

African Bank Limited press release

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### **Unburden yourself from debt issues this month of love**

Is the stress of debt weighing you down this month when you should be celebrating love? It shouldn't be! Now is the time to get on top of your financial woes and there are some simple things you can do right now to get started.

Mellony Ramalho, African Bank's Group Executive: Sales, Branch Network, offers these top 10 tips endorsed by the Credit Ombudsman:

**1. A payment a month keeps the debt collectors away**

Don't skip payments, make short payments or make late payments. This not only causes unnecessary harassment from creditors, it also brings down your credit score which may potentially put you in a position of being declined credit should you need it in the future. Paying the minimum required instalment every month will assist you in having a healthy credit score.

**2. Beware of the credit seduction**

Did you know that for every R1 000 you earn credit providers will extend credit of R3 000? Credit can be very enticing. Don't extend your credit just because it is offered to you. Credit is expensive. Also understand that plastic money - store cards and credit cards - are debt - and debt is expensive. Consider that the next time you're about to swipe that card.

**3. Is that an essential?**

Our lack of self-control often lands us in trouble. The trick is to differentiate between what are essentials and what we can live without. By cutting out small expenses every month you can save a whole lot in a year. Consider what you are spending on a cup of coffee, chocolate bar or pie from the local garage shop. Convenience items are expensive. Consider what you could save if you planned better, packed lunches and avoided those quick pop-ins to the store. Make a grocery list when you go shopping and stick to what is on the list to avoid overspending.

**4. Love a good deal?**

Even if it is 50% off; Buy one Get one free; if it is not budgeted for and you will need to borrow (credit) for it, you cannot afford it. Many of these specials or deals may seem like bargains, but in fact are traps. Remember if it's not in the budget, it should not be in the shopping bag.

**5. Join forces with your partner**

Finances form a huge part of a relationship so it is important for two people to share their financial goals in order to live in harmony. Talk to your partner about your debt and work together to put a healthy financial plan in place. Visit a financial advisor together if you need to.

**6. Understand what you are being charged**

Understand how interests and fees are charged to avoid being overcharged. Shop around for the lowest interest rates.

When buying on credit, read the contract carefully for hidden costs and make sure you are paying for what you are purchasing. Make sure you receive a copy of any contract that you sign. Do not sign blank contracts with any credit provider.

Beware of adverts saying things like ‘blacklisted welcome’; ‘loans available, no credit checks’. These are unregistered loan sharks (mashonisa) who charge exorbitant interests.

**7. Don’t take on any new debt!**

Find yourself borrowing from one person to pay another? Stop it! One of your financial goals should be cutting down on debt. Have a plan to close existing debt to free up funds.

And stop trying to keep up with those around you. The chances are that they are also drowning in debt that you don’t see. Live within your means and you’ll sleep better at night.

**8. Save, save, save**

No matter how little you think you earn, set a saving goal and stick to it.

**9. How did I get here?**

So you’ve been doing some reckless spending and you are drowning in debt. The National Credit Act introduced debt counselling to assist consumers who are over-indebted. Debt Counsellors help restructure your debt by negotiating less payment amounts to help you survive. Debt counsellors also assist in a case where repossession of assets is about to take place. Get in touch and get help.

**10. Do it now!**

Whatever improvements and adjustments you have to make to your financial life - start now! We always make excuses like: ‘if I can get more money’ or ‘if I can just get another loan.’ These excuses are what delay our progress. Start now - no excuses!

“Let this month be a time when you learn to love yourself again by getting on top of your finances. It’s not impossible. It just takes discipline. Happy love month!” concludes

Ramahlo.

ENDS

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