

Nedbank lowers barrier to accessing credit

Credit is a key enabler for financial inclusion and through its gold credit card, Nedbank aims to significantly lower the barrier to accessing credit for the majority of financially excluded South African consumers.



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Nedbank's new gold credit card comes during a very difficult time for the country and its citizens, and, while it brings the benefits of formal credit to many, it is the most affordable credit card in the market, not only offering the lowest income requirement of R5,000, but a monthly fee from only R40 and personalised competitive rates.

"Nedbank views financial inclusion as one of the most vital elements of our much-needed economic recovery in the wake of the devastating pandemic," says Mpho Sadiki, head of function: trading products & solutions at Nedbank.

"A large number of people who, while earning a regular income, are unable to access affordable credit products with registered financial services providers as most still have a minimum requirement that remains out of their reach.

"This not only prevents a large proportion of the population from supplementing their expenditure in times of emergency, but also places them in the dangerous position of fast-growing over-indebtedness that can quickly get out of control," says Sadiki.

Avoiding informal lenders

These people, will now be able to access a credit card for the first time and avoiding going to the over 40 000 "mashonisas" or informal lenders operating in the country.

These lenders are unregulated and known to charge interest rates of as much as 50% per loan, condemning many of these hardworking people to debt slavery.

“The low-cost, no-frills nature of the gold credit card provides the features and benefits that support clients’ most important needs, allowing them access to a lifestyle that would not have been possible previously, in a responsible manner,” concludes Sadiki.

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