

# Battle is on against garnishee order abuse

A number of institutions have waged war against illegal emolument orders and affected consumers may soon feel relief.



Credit ombudsman Manie van Schalkwyk, who headed the Emolument Attachment Order Task Team, says his team has finalised its work.

The task team was established to investigate abuse around what is loosely known as garnishee orders, which require an employer to withhold part of an employees' wage and pay it to a creditor of the employee.

Van Schalkwyk says the task team is awaiting feedback from the Treasury before the credit industry could start drafting a code of conduct.

"I am confident that the efforts and hard work by all members of this task team, together with the Banking Association of South Africa Task Team, will result in an improved garnishee order system within our country," he says.

Debt Counselling Industry Portal founder Deborah Solomon urges business owners to empower their staff to fight illegal garnishee orders.

## Debt slavery on the horizon

"Businesses will pay the highest price of all if they ignore the crisis and South Africans will be imprisoned in a new apartheid called debt slavery," she says. "Garnishee orders have become the order of the day. And the legality as to how they are taken and the debt behind them is more than questionable," she adds.

Solomon has, along with Red Oak Tracing and Capital Software, launched forensic investigations into the legality of garnishee orders against consumers.

"The service gives companies a fully automated audit and forensic service to investigate garnishee orders, enabling human resources divisions to refocus on their core business," she says.

Solomon asks that corporates and consumers send them their garnishee orders so they can assess whether the orders are legal.

"If they are not legal, we will help rescind them and then offer the [indebted] people financial mentoring so that they don't end up in the same situation again," she says.

## Help for consumers

Solomon says they will help Nunu Sydney Nkabini, of Hammarsdale in KwaZuluNatal, whose salary is being docked by a firm of attorneys operating from Piet Retief in Mpumalanga. Nkabini says when attaching his salary, the attorneys told his employer he owed Warm Up Investment - a company he claimed to never have heard of - R8,937.

He says his employer did not tell him about the attachment order but just implemented it. "It's also questionable that a Kempton Park magistrate issued the garnishee order when I lived and worked in Hammarsdale, KwaZulu-Natal," Nkabini says.

Solomon says many South African employees' income is depleted on garnishee order deductions.

"The spiralling debt crisis poses a financial risk to businesses and the economy as debt-stressed consumers are less productive and more prone to white-collar crime," she says.

According to Solomon, only 13.6m South Africans are employed while the country has 20.8m credit-active consumers who owe creditors a total of R1.4trn. She says as many as 85% of garnishee orders in SA are illegal.

Source: Sowetan via I-Net Bridge

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