



The Consumer Protection Act presented by PJ Veldhuizen in association with

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Why the need for this Act ?

- No Substantial Review since 1989 – Unfair Business Practices Act
- Fragmented regulation of consumer related matters across sectors
- South Africa lagging behind 1st world jurisdictions
- Unequal bargaining power of the South African Consumer and lack of redress
- Growing incidence of scams and unfair practices



The Objects of the Act (according to DTI)

- Establishment of a legal framework for the achievement of a fair, accessible, responsible and sustainable market
- Addressing any disadvantages experienced in the unequal relationship between consumer and supplier
- Promoting fair business practice
- Protecting consumers from unfair and deceptive conduct
- Improving consumer awareness and providing an accessible, efficient and effective system of redress



Fundamental Consumer Rights

- The right to equality to consumer markets – i.e. no unfair discrimination
- Right to privacy – use of personal information in direct marketing
- Right to choose and statutory warranties – right of return and defects in goods
- Disclosure and Information – plain and understandable language
- Fair and responsible advertising – bait marketing etc forbidden
- Fair and honest dealings – overbooking on the airlines etc



Fundamental Consumer Rights continued

- Right to fair, just and reasonable contract terms and conditions
- Right to fair value, good quality and safety – statutory warranty, no fault principle
- Consumers right to be heard and obtain redress
- Class actions



Will it Apply to your Business ?

- YES
- The definition of Consumer includes:
 - Any person to whom goods and services are supplied or marketed, unless excluded
 - Third parties who consume the goods or services
 - Franchisees
 - State is not a consumer
- The definition of transaction includes:
 - An agreement for the supply or potential supply of any goods and services in exchange for consideration.
 - The actual supply of that service or goods



Are you in the Supply Chain ?

- What if you supply an exempt organisation or entity – are you off the hook ?
- NO
- The consumer can look to anybody in the supply chain – producer, manufacturer, importer, wholesaler, marketer, retailer etc
- Samsung case



Can you protect your business and if so how ?

- Obviously insurance
- Audit of your terms and conditions of trading and essentially a due diligence of the systems and procedures employed at your business



QUESTIONS THAT I WILL TRY TO FIELD

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