

BANKING AND COVID-19

As the Covid-19 pandemic continues to surge around the world, many countries including South Africa, have decided to institute national lockdown measures in order to curb the spread of the virus. This in turn, may have had an adverse effect on you as a financial consumer. Therefore, it is important to notify your financial institution, i.e. your bank, if you are experiencing any financial challenges during this period. As banking has been declared an essential service during the lockdown, banks have continued to operate, ensuring that their clients have uninterrupted access to financial services. Some of the major South African banks have put relief measures in place, to assist clients that have been directly impacted by the COVID-19 pandemic. One of these measures are in the form of **payment holidays**.

What is a payment holiday?

A payment holiday is an agreement you enter with your bank to waiver your repayments on your debt for a period of up to three (3) months. This payment relief ranges from services and products such as personal loans, student loan, credit life insurance claims, home loans, credit card loan and vehicle asset finance payments. The terms of these payment holidays differ from bank to bank and among the different products. Different banks have set different criteria to qualify for this relief. It is therefore important that you **contact the institution that you bank with** to find out if you qualify for the payment holiday. One of the criteria to obtain this agreement is that customers must be in **good standing** and up to date with monthly instalments.

What does “good standing” mean?

Customers in good standing are those that were up to date with commitments and have historically conducted their relationship with banks responsibly. If you can then show that you are experiencing financial challenges as a direct result of COVID-19, you will be eligible for the relief package. The bank will then, on a case-by-case basis, assist with a **suitable debt-relief package** that is based on your financial situation.

What questions must I ask to get to my suitable debt-relief package?

The debt-relief package could include suitable payment rearrangement and/or the restructuring of your debt, but you must **ensure that you fully understand the implications of the package** before signing the agreement. Ask questions such as:

<ul style="list-style-type: none">• What are the terms and conditions of the package?• What does “good standing” mean?• What will my repayments look like after the “holiday”?• How will all of this affect my credit score?• What additional non-interest fees will be charged?	<ul style="list-style-type: none">• Am I opted in or - out of these packages and how will this assist me in the long term?• What happens if I am unable to honor my financial agreement/obligation?• What interest and standard monthly administration fees will still accrue for the months of payment holiday?• What will happen when I cannot meet my payments i.e. home loan or car loan?
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<ul style="list-style-type: none"> • Can I cancel my relief/holiday payment and restart my normal payments early without cost? 	<ul style="list-style-type: none"> • What is the impact of any option on my monthly payments or the term of my home loan?
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After you've reached a suitable agreement with your bank, stay in continuous contact with your bank to ensure that you meet financial obligations and get updates on any developments with respect to your agreement. You can find the criteria and holiday packages that some banks offer [here](#).

How can I stay safe when banking during this time?

Below are just a few tips of how to safely transact when doing your banking:

- Avoid going to the **bank branches** if possible. When it is necessary for you to visit the branch be patient, as branches may have less staff than usual. Also act in a manner that protects you, the health and safety of staff and other customers by practicing social distancing and making use of sanitisers.
- Use **digital platforms such as a Banking App, Cellphone and Internet Banking** to do your day-to-day banking as it is contact-free. You can check balances, make deposits, transfer money and even buy pre-paid electricity, airtime and data from the comfort of your home with online banking.
- **Keep your banking Personal Identification Number (PIN) card number, CVV or login details safe** and don't share it with anyone. when using digital platforms.
- **Beware of Phishing** Do not click on links or icons in unsolicited emails or SMS or WhatsApp messages. Delete those e-mails and SMS immediately.
- If you need to withdraw cash, thoroughly wash your hands or use sanitizer before and after **using an ATM** and handling money. The banking sector has waived Saswitch fees during the lockdown. This means that you can use the closest ATM to your home, even if it is not your bank, and be charged your normal fees. Please note, however, that Saswitch fees will apply to balance enquiries as well as declined transactions.

Who do I complain to?

If you have a complaint against a bank and you are unhappy with the response to your complaint, you can contact the offices below:

<p>Ombudsman for Banking Services (OBS) Website: www.obssa.co.za E-mail: info@obssa.co.za Share call: 0860 800 900 Tel: 011 712 1800</p>	<p>Ombud for Financial Services Providers (FAIS Ombud) Website: www.faisombud.co.za E-mail: info@faisombud.co.za Enquiries on status of complaints:</p>
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Financial Sector Conduct Authority (FSCA) Website: www.fsca.co.za E-mail: info@fsca.co.za or FSCA.BanksSupervision@fsca.co.za Call center: 0800 20 FSCA (3722) Tel: 012 428 8000 Fax: 012 346 6941	enquiries@faisombud.co.za Share call: 086 066 (FAIS) 3247 Tel: 012 762 5000/ 012 470 9080 Fax: 012 348 3447/ 012 470 9097
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Stay safe and stay at home during the lockdown.

If you have any queries and for more information on consumer education messaging and activities, you can contact the FSCA at the following details:

Contact Centre: 0800 20 (FSCA)3722
Email: CED.Consumer@fsca.co.za
info@fsca.co.za
Website: <https://www.fscamymoney.co.za/>