

Don't fall on the wrong side of the Credit Act

The new National Credit Act demands changes in the advertising and marketing of credit and that means copywriters and others involved in producing text dealing with this subject are going to have to choose their words far more carefully. A workshop has been scheduled to help those in advertising and marketing understand the new law.

With a natural inclination to creative use of language that sells, advertisers and marketers now have to choose their words very carefully and simplify their language following the enactment of the new National Credit Act (NCA) almost two months ago.

In this regard, the Association of Communication and Advertising (ACA) has partnered with the National Credit Regulator (NCR) to host a workshop to discuss the implications of the new NCA on the marketing and communication industry.

"There is an obligation under the NCA for companies that lend money or give credit to be transparent in their communication for both Below The Line (BTL) and Above The Line (ATL) communication on all advertisements to consumers. As an industry we want to be partners in this drive to ensure responsible and transparent advertising in as far as the Act is concerned," said ACA CEO, Zandile Nzalo.

She said because of the requirements of the Credit Marketing Practices requirements under the NCA, the ACA Legal Services arm had been receiving inquiries from members seeking legal advice on campaigns involving clients affected by the NCA. The most affected have been marketers in the motoring, cell phone and financial services sector.

The Advertising Standards Authority of South Africa (ASA) says it is vital for advertisers and marketers to have a clear understanding of the NCA's requirements to avoid falling on the wrong side of the Act.

"The National Credit Act has major implications for the way that credit providers advertise. Initiatives like this workshop ensure that advertisers and media are aware of the requirements of the Act, and can engage with the relevant players to understand the impact of the Act on their businesses," said Gail Schimmel, ASA's Head: Legal and Regulatory Affairs.

The half-day workshop targeted at all marketers and advertisers will be held at Hackle Brooke in Randburg on the 1st August.

Speakers include Reana Steyn, NCR's Legal Advisor and Stefan Vos, a Marketing Regulation Advisor, who will focus on the application of the Act on ATL and BTL communication and marketing material. The speakers will be followed by panel discussions that include experts from the ASA, NCR, Financial services sector and the CEO Corporate Lawyers Association.

The NCA became effective on the 1st June 2007. The NCA aims to protect customers from over-indebtedness and create a fair and non-discriminatory market for lending.

The NCR was established as the regulator under the NCA and is responsible for the regulation of the South African credit industry. It is tasked with carrying out education, research, policy development, registration of industry participants, investigation of complaints, and ensuring enforcement of the Act.

For further information and registration for the workshop, please contact Alexia Georgiou or Pamela Phakisi at the ACA on 011 781 2772 or email

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