

# CONSUMER ACT: THE LOWDOWN

Gym contracts, phone pests, ad promises – what the new law will mean for you

**I**T WILL make South African consumers among the best protected in the world – that's what we've been promised. And now, after delays to iron out glitches with its practical application, the Consumer Protection Act will finally come into effect on 1 April.

The implications are far-reaching. For example from 1 April a gym or cellphone company won't be able to automatically renew your membership. And if the steak you ordered isn't as big as the one in the ad the eatery had better get you another – and fast.

Irritating telemarketers who call you at the most inconvenient times to try to persuade you to buy something will have to

think twice. And gone are the days of being told to wait at airports for hours after a cancelled flight. Consumers must get what they've been promised and what they've paid for.

The Act not only provides consumers with protection against inferior service or dishonest marketing, it also provides measures to protect them against harmful products.

An organisation to handle consumer complaints is in the process of being created and businesses that don't play by the rules after 1 April could pay dearly. Fines of up to 10 per cent of their annual turnover could be imposed.

Read on to find out how the new legislation will affect you.

## MARKETING



### ■ Sorry, your flight is overbooked

A supplier may not take your money if he doesn't deliver what he's promised.

Let's say you have a ticket for a specific flight but it's overbooked and you're told you've been bounced to a later one. Or you've signed a contract and paid the money to acquire your new car on Tuesday but the deadline isn't met. If suppliers can't supply the service they now have to repay your money with interest and reimburse you for the expenses that resulted from their failure to honour their commitments.

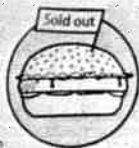


### ■ But you misunderstood

If people for whatever reason don't have the ability to understand what they're being sold no one may sell them life insurance, funeral policies or anything else. Products must in any event always be explained in terms that are easy to understand.

### ■ Go away, phone pest!

Should a cellphone or credit-card company call you with a new offer you can demand that it be the last time. You can also stipulate in advance you don't want to be bothered with advertisements.



### ■ Sorry, the R5 burgers are sold out

If the product has been advertised at a certain price it must be available at that price or the store must provide you with something similar at the same discount price.

### ■ You should have told us

Suppliers are now required to inform you when a contract has expired and to ask if you want to

(Turn to page 26)



(From page 24)

renew it. They must also inform you about possible price hikes. The onus is no longer on you to give them notice.



■ **The power of your card**

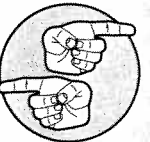
Some companies have loyalty programmes that reward you with points for purchases that you can exchange for goods or services. Sometimes a company suddenly limits the goods you may buy with your points. In future they're required to give you a written warning of these plans at least 40 days in advance.

**GOODS AND SERVICES**



■ **Accidents happen**

A client has the right to look before they buy and if something accidentally breaks they can't be forced to pay for it – even if there's a notice that says, "If you break it you buy it."



■ **Faulty brakes? Not my problem!**

Whether the suppliers of a product are the manufacturers, importers, distributors or retailers, they're responsible for any damage caused by the product; customers needn't prove negligence on the part of suppliers.



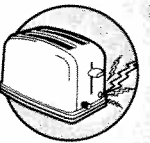
■ **Beware, you could be harmed**

All possible product-related risks must be indicated, not only on products such as ant poison. For example airbags should carry a warning that if they're deployed they could cause children to suffocate.



■ **Be careful with my stuff**

A service provider can be held liable for damage to your possessions. The service must also be of the highest quality. Did that taxi really take the shortest route to your destination?



■ **The buck stops where?**

Whether it's a toaster in a restaurant that serves hundreds of people a day or an exercise machine that packs up 10 days after purchase you must be reimbursed or the machine must be repaired at the suppliers' expense, transport and postage included.



■ **Play but pay**

Companies may no longer charge you fees such as R5 or R10 an SMS to take part in competitions. They have to stick to standard network tariffs.



■ **Lay-by promises must be kept**

Lay-by is a popular practice in South Africa – you see something you like in January and ask the store to put it aside for you. Then you pay instalments every month so you can have it by Christmas. In future if the store burns down or something else happens to your product the supplier is liable for the loss.



■ **"Voetstoots", my foot!**

That 1980 jalopy advertised for a few thousand in the classifieds may no longer be sold at face value. It's now required you be informed of all its defects – including those you can't see – before you hand over your cash.

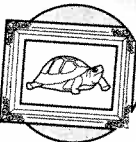
**AGREEMENTS**



■ **I don't want that set of pots any more**

In future a consumer will be able to cancel a purchase made through direct marketing – in other words where the supplier has approached you – by informing the supplier within five working days of the date of the agreement being entered into and returning the goods should they already have been received.

The supplier must refund any monies received within 15 working days after notice has been given or the goods have been returned.



■ **I want to return this painting of my pet rat**

Suppliers may demand a reasonable cancellation fee so they don't suffer damage when a service is cancelled at the last minute. This is why the customer pays more for plane or bus tickets when the departure times can be changed.

A tribunal will be established to hear consumers' complaints where there are disputes and each case will be judged on its individual merits. The tribunal probably won't rule in your favour if you have commissioned a specific painting you no longer want and no one else wants to buy it.

**READERS' COMMON COMPLAINTS**

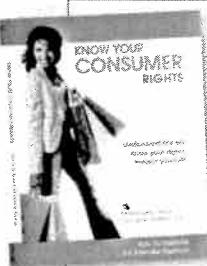
- **Contracts that are automatically renewed without consent.**
- **Cold callers who want to sell things.**
- **Flights that are cancelled without warning.**
- **Supermarkets that advertise special offers and run out of stock.**
- **Incorrect change given in stores.**

**WHERE TO COMPLAIN**



If you have a complaint contact the National Consumers' Commission:

- **Tel 0861-843-384**
- **Fax 012-394-2558**
- **E-mail [contactus@thedti.gov.za](mailto:contactus@thedti.gov.za)**
- **Complaint forms can be downloaded from [www.dti.gov.za/ccrd/complaintforms.htm](http://www.dti.gov.za/ccrd/complaintforms.htm) and posted to the Department of Trade and Industries, National Consumers' Commission, Consumer Complaints, Private Bag X84, Pretoria 0001.**



**WIN** Five readers will each win a copy of **Know Your Consumer Rights – Pocket Guide to the Consumer Protection Act (R90, Feather Communication)** by advocate **NJ Melville** and **KA Melville-Nieman\***. SMS the answer to the question below, your name and address to 34923 before 5 pm on 7 April. Each SMS costs R1,50. **Question:** In which month does the Consumer Protection Act come into effect? Order the book at [www.madeasy.co.za](http://www.madeasy.co.za).

\*THE SPONSOR IS RESPONSIBLE FOR DELIVERING THE PRIZES TO THE WINNERS WITHIN A REASONABLE PERIOD.



**SHARE YOUR VIEWS**  
Tell us what you think on **YOU's** website, Facebook, Twitter or mobi.