

New system allows consumers to check their creditworthiness

As the information on consumers' creditworthiness is usually not easily available, nor easily understood, Kudough Credit Solutions has launched a system that enables consumers to check their status at the Money Market counters of most Shoprite, Checkers and Checkers Hyper stores.

"What South Africa needs is a financial wellness tool that is accessible, affordable and life changing," says Kudough Credit Solutions CEO, Chris van Rensburg, who has set out to fill this gap in knowledge. By using data from three credit bureaus, credit scores, debt risk indicators and an affordability index, the company has developed the Kudough Credit Status, which provides consumers with a view into what creditors see when they perform credit checks.

A ranking plots each consumer from A+ (Excellent) to an F (Poor), which for the first time allows consumers to understand their credit standing.

"If you are credit active, that means that you have a credit report and that your credit rating is there whether you like it or not and, if it is there, you need to see it. National Credit regulator statistics show that 5.22 million consumers apply for credit or financial services monthly yet only round 43 503 view their credit reports. We are not a nation of savers or financial planners, but one cannot change behavior if the consumers are not aware of its impact. Everyone has to see how their financial behavior is affecting their credit status because everyone needs to improve, maintain or protect their credit status."

Simple process

The challenge has always been making the service available to all South Africans, those with and without access to the Internet. This world-first service within a retail network will ensure anytime access for all. The process is quick and simple too, enquirers need to bring their bar coded ID book and proof of residence, along with R69, and within minutes they have their three-bureau report.

Next step in improvement

However, the process does not end there, as it is all very well to know your status, but what do you do with the knowledge? Some statuses are easier to improve than others are. A judgment or a default may be difficult and costly to remove and often consumers only realise they have a credit problem when they desperately need the credit, as in when they make a bond application on a home or apply for a new job.

The system has made this easier with the Status Simulator, which shows consumers those elements that are affecting their status, allowing them to adjust each element to see how each can improve their status and then set these as goals in their improvement plan.

"We have added value and insight into the data; it's not simply an individual's credit report. The system will track and monitor your progress for the duration of the plan with a wealth of support, from a personal credit coach to simple access to sound advice, catering for every consumer need from A to F.

"The system is there to help people understand credit better, so they can get better credit. We need to empower the consumer so they can negotiate better interest rates - this is a consumer rights issue."

Credit Foundation of South Africa CEO, Randolph Samuel says, "Prior to the National Credit Act and the requirement for

credit bureaus to disclose a copy of the consumer's credit report, consumers were oblivious of what affected their access to finance. This placed consumers in an unfair and vulnerable position. Even today, seven years after the NCA, consumers find it difficult to access their credit report from all the credit bureaus and understand the information.

"Initiatives like this facilitate improved access and understanding of the credit report information and its impact on a person's day to day money management. Any initiative that seeks to improve the financial literacy of South Africans receives the full support and endorsement of the Foundation."

Kudough will offer instant, confidential credit reports with a free telephonic consultation to understand the report and credit status. Its services include practical mini debt assessments and informative articles on the dangers of credit fraud - it has all credit check bases covered and all this can be viewed on its mobi-site too.

"For consumers, this system places the power back in their hands by empowering them to address their financial needs with an intuitive system; the accessibility through the retailer's stores will make this a reality. This offering can also be accessed at www.kudough.co.za," concludes van Rensburg.

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