FINAID RESOURCE

Debt Consolidation vs Debt Review

Two different approaches that should never be presented as the same thing.

Debt consolidation

• Usually involves a new credit agreement that may combine existing debts.

• Provided by a registered credit provider, subject to affordability assessment and credit approval.

• Can simplify payments, but total cost, term and affordability must be checked carefully.

Debt review

• A formal debt-relief process for over-indebted consumers under the National Credit Act.

• Managed by an NCR-registered debt counsellor and may restructure repayments.

• Consumers generally cannot take further credit while under debt review and should understand the process before consenting.

How to choose responsibly

• Ask for written explanations, all fees and the total repayment impact.

• Verify registrations and never rely on promises of instant debt removal or guaranteed approval.

Important: This resource provides general information only. It is not personal financial, legal or credit advice. We will explain your options before any application or agreement is signed.