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Removal of Adverse Consumer Credit Information and Information Relating to Paid-Up Judgments

FAQ

What you need to know

The regulations to the National Credit Act providing for the removal of adverse consumer credit information and information relating to paid-up judgments have come into effect on 1 April 2014.

It is important to understand and take note of the following dates:

1 April 2014: Effective date for the masking of adverse consumer credit information and paid-up judgments. From this date no adverse consumer information and paid-up judgments that is subject to the Regulations may be displayed or provided to clients.

1 June 2014: Effective date for **removal** of adverse consumer credit information and paid-up judgments.

Compuscan is now fully compliant with the Removal of Adverse Consumer Information Regulations, as set out by the Department of Trade and Industry.

Please see below a list of frequently asked questions:

Is this a credit amnesty?

No. Please note that this is **not** an amnesty, but a removal of adverse credit information. The debt is still owed. All credit active consumers will be affected by these Regulations and one cannot apply for the removal such as with the 2007 amnesty.

How many adverse records and consumers on our data sets were impacted by the removal?

6.5 million adverse statuses will be removed, which affects 4.2 million borrowers.

What information was removed in terms of the Regulations?

The following information that was hosted by the bureau on 1 April 2014 was removed:

Adverse classifications:	
Consumer behaviour	Reinforcement action
<ul style="list-style-type: none">• Slow paying• Delinquent• Default• Non-contactable• Absconded• Frozen (Code AA)• Suspended (Code AC)	<ul style="list-style-type: none">• Written off (Code W)• Repossession (Code J)• Facilities/Credit Card Revoked (Code I)• Handed over (Code L)

- a. Paid-up judgments
- b. Details and results of disputes lodged by consumers irrespective of outcome of such disputes (Code D).
Please note: We will refer to this as the “affected data” going forward.

NOTE: The adverse status codes found in the “Compuscan Accounts” table will be removed and replaced with a neutral status code, as illustrated below:

Compuscan Accounts		
Compuscan Codes	To be replaced with	In other words
Overdue (Code V)	Open	Overdue will change to Open
Hand Over (Code L)	Open	Handed over will change to Open
Paid-up Default (Code P)	Closed	Paid-up default will change to Closed
Written off (Code W)	Closed	Written off will change to Closed

What actions do the Regulations require of me?

If you are a NCR Registered Bureau

Remove all data relating to the once-off removal requirements set out in the Regulations.

Remove all paid-up judgment information and continue to remove newly paid-up judgments.

Remove all past dispute indicators.

Not reload the affected information.

Notify all other NCR registered bureaus of data that was removed within 3 days of removing it on Compuscan's database.

Remove all information as supplied by other NCR registered credit bureaus within 3 days after receiving notification thereof.

Supply an independent audit report to the National Credit Regulator confirming that all related information were removed as set out in the Regulations.

If you are a Credit Provider

Submit all information with regards to adverse consumer credit information to the NCR registered credit bureaus before 7 April 2014.

Not to re-submit credit information relating to adverse consumer credit or paid-up judgments.

Not use adverse credit information that were removed under these regulations and paid-up judgments for any reason, including scoring and assessments.

Supply all information with regards to paid-up judgments to all the NCR registered credit bureaus within 7 days of such payment, using the standard file layout.

Respond to bureau requests for confirmation of paid-up judgments within 5 days of such a request.

If you are a Consumer

Ensure that all information relating to the Regulations are removed from your Credit Profiles by doing a personal credit check through our Consumer Care department.

Ensure that each you keep track of your credit report changes and updates by monitoring your credit record regularly.

Contact our call centre at 0861 51 41 31 for more information about getting your My Credit Check credit report.

Submit paid-up judgment information to Compuscan.

Contact our call centre at 0861 51 41 31.

How often must the “affected data” be removed?

Adverse consumer credit information: ONCE-OFF

This means that all adverse information that was held by the bureau on 1 April was removed. If *new* (a previously removed adverse cannot be reloaded using a date after 1 April) adverses are loaded after 1 April, they will remain on our system and will not be removed.

Paid-up judgments: ON-GOING

This means that all paid-up judgments held by the bureau on 1 April 2014 will be removed. If a judgment was paid up on 2 April (or any other later date), it will also be removed. In other words, this is an on-going removal of data.

How does the removal affect trace information?

Trace indicators will be removed and our clients will therefore not receive any triggers or alerts on consumers being traced. A trace indicator may be reloaded if the client re-attempted to trace the consumer and the consumer is not contactable.

How will credit providers submit the paid-up judgment information to Compuscan?

The new file layout (provided by the Credit Bureau Association) enables credit providers to submit the paid-up judgment information to the NCR Registered Bureaus. This file should be sent to data_admin@compuscan.co.za within 7 days after the credit provider received the judgment settlement payments.

Credit providers can request the file layout document from our Consumer Care department.

What are the regulatory requirements of the full process of removal of paid-up judgments?

Consumer paid-up judgment

Credit provider must submit all information relating to paid-up judgments to ALL registered bureaus within 7 days of receipt of such payment from the consumer.
Credit bureaus have 7 days to remove the information relating to the paid-up judgment.
Within 3 days of removing the information relating to the paid-up judgment, Compuscan will notify all other registered credit bureaus of the removal.
Within 3 days since receiving notification of these paid-up judgments from another bureau, Compuscan must remove the information from our records.

What happens if a consumer and a credit provider have a dispute about whether the judgment is paid-up?

The bureau only removes information upon receipt of a paid-up letter and we are not able to handle disputes between credit providers and consumers. All disputes regarding paid-up judgments should be referred to the NCR (complaints@ncr.org.za) and the Credit Ombud (ombud@creditombud.org.za).

Can a consumer submit the paid-up judgment information to Compuscan?

Yes. The judgment will however only be removed upon either:

- (i) confirmation from the credit provider that the judgment has been paid-up (this investigation will be performed by the Consumer Care Team) OR
- (ii) In the event that the credit provider fails to provide feedback within 7 days

How will Compuscan ensure that the data that were removed as part of the regulations are not re-submitted and re-loaded?

Compuscan keeps a log of all records that are removed due to disputes, rescissions, credit provider requests or by *ad hoc* requests such as the Regulations instructing a removal of adverse consumer credit information. When we receive new data, including account data, collections, judgments etc., these log tables are referenced to ensure that data that has been removed is not reloaded against the consumers' credit information. Our data load process has been updated to check any adverse data affected by the Regulation and exclude this data from the client's account, should it be loaded after the 1st of April.

What information can be reloaded that was previously removed by the Regulations?

I.e. What if a consumer's bad debt gets worse?

Any adverse data that occurred before the 1st of April may not be resubmitted or reloaded. Should a consumer lapse into a status code they held previous to the 1st of April, it will not be reloaded. But should they progress into a worse status (ie. handed over from a default) then this "new" status will be listed against the consumer. Judgments that were removed due to no feedback by the credit provider within the 7 days (referred to in above questions) will be reloaded if we receive confirmation that the paid-up letter is fraudulent.

Will consumers under debt review have their debt review status removed?

No. Even though all adverse data will be removed, the debt review/restructuring information block will remain visible on the consumer's credit report.

How can consumers make sure that they benefit from this removal?

Consumers need to request their credit report from us, in order to see what information has been removed. All South Africans are entitled to one FREE annual report from each one of the registered credit bureaus. Contact our call centre at 0861 51 41 31 for further assistance.