

## **Class action against banks over 'abuse' of system**

A class action by more than 115 000 individuals has been launched against SA's major banks and the Reserve Bank in the South Gauteng High Court over their alleged 'fraudulent abuse of the legal system', says a [Sake24](#) report.

The individuals are litigating under the banner of The New Economic Rights Alliance (NewERA). According to NewERA, summonses have been served on Absa, FirstRand, Nedbank, Standard Bank and the Reserve Bank. In the particulars of claims, the individuals ask for a declaratory order prohibiting the commercial banks from proceeding with claims against the public. At issue is whether the banks have locus standi in the cases they bring against individuals as they have already onsold the debt to investors. This means that the claims the banks institute against the public are unlawful as the particular loan debts are no longer the property of the bank, but assets of the investors who have bought them, NewERA argues. As banks do not declare, when instituting such claims, that a particular loan debt has in fact been sold to investors, it amounts to a fraudulent abuse of the legal system. The banks have yet to respond to the summonses. [Full Sake24 report](#)