



## CODE OF CONDUCT FOR SELLING OF UNSECURED CREDIT

1. We, the chief executives of the major consumer lending banks, have taken note of the public concern about being harassed and inconvenienced by people selling credit, and about forceful overselling of credit. We have weighed up those concerns against our commitment (for example, in terms of the Financial Sector Charter) to provide easier access to credit, and have agreed to commit our banks, and our sales teams, to this code of conduct.
2. **The Code**
  - 2.1 At the commencement of the discussion, we will advise customers that this is about an offer of credit, and ask whether they would like to continue the conversation. If the answer is “no”, we will terminate the conversation immediately. We will also terminate the conversation at any time thereafter if customers indicate that they are not interested in the offer, or decline it.
  - 2.2 We will only contact customers to offer credit where we have assessed that, on the information available to us, they probably have the ability to repay the facility (on the basis contemplated in the National Credit Act).
  - 2.3 For the avoidance of doubt, we will tell such customers, upon first contact, that, on the information available to us, our preliminary assessment indicates that they probably qualify for the product that we are offering to them, and that should they accept the offer, they will be taken through the appropriate credit vetting and Financial Intelligence Centre Act (FICA) processes.
  - 2.4 Customer contact for credit selling purposes will only be made between:
    - 08h00 – 19h00, Monday to Friday
    - 08h30 – 13h00, Saturday
  - 2.5 We will exercise our best endeavours not to contact the customer for purposes of selling the same lending product more frequently than once every two months (excluding one follow-up contact on an offer made) unless with the consent of the customer, and subject to legal requirements such as client confidentiality. We will record all outbound call centre campaigns, and if we undertake to revert to the customer or potential customer, we will do so within 5 working days.
  - 2.6 We will comply with all relevant legislation and agreed Codes of Practice.
3. The above principles will apply to existing and potential customers, and will remain in force as a minimum standard even after the National Credit Act has come into force in June 2007.

4. All communication channels are covered by this Code of Practice. These include Direct Mail, Call Centres, SMS, e-mail, fax. We will regularly perform quality checks to ensure that we are complying with this code in all communication channels used by us.
  - 4.1 For existing customers we will:
    - Only attempt to sell credit to customers once satisfied with their credit standing and performance as recorded by the credit bureaux.
    - Ensure that their credit bureaux records are regularly and accurately updated in respect of all credit agreements on our books.
    - Only make an offer that is based on an estimate of the customer's ability to repay the facility, utilising the customer's last known salary and other available internal customer account information as well as the customer's debt obligations listed by the credit bureaux. We will not over-sell in the context of the limits of that ability.
    - During contact, confirm the identity of the target customer.
    - Ensure that the product is explained and that an explicit decision regarding the product is obtained from our customer.
  - 4.2 For new customers, we will:
    - In assessing potential customers, only contact them when we have been able to assess their ability to repay the proposed facility, utilising publicly available information. We will not over-sell in the context of the limits of that ability.
    - During contact, ensure that the product is explained and that an explicit decision regarding the product is obtained from the potential customer.
    - Record the call and ensure that any necessary documentation is produced and where required, signed by the customer, including the Terms and Conditions.
    - During the call, explain all regulatory requirements (e.g., FAIS, FICA, etc).
    - Ensure that funds will only be released once the necessary documentation has been signed by the customer.
5. This Code is an interim measure and it is the intention to incorporate all the important provisions herein into a revised Code of Banking Practice.
6. All members of the Banking Association have agreed to this code. It is, in our view, important that all other major providers of credit commit themselves to a similar code.

1 March 2007