

Suppliers obligated to protect consumers

Acting National Consumer Commissioner (NCC), Thezi Mabuza, has emphasised that suppliers are not allowed to take money from consumers and refuse to refund them when failing to provide the services or goods for which the funds were paid.



Image source: Vitaliy Vodolazskyy – 123RF.com

This comes after the National Consumer Tribunal (NCT) declared the conduct of Crystal Tears Investment, trading as Misty River, as "prohibited conduct" after they refused to refund a consumer their money.

“The consumer booked a venue at Misty River for their wedding and made a total payment of R25,750. The wedding was scheduled to take place on 16 January 2021.

“The supplier later informed the consumer that the wedding would be postponed to an unspecified date due to the Covid-19 pandemic, which resulted in a ban on social gatherings. The decision was not accepted by the complainant, who elected to cancel the agreement and requested a refund instead,” the NCC said on Tuesday.

The National Consumer Tribunal found that Crystal Tears Investment contravened Sections 19(2)(i), 19(6)(c), and 21(9) of the Consumer Protection Act (CPA).

Section 19(2)(i) provides that a supplier has the responsibility to deliver goods or perform a service on the agreed date and at the agreed time.

In terms of section 19(6)(c), a consumer may cancel the agreement without penalty if a supplier fails to deliver the goods or perform any services at a location, on a date or time other than as agreed with the consumer and may treat any delivered goods or performed services as unsolicited goods or services.

Section 21(9) further provides that if a consumer has made any payment to a supplier in respect of any charge relating to unsolicited goods or services, or delivery of any such goods, the consumer is entitled to recover that amount, with interest from the date on which it was paid to the supplier, in accordance with the prescribed rate of interest Act 55 of 1975.

The NCT declared Crystal Tears Investment's conduct prohibited and ordered the supplier to refund the consumer R25,750 together with an interest at the rate of 10.5% within 20 business days.

The supplier was also ordered to pay an administrative fine of R15,000 within 60 business days.

Mabuza said suppliers must understand their obligations under the CPA.

The Act prohibits the conduct of Crystal Tears Investment, as it is not in the spirit of protecting consumers.

"We welcome the decision by the Tribunal, and we believe that it will deter other suppliers from engaging in the same conduct.

"This judgment sends a clear message to suppliers not to hide behind the Pandemic and in so doing, contravene the CPA. We hope this sends a message to suppliers that are out there to strip consumers of their rights. We also urge consumers to know and understand their consumer rights," she said.

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