

IEMPACT

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lemas earned a seat in the BANKSETA programme on financial inclusion in SA

As part of BANKSETA's 2018 flagship International Executive Development Programme (IEDP) in Development Finance to promote financial inclusion through global methodologies and approaches, lemas earned a seat amidst all the action.

The programme consisted of a group of 20 individuals, selected from different financial institutions as they travelled to various parts of the world, including Ghana, Tanzania and Brazil, to gain an understanding of the opportunities and challenges that other countries face in eradicating financial exclusion.

The term financial inclusion refers to much more than merely having a bank account. To be financially included, an individual must have access to products and services that enable them to actively save, borrow, obtain insurance or use payment services in a responsible and sustainable manner.

South Africa in general has a high level of financial exclusion in that only a quarter of low-income

households actively use their bank accounts and one third of the population withdraws the total balance from their account once available (e.g. weekly wages). This phenomenon is attributable to various reasons, including expensive banking fees and limited access to everyday banking facilities available to only mention two.

Financial institutions should promote financial inclusion and create opportunities for all South Africans to have access to comprehensive and affordable financial products.

The lemas co-operative business model is designed to make financial products and services accessible and to operate to the benefit of its members through worksite visits where lemas comes to the employee at their place of work and in sharing its profits with its members through the annual lemas rewards payment.

lemas further believes that financial education plays a pivotal role in cultivating a culture of financial inclusion as it enables members to make sound financial decisions and to ultimately achieve financial wellness. lemas therefore offers free financial wellness workshops at the workplace to employees of contracted employers. Training modules include: how to budget; effective savings tips; escaping the debt spiral, the importance of having a will and a life file and what documentation to include, etc. During the 2018 financial year, 7,028 employees from contracted employers benefited from these workshops.

lemas would like to take the opportunity to congratulate Julanda Vos, Acting Group Manager: Corporate Marketing, who not only represented lemas in the 2018 International Executive Development Programme, but who was also awarded the programme's Top Student Award.

Are you adequately insured?

Flip your house to find out!

All items that fall out will need to be replaced at the current replacement value.



*Bought value (at time of purchase - 5 years ago): B ■ | *Replacement value (today): R ■

If your household contents are not insured at the current replacement value, you are **UNDERINSURED!**

You may say that you are paying a monthly insurance premium. However, your monthly insurance premium may not cover you adequately in the event of damage or loss.

Example

Mr. Abrahams has been a victim of a home burglary. His household contents are insured for the sum of R250 000, but is really worth R500 000 (today's replacement value). This means that Mr. Abrahams is underinsured by 50%. Mr. Abrahams has submitted a claim for R50 000 to replace the stolen items. Due to him being underinsured by 50%, the insurer will calculate his claim settlement as indicated in the example on the right and therefore Mr. Abrahams will only receive R25 000 (50%) of his claim amount.

Your replacement value should be equal to your sum insured!

*Amounts used are fictitious and used for illustration purposes only.

| Example | |
|--------------------------------|--|
| Claim amount | R50 000 |
| Sum insured | R250 000 |
| Replacement cost of property | R500 000 |
| Average calculation | $\frac{R250\,000 \times R500\,000}{R500\,000}$ |
| Claim settlement | R25 000 |
| Financial loss to Mr. Abrahams | R25 000 |

Convert budget facility to cash!

Do you need cash to service your vehicle or need to take care of other commitments and have a budget facility on your purchase card with available credit? Consider converting your budget facility instantly into cash!

What are the benefits:

The card budget facility offers you competitive interest rates and is repayable over three to 60 months on all purchases higher than the value of R300. This will also increase your annual member rewards (payable in November).

How to increase your budget limit or to apply for a budget facility:

- Contact us to complete the budget to cash request form and email it to card@iemas.co.za;
- Include a copy of your ID and proof of your bank account.

For more information, kindly speak to one of our friendly consultants on 0861 043 627 or email card@iemas.co.za

Terms and Conditions apply.

Tips for the winter chills

Winter is here! Here are a few tips to ensure your safety and assist you in combating the cold over the next couple of months.

Fire safety – most people enjoy to light a cosy fire or snuggle up to a heater or electric blanket to keep warm. Although nice, one must keep in mind that these heating methods increase the risk of fires in the home. It is therefore important to **ensure that everyone in your family is aware of the dangers of fire** and leaving such items unattended.

Load shedding – the possibility of striking again remains a reality, even more so during winter time. Thus, be extra cautious during winter as many have to cope with damage to appliances and electronic devices brought on by power surges. Unplug your appliances and devices during load shedding and **only switch them on 10 minutes after the electricity has returned.**

Surge protection – make use of surge protection devices in your home and business to minimise the damage to your appliances and electronic devices. **Fit the device at all power outlets (plugs)** connected to appliances and devices.

Insulating the pipes – one of the highest claims in short-term insurance during winter time is due to burst pipes – especially in older homes. Ensure to **inspect your pipes for minor leaks and other weaknesses.** Take care of it while it is cheap to repair.

Insulate your home – an affordable option is roof insulation. It keeps your home warm in winter and cool in summer. It is also a good time to **inspect your windows and doors** to ensure they seal properly. Also ensure you have extra carpets around the house to ward off the cold.



Protect yourself and your employer from cybercrime

According to the South African Banking Risk Information Centre (SABRIC), South Africa has the third highest number of cybercrime victims worldwide, resulting in a loss of about R2.2 billion each year to cyber-attacks.

This means that every time you log onto your smartphone, computer or open an email, you and your employer are at risk of being exposed to cybercrime. For this reason, we would like to keep you informed and share information to help you protect yourself and your organisation from criminal activity:

1. Read about cybercrime - The more you know, the more likely you are to spot a con and the less likely you will fall for scams.
2. Do not use your social media profiles to log in to other accounts.
3. Do not click on links or icons in random emails. Do not reply to these emails. Rather delete it immediately.
4. Create complicated passwords on all your devices that are not easy to decipher and change them often. Remind your colleagues to do so as well.
5. Educate your peers, family and children with smartphones about cybercrime.
6. Do not respond to random emails or SMS messages claiming that you have won a prize or inherited money.
7. Keep an eye on your monthly statements to identify unusual and/or unauthorised transactions or behaviours.

<https://www.iol.co.za/mercury/sa-has-the-third-highest-number-of-cyber-crime-victims-worldwide-15608267>



Credit declined, now what?

At the end of 2018, South Africans had financed fixed property and vehicles to the value of more than R1.3 trillion. Applying for credit should not be a daunting task, however if you have been declined for credit, it is best to not make another application immediately. Rather ask the credit provider why you were not given credit and work towards fixing the problem. The main reasons, and their solutions, are discussed below.

Reason: Possible fraud and/or identity theft

The South African Fraud Prevention Service (SAFPS) may have spotted something suspicious on your credit profile. Credit providers cannot ignore this and have to wait for the matter to be cleared up.

Steps to take:

- Contact the South African Fraud Prevention Service (SAFPS) on 0860 10 12 48 to investigate the matter.

Reason: Lack of affordability

Credit providers are worried that you will not be able to afford more credit with your current income and existing financial obligations.

Steps to take:

- Check with the credit provider if you can qualify for a smaller amount.
- Reduce your expenses and try to increase your income (e.g. sell unused items).
- Pay off some of your existing debt before reapplying.
- Save up some cash to use as a deposit.

Reason: Risky credit behaviour

Your credit history shows that you either have overspent or did not make a scheduled payment at some point.

Steps to take:

- Going forward, always meet your payment obligations.
- Always make your payments on time and in full.
- Schedule your debit orders to go off after your salary comes in.
- Immediately inform your credit provider if you realise you can't make a payment.

Reason: Negative credit report

If the credit bureau report shows negative credit behaviour, your application might not be approved.

Steps to take:

- Get your own copy of your credit report from a credit bureau (you get one free report per year).
- Check the report for mistakes and request for it to be rectified.
- Build a healthy credit score while you wait to apply again.
- Always make your payments on time or make arrangements with your creditors to repay your outstanding debt over a longer term.
- Request the creditors to inform the credit bureau of the arrangements you have made with them, and for it to reflect on your credit record.

As part of your efforts to obtain financial wellness, consider attending a free Iemas financial wellness workshop. These workshops are done at the workplace and are available to members as well as non-members. Click [here](#) for an example of videos that are used as part of the modules during a workshops.

Adapted from <https://www.capitecbank.co.za/bankbetterlivebetter/articles/your-credit-was-declined-now-what>