

Consumer Protection Act *News*

How fixed is the fixed term agreement

In terms of the Consumer Protection Act 68 of 2008, a fixed term agreement must be limited to 24 months unless otherwise agreed or regulated for a longer period of time.

In addition, notwithstanding the time period agreed upon, the consumer remains entitled in terms of the Regulations and the Act to cancel a fixed term agreement by simply giving 20 days' notice of his or her intention to do so.

The remedy for suppliers upon such cancellation are limited to a reasonable credit or charge, requiring the supplier to take into account a number of factors, including the value of the transaction up to cancellation, the value of the goods in the possession of the consumer after cancellation, the duration of the consumer agreement as initially agreed, the general practice of the relevant industry. This will have a substantial impact on a number of industries which conclude fixed term agreements with their customers and/or consumers. It must be taken into account accordingly.

If you have any questions and/or queries, please don't hesitate to contact Simone Monty at 011 775 6335 or simonemonty@eversheds.co.za.



EVERSHEDS

