

Lewis to oppose new referral to consumer watchdog

Furniture chain Lewis will oppose a request by the National Credit Regulator that the National Consumer Tribunal order it to refund customers of its "club fees" and maintenance plans.

"Having considered the allegations contained in the referral along with Lewis's external legal counsel, Lewis believes that the allegations are without merit. Accordingly, Lewis has instructed its legal representatives to oppose the referral on its behalf," the retailer said in a statement on Tuesday.

On Monday, Lewis advised shareholders that the National Credit Regulator had referred it to the National Consumer Tribunal for an alleged breach of the National Credit Act.

This is not the first time the regulator has referred the Lewis Group to the tribunal. In July last year, two Lewis Group operating subsidiaries — Lewis Stores and Monarch Insurance — were referred to the tribunal for mis-selling insurance products.

In October, Lewis said it would refund R67.1m to pensioners and self-employed customers for selling them unemployment insurance. It blamed "human error" for the transgression.

Lewis said on Monday that the regulator alleged that the maintenance costs and club fees it charged customers contravened the act and people who signed up should have their money returned.

The regulator requested that the tribunal restrain Lewis Stores from selling these products in future. It also "seeks certain ancillary relief, including the imposition of an administrative fine of 10% of the annual turnover of Lewis Stores".

Lewis said a further announcement would be made as appropriate.

Source: Business Day



Photographer: Freddy Mavunda

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