

Consumer Protection Act

The Consumer Protection Bill had been signed into law by President Kgalema Motlanthe on April 24 and it was gazetted on April 29.

The primary purpose of the new act is to prevent exploitation or harm (to) consumers and to promote the social wellbeing of consumers. It achieves this by introducing, among others, a system of product liability and improved redress. Producers, distributors or suppliers, will be liable for any damages in the form of death, injury, loss, or damage to property and economic loss to the consumer or third party.

The act decriminalises certain conduct and subjects it to administrative sanctions, while it also enables consumers to demand refunds if goods are of inferior quality. Consumers are now empowered to cancel contracts if not satisfied with their terms, and would have a final say as to their renewal.

Consumers will now be protected from the unscrupulous businesses that tend to induce them to waive the obligations and liability of the supplier in terms of agreement.

For implementation purposes, the National Consumer Commission - an enforcement and investigative body on consumer protection issues - will be established after 12 months from the date of signing of the bill, and then they will implement the act within 18 months. It is envisaged that the provided time period will afford business reasonable time to align their trading practices for the purposes of complying with the act.