

2026

GAUTENG CONSUMER AFFAIRS CONSUMER PROTECTION

MSME empowerment: Application of the provisions of the Consumer Protection Act, 2008.

Practical guidance for MSMEs

PRESENTATION OUTLINE

- Why CPA compliance matters to SMMEs
- How to ensure compliance
- Consumer and supplier basics
- Fixed-term contracts and cancellation
- Quotations, bookings and plain language
- Price display and product labelling
- Written agreements and sales records
- Returns, refunds, warranties and lay-by
- Key takeaways and Q&A

02

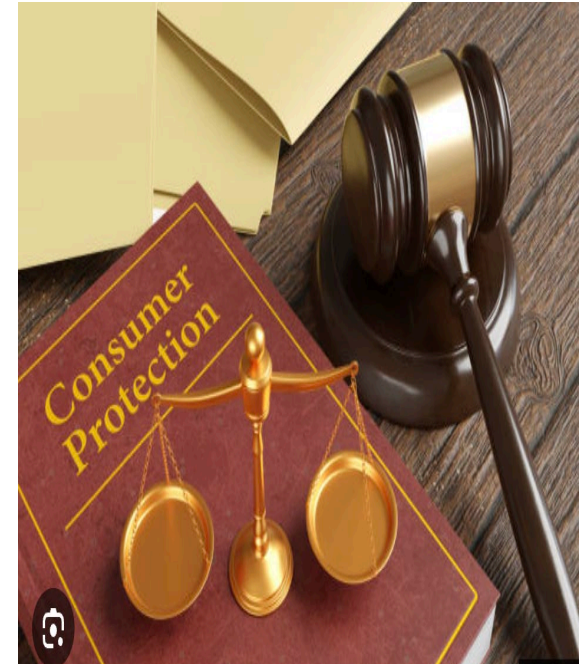
WHY CPA COMPLIANCE MATTERS

- Protects consumers
- Reduces disputes and complaints
- Protects the business from enforcement action
- Builds trust and reputation
- Helps the business develop compliant processes

03

Does the CPA apply to my business/transaction: Key questions

- Who is the consumer?
- What is the transaction?
- Is the transaction within the scope of the CPA?
- Is the consumer a juristic person?
- Does the R2 million threshold apply?
- Are there exclusions?
- Does another law also regulate the transaction?



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CPA BASICS: PURPOSE, APPLICABILITY & DEFINITIONS

- The CPA aims to promote a fair, accessible and sustainable marketplace for consumer products and services.

- It establishes national norms and standards relating to consumer protection.

Key concepts:

- Consumer: a person to whom goods/services are marketed, who enters into transactions, a user, recipient or beneficiary of goods/receives services.
- Supplier: markets goods or services to consumers.
- Goods: anything marketed for human consumption (a list is prescribed in CPA).
- Service: includes work or undertaking performed by one person for the direct or indirect benefit of another (a list is prescribed in CPA).
- Transaction: agreement for the supply or potential supply of goods or services and the performance of any services at the direction of a consumer for consideration. (additional aspects prescribed in section 5(6) of the CPA)

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SMMES AND CONSUMER PROTECTION

- Businesses with annual turnover or asset value of up to R2 million qualifies as a consumer under the CPA.
- The manual is designed to equip SMMEs with practical knowledge to align their policies, terms and conditions with the CPA.
- Compliance should be built into everyday business processes, documents and consumer communications.



**SMALL
BUSINESS**



**MEDIUM
BUSINESS**



**LARGE
BUSINESS**

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FIXED-TERM AGREEMENTS — SECTION 14

- A fixed-term consumer agreement may not exceed the maximum period prescribed for that category. (The general maximum period is 24 months, unless a longer period is permitted by regulation).
- The supplier must notify the consumer not less than 40 and not more than 80 business days before expiry.
- A consumer may cancel at expiry without penalty, or earlier by giving 20 business days' written notice.
- A supplier may cancel after 20 business days' written notice of a material consumer breach, unless the breach is rectified.
- If neither party terminates, the agreement continues month-to-month unless the consumer directs otherwise or agrees to a new fixed term.
- Early cancellation may attract a reasonable cancellation penalty, assessed using the factors in the manual.



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FIXED-TERM CONTRACT EXPIRY NOTICE

- Suppliers must notify consumers in writing of the impending expiry date.
- The notice must identify any material changes that would apply if the agreement continues or is renewed.
- The notice must explain the month-to-month continuation rule.
- The manual provides a sample expiry notice that can be adapted for business use.

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SAMPLE EXPIRY NOTICE

SAMPLE EXPIRY NOTICE

I, the supplier in a fixed term agreement with (name of consumer) in respect of an agreement to provide (description of services) entered into on (day) (month) (year)

Hereby **give notice** to the said consumer that –

- the expiry date of that agreement is the (day) of (month) 20.... (year), and
- the changes that would apply if the agreement were to be renewed or might otherwise continue beyond the expiry date are attached to this notice marked Annexure “A”, and
- on the expiry of the fixed term agreement, it will automatically be continued on a month-to-month basis, subject to any material changes of which the supplier has given notice in Annexure “A”

UNLESS the consumer **expressly** –

- directs the supplier to terminate the agreement on the expiry date; or
- agrees to a renewal of the agreement for a further fixed term

Note to consumer: Despite any provision of the agreement to the contrary or whatever anyone, including the supplier, may say to you, you have the **right**, should you wish to do so, to **cancel** the agreement upon the expiry of its fixed term, **without penalty or charge**.

Signed this day of (month) 20..... (year)

.....

For the supplier, who warrants that s/he is authorised to do so.

Name

Contact details

Visual example reproduced from page 6 of the supplied SMME training manual.

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PRE-AUTHORISATION OF REPAIR OR MAINTENANCE SERVICES — SECTION 15

- Applies to repair/maintenance and replacement parts/components, including circumstances where the consumer requests an estimate.
- Cannot charge for goods or services unless an estimate was given and the consumer authorised the work.
- Quotes should describe the work clearly and itemise costs.



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SAMPLE QUOTATION

SAMPLE QUOTATION

[Company name and details]

SERVICE ESTIMATE

ESTIMATE #	DATE

TO

[Details of the consumer]

DESCRIPTION OF WORK

Use this section to describe the work to be done. Be very specific.

ITEMIZED COSTS	QTY	UNIT PRICE	AMOUNT
Service Fee	1	200.00	200.00
Labour: 5 hours at R75/hr	5	75.00	375.00
Parts, including sales tax	7	12.95	90.65
New client discount			(50.00)
<i>Thank you for your business!</i>	TOTAL ESTIMATE		R 615.65

(Insert Terms and Conditions)

Visual example reproduced from page 7 of the supplied SMME training manual.

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ADVANCE BOOKINGS, RESERVATIONS & ORDERS — SECTION 17

- Consumers have the right to cancel an advance booking, reservation or order for goods or services.
- Suppliers may require a reasonable deposit and may impose a reasonable cancellation charge.
- No cancellation fee may be imposed where the consumer cannot honour the booking because of death or hospitalisation of the relevant person.
- Reasonableness considers the nature of the goods/services, notice given, ability to find an alternative consumer and industry practice.
- Subject to section 17 Exclusions: franchise agreements and special-order goods.



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SAMPLE CANCELLATION POLICY

SAMPLE

The Hotel has the right to request deposits in advance to secure your stay. In the event that you cancel any reservation with the Hotel, the Hotel will be entitled to charge reasonable cancellation fee, the amount of which will be dependent upon the length of notice of cancellation provided by you and the Hotel's ability to secure alternative guests for the room reserved for you.

Visual example reproduced from page 8 of the supplied SMME training manual.

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PLAIN LANGUAGE — SECTION 22

- Notices, documents and visual representations required by the CPA or another law must be provided in plain and understandable language.
- The standard considers the intended audience, including ordinary consumers with average literacy and minimal relevant experience.
- Use clear language, structure and design so consumers can readily find, understand and use the information.
- Practical test: can the intended consumer understand what the document means and what action is required?



PRACTICAL BUSINESS CONTEXT

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PLAIN-LANGUAGE REPRESENTATION

PLEASE NOTE
**ALL GOODS NOT COLLECTED
WITHIN 90 DAYS WILL BE
SOLD TO DEFRAY EXPENSES.**

Visual example reproduced from page 9 of the supplied SMME training manual.

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PRICE DISPLAY & DISCLOSURE — SECTION 23

- Goods displayed for sale must have a displayed price.
- Prices must be prominent and clear and must be displayed in South African Rands; other currencies may also be shown.
- Price information may be affixed to goods/display material or published in a current trade catalogue.
- Where two prices are displayed, the lower price is treated as the applicable price



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PRODUCT LABELLING & TRADE DESCRIPTIONS — SECTION 24 AND REGULATIONS

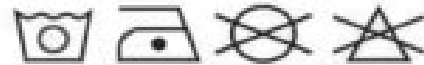
- Certain prescribed categories of goods must carry trade descriptions with mandatory information (prescribed regulations).
- The manual identifies textiles, clothing, shoes and leather goods among the listed categories.
- Where required, trade descriptions must be applied to or displayed close to the goods.
- Descriptions must not mislead consumers and must not be altered, defaced, covered, removed or obscured in a misleading manner.
- The manual sets out country-of-origin and imported-material disclosure requirements for specified goods.

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SAMPLE TRADE DESCRIPTION



MATERIAL:
50% COTTON
25% POLYESTER
25% RAYON
MADE IN THE
DOMINICAN REPUBLIC



Visual example reproduced from page 11 of the supplied SMME training manual.

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RECONDITIONED & GREY MARKET GOODS — SECTION 25

- Goods that have been reconditioned, rebuilt or remade and bear the original producer/supplier trade mark require a conspicuous notice.
- The notice must appear on both the goods and related marketing material.
- The notice should be easily legible and appropriately sized.
- The consumer must be made aware of the notice at the point of sale.



PRACTICAL BUSINESS CONTEXT

19 WRITTEN CONSUMER AGREEMENTS — SECTION 50

- Consumers must receive a free copy of the agreement, or free electronic access to it.
- The agreement must use plain and understandable language and detail the consumer's financial obligations.
- For transactions not in writing, a supplier must keep a record of transactions entered into over the telephone or any other recordable form as prescribed.
- Agreements may not contain terms that mislead, waive CPA rights, avoid statutory duties, authorise unlawful conduct or otherwise undermine the CPA.
- The manual uses a “voetstoots” clause as an example of a prohibited clause.



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SALES RECORDS — SECTION 26

- Provide the consumer with the supplier's full/registered business name and VAT registration number.
- Include the business address and date of transaction.
- Describe the goods or services supplied and show unit price and quantity.
- Show the total price before applicable tax, total price including applicable tax and the amount of tax charged.
- The manual includes a sample invoice as a practical model.

SALES RECORD

Business name _____

Date _____ Customer _____ VAT no. _____

Goods / services	Qty	Price
TOTAL		

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SAMPLE SALES RECORD / INVOICE

INVOICE

Invoice Date: 03/01/2021

Due Date: 18/01/2021

BILL TO

[Client's Company Name]

[Client's Company Address Line 1]

[Client's Company Address Line 2]

[Client's Company Address Line 3]

VAT nr: [Client's Company VAT Number]

[Your Company Name]

[Your Company Address Line 1]

[Your Company Address Line 2]

[Your Company Address Line 3]

VAT nr: [Your Company VAT nr]

Phone: [Your Phone]

DESCRIPTION	QTY	UNIT PRICE	SUBTOTAL	VAT
your product	6		22,380.00	3,357.00 (15.00%)
your service	4	3,730.00	33,000.00	4,950.00 (15.00%)
discount	1	8,250.00	-9,620.00	-1,443.00 (15.00%)
		-9,620.00		

FIFTY TWO THOUSAND SIX HUNDRED TWENTY FOUR ZAR AND 00 CENTS

SUBTOTAL R45,760.00

VAT R6,864.00

Total R52,624.00

Bank account number: [Your Payment
Details]

Visual example reproduced from page 13 of the supplied SMME training manual.

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RETURNS & REFUNDS — DIRECT MARKETING

- Where goods/services are marketed without the consumer having an opportunity to inspect them, specific return rights apply in the circumstances described by the manual.
- section 16 direct-marketing cooling-off right to rescind a transaction without reason or penalty within 5 business days after concluding the agreement or delivery for the relevant direct-marketing cancellation.
- Goods may also be returned where they were mixed with items not ordered, fail quality/specification requirements, do not satisfy their intended purpose, or are unsolicited.
- For qualifying returns, the consumer must not be penalised and the supplier bears the relevant risks and costs.
- Online/electronic transactions may also be subject to the Electronic Communications and Transactions Act, including its own cancellation provisions.

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SAFE, GOOD-QUALITY GOODS — SECTIONS 55&56

- Suppliers must provide goods that are safe, of good quality, in working order, free from defects and fit for the purpose for which they were bought.
- Six-month statutory implied warranty/return right under s 56.
- If goods do not meet the stated safety and quality requirements within the warranty period, the supplier must accept the return.
- At the consumer's direction, the supplier must refund, exchange or repair the goods.
- If a repaired defect persists or a further failure occurs within three months after repair, replacement or refund may be required as described in the manual.



PRACTICAL BUSINESS CONTEXT

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SAMPLE RETURNS & REFUNDS POLICY

NOT ALLOWED IN TERMS OF THE CPA



SAMPLE POLICY

If you received a product which is defective or otherwise of poor quality, please notify us within 6 months of the date of delivery / collection of the product.

Once we have inspected the product and validated your return, we will, at your choice, replace the product if we have the same product in stock; refund you for the purchase or repair the item.

Visual example reproduced from page 15 of the supplied SMME training manual.

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LAY-BY AGREEMENTS — SECTION 62

- A consumer pays over time while the supplier keeps the goods until fully paid.
- The agreement must be in writing, use plain and simple language, specify terms and conditions, and provide a copy to the customer.
- Goods remain at the supplier's risk until delivered; deposits remain the consumer's property until the goods are received in good working order and fit for purpose.
- a supplier may not charge more than 1% of the purchase price for cancellation of a lay-by.
- The manual provides a sample lay-by policy with payment, cancellation and refund provisions.



PRACTICAL BUSINESS CONTEXT

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KEY SMME COMPLIANCE TAKEAWAYS

- Train staff and assign responsibility for consumer complaints.
- Keep records of complaints received and the resolutions taken.
- Use clear, plain-language policies, contracts, notices, quotes and invoices.
- Display accurate prices and required product information.
- Build compliant returns, refunds, warranty and lay-by processes into day-to-day operations.
- Maintain a complaints desk or communication point for consumer complaints.
- Keep records of complaints received and the resolutions taken.
- Display policies and complaints processes legibly.



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GAUTENG OFFICE OF CONSUMER AFFAIRS — CONTACT DETAILS

OFFICE CONTACT DETAILS

Gauteng Office of Consumer Affairs

Consumer complaints:

011 355 8006

Email:

consumer@gauteng.gov.za

Head Office:

Ground Floor, Matlotlo House
56 Eloff Street, Johannesburg

GAUTENG OFFICE OF CONSUMER AFFAIRS — CONTACT DETAILS

OFFICE CONTACT DETAILS

Gauteng Office of Consumer Affairs

Regional Offices:

Ekurhuleni

Golden Heights Building
6th Floor, Cnr Park Victoria Street Germiston
Contact number: 011 355 8110

Sedibeng

Unit 1 Building , 28 Market Avenue
Building, Vereeniging
50 Park Street, Randfontein
Contact number: 011 982 5313

Tshwane

Cnr Pretorius and Central
Towers,
Pretoria
Contact number: 012 317 1980

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QUESTION SESSION

Questions & discussion
Thank you