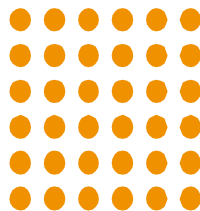
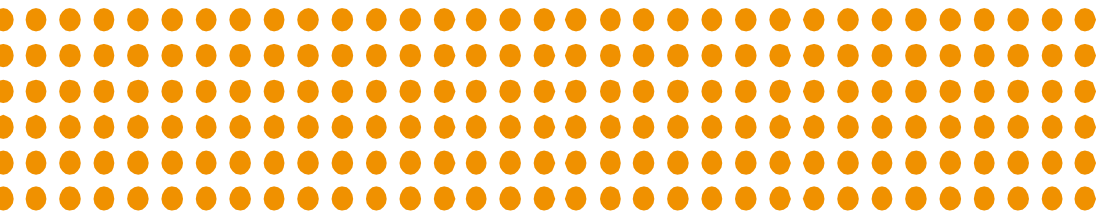


National Credit Regulator

Consumer data privacy and protection in the South African consumer credit regulatory framework and market

*African Consumer Protection Dialogue Virtual
Conference 13 – 14 October 2020*

Nomsa Motshegare, Chief Executive Officer



National Credit Regulator

Overview of presentation

1. Enabling legislation
2. Key legislative requirements
3. Obligations of hosting credit bureaux
4. Regulatory experiences
5. Relief to consumers affected by data breaches or cyber-attacks

Legislation regulating consumer credit data privacy & protection

National Credit Act 34 of 2005

- ✓ Mainly regulates consumer data privacy & protection in the consumer credit market
- ✓ Regulation segmented into data collected & held by different registrants (credit providers, credit bureaux, debt counsellors, payment distribution agents)
- ✓ Onerous privacy & security obligations on credit bureaux hosting databases of consumer data
- ✓ Regulation administered by the National Credit Regulator falling under the Department of Trade, Industry & Competition

Key legislative requirements

Over-arching requirements

- ✓ Protect confidentiality of consumer data received, compiled, retained, or reported
- ✓ Use consumer data only for a purpose permitted or required by law
- ✓ Report, or release consumer data for a permitted or required purpose, or to a person legally entitled to it

Failure to comply -

- ✓ contravention of Nation Credit Act
- ✓ criminal offence

Obligations on hosting credit bureaux

Onerous obligations on hosting credit bureaux

- ✓ Develop & implement data security & protection systems, measures, procedures, and policies
- ✓ Put in place appropriate authentication & identity verification protocols
- ✓ Have business continuity and disaster recovery plans
- ✓ Develop & implement appropriate on-boarding protocols for new clients

Regulatory experiences

Increasing cyber-attacks involving local & international attackers

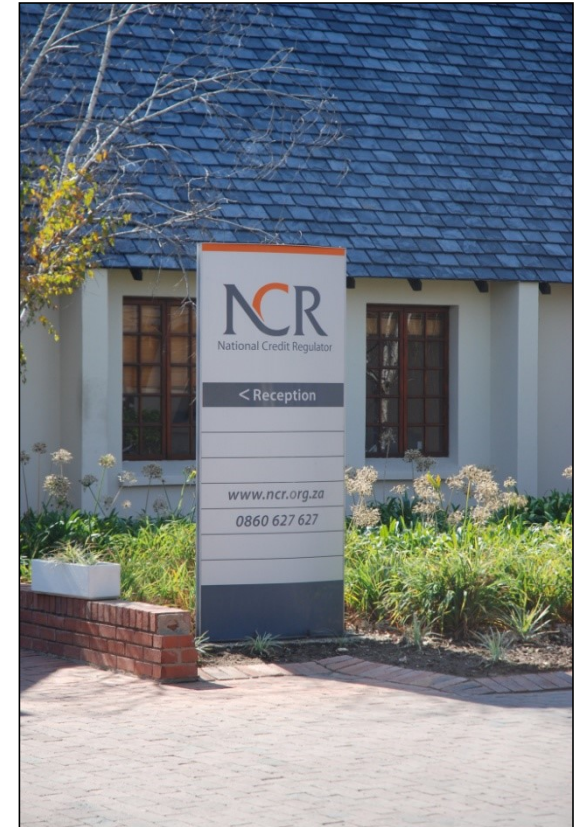
- ✓ High profile cyber-attacks on big companies hosting extensive databases of personal information exploiting certain ICT vulnerabilities
- ✓ Need to regularly test systems, update software, antivirus, and firewalls at regular intervals
- ✓ Regular testing & updating of on-boarding & authentication protocols of new & existing clients

Regulatory experiences cont

Relief measures for consumers affected by a data breach or cyber-attacks

- ✓ Speedy notification of affected consumers
- ✓ Dedicated, heightened & intensive monitoring of the credit records or profiles of affected consumers
- ✓ Provision of free multiple credit reports to affected consumers to enable them to monitor their credit profiles or records
- ✓ Payment of compensation where consumers suffer identity theft & incur costs to rectify their credit profiles or records

Thank You!



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