CONSUMER CREDIT LAW

CCL

LEVEL 3

Repossession and Court

CCL Brand Ambassador Study Guide

The repossession ladder, Section 129 notices in depth, vehicle repossession, sale in execution and the sheriff. The heart of what CCL does.

What this level covers

This is the level about the moments people are most frightened of. A letter that mentions court. A tow truck at the gate. A notice with an auction date on it. By the end of this guide you will understand exactly what is happening at each of those moments, and why almost none of them are as final as they feel.

Level 3 is the heart of what CCL does. Nearly every serious matter that comes through the door sits somewhere on the ladder you are about to learn.

What you will learn

- The seven-step repossession ladder in depth, and how to work out which rung a person is on from their paperwork.
- Section 129 notices properly: what they are, what they are not, and the six ways they break.
- Vehicle repossession: the six stages, the three rights the law gives, and why voluntary surrender is usually a trap.
- Sale in execution: Rule 46A, reserve prices, the seven stages and the realistic timeline.
- The constitutional protection that sits behind a person's home.
- The sheriff: what they can and cannot do, and the three things to tell anyone who has been served.

WHY THE LADDER MATTERS SO MUCH

The rung a person is standing on tells you two things: **how much time they have**, and **what can still be done**. That is the single most useful piece of judgement an ambassador can develop, and it is what turns a vague conversation into a person getting help in time.

You need 85 percent to pass the Level 3 test.

1 The seven-step ladder in depth

Almost every repossession in South Africa, of a car or a home, climbs the same ladder. The bank cannot skip a rung, and every rung has rules attached to it. That is where a person's rights live.

1. **Arrears.** Missed payments building up. Calls, letters, tracers. No legal step has been taken yet. This is the strongest and calmest place to act, and the cheapest.
2. **Section 129 notice.** The letter the law requires before legal action can start. A warning and a window, not a summons.
3. **Summons.** Served by the sheriff. Court proceedings have formally begun. There is a limited window to defend, and it has a deadline.
4. **Judgment.** If nobody defends, the court can grant default judgment in the person's absence. Many people only discover this later.
5. **Warrant of execution.** The court authorises the sheriff to attach property, or the matter moves toward a sale.
6. **Rule 46A or attachment.** For a home, a court must apply special protections before it can be sold. For goods, the sheriff attaches them.
7. **Auction.** The sale in execution. The property is advertised and sold at the sheriff's auction.

Reading a person's paperwork

If the paper says	They are roughly at	How urgent
Nothing yet, just calls and letters	Step 1, arrears	Act now while it is cheap and easy
Section 129	Step 2	Time sensitive, there is a deadline
Summons	Step 3	Urgent, a defence window is running
Judgment	Step 4	Urgent
Warrant, attachment	Step 5 or 6	Very urgent
Sale in execution, auction date, Rule 46A	Step 6 or 7	Extremely urgent, same day contact

HOW TO USE THIS, AND HOW NOT TO

Use the ladder to **sense the urgency** so you can say "this looks time sensitive, let me get you to CCL quickly." Never announce which step someone is on as though it were legal advice, and never tell them what will happen next.

THE GOLDEN SENTENCE

"The earlier you get help, the more options you have. Even at the last step there may still be something that can be done, but the window is narrow." Never promise a result.

2 Section 129 notices, properly

A Section 129 notice is the law giving a person a chance to respond before a summons, before judgment, before enforcement. It is one of the most commonly mishandled steps in South African credit matters, which is exactly why it matters to CCL.

What it is

A formal written notice a credit provider must send under Section 129 of the National Credit Act before it can take legal steps on an account that is in arrears. It states that the agreement is in default, sets out the arrears, and informs the person of their right to refer the matter to a debt counsellor, ombud or other dispute resolution. It is a legal precondition. The credit provider must do this before going to court.

What it is not

- It is **not** a court order.
- It is **not** a summons.
- It is **not** a judgment.
- On its own it does **not** allow anyone to repossess a car, sell a home or take money.

The six ways these notices break

Defect	What it looks like
Defective delivery	Sent to the wrong address, or never properly delivered in the manner the Act requires.
Missing or wrong content	Leaves out required information, or states the arrears incorrectly.
Premature enforcement	The credit provider rushed to court before the process had run its course.
Account already in dispute	There was an existing dispute, a debt review application, or a reckless lending question.
Prescription and timing	The debt is too old to enforce, or a step was taken out of time.
Wrong party or agreement	The notice names the wrong person or cites the wrong agreement.

Where the notice is defective, the court case built on top of it can be challenged, in some cases even after judgment has been granted.

SCENARIO

The summons that arrived first

Nomsa fell behind on her car after losing overtime. She never received any Section 129 letter, because the bank had an address she left three years ago. The first thing she saw was a summons delivered by the sheriff.

What happens: CCL reads the notice and the summons the way the bank's own attorney would, checks whether every legal step was properly taken, and where there is a defect, guides her response while the window is open. Court steps are taken by independent affiliate attorneys.

Illustrative only. Every matter turns on its own facts, and CCL never guarantees an outcome.

WHAT YOU SAY

" A Section 129 is a warning and a window, not a judgment. It is the best time to act, but there is a deadline."

" Do not ignore it and do not panic. Get it checked fast."

" Keep every page, and keep the envelope. The envelope can matter."

PART 3 · VEHICLES

3 Stopping vehicle repossession

Banks and their agents often act as if repossession is automatic. A phone call, a tow truck, gone. That is not the law in South Africa.

A car on an instalment agreement is protected by the National Credit Act. Before a credit provider can lawfully take the car it must deliver a valid Section 129 notice, give a chance to respond, and, unless the person signs a voluntary surrender, obtain a court order first. Simply taking it, called self-help repossession, is not lawful.

The six stages of a vehicle matter

1. **Arrears and collection calls.** Missed instalments. No legal step yet. Strongest position.
2. **Section 129 notice.** The legal trigger before court. Must be valid and properly delivered.
3. **Summons.** The bank asks a court for an order. A short window to defend.
4. **Judgment and warrant.** The court grants judgment and an attachment warrant.
5. **Vehicle attached.** The sheriff takes the car, but it has not been sold yet. There may still be a route back.
6. **Sold, and a shortfall claim.** The car is sold, usually below value, and the bank chases the difference.

The three rights the NCA gives

- **The Section 129 notice.** It must be delivered properly. Defects can be challenged.
- **The right to reinstate.** South African law lets a person revive the agreement by paying the overdue amounts, default charges and reasonable enforcement costs.
- **Surrender is a choice, not an obligation.** Nobody should sign one under pressure.

VERIFIED SOUTH AFRICAN LAW

Following the principle in **Nkata v FirstRand Bank**, reinstatement can take effect on payment of the arrears, in some circumstances even after judgment, and right up until the vehicle is sold. It is powerful and widely under-used.

THE VOLUNTARY SURRENDER TRAP

Surrender is often sold as the easy, responsible option. The reality is that the car is sold at **auction value**, usually well below what it is worth, and the person **still owes the shortfall**. They lose the car and keep the debt. Never let someone sign one under pressure without speaking to CCL first.

SCENARIO

The tow truck at six in the morning

Sipho missed two instalments. An agent arrived early to tow the car, with no court order and no surrender signed. That is not lawful self-help.

What happens: CCL assesses his stage urgently, checks whether the Section 129 notice and any court steps were proper, and where reinstatement applies, guides him through paying the arrears so the agreement is restored.

Illustrative only. Outcomes depend on the facts, and CCL never guarantees a result.

WHAT YOU SAY

- " The bank cannot just take your car. In most cases they need a court order first."
- " Do not sign a voluntary surrender under pressure. Speak to CCL first."
- " Even if the car has been taken, if it has not been sold yet there may still be a route. Contact CCL urgently."

4 Stopping a sale in execution

A sale in execution is the final stage of a court-ordered process in which a sheriff auctions property to recover a debt. Where that property is a person's home, South African law places the strongest protections of all around it.

The four legal foundations

- **Rule 46A of the Uniform Rules of Court.** A court must consider alternatives, and set a reserve price, before a primary residence can be declared specially executable.
- **Section 129 of the NCA.** A compliant notice must come first.
- **Nkata v FirstRand Bank.** Paying the arrears can reinstate the agreement, in some cases even after judgment.
- **The sheriff's rules.** Attachment, publication and auction each have strict requirements. Defects at any of them matter.

Two words worth knowing

Term	Plain meaning
Specially executable	A court declaration that this particular home may be sold to satisfy the debt. For a primary residence, Rule 46A protections apply before this can happen.
Reserve price	A minimum price set by the court, below which the property may not be sold at auction. It exists to stop homes going for a fraction of their worth.

The seven stages, and the realistic timeline

1. **Calls and letters.** Tracers and demands.
2. **Section 129.** The notice before legal action.
3. **Summons.** Served by the sheriff.
4. **Judgment.** Default or contested.
5. **Attachment.** Notice of attachment served on the property.
6. **Publication.** The sale is advertised in the Government Gazette.
7. **Auction.** The sheriff's sale in execution.

From a first Section 129 notice to a sheriff's auction commonly takes somewhere between **six and eighteen months**, sometimes longer. That entire window is an opportunity, because each step carries rules and deadlines that can be tested.

The tools, in plain language

- **Urgent court application** to halt or postpone an imminent auction where there are defects.
- **Rule 46A challenge** where the court did not properly consider alternatives or set a reserve.
- **Section 129 defence** where the notice was defective.
- **Nkata reinstatement** where paying the true arrears can revive the agreement.

Court applications are brought by independent affiliate attorneys on the person's instruction.

SCENARIO

Three weeks from the auction

The Dlaminis received a notice of sale with the auction three weeks away. They assumed it was over. It was not necessarily over.

What happens: CCL works out exactly which stage they are on, checks whether Rule 46A was properly followed and whether reinstatement is open, and where there are defects and time allows, an urgent application is prepared through independent affiliate attorneys to halt or postpone the sale.

Illustrative only. The closer to the auction, the narrower the options, and CCL never guarantees a result.

WHAT YOU SAY

" A sheriff's auction is the last step of a long process, and every step before it had rules the bank had to follow."

" Even with an auction date set, it is worth having checked, but it is urgent."

" Contact CCL the day you get anything with a date on it. Send a photo on WhatsApp."

5 Why a home is different

You may wonder why a house has more protection than a fridge. The answer is constitutional, and it is worth understanding because it explains the whole of Rule 46A.

South African courts have repeatedly held that a person's home cannot be sold in execution without proper judicial oversight. A court must actually apply its mind, rather than the sale being a rubber stamp. That principle is why Rule 46A exists, why a reserve price must be set, and why the Rule 46A hearing is a genuine defence opportunity rather than a formality.

VERIFIED SOUTH AFRICAN LAW

CCL relies on real judgments, correctly applied. **Jaftha v Schoeman** and **Gundwana v Steko Development** are the leading authorities on judicial oversight before a home is sold in execution, and **Nkata v FirstRand Bank** on reinstatement. These are the cases behind the protections in this module.

What this means practically

- A home sale is not automatic, even after judgment.
- A court must consider whether there are alternatives before declaring a home specially executable.
- A court must set a reserve price, so the home cannot simply go for a fraction of its value.
- Where those steps were not properly followed, there is something to challenge.

THE SENTENCE THAT CALMS PEOPLE DOWN

"In this country a court has to look properly at your situation before your home can be sold. It is not automatic, and that hearing is a real opportunity, not a formality." Say it calmly, and then get them to CCL.

6 The sheriff, and not panicking

A visit from the sheriff frightens people more than almost anything else. Knowing a few basic rules turns panic into a clear next step.

Who the sheriff is

An official of the court who serves documents such as a summons, and carries out court orders such as attaching property. A sheriff acts on a court order or a warrant, **not** on the bank's instruction alone.

What a sheriff can and cannot do

- Generally, a sheriff **cannot** take a person's belongings without a warrant, and a warrant follows a judgment.
- A sheriff who arrives without one is not entitled to remove goods.
- The person is entitled to **ask to see the warrant and read what it authorises**.
- The sheriff is doing a lawful job. Being rude or obstructive helps nobody.

The three things to tell anyone who has been served

1. **Do not ignore it.** There is usually a deadline, called a return date, and it matters enormously.
2. **Keep every page, and keep the envelope.**
3. **Get advice before that date passes.** After it passes, the options narrow sharply.

SCENARIO

The television taken with no papers

A man tells you the sheriff arrived and took his television, and that he never saw any court papers at all.

What you say: that generally a sheriff cannot remove goods without a warrant, and a warrant follows a judgment, so it is worth having checked urgently. He can ask to see the warrant. He should keep everything he has and get it to CCL today.

Illustrative only.

WHAT YOU SAY

" If a sheriff comes, you can ask to see the warrant and read what it allows."

" Do not ignore anything you are served with, there is a deadline attached to it."

" Keep every page and the envelope, and get it to CCL before that date passes."

+ Level 3 glossary

Arrears
The amount a person has fallen behind on. Missed instalments that have built up.

Section 129 notice
The notice a credit provider must deliver before starting legal action on an arrear account.

Summons
The court document, served by the sheriff, that begins a court case.

Default judgment
A judgment the court can grant if the case is not defended in time.

Warrant of execution
A court authorisation for the sheriff to attach property to satisfy a judgment.

Attachment
When the sheriff formally takes control of property under a warrant.

Sale in execution
A court-ordered auction where the sheriff sells property to recover a debt.

Specially executable
A court declaration that a home may be sold in execution.

Rule 46A
The rule requiring a court to consider alternatives and set a reserve price before a primary residence is sold.

Reserve price
The minimum price set by the court below which the property may not be sold.

Reinstatement
Reviving a credit agreement by paying the overdue amounts and reasonable costs, per Nkata v FirstRand Bank.

Voluntary surrender
Handing a vehicle back. It is sold at auction value and the person still owes the shortfall.

Shortfall
The amount still owed after a repossessed asset is sold and does not cover the full debt.

Self-help repossession
Taking a vehicle without a court order or signed surrender. Not lawful.

Government Gazette
The official publication where a sale in execution must be advertised.

Return date
The deadline attached to served court papers. Missing it narrows the options sharply.

Sheriff
A court official who serves documents and carries out court orders, acting on a warrant.

+ Practice questions

Cover the answers and test yourself.

1. Put these in order: judgment, Section 129, auction, summons, arrears.

Arrears, Section 129, summons, judgment, auction. The warrant and Rule 46A stage sit between judgment and auction.

2. Can a Section 129 notice on its own allow a car to be repossessed?

No. It is not a court order. Those steps need a court, and the notice must be valid first.

3. Name three ways a Section 129 notice breaks.

Any three of: defective delivery, missing or wrong content, premature enforcement, account already in dispute, prescription and timing, wrong party or agreement.

4. What is self-help repossession?

Taking a vehicle without a court order and without a signed voluntary surrender. It is not lawful.

5. Why is voluntary surrender usually a trap?

The car is sold at auction value, usually well below its worth, and the person still owes the shortfall.

6. How far can reinstatement reach, following Nkata?

On payment of the arrears, in some circumstances even after judgment, and right up until the vehicle is sold.

7. What does Rule 46A require before a primary residence may be sold?

A court must consider alternatives and set a reserve price before declaring the home specially executable.

8. Where must a sale in execution be advertised, and roughly how long is the whole process?

In the Government Gazette. From a first Section 129 notice to auction commonly takes six to eighteen months, sometimes longer.

9. A sheriff arrives with no warrant. What is the position?

Generally the sheriff is not entitled to remove goods without a warrant, and a warrant follows a judgment. The person may ask to see it and read what it authorises.

10. Who actually brings an urgent application to halt an auction?

Independent affiliate attorneys, on the person's instruction. CCL is a consultancy.

★ Level 3 recap

The ladder

Arrears, Section 129, summons, judgment, warrant, Rule 46A or attachment, auction. The bank cannot skip a rung. The rung tells you the time and the options.

Section 129

The notice before legal action. Not a court order, not a summons, not a judgment. Six common defects: delivery, content, premature enforcement, existing dispute, prescription and timing, wrong party. A defective notice can undermine everything built on it.

Vehicles

No lawful self-help. Valid Section 129 plus, in most cases, a court order. Three rights: the notice, reinstatement per Nkata, and the fact that surrender is a choice. Surrender means auction value plus a shortfall. If the car has not been sold, act urgently.

Homes

Rule 46A requires alternatives to be considered and a reserve price set before a primary residence is declared specially executable. Seven stages, commonly six to eighteen months. Tools: urgent application, Rule 46A challenge, Section 129 defence, Nkata reinstatement. Jaftha and Gundwana stand behind the judicial oversight requirement.

The sheriff

Acts on a warrant, and a warrant follows a judgment. Ask to see it. Do not ignore anything served, keep every page and the envelope, and get advice before the return date passes.

NOW TAKE THE LEVEL 3 TEST

You need **85 percent** to pass. When you do, download your certificate and move on to Level 4, Reckless Lending and Remedies.