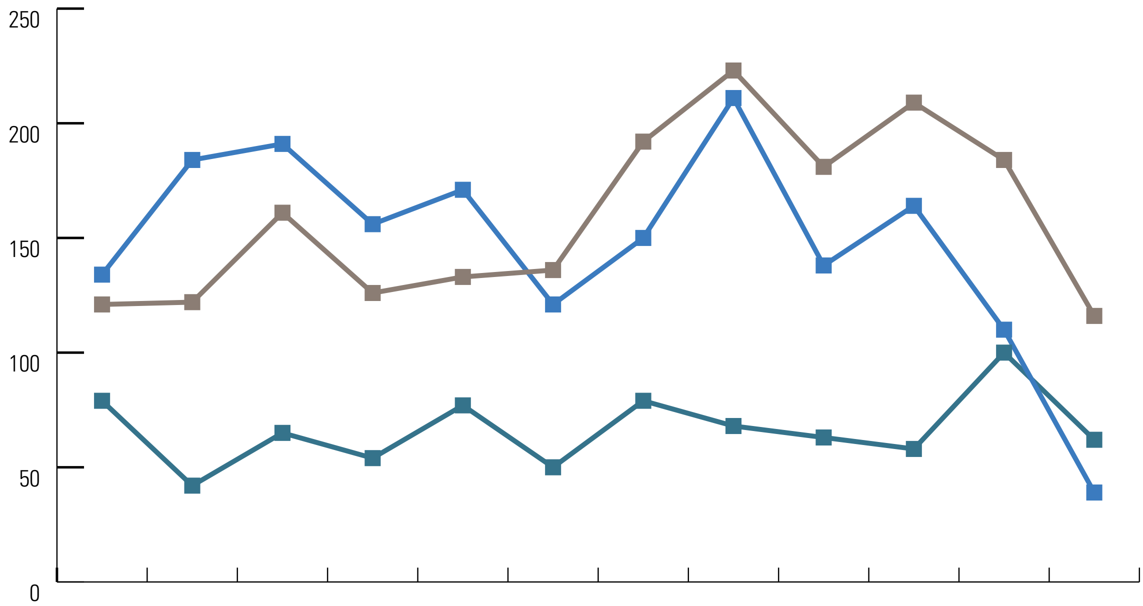
Disputes Opened: All Departments



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	277	338	393	310	358	291	369	392	374	374	310	190
2022	259	344	354	307	361	295	325	392	304	377	220	107
2023	145	112	156	132	173	152	192	200	140	171	248	118

TOTAL	2021	**3 976**	2022	**3 645**	2023	**1 939**	**YEAR TO DATE COMPARISON vs 2023: –47%**

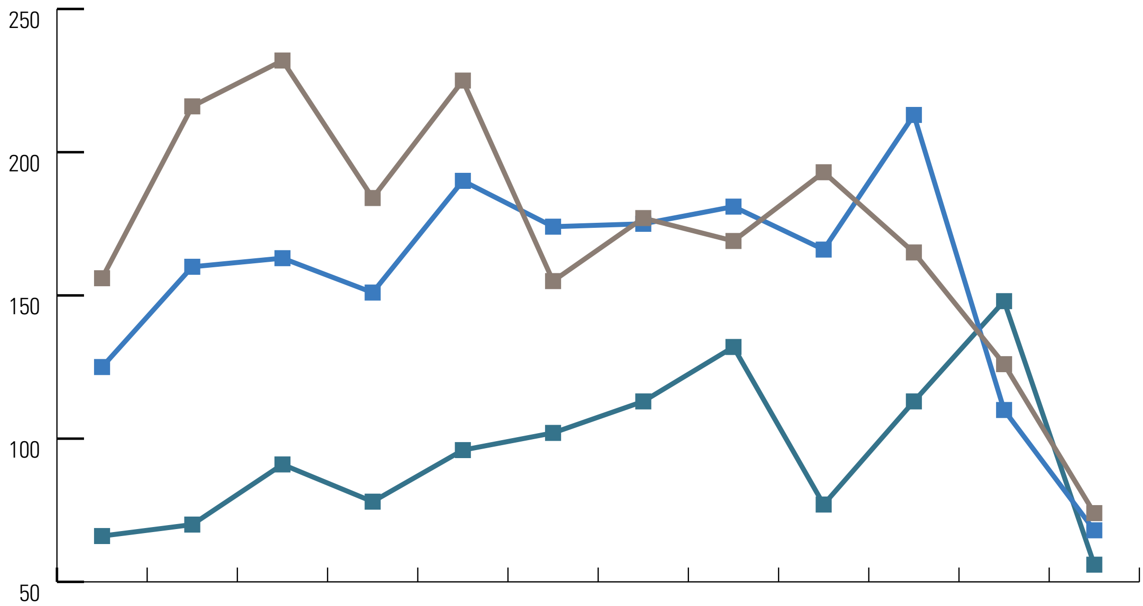
Disputes Opened: Credit Information Department



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	121	122	161	126	133	136	192	223	181	209	184	116
2022	134	184	191	156	171	121	150	211	138	164	110	39
2023	79	42	65	54	77	50	79	68	63	58	100	62

TOTAL	2021	1 904	2022	1 769	2023	797	YEAR TO DATE COMPARISON vs 2023: –55%

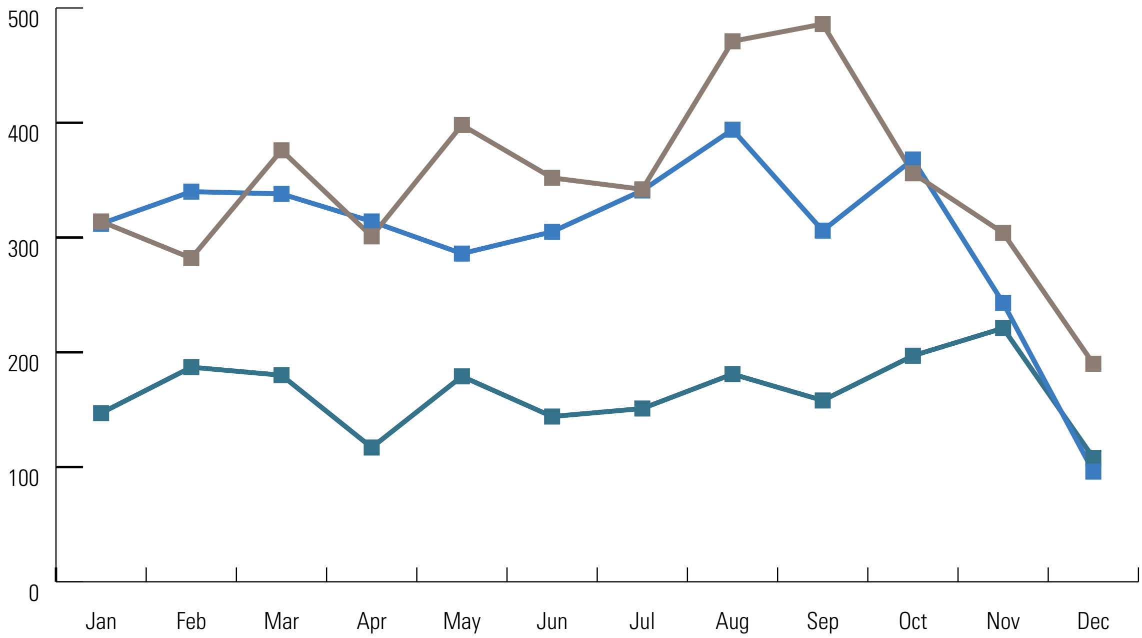
Disputes Opened: Non-Bank Credit Department



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	156	216	232	184	225	155	177	169	193	165	126	74
2022	125	160	163	151	190	174	175	181	166	213	110	68
2023	66	70	91	78	96	102	113	132	77	113	148	56

TOTAL	2021	2 072	2022	1 876	2023	1 142	YEAR TO DATE COMPARISON vs 2023: –39%

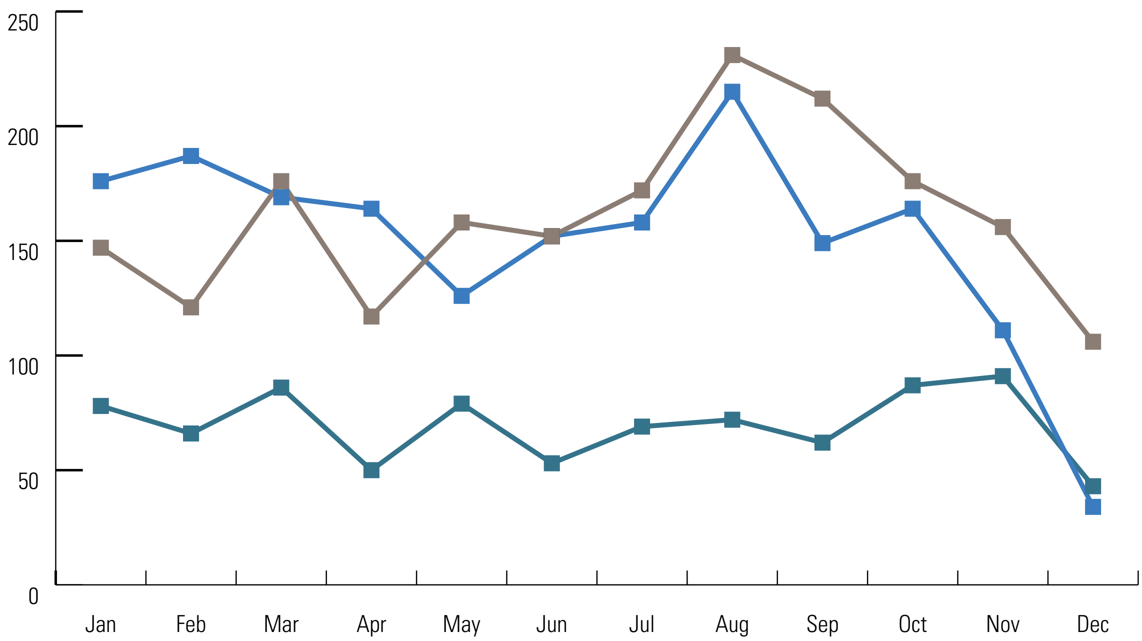
Disputes Closed: All Departments



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	314	282	376	301	398	352	342	471	486	356	304	190
2022	312	340	338	314	286	305	341	394	306	368	243	96
2023	147	187	180	117	179	144	151	181	158	197	221	108

TOTAL	2021	4 172	2022	3 643	2023	1 970	YEAR TO DATE COMPARISON vs 2023: –46%

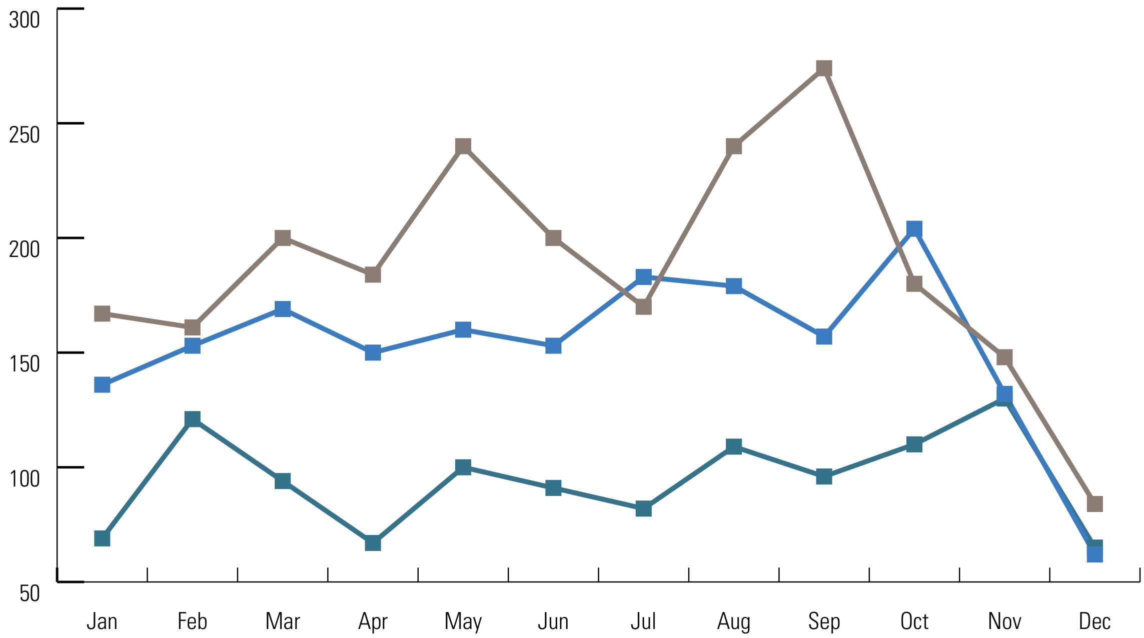
Disputes Closed: Credit Information Department



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	147	121	176	117	158	152	172	231	212	176	156	106
2022	176	187	169	164	126	152	158	215	149	164	111	34
2023	78	66	86	50	79	53	69	72	62	87	91	43

TOTAL	2021	1 924	2022	1 805	2023	836	YEAR TO DATE COMPARISON vs 2023: –54%

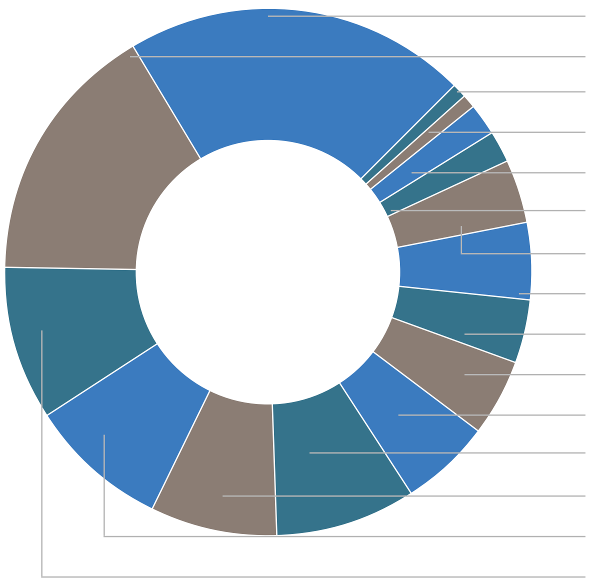
Disputes Closed: Non-Bank Credit Department



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	167	161	200	184	240	200	170	240	274	180	148	84
2022	136	153	169	150	160	153	183	179	157	204	132	62
2023	69	121	94	67	100	91	82	109	96	110	130	65

TOTAL	2021	**2 248**	2022	**1 838**	2023	**1 134**	**YEAR TO DATE COMPARISON vs 2023: –38%**

Cases Closed By Jurisdiction

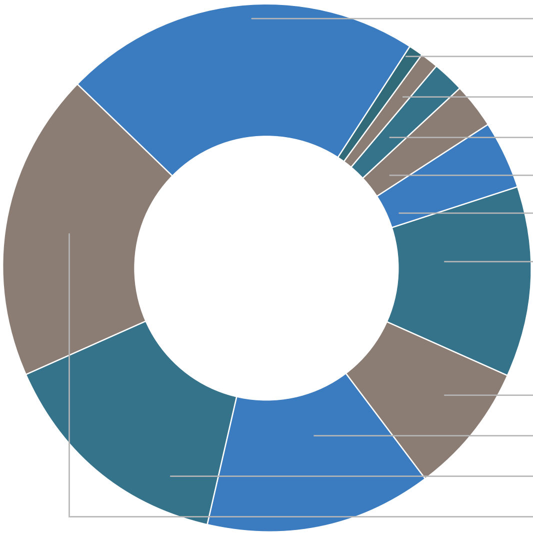


ALL

- 22% Consumer Complaint not Upheld/Invalid
- 17% Statements of Account Sec 107 – 115
- 0% Alleged Reckless Lending
- 0% Refer to CBA Score Enquiry
- 1% Outdated Credit Information
- 1% Credit Insurance Sec 106
- 4% Consumer Withdrew Complaint/not Contactable
- 5% Fraud Cases
- 4% Contractual Disputes
- 5% Prescription of Debt
- 6% Insufficient/Incomplete Credit Information
- 9% Non-Member Dispute Referred to NCR
- 8% Credit Info Matter Banking – Referred to OBS
- 9% Outside Jurisdiction
- 10% Process to Follow

Cases Closed By Jurisdiction

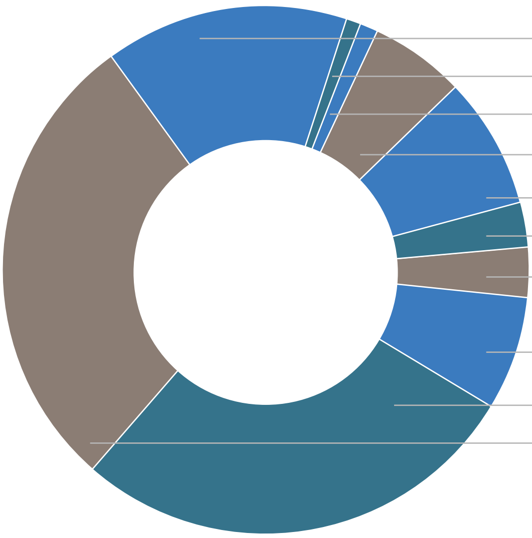
CREDIT INFO



23% Process to Follow
0% NCA Threshold Exceeded
1% Referred to CBA Credit Score Related
2% Outdated Credit Information
3% Fraud Cases
4% Consumer Withdrew Complaint/not Contactable
12% Non-Member Dispute Ref to NCR (Incl Debt Counselling)
8% Prescription of Debt
14% Consumer Complaint not Upheld/Invalid
15% Insufficient/Incomplete Credit Information
19% Credit Info Banking Referred to OBS

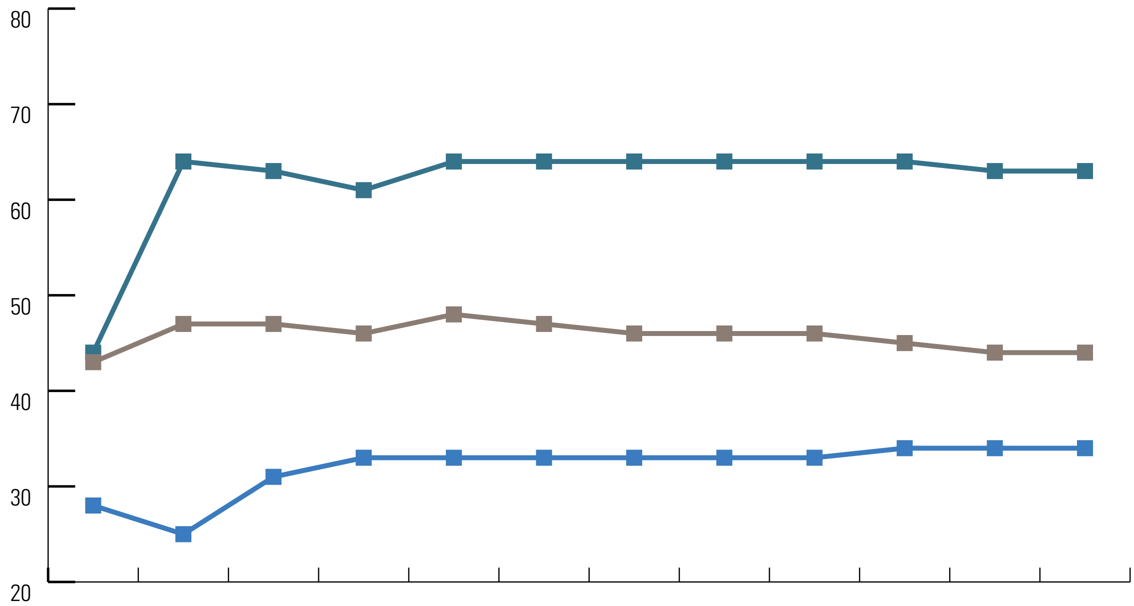
Cases Closed By Jurisdiction

NON-BANK CREDIT



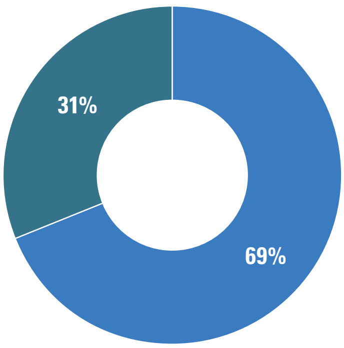
15% Outside Jurisdiction
1% Alleged Reckless Lending
1% Credit Insurance Sec 106
6% Fraud Cases
8% Contractual Disputes
3% Prescription of Debt
3% Consumer Withdrew Complaint/not Contactable
7% Non-Member Dispute Referred to NCR
28% Consumer Complaint not Upheld
29% Statements of Account Sec 107 – 115

Average Days to Close



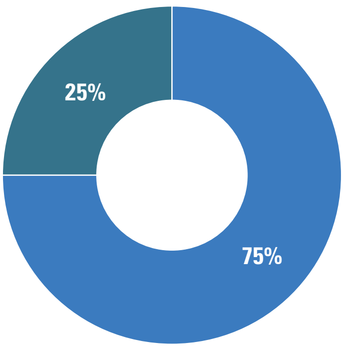
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	43	47	47	46	48	47	46	46	46	45	44	44
2022	28	25	31	33	33	33	33	33	33	34	34	34
2023	44	64	63	61	64	64	64	64	64	64	63	63

Manner of Finalisation: Current Year



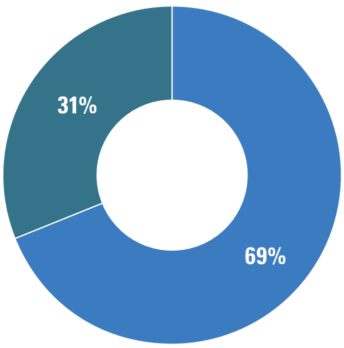
ALL DEPARTMENTS

1. Intervention	1 355	69%
2. Facilitation	615	31%
3. Mediation	–	0%
4. Recommendation	–	0%
5. Ruling	–	0%
TOTAL	**1 970**	**100%**



CREDIT INFO DEPARTMENT

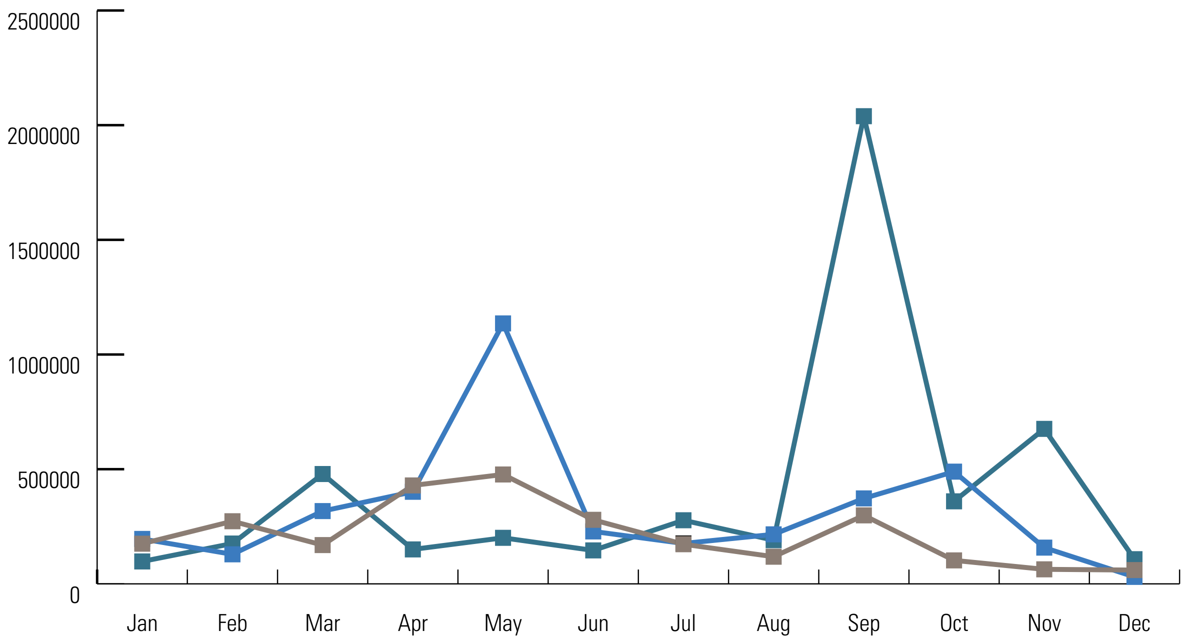
1. Intervention	625	75%
2. Facilitation	211	25%
3. Mediation	–	0%
4. Recommendation	–	0%
5. Ruling	–	0%
TOTAL	**836**	**100%**



NON-BANK CREDIT DEPARTMENT

1. Intervention	777	69%
2. Facilitation	357	31%
3. Mediation	–	0%
4. Recommendation	–	0%
5. Ruling	–	0%
TOTAL	**1 134**	**100%**

Amount Saved For Consumers

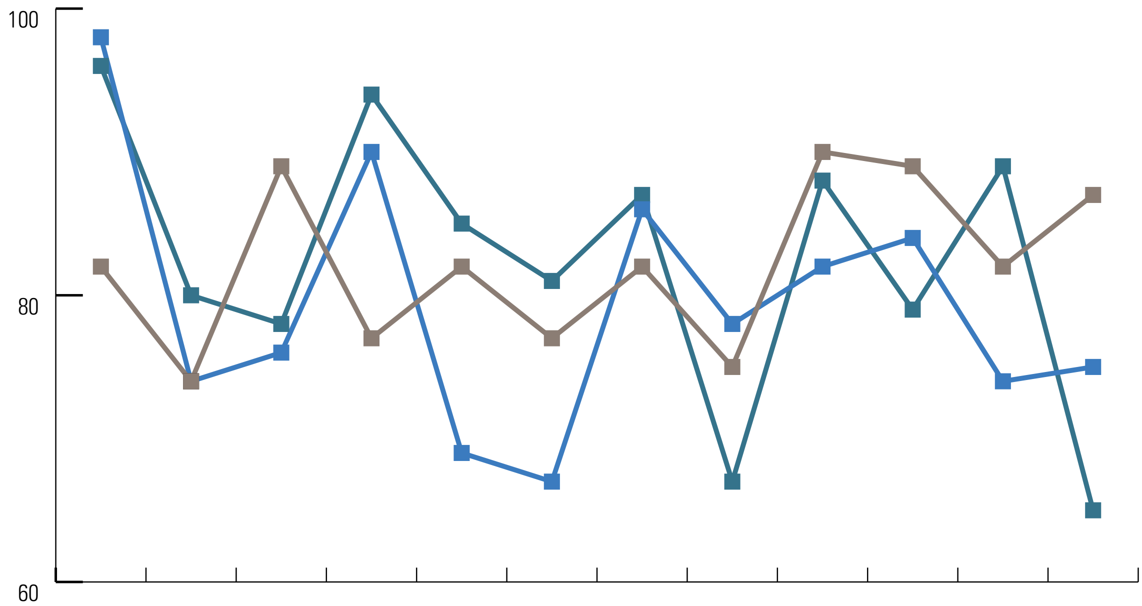


	Jan	Feb	Mar	Apr	May	Jun
2021	R 175 085,99	R 273 031,98	R 169 096,20	R 429 139,12	R 476 888,66	R 279 248,36
	Jul	Aug	Sep	Oct	Nov	Dec
2021	R 172 793,33	R 118 352,23	R 298 641,45	R 102 328,03	R 63 351,22	R 60 098,40
	Jan	Feb	Mar	Apr	May	Jun
2022	R 195 896,20	R 128 765,86	R 317 316,82	R 401 460,87	R 1 135 615,98	R 228 569,95
	Jul	Aug	Sep	Oct	Nov	Dec
2022	R 176 210,64	R 215 868,94	R 372 578,66	R 489 301,27	R 157 978,88	R 30 349,32
	Jan	Feb	Mar	Apr	May	Jun
2023	R 97 717,98	R 175 845,10	R 478 901,96	R 150 188,08	R 200 699,59	R 145 888,27
	Jul	Aug	Sep	Oct	Nov	Dec
2023	R 277 311,62	R 190 402,29	R 2 039 104,16	R 359 852,33	R 675 734,08	R 107 563,78

TOTAL	2021	**R 2 618 054,97**	2022	**R 3 849 913,39**	2023	**R 4 899 209,24**

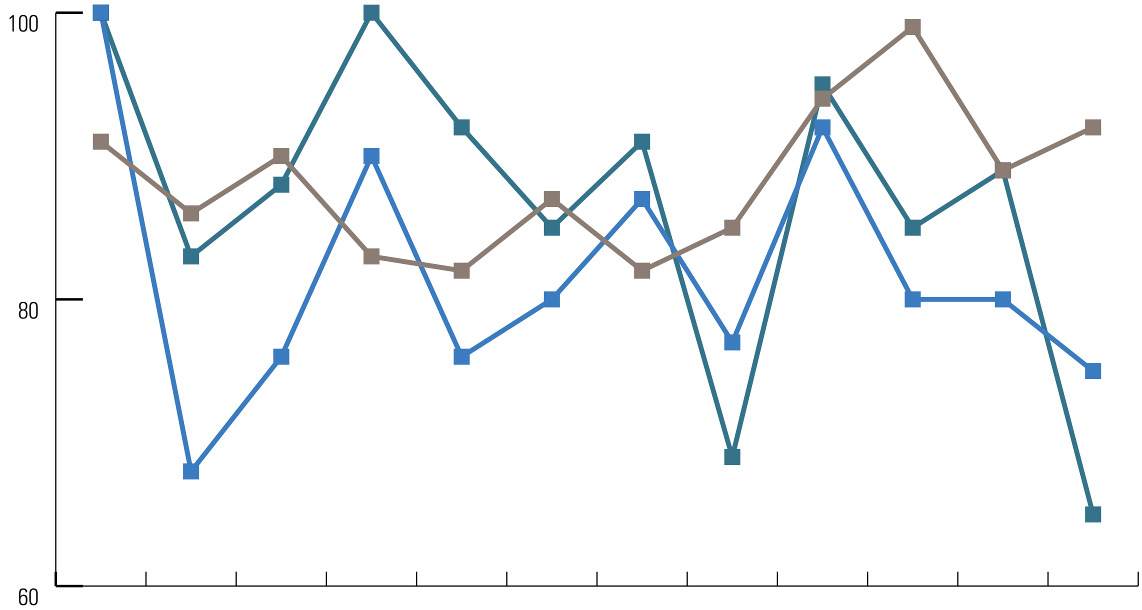
YEAR TO DATE COMPARISON vs 2023: –27%

Monthly Consumer Quality Survey



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	82%	74%	89%	77%	82%	77%	82%	75%	90%	89%	82%	87%
2022	98%	74%	76%	90%	69%	67%	86%	78%	82%	84%	74%	75%
2023	96%	80%	78%	94%	85%	81%	87%	67%	88%	79%	89%	65%

Monthly Consumer Referral Survey



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	91%	86%	90%	83%	82%	87%	82%	85%	94%	99%	89%	92%
2022	100%	68%	76%	90%	76%	80%	87%	77%	92%	80%	80%	75%
2023	100%	83%	88%	100%	92%	85%	91%	69%	95%	85%	89%	65%

GOVERNANCE REPORT

"If a door is shut, just go up and wiggle it a bit – don't assume it's locked."

Bob Goff

GATEKEEPING OF THE CREDIT INDUSTRY LANDSCAPE

By its very nature, good governance cannot be maintained by a revolving door membership policy. Rather, it requires the attention, and regular attendance, of a dedicated team whose members are not only highly knowledgeable and experienced, but staunchly champion the scheme's values of integrity, transparency, and independence.

The Credit Ombud operates as a designated financial sector industry Ombud scheme under Section 194 of the Financial Sector Regulation Act, 2017. Formal accreditation was conferred by the Ombud Council on 1 May 2022. The Council's mandate is to facilitate impartial, fair, prompt, and cost-effective resolution of disputes between credit recipients and subscribing members of the Credit Ombud Association. The governance of the Credit Ombud is overseen by the Credit Ombud Council, which holds responsibility for the institution's performance and is answerable for its conduct. Strategic guidance is provided by the Council and includes the appointment of the Ombudsman. Corporate governance is upheld through adherence to the Credit Ombud Constitution, relevant legislation, regulatory frameworks, best practice codes, and principles outlined in the King IV Report on Corporate Governance. The Council diligently ensures compliance with these standards.

Central to the Council's operations are values of integrity, transparency, and independence, which are pivotal in achieving governance outcomes such as performance excellence, legitimacy, ethical conduct, and effective oversight, as stipulated in the King IV principles. The Ombudsman and employees are entirely responsible for the handling and determination of complaints, independently and, free from Council influence.

CREDIT OMBUD COUNCIL MEMBER'S FIDUCIARY RESPONSIBILITIES

Ongoing scrutiny is applied to policies, procedures, plans, and governance frameworks to maintain consistency and effectiveness. Clear separation exists between the roles of senior management and the Council. This distinction extends to the Chairperson of the Council and the Ombudsman, who engage in regular meetings preceding Council meetings.

Council members are mandated to act judiciously with utmost good faith and for proper purpose, in the best interests of the Credit Ombud, applying the appropriate degree of care, skill, and diligence expected of their fiduciary duties. At the start of each year, Council members must submit a declaration disclosing their current financial and personal interests and affirming the absence of any conflicts of interest in relation to their role. Council meetings adhere to a structured agenda, ensuring thorough discussion of substantive matters by the Council.

COMPOSITION OF THE COUNCIL

The Council plays a pivotal role in overseeing the operations of the Credit Ombud. It comprises seven members, including an independent chairperson, industry representatives, and non-industry representatives.

The Council is structured as follows:

- A maximum of three members representing the credit industry constituency.
- A maximum of two members representing the consumer body constituency.
- A maximum of two independent members.

Collectively, the non-industry members (consumer bodies and independents) constitute four members of the Council. The Council ensures that the credit industry representatives always constitute a minority.

Council members bring diverse expertise in governance, dispute resolution, business, law, accounting, consumer affairs, regulatory affairs, economics, and consumer community organisations.

In 2023, the Council comprised of the below mentioned 7 (seven) members:

- Tefo Raditapole (Chair)
Independent
- Thandiwe Zulu (Deputy Chair)
Black Sash
- Arthur Hlubi
Large Non-Bank Lenders Association

- Jeannine Naude-Viljoen
  Credit Bureaux Association
- Thuli Zungu
  Independent
- Michael Lawrence
  National Clothing Retail Federation of South Africa
- Siegried Rudman
  South African National Consumer Union

FREQUENCY, QUORUM, AND ATTENDANCE

The Council convenes quarterly to fulfil its obligations as outlined in the Constitution. Additional meetings may be scheduled as necessary. Reports covering strategic, governance, operational, and financial aspects of the office are discussed during the meetings.

In total, four Council meetings were held during 2023.

The following table sets out the number of meetings attended by Council members.

COUNCIL MEMBERS	ATTENDANCE AT COUNCIL MEETINGS
Tefo Raditapole (Chairperson)	4
Thandiwe Zulu (Deputy Chairperson)	4
Arthur Hlubi	4
Jeannine Naude Viljoen	3
Thuli Zungu	4
Michael Lawrence	4
Siegried Rudman	4

GOVERNANCE, HUMAN RESOURCES, AND FINANCE COMMITTEE (EXCO) MEETINGS

The Governance, Human Resources, and Finance Committee (EXCO) supports the Council in fulfilling its responsibilities effectively. Ultimate accountability for Council duties and obligations rests with the Council itself. The committee is chaired by Thandiwe Zulu. EXCO serves as a consultative platform for matters pertaining to corporate governance, compliance requirements, HR policies, procedures, standards, staff appointments, annual remuneration adjustments, succession planning, the Ombud's performance evaluations, finance, and audit needs. Meetings are scheduled as necessary, with a minimum frequency of once a year. In 2023, two meetings were convened.

The following table sets out the number of meetings attended by the committee members.

EXCO MEMBERS	ATTENDANCE AT FOUR EXCO MEETINGS
Thandiwe Zulu (Chairperson)	2
Tefo Raditapole	2
Arthur Hlubi	2
Howard Gabriels	2
Avitha Nofal	2

COUNCIL SECRETARIAT

The Council Secretary is appointed by the Council and offers guidance to the Chairperson, individual Council members, and the EXCO on matters related to governance processes. Responsible for administrative support, the Council Secretary ensures that meeting packs containing strategic, governance, operational, and financial information are distributed to Council members prior to meetings. This facilitates thorough preparation among Council members before decisions are made. Additionally, the Council Secretary provides counsel on business ethics and best practices in governance to support the Council in fulfilling its duties effectively. The Council Secretary ensures that records of all Council meetings, written resolutions from these meetings, and the attendance of Council members are documented.

SENIOR MANAGEMENT TEAM

The Council relies on the senior management team to oversee the day-to-day operations of the Credit Ombud, ensuring adherence to governance standards, achieving targets, managing finances, and mitigating risks.

Performance evaluations are conducted regularly for senior management, with specific focus on evaluating the performance of the Ombudsman by the Council.

COMPLIANCE FOCUS AREAS

Credit Ombud employees receive ongoing training, awareness sessions, and updates on industry, regulatory, and legislative developments. Emphasis is placed on identifying potential concerns and preventing breaches.

CREDIT OMBUD AUDIT REPORT

In Focus Auditors and Accountants independently audit and report on the Credit Ombud's financial position. The financial statements for 2023 have been prepared and audited in accordance with the Credit Ombud Constitution, the Companies Act, 2008, and the International Financial Reporting Standard for Small and Medium-sized Entities. The auditors have confirmed that, in their opinion, the annual financial statements as of 29 February 2024 fairly present the financial position of the Credit Ombud.

STRATEGIC RELATIONSHIPS

Maintaining constructive relationships with stakeholders such as regulators, members, consumer and industry bodies is crucial for fulfilling the Credit Ombud's mandate. Regular engagements with stakeholders including the Ombud Council, Department of Trade and Industry and Competition, National Treasury, Financial Sector Conduct Authority, and the National Credit Regulator facilitate collaboration on ideas, statistics, training, advocacy, outreach initiatives, and mutual projects.

As the Credit Ombud navigated towards the amalgamation with the Ombudsman for Banking Services; Ombudsman for Long-term Insurance and the Ombudsman for Short-term Insurance, we have found that our fellow financial Ombuds have been pivotal, embracing the sentiment by Emily Dickinson of "*Not knowing when the dawn will come, I open every door*," we have approached each relationship with a spirit of openness and readiness to explore new opportunities and solutions. This proactive approach has not only strengthened the Credit Ombud's resilience but has also positioned us to effectively address challenges and seize emerging opportunities in the financial services landscape. As we move forward under the unified banner of the National Financial Ombud, these strategic relationships will continue to play a vital role in our commitment to delivering impartial, fair, and effective financial dispute resolution services for all stakeholders involved.

We extend our appreciation to the Chairperson and Council members for their consistent support and invaluable guidance.

AVITHA NOFAL
Company Secretary

CONTACT CENTRE REPORT

"All doors open to courtesy."

Thomas Fuller

“WE HEAR YOU KNOCKING.”

The importance and centrality of any Ombud’s call centre cannot be understated. Its operations truly epitomise the “doorways and portals” theme of this report, not only in the pivotal period spelled out in these pages, but heading into the Credit Division’s future under the new NFO.

The contact centre prides itself in equipping our team with the latest industry knowledge, technology, and streamlined office processes to ensure valued service delivery to all stakeholders.

Our commitment to integrity, empathy, and professionalism guides every interaction. Our collaborative efforts with regulators, fellow Ombuds, and industry bodies have yielded positive results in extending our reach through various channels. Our approach is akin to opening multiple doors and portals, ensuring that consumers and stakeholders can access our services and resources efficiently.

In navigating towards the Credit Ombud, there are multiple entry points akin to different doors or portals by which queries and disputes are received at the contact centre such as telephone calls, SMSs, email, and the Credit Ombud website. These entry points resemble different doors leading into the resolution process. As Eleanor Roosevelt once said, “*Doors are opening all the time and they close in the same manner.*” Similarly, each entry point offers a distinct approach for consumers seeking resolution of their disputes. This could be through direct liaisons with the Credit Ombud or referrals to other Ombud schemes or regulatory bodies, however, these avenues serve as entryways guiding consumers towards fair and effective solutions. As Robert Frost famously wrote,

> **“Two roads diverged in a wood, and I –**
> **I took the one less travelled by,**
> **And that has made all the difference.”**

This quote resonates with the idea that selecting the right entry point can significantly impact the outcome of resolving a consumer’s dispute.

The contact centre assumes a crucial role in verifying if the pre-Ombud process has been followed and if the dispute falls under the Credit Ombud’s jurisdiction. This process mandates consumers to first engage with their credit providers or bureaux for resolution of their disputes. If disputes remains unresolved, our skilled team guides consumers through registering their disputes for formal investigation, always upholding confidentiality and obtaining necessary consents. Matters falling outside our jurisdiction are meticulously referred to the appropriate Ombud office or dispute resolution entity.

STATISTICS

For the period January to end December 2023, the contact centre managed 27,197 calls, reflecting an 11% decrease from the previous year. These calls led to the opening of 15,140 complaints and enquiries at our office.

The primary categories of general enquiries received included 42% complaints against credit providers, 25% concerning default listings at credit bureaux, and 13% related to debt counsellors. Other enquiries covered matters such as judgments, prescription, and requests for credit profiles. Queries and complaints related to debt counselling were appropriately directed to the National Credit Regulator, ensuring comprehensive assistance across various financial matters.

As we look ahead, we remain committed to enhancing our service standards and maintaining our ethical standards, fostering trust and confidentiality in every interaction. Our goal is to continue serving stakeholders with dedication and professionalism, providing accessible pathways for resolving disputes through our contact centre.

AVITHA NOFAL
Senior Manager

CASE STUDIES

"Every doorway, every intersection has a story."

Katherine Dunn

CASE STUDIES: OUTCOMES OF OUR OPEN-DOOR POLICY

Case studies always reveal fascinating insights into the coalface of the dispute resolution process and the skills, persistence, patience and dedication required to resolve cases to the fairest degree possible.

1.

CASE STUDY: FALLING INTO ARREARS

The dispute in this matter involved the consumer's account falling into arrears because she alleged that she did not receive her statements, nor was she told in the SMSs she received that the account was in arrears.

The matter was investigated, and it was discovered that due to a typo on the consumer's email address, statements were not being sent to the correct email. It was further also discovered that the SMSs sent to the consumer did not advise that the account fell into arrears, only what her next payment should be.

The credit provider therefore agreed to reverse all arrear charges and interest on the account. The consumer's credit bureau profile was also updated accordingly. The outcome showed that it is incumbent upon credit providers to provide accurate statements and balances to consumers. Credit providers should also inform consumers if their accounts are in default and advise how this can be remedied between the parties.

2.

CASE STUDY: ACCOUNT PRESCRIBED

The dispute in this matter involved a consumer alleging that an account has prescribed, and he requested the account be written off and that debt collectors cease all collection efforts.

The matter was duly investigated and initially the credit provider advised that the matter had not prescribed due to summons being issued within 3 years of the consumer's last payment, however no judgment was obtained.

Approximately 6 years had passed since summons were issued, therefore the credit provider was asked to provide reasons why the account had not prescribed in terms of Section 15(2) of the Prescription Act 68 of 1968, which advises that prescription will not be deemed to be interrupted if the matter is not prosecuted to final judgment.

The credit provider therefore agreed that the account had prescribed and that the balance be written off.

3.

CASE STUDY: INCORRECT CREDIT PROFILE?

The dispute in this matter involved the consumer alleging that his credit profile was incorrect due to an account that appeared in arrears while he had not made any payment for several years.

The matter was duly investigated, and the credit provider advised that judgment was obtained in the matter, therefore prescription does not arise as yet. The credit provider did agree however that judgment was obtained more than 5 years ago and there had been no activity on the account since then.

The credit provider therefore agreed that the credit profile should be updated, and the account be removed due to exceeding regulation 17 of the National Credit Act 34 of 2005.

4.

CASE STUDY: ANOTHER PRESCRIBED ACCOUNT COMPLAINT

The dispute in this matter involved a consumer alleging that her account had prescribed and that she be provided with a letter and her credit profile updated.

The matter was duly investigated, and the credit provider advised that judgment had been obtained approximately 3 and a half years ago and that after the goods were sold at auction, there was a shortfall for which the consumer was liable.

The consumer was duly informed that the matter had not prescribed due to the judgment that was obtained and her credit profile could not be updated as the arrears reflected correctly.

5.

CASE STUDY:
OVERCHARGED BY HER CREDIT PROVIDER?

The dispute in this matter involved the consumer alleging that she was being overcharged interest and fees, and that the account should be paid up.

The matter was duly investigated, and the credit provider supplied a copy of the contract and a statement of account showing all debits and credits on the account. Upon further investigation, the interest and charges were in accordance with the credit agreement and the National Credit Act 34 of 2005. Furthermore, the contractual term was still more than a year away from its termination date.

The consumer was duly informed that her account appeared to be in order and that she should continue to make payments until the termination date.

6.

CASE STUDY:
APPEAL FOR A PAID-UP LETTER

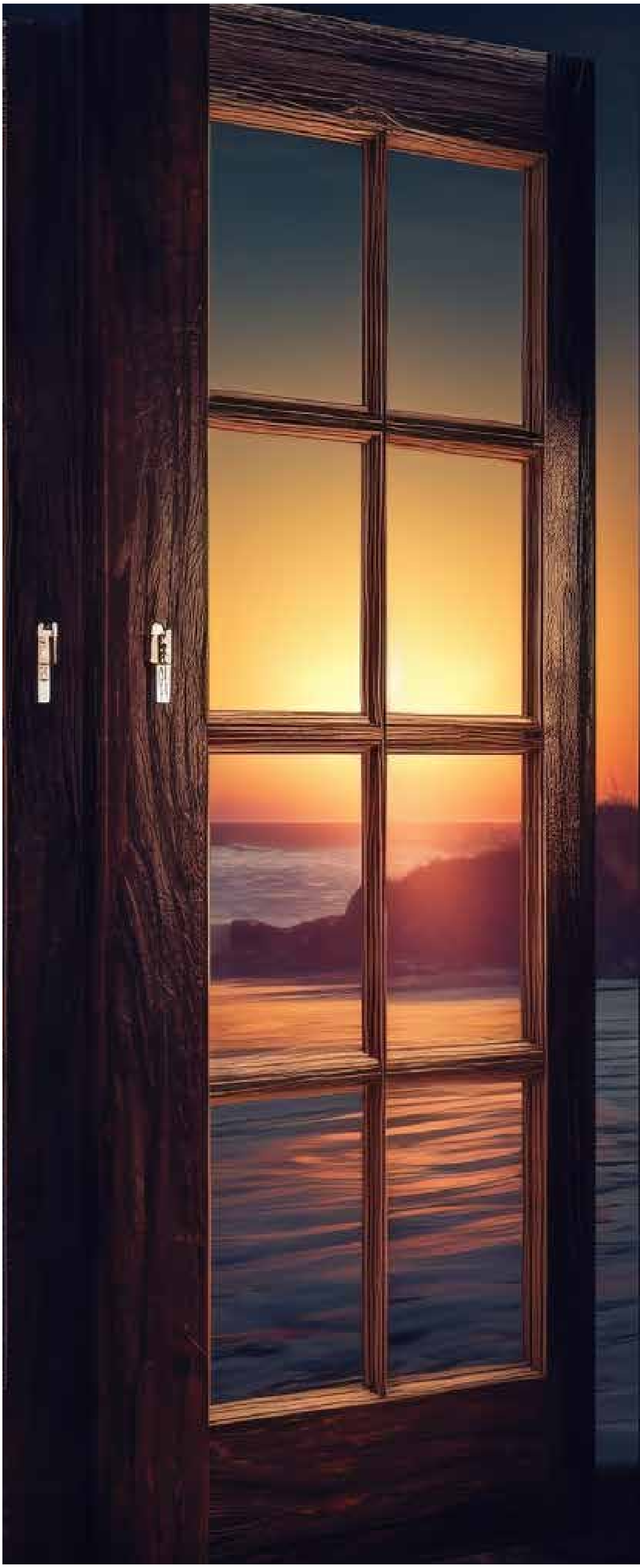
The dispute involved the consumer alleging that her account was paid up and that the credit provider should issue her with a paid-up letter.

The matter was duly investigated, and the credit provider advised that the account was not paid up as the termination date was still a few years away. It was further advised that the account was in arrears and that legal action was being pursued.

Upon further investigation, it was discovered that judgment was obtained in the matter, however the account was being run according to the contractual agreement and not the judgment. It could not be shown when or if reinstatement or revival of the credit agreement took place after the judgment, as arrears were still accumulating.

The credit provider therefore agreed to adjust the account and run it according to the judgment, which resulted in a reduction of the balance. The consumer was duly informed that even after the reduction, there was a balance on the account for which she was liable.

NJABULO BHEMBE
Case Management



COUNCIL MEMBERS

TEFO RADITAPOLE
Independent – Chairperson

MICHAEL LAWRENCE
National Clothing Retail Federation

THANDIWE ZULU
Black Sash

JEANNINE NAUDE-VILJOEN
Credit Bureau Association (CBA)

THULI ZUNGU
Independent

ARTHUR HLUBI
Large Non-Bank Lenders Association

SIEGFRIED RUDMAN
SA National Consumer Union (SANCU)

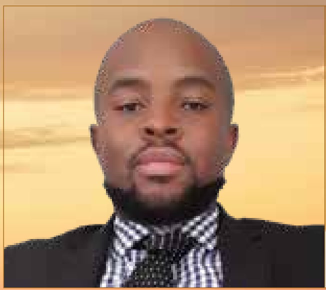
STAFF


HOWARD GABRIELS
Credit Ombudsman


LEE SOOBRATHI
Case Management


AVITHA NOFAL
Contact Centre


SIBUSISO MKHIZE
Contact Centre


NJABULO BEMBE
Case Management


ANTHONY KGAFE
Case Management


JACOB SEFURE
Contact Centre


DAISY GUNTERT
Contact Centre


SADHIA KHAN
Case Management


BERNADINE NAIDOO
Case Management


FUNDISWA GWANTSHU
Contact Centre


LUCY MOKHWEBA
Contact Centre


KABELO TEME
Communications Liaison


ESTHER BALOYI
Office Assistant

IN CLOSING – OUR DOORS ARE OPEN!

By the time of publication and the official launch of this final Credit Ombud Annual Report, the former Credit Ombud staff will have been firmly and happily installed in the new NFO head office at 110 Oxford Street in Rosebank for a number of months now. In truth, though the books have closed on the Credit Ombud, our doors have always remained and remain open in spirit, as the Credit Division of the National Financial Ombud.

Once again, we thank you all – our credit services consumers, our partners and members in the credit industry, government and our staff for all of your support over the last 14 months, and indeed, for the previous 20 years.

As the new Credit Division of the NFO, we pledge to adhere to our mandate and mission to safeguard the health of the credit industry for all concerned, with ever higher levels of service.

We look forward to seeing and hearing from you – as ever, our doors are always open!

"Listen, there's a good universe next door: let's go."

e.e. cummings

CREDIT OMBUD

Enforcing Fairness in Credit and Credit Bureaux Matters

+27 11 781 6431

0861 66 28 37

info@nfosa.co.za

www.nfosa.co.za

110 Oxford Road,
Houghton Estate,
Johannesburg,
Gauteng 2198

NFO

National Financial
Ombud Scheme
South Africa