THE CHALLENGES OF CONSUMERS WITH REGARD TO THE IMPLEMENTATION OF CONSUMER PROTECTION ACT, 68 OF 2008 IN THULAMELA MUNICIPALITY

by

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DECLARATION

I, **Donald Mashudu Bethuel Mbedzi**, hereby declare that the mini-dissertation for the degree of Master of Public Management at the University of Venda hereby submitted by me has not been submitted previously for a degree at this University or any other University. This is my own work in design and execution, and that all reference materials contained therein has been duly acknowledged

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DEDICATION

This study is dedicated to my mother the late Tshinakaho Mbedzi, my father Rembuluwani Phineas Mbedzi, my late brother Ntshengedzeni Zacharia Mbedzi, My wife Imani Sharlot Mbedzi, my daughters Rine Vele Mbedzi, Asivhothe Mbedzi, my son Sean Phuluso Mbedzi, and my elder brothers Makonde, Bally and Thomas Mbedzi.

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LIST OF ACRONYMES

CPA	Consumer Protection Act
CP	Consumer Policy
DTI	Department of Trade and Industry
GG	Government Gazette
MFRC	Micro Finance Regulatory Council
NCR	National Credit Regulator
NCT	National Consumer Tribunal
NCC	National consumer Commission
SPSS	Statistical Package for Scientific Solution
RSA	Republic of South Africa

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ABSTRACT

This study seeks to find out about the challenges faced by consumers with regard to the implementations of Consumer Protection Act in Thulamela Municipality. South African government has amended most policies in post 1994 era as a newly democratic country Consumer Protection Act 68, of 2008 is one of the policy passed by the government.

The researcher employed a mixed research methodology, namely, quantitative and qualitative research methods. Quantitative research makes use of experimental method and quantitative measures to test hypothetical generalization; researchers seek casual determination prediction and the generalization of findings. In contrast, qualitative researchers seek illumination, understanding and extrapolation to similar situation. For this study a non –probability sampling and its sub-type purposive sampling method was used to select the respondents of the study. The researcher used a questionnaire and interview to collect the data. Two data analysis methods were used, namely, Statistical analysis (Statistical Package for Social Sciences) and thematic analysis. The following ethics were considered and applied when analysing the data; Protection from harm, informed consent, voluntarily participation and respect for privacy

The major findings of the study are:

- Consumers in Thulamela municipality are still having the challenges of reading their credit agreements due to illiteracy problems; this is more prevalent to consumers whose age is 51 years and above.
- Consumers are still facing the challenge when it comes to reporting fraud and they also do not know how to complain against the credit provider if unwanted business practice is conducted by credit provider.
- Most consumers are still ignorant to read their credit agreement contracts and this poses them to vulnerability by reckless lenders in the credit industry, credit contracts are mostly printed in small fonts this discourages them to read.
- Consumer protection agencies like the NCR, Consumer commission, Ombudsman are more centralized in big cities and not accessible by every consumer and this poses vulnerability to them.(Consumers)
- Media and other consumer agencies are effective communication towards the consumers in both rural and urban areas.

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RECOMMENDATIONS OF THE STUDY ARE:

- More consumer education should be conducted by both credit providers and consumer agencies
- Consumers should be encouraged to read their credit agreements to protect themselves from any unwanted business practices such as fraud, misrepresentations and etc.
- Government agencies and resources should be decentralise in order to be accessible by all consumers even those living in rural areas
- Media should be used often to educate consumers since they can have a better coverage to most consumers and in their own languages.
- Consumer protection agencies should have permanent offices in district and local municipality in order to influence and enforce policies and regulations of the Act effectively.

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CHATPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 INTRODUCTION

The South African government has passed the Consumer Protection Act (CPA), 2008 (Act No. 68 of 2008). The purpose of Consumer Protection Act, 2008 is to promote a fair accessible and sustainable market place for consumer products and services, to establish national norms and standard relating to consumer protection, to provide for improved standards of consumer information, to prohibit certain unfair marketing and business practices, to promote responsible consumer behaviour, to promote a consistence legislative and enforcement framework relating to consumer transaction and agreements (Consumer Protection Act, 2008 (Act No. 68 of 2008)

It is for this reason that the researcher wants to evaluate the challenges faced by consumers with regard to implementation of Consumer Protection Act, in Thohoyandou (Thulamela municipality, Limpopo Province). The expectations of the government are that consumers should be treated fairly and no business practice should contravene any of the section of Consumer Protection Act.

1.2 BACKGROUND OF THE STUDY

Before the Consumer Protection Act, 68 of 2008 South Africa had other previous laws that were regulating the credit industry and the consumers namely, The Merchandise Marks Act, 1941 (Act No. 17 of 1941), The Business Names Act, 1960 (Act No. 27 of 1960), The Price Control Act, 1964 (Act No. 25 of 1964), the Sales and Service Matters Act, 1964 (Act No. 25 of 1964), the Trade Practices Act, 1976 (Act No. 76 of 1976), the Consumer Affairs (Unfair Business Practice) Act, 1988 (Act No. 71 of 1988), and to make consequential amendments to various other Acts. According to (Jacobs, 2010:2) the Act aimed to update old laws, combine new and existing laws under one meaningful umbrella, as up until than a lot of the law referring to consumers had been buried in other legislation that left consumers in vain. Many factors have impacted on the consumer credit market since 1968. These include significant political, social and economic changes combined with major technological advances. Any consumer law will always have impact to the consumers since they interact with business organizations and credit providers.

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However the previous Consumer Acts or regulations posed challenges to the consumers because they did not meet the desired objectives of the policy makers. Many factors have impacted on the consumer credit market since 1968, there are number of issues which have contributed to the review for possible amendments of the than existing laws in order for them to meet consumer need. (Credit law review committee, August 2003:11). Criticism of a dysfunctional credit market is based on the following problem areas:

- Fragmented and outdated legislation; the legislations were no longer meeting the challenges that consumer were experiencing on day to day. After the 1994 democratic government more credit providers , retail shops started operating business in South Africa , South Africa has also seen the rise in unsecured micro lending and all this had a huge impact on the consumers
- Ineffective consumer protection, particularly in relation to consumers in low-income groups; most business that were or are operating targeted the low income earners , low income earners is the segment which is mostly characterized by people who cannot read and write due to poor educational background.
- High cost of credit and, in some areas, access to credit; Before the Consumer Protection Act credit industry was controlled by the Micro Finance Regulatory Council, during the Micro Finance Regulatory Council (MFRC) credit providers were not strictly regulated in terms of cost to credit , this also impacted to consumers for being charged high interests rates in their unsecured loans.
- Rising levels of over-indebtedness; because credit providers were targeting low income consumers, consumers started to be trapped in credit cycle and became over-indebtedness.
- Reckless behaviour by credit providers and exploitation of consumers by micro-lenders, intermediaries, debt collectors and debt administrators.

The Department of Trade and Industry in South Africa appointed the special committee in 2002 of whose objective was to review the Credit Law .One of the main aim of the committee was to analyse the challenges and problems of Consumers in the regulation of Consumer Credit. The Consumer Laws which were being reviewed included, the law Commission s 1994 review of the Usury Act 73 of 1968 (b) The Strauss Report on Rural Finance which dealt with the financial trend in the rural market.

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The 2002 Credit Review Committee has concluded the following as findings regarding the challenges of consumers:

- Consumers expressed a high level of dissatisfaction with the level of disclosures, credit providers were not disclosing the actual cost of credit and in most circumstances the total charge of credit were always higher than the disclosed amount;
- The committee also found that the cost of credit was very high in all market segment or industries in South Africa and in this case Consumers were the ones being in the disadvantage;
- There were also inaccurate and incomplete credit bureau information which in most cases has undermined the credit providers s ability to access the risk of clients and this contributed to consumers to become victims of high interests rate charged , meaning that credit providers were charging consumers without accessing the real risk per clients;
- Most low income clients were becoming over indebtedness as a results of lack of knowledge regarding financial matters and credit providers used that as an opportunity to maximise profits; and
- Banks in the other hand found it difficult to offer long term credit to all consumers without having relevant credit record of which the risk is measured.

Most consumers today are still feeling the impact of previous Acts very negatively because some had entered into a long credit agreement contracts. Some consumers are no longer allowed to have access to credit due to poor update of credit report by credit bureaus. Some consumers have paid and settled their credit which was in arrears but still their names are still listed in bad credit records.

1.2.1 Industries and stakeholder views regarding challenges of consumers in South Africa

Consumer issues are connected to every business organization in different industries. When consumers are affected it means other stakeholders would also be affected since they are connected to each other. A consumer who is healthy in terms of credit may also be a good business partner to any business organizations.

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When most consumers are not in good credit standing it also affect the business organizations The government or the department of Trade and Industry has organised all stake holders from different segments with the aim of trying to overcome consumers challenges, The stake holders represented were the credit providers, consumer agencies, representatives from the provincial consumers desk, the following has been identified as consumer challenges. The enforcement capacity was weak, and has led to widespread of non-compliance and circumvention of legislation (Credit law report, 2003:11).

Consumers did not have enough resources to protect themselves or to have knowledge that they could take own responsibility regarding financial and credit matters. Most consumers were not educated and this became a serious challenge to them when dealing with credit matters. Credit providers were charging high credit life of which many of the credit providers owned those credit life insurance because of those three different laws it became difficult for the government to protect and enforce legal requirements in the sense that there were no uniformity, (Credit Law Review Report, 2003:3).

According to the National Credit Act Report (NCA) (2011:17), before the CPA the consumer legislations did not provide a list of unwanted business practice. The previous Act, The Usury (Act No 73, of 1968) and the Credit Agreement Act (No, 75 of 1980) did not give the power to the consumers committee to enforce compensations to the consumer who had been dumped by unfair practice, meaning that most Credit Providers that did not comply with the regulation did not pay any compensations to the consumers.

According to the National Credit Report (2012:19) Consumers in the current environment remain vulnerable, and it is questioned if legislation around indebtedness alone does provide sufficient cover. If one looks at the root cause of current consumer distress, it is not necessarily the granting of the credit as done at the time in isolation.

The problem often is that the debt which historically was manageable is no longer manageable now due to a combination of the rising cost of living and subdued salary increases. Consumers remain largely in financial distress at this point. Consumer's challenges exist in the present of Consumer Protection Act and other relevant legislations.

The South African Consumer Protection Act, 68 of 2008 was signed on 24 April 2009 and the purpose of the Act is to protect the interests of all consumers, ensure accessible,

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transparent and efficient redress for consumers who are subjected to abuse or exploitation in the marketplace and also to give effect to internationally recognised consumer rights. The researcher would like to explore if the Act is achieving its primary objectives and also to explore any challenges that consumers might be facing.

1.3 PROBLEM STATEMENT

The protection of Consumers in South Africa is very important in each every business market or industrial segment. The more consumers becomes vulnerable , the more legal protection is required to protect them , Today and in the past consumer have suffered losses , damages injuries ,or death as a results of improper business practices , Many consumers become a victims as a results of hazardous products, product failure, misleading information in advertising, direct marketing and poor instruction (Carlin and Gervais,2010:49). Consumer protection Act 68 of 2008 has certain objective to achieve; one of the objectives is to promote responsible legislative and enforcement framework, related to consumer transaction and agreements. The law prohibits any unfair practices by business organization towards consumers. The Ombudsman for long term insurance recorded ten thousands and twenty eight (10 028) complaints in its annual report of 2013.This report indicate that there are more complaints that are being reported by consumers since the consumer protection Act of 2008 became a law. The 2013 annual report recorded an increase of 4.5 percent as compared to 2012 annual report.

Consumer Protection Act of 2008 is supported by National Credit Regulator(NCR) of which its main role is to regulate the credit industry with the aim of making sure that consumers do not become over indebtedness (NCR Annual Report 2013 : 23). In the presentation to the Joint Credit and Over –indebtedness Summit of 2012 it showed that the latest Credit Bureau Monitor shows that there are 19,6 million credit active consumers in South Africa and out of those 19,6 million only 10,38 million consumers are in good standing or in good credit profile. About 9 ,22 million consumers are having impaired records and this indicate that there are more challenges to the consumers which need to be explored because this problems are occurring while the Consumer Protection Act is in place with its all supporting institutional bodies. The National Consumer Tribunal institution recorded 2 205 in 2011, out of these cases 7000 related to consumer agreements, with a combined value in excess of R200 million (National Tribunal Commission Annual Report, 2011-2012:6).

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The Tribunal Commission s Annul Report of 2011-2012 by the Ombudsman is an indication that there might be a gap or challenges facing consumers in South Africa. It is in this reason why the researcher wants to explore such challenges which mainly face consumers regarding the implementation of the Act.

1.4 AIM OF THE STUDY

The aim of the study is to explore the challenges faced by the consumers with regard to the implementation of the Consumer Protection Act (68 of 2008).

1.5 SPECIFIC OBJECTIVES OF THE STUDY

The objectives of the study are the following

- To find out the main challenges faced by consumers with regarding the implementation of the Consumer Protection Act. (68, 2008).
- To analyse the impact of the Consumer Protection Act on the Consumers.
- To determine strategies that will help to eliminate the challenges faced by consumers regarding the implementation of the Act.

1.6 RESEARCH QUESTIONS

The researcher would like to explore the following questions;

- What are the challenges faced by Consumers with regard to the implementation of Consumer Protection Act?
- What is the impact of the Consumers protection Act on Consumers?
- What strategies can be used to overcome the challenges faced by consumers with regarding the implementation of the Act?

1.7 SIGNIFICANCE OF THE STUDY

The study findings will help consumers to be aware that there are rights that protect them when interacting with business with regard to Consumer Protection Act. The study will also benefit the policy makers to solve problems of the consumer.

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The study findings will also help different credit providers to understand the current consumer behavior based on the findings , when business organizations knows the status quo of consumer behavior , they stand a chance to respond according to the needs and position themselves in a way that they will be in better competitive advantage. Business organizations would also benefit to be proactive in aligning themselves with the policy and regulations of the credit regulators. Consumers will know their rights and protect themselves from any unfair or unwanted business practice by credit providers and this will also help consumers to have responsible behavior in the credit industry. Policy makers mainly the government will know if their policies are serving the intended objectives and the findings will also help them to see if some of the sections need to be amended.

Other scholars may continue with the study to research further in case other problems exist relating to the consumers. Public Institutions such as the National Credit Regulator (NCR), National Consumer Commission (NCC), Consumer Tribunals and the Ombudsman will know the situation in the ground and continue to know the trends and challenges of consumers. Business organizations will also know if their front line staffs are complying with rules and regulations of the Consumer Protection Act. Any interest group that protect the rights of consumers will also know and use this to strategize in advancing consumer rights The proposed study will also add knowledge and help as a strategy to overcome the challenges of Consumers.

1.8 DELIMITATION OF THE STUDY

The study will focus on consumer challenges and will be conducted in Thulamela municipality. Thulamela Local Municipality is a Category B municipality established in terms of the Local Government Local Government Structures Act number 117 of 1998. Thulamela Local Municipality is one of the local municipalities comprising Vhembe District Municipality. It is the eastern most local municipality in the district. The Kruger National Park forms the boundary in the east. The municipality borders Mutale Municipality in the north-east and Makhado Municipality in the South East. The total of 47, 7% of the entire Vhembe district s population lives in Thulamela Local municipality. More than 85% of the people in this municipality live in tribal areas. The municipality is located in Limpopo Province of South Africa which is 170 kilometers from Polokwane city.

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1.9 LIMITATIONS OF THE STUDY

The limitations of the study is that the researcher may experience financial challenges that are involved in transport, editing, binding, printing and proof of reading document. The topic is sensitive in the sense that some respondents like sales consultants or managers may not share all the information due to company policies, some staff members may be afraid of giving information that is negative to their companies.

1.10. DEFINITIONS OF MAJOR CONCEPTS

The following are definitions of major concepts:

- **Consumer**: Is a person who buys goods and services for his own use, for the use of house hold or as a gift for a friend (Schilffman, 1978:7).

- **Consumer Protection Law:** (Garner 2004:335) describes Consumer Protection Law as a state of federal statute designed to protect consumers against unfair trade and credit practices involving consumer goods, as well as to protect consumers against faulty and dangerous goods. A challenge is a new or difficult task that tests somebody s' ability and skill (Solomon and Hanson, 1983: 251).

1.11. ORGANIZATION OF THE STUDY

The researcher project will consist of the following chapters:

Chapter 1: Orientation of the study - In this chapter the orientation and background of the study regarding the challenges of consumers were outlined, the statement of the problem, purpose of the study, significance of the study, specific objectives of the study and the definitions of the key concepts were also outlined

Chapter 2: Literature Review - In this study a relevant literature review regarding challenges of consumers will be explored and analysed in order to help relevant institutions on how they can eliminate challenges of the consumers, the legal framework of different institutions that relate to consumer issues will be explored. The researcher will review literature by other authors, scholars and press which relate to challenges faced by consumers in all credit industry regarding the implementation of Consumer Protection Act, 68, of 2008.

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Chapter 3: Research Design and Methodology - This chapter will focus in the introduction and also on research methodology ,research design, study area, population sampling method, data collection approaches and methods which will be used by the researcher collect, analyse and to interpret the data that would be collected in chapter four

Chapter 4: Data Presentation, Analysis and Interpretations - This chapter will deal with the data collected through questioners and structured interviews. The information or data obtained from the respondents will also be analysed and interpreted in this chapter. The researcher will also take responsibility to sort data systematically. The research findings will be interpreted in such a way that it will provide the real challenges that consumer is facing in Thohoyandou area. The data will be available and known to the researcher from which conclusion are made. The validity of such findings will rest on whether the participants or the people who know them will see a recognizable reality in these prepositions.

Chapter 5: Findings, Conclusion and Recommendations - The findings of the study will be sorted from data analysis where a non –mathematical procedure that is designed to identify themes and patterns in qualitative and quantitative data. The researcher will systematically sort findings from data collected and the findings will be presented in the form of propositions that summarizes the school challenges of consumers with regard to consumer protection Act of 2008. The validity of the findings will rests on whether the participants or the people who know them will see a recognizable reality in these propositions.

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CHAPTER 2: LITARATURE REVIEW

2.1 INTRODUCTION

This chapter will discuss the views of the researched literature on challenges of consumers with regard to implementation of consumer protection Act, 68 of 2008. It will discuss what other authors and consumer institutions have written about issues affecting consumers after the Act was passed in the parliament in other areas of South Africa and other parts of the world.

According to the comprehensive annual report of ombudsman for long term insurance in South Africa (2013: 2) a total of 10 028 complaints were registered (Government Gazette.Vol Cape Town, 29 April 2009 .No, 32186. This is the report of only registered members from insurance companies and financial service providers without representing all the players in other industries. The report also indicated that the complaints for 2013 had an increase of 4, 5 % as compared to 2012 Annual report. The numbers of complaints that have been received in 2013 suggest that complaints by consumers in South Africa are very general and prevalent and therefore also worth further explorations or study to see what might be the other challenges that consumers are facing in their respective areas.

2.2 THE LEGAL FRAMEWORK OF INSTITUTIONS SUPPORTING CONSUMER PROTECTION ACT, 68 OF 2008.

The legislative framework was researched with reference to relevant legislation, academic and Annual Publications. The legal framework of this section will be consisted of Institutions that support the Consumer Protection Act in terms of implementations; The National Consumer Tribunal, The National Credit Regulator and the National Consumer Commission. These are the institutions working hand in hand with various governmental departments and also work as a watchdog to ensure that the Act serves its purposes.

They also work hand in hand with the credit providers to ensure that those business organizations may conduct their business freely but in a fair manner. They work very independently without favouring any part either from the consumer side or credit provider side.

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2.2.1 Institutional bodies supporting Consumer Protection Act

Section 83 of the Consumer Protection Act (Act 68, of 2008) supports the institutional bodies of government and non-governmental institutions that support the rights of the consumers and make sure that there is implementation with regard to protecting consumer rights. The Consumer Protection Act is supported by other public institutions that act independently to balance the interests of the consumers and those of business organisations, those organisations work differently but with the same objective to make sure that every policy section of consumer protection Act is respected and implemented accordingly.

The department of Trade and industry works hand in hand with regulatory institutions within the government to achieve its mandate of providing sound, coherent, predictable and transparent business regulatory solution. The following institutions are formed to support the consumer protection Act.

2.2.2 The National Consumer Tribunal (NCT)

The National Consumer Tribunal (NCT) was established in 2006 in terms of the National Credit Act, 34 of 2005. The NCT was initially mandated to provide accessible adjudication and redress on matters referred to it in terms of the National Credit Act (NCA) and later the Consumer Protection Act (The National Consumer Tribunal Annual Report 2011-2012: 6) This institution has the same status as one made by the High Court of South Africa The above institution has a very clear objective and mandate, The objectives of the National Consumer Tribunal are the following:

- To independently adjudicate consumer cases brought by its stake holders such as the National Credit Regulator, National Consumer Commission, Consumers, Credit Provider, Debt counsellors and Credit Bureaus,
- The National Consumer Tribune imposes remedy, as provided for in the NCA and CPA and grant orders for costs, and
- The National Consumer Tribune reviews the decisions made by the National Credit Regulator, the National Consumer Commission to provide a fair resolution.

Their active role in helping the consumers should be clear not only to the policy or framework but also to both business organizations and consumers.

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If one of the custodians or stake holders between the business organizations or consumers may not be aware of the legal framework and reasons of existence by any institutions it will be a question that may need answers. Business organisations have professional bodies to represent them in issues of their interests with regard to any policy that may be in place at any point of time, it is also very important to know from consumers if they know those institutions as business organizations and also to find out any challenges they encounter in South Africa. (Government Gazette, vol.526, Capet Town: 29 April 2009).

2.2.3 The National Credit Regulator

The national credit regulator s function is to regulate the credit industry, to improve consumer protection in the end – user credit market and provide effective debt counseling and review mechanisms. It is s also the role of the national credit regulator to see that credit is regulated by the credit providers in order to remedy the undesirable economic condition. Cases of reckless lending are also taken into consideration as they end up harming consumers. In South Africa the R50 billion microfinance industries composed mainly of consumer personal loans. Only 6% is loaned out to small businesses (National Credit Regulator Final Report 2012:33). In 2009, studies show that 40% of money from micro financing was used to buy food and many borrowers get more loans to pay off old loans. This means that there is a cycle among those struggling to meet monthly expenses to keep going to lenders or even racking up bigger loans due to an inability to fully settle the older loan. Challenges around consumers with regard to credit should be analyzed to solve current and future problems that might exist (National Credit Regulator Final Report, 2012:49).

2.2.4 The National Consumer Commission

The National Consumer Commission is established in terms of section 85 of the Consumer Protection Act, 68 of 2008, as an organ of state within the Public administration, and as an institution outside public service with jurisdiction throughout the Republic of South Africa. The NCC is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act, which aims to:

- Promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose;
- Establish national norms and standards relating to consumer protection;

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- Provide for improved standards of consumer information;
- Prohibit certain unfair marketing and business practices;
- Promote responsible consumer behaviour; and
- Promote a consistent legislation and enforcement framework relating to consumer transactions.

The interactions between consumers and business organizations will always bring imbalances of interests naturally, (Sage, 2012:87). Business organizations have more advantages of knowing and understanding the rules than consumers. Business organizations will always like to maximize their sales profit while on the other hand consumers will seek a better offer with lower prizes. This suggest that while the business organizations will be strategizing to maximise profit possibilities are that consumer rights may be compromised, e. g. business organizations use small font size when printing credit contracts in order for them to save stationary, to save toners and this small size font make most consumers not to read their credit contracts.

Consumer issue has been an international agenda of different governments of western countries such as Britain, USA, Canada and etc. In the history consumer rights was mostly advocated by former American President John F Kennedy in March 15, 1962 after he sent a special message to congress containing statement of four basic consumer rights that government should work to protect and promote (Sage, 2012:89).

- The right to safety : Protection against hazardous goods,
- The right to be informed: the right to access information the consumer needs to make an informed choice and protection against fraud and deceit,
- The right to choose :Access to a variety of products and fair prices and protection against business practices that reduces competition , and
- The right to be heard: the guarantee that consumers concern will be heard and fully considered by the government (Sage, 2012:89).

Former American president John F Kennedy has contributed much to the consumer rights and today in the world we have a consumer rights day (15 March).

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The above rights also relate to our today s consumer protection guidelines of the South African government. Section 55 under the South African consumer protection Act stresses about the consumer rights to safety, good quality goods, Section 60 stresses the issue of safety monitoring and a recall. Section 22 in the South African consumer protection Act stresses about the right to information in plain and understandable language. Section 13 in South Africa stresses about consumers have right to select suppliers. This is an indication that consumer protection rights are not a unique problem or only fundamental only in South Africa but anywhere in the world. Although different countries faces different challenges in protecting consumers there is a clear indications that problems of consumers are very common since all business organizations exist to maximize profit , business organization do not take full responsibility to protect consumers unless pushed by the consumer protection agencies.

Wilkie (1990:59) argues that consumer education is a good approach to start business with them , but he goes on to argue that business organisations hold consumer knowledge for themselves without making a means of transferring the information to them. This means suggest that business organization do not really care much about the interests of consumers when it comes to consumer education and knowledge, instead they use the knowledge to cover themselves in terms of running their own business, they use different consumer information's to cover themselves and to be compliant with the Act. The statement by Wilkie goes on to prove that consumers are vulnerable and have more challenges.

Wilkie (1990:59) goes further to argue that consumer protection is the inherent of responsibilities which all stake holders should take part. Marketers should be responsible to conduct business in accord with the spirit and laws of our systems, he also argues that consumers should have responsibilities as well; these include informing themselves about products, purchasing within the bounds of their finances, and abiding by the terms of the contracts they sign (Wilkie, 1990:60). Government should play major role to take responsibility in protecting rights and to be fair and judicious in the exercise of its power.

When the government exercises its authority it should be conducted in a manner that is fair to the business organization to still provide good conditions for the business to exist. The role of business organizations play important role in shaping the economy of the country.

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Most business organizations engage themselves into undesirable practice wherein consumers become the victims, even though there are government policies to protect them. When business organizations are not sharing information with consumers it's a contravention of section 22 of the consumers rights Act which states clearly that consumers have the right to information in plain language and understandable language. The following are some injustice towards the consumers by business organizations:

2.2.5 High pressure selling to vulnerable groups

Some sellers focus on elderly, or poor, or lonely consumers because they know that it is easy to close business deals with them, advanced consumers may turn business deals down. This may suggest that there are business organisations that are taking advantaged of age when doing their marketing activities; this becomes a problem to those consumers that cannot even know how to report such cases in case they are not happy with the services or product they have purchased. This situation may be very problematic to consumers who may find themselves into such trap. The other problem may be that the consumers may realise that they were deceived after the transaction is done (Wilkie, 1990:652).

2.2.6 Mail frauds

Benson (1982:112) argues that consumer fraud is even more prevalent than street crime in its toll on the poor. Poor consumers are still vulnerable to be the victims of fraud by business organizations and this strengthens the need of this research to explore what might be the circumstances around the issue, Fraud to consumers is a serious problem that affects socio-economic problems in South Africa. Fraud is only committed if deception results in gaining an advantage over ,or inducing a loss to the other party in the transaction, without the element of gain or loss one could not consider the case as fraud .

Rossouw (2004:155) provides that consumers still receive mails from business companies selling product and services that may not represent the true features, the ultimate outcome is that consumer might end up a victim as the end user of the products for example, in California there was an advert of a Dream –Away diet Pills, the Pills were being advertised in 160 TV stations for over a year, offering 42 tablets for $19.95. The claim was that consumers would lose weight while they slept. A California court has ordered the company to stop selling product and to pay $162,000 in penalties.

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It was also revealed that some television stations carrying the adverts had been receiving commissions on each bottle they helped to sell. This may be the case within the South African consumers and the question may be do they know what to do when a product is not performing to its features as the way marketers says? Benson argues that fraud practices is often done by mobile business people who knows that it might take time or there is no chance for the consumers to complain to them because most consumers especially the poor they do not have enough knowledge of asking many questions that may protect themselves if businesses may try to practice fraud against those consumers.

2.2.7 Slippage in the consumer sector

Consumers do not have capacity to make an informed decision with regard to buying decisions. Wilkie (1990:658) argue that consumers are not price conscious as it would be desirable, they do not stop or limit buying even if inflation is in the process of sky rocketing, they also do not stop or limit buying even if prices have risen, they will continue buying staff that they don't even need for the current moment. Because of this challenge consumers become financially unstable (Wilkie, 1990:658).

The above slippage will always have grave consequences towards the consumers while business organizations will have ripped the profit to sustain their businesses. It is therefore primarily a concern that if something is not done to empower the consumers; consumers will always experience loss of their money and other valuable goods through their interactions with business organizations.

2.2.8 Slippage in the government sector

Public Policy problems almost always involve disputes regarding the balance of competing interests and points of view. (Wilkie, 1990:653). Wilkie (1990:653) further argues that a public policy or policy makers can make two errors, error of omission or error of commission this suggest that every public policy deserve a revisit or an evaluation to see if the policy still meet the original intention. Furthermore (Wilkie, 1990:654) describes a civil service as a safe job, there is little reward and employees in the public service or government institutions may not will to take risk of evaluating their policies, the same may apply to the consumer protection Act which is aimed at protecting the interests of consumers, it still rises many questions as to what might be the challenges of consumers with regard to consumer protection Act or the way business organizations are conducting their business.

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According to Solomon and Hanson (1983:251), consumers do not decide on what product and services they want in their lives. Business organisation create demands that no consumer can resist, Even if such a product is risky or harmful to the consumers, manufacturing company takes no responsibility except to make a warning clear, but Solomon and Hanson argue that sometimes consumers may be illiterate or unwilling to indulge in the protracted study of the effects and side effects of the product they buy. In this context it proves that consumers are always facing challenges even though there is new consumer protection Act. The challenges of consumers need continuous exploration for them to be addressed since they might be vulnerable as results of their poor educational background and illiteracy.

For a consumers to be protected in terms of law or consumer rights, business should play their role in maintaining high level of ethics, Consumer Protection Act exist with the reasons or purpose of protecting the consumers against any unethical business practice which may cause harm or deceive consumers during or after business transactions, therefore the study of challenges of consumers regarding protective laws cannot exclude the practice of business organisation.

Schlegelmilch (1998:4-5) argues that although consumers and investors appear to shy away from companies with questionable business practice, and although companies appear to have institutionalised business ethics in the form of codes of ethics, policies procedures and training, there still appears to be a widespread ignorance of and scepticism about business ethics. In the light of such argument it shows that unethical business practice by any business organization poses a threat to the consumer , any unethical practice would be breaking one of the consumer protection laws and most harm always affect the consumers unless the consumer can hit back through a law suit is than that business will be affected .

2.3 CONSUMERS AND THE LAW

Under consumer and the law we look into the relationship between consumers and the laws protecting them, how does the law affect their way of dealing with business organisation and also how business organizations treat or affect consumers regarding those laws which are aimed at balancing the interests of them (consumers and business organization).

According to Schlegelmich (1998:388) consumers are vulnerable and such vulnerability is associated with low level of economic development and lack of supervision of the market place.

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He argues further saying that consumers' emancipation is inhibited by cumulative effects of the lack of education, and lack of opportunities to acquire consumer skills through store and price comparison, lack of information about products and potential hazards, lack of availability of alternative choices. All those reasons remain challenges to the consumers and this may suggest that to solve consumer problems do not only need to have good policies. It further strengthens the need to explore further challenges from consumers who are the most negatively affected by unethical business practice.

Businesses have the capacity to educate and train their employees so that they can be compliance with regard to any latest law affecting their operations but at the same time consumers that purchase products and services have no insufficient information to protect themselves. Sage (2012:87) argues that consumer rights implies that interactions between consumers and corporations will naturally tend to be the advantage of corporations (due not only to size but also due to political ,economic, and social influence) and legal and political means should be used to equalize any imbalances of power. The argument by Sage requires ongoing research to continuously explore the challenges facing consumers in their status quo or future pre-determined problems that may harm the consumer or contradict any of the consumer protection Act as a result of the any unethical business practice by business organization towards the consumer. Sage goes further to argue that most of the laws in different countries are not capable or able to protect consumers due to the following reasons:

- The complex nature of business or products, most consumer rights initiatives is that absent any restraining influences ,corporations will make decisions that ignore the welfare of consumers and maximise the assumed advantages of the supplier .Section 55 of consumer protection Act stresses that consumer have the rights of protection against any harmful product. Product suppliers should make it a point by all means that the welfare of the consumers comes first. It should be the responsible of the product manufactures that products are safe to be consumed by consumers before placed in the market, and
- A secondary assumption is that consumers will usually have less information than a business and will be more easily confused by the business complexities and therefore consumers must be protected from business that will take advantage of these informational or experiential asymmetries Sage also argues that internet has reduced the information disparity between consumers and suppliers and as well as offering a significant increase in resources that consumers can use to defend their rights.

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- In the case of internet only educated consumers can have access to internet but the most consumers whom are not educated can gain no benefit through the use of internet.
- Consumers need to have information to know their rights because information is power and information transparency is critical to produce informed consumers, this has been strengthened by the Consumer right no Consumer Right No. 4. (Right to Disclosure of Information).
- Consumers have the rights to information in plain and understandable language; Consumers have the right to demand contracts/agreements in easily-understood and plain language. In South Africa there are different options which can be used by consumers during the disputes.

Fig .2.3 PYRAMID OF DISPUTES HANDLING OPTIONS

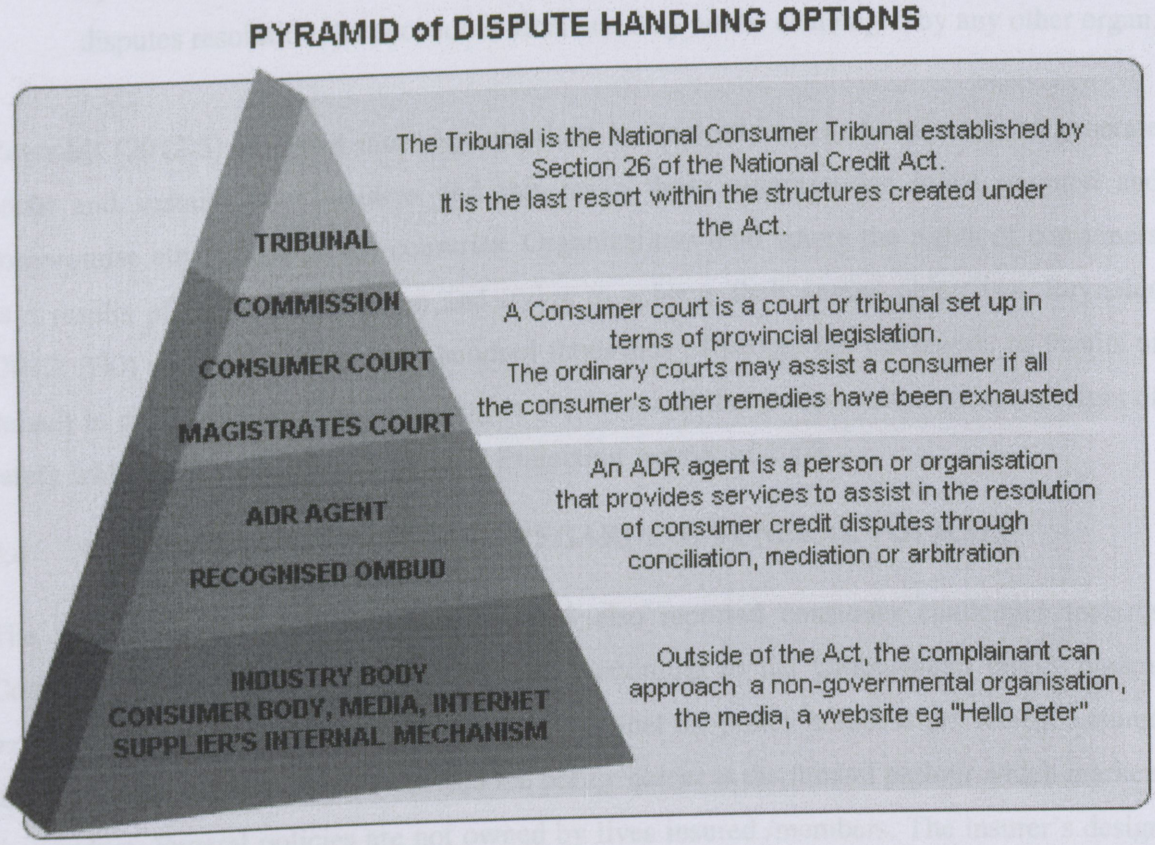


Fig2.3 Consumer commission Handling procedure Guide (2004; 45)

The pyramid handling procedure options and stages represent the process and procedures in how consumers or credit providers should follow during disputes from bottom to top.

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- First Option**: Industry Body ,Consumer Body, Media ,Internet Supplier s internet mechanism:** In this step it shows that consumers are allowed to approach any non-governmental organization to be assisted on how to complain or finding resolution of a particular complain
- Second Option :**ADR Agent /Recognised Ombud**: In this stage a registered agent can also assist to resolve queries of Consumers by challenging the credit providers that may be in disputes with the Consumers
- Third stage /Option : **Magistrate Court**: The court of law may also be approached by Consumers to seek for resolution if all remedies have been exhausted
- Forth Stage /Option : **Consumer Court**: This is the court that is set by the tribunal to resolve consumer related issues
- Last Stage /Option: **Tribunal Commission**: This is an established national structure by Section 26 of the National Credit Act that can be as a last resort in terms of disputes resolution. Its decision is final and may not be challenged by any other organ.

Reynolds (2012:5) says that most organizations in the world are under pressure to generate profit and sustain their business and this make those organizations to be tempted and compromise ethics code of the countries. Organizations tend ignore the rights of consumers as a results of being profit driven and trying to achieve their annual objectives. Reynolds (2012: 330) shows that more than hundred thousands of people die worldwide as results of default in medical equipment technologies products and that compromises consumer right of safety which is Section 55 of Consumer Protection Act 68, of 2008.

2.4 REPORTS BY OMBUDSMAN REGARDING FUNERAL POLICIES

The annual report for Ombudsman in 2013 also reported consumer challenges towards Consumers with regard to funeral policies. According to the Ombudsman report funeral parlours are designing the product in such a way that the policy holder is not the life insured member of the group policy but instead the policy holder is the funeral parlour which markets the product, Funeral policies are not owned by lives insured /members. The insurer's design ensures that the life insured/premium payer is not in a contractual relationship with the insurer and cannot claim a benefit from the insurer. (Annual Report for Ombudsman for Long Term Insurance, 2013: 24) According to (Section 27 of Consumer Protection Act 68 of 2008) credit providers or Insurance companies should disclose information about their services and products to the Consumers.

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The reported misconduct by the Ombudsman of the funeral Parlours poses a challenge towards Consumers because there is an act of Dishonesty by the funeral company's administrators. Every households prioritize the funeral policy to cover own family and it is a trend and common practice among many societies in South Africa that burying a family member should be accompanied by expensive things in terms of coffins, tombstones etc. It also goes on to indicate that most families or consumers are not getting the benefits they deserve because most portions of funds are paid to the funeral parlours. Consumers may be joining policies that will pay full amount but not funeral undertakers using consumer's documents to claim benefit from any other insurer.

2.5 CHALLENGES OF CONSUMERS REGARDING FRANCHISE AGREEMENT

When the Consumer Protection Act 68 of 2008 (CPA) was introduced in 2011 it was welcomed as an overdue step in the regulation of franchise agreements. The perception was that this legislation was going to stimulate the franchise agreement business model by levelling the playing field between franchisors and franchisees. However, almost two years later, the practical consequences of this Act are beginning to provide frustrating results for those wishing to enter into such agreements, Post, Frederick, Lawrence and Weber (1996:549). The primary reason for this frustration appears to be the overbearing nature of the legislation and the regulations there under on the parties wishing to enter into agreements on their own terms. With particular reference to the disclosure schedule requirement, the purpose of this article is to show that not only are these regulations impractical, but there also seems to be little theoretical justification for their inclusion under the CPA.

2.6 CHALLENGES OF CONSUMERS REGARDING DIRECT MARKETING BY BUSINESS ORGANIZATIONS

Mccant and Van Heerden (2004:83) argue that direct marketing occurs when the organisation communicate directly with the customer to get a response. It is very cultural that organizations prefer to do direct marketing as they recommend that strategy as cost efficient in doing their business. Most offices are centralised in cities while doing business with consumers nationally and until to the level of rural villages.

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Due to the poor background and facilities in the rural areas it happens that poor customers may be deceived through direct marketing, entering into business deals and transactions with people that they do not know or have never see. If those business organizations do not exist while received money from the consumers it may become very difficult for consumers to recover their money.

Some consumers may not have money or transport funds to go to town to have their complains addressed, some may also have problems with knowing what should be done in case they are defrauded or if something has went wrong during or after the direct marketing transactions. There is also a possibility that most consumers are not aware that they have given rights to the primary business organization that they interacted with to send their data base to the next business organization.

The business organization are using direct marketing to cut cost but at the same time they are using this business strategy to generate more sales while their sales strategy may be posing a risk or threat to the pocket of the consumers. Even if consumers may be assisted to reverse the transactions it would still are a problem because most tractions are linked to their personal bank account of which they get charged for any debit that goes through. In most cases where the transaction is reversed the debit order charges is not reversed and this will always have a negative impact on the consumers.

Tapp (2000:9) has described direct marketing as an activity which creates and exploits a direct relationship between Consumers and business organizations. The selling process starts with the company contacting the consumer and the circumstances around the process leave consumers caught in the middle to decide whether to buy the service or product. Tapp (2000:9) argues that any direct marketing may lead to exploitation towards the consumers; Consumers are the most vulnerable to suffer as a results of direct marketing by companies. It need further continuous exploration to see if consumers may know what should be done should any exploitations take place during or post sale durations.

Wilkie (1986:676) argues that marketers must accept responsibilities of the consequences of their activities and make effort to ensure that their decisions, recommendations, and actions functions, serve, and satisfy all relevant publics: customers, organizations and society. The statement by Wilkie(1986:676) is clear on its own that it should be the responsibility of the marketers that customers or consumers are not harmed or protected during marketing activities.

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This also suggests that consumers may not know all marketing principles in terms of ethical codes that must be followed. It seems there are still more cases of consumers even though there is a law that protect consumers.

Erasmus and Strydom (1998:125) argue that organisations should seek compatibility of their own interests with the interest of society while striving for overall value creation. Consumers are realising that although businesses produce much of what is good in our society, they also cause great harm. Management is mostly criticised for misleading advertising, dangerous products, pollution of the environment, layoffs, industrial accidents, exploitation of the consumer and other consequences .organisation are therefore called upon to be socially responsible. "A business should be a "good corporate citizen.

The statement by Du Toit, Erasmus and Strydom (1998:127) questions the relevant or actions of the business organization in terms of doing their role to help educate consumers as their stakeholders in business .It also suggest that business may not be taking their customers as serious as their other key stake holders. The statement also suggests that Business organization should always try to advance the interests of Consumers because their strength to success relies on Consumers. Business organizations understand the challenges of Consumers, therefore as suggested that they should play a vital role in educating the Consumers.

Ethics can be defined as a guide to moral behaviour based on culturally embedded definitions of right or wrong, managers in particular are expected to maintain high ethical standard (Toit, Erusmus and strydom (1998:127). The above statement still point it clearly that the protection of consumers in terms of their rights is more centralised in the hands of business organizations and professionals ,it is about how the professionals like managers of the organization decide how far they can protect the consumers while both consumers and business organizations are equally protected by the law.

Business hires staff that are very competent and professionals to deal with different operations but it's different with consumers because business organizations sell their products to everyone who can afford to pay, this may suggest that in most Consumers have the challenges to understand the laws that are meant to protect them. Business organizations may not survive without consumers buying their product or services meaning that during the exchange each part should be happy without any problems pre and after sales.

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In this case we do not see much from the business organization trying to help consumers to advance their knowledge in terms of the consumer protection Act (Toit , Erusmus and strydom, 1998:133).

2.7 THE RIGHTS OF MARKETERS AND CONSUMERS

While consumers have rights that protect them we have also looked into the rights of business organizations that allows them to conduct their business activities so that they can maximise profit and sustain their business. Business organizations exist to help consumers with different need of product and services. They are also not allowed to discriminate any consumers for any reasons that are prohibited by the law.

Peter and Olson (1996:643) argue that both marketers and consumers are granted certain rights by society, and both have a degree of power, but it assumed by most scholars that marketers have considerable more power than consumers. According to Peter and Olson (1996:643-645) the following are the rights of sellers:

2.7.1 Sellers have the right to introduce product

The above right poses a question as to whether the sellers are doing their best part or roles to make sure that consumers are educated before they purchase product or services. Consumers maybe buying dangerous products not knowing the danger part of it due to the fact that not everyone can read in South Africa and abroad. Consumers may be ignorant to read the precautions of the product. It's very normal that people do not read all the time. (Peter and Olson, 1996: 644). It also needs further exploration to analyse and identify if the right of the sellers are not compromising the rights of the consumers somehow. There should be a balance of all the rights.

2.7.2 Sellers have the right to price the product as they please so long they avoid Discrimination that is harmful to competition

Although sellers have the rights to charge price but still it should be under the governance of the regulators, the previous consumer protection Acts which came before 1994 overlooked how credit providers were charging the consumers. It is therefore very important that those rights that sellers have do not compromise the rights of the consumers at any cost; Consumers deserve to be protected in such practice if it exists.

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It is very normal that business are the ones who decide the pricing of their product to the consumers but at the same time there may be some consumers whom are involved in business transaction or deals that they cannot afford. (The National Credit Regulator Annual Report of 2013:17) has reported that most Credit Providers offered clients more unsecured loans than they could afford, African Bank which is the number one in Unsecured lending has huge book of clients who are defaulting to pay their instalments due to low income (NCA Annual Report 2013:17). Some clients or customer claim that they are offered loans that they cannot afford to pay, while consumers start to default payments as a results of low income it also affect them very badly because they end up being degraded in terms of their credit profile .

Once consumers are degraded or have poor credit profile it means they are no longer going to enjoy having access to credit like others while its start with products offered to them buy business organizations which they cannot afford to pay. This also affect their personal finances very negatively because they may be facing law suit as the business organization have rights to legal collection as a results of default in payments.(Peter and Olson ,1996:645)

2.7.3 Sellers have the right to promote the product using any resources, media, or message ,in any amount , so long as no deception or fraud

In the above case or right business organizations have right to use any available sources to them to conduct their marketing activities, but consumers may only know that they are deceived only when the transaction is done.

Consumers are innocent and vulnerable, when business has created a need; they will fall in not knowing what the outcome would be and if it goes wrongly its only consumers who become the victims. Sellers have the right to introduce any buying schemes they wish, so long as they are not discriminatory. The above right is clear but consumers do not have the right to choose who to do business with if new scheme is introduced to all existing customers by the primary business. It may be possible that consumers are not willing to do business with the newly introduced scheme or secondary company or division of any other company.

In this case when a business has not met its own objectives in terms of the number of clients they originally intended to have, they may sell their existing clients or data base to the other companies they own or divisions without asking the consumers if they are willing to move to the new company.

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Mostly when consumer enter into credit agreement contract they will sign on dotted lines that they are voluntarily willing to allow the current company to send their names and contact to other companies or subsidiaries companies , but the problem is that not all consumers do read and write and consumer do not want to read because they are ignorant. Business organizations also use small font size in contract when printing that does not encourage anyone to read. This means that the right of consumers to choose who to do business with may be contravened or ignored Sellers have the right to alter the product offering at any time Sellers may alter product but its questionable if such alterations are affecting the consumers or also if consultations to the existing clients is done properly. Sellers have the right to distribute the product in any reasonable manner. (Peter and Olson,1996: 647).

The distribution of product or flyers should be in line with consumer protection Act , what is reasonable and not reasonable is described in the law .In terms of distributing the business flyers the Consumer protection Act no 5 stipulates the following "Right to Fair and Responsible Marketing "Your right to protection in catalogue marketing. Suppliers are required to disclose the following: Supplier name and registration/licence number; Address and contact details; Sales records; Currency for sales, Delivery arrangements, Cancellation, return, exchange and refund policy; and Instructions on lodging a complaint. Catalogue marketing refers to an agreement entered into by telephone (initiated by the Consumer), fax or postal order, where the consumer is not given the opportunity to inspect goods. Seller has the right to limit the product guarantee or post sale services.

All the rights of marketers or sellers will always have interactions will the consumers, markers or sellers are aware of their rights but this poses a question as to what might be the challenge towards the consumers from their own side. (Peter and Olson, 1996:647).

2.8 BUSINESS AND MARKETING PRACTICES THAT AFFECT CONSUMERS

All marketing activities will always have an influence or outcome to the consumers; where there is marketing there is a consumer. Consumers Protection Act safeguards the balance of both interests towards consumers and business organizations. Marketers have the rights as stated in the above; Peter and Olson (1996:645) indicated the following as problems or challenges of consumers as results of marketers or sellers s actions.

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Table 1.1 Challenges faced by consumers

Product Issues	**Promotion Issues**
Unsafe products ,Poor –quality products Poor service /repair /maintenance after sales Deceptive packaging and labelling practices Environmental impact of packaging and products	Deceptive advertising Advertising to children Bait –and switch advertising Anxiety –inducing advertising Deceptive personal selling tactics
Pricing issues	**Distribution Issues**
Deceptive pricing Fraudulent or misleading credit practices Warranty refund Problems	Sale of counterfeit products and brands Pyramid selling Deceptive in –store selling influence

Table 1.1 by Peter and Olson (1996:645)

The previous diagram indicates serious challenges to the Consumers in the following:

- **Product Issues**: Consumers faces challenges of products relating to products that are not safe to be consumed. Selling unsafe product is prohibited by Section 55 of Consumer Protection Act 68 of 2008. Products and services should be of highest quality and should not put any consumer at risk or harmful effects. Consumers are also facing poor services after purchasing a product or service from the supplier; most suppliers do not repair as promised before the purchase is done.

- **Promotional Issues**: Consumers are facing challenges of business organization that are not honest in terms of advertising their products. Some organisations also exaggerate their product performance and this is prohibited in Section 30 of Consumer Protection Act 68 of 2008.
- **Pricing issues:** Business organization mostly conduct themselves unfairly when it comes to pricing of their product and services, This also amount to fraud and warranty refund problems, This is mostly prevalent in unsecured personal loans wherein some credit providers may charge higher interests rates that is above the minimum set standard by the National Credit Regulator .Section 48 of Consumer Protection Act 68 of 2008 demand Consumers to be treated fairly in all terms of transactions or Credit Agreements.

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- **Distribution Issues:** Business organizations are not allowed to force consumers to buy product or services that consumers may feel not good for them.

The above problems or challenges might question the relationship between the consumer protection Act and the consumers, if such challenges or problems still exist it motivate the researcher to explore what might be the reasons of such problems while consumer protection Act is in place to protect the consumers.

2.9 THE ROLE OF BUSINESS ORGANIZATIONS IN CONSUMER PROTECTION ACT

According to Bearden, Ingram, Raymond and Laforge (1995:68) Consumer Protection Law generally indicate what forms should be given to regarding information they need to make sound purchasing decisions or to ensure that products they buy are safe. This indicate that business organisation should take responsibility to look at the interest of the consumers, It also suggest that consumers do not have skills or knowledge to know their rights even if business have contravened some of their basic rights. When business organizations take responsibility to help consumers they can also benefit by maintaining a good relationship with consumers and that can also be good for them to sustain their business. A happy client with no complains may ask for other products with the same business if such a particular business is also looking into their interests.

Post, Frederick, Lawrence and Weber (1996:92) argue that the general public expects business to exhibit high level of ethical performance and social responsibility; this means that business organisations should use their resources not only to empower their staff only but also to empower consumers because consumers are the life blood of their business. Secondly business and their employees should act ethically to prevent harm to the general public or Consumers. Section 55 of Consumer Protection Act, 68, of 2008 strengthens the right of Safety products meaning that all business organization should make sure that they are selling safe products that may not cause harm to any consumer. If it happens that any of the products has caused any harm to the consumers, business organizations should be held accountable for any loss and pay for the damages occurred to the consumers as it's required by the law.

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2.10 PUBLICATIONS, JOURNALS AND OTHER REPORTS RELATING TO CONSUMER CHALLENGES

Hanson (1983:251) manufactures will not stop their innovations or producing products even if such a particular product may be unsafe when unused properly, all they will do is to show a sign of warning. This statement indicates that business organization advance their products or services in order to maximise sales and increase profit without full consideration whether the product may harm consumers or not. Business organization will only show a sign of danger in the products in order to cover themselves from the regulators; they do not want to carry the cost of educating the consumers about the danger part of the product, instead they can spend much cost to market their product to the consumers.

Du Plessis and Rousseau (2005:458) argues that apart from legal protection consumers in South Africa are also in dire need of educational to protect themselves from those business organization that do not respect the law. Most consumers are often the poorest segments of society and are vulnerable to unethical business practice. In other instances consumers become the victim of unethical business practice as a results of ignorance, we still have consumers that do sign incomplete contracts that may be tempted or filtered by the business owner in order to suit business owners.

According to National Credit Regulator Report (2011:89), Consumers who are under educated financially unsophisticated and employed in the lower end of the wage scale, are also particularly vulnerable to incurring debt as results of predatory lending practices and reckless lending by credit providers. The report by the above private organization indicates clearly that the processes of complains with regard to consumer protection Act is still confusing the business organizations and if the business organizations are still struggling possibilities are the it may be worse with the consumers.

Exploration on challenges facing consumers may help the policy makers and other interested stakeholders to have a means to help overcome consumer challenges. When such consumers are unable to repay the debt, the issuing of emoluments attachment orders, without judicial oversight and in the absence of a limit on the amount of the deductions which can be made from debtor's salary, can trap people in a vicious cycle of debt from which there is little hope, if any hope to escape.

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Section 54(Section B) of Consumer Protection Act, 68 of 2008 stipulates that Consumers has the right to safety goods that may not cause harm or any Injury (Vol. 526 Cape Town, 29 April 2009 No. 32186:54). Modern products have proven the incompetency and irresponsibility to many consumers ,companies will just write beware in their products and this is not enough, It is possible to idealize the ability and right of people or consumers but it also necessary to recognize that most people are far from ideally agents, they can be sometimes illiterate and unwilling to indulge in protracted study of the effects and side effects of the product they buy, and consumer demand is created by the manufactures through advertising, Solomon and Hanson (1983:251) manufactures will not stop their innovations or producing products even if such a particular product may be unsafe when unused properly, all they will do is to show a sign of warning, this also indicate that consumers are vulnerable when dealing with business organization.

2.11 THE RESPONSIBILITIES OF CONSUMERS

Du Plessis and Rouseau (2003:457) argue that consumers do not only have the rights to protect themselves but also have responsibilities to acquire the necessary knowledge and skills to make independent and rational consumption choices which will benefit both individual consumer and society. It is the responsibility of the consumers to make sure that they manage risk that include the following:

- Financial: Consumers should make sure that they can afford the product or services that they are purchasing ,
- Physical : Consumers should always make sure that there is safety in the product that they will be purchasing and they are also buying healthy products and
- Ecological: Consumers should not purchase products that are hazardous to the environment in order to benefit the individual consumers and the society as whole.

2.12 CONCLUSION

The Consumer Protection Act, 2008 (Act, 68 of 2008) has brought a challenge to both business organizations and consumers, business organization has to adjust with new rules and regulations of the Act in order to be legal compliant while consumers expect full legal protection from the credit providers.

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Most business organizations even have Consumer Protection guidelines in place so that their staff members will always be compliant with the Act. Consumers are still vulnerable to be victims of unethical behaviour by other business organizations. Consumers are still faced with challenges of illiteracy which in most cases make it impossible for them to understand their rights and also to protect themselves.

Consumers are also not taking self-responsibility to seek for information that will help them to protect them during and after the business transactions. Consumer Institutional supports such as the Consumer Commission, National Credit Regulator are not visible in all towns to help the ordinary consumers who have no access to telephones, emails and others electronic equipment's to help them.

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CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

This chapter will discuss the research design and methodology that the researcher used when conducting the study. This chapter will also present the study area, population of the study and sampling, method and sampling size, data collection, data analysis and ethical considerations.

3.2 RESEARCH DESIGN

One of the main aims of research design in the research is to provide a description of the research methods used in a particular study accompanied by supportive explanations or reasons why a particular choice has been used. Research design is used to denote either the general method of data collection such as surveys, interviews, experiments or an overall plan for conducting a research project that includes methods of data collection, sampling, ethics data coding /measurement, and strategies for analysing and interpreting data (Vogt, Gardner and Haeffele, 2012:340). The discussion will cover which methods and tools will be used in order to collect and analyse the data.

According to Punch (1998:66) research design means all issues involved in planning and executing a research project from identifying the problem through to reporting and publishing the results, the design of the study refers to the way a researcher guards against, and tries to rule out, alternative interpretations of results. Research design is the basic plan for a piece of research and include four main ideas, the first is strategy, conceptual framework, question of who or what will be studied and concerns the tools and procedures to be used for collecting and analysing empirical materials.

The researcher will use the field of study because it is a type of research design that allows the researcher to have full observations of the respondents and that will be an opportunity for the researcher to explain or give clarity of the questions to the respondents if needed.

3.3 RESEARCH METHODOLOGY

Research methodology refers to the method, technologies and procedures that are employed in the process implementing the research design and, the research plan, as well as the underlying their use (Babbie and Mouton, 2006: 47).

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The researcher will use both qualitative and quantitative methods to collect data. The researcher s reason for using both methods is that it will provide a researcher with different perspective. The researcher will interact with participants and quantify the results. The use of both methods will also help the researcher to have a greater understanding of the challenges and also help to analyze all research questions.

3.2.1 QUALITATIVE RESEARCH DESIGN

Qualitative research method involves an array of interpretative techniques which seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world (Sharon Merriam, 2009:13). Qualitative research means any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification. It can refer to research about person's lives, stories, behavior, but also about organizational functioning, social movements, or interactional relationships (Corbin 1990:17). The reason why the researcher will use qualitative is that it will help respondents to express themselves not in closed ended questions. The researcher will also have an opportunity to explore other challenges from consumers that may not be structured in research questions.

3.2.2 QUANTITATIVE RESEARCH DEASIGN

Quantitative research tends to be associated with measuring (Barnes, 1992:108). It focuses on numerical measurements to arrive to specific findings. In quantitative method data is collected by instruments such as scales, tests, surveys, questionnaires and computers Quantitative also use statistics to measure data. According to Leedey (1993:244) statistics are very simple matter, but are very powerful tool in the hands of researcher who is able to view their nature and interrelationships more understandably. In this study the researcher will able to conceptualize what was incomprehensible, this are the advantages of this study. The information that will be collected using questionnaires will be translated into a tabular form so that the facts will speak more clearly regarding the research topic.

3.4 THE STUDY AREA

The study will be conducted and carried out in Thohoyandou area under Thulamela local Municipality. Thohoyandou is a town in the Limpopo Province of South Africa. It is the administrative centre of Vhembe District Municipality and Thulamela Local Municipality.

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3.5 POPULATION OF THE STUDY

A population is a collection of objects, events or individuals having some common characteristics that the researcher is interested in studying, a portion of target population. Population is the target group, usually large, about whom we want to develop knowledge, but which we cannot study directly; therefore we sample the population (Keith Punch, 2006:155). The target population of this study are consumers, managers from credit providers, sales consultants and small business owners of registered credit providers in the financial industry. Population is the theoretically specified aggregation of study elements; a study population is that aggregation of elements from which the sample is actually selected (Babbie, 2010:199).

The population will be consisted of consumers, sales consultants working in different credit providers, managers from different credit providers and small business owners; the researcher has selected those respondents because they are dealing with consumers every day in their work life. Consumers are also having information and own experience with regard to the consumer issues when interacting with credit providers, and small business owners are also knowledgeable in all issues of consumers since they deal with them every day in their business activities.

3.6 SAMPLING

Adams (1985:183) defined sampling as a procedure for building a sample based on cases, individuals or communities judged as being appropriate or very informative for the purpose of the research underway , Cases are handpicked to achieve some specific characteristics that will illuminate the purpose of the study. Berg (2004:45) states that special knowledge or expertise about a specific group is considered in the selection of subject who represents this population.

Method triangulation will be purposefully attempted by completion of questionnaires, then individual face to face interviews, followed by a group interviews and completion of questionnaires. The selected respondents are more considered to be knowledgeable in order to be in line with the purpose of the study.

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3.6.1 Sampling Method

The researcher is going to use purposive sampling because it will be appropriate in this study Purposive sampling is about selecting a particular sample on purpose and has been popularly used in qualitative research. The following will be used as respondents: consumers, sales consultants, managers and small business owners will be purposefully selected because of their knowledge and experience regarding the consumer issues and challenges facing those consumers on daily basis. The sampling group of the study are clients, staff from credit providers and business owners. The researcher chose those respondents for the study because they interact to each other during and after sales .consumers are the ones with experience to share regarding their challenges and staff from credit providers depends on consumers to do their business and they are also governed by the Consumer Protection Act.

3.6.2 SAMPLE SIZE

Adams (1985:184) states that more or bigger sample is not always necessarily better. It is possible to provide one guiding rule about sample size, the more the population under the study, the smaller the sample needs to be to accurately reflects the characteristics of that population .in this study the sample size is characterised by respondents who are consumers , sales consultants, managers and small business owners.

Table 3.1: Sampling Size

Target Population	**Study Sample**
Consumers	29
Sales Consultants	10
Managers	09
Small business owners	5
Total	**53**

The researcher has selected 29 consumers because they are more involved with business dealings with business organizations and in this study they will able to provide information regarding their experiences.

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The researcher has also selected managers because they overlook their business branches in the local town representing their business organizations that they work for , sales consultants are selected because they work in the front line on daily basis wherein they are the first to register complains, queries by consumers and the small business owners of the registered credit providers also have more experience because they run their own business doing all operations and that includes solving customer queries.

3.7 DATA COLLECTION

Data collection method include obtaining data by asking people questions, observing them or using available material such as case records, organizational budgets or statistics (Reid and Smith, 1982:206). The research project that the researcher will be investigating has no any original document available but the collection techniques such as interviews, questionnaire will be used to collect data from all groups of respondents. According to Plooy (2001:93) data collection involves collecting existing or new data, on the basis of which the research questions can be answered, hypothesis tested, objectives fulfilled and ultimately, the problem is solved, in this study a questionnaire and interview will be used to collect and analyse data.

❖ Interview

According to Adams (1985:214) interview setting should be appropriate, the respondents should be motivated and willing, the interviewer should be skilled, and the instruments should be well prepared in order to make the interviews to be more effective. Adams (1985:214) also states that most people are more willing to talk and verbally react than to write response to questions. In this research project the researcher will make sure that all respondents are willing to take part in the project in order to have valid and honest feedback from them.

❖ Questionnaire

According to Babbie ,(2007:246) is a document containing questions and other type of items designed to solicit information appropriate for analysis. The questionnaire is the most widely techniques that can be used to obtain information regarding the subject or research questions. Meriam (2008:1) defines the questionnaire as a series of questions asked to individuals to obtain statistically useful information about a given topic. In this study, the researcher will use a structured questionnaire to collect data.

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3.8 DATA ANALYSIS

Data analysis is the categorizing, ordering, manipulating of data to obtain answer to research question. Analysing is accompanied by a closely related procedure, interpretations which mean to explain or find meaning (Red and Smith, 1981:243). Data analysis indicates the kind of analysis you plan to conduct, spell out the purpose and logic of your analysis (Babbie, 2008:124). When the data collection process is completed ,the researcher will decide which method will be used to analysed or used, this is because the researcher will use mixed methods of data collection which is quantity and qualitative.

According to Jorgensen (1989:137), qualitative data analysis is a range of processes and procedures whereby we move from the qualitative data that has been collected into form of explanation, understanding or interpretation of the people and situations we are investigating. The researcher will use this method in order to evaluate the challenges of the consumers in Thulamela municipality area.

Data collected using interview schedule was analysed using Statistical Package for Social Science (SPSS) and the information will be presented in a tabular form, frequencies and percentages. The data collected through interviews will be analysed by thematic analysis where information will be presented in a narrative format. For the data to be analysed the researcher will follow the steps of Creswell (2003: 153) and the steps are as follows:

- **Step 1: Organize and Prepare the Data for Analysis**

This involves transcription interviews, optically scanning materials, typing up field notes or sorting and arranging the data into different types depending on the source of information.

- **Step 2: Read Through all data**

A first general step is to obtain a general sense of the information and to reflect on the overall morning. The researcher will focus on the general idea that the participants say and the tone of the ideas. The researcher must get the general impression of the overall depth and use of the information.

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❖ **Step 3: Coding the Data**

Coding is the process of organising the material into chunks before gridding meaning to those chunks. It involves taking data or pictures segmenting sentences or images into categories and labelling those categories with a term, often based on the actual language of the participants.

❖ **Step 4: Description of Data**

Use the coding process to generate a description of the setting of people as well as categories or themselves for analysis. Description involves a detailed rendering of information about people, places codes for this description. This analysis is useful for this designing detailed description for case students, ethnographic and narrative research project.

❖ **Step 5 : Presentation of Data**

Advance how the description and themes will be presented in the qualitative narrative. The most popular approach is use a narrative passage to convey the findings of the analysis. This might be a discussion of several themes, or a discussion with interconnecting.

❖ **Step 6 : Interpretation of Data**

A final step is data analysis making an interpretation or meaning of the data. These lessons could be the researcher s personal interpretation, in the individual understanding that the inquirer brings to the study from her own culture, history and experience. It could also be a meaning derived from a comparison of the findings with information gathered from the literature or extent theories.

3.9 ETHICAL CONSIDERATION

Ethical considerations is a set of moral principle that is suggested by an individual or group, is subsequently widely accepted and offer rules and behavioural expectations about the most correct conduct towards experimental subject and respondents, employers, sponsors, other researchers, assistance and students. Ethical guidelines also serve as standard and as the basis on which each researcher ought to evaluate his own conduct (De Vos, 2002:63). The fundamental ethical rule of social research is that it must bring no harm to participants, this include physical or emotional manner (De Vos, Strydom, Fouche and Delport, 1998:116).

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In this study the researcher will respect all issues regarding ethical consideration in order to make sure that there is no harm during and after the research project. In order for a researcher to be more ethical the following ethics will be respected in the fieldwork.

3.9.1 Informed Consent

People should participate in the research study voluntarily; the researcher should inform the respondents about the nature of study to be conducted. Researcher should also inform the respondent that they have the right to withdraw from participation anytime they want even if the research project has started. According to (Paul and Jeane, 2010:101) any participation in the study should be strictly voluntary without being forced.

3.9.2 Anonymity and Confidentiality

The right to privacy is the individuals s right to decide when, where to whom, and to expose his or her attitudes, belief and behaviour will be revealed, privacy implies the elements of personal privacy, while in a confidential manner, anonymity means that, no one, including the researcher should be able to identify any subjects afterwards (De Vos, 2002:67-68). In this project the researcher will ask permission to the respondents before continuing asking questions.

3.9.3 Voluntarily Participation

Participation should at all times be voluntary and no one should be forced to participate in a project. Some researchers claim that participants should be told what is being researched without giving too much detail about the aim of the study. Too much detail is again every wide term and can be interpreted in many ways (De Vos, Strydom, Fouche and Delport (1998:116). In this project respondents will participate voluntarily without being forced or manipulated.

3.9.4 No harm to participants

The fundamental ethical rule of social research is that it must bring non harm to participants (Babbie 2007:37). The researcher has an ethical obligation to protect participants within all possible reasonable limits from any form of physical discomfort that may emerge from the research project (Creswell 2003:64). In this study the researcher will implement the project with caution to make sure that there is no harm during the duration of the research project.

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3.10 CONCLUSION

In this chapter the methodologies used to conduct the study were described in detail. The data collection methods and instruments used in the study were also described in full detail. The chapter also covered the targeted population of the study, study area, sampling size, sampling procedures, and methods of data collections, data analysis and all ethical issues that needed to be considered during the research project. In the next chapter the findings of the research project will be analysed and presented to facilitate response to the following critical questions. What are the challenges consumers are facing when dealing with business organizations, what is already known by consumers with regard to consumer protection Act, What consumers, sales consultants, managers and small business owners think can improve their situation regarding the challenges that they are facing.

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CHAPTER 4: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

The following chapter focuses on reporting the perceptions and understanding of the challenges of consumers with regard to the implementation of the Consumer Protection Act, 2008 (Act No. 68 of 2008). The data regarding the challenges of consumers with regard to the implementation of the Consumer Protection Act of 2008 was collected by using quantitative and qualitative methods which involved the application of questionnaires and interview. The responses to the questionnaires items are presented graphically in tabular form and are followed by a brief synthesis of the findings for the item and the responses to the interview schedule are presented in a narrative form and are followed by a brief interpretation of the findings.

4.2 ANALYSIS OF DATA COLLECTED THROUGH QUESTIONNAIRE

In this section, the researcher presents data collected through questionnaire and the information will be presented in tabular format, frequencies and percentages.

4.2.1 Section A: Biographical Details of Respondents

The researcher in this sub-section presents the biographical details of the respondents in this study. The information is presented in graphical and tabular form and followed by a synthesis of the findings.

Table 4.1 Gender

	Response	Frequencies	Percentage
1	Male	33	62.3%
2	Female	20	37.7%
	TOTAL	53	100%

The above table presents the biographical details of the respondents in terms of gender. Twenty (37.7%) were females, whereas 33 (62.2%) were males. Majority of the respondents who took part in the study were males.

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Table 4.2 Age of the respondent

	Response	Frequencies	Percentage
1	Less than 20 Years	03	5.7%
2	21 to 30 Years	11	20.8%
3	31 to 40 Years	20	37.7%
4	41 to 50 Years	15	28.3%
5	51 Years and above	04	7.5%
	TOTAL	53	100%

The above table 4.2 indicates that majority of the population who took part in this, 20 (37.7%) were between 31 to 40 years, while 15 (28.3%) of the respondents were between 41 to 50 years old. Only 03 (5.7%) of the respondents were less than 20 years old. Eleven, 11 (20.8%) of the respondents were between 21 to 30 years old and also 04 (7.5%) of the respondents were 51 years and above. From the above information, it can be concluded that majority of the respondents who took part in the study at 20 (37.7%) were aged between 31 to 40 years.

Table 4.3 Position of Respondent

	Response	Frequencies	Percentage
1	Consumer	29	54.7%
2	Sales Consultant	10	18.9%
3	Manager	09	16.9%
4	Small Business Owner	05	9.4%
	TOTAL	53	100%

Table 4.3 above, indicate that majority of the respondents at 29 (54.7%) who took part in the study were consumers and 10 (18.9%) were sales consultants. Nine, 09 (16.9%) of the respondents were managers. Only 05 of the respondents were small business owners. From the above information, it can be concluded that, majority of the respondents who took part in the study were consumers. The researcher wanted consumers to dominate respondents because their opinion forms part of the research study.

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4.2.3 Section B: Challenges of consumers with regard to the implementation of the Consumer Protection Act, 2008 (Act No. 68 of 2008)

In this sub-section, data is analysed using graphical statistics which arose from the survey questionnaire respondents. This sub-section will be divided into three themes which arose from the specific objectives of the study and are main challenges faced by consumers in the of implementation of Consumer Protection Act, the impact of Consumer Protection Act on consumers, and the strategies to overcome the challenges facing consumers with regard to implementation of Consumer Protection Act.

4.2.3.1 Challenges faced by consumers in the of implementation of Consumer Protection Act

This sub-section presents data regarding the challenges faced by consumers in the implementation of Consumer Protection Act. The data is presented in the form of tables followed by brief interpretation.

Table 4.4 Consumers are able to read their credit agreements

	Response	Frequencies	Percentage
1	Strongly agree	07	13.2%
2	Agree	21	39.6%
3	Not Sure	01	1.9%
4	Disagree	15	28.3%
5	Strongly disagree	09	16.9%
	TOTAL	53	100%

Table 4.4 indicates that about twenty-one (39.6%) of the respondents agreed with the idea that consumers are able to read their credit agreements, 15 (28.3%) respondents disagreed with the statement. On the other hand, 09 (16.9%) strongly disagreed and on 07 (13.2%) strongly agreed with that consumers are able to read their credit agreements. Only one, 01 (1.9%) respondent was not sure whether consumers are able to read their credit agreements or not. The statistics shows that to a greater extent that consumers are able to read their credit agreements.

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When consumers know how to read their contract it will increase accountability to the credit providers. The statistics also indicate that there still more consumers who cannot read their credit agreement, following 28.3% of respondents who have disagreed.

Table 4.5 Consumers have time to look for less priced products when making final decision about the provided offer

	Response	Frequencies	Percentage
1	Strongly agree	11	20.8%
2	Agree	25	47.2%
3	Not Sure	03	5.7%
4	Disagree	10	18.9%
5	Strongly disagree	04	7.5%
	TOTAL	53	100%

Table 4.5 indicate that twenty-five (47.2%) of the respondents agreed with the idea that consumers have time to look for the less priced products when making final decision about the provided offer. 11 (20,8%) respondents strongly agreed with the statement. On the other hand, 10 (18.9%) disagreed and on 04 (7.5%) strongly agreed that consumers have time to look for less priced products when making final decision about the provided offer. Only three, 03 (5.7%) respondents were not sure whether consumers have time to look for less priced products when making final decision about the provided offer. The statistics shows that to a greater extent that consumers do look for better priced products when making a final decision to purchase products. When consumers give themselves time to look for a less priced products it helps them to take an informed decision that will not have a negative impact during or after the duration of the credit contract.

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Table 4.6 Consumers know the complaints procedures if have complaints against the credit provider

	Response	Frequencies	Percentage
1	Strongly agree	05	9.4%
2	Agree	18	33.9%
3	Not Sure	05	9.4%
4	Disagree	22	41.5%
5	Strongly disagree	03	5.7%
	TOTAL	53	100%

Table 4.6 indicate that (41.5%) of the respondents disagreed with the idea that consumers know the complaints procedures when they have complaints against the credit provider. And 18 (33.9%) respondents agreed with the statement. On the other hand, 05 (9.4%) strongly agreed and another 5 (9.4%) were not sure whether consumers know complaints procedures when they have complaints against credit provider. Only 03 (5.7%) respondents strongly agree that consumers know the complaints procedures when they have complains against the credit provider. The statistics shows that to a greater extent that consumers do not know complains procedures when they have complains against credit providers. When consumers are not familiar with complaints procedures it poses more risk to the credit provider because complaints make organizations to improve their processes. Once again the researcher may conclude that consumers may still be harmed without any action since they do not know complain procedures.

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Table 4.7 Consumers know that their payments behaviour affects their credit rating and profiles

	Response	Frequencies	Percentage
1	Strongly agree	10	18.9%
2	Agree	22	41.5%
3	Not Sure	06	11.3%
4	Disagree	10	18.9%
5	Strongly disagree	05	9.4%
	TOTAL	53	100%

Table 4.7 indicates that (41.5%) of the respondents agreed with the idea that consumers know that their payments behaviour affects their credit ratings and profile .10 (18.9%) respondents strongly agreed with the statement. On the other hand, 10 (18.9%) disagreed and on 06 (11.3%) were not sure whether consumers know that their payments behaviour affects their credit ratings and profiles. Only 05 (9.4) strongly disagreed with the statement that consumers know that their payments behaviour affects their credit ratings and profiles. Given the statistics of the respondents the researcher can draw a conclusion that not all consumers knows that their payment behaviour affect their credit profile.

Table 4.8 Consumers report fraud activities conducted by credit providers

	Response	Frequencies	Percentage
1	Strongly agree	04	7.5%
2	Agree	14	26.4%
3	Not Sure	09	16.9%
4	Disagree	19	35.8%
5	Strongly disagree	07	13.2%
	TOTAL	53	100%

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Table 4.8 indicate that nineteenth (35.8%) of the respondents disagreed with the idea that consumers do report fraud activities conducted by credit providers. About 14 (26.4%) respondents agreed with the statement. On the other hand, 09 (16.9%) were not sure about the statement. On 07 (13.2%) strongly disagreed that consumers do report fraud activities conducted by credit providers. Only 04 (7.5%) respondents strongly agreed that consumers do report fraud activities conducted by credit providers. The statistics shows that to a greater extent that consumers do not report fraud activities conducted by credit providers. The researcher also suggests that credit providers should educate their consumers on how to report fraud.

4.2.3.2 The impact of Consumer Protection Act on consumers

This portion presents the information on the impact of Consumer Protection Act on consumers. The information in this section are presented in graphical and tabular forms and followed by a discussion of the findings.

Table 4.9 Sales consultants help illiterate consumers to understand the terms and Conditions of credit agreement

	Response	Frequencies	Percentage
1	Strongly agree	14	26.4%
2	Agree	21	39.6%
3	Not Sure	03	5.7%
4	Disagree	10	18.9%
5	Strongly disagree	05	9.4%
	TOTAL	53	100%

Table 4.9 twenty-one (39.6%) of the respondents agreed with the idea that sales consultants do help illiterate consumers to understand the terms and conditions of credit agreement. 14 (26.4%) respondents strongly agreed with the statement. On the other hand, 10 (18.9%) have disagreed and on 05 (9.4%) strongly disagreed that sales consultants do help illiterate consumers to understand the terms and conditions of credit agreements.

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Only three, 03 (5.7%) respondents were not sure whether sales consultants do help consumers to understand the terms and conditions of credit agreement. The statistics shows that to a greater extent that sales consultants do help illiterate consumers to understand the terms and conditions of credit agreement. But on the other hands the researcher may draw the conclusion that it is not general that all sales consultants do help consumers since there are respondents who have disagreed and strongly disagreed.

Table 4.10 Sales consultants advise clients to look for a low priced product and services

	Response	Frequencies	Percentage
1	Strongly agree	05	9.4%
2	Agree	20	35.7%
3	Not Sure	08	15.1%
4	Disagree	18	33.9%
5	Strongly disagree	02	3.7%
	TOTAL	53	100%

Table 4.10 indicate that twenty, (35.7%) of the respondents agreed with the idea that sales consultants do advise consumers to look for low priced products and services. 18 (33.9%) respondents strongly disagreed with the statement. On the other hand, 08 (15.1%) were not sure whether sales consultants do advise clients to look for a low priced products and services and on 05 (9.4%) strongly agreed that sales consultants do advise clients to look for a low priced products and services. Only three, 02 (3.7%) strongly agreed that sales consultants do advise clients to look for a low priced products and services. The statistics shows that to a greater extent that sales consultants do advise clients to look for a low priced products and services. It was expected that most consultants if not all, will agree with the statement because is their duty to advise consumers but the researcher may also draw the conclusion that consumers are not advised because 33.9 % respondents disagreed with the statements.

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Table 4.11 It is the responsibility of consumers to protect themselves from reckless lending

	Response	Frequencies	Percentage
1	Strongly agree	20	37.7%
2	Agree	21	39.6%
3	Not Sure	02	3.8%
4	Disagree	07	13.2%
5	Strongly disagree	03	5.7%
	TOTAL	53	100%

The above table 4.11 indicate that twenty-one, (39.6%) of the respondents agreed with the idea that it is the responsibility of consumers to protect themselves from reckless lending. And 20 (37.7%) respondents strongly agreed with the statement. On the other hand, 07 (13.2%) have disagreed and on 03 (5.7%) strongly agreed that it is the responsibility of consumers to protect themselves from reckless lending. Only three, 02 (3.8%) respondents were not sure whether it is the responsibility of the consumers to protect themselves from reckless lending. The statistics shows that to a greater extent that consumers are the ones that should protect themselves from reckless lending. But very few respondents believe that is not only the responsibilities of consumers therefore the researcher suggest that credit providers and all other consumer agencies should take initiatives to educate consumers.

Table 4.12 Consumers are advised to take better offers that will suit their needs

	Response	Frequencies	Percentage
1	Strongly agree	14	26.4%
2	Agree	23	43.4%
3	Not Sure	05	9.4%
4	Disagree	09	16.9%
5	Strongly disagree	02	3.8%
	TOTAL	53	100%

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Table 4.12 indicates that twenty-three, (43.4%) of the respondents agreed with the idea that consumers are advised to take better offers that suit their needs. Another 14 (26.4%) respondents strongly agreed with the statement. On the other hand, 09 (16.9%) have disagreed and on 05 (9.4%) were not sure whether consumers are being advised to take better offers that suit their needs. Only two, 03 (3.8%) strongly agreed that consumers are being advised to take better offers that suit their needs. The statistics shows that to a greater extent that consumers are being advised to take better offers that suit their needs.

Table 4.13 Managers often monitor new staff to ensure effective implementation of Consumer protection regulations

	Response	Frequencies	Percentage
1	Strongly agree	11	20.8%
2	Agree	27	50.9%
3	Not Sure	06	11.3%
4	Disagree	05	9.4%
5	Strongly disagree	04	7.5%
	TOTAL	53	100%

Table 4.13 indicates that twenty-seven (50.9%) of the respondents agreed with the idea that managers monitor new staff to ensure effective implementations of consumer protection regulations. Another 11 (20.8%) respondents strongly agreed with the statement. On the other hand, 06 (11.3%) were not sure whether managers often help new staff to ensure effective implementations of consumer protection regulations. On 05 (9, 4%) disagreed that managers often monitor new staff to ensure effective implementations of consumer protection regulations. Only three, 04 (7.5%) respondents strongly agreed that managers often monitor new staff to ensure effective implementations of consumer protection regulations. The statistics shows that to a greater extent that managers often monitor new staff to ensure effective implementations of consumer protection regulations. Although the majority of respondent agree with the statement it can also be concluded that managers still need to do more or become more effective in monitoring new staff because some respondents still disagree .

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4.2.3.3 The strategies to overcome the challenges facing consumers with regard to implementation of Consumer Protection Act

This section provide a description of the strategies to overcome the challenges facing consumers with regard to implementation of Consumer Protection Act, and the information in this section are presented in graphical and tabular forms and followed by discussions.

Table 4.14 The government educate consumers with regard to consumer rights

	Response	Frequencies	Percentage
1	Strongly agree	09	16.9%
2	Agree	13	24.5%
3	Not Sure	09	16.9%
4	Disagree	17	32.1%
5	Strongly disagree	05	9.4%
	TOTAL	53	100%

The above table 4.14 indicates that seventeenth (32.1%) of the respondents disagreed with the fact that the government educate consumers with regard to consumer rights .13 (24.5%) respondents agreed with the statement. On the other hand, 09 (16.9%) have strongly agreed that government do educate consumers with regard to consumer rights. and on 09 (16.9%) were not sure whether government educate consumers with regard to consumer rights. Only 05 (9.4%) respondents strongly agree that government educate consumers with regard to consumer rights. The statistics shows that to a greater extent that government do not educate consumers with regard to consumer rights. There are 16.9 % of respondents who are not sure , and same percentage of the respondents agree , the researcher may draw the conclusion that there are efforts by the government in terms of educating the consumers but it can also suggested that the governments with its consumer supporting agencies should do more to educate consumers.

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Table 4.15 Credit providers have established programmes to help educate consumers

	Response	Frequencies	Percentage
1	Strongly agree	07	13.2%
2	Agree	17	32.1%
3	Not Sure	10	18.9%
4	Disagree	17	32.1%
5	Strongly disagree	02	3.8%
	TOTAL	53	100%

Table 4.15 indicates that seventeenth (32.1%) of the respondents agreed with the idea that credit providers have established programmes to help educate consumers. Another 17 (32.1%) respondents disagreed with the statement. On the other hand, 10 (18.9%) were not sure whether credit providers have established programmes to help educate consumers ,and on 07 (13.2%) strongly agreed that credit providers have established programmes to help educate consumer about their rights ,only 02 (3.8%) respondents strongly disagree that credit providers have established programmes to help educate consumers. The statistics shows that to a greater extent that equal percentages of respondents (32.1%) agree that credit providers have established programmes to help consumers while on the other side the same 32.1% disagree that credit providers have established programmes to help consumers.

Table 4.16 Ombudsman offices are accessible by every consumer

	Response	Frequencies	Percentage
1	Strongly agree	10	18.9%
2	Agree	16	30.2%
3	Not Sure	08	15.1%
4	Disagree	11	20.8%
5	Strongly disagree	08	15.1%
	TOTAL	53	100%

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Table 4.16 indicate that sixteenth (30.2%) of the respondents agreed with the fact that ombudsman offices are accessible by all consumers. And 11 (20.8%) disagreed with the statement. On the other hand, 10 (18.9%) strongly agreed and on 08 (15.1%) strongly disagreed that ombudsman offices are accessible by all consumers. And another 08 (15.1%) respondents were not sure whether ombudsman offices are accessible by all consumers or not. The statistics shows that to a greater extent that ombudsman offices are accessible by all consumers. In this regard the researcher may draw a conclusion that the offices of ombudsman are not accessible or visible to everyone, most respondents do not agree with the statement and some are not even sure.

Table 4.17 Media educate consumers in their own language

	Response	Frequencies	Percentage
1	Strongly agree	28	52.8%
2	Agree	20	37.7%
3	Not Sure	02	3.8%
4	Disagree	03	5.7%
5	Strongly disagree	0	0.0%
	TOTAL	53	100%

The above 4.17 indicate that twenty-eight (52.8%) of the respondents strongly agreed with the idea that media educate consumers in their own language .20 (37.7%) respondents strongly agreed with the statement. On the other hand, 03 (5.7%) have disagreed and on 02 (3.8%) were not sure whether media does educate consumers in their own language. None of the respondents strongly disagreed with the statement that media educate consumers in their own language. The statistics shows that to a greater extent that media does educate consumers in their own language with regard to consumer issues. Only 3 % of the respondents disagreed and because of that the researcher can draw a conclusion that media is effective in terms of educating consumers in their own language.

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Table 4.18 Townships have consumer representatives to help when unfair business practice has been conducted

	Response	Frequencies	Percentage
1	Strongly agree	27	50.9%
2	Agree	20	37.7%
3	Not Sure	02	3.8%
4	Disagree	02	3.8%
5	Strongly disagree	02	3.8%
	TOTAL	53	100%

Table 4.18 indicate that twenty-seven (50.9%) of the respondents strongly agreed with the idea that townships have consumer representatives to help when unfair business practice has been conducted. Another 20 (37.7%) respondents agreed with the statement. On the other hand, 02 (3.8 %) of respondents were not sure, and on 02 (3.8 %) disagreed that townships have consumer representatives to help when unfair business practice has been conducted, and another 02 (3.8%) respondents strongly disagreed that townships have consumer representatives to help when unfair business practice is conducted. The statistics shows that to a greater extent that townships have consumer representatives to help them when unfair business practice is conducted. Provided that another 37.7% and 50.9% the researcher may conclude that consumers are well presented in their townships.

Table 4.19 Credit providers implement the Consumer Protection Act effectively

	Response	Frequencies	Percentage
1	Strongly agree	04	7.5%
2	Agree	17	32.1%
3	Not Sure	14	26.4%
4	Disagree	15	28.3%
5	Strongly disagree	03	5.7%
	TOTAL	53	100%

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Table 4.19 indicate that seventeenth (32.1%) of the respondents agreed with the idea that credit providers implement consumer protection Act effectively, and 15 (28.3%) respondents disagreed with the statement. On the other hand, 14 (26.4%) were not sure whether credit providers implement Consumer protection Act effectively, and on 04 (7.5 %) strongly agreed that credit providers implement consumer protection Act effectively. Only three, 03 (5.7%) respondents disagreed that credit providers implement consumer protection Act effectively. The statistics shows that to a greater extent that credit providers do implement consumer protection Act effectively. In this regard only sales consultants and managers do know if there are implementations therefore the researcher may conclude that there is implementations because statistics shows to a greater extent that there is implementations and those not sure may be the consumers whom may not be sure because they do not work or deal with the processes of credit providers.

Table 4.20 Consumers are given opportunities to express their views in consumer forums by credit providers/government

	Response	Frequencies	Percentage
1	Strongly agree	05	9.4%
2	Agree	19	35.8%
3	Not Sure	15	28.3%
4	Disagree	10	18.9%
5	Strongly Disagree	04	7.5%
	TOTAL	53	100%

Table 4.20 nineteenth (35.8%) of the respondents agreed with the idea that consumers are given opportunities to express their views in consumer forums by credit providers and government. Another 15 (28.3%) respondents were not sure whether consumers are given opportunities to express their views in forums by credit providers or government institutions.

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On the other hand, 10 (18.9%) have disagreed and on 05 (9.4%) strongly agreed that consumers are given opportunities to express their views in forums by credit providers and government institutions Only three, 04 (7.5 %) respondents strongly disagreed that consumers are given opportunities to express their views in forums organised by credit providers and government institutions. Because of the statistics one cannot conclude that consumers are expressing their opinions because there are 28.3% of the respondents who are note sure while other few are also in disagreement with the statement.

4.3 ANALYSIS OF DATA COLLECTED THROUGH INTERVIEW

In this section, the researcher present the responses to the interview items are presented in narrative form.

4.3.1 Question 1: What are challenges of Consumers regarding the implementation of the Consumer Protection Act, 68, of 2008?

Respondent 1:

Respondent number one indicated that Consumers are not taught anything about the Consumer Protection Act, 2008 (Act No. 64 of 2008). They do not understand the legal implications of the Act. Credit Providers and other institutions do not have enough time to explain and educate consumers about their rights and terms and conditions of the sales contracts. Most documents are written in a small font format and consumers become lazy to read everything regarding their contracts. Most consumers are still facing challenges and the problem is that credit providers refer them to head office call centres and most consumers are afraid to call even if they have some disputes.

Respondent2:

Respondent number two has indicated that Consumers are still faced by serious challenges with regard to the implementation of the Consumer Protection Act, most consumers still have no idea what has been amended in the Act .Credit Providers do not explain the terms and conditions in full because they need to maximise sales and profit to their companies. Consumers are happy with easy applications that will make them qualify especially in unsecured personal loans. Consumer are not worried about affordability, they are happy when the loan is approved without considering whether they will manage to repay back the debt or not.

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Consumers are also loyal to the front end staff such as sales consultants rather than company that they are doing business with, even if sales consultant are not honest they will just believe them because they are behind the counter due to lack of knowledge .Most Consumers are becoming negatively affected by direct marketing practice, Call Centre Agents s main goal is to close sale without considering the rights of the consumers .Consumers in the remote areas often have debit orders that they are not familiar with due to Direct Marketing.

Respondent number 3:

Respondent number three has indicated that Consumers are not taught all about the Act, 2008 (Act No. 64 of 2008), the do not understand the legal implications of this Act in such a way that they can stand for their rights. Businesses and institutions are still using terminology that suit them in their work place and consumers are not familiar with those terminologies. None of the credit providers are giving themselves time to educate consumers, credit providers are always busy looking for the next sales in their business. Most credit contracts are printed in small fonts most consumers are lazy to read and write things. Most business especially in unsecured lending industry have their head office centralised in big metropolitan cities like Cape town, Johannesburg and Durban , and this becomes a problem to some of the clients because sometime they may need to report problems to head office.

Comment

Given the information based in question number one the researcher may draw the conclusion that consumers are still not familiar with any rules and regulations regarding (CPA). The Act is still not clearly understood majority of the consumers; credit providers do not have enough time to educate consumers and to process their business at the same time. The researcher can draw a conclusion that consumers will never be protected by credit providers because there will always be a conflict of interest between consumers are the credit providers. Credit consumers want to maximise profits while on the other hands consumers would want best products and services with no harm or any negative impact during and after the credit repayments is settled.

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4.3.2 Question 2: What is the Impact of Consumer Protection Act on Consumers?

Respondent 1:

The Act is helping to enforce the Credit Providers to comply with the Act but the problem is that most Consumers do not know where to complain during the disputes .There are still no visible offices of the regulators .Consumers still do not know what to do when there are some unwanted practices by credit providers

Respondent 2:

The impact of the Act to Consumers is that the Act has reduced more of unwanted practice by credit providers. Credit Providers deal with Consumers with caution to avoid the fines in case any right of the consumers is contravened. Credit Providers are forced to comply to protect their brand reputation and this also helping consumers receive quality services they deserve.

Respondent 3:

The impact of this Act, 2008 (Act No. 64 of 2008) has some positive impacts to the consumers in the sense that credit providers are obliged to comply and that make consumers benefit to be treated fairly and feel more protected by the Act.

Comment

In conclusion the researcher can draw a conclusion that consumer protection Act is useful because has changed the way credit providers have being doing business, they now conduct themselves with caution knowing that there are rules and regulations that need to be followed.

4.3.2 Question 3: What are the strategies that can be used to overcome the challenges of Consumers?

Respondent 1:

Continuous road show by the NCR and other supporting bodies to educate consumers using consumers own language .Media should also be used most to address and educate consumers because most consumers are friendly with radio and they use it as an effective information. The National Credit Regulator should visit schools and other government *imbizos* (public gathering) to educate consumers regarding their challenges and make them know their rights

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Respondent 2:

For Consumers Protection Act, 2008 (Act No. 64 of 2008) to work effectively there should be decentralization of Ombudsman offices and National Credit Regulator to be in District Municipalities so that majority of consumers will have access to their services .Most consumers may still have challenges to call head office of the institutional support because of language barrier or lack of money to call those institutions when they need help .Credit Providers should also be given a target to educate consumers in their respective towns where they operate business .Consumer Rights forums and groups should be encouraged by all stakeholders of the credit industry so that consumers will have their opinions and demand address to their problems

Respondent 3:

The NCR should continue with their road shows and this should be done in all urban and non-urban areas. Media should be used as a communication tool especially during the time slots that most consumers would be listening. National Credit Regulator should attend government *imbizo* functions to communicate their messages and also to educate the consumers

Comment

Given the response from the interview the researcher may draw the conclusion that government consumer agencies like NCR and other media source should be in the four fronts to educate the consumers. Government should also use its national substructures like district municipalities, local municipalities' infrastructures to educate consumers.

4.4 CONCLUSION

Consumers are still vulnerable to unfair business practices due to lack of knowledge regarding the Act, 2008 (Act No. 64 of 2008). Credits providers do comply with the Act in order protect themselves from government fines and to mitigate the loss of profit.

Consumers are becoming aware of their rights but at the same time challenges are also still at large. Credit providers have their own compliance officers that do monitor compliance in every 3 month period but from consumer side there is none. Some cases of unfair business practice might be left unattended because not all consumers know the procedure to report them.

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CHAPTER 5: SYNTHESIS, FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

The goal of this study was to investigate the challenges faced by consumers with regard to the implementation of Consumer Protection Act, 68, of 2008 in Thohoyandou area. The study employed both quantitative and qualitative research designs in order reach the objectives of the study. Two instruments were used to collect data, namely, questionnaire and interview schedule. The collected data was then analysed and interpreted using methods of analysis, namely, statistical analysis and thematic –narrative analysis. This chapter will present the findings of the study, conclusion, recommendations and recommendations for future study.

5.2 MAJOR FINDINGS OF THE STUDY

The major findings of this study arose from the specific objectives of the study and are main challenges faced by consumers in the of implementation of Consumer Protection Act, the impact of Consumer Protection Act on consumers, and the strategies to overcome the challenges facing consumers with regard to implementation of Consumer Protection Act.

5.2.1 Major findings on the main challenges faced by consumers in the of Implementation of Consumer Protection Act

The first objective of the study was to identify the challenges faced by consumers with regard to the implementations of consumer protection Act, and the study has revealed that consumers are still having challenges of not able to read their credit agreements, although few do know how to read but study has indicated that there are still some challenges. Consumers are also improving in checking better offers before they get into credit agreements. Consumers are still having challenges in reporting complaints against credit providers and the researcher suggest that this may be caused by high number of illiterate consumers. Consumers are also not aware that their payments behaviour impacts their credit profiles. Reporting fraud is also a challenge to majority of consumers due to the fact that they are not trained or educated to do reporting themselves, the researcher suggest that credit provider staff may not effectively take responsibilities to report fraud on consumer s behalf since this may affect their business or brand reputations negatively .

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5.2.2 Major findings on the impact of Consumer Protection Act on consumers

It can be concluded that consumer protection Act impacted consumers positively in the sense that credit providers should follow rules and regulations when conducting their business, this obligations by credit providers help consumers to be protected. Sales consultants do advise consumers on offers that consumer need and in this regard both consumers and credit providers do benefit. Consumers also agree on their own that they should take responsibilities to protect themselves from reckless lending. Business managers are also playing their part in monitoring new staff to comply with the act but more efforts should be done before they start interacting with consumers.

5.2.2 Major findings on the strategies to overcome the challenges facing consumers with regard to implementation of Consumer Protection Act

The other objective of the study was to establish strategies that can be used to overcome challenges faced by consumers with regard to Consumer Protection Act. The findings are that government and its institutional support are doing their part in order to educate consumers about their rights. Media has being recognized as an effective tool of communication. Credit providers should also have their own educational programmes to educate consumers so that their business would also be sustainable while consumers will be protected from any unethical business practice.

5.3 RECOMMENDATIONS OF THE STUDY

In order for the research study to add more value the researcher's recommendations be used by the policy makers, consumer forums, credit providers and others to advance the knowledge of consumer related issues and also to overcome those challenges.

5.3.1 Recommendations on the main challenges faced by consumers in the of implementation of Consumer Protection Act

The following are the recommendations on the main challenges faced by consumers in the implementations of the study:

- National Credit Regulator should always conduct pilot studies targeting the consumers that have done business with credit providers to find out if policies are being implemented.

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- Sales Consultant should also be obliged by the law to keep proof that they have explained the terms and conditions of credit agreement to the illiterate consumers
- Credit Providers should also use technology like emails, voice talks to the youth when sending credit contracts in order to encourage readings.
- Direct Marketing business deals should not be concluded on phone before consumers sign a written contract to avoid misrepresentations by business while consumer is the one left suffering the consequences.

5.3.2 Recommendations on the impact of Consumer Protection Act on consumers

The impact of the Act towards consumers is still very positive in the sense that business organizations have to comply with the rules and this help consumers to be automatically protected but the following are recommendations:

- Consumers should be encouraged to take self-responsibilities in terms of avoiding to become over committed financially through financial literacy education to the consumers
- Credit Providers should produce proof of client - need analysis conducted during the sales process to make sure that decision was made in the interest of clients
- South African Department of Trade and Industry, Consumer Agencies, Producers Suppliers, Retailers and Researchers should work together in order to achieve the following; informing and educating consumers and other businesses about the statutory Consumer Act, developing and publishing clear consistent information and guidance for consumers about statutory consumer remedies and liabilities.
- Consumer protection enforcement agencies should have measure in place to deal with individuals who take advantage of consumer ignorance.

5.3.3 Recommendations on the strategies to overcome the challenges facing consumers with regard to implementation of Consumer Protection Act

The following maybe utilized as strategies to overcome the challenges facing consumers

- New staff working in the credit providers or any other business should be trained about consumer protection Acts and regulations before they start interacting with clients so that consumers will receive proper advice and quality services.

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- Institutional support of the consumer protection Act like the National Credit Regulator , Ombudsman should have the operational office in each local municipality to ensure that there is compliance with the Act and consumers are more protected
- There should be free internet access for the consumer institutional support so that everyone should have information easily.
- Media should continue to be used as a communication tool to educate and communicate important matters regarding consumer protections.
- Employers should establish personal financial management training for the new employees to know more about consumer rights and be protected from reckless lending or any unwanted business practice, equipping employees will help consumers to receive proper advices from the front selling staff in business organizations.
- Government should have an effective way of prohibiting unauthorised financial services providers since they have negative impact on the consumers.
- Business organizations should take educating consumers as priority because an informed consumer will participate in the buying decision and this will eliminate post sale queries or complains and they will able to sustain their customers for a long time happy consumers may stay with the business organization for a long time.
- Credit providers and all business organizations should make sure that consumers know the complaints procedures; fraud reporting after the sales agreement has been concluded since it has been revealed that consumers do not know what should be done in case any business organization has involved itself with unwanted business practice.

5.4 RECOMMENDATIONS FOR FUTURE STUDIES

Consumer's challenges are dynamic in nature, therefore this study may not cover all the challenges that consumers are facing or is likely to face in future. There is a need for continuous research so that consumer challenges may be explored further .The following topics are suggested for further research

- What are the challenges faced by credit providers with regard to the implementations of Consumer protection Act

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5.5 CONCLUSION

The purpose of this study was to investigate the challenges of consumers with regard to the implementations of Consumer protection Act, 68, of 2008. Challenges have been discussed, the impact of the Act towards consumers has also been discussed, and the strategies to overcome challenges of consumers have been discussed. The study is also aimed to help the policy makers, business organizations, consumer agencies to use as informative tool. The study is also aimed to help the selected respondents like the sales consultants, managers and small business owners to use as a strategy to improve client services. The study project is also aimed to help consumers to have self-awareness in a way that they should take action to know their rights on their own but not only during or after the credit transaction.

The study also revealed that consumers are still vulnerable to fraud and other illegal activities by credit providers because generally they do not know the reporting process. Conclusion may be drawn that consumers are not well informed as business organizations, business organizations have facilities such as electronic communications, telecommunications, and can access latest information about consumer issues. The study also revealed that media communication through radio is a helping hand towards educating consumers which also suggest that more should be done to use radios as a strategy means to educate consumers.

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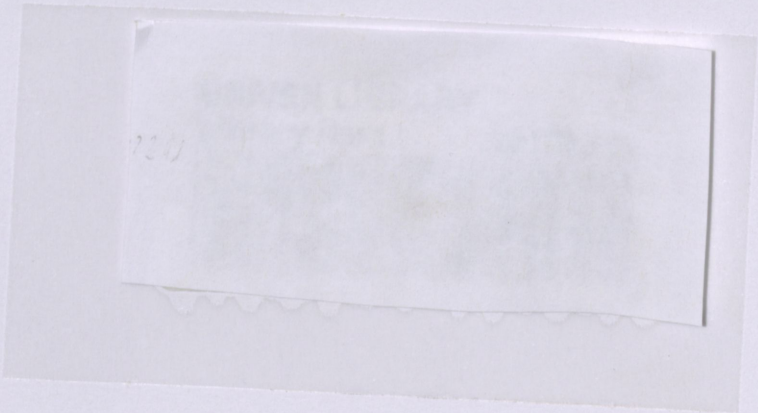
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APPENDIX A

P O BOX 7268

Thohoyandou

0950

April 24, 2015

Dear Sir/Madam

I am a registered student at the University of Venda doing Master Public Management (MPM). My student number is 9507205. My research topic is "Challenges faced by consumers with regard to the implementations consumer protection Act, 68 of 2008 in Thulamela municipality

I promise that the information given to me will be treated in a confidential way and will be only used for this research project purpose only.

Yours faithfully

.....

Donald Mbedzi

082 570 8634

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APPENDIX B

INSTRUMENT

QUESTIONNAIRE

THE CHALLENGES OF CONSUMERS WITH REGARD TO THE IMPLEMENTATION OF THE CONSUMER PROTECTION ACT OF 2008

This is the study of challenges of consumers with regard to consumer protection Act in Thohoyandou (under Thulamela) municipality .This is an opportunity for you to provide your views .Please put a cross (X) on the appropriate answer. There is no wrong answer

1. SECTION A: BIOGRAPHICAL DETAILS OF THE RESPONDENT

Male	
Female	

2. Age

Less than 20 years	
21 to 30 years	
31 to 40 years	
41 to 50 years	
51 years and above	

3. Position of respondent

Consumer	
Sales Consultant	
Manager	
Small business owner	

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SECTION B: CHALLENGES FACED BY CONSUMERS WITH REGARD TO THE IMPLEMENTATION OF THE CONSUMER PROTECTION ACT NO 68 OF 2008

	Main Challenges faced by Consumers	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
4	Consumers are able to read their Credit Agreements					
5	Consumers give themselves time to look for a less priced product or services before making a final decision on the provided offer					
6	Consumers know the complaints procedures if they have complaints against the credit providers					
7	Consumers know that their payments behaviour affect their credit ratings and profiles					
8	Consumers do report fraud activities conducted by credit providers					

	The Impact of Consumer Protection Act on Consumers	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
9	Sales Consultants help illiterate consumers to understand the terms and conditions of credit agreement					
10	Sales Consultants advise clients to look for a low priced products and services					
11	It is the responsibility of consumers themselves to protect themselves from reckless lending					
12	Consumers are being advised to take better offers that will suit their needs					
13	Managers often monitor new staff to ensure effective implementation of consumers protection regulations					

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	Strategies to overcome Consumer Challenges	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
14	Government is doing enough to educate consumers with regard to Consumer Rights					
15	Credit providers have established programmes to help educate consumers					
16	Ombudsman Offices are accessible by every consumers in South Africa					
17	Media should be utilised most to educate consumers in their own language					
18	Township should have consumer representatives to help during disputes or if unfair business practice has been conducted					
19	Credit providers have no challenges in implementing the Consumer Protection Act					
20	Consumers are given opportunities to express their views in consumer forums by credit providers or government					

"THANK YOU FOR YOUR PARTICIPATION"

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APPENDIX C

INSTRUMENT

INTERVIEW SCHEDULE

THE CHALLENGES FACED BY CONSUMERS WITH REGARD TO THE IMPLEMENTATIONS OF CONSUMER PROTECTION ACT,NO 68 , OF 2008

This is the study of challenges of consumers with regard to consumer protection Act in Thohoyandou (under Thulamela) municipality .This is an opportunity for you to provide your views .Please put a cross (X) on the appropriate answer. There is no wrong answer

1. What are the challenges of consumers regarding the implementation of the protection Act?

_____

_____

_____

_____

_____

2. What is the impact of the Consumer Protection Act on the Consumers?

_____

_____

_____

_____

_____

3. What are the strategies that can be used to address the challenges of consumers?

_____

_____

_____

_____

_____

"THANK YOU FOR YOUR PARTICIPATION"

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