

SOUTH AFRICA / JUDGMENT

National Credit Regulator v Dans Cash
Loans (Pty) Ltd (NCT/321603/2024/140(1))
[2024] ZANCT 39 (12 September 2024)
[2024] ZANCT 39

COURT

National Consumer Tribunal

BEFORE

Z Ntuli, N Maseti, MC Peenze

CASE / FILE NUMBER

NCT/321603/2024/140(1)

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IN THE NATIONAL CONSUMER
TRIBUNAL

HELD IN CENTURION

Case

Number: NCT-321603-2024-140(1)

In

the matter between:

NATIONAL
CREDIT REGULATOR
APPLICANT
and
DANS
CASH LOANS (PTY) LTD
RESPONDENT

Coram:

Ms

Z Ntuli: Presiding Tribunal Member
Ms
N Maseti
Tribunal Member
Dr
MC Peenze
Tribunal
Member
Date

of the Hearing: 21 August 2024
Date
of Ruling: 12 September 2024

RULING

AND REASONS

THE PARTIES

1. The applicant is the National Credit Regulator (the applicant), an organ of the state, and a juristic person established in terms of section 12 of the National Credit Act 34 of 2005 (the NCA) to regulate the consumer credit market and ensure compliance with the NCA.
2. Sandisiwe Jonas, a junior legal advisor in the applicant's Investigations and Enforcement Department, represented the applicant at the hearing.
3. The respondent is Dans Cash Loans (Pty) Ltd (the respondent), a registered company with registration number 2016/098131/07. The respondent is registered as a credit provider with the applicant under registration number NCRCP8375.
4. The respondent was not represented at the hearing.

TERMINOLOGY

5. A reference to a section in this ruling refers to a section in the NCA, and a reference to a regulation refers to the National Credit Act Regulations, 2006 (the regulations).[1] A reference to a rule in this ruling refers to the Rules of the National Consumer Tribunal[2].

APPLICATION TYPE

6. This is an unopposed application made in terms of section 140(1)(c), whereby the applicant seeks an order declaring that the respondent repeatedly contravened various sections of the NCA and failed to comply with its conditions of registration. In addition, the applicant seeks an order that such contraventions constitute prohibited conduct, interdictory relief against such further conduct, an independent audit, and an administrative penalty.

JURISDICTION

7. The Tribunal has jurisdiction to hear this matter in terms of section 27(a)(ii) and has powers conferred upon it in terms of section 150 to make orders concerning alleged contraventions of the NCA.

PROCEEDING ON A DEFAULT BASIS

8. According to the applicant, the notice and application were served on the respondent by email on 22 May 2024. This is after the applicant obtained consent from the respondent as permitted in rule 30(2), which consent is on pages 141 to 144 of the record. On 31 May 2024, the applicant filed the application with the Tribunal, and a notice of complete filing was issued on 10 June 2024. The Registrar of the Tribunal issued a notice of set down on 19 July 2024, which was sent to all the parties. The panel is satisfied that the respondent was served correctly.
9. Rule 13(2) requires the respondent to serve an answering affidavit on the applicant within 15 business days of receiving the application. The respondent failed to do so. The applicant did not apply for a default order under rule 25(2). Therefore, the registrar correctly set the matter down for a hearing on a default basis, as the pleadings were considered closed.
10. Rule 13(5) states that any factual allegation in the application or referral not explicitly denied or admitted in the answering affidavit is considered admitted. Since the respondent did not submit an answering affidavit, it is deemed to have admitted the allegations presented in the applicant's application.

BACKGROUND

11. This application stems from a complaint initiated by the applicant under section 136(2) following information received from the South African Police Service (Directorate for Priority Crime Investigation) in the North-West Province. The information suggested that certain credit providers in the Rustenburg area might be contravening the NCA by offering credit without being registered, overcharging consumers on interest, and retaining prohibited consumer instruments.
12. During the scouting exercise conducted by the applicant, several credit providers, including the respondent, were identified. At the time, the applicant believed the respondent operated under the name "Wen Cash Loans" due to the branding at the premises, which was a registrant of the applicant. Anonymous inquiries revealed that loans were being extended to consumers under debt review and to blacklisted consumers. Furthermore, the explanation of the loan application process and cost of credit indicated that incorrect calculations were being made, leading to overcharging. It was also noted that the NCR window decal and registration certificate were not displayed, and the premises were not registered as a branch of Wen Cash Loans. This raised reasonable suspicion that the respondent was extending credit that contravened the NCA and its regulations.

13. On 14 March 2023, the applicant's Chief Executive Officer (CEO) authorised an investigation under section 139(1)(c), read in conjunction with section 136(2), into the respondent's credit-granting practices. Luvo Nkone (Nkone) and Douglas Musandiwa (Musandiwa) (the inspectors) were appointed under section 25 to conduct the investigation. The scope of their investigation involved examining ten consumer files to assess the respondent's business practices and determine the following:

13.1 Whether the respondent was conducting business at the branch while not duly registered as such in terms of the NCA;

13.2 If found to be registered, whether the respondent was complying with its registration requirements in terms of displaying window decals and registration certificates at the branch;

13.3 Whether the respondent was conducting proper affordability assessments in terms of section 81(2), read with regulation 23A;

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13.4 Whether the respondent extended credit to blacklisted consumers; and

13.5 Whether the cost of credit levied on credit agreements was in line with the allowable amounts under the NCA.

14. On 16 March 2023, the inspectors conducted an on-site investigation at the respondent's business premises at Shop No. 3, 56 Church Street, Zeerust. They interviewed three representatives: Elsie Monegi (Manager), Keitumetse Dire (Consultant), and Maria Sebekedi (Consultant). The representatives confirmed they were no longer trading as Wen Cash Loans but as Dans Cash Loans, as evidenced by the branding and credit agreements. A copy of the registration certificate confirmed this change.

15. The respondent's representatives provided an overview of their loan-granting process, and the applicant identified the following:

15.1 The respondent offers short-term loans ranging from R300.00 to a maximum of R7,000.00, payable within one month;

15.2 Loans are granted to employed individuals and SASSA clients;

15.3 Pre-agreement statements and quotations are only provided if requested explicitly by consumers;

15.4 Extra fees are charged for consumers who make repayments by swiping debit cards to activate debit orders;

15.5 The Delfin loan system is used to calculate affordability; and

15.6 A cost-of-credit schedule is used to pre-calculate and charge all fees.

16. After discovering that the respondent was operating as Dans Cash Loans instead of Wen Cash Loans, the applicant's CEO authorised the inspectors to continue their investigation against Dans Cash Loans. This authorisation is evidenced by the extension memorandum and the inspector's certificates attached as Annexures "FA7" and "FA8".
17. Following the on-site investigation and assessing the evidence in the sampled files, the inspectors compiled an investigation report with their findings. This report, along with the sampled files marked as Annexures "F1" to "F10", is attached to the application as Annexure "FA9". The applicant's cause of action is outlined in its founding affidavit, which is read with the investigation report.

ALLEGED CONTRAVENTIONS OF THE NCA AND THE TRIBUNAL'S FINDINGS

18. According to the applicant, as of 1 August 2024, the respondent was registered as a credit provider with the applicant in terms of the NCA. The respondent has admitted to all the alleged contraventions based on rule 13(5), as it failed to contest the applicant's allegations and findings.
19. The applicant demonstrated that the respondent failed to operate its business in a manner consistent with the purposes and requirements of the NCA. The respondent's conduct amounts to egregious contraventions, which occurred repeatedly. Based on the investigation report, the following contraventions are evident:

Failure to conduct affordability assessments in terms of the NCA and reckless credit

20. Section 81(2) prohibits a credit provider from entering into a credit agreement with the consumer without, amongst others, first taking reasonable steps to assess the consumer's general understanding and appreciation of the risks and costs of the proposed credit and rights and obligations of the consumer under a credit agreement; the debt repayment history of the consumer under credit agreements; and the existing financial means, prospects, and obligations of the consumer. According to section 78(3)(a), financial means, prospects, and obligations include income or any right to receive income, regardless of the source, frequency,

or regularity.

21. The panel is cognisant that regulation 23A(4) was reviewed and set aside in *Truworths Limited and Others v Minister of Trade and Industry and Others*[3] (Truworths). However, the remainder of regulation 23A remains valid and applicable to a credit provider's obligations to conduct affordability assessments. Credit providers must adhere to the affordability assessment prescripts of this regulation before granting credit.
22. The panel is satisfied that the applicant has demonstrated with concrete evidence that the respondent failed to conduct affordability assessments in accordance with the requirements and thereby contravened section 81(2) and regulation 23A in respect of Annexures "F1" to "F10". Evidence shows that the respondent, among other things:

22.1. Failed to assess the debt repayment history of the consumers. No credit bureau reports were obtained. The respondent accordingly contravened section 81(2)(a)(ii) read with regulation 23A(12)(b) and 23A(13);

22.2. Failed to take reasonable steps to assess the consumers' existing financial means, prospects, and obligations in contravention of section 81(2)(a)(iii) read with regulation 23A(3) and 23A(12)(c) because:

22.2.1. No current salary advice or proof of income of the consumers was obtained in Annexures "F2" and "F7" to F8" to verify, validate, or establish the consumers' monthly income; and

22.2.2. Consumer bank statements were obtained in "F1" to "F10". However, such was done as a tick box exercise, not for affordability tests or to confirm the consumer's income or obligations, as they were not used for affordability calculations;

22.3. Failed to apply the minimum expense norms table or was unable to provide any evidence of making the necessary calculations required in terms of regulation 23A(9) and 23A(10) with respect to all sampled files; and

22.4. Failed to calculate consumers' discretionary income before granting credit. This is evident in that no such calculations could be located in any of the sampled files provided, in contravention of regulations 23A(8) and 23A(12)(a).

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23. According to the applicant, the ten sampled files assessed had 27 credit agreements concluded by the respondent, and none of these complied with the affordability assessment requirements, which are the core safeguards against reckless lending and indebtedness. These flaws also enabled the extension of credit to SASSA child grant recipients.

Reckless credit agreements

24. Section 81(3) prohibits a credit provider from entering into a reckless credit agreement with a prospective consumer. According to section 80(1)(a), a credit agreement is reckless if, at the time that it was made, the credit provider failed to conduct an assessment as required by section 81(2), irrespective of what the outcome of such an assessment might have concluded at the time.
25. The applicant's assessment of Annexures "F1" to "F10" revealed that the respondent did not comply with the provisions of section 81(2), nor its obligations detailed in the remainder of regulation 23A. The respondent contravened section 81(3) read with 80(1)(a). Accordingly, the panel finds that the credit agreements relating to Annexures 'F1" to "F10" are reckless

Failure to provide consumers with pre-agreements in the prescribed manner

26. Section 92(1) prescribes that a credit provider must not enter into a small credit agreement unless the credit provider has given the consumer a pre-agreement statement and quotation in the prescribed form. According to regulation 28(1)(b), the pre-agreement statement and quotation must be in the format in Form 20. Regulation 23A(15)(a) states that a credit provider must disclose to the consumer the credit cost multiple and total cost of credit in the pre-agreement statement and quotation.
27. The applicant demonstrated that the respondent failed to provide consumers with pre-agreement statements and quotations in the prescribed form in all sampled files. Therefore, the panel finds that the respondent contravened section 92(1) read with regulation 28(1)(b) and Form 20. This rendered the necessary disclosures to consumers impossible in contravention of regulation 23A(15)(a) and (d).

Failure to provide consumers with consumer agreements in the prescribed manner

28. Section 93(1) prescribes that a credit provider must deliver to the consumer, without charge, a copy of a document that records their credit agreement transmitted to the consumer in a paper form or a printable or electronic form. Section 93(2) states that a document that records a small credit agreement must be in the prescribed form. Regulation 30 requires a small agreement to contain all information as reflected on Form 20.2.
29. In all sampled files, the respondent failed to provide consumers with copies of credit agreements but instead provided them with a repayment agreement. The panel finds that the respondent contravened sections 93(1) and 93(2) read with regulation 30 and Form 20.2.

Prohibited charges

30. Section 100(1)(c) prohibits credit providers from charging or imposing an interest charge exceeding the amount that may be charged consistent with the NCA. Section 101(1)(d)(ii) states that the interest must not exceed the applicable maximum prescribed rate determined in terms of section 105.
31. Regulation 42(1) sets out the prescribed maximum interest rates for each category of credit agreement and states that the maximum prescribed interest in respect of a short-term loan is 5% per month on the first loan and 3% per month on subsequent loans extended within the same calendar year. Regulation 40(2)(b) determines that interest for a short-term transaction must be calculated by multiplying the deferred amount for the month with the interest rate and then dividing it by the number of days in the month.
32. In all the credit agreements in question, the respondent stated that it charged 5%, in line with the general cost-of-credit as outlined in Annexure "E" of the investigation report but failed to consider the number of days and subsequent loans when calculating interest in the credit agreement. The evidence from all sampled files was submitted, and the following illustrates the point:

32.1 In Annexure "F1", the consumer was granted a loan of R1000.00.00 payable over ten days. The agreement was concluded on 15 October 2022, and the repayment date was 25 October 2022. The interest charged is R50.00. The maximum interest chargeable at 5% for ten days is R16.13, equating to an overcharge of R33.87.

32.2 In Annexure "F3", the consumer was granted a loan of R1500.00.00 payable over twelve days. The agreement was concluded on 3 December 2022, and the repayment date was 15 December 2022. The interest charged is R75.00. The maximum interest chargeable at 5% for 12 days is R29.03, equating to an overcharge of R45.96.

33. Considering the compelling evidence, the panel finds that the respondent contravened section 100(1)(c) read with section 101(1)(d) read further with regulation 42(1) and regulation 40(2)(b).

Overcharging on initiation fees

34. Section 100(1) prohibits a credit provider from charging an amount or imposing monetary liability on the consumer in respect of an amount of a fee or charge exceeding the amount that may be charged consistent with the NCA. Section 101 (1)(b)(i) provides that an initiation fee charged must not exceed the prescribed amount relative to the principal debt.
35. Regulation 42(2) states that the maximum initiation fee on a short-term credit transaction is R165.00 per credit agreement, plus 10% of the amount more than R1,000.00. Regulation 43(3) provides that an initiation fee may not exceed 15% of the principal debt.
36. The evidence submitted indicates that in all the sampled files, the respondent overcharged consumers the initiation fee by an average of R346,00. The panel finds that the respondent contravened section 100(1) read with section 101(1)(b)(i), regulation 42(2) and regulation 43(3).
37. Section 100(1)(a) prohibits a credit provider from charging an amount or imposing monetary liability on the consumer in respect of an amount of a fee or charge exceeding the amount that may be charged consistent with the NCA. Section 101(1) lists the fees and charges a credit provider may charge under a credit agreement.
38. In terms of section 102(1), if a credit agreement is an instalment agreement, a mortgage agreement, a secured loan, or a lease, the credit provider may include in the principal debt deferred under the agreement any of the following terms to the extent that they are applicable in respect of any goods that are the subject of the agreement:
- 38.1. an initiation fee as contemplated in section 101 (1)(b) if the consumer has been offered and declined the option of paying that fee separately;
- 38.2. the cost of an extended warranty agreement;
- 38.3. delivery, installation, and initial fuelling charges;

38.4. connection fees, levies, or charges;

38.5. taxes, licence, or registration fees; or

38.6. subject to section 106, the premiums of any credit insurance payable in respect of that credit agreement.

39. In all sampled files, the applicant demonstrated that the respondent charged consumers a document fee of between R5.00 and R200,00 and debit order fees in line with its cost-of-credit document in Annexure “E”. All these additional fees the respondent charged are neither listed under sections 101(1)(a) to 101(1)(g) nor section 102(1)(a) to (f). The panel finds that the respondent contravened section 100(1)(a) read with section 101(1) and section 102.

Contraventions of General Conditions of Registration

40. Section 52(5)(c) mandates that registrants comply with the conditions of registration and the provisions of the NCA. General Condition 5 of the respondent's Conditions of Registration requires the respondent to prominently display a registration certificate and a window decal supplied by the applicant at the entrance of their business premises.

41. None of these were done, and instead, the respondent had the registration certificate displayed at the back office, which consumers had no access to. The panel finds that the respondent has contravened section 52(5)(c), read with General Condition 5 of its Conditions of Registration.

RELIEF SOUGHT

42. The panel has determined that the respondent contravened several sections of the NCA and its regulations. These contraventions should be declared as prohibited conduct. Given the significant shortcomings in the affordability assessments in Annexures “F1” to “F10”, the credit agreements therein must be declared reckless. The respondent should be barred from collecting on these credit agreements.

43. An order for an audit is warranted because only a limited number of the respondent's credit agreements were examined. The respondent operates fifteen branches, and the severe contraventions discovered in the ten sampled files indicate a need for broader scrutiny. For justice and consumer protection, an independent auditor should be appointed, at the respondent's cost, to review whether reckless credit was extended over the past three years. Based on the auditor's findings, the applicant can decide the appropriate actions to safeguard consumer rights. It is crucial to note that the panel does not issue orders for individuals not party to this application.

44. The applicant's request for an interdict to prevent the respondent from engaging in future prohibited conduct and from collecting on the credit agreements declared reckless is justified under the circumstances.[4] Consumers are vulnerable to exploitation by entities like the respondent. Given the severity of the contraventions, it would be irresponsible to

permit the respondent to collect on reckless credit agreements, thereby continuing the harm this Tribunal was created to prevent. The panel is convinced that an interdict is necessary in this case.

45. In its founding papers, the applicant sought an order to cancel the registration of the Zeerust branch. However, this request had no legal basis, as the NCA does not provide for individual branch registrations that can be selectively de-registered or cancelled. The applicant withdrew this request during oral submissions, which the panel accepted.
46. Furthermore, the applicant requests an administrative fine on the respondent. Section 151 allows the Tribunal to levy such fines for prohibited conduct, with a maximum penalty of either 10% of the respondent's annual turnover or R1,000,000, whichever is greater. Section 151(3) specifies the factors the Tribunal must consider, which are addressed below.

The nature, duration, gravity, and extent of the contravention

47. The respondent's repeated contraventions are egregious and resulted in reckless credit. Reckless credit is probably the most egregious contravention as it leads to over-indebtedness, negatively impacting the economic status of consumers and the consumer credit industry.
48. The respondent disregarded the NCA prescripts, which are core safeguards for the credit provider, consumers, and the credit industry. This conduct also brought the consumer credit industry into disrepute, which warrants serious consequences. The panel noted that the respondent has fifteen branches, which means the conduct may be far-reaching, given that only ten files were sampled in the Zeerust branch.

Any loss or damage suffered as a result of the contravention

49. The respondent exploited consumers by issuing reckless credit and overcharging, worsening their financial situations, contributing to over-indebtedness, and increasing debt review cases. Each credit agreement concluded was a gain to the respondent but prejudiced the vulnerable consumers financially. The financial effects appear to be far-reaching, but the extent can be demonstrated after an audit of the respondent's credit agreements.

The behaviour of the respondent

50. Despite being aware of the NCA requirements through its registration as a credit provider, the respondent engaged in systemic contraventions in direct defiance of the NCA and undermined consumer rights. It is also of concern that the respondent traded in premises branded with a different name, misleading customers and undermining the applicant's role as the regulator of this industry.

The market circumstances in which the contravention took place

51. The contraventions occurred in a market where consumers, particularly low-income and uneducated individuals, are vulnerable and heavily reliant on the services offered by the respondent. Desperate consumers are prone to exploitation and an ongoing debt cycle that is difficult to escape from.

The level of profit derived from the contravention

52. The applicant could not determine the exact profit level derived by the respondent but submits that each loan extended constitutes a profit the respondent gained, considering the over-charges and the reckless nature of the credit agreements. According to Form 39, for the period ending 31 December 2022, the respondent concluded 10,705 credit agreements. Form 40 for the period ending February 2023 shows a revenue of R9,038,208 from credit extensions, illustrative of the financial performance of the respondent.

The degree to which the respondent has co-operated with the NCR and the Tribunal

53. The respondent co-operated with the applicant during the investigation.

Whether the respondent has previously been found in contravention of the NCA

54. No prior investigations or enforcement action was instituted against the respondent.
55. Based on the evidence submitted and the above factors, the panel is satisfied that an administrative fine is warranted as a preventative

and punitive measure. In *NCR v Midwicket*,^[5] the Tribunal found that “One of the main purposes of an administrative

56. The applicant did not provide the financial statements required under section 151(2) to determine the respondent's turnover. However, the applicant argues that Form 39, found on page 129 of the record, indicates an annual revenue of R26,762,771. After subtracting R17,724,563, this leaves a figure of R9,038,208, as shown in Form 40. The applicant asserts that the 10% fine should be based on this turnover. This financial information pertains to the period from 1 January to 31 December 2022. Section 151(2)(a) stipulates that the relevant annual turnover must be for the preceding financial year.
57. According to section 27 of the Companies Act,^[6] a company's financial year is the annual accounting period ending on the date specified in its notice of incorporation. The CIPC^[7] certificate, dated 7 August 2023, on page 41 of the record, shows that the respondent's financial year ends in February. Therefore, the periods shown in Forms 39 and 40 do not align with the respondent's financial year. Despite the absence of financial statements for the correct period, the panel can impose an administrative fine of up to R1,000,000. After considering the circumstances, the panel concludes that a fine of R200,000 is appropriate.

ORDER

58. In the circumstances, the panel makes the following order:

58.1. It is declared that the respondent repeatedly contravened the following sections:

58.1.1. Section 81(2)(a)(ii) read with regulations 23A(12)(b) and 23A(13);

58.1.2. Section 81(2)(a)(iii) read with regulations 23A(3) and 23A(12)(c);

58.1.3. Regulation 23A(9) and 23A(10);

58.1.4. Regulation 23A(8) and 23A(12)(a);

58.1.5. Section 81(3) read together with section 80(1)(a);

58.1.6. Section 92(1) read with regulation 28(1)(b) and Form 20;

58.1.7. Regulation 23A(15)(a) and (d);

58.1.8. Section 93(1) and section 93(2) read with regulation 30 and Form 20.2;

58.1.9. Section 100(1)(c) read with section 101(1)(d)(ii) read further with regulation 42(1) and regulation 40(2)(b);

58.1.10. Section 100(1) read with section 101(1)(b)(i) and regulation 42(2) and regulation 43(3);

58.1.11. Section 101(1)(a) read with sections 101(1) and 102(1), read together with regulation 44; and

58.1.12. Section 52(5)(c) read with General Condition 5 of its Conditions of Registration

58.2. The contraventions listed in paragraph 58.1 above are declared as prohibited conduct in terms of section 150(a);

58.3. Declaring that the respondent has, by its conduct disclosed above, brought the consumer credit industry into disrepute and acted with a disregard for consumer rights generally;

58.4. The credit agreements in the files attached as Annexures “F1” to “F10” to the investigation report are declared reckless in terms of section 80(1)(a);

58.5. The respondent is interdicted from engaging in prohibited conduct in the future and from collecting on any of its extended credit agreements identified in Annexures “F1” to “F10” as reckless;

58.6. The respondent must within 30 business days of the issuance of this ruling, at its own cost, appoint an independent auditor who is a chartered accountant, to consider all the credit agreements the respondent entered into during the three years preceding the date of issuance of this ruling, and determine all instances where the respondent extended credit to consumers without having conducted affordability assessments, and overcharged interest, initiation and document fees within the credit agreements. The respondent must submit the auditor’s report to the applicant within six months of the issuance of this ruling;

58.7. The respondent must within 90 business days of the issuance of this ruling, pay an administrative fine of R200,000.00 into the bank account of the National Revenue Fund, the details of which are as follows:

Bank:

The Standard Bank of South Africa

Account holder: Department of Trade and Industry

Branch name: Sunnyside

Branch code: 0 10645

Account number: 3[...]

Reference: NCT-321603-2024-140(1) and name of the person or business making the payment

58.8. There is no order as to costs.

[signed]

Ms Z Ntuli

Presiding Tribunal member

Tribunal members Ms N Maseti and Dr MC Peenze concur.

[1] Published under Government Notice R489 in Government Gazette 28864 of 31 May 2006.

[2] Published under GN 789 in GG 30225 on 28 August 2007 as amended by GN 428 in GG 34405 on 29 June 2011, GN R203 in GG 38557 on 13 March 2015 and GN 157 in GG 39663 on 4 February 2016.

[3] 2018

(3) SA 558 (WCC).

[4] The interdict applied for is of a final nature. It is well established that the grounds for a final interdict are (a) a clear right; (b) an injury actually committed or reasonably apprehended; and (c) the lack of an adequate alternative remedy. See *Setlego v Setlego* 1914 AD 221.

[5] *NCR v Midwicket Trading 525 CC t/a Butterfly Cash Loans NCT/7962/2013/57(1)*. fine is to serve as a means of deterring an offender from engaging in the prohibited conduct again. Where the offender's registration is cancelled and is thus no longer permitted to conduct business as a credit provider, one of the main reasons for the imposition of a fine falls away. The imposition of the fine then becomes purely punitive, which would generally be warranted in the most extreme of circumstances."

[5] *NCR v Midwicket Trading 525 CC t/a Butterfly Cash Loans NCT/7962/2013/57(1)*.

fine is to serve as a means of deterring an offender from engaging in the prohibited conduct again. Where the offender's registration is cancelled and is thus no longer permitted to conduct business as a credit provider, one of the main reasons for the imposition of a fine falls away. The imposition of the fine then becomes purely punitive, which would generally be warranted in the most extreme of circumstances."

[6] Companies Act 71 of 2008.

[7] Companies and Intellectual Property Commission.

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Prepared on 10 October 2026 · Esheria