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The Role of Selected Regulatory Bodies in the Promotion of Financial Education in South Africa[1]

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Abstract: Financial education entails the process of improving financial consumers' knowledge, understanding, skills and confidence regarding their use of financial services and financial products as well as the risks involved through consistent and objective advice from the relevant regulatory bodies and related stakeholders. Financial education is vitally needed to enhance financial consumers' knowledge on, inter alia, budgeting, better saving and better investment for their short and long-term financial goals in their respective countries and jurisdictions. In this regard, the role of regulatory bodies in the promotion of financial education through the adoption of adequate and appropriate measures to improve the financial well-being of financial consumers is indispensable. Accordingly, this article discusses the role of selected regulatory bodies in the promotion of financial education in South Africa. To this end, the role of the Financial Sector Conduct Authority (FSCA), the National Credit Regulator (NCR), the National Consumer Tribunal (NCT) and the National Consumer Commission (NCC) is discussed. This is done to investigate whether the stated regulatory bodies and/or related agencies have adopted sufficient measures for the promotion of financial education in South Africa.

Keywords: financial education; financial consumers; financial planning; regulatory bodies; low-income earners; role-players

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1. Introduction

Financial education entails the process of improving financial consumers' knowledge, understanding, skills and confidence regarding their use of financial services and financial products as well as the risks involved through consistent and objective advice from the relevant regulatory bodies and other stakeholders (see Chitimira & Magau, 2022, p. 360; also see Akpinar & Koch, 2019, p. 21). Therefore, relevant regulatory bodies and other stakeholders such as banks, the government and other financial institutions should adopt appropriate measures to promote financial education for all financial consumers in South Africa. This empowers financial consumers to understand financial concepts, financial products and financial services which they utilise from time to time to improve their financial planning and promote responsible borrowing so as to curb overindebtedness (see OECD, 2005; also see Chitimira & Magau, 2021, p. 9; also see Akpinar & Koch, 2019, p. 21). Thus, financial education is vitally needed to enhance financial consumers' knowledge on, inter alia, budgeting, better saving and better investment for their short and long-term financial goals in South Africa. Moreover, financial education constitutes a vital set of life skills required to enhance the financial resilience of financial consumers against financial fragility which may be caused by the changes that could occur in economic events and/or related negative events such as the corona virus (covid-19) pandemic, political wars and natural disasters (National Treasury, 2014, pp. 18-19; Financial Stability Board, 2013, pp. 27-28; Engelbrecht, 2008, pp. 1-18). In this regard, South African regulatory bodies and other relevant stakeholders should adequately provide appropriate financial education to all financial consumers to enable them to make well-informed decisions and choices regarding the effective management of their finances (see Chitimira & Magau, 2021, p. 9).

It is interesting to note that various measures such as the enactment of financial consumer legislation and the establishment of regulatory bodies have been adopted to enhance the promotion of financial education for financial consumers in South Africa. For instance, legislation such as the National Credit Act 34 of 2005 as amended (NCA), the Consumer Protection Act 68 of 2005 as amended (CPA) and the Financial Sector Regulation Act 9 of 2017 (FSR Act) were enacted to, inter alia, regulate the promotion and provision of financial education to financial consumers in South Africa (Coetzee, 2018, p. 609; Osode, 2021, p. 18; Chitimira & Ncube, 2020, pp. 344-346). Accordingly, this article discusses the role of selected regulatory bodies in the promotion of financial education in South Africa. To this end, the role of the Financial Sector Conduct Authority (FSCA), the National Credit Regulator (NCR), the National Consumer Tribunal (NCT) and the National Consumer Commission (NCC) is discussed. This is done to investigate whether the stated regulatory bodies and/or related agencies have adopted appropriate and sufficient measures for the promotion of financial education for financial consumers, especially indigent persons and low-income earners in South Africa.

2. The Role of Selected Role-Players in the Promotion of Financial Education in South Africa

2.1. The Role of the FSCA

The FSCA was established as an independent regulatory body under the FSR Act (Osode, 2021, p. 18; Chitimira & Ncube, 2020, pp. 344-346). The main objectives of the FSCA are threefold. Firstly, the FSCA is obliged to enhance and support the efficiency and integrity of financial markets in South Africa (see s 57(a) of the FSR Act; also see Chitimira & Ncube, 2020, p. 27). Secondly, the FSCA promotes the fair treatment of financial customers by financial institutions and provides financial consumers with financial education programs to enable them to make sound financial decisions (see s 57(b)(i)-(ii) of the FSR Act; see also Osode, 2021, p. 18). This suggests that the FSCA is required to adopt appropriate measures to promote financial literacy among all financial consumers in South Africa. Lastly, the FSCA maintains financial stability in South Africa (see s 57(c) of the FSR Act; see also Osode, 2021, p. 17). Put differently, the FSCA is obliged to promote efficient and stable financial markets which have integrity and public investor confidence. This must be done through the adoption of adequate financial education programmes to protect financial consumers against any unfair treatment by financial institutions in South Africa (see s 57 of the FSR Act; also see Viljoen, Lallo and Bunge, 2018, pp. 2-16). Accordingly, the FSCA is statutorily required to provide adequate financial education to all financial consumers in South Africa, especially indigent persons and low-income earners (see s 57(b)(ii) of the FSR Act; see further Morgan & Pontines, 2014, pp. 3-14; Morgan, Zhang & Kydyrbayev, 2018, pp. 1-29).

The FSCA has numerous powers and functions to achieve its objectives. For instance, the FSCA must regulate and supervise the conduct of financial institutions (see s 58(1) of the FSR Act; see also Chitimira & Ncube, 2020, p. 26). The FSCA must also co-operate with other financial sector regulatory bodies in line with the relevant financial sector regulations in order to promote sustainability and fairness in the provision of financial services and products in South Africa (see s 58(1) of the FSR Act; see also Chitimira & Ncube, 2020, p. 27). The FSCA monitors the delivery and provision of financial services to all financial consumers in South Africa to promote market fairness. This is done to ensure that appropriate financial products and financial services meet the needs and expectations of all financial consumers (see s 58(1) of the FSR Act; see also Osode, 2021, p. 18). Furthermore, the FSCA is responsible for overseeing the regulation of the entire South African financial sector so as to identify any possible risks and take suitable steps to mitigate and combat such risks (see s 58(1)(f) of the FSR Act; see also Chitimira & Ncube, 2020, p. 27). The FSCA is also obliged to promote financial inclusion and financial education by developing and implementing the relevant and necessary strategies to achieve its functions (see s 58(1) of the FSR Act; see also Osode, 2021, p. 19). Moreover, the FSCA may co-operate with other similar regulatory bodies in other jurisdictions and participate in relevant international regulatory, supervisory, financial stability and standard-setting programmes to promote financial education (see s 58(4)(a)-(b) of the FSR Act; see also Chitimira & Ncube, 2020, p. 27).

Although the introduction of the FSCA could be celebrated as a positive step in the right direction, more still needs to be done to ensure that it effectively promotes financial education to all financial consumers, particularly the poor and low-income earners in South Africa. For instance, the FSCA has not been successful in its bid to provide adequate financial education for the purposes of promoting financial inclusion in South Africa since its inception (National Treasury, 2018, pp.1-3). This is owing to the fact that most poor and low-income earners in the rural areas and informal sectors are yet to receive appropriate financial education from the FSCA (see s 57(b)(ii) of the FSR Act; see also Osode, 2021, pp. 18-19; also see Godwin, 2017, p. 152). It appears that the FSCA has not yet adopted adequate and appropriate measures to promote financial education for all financial consumers through webinars, workshops, television, radio, social media and other relevant platforms, especially during the ongoing covid-19 pandemic (Hamadziripi & Chitimira, 2021, pp. 27-28; National Treasury, 2020; also see related comments by Chitimira & Ncube, 2020, p. 347). The FSCA annual report for the 2020-2021 financial year reflects that most of the targets that were set by the FSCA for the provision of financial education were not successfully achieved (Financial Sector Conduct Authority, 2021). Some of the aforesaid financial education targets were not successfully achieved owing to the stringent covid-19 lockdown measures that were employed in South Africa (Financial Sector Conduct Authority, 2021; De, Pandey & Pal, 2020, p. 2; also see related comments by Fernandes, Lynch Jr & Netemeyer, 2014, p. 1865; Boshara et al, 2010, pp. 26-27; Hilgert, Hogarth & Beverly, 2003, p. 310). Consequently, it is submitted that the FSCA should augment its targets for the promotion of financial education in line with the population of the country and its demographics. Moreover, the FSCA should revisit its enforcement approaches and/or methods of achieving its strategic goal to provide financial education to financial consumers in light of the ongoing covid-19 pandemic challenges. The FSCA should further adopt a robust approach to develop appropriate programmes that effectively provide financial education to all financial consumers to combat overindebtedness and financial exclusion challenges among indigent persons and low-income earners in the South African rural areas and informal sectors (Wentzel, 2016, pp. 329-339). This could empower most financial consumers to avoid over-indebtedness and other related challenges that are caused by the lack of adequate financial education.

It remains to be seen whether the FSCA will consistently and robustly engage other regulatory bodies in other jurisdictions and participate in relevant international regulatory and supervisory initiatives to effectively promote financial education for the indigent persons and low-income earners in South Africa. In other words, the FSCA's cooperation with international regulatory bodies to promote financial education for low-income earners in South Africa has not yet been tested. This flows from the fact that the FSCA is not actively cooperating with other similar regional and international regulatory bodies to promote financial education for all financial consumers in South Africa.

It is important to note that the FSCA has adopted a diverse language policy for effective communication with the public in terms of the Use of Official Languages Act 12 of 2012 ("Use of Official Languages Act", see s 4; also see Mondlana, 2018, p. 16; also see Mkhize & Balfour, 2017, p. 135; see more related comments by Kaschula & Ralarala, 2004, pp. 254-257; Henrard, 2001, p. 80). This could enable the FSCA to ensure that both private and public companies and other financial institutions consistently promote financial education to all financial consumers (see s 4 of the Use of Official Languages Act; also see Mondlana, 2018, p. 16; also see Mkhize & Balfour, 2017, p. 135; Kaschula & Ralarala, 2004, pp. 254-257; Henrard, 2001, p. 80). The FSCA requires financial institutions to use appropriate language that is easily understood by all financial consumers (see ss 3(1) & 22 of the CPA; also see s 64 of the NCA; Pearson, Stoop & Kelly-Louw, 2017, p. 3; see related comments by Du Preez, 2009, p. 76; also see Chitimira &

Magau, 2021, p. 12). The proper use of appropriate language empowers financial consumers to make sound and informed financial decisions (see s 4 of the Use of Official Languages Act; also see Mondlana, 2018, p. 16; also see Mkhize & Balfour, 2017, p. 135; Kaschula & Ralarala, 2004, pp. 254-257; Henrard, 2001, p. 80). Financial consumers usually understand financial products and financial services better if they are explained to them in the language of their preference (see ss 3(1)(a)-(f) & 22 of the CPA; also see s 64 of the NCA; see related comments in Atkinson & Messy, 2013, p. 18; also see Pearson, Stoop & Kelly-Louw, 2017, p. 76; Chitimira & Magau, 2021, p. 12). Some indigent persons and low-income earners find it difficult to deal with financial service providers because they do not understand the English language that is used in most financial products and financial services (Atkinson & Messy, 2013, p. 18; see related comments in Zait & Bertea, 2014, p. 38; Chitimira & Magau, 2021, p. 12). Therefore, it is pivotal that financial consumers, particularly indigent persons and low-income earners, receive information regarding financial products and financial services in their preferred languages. In this regard, the FSCA should be commended for advocating that any information regarding financial services and financial products should be provided in a language that is understood by all financial consumers. This approach complies with the requirement for the use of plain, simple and understandable language in contracts, especially those dealing with financial obligations of financial consumers (see ss 3(1)(a)-(f) & 22 of the CPA; also see s 64 of the NCA; See also Pearson, Stoop & Kelly-Louw, 2017, p. 3; Du Preez, 2009, p. 76; Chitimira & Magau, 2021, p. 13).

It is also encouraging to note that the FSR Act expressly obliges the FSCA to promote financial education for all persons in South Africa (see s 57(b)(ii) of the FSR Act; also see Mondlana, 2018, p. 16; Rootman & Antoni, 2015, p. 475; Nanziri & Leibbrandt, 2018, p. 3). However, most indigent persons and low-income earners are still financially illiterate. As a result, they struggle with financial planning and overindebtedness owing to the FSCA's failure to adequately provide them with the relevant financial education (Rootman & Antoni, 2015, p. 474; Sibanda & Sibanda, 2016, p. 2; Ssebagala, 2017, p. 236). Moreover, some indigent persons and low-income earners do not understand most financial services and financial products that are offered in South Africa since they have not received sufficient financial education from the FSCA and other financial institutions (Ssebagala, 2017, p. 237; Visagie & Van Schalkwyk, 2020, p. 3; Engelbrecht, 2008, p. 254; Chummun, 2017, p. 798). As a result, a number of indigent persons and low-income earners in South Africa do not have access to bank accounts

(Wentzel, Diatha & Yadavalli, 2016, p. 204; also see Visagie & Van Schalkwyk, 2020, p. 3; see also Engelbrecht, 2008, p. 255). Furthermore, most indigent persons and low-income earners in South Africa still do not have access to formal basic financial services and financial products because the FSCA has not played its role effectively (Kostov, Arun & Annim, 2015, p. 35; Chitimira, 2020, p. 154). The FSCA has so far failed to develop and implement relevant strategies and programs for the promotion of financial education to empower indigent persons and low-income earners in South Africa. This status quo is worsened by the negative financial effects of the ongoing covid-19 pandemic (see, ss 57(b)(ii) & 58(j) of the FSR Act; also see Morgan & Pontines, 2014, pp. 3-14; Morgan, Zhang & Kydyrbayev, 2018, pp. 1-29).

2.2. The Role of the NCR

The NCR was established as an independent body responsible for regulating all consumer credit-related matters in South Africa in terms of the NCA (see s 12 of the NCA; also see Chitimira & Ncube, 2020, p. 345; also see Chitimira, 2020, p. 279). The NCR is obliged to conduct research on consumer credit and policy development and report to the Minister of Trade and Industry on, inter alia, the participation of historically disadvantaged persons in the credit industry and the level of consumer indebtedness in South Africa (see s 13(a)-(d) of the NCA; see also Chitimira & Ncube, 2020, p. 345; see also Pearson, Stoop & Kelly-Louw, 2017, p. 12; Sibanda & Sibanda, 2016, p. 1). This approach could enable the NCR to promote financial education on credit-related matters among financial consumers, especially the poor and low-income earners, to curb overindebtedness and related challenges in South Africa. The NCR is also obliged to register credit providers in order to create an accessible credit market to all financial consumers, particularly persons who were previously disadvantaged by apartheid in South Africa (see s 13(a)-(d) of the NCA; see also Chitimira & Ncube, 2020, p. 345; see also Pearson, Stoop & Kelly-Louw, 2017, p. 12; Sibanda & Sibanda, 2016, p. 1). The NCR should utilize this obligation to engage and encourage credit providers to adequately promote financial education for all financial consumers in the South African credit industry (see s 13(a)-(d) of the NCA; see also Chitimira & Ncube, 2020, p. 345; see also Pearson, Stoop & Kelly-Louw, 2017, p. 12; Sibanda & Sibanda, 2016, p. 1). Furthermore, the NCR is mandated to conduct investigations into any complaints that are brought to it by financial consumers in terms of the NCA (see s 13(a)-(d) of the NCA; see also Chitimira & Ncube, 2020, p. 345; see also Pearson, Stoop & Kelly-Louw, 2017, p. 12; Sibanda & Sibanda, 2016, p. 1). Additionally, the NCR has the power to suspend and/or cancel any registration that is issued to any credit bureaux, debt counsellors and/or credit providers that do not comply with the relevant provisions of the NCA (see s 14 of the NCA; also see related comments by Chitimira, 2020, p. 279; see also Vessio, 2008, p. 231). This is an important function and an opportunity for the NCA to protect financial consumers when they enter into credit agreements without adequate financial education regarding their credit providers and the different types of credit they offer (see s 14 of the NCA; also see related comments by Chitimira, 2020, p. 279; see also Vessio, 2008, p. 231). The NCR is responsible for monitoring the South African consumer credit industry and credit market to detect, investigate, prevent, prosecute and/or refer any prohibited conduct to the NCT for further adjudication (see s 14 of the NCA; also see related comments by Chitimira, 2020, p. 279; see also Vessio, 2008, p. 231). Accordingly, the NCR should develop financial education programmes for financial consumers to create awareness about prohibited conduct in relation to credit-related matters in South Africa.

Although the NCA has been regulating all credit-related and financial education matters through the NCR since 2006, the NCR has struggled to consistently provide financial education workshops, conference presentations and use other media platforms such as radio and television to enhance financial consumer literacy in South Africa (see s 13(a)-(d) of the NCA; see also Chitimira & Ncube, 2020, p. 345; see also Pearson, Stoop & Kelly-Louw, 2017, p. 12; Sibanda & Sibanda, 2016, p. 1). This is owing to the lack of financial resources, skills and capacity for the NCR to create and implement financial education programmes in South Africa (see Abrahams, 2017, p. 633; also see; Pearson, Stoop & Kelly-Louw, 2017, p. 13; Chitimira & Ncube, 2020, p. 9). Very few financial consumers are aware of the NCR and its functions, particularly with regard to financial education and financial inclusion (see related comments by Wentzel, 2017, p. 329; also see Ssebagala, 2017, p. 237; also see Visagie & Van Schalkwyk, 2020, p. 3; also see Engelbrecht, 2008, p. 254; Chummun, 2017, p. 798). Consequently, very few low-income earners and indigent persons have received financial education from the NCR in South Africa to date (Wentzel, 2017, p. 329; also see Ssebagala, 2017, p. 237; also see Visagie & Van Schalkwyk, 2020, p. 3; also see Engelbrecht, 2008, p. 254; Chummun, 2017, p. 798).

Most indigent persons and low-income earners are struggling to get out of over-indebtedness due to the failure on the part of the NCR to adopt and utilize adequate credit-related financial education measures and programmes for all financial consumers in South Africa (Sibanda & Sibanda, 2016, p. 10; see related comments by Fox, Bartholomae & Lee, 2005, pp. 195-209; also see Worthington, 2008, p. 350; Wagland & Taylor, 2015, p. 34). Over-indebtedness occurs when a person cannot timeously satisfy all the accrued debt obligations under any credit agreement and/or facility to which the person is a party (see s 79(1) of the NCA; also see De Wet, Botha & Booyens, 2015, p. 84). The majority of low-income earners and indigent persons are susceptible to taking up financial products and financial services they do not understand due to the failure on the part of the NCR to provide them with appropriate financial education giving rise to their over-indebtedness (Rootman & Antoni, 2015, p. 475; Nanziri, 2016, pp. 110-114; see related comments by Rootman et al, 2014, p. 142).

Since the end of June 2021, the credit bureaus held records for about 26.22 million credit-active financial consumers in South Africa (National Credit Regulator, 2021). Credit-active financial consumers are those persons that are required to pay their creditors by regulatory authorities such as the NCR (National Credit Regulator, 2021). This high rate of credit-active financial consumers justifies the need for the NCR to adopt appropriate, robust and efficient financial education measures to reach all financial consumers in South Africa. Nonetheless, despite the high statistics of over-indebtedness in South Africa, the NCR has so far failed to adopt robust measures to promote financial education for all financial consumers to effectively curb over-indebtedness in South Africa (see s 13 of the NCA; also see related comments by Chitimira & Ncube, 2020, p. 345; Pearson, Stoop & Kelly-Louw, 2017, p. 12; Sibanda & Sibanda, 2016, p. 1). In this regard, it is submitted that the NCR should consistently monitor the consumer credit industry by adopting sustainable financial education programs to curb financial illiteracy among low-income earners and indigent persons to increase their financial knowledge when dealing with financial products and financial services in South Africa (see ss 13-16 read with s 25 of the NCA; see also Chitimira, 2020, p. 279; see further Vessio, 2008, p. 231).

Debt intervention was introduced as a debt relief measure through the amendment of the NCA in 2019 to assist indigent persons and low-income earners when dealing with over-indebtedness in South Africa (see s 86A(5)(a) & (b) read with s 87A(2)(b) of the NCA; also see Coetzee, 2018, pp. 605-609; see also Chitimira & Magau, 2021, p. 295). Debt intervention is intended to help low-income earners and/or indigent persons to extract themselves from their over-indebtedness by, inter alia, completing a financial literacy programme (see s 86A(5)(a) & (b) read with s 87A(2)(b) of the NCA; Coetzee, 2018, pp. 605-609; Chitimira & Magau, 2021, p. 295). One of the advantages of debt intervention is its potential to promote financial education through providing debt intervention applicants with financial literacy and counselling assistance which is offered by the NCR (see s 86A(5)(a) & (b) read with s 87A(2)(b) of the NCA; also see Coetzee, 2018, pp. 605-609; see also Chitimira & Magau, 2021, p. 295; Coetzee & Roestoff, 2020, pp. 99-100; also see Chitimira & Magau, 2020, 211). From a financial education perspective, financial literacy is important because it inculcates financial resilience, financial awareness and financial knowledge to all financial consumers, especially indigent persons and low-income earners (Zait & Bertea, 2014, p. 38; see related comments by Williams, 2007, p. 13). Financial education helps financial consumers to understand how they can wisely transact with financial service providers and credit providers to avoid reckless expenditure, impulsive buying and over-indebtedness (see s3(e) of the NCA; also see Gathergood, 2012, p. 593; Chitimira & Magau, 2021, p. 294; see further Coovadia, 2017, pp. 2-15). When the NCR considers an application for debt intervention, it must promote financial education by requiring the debtor to complete a financial literacy programme (see s 86A(5)(a) and (b) of the NCA; also see Coetzee, 2018, pp. 605-609; see also Chitimira & Magau, 2021, p. 295; Coetzee & Roestoff , 2020, pp. 99-100; Chitimira & Magau, 2020, p. 211). This is a positive development in relation to the promotion of financial education by the NCR, especially during the ongoing covid-19 pandemic. However, the NCA provisions for debt intervention have not yet been successfully implemented to promote financial education to all financial consumers in South Africa to date. For instance, the NCR has not yet put in place the relevant infrastructure and regulations to promote financial education through its financial literacy and counselling programme (Chitimira & Magau, 2020, p.212). The NCR annual report for the 2020/2021 financial year provides that the NCR is in partnership with various stakeholders such as the FSCA to, inter alia, promote financial education. Notably, the NCR conducted 199 educational activities during the same period (.National Credit Regulator, 2021, pp39-40). These activities include workshops, exhibitions, mall activations (community outreach programmes) and meetings.

The NCR has not adopted sufficient, appropriate and adequate measures to promote financial education to empower financial consumers in response to the socio-economic effects of the ongoing covid-19 pandemic in South Africa (Hamadziripi & Chitimira, 2021, pp. 27-28; National Treasury, 2020). This is owing to the fact that the NCR operations were negatively impacted by the national lockdown and other restrictions imposed by covid-19 protocols (National Credit Regulator, 2021). The NCR offices including its call centre were consistently shut down in compliance with covid-19 protocols (National Credit Regulator, 2021). This affected not only employees, but also access to the NCR by consumers in general. Reduced staff capacity, lack of tools of trade for remote working and the implementation of rotational work schedules were also contributing factors to the challenges in promoting financial education faced by the NCR (see Abrahams, 2017, pp. 632-634; also see Pearson, Stoop & Kelly-Louw, 2017, p. 13; also see Chitimira & Ncube, 2020, p. 9). It remains to be seen whether the NCR will consistently provide financial education as envisaged in the NCA.

2.3. The Role of the NCT

The NCT was established as an adjudicative body for disputes between financial consumers and credit providers in terms of the NCA (see ss 26-36 of the NCA; also see National Consumer Tribunal, 2017, p. 17). The NCT also derives its mandate from the CPA (see s 75 of the CPA; also see National Consumer Tribunal, 2017, p. 17). The NCT is more of an administrative body than a judicial body, and its role is mostly determined by the nature of the disputes brought to it either by financial consumers or by the NCR (National Credit Regulator v Chatspare Pty Ltd Case No NCT/08/2008/140 (1) (P) June 2008 para 4; also see s 86A(5)(a) & (b) read with section 87A(2)(b) of the NCA; also see Coetzee, 2018, pp. 605-609; see also Chitimira & Magau, 2021, p. 29). The NCT is obliged to determine whether the conduct prohibited by the NCA has occurred, to assist in the enforcement of the NCA. This is done to assist financial consumers to resolve their disputes and obtain redress against credit providers that contravenes the provisions of the NCA (see s 27 read with ss 147 & 151 of the NCA; also see Woker, 2011, p. 1). Disputed matters are usually referred to the NCT by the NCR. However, there are instances when financial consumers can approach the NCT without first laying a complaint with the NCR (see ss 140 & 141 (1) (b) read with s 61 of the NCA). The NCT can also grant cost orders and exercise any other power conferred to it in terms of the relevant legislation (see s 27(b) read with s 147 & s 27(c) of the NCA).

The NCT plays a significant role in the debt intervention application process, which could influence the applicant's possible or ultimate granting of debt extinguishment (see s 86A of the NCA; also see Coetzee, 2018, p. 604; also see Coetzee and Roestoff, 2020, p. 104). However, the NCT's involvement in providing financial education is only limited to instances when it makes a suspension order (see s 86A of the NCA; also see Coetzee, 2018, p. 604; also see Coetzee and Roestoff, 2020, p. 104). It is during such instances that a debtor is required to complete a financial literacy programme (see s 87A(2)(b) of the NCA; also see Coetzee, 2018, p. 605). It must be noted that there is no sufficient infrastructure for the NCT to effectively provide financial education to financial consumers in South Africa (see s 86A of the NCA; also see Chitimira & Magau, 2020, p. 211). Additionally, there is no explanation regarding the standard of training to be provided to financial consumers by the NCT. This could be a challenge because financial consumers have different backgrounds and varying levels of education. Moreover, the Credit Amendment Act is silent on how the provision of financial education to low-income earners and/or indigent persons will be enforced and monitored by the NCT. This uncertainty could affect the enforcement and promotion of financial education by the NCT since it has no guidelines, skills and resources to promote financial education for financial consumers such as the low-income earners and/or indigent persons in South Africa (see Abrahams, 2017, pp. 632-634; also see more related comments by Pearson, Stoop & Kelly-Louw, 2017, p. 13; also see Chitimira & Ncube, 2020, p. 9). Accordingly, it is submitted that the NCT still needs to do more to robustly and consistently promote financial education to all financial consumers in South Africa (see Hamadziripi & Chitimira, 2021, pp. 27-28; National Treasury (2021); also see related comments by Sharrock, (2016), p. 63; Nanziri & Leibbrandt, 2018, p. 1; see also Chitimira & Magau, 2021, p. 6).

2.4. The Role of the NCC

The NCC was established in 2011 by the Portfolio Committee on Trade and Industry, as an independent body that promotes consumer rights and advocates for consumer protection in South Africa (see s 85(2)(a) of the CPA; also see Magaqa, 2015, pp. 32 and 35; Woker, 2017, p. 4). The NCC also works with the Provincial Consumer Protection Authorities (PCPAs) across all nine provinces of South Africa (see ss 84-85 of the CPA; also see Magaqa, 2015, pp. 32-35; see also Byleveld v Execor Twelve (Pty) Ltd t/a Motor City and Another (NCT/10686/2013/75(1)) [2014] ZANCT 2 (24 February 2014)). Furthermore, the NCC is obliged to detect and combat all prohibited conduct in terms of the CPA (see s 83(4)-(6) read with ss 84-85 of the CPA). The NCC is also empowered to refer to recent developments on issues pertaining to consumer protection, develop the codes of good practice and carry out research on matters relating to the promotion of consumer protection, policy reform and make recommendations to the Minister of Trade and Industry in respect thereof (see ss 92-96 and 98 of the CPA; also see Chitimira & Ncube, 2020, p. 15). In addition, the NCC may further co-operate with other regulatory bodies and role-players to promote consumer protection in South Africa (see s 97 of the CPA; also see Chitimira & Ncube, 2020, p. 15). The promotion of financial education is central to consumer protection. Therefore, the NCC should seriously consider promoting financial education to enhance consumer protection in South Africa.

The NCC is empowered to deal with consumer-related disputes and conduct investigations into any complaints regarding any alleged prohibited conduct and issue appropriate compliance notices against the offenders (see ss 99 and 100 of the CPA; also see Chitimira & Ncube, 2020, p. 15). The NCC issues compliance notices where there are reasonable grounds that someone has engaged in prohibited conduct (see s 73(1)(c)(iv) read with sec 100(1) of the CPA; also see Magaqa, 2015, p. 36). In Clientele General Insurance Ltd v National Consumer Commission, the court held that the purpose of a compliance notice is to remedy any non-compliance with the provisions of the CPA (Clientele General Insurance Ltd v National Consumer Commission (NCT/4671/2012/60(3) & 101(1) (P)) [2013] ZANCT 7 (15 April 2013) para 48; also see Magaqa, 2015, p. 36). The offenders may object to these compliance notices, and the NCT may review such objections depending on the merits of each case (Vodacom Service Provider Company v National Consumer Commission (NCT/2793/2011/101 (1)(P)) [2012] ZANCT 9 (8 June 2012); Wingfield Motors (Pty) Ltd v National Consumer Commission (NCT/3882/2012/101(1)(P) CPA) [2013] ZANCT 11 (22 April 2013)). The NCC may also refer disputed matters to the NCT or the National Prosecuting Authority (NPA) for prosecution (see s 73(2)(a) read with ss 99-102 of the CPA; also see Magaqa, 2015, p. 36). Notwithstanding its powers and functions, it is unfortunate to note that there is no statute that expressly and specifically empowers the NCC to promote financial education in South Africa. In this regard, it is submitted that the powers of the NCC should be expanded to include the promotion of financial education to low-income earners and indigent persons in South Africa. The NCC has not adopted any measures to promote financial education to enhance the financial knowledge and financial awareness of financial consumers in relation to various financial services and financial products. This flaw has negatively affected the promotion of financial education for all financial consumers in South Africa.

3. Concluding Remarks

As indicated above, various regulatory bodies have been established from time to time in a bid to, inter alia, enhance the promotion of financial education for financial consumers in South Africa. Nonetheless, despite the establishment of different regulatory bodies such as the FSCA, the NCR, the NCT and the NCC, there are various shortcomings regarding the effective enforcement of their roles and duties to promote financial education for financial consumers, especially indigent persons and low-income earners in South Africa. For instance, although the FSR Act expressly obliges the FSCA to promote financial education for all persons in South Africa, most indigent persons and low-income earners are still financially illiterate, while some struggle with financial planning and the majority of them are financially excluded from accessing basic financial products and financial services (see s 57(b)(ii) of the FSR Act; also see Mondlana, 2018, p. 16; Rootman & Antoni, 2015, p. 475; Nanziri & Leibbrandt, 2018, p. 3). In this regard, the FSCA should adopt a robust approach to promote financial education to enable indigent persons and low-income earners to make informed financial decisions to avoid over-indebtedness, combat impulsive buying and curb financial exclusion.

It was also noted that the NCR has not been able to consistently adopt robust measures to promote financial education to curb over-indebtedness among all financial consumers in South Africa. In this regard, the NCR must actively monitor the consumer credit market and the consumer credit industry by adopting sustainable financial education and literacy programs to curb financial illiteracy among financial consumers, particularly low-income earners and indigent persons in South Africa. Moreover, the NCA should be amended to enact adequate provisions that oblige the NCR to consistently enforce and provide robust financial education workshops, conference presentations, financial education brochures and other media platforms such as radio and television interviews to enhance consumer financial education in South Africa (see ss 13(a)–(c) and 16(1)(a)–(c) read with s 12 of the NCA; also see Pearson, Stoop & Kelly-Louw, 2017, p. 12; see also Sibanda & Sibanda, 2016, p. 1). The NCA is silent on how the NCT should monitor and promote financial education and financial literacy among all financial consumers in South Africa. Accordingly, it is submitted that the NCA should be amended to enact adequate provisions that expressly require the NCT to monitor and promote financial education for all financial consumers in South Africa.

As indicated earlier, the CPA does not have specific provisions that oblige the NCC to provide financial education to all financial consumers, particularly low-income earners, and indigent persons in South Africa. Accordingly, the CPA should be amended to enact specific provisions that oblige the NCC to consistently provide appropriate financial education programmes to all financial consumers in South Africa. In this regard, the powers of the NCC should be expanded to include the promotion of financial education to all financial consumers in South Africa.

It is further submitted that the government, regulatory bodies, and other role-players should cooperate and coordinate their efforts to increase financial education among all financial consumers in South Africa. In relation to this, the government, regulatory bodies, and other role-players should jointly utilize appropriate and adequate measures to enhance the promotion of financial education to, inter alia, curb financial exclusion and overindebtedness among all financial consumers in South Africa. The government and other role-players should provide adequate financial resources to regulatory bodies for them to hire skilled persons and acquire relevant infrastructure to effectively promote diverse financial education programmes among all financial consumers in South Africa. Policymakers should also consider enacting a specific and separate statute that deals with the regulation and promotion of financial education in South Africa. This statute should also provide adequate measures that could be utilized by regulatory bodies and other role-players to effectively and efficiently promote financial education for all financial consumers during unexpected crises such as the ongoing covid-19 pandemic in South Africa (Hamadziripi & Chitimira, 2021, pp. 27-28; National Treasury, 2020, pp. 2-5; also see related comments by Sharrock, 2016, p. 63; Nanziri & Leibbrandt, 2018, p. 1; Chitimira & Magau, 2021, p. 6).

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