

# PRESS RELEASE

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SACRRA | CREDIT & RISK  
REPORTING ASSOCIATION

## ***Former Consumer Goods & Services Ombud takes the reins at SACRRA to promote equitable access to credit for consumers and small businesses***

*Johannesburg, 2 May 2023:* The South African Credit & Risk Reporting Association (SACRRA) is pleased to announce the appointment of Magauta Mphahlele as Executive Director (ED), with effect from 1 April 2023. She takes over from Darrell Beghin, who served capably for just over a decade at the helm of SACRRA, a not-for-profit body funded by the credit and risk management industry.

This appointment puts Mphahlele, the former Consumer Goods and Services Ombud, firmly at the heart of the credit ecosystem in South Africa.

Mphahlele says she didn't hesitate when offered the role: "SACRRA is probably the most important organisation you've never heard of. It plays a critical role in the ability of ordinary South African consumers to gain access to responsible credit. For the last thirty years, it has quietly been working behind the scenes to ensure that credit and risk management companies have access to trustworthy, accurate, up-to-date information on consumer credit behaviour to enable companies to make informed decisions."

Mphahlele is no stranger to the credit industry, having played a significant role in the policy development and enactment of the National Credit Act (NCA) and Consumer Protection Act (CPA). As Director and part of the Consumer Law Reform Project at the Department of Trade Industry and Competition from 1999 to 2007, Mphahlele managed the transition from the then Micro Finance Regulatory Council to the establishment of the National Credit Regulator as part of a comprehensive legislative overhaul to protect consumers against unethical industry practices and to make credit more accessible.

Her appointment comes at a time when consumers and small businesses are under serious financial pressure, not least due to increased living costs and rising interest rates. Many rely on credit to stay afloat.

"It is imperative that we have a robust system in place that provides accurate, up-to-date information on applicants' creditworthiness, making it possible for consumers to access responsible credit in line with the requirements of the National Credit Act. SACRRA's role is to ensure that there are standards in place to share accurate credit and risk profile information with credit bureaus timeously via the central Data Transmission Hub. It is in everyone's best interest that the correct status of consumers is reflected so that they are not locked out or that those who have been locked out due to incorrect information, can come back in. During Covid, many consumers and small businesses experienced severe financial constraints which impacted their creditworthiness. Those that have managed to get back on their feet should not be excluded due to outdated information."

In this respect, SACRRA's primary role is to ensure credit and risk data that can be trusted, is of good quality and securely transmitted in support of - and in participation with - its members and other associates. SACRRA facilitates the sharing of, on average, 54.9 million records per month with a rejection rate of less than 1%. Data contributors submit data through a Central Data Transmission Hub to the credit bureaus within 48 hours of a consumer being granted credit or other service lines. As of December 2022, the [National Credit Regulator Credit Bureau Monitor](#) showed that credit bureaus hold records for 26.90 million credit-active consumers who have 89.37 million accounts and owe a total of R2.26 trillion. SACRRA coordinates the sharing of consumer profile data, sets the data formats, defines the reporting standards and rules, and monitors the quality of information submitted to the credit bureaus by its members, who are primarily banks, credit providers such as clothing and furniture retailers, insurance companies, mobile phone companies and other players in the credit and debt space.

“SACRRA is one of South Africa’s hidden gems – it is world-class and, like so many of our financial services, leads the way internationally in the way we manage consumer credit and risk data, as can be seen from our very low rejection rate of less than 1%. Our aim is to reduce that even further by improving our members’ compliance with data reporting and sharing standards, improving our bespoke software applications and portals that enable members to monitor the quality of their data, and helping consumers understand how to better manage their data to improve their credit and risk profiles.

Mphahlele adds that better data is also key to achieving a goal that is close to her heart: financial inclusion.

“One of the main projects we are engaging our members and stakeholders on is how to replicate the success we have had in gathering and sharing consumer credit and risk information and extend that to the sharing of business information, mainly to improve access to funding for small businesses. While this will be a complex process, as the sharing of business information above a certain threshold is not provided for in the National Credit Act, it will have a significant positive impact on the ability of entrepreneurs to run their businesses.”

This is especially true for start-ups who often have what is known in the industry as “a thin file” – i.e., no data or insufficient credit history. Including alternative data sources and improving digitisation will be central to creating a more inclusive economy underpinned by a highly functional data-sharing framework and system that protects South African consumers and businesses from unjust credit practices and decisions.

Says Mphahlele: “To use a topical analogy, a reliable data hub with reliable data is much like a utility service such as water or electricity. You take it for granted until it becomes compromised. We intend never to take for granted the quality and security of our data hub and our data. We owe this to our members but probably more importantly, to all South Africans.”

ENDS

#### **ABOUT SACRRA**

*The South African Credit and Risk Reporting Association (SACRRA) is a not-for-profit voluntary association of members who share the credit and risk performance data of their customers for purposes of making informed credit and risk decisions. SACRRA aims to give its members control of their data to enable them to comply with existing legislation and to adapt to an ever-changing business environment by providing tools and industry services on data formats, data quality and related challenges. For more information, please visit <https://www.sacrri.org.za>*