



# UMZIMVUBU

— LOCAL MUNICIPALITY —

<b>Policy Name</b>	Umzimvubu Consumer Protection Policy
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## TABLE OF CONTENT

1. Background.....	3
2. Preamble.....	3
3. Purpose.....	4
4. Objectives.....	4
5. Enforcement and Consequences of Non-Compliance.....	5
6. Policy content and guidelines.....	5
7. Designated structure to approve, adjust and review policy.....	5
8. Definitions.....	5
9. Administration of the policy.....	6
10. Commencement of the Policy.....	6
11. Permanent / Temporary Waiver of This Policy.....	6
12. Suspension of This Policy.....	6

## 1. Background

On 1 April 2011, the South African National Consumer Protection Act, 68 of 2009, came into effect. The Consumer Protection Act (CPA) aims to “promote fairness, openness and good business practices between suppliers of goods and services and Consumers of these goods and services”.

The CPA is the result of the Department of Trade and Industry’s (dti) intention to “create and promote an economic environment that supports and strengthens a culture of Consumer rights and responsibilities”. The Consumer Protection Act excludes all agreements before 1 April 2011, but all suppliers of goods and services after this date need to comply with the CPA.

## 2. Preamble

The people of Umzimvubu Local Municipality recognise –

That apartheid and discriminatory laws of the past have burdened the nation with unacceptably high levels of poverty, illiteracy and other forms of social and economic inequality;

That it is necessary to develop and employ innovative means to—

- (a) Fulfil the rights of historically disadvantaged persons and to promote their full participation as consumers;
- (b) Protect the interests of all consumers, ensure accessible, transparent and efficient redress for consumers who are subjected to abuse or exploitation in the marketplace; and
- (c) Give effect to internationally recognised customer rights;

That recent and emerging technological changes, trading methods, patterns and agreements have brought, and will continue to bring, new benefits, opportunities and challenges to the market for consumer goods and services within South Africa;

and

That it is desirable to promote an economic environment that supports and strengthens a culture of consumer rights and responsibilities, business innovation and enhanced performance.

For the reasons set out above, and to give effect to the international law obligations of the Republic, a law is to be enacted in order to—

- promote and protect the economic interests of consumers;
- improve access to, and the quality of, information that is necessary so that consumers are able to make informed choices according to their individual wishes and needs;
- protect consumers from hazards to their well-being and safety;
- develop effective means of redress for consumers;

- promote and provide for consumer education, including education concerning the social and economic effects of consumer choices;
- facilitate the freedom of consumers to associate and form groups to advocate and promote their common interests; and
- promote consumer participation in decision-making processes concerning the marketplace and the interests of consumers.

This policy is aimed at promoting fairness, openness and good business practice between the suppliers of goods or services and **consumers** of such goods and services in the Umzimviubu Local Municipality.

### 3. Purpose

3.1.1 The purpose of the Consumer Protection Act is to prevent consumers from Umzimvubu Local Municipality and highlights what consumers are entitled to, as well as the responsibility of suppliers of goods and services.

3.1.2 The policy specifically seeks to achieve the following objectives:

- a) Ensure fair, competitive and responsible markets that work well for consumers and promote ethical business practices.
- b) To promote and protect the economic interests of consumers.
- c) **That community be encouraged into owning their businesses.**
- d) To improve access to information that consumers require, to make informed choices according to their individual needs.
- e) To protect consumers from hazards to their well-being and safety

### 4. Objectives of the Policy

The proposals contained in this policy document are aimed at ensuring that the Umzimvubu Municipality plays a strategic role in promoting protection of consumers by ensuring that:

- a) **Equality:** Businesses must not unfairly discriminate against any person based on gender, race or socio-economic status when they provide goods or services. All consumers should be given the same treatment, access to services, prices and quality when they buy goods.
- b) **Privacy:** Businesses should not supply customers with goods and services that are unwanted. A consumer may block unwanted marketing and the business must abide by instructions from the consumer.
- c) **Choice:** For example the right to select a supplier, the right to examine goods and the right to return goods.

- d) **Safety:** Ensure that consumers are protected from hazards to their well-being and safety
- e) **Healthy Environment:** Consumers should be able to live and work in an environment that is not threatening to the well-being of present and future generations

## **5. Enforcement and Consequences of Non-Compliance**

The Consumer Protection Act provides protection and recourse where Consumer rights have been violated. Like the National Credit Act established the National Consumer Tribunal, the CPA establishes the National Consumer Commission to enforce the provisions of the CPA, and to ensure Consumers are educated and well-informed of his or her rights. The Consumer Protection Act provides for quick and effective complaint resolution for both Consumer and businesses. Non-compliance sanctions include fines, imprisonment for 12 months or in the case of private information disclosure, imprisonment for 10 years. The Act also makes provision for administrative penalties with a maximum limit of 10% of turnover or R1m.

## **6. Policy Content and Guidelines**

6.1 Consumer Protection Act, 68 of 2009

## **7. Designated Structure to Approve, Adjust and Improve the Policy**

7.1 The Local Economic Development Committee shall have the authority to recommend to the Council the approval, adjustments and improvements necessary to this policy. It is the Council that will provide the final approval of all adjustments and improvements to the policy.

## **8. Definitions**

8.1 CPA means Consumer Protection Act

8.2 LED means Local Economic Development

## **9. Administration of this Policy**

9.1 The administration of this policy shall be the primary responsibility of the Local Economic Development Unit of the Umzimvubu Municipality. The Municipal Manager with the assistance of the LED Manager shall ensure that the policy is implemented, managed and monitored appropriately.

## **10. Commencement of the Policy**

Unless otherwise stated this Policy shall commence on the date of the adoption of this policy by a sitting of a full Council.

## **11. Permanent / Temporary Waiver of This Policy**

11.1 This policy may be wholly waived by the Municipal Council on temporary or permanent basis.

11.2 Notwithstanding clause 6.1 the LED Standing Committee may under the circumstances of emergency temporarily waive this policy subject to reporting of such waiver to Council

## **12. Suspension of This Policy**

12.1 This policy may be repealed by the Council

12.2 This policy may be suspended by the Council