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## Presenting Vecto Finance as employee benefit credit provider

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Vecto Finance has been providing easy and affordable credit to employed South Africans who need fast short-term funds since 1999. This is offered through responsible employers who understand these needs and wish to provide decent, transparent and affordable access to credit to their staff.

### Current realities:

- Many/most employees across all economic sectors are poorly educated in financial management and the prudent use of credit.
- The need for credit does exist and is to this day still exploited by many credit providers who over-indebt individuals and overprice the cost of credit.
- The National Credit Act and appointed regulator have improved the situation substantially since 2007, but many unscrupulous operators still exploit unstructured environments and poorly informed people.
- These realities mostly result in negative outcomes where a person's need for credit eventually becomes unaffordable and employers are badly affected through:
  - Employees having to enter debt counseling (best case scenario). The cost of the initial credit further escalates.
  - Emolument attachment (garnishee) orders being obtained by credit providers forcing pay offices to legally comply. The initial credit now becomes exorbitantly expensive.
  - Employees resigning to get access to their retirement funds
  - Employers being coerced into providing in-house staff loans that create unwanted precedents. This practice is also now outlawed if interest is not charged or fringe benefit tax not deducted.
  - Employees taking time off work to apply for loans elsewhere
- Because of poor credit offerings and exploitation, hardworking South Africans end up in a long-term debt trap that started with a basic need for affordable short term credit.

## **The Vecto solution:**

- Vecto follows a simple and easily understandable strategy by providing only what people need. Elsewhere you may find:
  - Compulsory add-ons to credit products that add no value but increases costs.
  - Having to move your primary bank account to qualify for credit.
  - No quotes or transparent pricing thereby preventing cost comparison for the best deal.
  - Inaccurate interest and fee calculations that are always in the favor of the credit provider.
- If you are formally employed you qualify for a Vecto loan. Simple as that. Our unsecured short-term loans are exactly that:
  - We publish our rates and fees in an easily understandable format. Clients know exactly what they are in for.
  - We do an affordability calculation on behalf of applicants to ensure that they are borrowing (and we are lending) responsibly.
  - ALL our practices and pricing comply FULLY with the National Credit Act.
  - We offer third party payments
- Employers also benefit through participation in that:
  - Their staff is not exploited and gets a fair deal.
  - They are fully informed of debt and repayment commitments of their staff.
  - No need for staff loans with the concomitant problems.
  - The offering of a formal employee benefit is good for staff relations.
  - In qualifying situations we will settle garnishee orders thereby getting people out of their debt traps and removing the administrative burden for the pay office.

## **Simply sign up:**

- The employer signs up through a simple undertaking of deducting repayments from salaries and wages and paying these over to Vecto on a regular basis. NO financial risk to the employer.
- Staff is briefed properly on the workings of the employee benefit that they now qualify for. New loan applications are short and sweet and forwarded through the pay office. Payout to any bank within 24 hours of loan approval.
- The employer receives a detailed monthly remittance timeously that specifies the loan deduction from each staff member, as well as outstanding balances etc.

**We serve many happy employers and their loyal staff.**

**Join our family today!**