

the dti

THE DEPARTMENT
OF TRADE AND INDUSTRY
SOUTH AFRICA



CONSUMER AND CORPORATE REGULATION DIVISION

NATIONAL CONSUMER SURVEY

the dti

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1. BACKGROUND AND OBJECTIVES

The Consumer and Corporate Regulation Division (CCRD) of the dti is responsible for administering all matters related to the regulated industries of liquor, gambling and the national lottery, as well as commercial, competition and consumer protection policies.

A New Consumer Protection Policy Framework seeks to establish a legal environment through which consumers will be granted rights that can be enforced and protected. The CCRD division required information that would support the development of such a policy.

The dti commissioned Markinor to conduct research amongst South African consumer to determine:

- The extent to which they are aware of their consumer rights
- Their experiences of unfair business practices, the frequency with which certain 'unfair practices' occur and the outcome of these experiences
- Their experiences of services for redress and awareness of consumer rights organisations.
- Their requirements for a consumer rights support system
- Their general attitudes towards consumer rights issues

2. RESEARCH APPROACH

UNIVERSE

The universe was defined as all South Africans aged sixteen years and older.

SAMPLE SIZE AND SELECTION

Taking budget constraints and the objectives of the study into consideration, a sample size of 900 was decided upon.

Markinor used its Geographic Information System (GIS) to draw the sample. The system was used to:

- Calculate population demographics in order to proportionally allocate interviews to geographical areas
- Identify suitable sampling localities with census and topographical data
- Do route planning for field teams
- Ensure a good spread of interviews and representivity of findings.

The sample was stratified according to race and community size to ensure better representation of the population.

The community sizes that were used for stratification were:

- Metropolitan is defined as having a population of 250 000 or more,
- Cities/Large Towns: 40 000 to 249 999
- Small towns/Villages: 500 to 39 999
- Rural: less than 500 people

Sampling of the black respondents assumed the form of area probability sampling with three calls. The sampling included blacks, sixteen years and older, living in

multi-member households. Within the selected household, either all male or all female adults were listed and one adult was selected, again according to a random selection procedure. If this person was not available for an interview (away, refused, ill), a substitute living in the same street was chosen who was of the same sex, age and working status. Squatters were also included. Hostel dwellers and domestic workers were excluded.

For the white, coloured and Indian samples, sampling assumed the form of area stratification by population group, town and suburb. Sampling points were identified at random. Age and gender controls were applied for adults sixteen years and older. Five interviews were conducted around the selected sampling point, according to a quota on gender, and within gender and age

QUESTIONNAIRE

The questionnaire was designed in cooperation with the dti to meet the objectives of the research.

The questionnaire was translated from English into six official languages:

- Afrikaans
- Xhosa
- Zulu
- Tswana
- Sesotho
- Northern Sotho

The respondent was interviewed in his/ her preferred language.

INTERVIEWING METHODOLOGY

900 personal face-to-face interviews were conducted with a minimum 20% back-check on each interviewer's work to ensure reliability and validity of the data.

3. RESEARCH FINDINGS

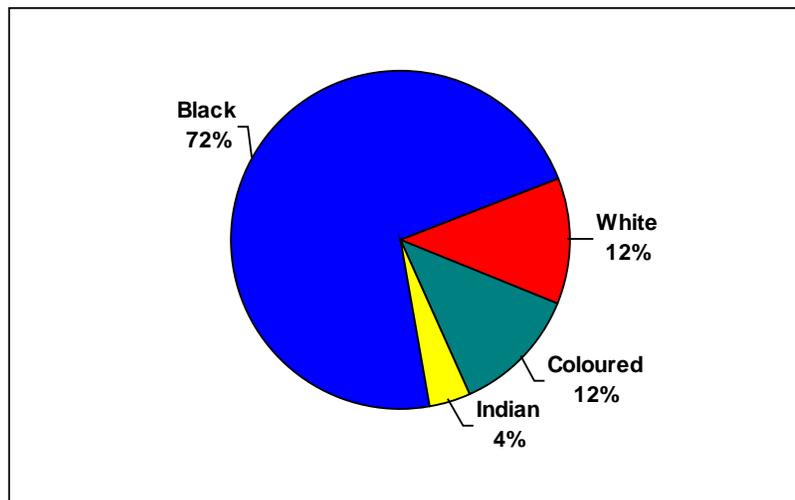
3.1 SAMPLE CHARACTERISTICS

The following demographic characteristics formed part of the sample stratification strategy, and were therefore quota controlled:

- Race
- Gender
- Community size
- Provinces
- Age

The sample was stratified according to race, and the planned race quotas were obtained. The figure below indicates the final race composition of the sample.

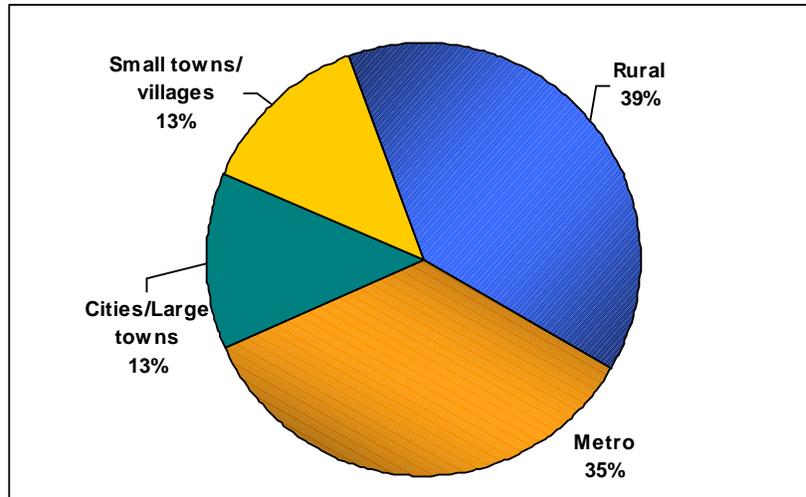
Figure 1 Race composition



A 50/50 gender split was achieved in the total sample, as well as within each race group and each province.

The percentage of respondents obtained in each of the specified community sizes is shown below in figure 3.2.

Figure 2 Community size



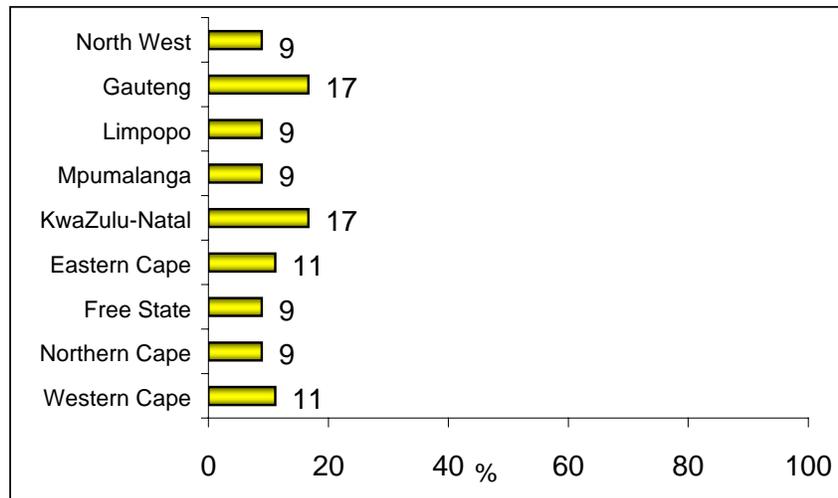
The race distribution within each of the community sizes was as follows:

Table1: Race distribution in Community Sizes

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/Villages (n = 120)	Rural (n = 350)
	%	%	%	%
Black	55	70	58	93
White	20	22	8	1
Coloured	15	8	25	6
Indian	10	0	8	0

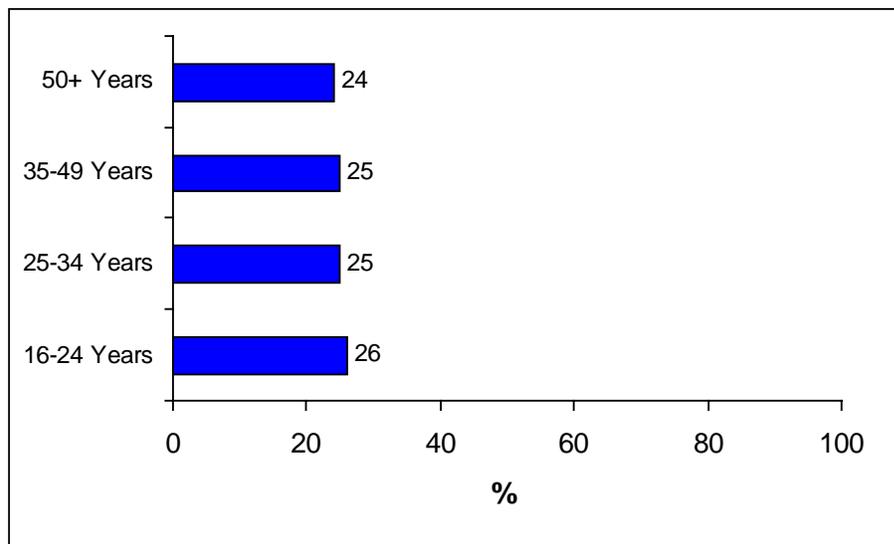
The sample was stratified by province, disproportionate to the population distribution. A slightly larger percentage of the sample was drawn from Gauteng, KwaZulu-Natal and the Western Cape. The rest of the provinces were equally represented.

Figure 3: Provincial distribution of the sample



The sample was also quota controlled by age, ensuring each age group was represented. The figure below indicates approximately equal percentages obtained for the different age groupings.

Figure 4: Age distribution of sample

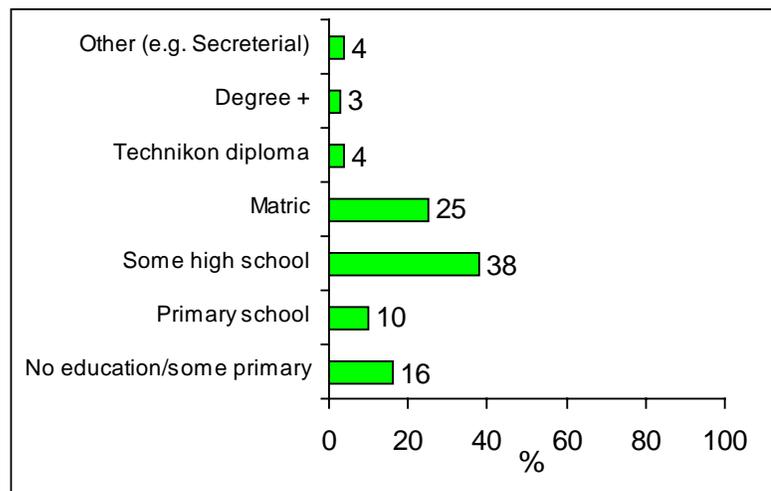


Demographic variables that were not controlled included:

- Education
- Home language/languages understood and read
- Working status
- Household income

The education distribution of the sample is shown below in figure 5. Most respondents had at least some high school education or have matric (63%). 10% of respondents completed or partially completed primary school and 16% had received no education whatsoever.

Figure 5: Education distribution



Education levels are slightly higher in the metropolitan areas and lower in the rural areas (22% without education/some primary education in rural areas compared to 9% in metropolitan areas)

Education levels tend to be lower amongst the very old respondents: of the 65 years + respondents, 57% have no education/only some primary school.

Home language is closely linked to race, with Black respondents speaking a variety of African languages, Whites and Coloureds mostly speaking Afrikaans (63% and 88% respectively), and Indians speaking English exclusively (100%).

Table 2: Languages understood

Language understood	Black (n = 649)	White (n = 105)	Coloured (n = 106)	Indian (n = 40)
	%	%	%	%
English	85	100	83	100
Afrikaans	57	98	99	35
Any African language	100	5	8	8

In total, English is understood by 87% of the sample. All White and Indian respondents claim to understand English. 57% of Black respondents understand Afrikaans. Very few of the White, Coloured and Indian respondents can understand any of the African languages.

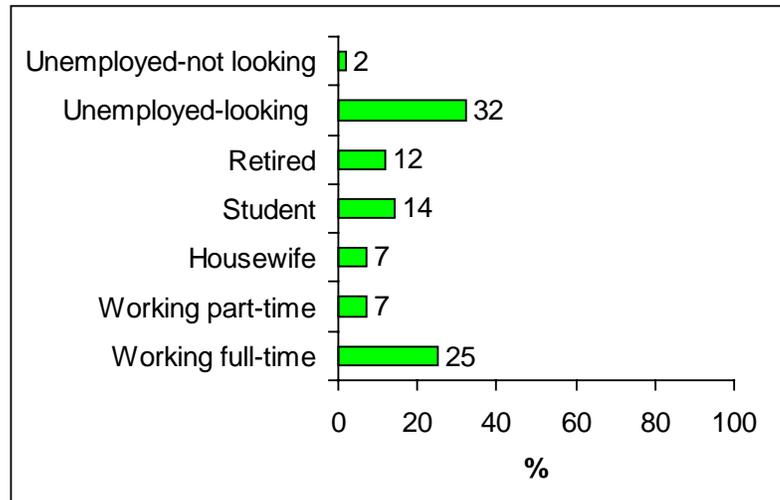
Table 3: Languages read

Language Read	Black (n = 649)	White (n = 105)	Coloured (n = 106)	Indian (n = 40)
	%	%	%	%
English	79	100	74	100
Afrikaans	47	96	93	25
Any African language	95	1	3	0
None	5	0	6	0

5% of Black respondents and 6% of the Coloured respondents cannot read in any language. All White and Indian respondents read English.

25% percent of the sample is working full-time, with an additional 7% working part-time. Whilst 33% of the unemployed are housewives, students or pensioners, 32% of the sample claims to be unemployed but looking for work.

Figure 6: Employment status



More male respondents are currently employed (full-time and part-time) than females (38% vs. 27%). However, there is very little difference between the genders when looking at those who are unemployed but looking for work (33% males vs. 30% females).

The highest percentage of those unemployed, but looking for work, is found in rural areas (39%), compared to other areas (between 26 and 28%)

Household income tends to be higher amongst White respondents. 23% of the White sample claim to have a household income of more than R20 000 per month, compared to none of the Blacks and Coloureds and 8% of the Indians.

3.2 AWARENESS OF CONSUMER RIGHTS

Awareness of consumer rights was measured by a number of questions. In the first question respondents were asked to mention any consumer rights that they were aware of. This question had to be answered **spontaneously** and no prompting was used. All answers were recorded verbatim, just as they were reported.

In total, 55% of respondents said that they could not think of any consumer rights. The percentage “don’t know” goes up slightly amongst the Coloureds (71%) and Indians (78%).

When looking at the different community sizes, it is the respondents from cities/large towns that mentioned the least consumer rights (63% don’t know).

However, it became apparent that consumers have a misconception of their rights as consumers. Some of the more dubious consumer rights mentioned included the following: “The customer is always right until proven wrong”, “Human rights”, “The right to ask for a discount”, “The right to get protection from the S.A.PS”, etc..

The following rights were mentioned spontaneously:

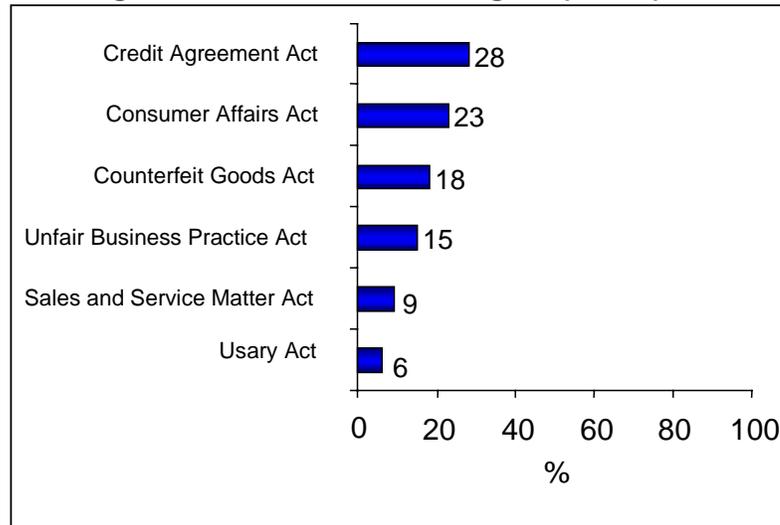
The right to **return goods/get refunds/exchange** goods was mentioned most often, by 11% of the samples, followed by the **right to complain** (6%).

General aspects of being **treated well/good customer care** was mentioned often (7%) as well as the right to quality products/getting value for money (6%).

The right to **information on products** was mentioned by only 1% and even fewer people knew about the **right to safety of appliances/products** (0.3%).

After allowing respondents the opportunity to mention any consumer rights they could think of, respondents were asked to indicate whether they had heard of certain specific laws, which were read out to respondents.

Figure 7: Awareness of rights (Aided)



Awareness is generally low. The Credit Agreement Act (28%) is the instrument of which there is most awareness, followed by the Consumer Affairs Act (23%).

Table 4: Awareness of Acts in the different community sizes

	Credit Agreement Act	Consumer Affairs act	Counterfeit Goods Act	Unfair Business Practice Act	Sales and Service Matter Act	Usary Act
Metro	29	26	18	16	10	8
Cities/large towns	46	42	34	24	17	10
Small towns/villages	25	22	18	19	6	5
Rural	23	14	13	8	5	4

The highest awareness of the Acts is in cities/large towns. Respondents in rural areas were least aware of instruments that protect consumer rights.

These Acts were then translated into specific scenarios, focussing on their implications. Respondents were asked to indicate if they were aware that a specific scenarios was against the law.

- 1) The first question asked: *“Did you know that it is against the law for anyone to buy or sell **counterfeit goods**, for example, sunglasses with a brand name, which was not made by that brand?”*

In total **71%** of the sample was aware that buying counterfeit goods is against the law.

Table 5: Percentage respondents in the different community sizes that are aware that buying counterfeit goods is against the law

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Town/Villages (n = 120)	Rural (n = 350)
	%	%	%	%
% Yes	77	86	72	59

The lowest awareness is found in rural areas (59%).

The breakdown according to race groups is given below in table 6.

Table 6: Percentage respondents in the different race groups that are aware that buying counterfeit goods are against the law

	Black (n = 649)	White (n = 105)	Coloured (n = 106)	Indian (n = 40)
	%	%	%	%
% Yes	64	92	86	88

Black respondents showed the lowest awareness (64%).

2) *“Did you know that money-lenders are regulated and should not charge you unreasonably high interest rates, e.g. 100% on a loan to them?”*

Only **47%** of respondents knew about the regulations with regard to money-lenders.

Table 7: Percentage respondents in the different community sizes that are aware of restrictions on money-lenders

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Town/Villages (n = 120)	Rural (n = 350)
	%	%	%	%
% Yes	51	56	48	39

Equally low awareness is seen in the different community sizes, with the exception of the rural respondents who are slightly less aware.

Table 8: Percentage respondents in the different race groups that are aware of restrictions on money-lenders

	Black (n = 649)	White (n = 105)	Coloured (n = 106)	Indian (n = 40)
	%	%	%	%
% Yes	40	62	60	78

Black respondents are the least aware that money-lenders cannot charge unreasonable rates. Indians are the group that is most aware of this act.

- 3) *Did you know that products that are likely to pose danger to you, like household chemicals such as paraffin must meet safety standards set by government?*

In total **55%** of respondents are aware that products likely to pose a danger should meet safety standards set by government.

Table 9: Percentage respondents in the different community sizes that are aware of safety standards for dangerous products

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/Villages (n = 120)	Rural (n = 350)
	%	%	%	%
% Yes	57	71	57	47

Respondents from cities/large towns are much more aware of this law than respondents in other community sizes.

Table 10: Percentage respondents in the different race groups that are aware of safety standards for dangerous products

	Black (n = 649)	White (n = 105)	Coloured (n = 106)	Indian (n = 40)
	%	%	%	%
% Yes	49	89	60	60

White respondents were particularly more aware than the other race groups that dangerous products should meet safety standards.

“Did you know that medical products such as headache tablets and slimming pills should not be sold or purchased on the streets?”

In total, **60%** of respondents are aware that medication, such as headache tablets and slimming pills should not be sold or purchased on the street.

Table 11: Percentage respondents in the different community sizes that are aware that medication should not be bought or sold on the street

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/Villages (n = 120)	Rural (n = 350)
	%	%	%	%
% Yes	63	69	54	57

The lowest awareness is in the small towns/villages and rural areas.

Table 12: Percentage respondents in the different race group that are aware that medication should not be bought or sold on the street

	Black (n = 649)	White (n = 105)	Coloured (n = 106)	Indian (n = 40)
	%	%	%	%
% Yes	55	78	66	83

The Indians showed a particularly high awareness (83%) in this regard, compared to members of other race groups.

- 4) *Did you know that it is against the law to invite or entice someone to buy into a concept if you will receive payment only if that person recruits more people?*

This question attempted to explain the concept of pyramid schemes.

In total only **36%** of respondents are aware that partaking in a pyramid scheme is against the law.

Table 13: Percentage respondents in the different community sizes that are aware that pyramid schemes are against the law

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/Villages (n = 120)	Rural (n = 350)
	%	%	%	%
% Yes	42	37	36	31

Awareness is the highest in metropolitan areas. Awareness in rural areas is not particularly much lower than in the cities or small towns.

Table 14: Percentage respondents in the different race groups that are aware that pyramid schemes are against the law

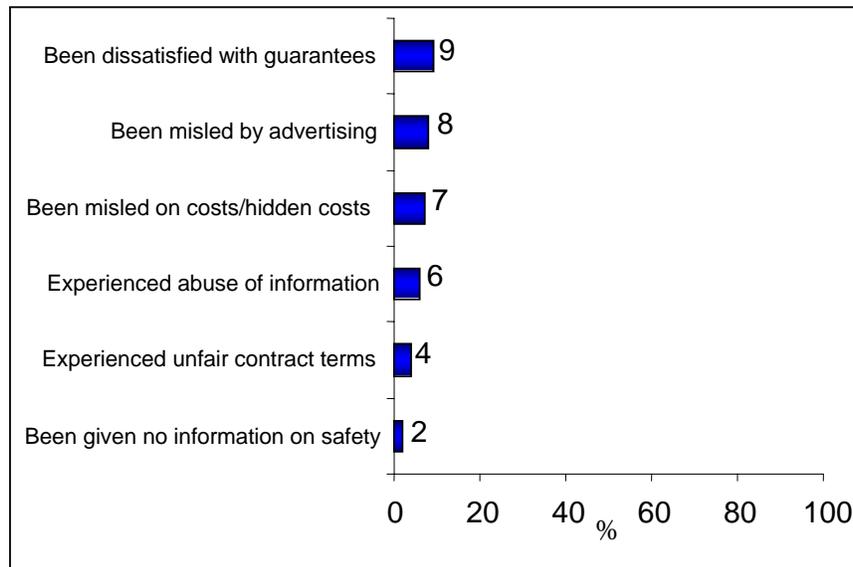
	Black (n = 649)	White (n = 105)	Coloured (n = 106)	Indian (n = 40)
	%	%	%	%
% Yes	31	59	37	55

The Black and Coloured respondents showed particularly low awareness that pyramid schemes are against the law.

3.3 INCIDENCE OF CONSUMER RIGHTS VIOLATIONS

Respondents were asked to indicate whether they had experienced one or more consumer right violations. The figure below denotes the percentage of people that claimed to have experienced certain situations. The situations were **not linked** to actual laws or acts, but read out to respondents as scenarios that might have faced in the past.

Figure 8: Incidence of consumer rights violations



In total, very few people had experienced any consumer rights violations. Once respondents were prompted on the nature of the exact violation, it became apparent that some of the “situations” respondents experienced were not consumer rights violations. Examples of these misconceptions are given under the discussion of each of these consumer rights.

The highest percentage of consumer rights violations is reported for being dissatisfied with a guarantee (9%), followed by being misled by advertising (8%). The White respondents indicated slightly higher levels of consumer rights violations with regard to being misled by advertising (18%), being misled by costs (15%) and abuse of information (14%). These higher scores for the White population could possibly be explained by the higher exposure they have to situations in which these violations would occur.

3.3.1 DISSATISFACTION WITH GUARANTEE

Nine percent (80 people) claim to have been dissatisfied with guarantees. The distribution of these people across the different community sizes is given below in table 15.

Table 15: Incidence of dissatisfaction with guarantees across the different community sizes (n = 80)

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/ Villages (n = 120)	Rural (n = 350)
% been dissatisfied with guarantees	10	4	12	8
Number of people dissatisfied with guarantee	32	5	14	29

The highest numbers of complaints about guarantees were from small towns/villages (12%). Only 4% of respondents from cities/large towns claim to have suffered this fate.

When probed on what exactly happened, or what exactly they were dissatisfied with, 44% mentioned **poor product quality/faulty products** and made no actual mention of the guarantee. Some of the mentions include:

- Faulty appliances/bad quality appliances 15%
- Bad quality clothing 13%
- Faulty electronics 9%
- Poor quality furniture 1%

In cities/large towns, as well as in rural areas, most of the mentions were about bad product quality (three out of five and nineteen out of 29 respectively).

23% complained that guarantees were **not honoured**:

- Guarantee on electronic equipment not honoured 10%
- Guarantee not honoured by furniture company 9%
- No refund on faulty products 3%
- Guarantee not honoured on a watch that stopped working 1%

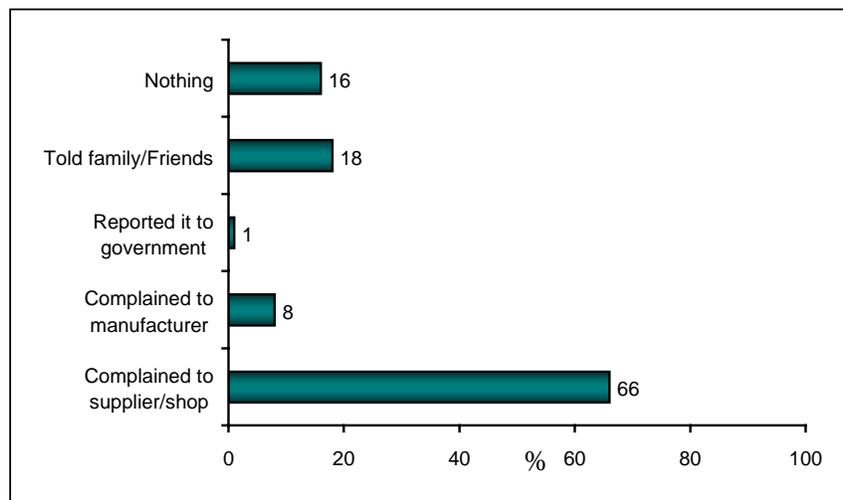
6% received **no guarantee** at all and 5% suffered from a **lack of information** on the guarantee.

Some other single mentions include:

- “The store dropped the product on delivery”
- “Will not honour guarantee without a slip/box”.

After respondents mentioned what had happened to them, they were asked to indicate what they did when they were dissatisfied with the guarantee. 59 of the 80 people that had complained about guarantees, 74%, did complain to either the manufacturer or the supplier, mostly about bad/faulty products.

Figure 9: What happened when respondents were dissatisfied with guarantee (n = 80)



42% of these 59 respondents were refused help. The outlet either blamed the agent, or the respondent was told that they had used the product incorrectly. In rural areas this was the outcome in 65% of the cases.

In 25% of the cases the faulty product was replaced or exchanged, or the respondent received an apology.

25% of the respondents are still in the process of negotiations and have not resolved the issue yet.

Some of the single mentions are:

“Refusal to honour as I had no slip”

“Said I must wait for twelve weeks – they will take it back to the manufacturer”

“Sales goods cannot be guaranteed or exchanged”

In most of the unresolved cases, respondents would have preferred to have had their faulty products replaced or fixed (55%). 10% would have liked a refund. 8% would have been satisfied with more strict quality rules/less faulty products and 5% would have liked to have been better informed.

One person said: “I would take them to court, but I don’t know where to go”.

Only one person is taking the matter further- to the builders association.

3.3.2 MISLED BY ADVERTISING

In total, 8% (70 people) claimed to have been misled by advertising. Within the White race group this goes up to 18%.

Table 16: Incidence of being misled by advertising across the different community sizes (n = 70)

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/ Villages (n = 120)	Rural (n = 350)
% been misled by advertising	11	5	9	5
Number of people misled by advertising	35	6	11	18

The largest incidence of being misled by advertising is in the metropolitan areas (35%). Advertising in these areas is more prevalent, with more televisions in home and a greater concentration of newspapers and magazines.

When probed on specifics of the situation in which they were misled, 54% of the respondents could not mention anything specific, simply stating that they experienced misleading advertising/false advertising.

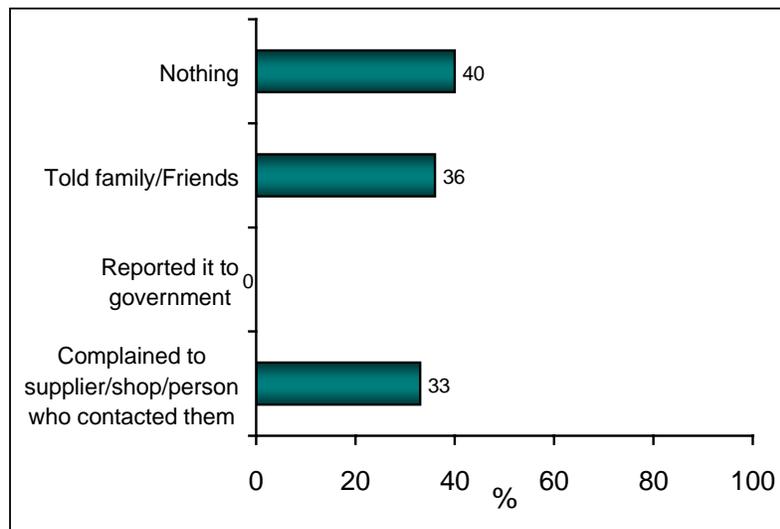
17% mentioned that specific stores such as Game, Hyperama and Hi-fi Corporation had advertised products but could not deliver that product. They either denied the advertisement, or claimed the respondent had the wrong information.

TV-infomercials also came under attack. 10% mentioned infomercials in general, like advertised slimming pills that never work. There are, however, mentions of specific products bought, such as vacuum cleaners and a handbag, that did not meet the expectations of respondents, and they felt the advertisement misled them on the properties of the product.

Some respondents made mention of specific advertisement that they just did not like, e.g. the Telkom advertisement where the person is shouting when greeting the other person – they feel this is stereotyping blacks as being stupid, or the toothpaste advertisement where the boy blows kisses to the girl on the beach.

Only 23 of the 70 people who had been misled by advertising (40%) did actually complain, more accurately reflecting the actual incidence of violations.

Figure 10 What did respondents do after they were misled by advertising (n = 70)



Most respondents who had complained were those who had wanted to buy an advertised product at a certain price, but found it to be more expensive in-store.

48% of these respondents managed to obtain the product at the advertised price or received an apology for misprinting/mistakes.

22% were forced to buy the product at a more expensive price. Some of the mentions included:

“There was an advertisement for a light fitting, but when I got to Game they claimed to have sold out the sales stock, while they still had the item in stock. I now had to pay the higher price”

“Was told that the price was a special one, and that once the stock was finished it goes back to the original price”

“Was told to take it or leave it”

Those still unhappy with the outcome of their complaint would like companies to advertise more truthfully (47%), or have sufficient stock when advertising (13%).

3.3.3 MISLEADING COST

In total, 7% (66 people) complained being misled on costs.

The incidence of being misled on costs is much higher in the metropolitan areas.

Table 17 Incidence of being misled on costs across the different community sizes (n = 66)

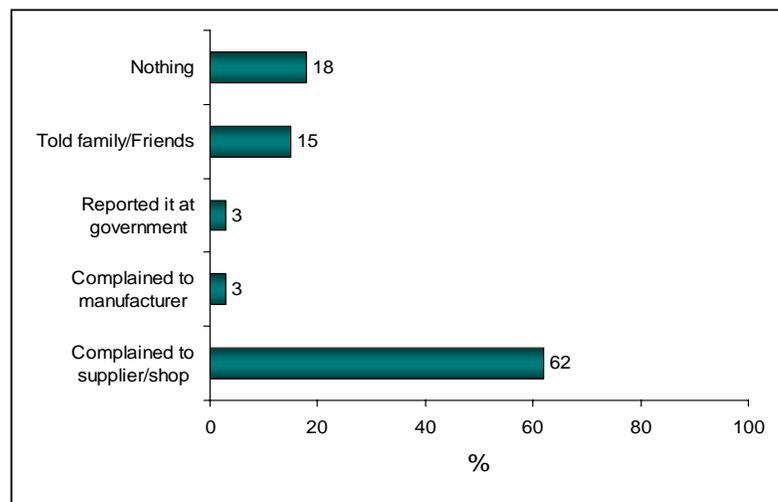
	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/ Villages (n = 120)	Rural (n = 350)
% misled by costs	11	10	5	4
Number of people misled by costs	34	12	6	14

The mentions about being misled by costs included:

- 20% purchased **furniture** that was priced lower but then they were charged more
- 20% experienced **hidden costs** on purchases, e.g. delivery charges/bank costs
- 14% mentioned that retailers generally overcharge
- 6% of mentions centred around interest/hire purchase agreements
- 5% mentioned problems with builders/building materials

Some respondents felt that this was the appropriate place to mention being misled by advertising, and 14% complained about the **higher than advertised prices** they had experienced.

Figure 11 What happened when respondents were misled on costs (n = 66)



In total, a large number of respondents, 45 out of the 66, complained about being misled on costs.

In 60% of the cases, including some of the following, the problem was **not resolved**:

- The cost did not drop 11%
- Ended up paying the hidden cost 7%
- Told that it was the amount of the item and had to pay 7%
- Told me the consultant should have informed me, they can do nothing 4%
- Told me that this is the way it is and made me accept it 2%
- Manager says they cannot help as I have signed 2%
- Was told that the price on display is not the real price, only there to attract customers 2%

20% of the respondents did receive an apology or satisfactory answer, including the following mentions:

- The problem was resolved and I got my money back 9%
- The company apologised and offered the product at a lower amount 4%
- I got the product at the advertised price 4%

Some of the other single mentions included:

- Manager told me to cancel the deal as I cannot afford it
- I was late with my first payment and they expected me to pay double, so I told them to fetch the items
- Told me to buy elsewhere if the price is not satisfactory

Most of the unhappy respondents would have liked all the costs to be explained before signing (9%). Many also feel that they should have received the items at the original price (9%). Once again, there was some mention of companies that should not be allowed to sell products of an inferior quality.

3.3.4 ABUSE OF INFORMATION

54 out of the 900 respondents mentioned that they had experienced abuse of information (6%). This figure is slightly higher among the White population (14%). As most mentions are linked to opening of an account, mentions are the highest in metropolitan areas and cities/large towns.

Table 18 Incidence of abuse of information across the different community sizes (n = 54)

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/ Villages (n = 120)	Rural (n = 350)
% abuse of information	8	7	4	4
Number of people who experienced abuse of information	26	8	5	15

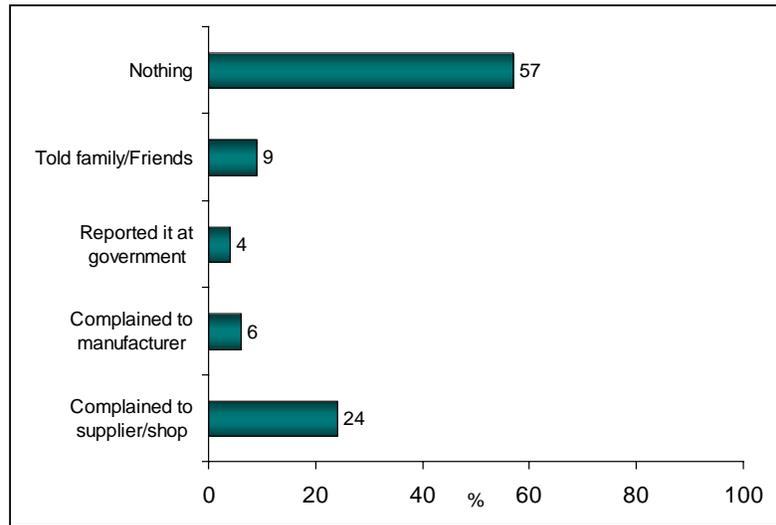
When probed on who had misused their information, some respondents mentioned the company who contacted them, some mentioned the company that disseminated their information, and some could implicate both of the offending parties.

Some of the mentions included:

- 28% received mail/calls but did not know who disseminated their information
- 17% had been contacted by insurance companies
- 13% had experienced abuse of information by clothing stores
- 7% experienced abuse by furniture companies

As most respondents did not know who had given out their information, it is understandable that only eighteen people out of the 54 complained.

Figure 12 What happened after respondents had experienced abuse of information (n = 54)



However, most of these 18 respondents (50%) could resolve the issue. Some of the mentions were:

- “They tried to deny it but we ultimately came to a settlement”
- “Initially denied, then apologised after many phone calls”
- “They apologised and said to tell the other company not to contact me again”
- “They took time but they resolved it”
- “I received a letter of apology”
- “Person concerned was dismissed from the company”

Those that could not find a satisfactory solution (28%) include some of the following mentions:

- “The matter is still unresolved”
- “The case has been on for four years now”

There were some other single mentions.

Those that were not helped to their satisfaction would have liked someone to speak on their behalf, to have not made their information available to start off with, and to have received correct information.

3.3.5 UNFAIR CONTRACT TERMS

Only 4% (40 people) mentioning any experience of unfair contract terms. Some of these mentions are also **not true violations/abuses**, for example:

- “The Edenvale hospital lost my records”
- “Was retrenched from work – had a six month contract but was dismissed after three months”
- “I lost my job but despite reporting it to the furniture store they took my furniture back”

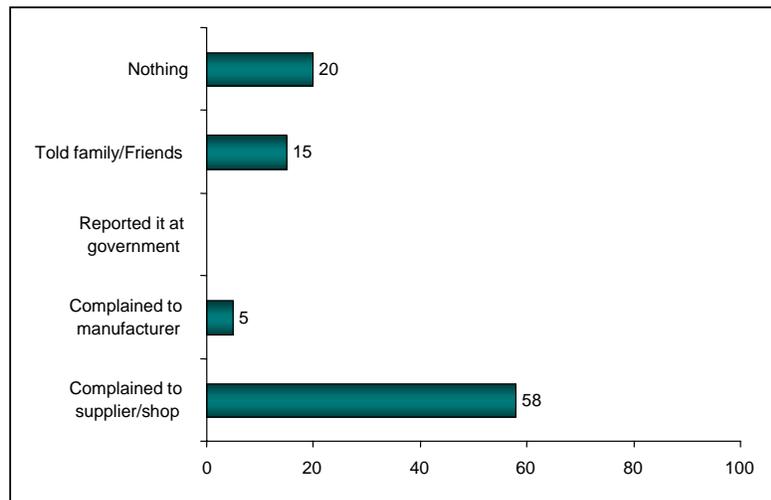
Table 19 Incidence of unfair contract terms across the different community sizes (n = 54)

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/ Villages (n = 120)	Rural (n = 350)
% unfair contract terms	7	2	4	3
Number of people experienced unfair contract terms	23	2	5	10

Some of the other mentions of unfair contracts were:

- 10% did not receive the product they signed for/as per contract
- 10% had problems with insurance on hire-purchases
- 8% had concerns about interests charged

Figure 13 What happened after respondents had experienced an unfair contract (n = 40)



26 of the 40 respondent did complain to the company where they had signed the contract or from whom they received the unfair contract terms.

31% of cases were resolved but mostly with difficulty. Some of the mentions include:

- “The matter was resolved – they gave me an apology “
- “Said they sold the franchise to somebody else –they paid us the money, it was resolved with difficulty”
- “My interest was reduced for a specific time, but it was not easy”

23% could not be helped/were stuck:

- “I found out that insurance does not cover unemployment”
- “Shop insisted that every issue had been explained to me”
- “I just paid them, because they demanded their money”
- “I was told that nothing could be done as I have signed”

The matter is still unresolved for 12% of the people. Various other single mentions constitute 34%. Two of the unhappy people would have liked to have been able to pay what they could, instead of having their furniture repossessed. Respondents also mentioned that they would have liked more information and a more speedy process.

3.3.6 NO INFORMATION ON SAFETY

Very few people had any problems with a lack of information on safety. Only 2% of the sample (eighteen people) mentioned any issues.

Table 20 Incidence of a lack of information of safety across the different community sizes (n = 54)

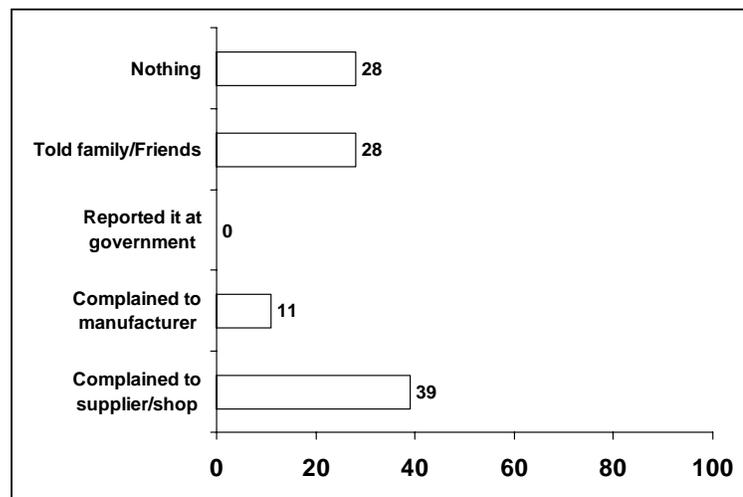
	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/ Villages (n = 120)	Rural (n = 350)
% unfair contract terms	3	2	2	1
Number of people experienced unfair contract terms	10	2	2	4

Most of these respondents did not elaborate, but only mentioned that they had bought goods without any safety information. Those that did mention any specific problems had concerns about electronic equipment and its installation (three people).

Some other mentions include:

- “No information on safety of cosmetics”
- “We were not taught about the safety of electricity that the government has given us”

Figure 14 What happened after they had received no information on safety (n = 18)

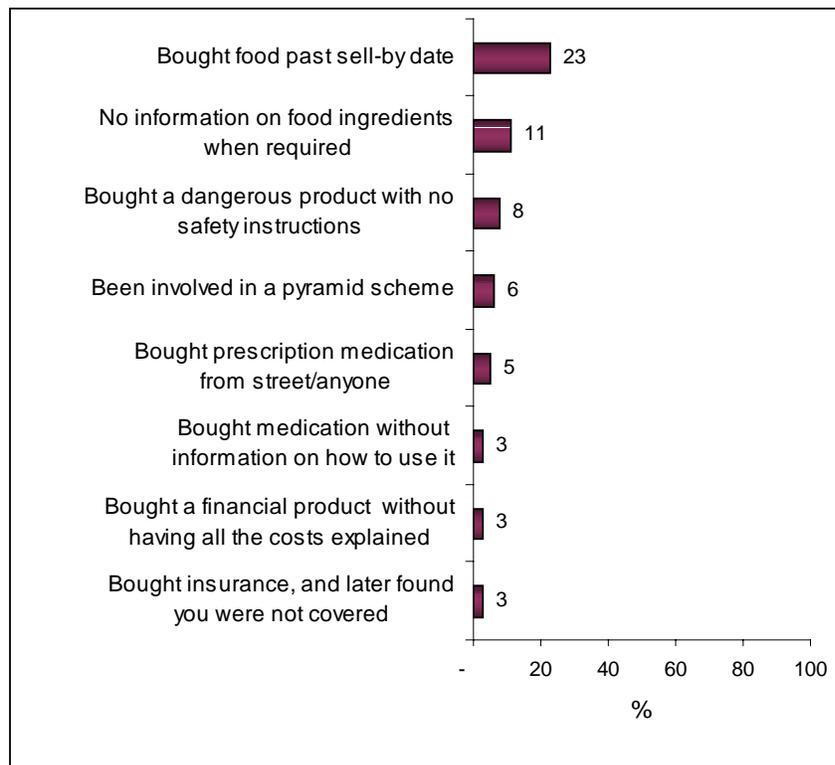


Eight people complained in total. Two people were given manuals and another two were informed on how to use the product. Another two respondents were given no information and one was told to bear the responsibility as it was not the fault of the store. One person did not know what had happened.

3.3.7 INCIDENCE OF SPECIFIC SCENARIOS

Respondents were also given specific scenarios, derived from the above categories, and asked to indicate which one had happened to them. The percentage of people that had experienced any of the stated scenarios is represented in figure 15.

Figure 15: Percentage respondents who have experienced a specific scenario (n = 900)



23% of respondents had bought food past its sell-by date. The second most commonly mentioned scenario is a lack of information on food ingredients when required.

Table 21: Percentage respondents in the different community sizes that have experienced the different scenarios

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/ Villages (n = 120)	Rural (n = 350)
Bought food past sell-by date	22	25	25	22
No information on food ingredients when required	10	8	13	13
Bought a dangerous product with no safety instructions	4	3	9	11
Been involved in a pyramid scheme	4	10	5	5
Bought prescription medication from street/anyone	4	2	6	7
Bought medication without information on how to use it	3	3	3	3
Bought a financial product without having all the costs explained	2	3	6	2
Bought insurance, and later found you were not covered	4	4	5	3

A similar level of incidence is observed among the different community sizes for most of the scenarios. The rural respondents were, however, more likely to have experienced a situation where they bought a dangerous product without any safety information. Respondents in cities/large towns were more likely to have been involved in pyramid schemes.

3.3.8 HANDLING OF CONTRACT SITUATIONS

Respondents were probed on their handling of contract situations. The questions asked were:

- 1) *Would you say that you always, sometimes or never read a purchase contract before signing it?*

In total, 49% of the respondents always read a contract before signing it, 24% read it sometimes and 19% never read it (8% did not know). Black respondents are more likely to **never** read a contract before signing it. When comparing the different community sizes, rural and metro respondents are almost equally likely to never read a contract before signing (21% vs. 19%).

2) *Would you say that you always, sometimes or never understand when or for how long a warranty or guarantee is applicable?*

Of the total sample, 53% claim to always understand a warranty or guarantee. This figure goes up to 81% amongst the white respondents and 64% in metropolitan areas.

3) *Would you say that you always, sometimes or never sign a purchase contract even if you do not understand all the terms?*

61% of the sample never signs a purchase contract if they don't understand all the terms. Only 10% always signs without really understanding the terminology. No real differences are seen between the community sizes.

4) *Would you say that you always, sometimes or never give preference to products that you know are environmentally friendly, i.e not tested on animals, or recycled?*

21% of the sample always give preference to environmentally friendly products, 30% sometimes and 27% never (22% said that they don't know). Respondents in cities/large towns are most likely to always give preference to these products (27%), while rural respondents are the least likely (16%).

3.4 AWARENESS OF CONSUMER RIGHTS ORGANISATIONS

As with awareness of consumer rights, respondents were first given an opportunity to mention any consumer rights organisations that they could **spontaneously** think of. Thereafter they were questioned on their knowledge of specific organisations (**aided**).

Spontaneous awareness of consumer rights **organisations**, like spontaneous awareness of consumer rights, was low. Only **21%** of the sample could mention any organisation and even then some of these organisations are not, strictly speaking, consumer rights organisations, some of the mentions were:

- The SA police
- Social workers
- Legal Wise
- Legal aid
- Radio stations
- Housewives league
- Scorpions

In general, consumer helplines/advice centres were mentioned by 5% of respondents who were able to recall a consumer rights organisation. The police (4%), and consumer boards/affairs offices were also mentioned (3%). The Small Claims Court was mentioned by 2% of respondents.

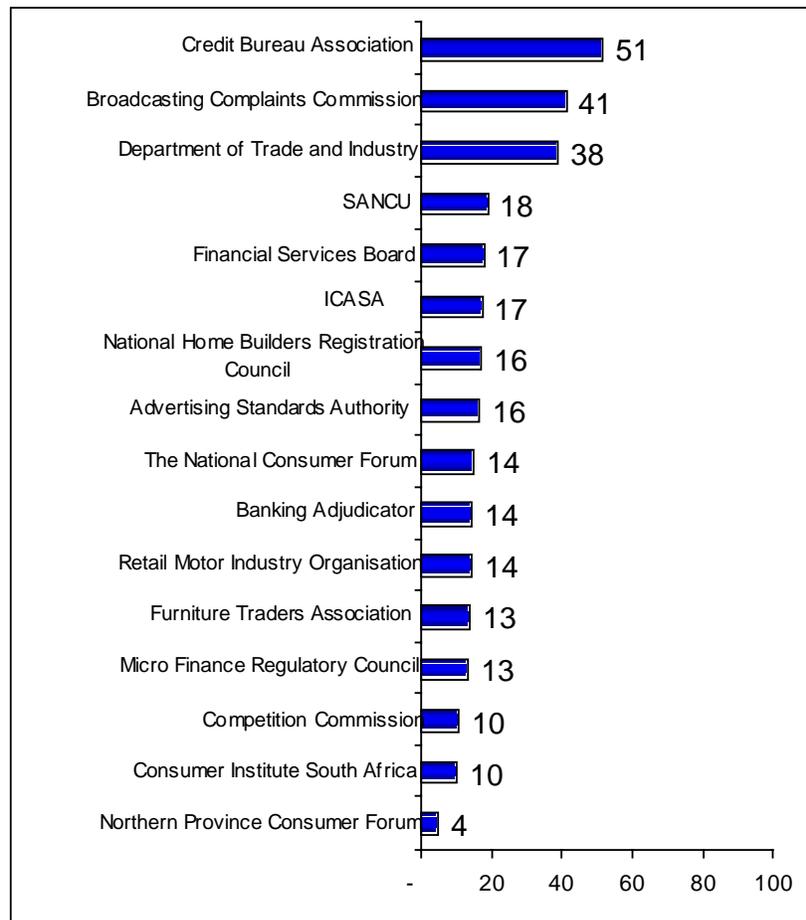
Black respondents tended to mention various government departments (3%) such as the Department of Labour/Manpower, Department of Home Affairs, Department of Health and the Department of Trade and Industry.

White respondents mentioned the television program “Fair Deal” (6%), and the Broadcasting Complaints Commission (4%).

Coloured respondents also mentioned political parties as a source of protection for consumer rights (3%).

Besides the spontaneous awareness question, respondents were given a list of organisations and asked to indicate which ones they were aware of. The percentage of respondents aware of each organisation is given in figure 16.

Figure 16: Percentage respondents aware of each consumer rights organisation



The Credit Bureau Association received the most mentions. This high awareness correlates with the comparatively high awareness of the Credit Agreement Act (see section 3.2). The Broadcasting Complaints Commission and the Department of Trade and Industry are also relatively well known to respondents.

Awareness of most organisations is much higher among the White sector.

Very few respondents have made use of any of these organisations. The Credit Bureau was contacted by 12 people and the Home Builders Registration Council by 5. The rest were either not contacted at all or by only 1 or 2 people.

The outcome of most of these contacts was positive, with the possible exception of the Home Builders Registration Council where only 2 or the 5 were happy with the outcome.

Focussing only on awareness of the dti, figure 17 indicates that awareness of the dti is much higher amongst White respondents (82%) than the black respondents (27%).

Figure 17: Awareness of the Department of Trade and Industry among the different race groups

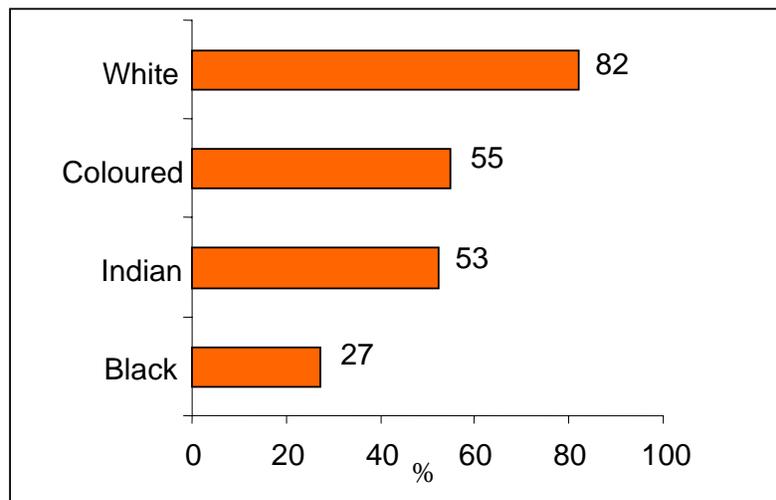
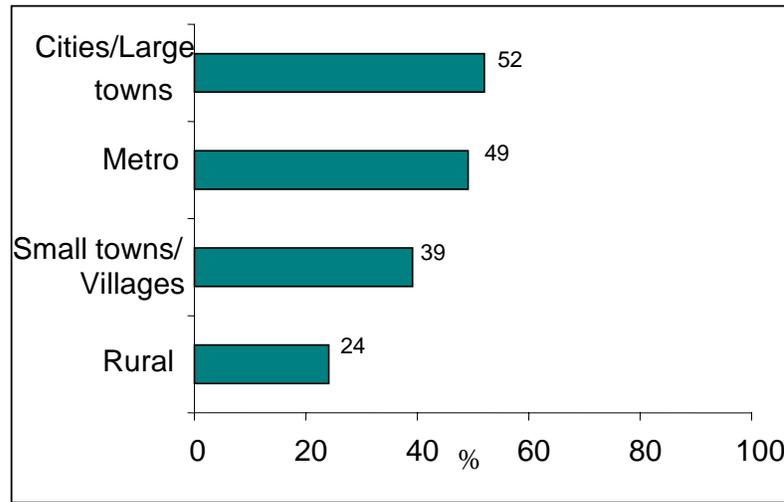
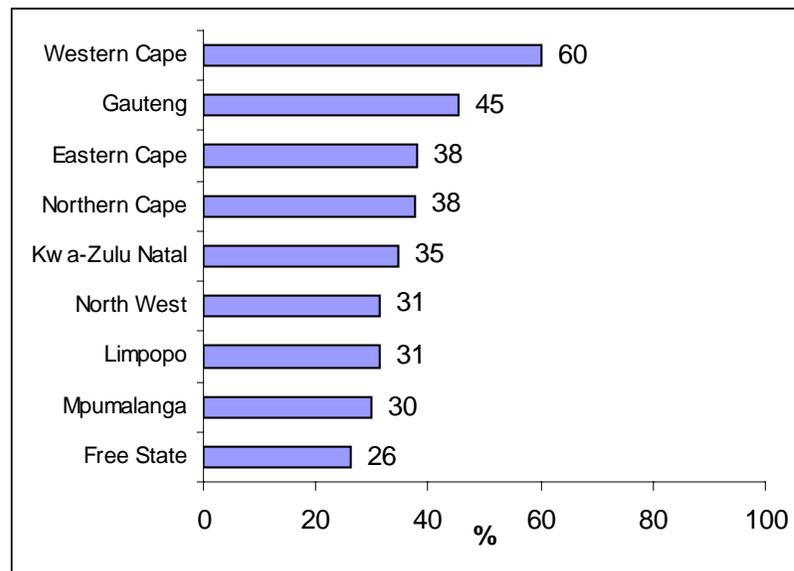


Figure 18: Awareness of the Department of Trade and Industry among the different community sizes



Awareness of the dti is highest in cities/large towns and metropolitan areas, with very low awareness in the rural areas (only 24%)

Figure 19: Awareness of the Department of Trade and Industry in the different provinces



When looking at awareness within provinces, Western Cape (60%) followed by Guateng (45%) showed the highest awareness. Relatively low awareness is seen in the Free State (26%)

Awareness of the Provincial Consumer Court and the Small Claims Court was also tested.

Only 16% of respondents have every heard of the Provincial Consumer Courts and **none** of the respondents in the study had ever made use of these courts.

Table 22: Percentage respondents in each province that are aware of the Provincial Consumer Courts

	% Aware
Free State	31
Gauteng	22
Western Cape	21
KwaZulu-Natal	18
Mpumalanga	15
Northern Cape	11
Limpopo	10
Eastern Cape	8
North West	5

Respondents in the Free State were most aware of the Provincial Consumer Courts (31%), followed by Gauteng respondents (22%) and the Western Cape (21%).

The Small Claims Court is better known among respondents with 44% indicating that they had heard of this court before; 4% (14 people) had made use of the Small Claims Court in the past.

3.5 REQUIREMENTS FOR A SUPPORT SYSTEM

84% of respondents indicated that they would complain if they bought a product that was not of the quality they expected. This is true for all race groups and across all community sizes. The main reason why some would not complain is that they feel it would make no difference (42%).

Respondents were given the opportunity to state what they require from a consumer rights support system, in their own words.

Many of the responses centred on a **physical place** to go:

- “Place to go in my area/locally” 9%
- “A place to go” 6%
- “Place that is free of charge” 5%

Mentions about a **telephone number** included:

- “Number to phone” 3%
- “Toll-free number” 3%

Respondents also mentioned:

- “Government supported system” 6%
- “Courts/law office” 6%
- “Police support” 4%
- “Lawyers” 3%

Whatever the support system is, it must be quick and effective 5%

People need information about the support systems 5%

There were also a few respondents that felt that people should be arrested 3%

The feasibility of consumer help lines and face-to-face consultants in the closest large towns was also examined by asking respondents to indicate how likely they would be to make use of such services.

Table 23: Likelihood to make use of the consumer helpline and face-to-face service

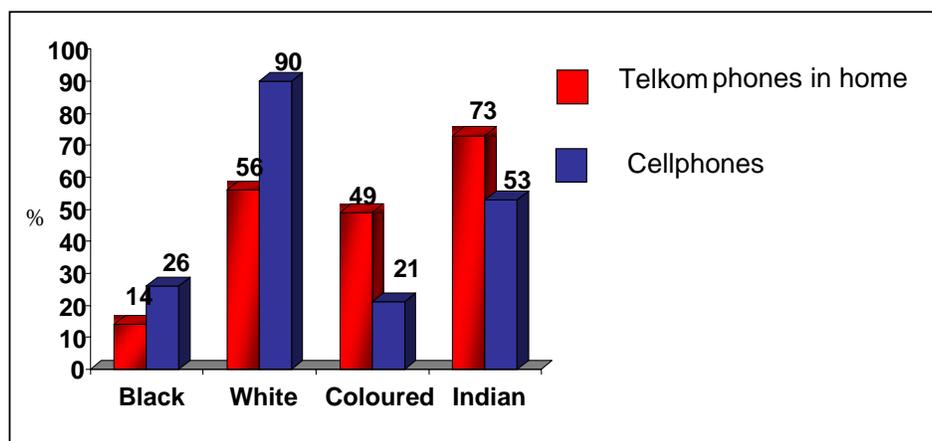
	Consumer helpline	Face-to-face
	%	%
Very likely/somewhat likely	81	79
Neither likely nor unlikely	11	14
Not very likely	8	7

Respondents were equally would very likely use a consumer helpline or a face-to-face service. Those respondents who indicated that they were not very likely to make use of such services were asked to explain their reasons.

The main reason appears to be an attitude of “it would not help anyway” (53%). Money is also a consideration for some as they don’t have the money to phone (16%) or to travel to the nearest town (7%).

As part of testing the feasibility of a consumer help line, the incidence of Telkom lines in home and cellphone usage was asked.

Figure 20: Percentage people with Telkom land lines and cell phones



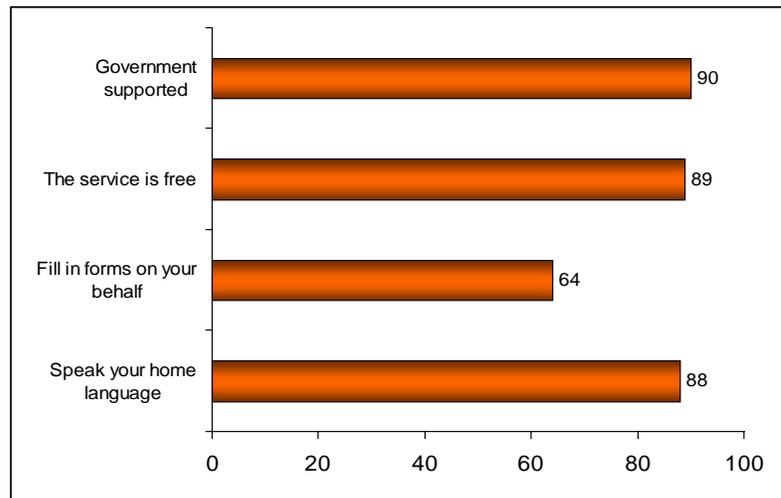
When looking at the age distribution of respondents with land lines and cellphones, it is interesting to note that it is mostly the older respondents that have land lines and younger respondents that have cellphones.

Table 24: Percentage Telkom phones in home in the different provinces

	% with Telkom land lines
Western Cape	63
Northern Cape	31
Free State	10
Eastern Cape	18
KwaZulu-Natal	32
Mpumalanga	18
Limpopo	3
Gauteng	30
North West	13

The importance of certain attributes of a proposed support system was tested by asking respondents to indicate how important it is for them to have these attributes.

Figure 21: Percentage respondents for whom it is very important



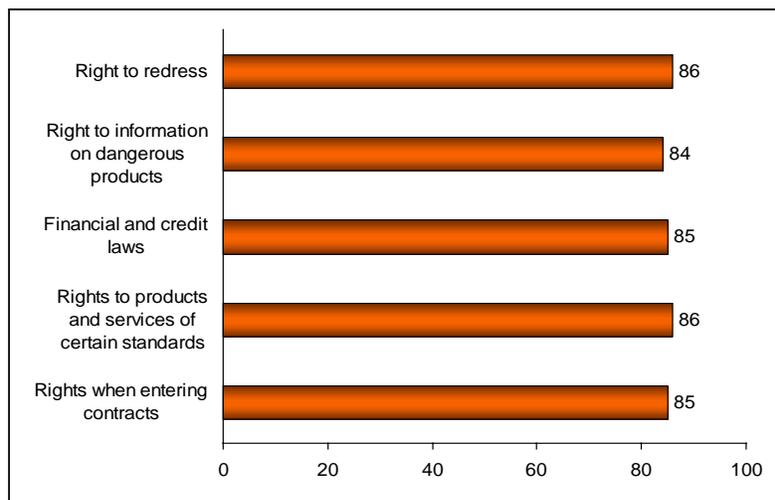
It is very important for respondents that the service is government supported, free and that the person helping you can speak your home language. It is, however, less important to have someone fill in the forms on your behalf.

When asked who they, the respondents, believe should carry the **responsibility for faulty products**, most of them said that it should be the responsibility of the retailer who sold the product (74%).

3.6 INFORMATION NEEDS

When asked if they would like more information on certain rights, almost all the respondents indicated that they would like to know about every right.

Figure 22: Percentage respondents requiring information on each right



Respondents were asked to indicate where they would like to obtain the information. The table overleaf indicates the percentage of people that would like information from the different possible sources.

Besides radio, television, followed by newspapers, is the preferred source of information for all of the race groups.

Table 25: Preferred sources of information on the different consumer rights

	Total	Black	White	Coloured	Indian
	%	%	%	%	%
Magazines	42	37	64	55	40
Newspapers	61	58	68	70	87
Radio	89	93	70	83	87
Television	85	85	81	85	100
Internet	13	8	36	18	21
Multi-purpose community centres	57	58	35	74	45
Consumer groups	51	53	35	57	50
Local consumer office	55	55	51	65	32

Newspapers and television are sources for distributing information mainly in the metropolitan areas. The other community sizes prefer the radio more strongly to any other media source. The use of Multi-purpose community centres, consumer groups and local consumer offices are less desired in the metropolitan areas.

Table 26: Preferred sources of information on the different consumer rights

	Metropolitan (n = 315)	Cities/large towns (n = 115)	Small Towns/ Villages (n = 120)	Rural (n = 350)
	%	%	%	%
Magazines	47	53	44	33
Newspapers	70	68	63	51
Radio	82	90	95	94
Television	87	71	73	77
Internet	20	17	14	5
Multi-Purpose community centres	47	58	69	61
Consumer groups	53	56	63	54
Local consumer office	50	64	67	51

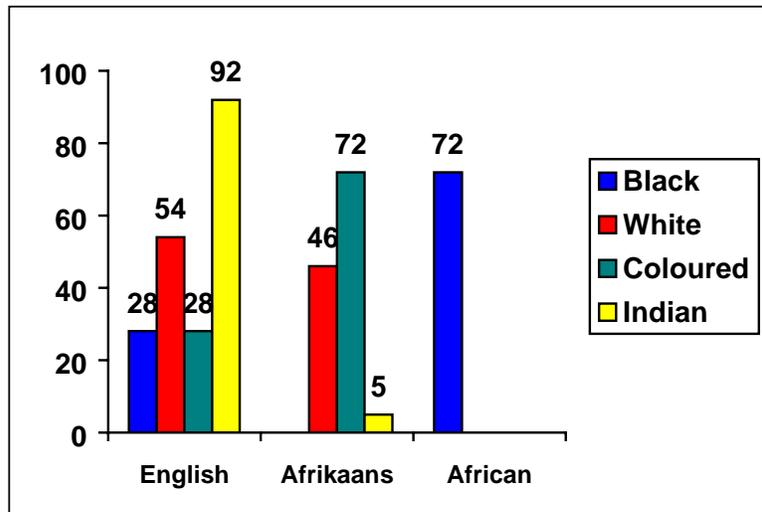
These figures correspond mostly to the incidence of use of each of the media. Respondents in the cities/large towns read magazines more often than the other

community sizes; metropolitan respondents read more newspapers; and almost all the respondents in the small towns/villages (94%) listen to radio.

Television viewership is the lowest in rural areas, 74% vs. 95% in metro areas. The Internet is mostly used in metropolitan areas and cities/large towns. None of the rural respondents use the Internet regularly.

Respondents had the opportunity to indicate in which language they would prefer the information. 28% of Black respondents would like the information in English, and the other 72% in an African language. The White respondents would like the information in English (54%) and Afrikaans (46%). Coloured respondents prefer the information in Afrikaans predominantly (72%) and Indians in English (92%).

Figure 23: Preferred language for information on consumer rights



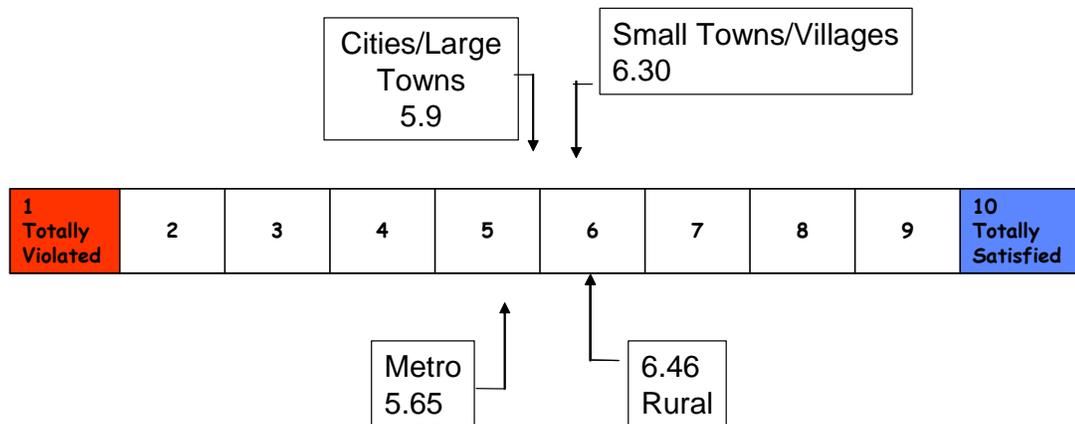
3.7 ATTITUDES AND PERCEPTIONS IN GENERAL

To determine the respondents' general satisfaction with consumer rights in South Africa, they were asked to rate how they feel on a ten-point scale, where one indicated that their rights are totally violated and ten indicated that their rights are totally satisfied.

In total, respondents gave consumer rights in South Africa a rating of six out of ten. There were 4% that felt that consumer rights are being totally violated, and 8% were totally satisfied.

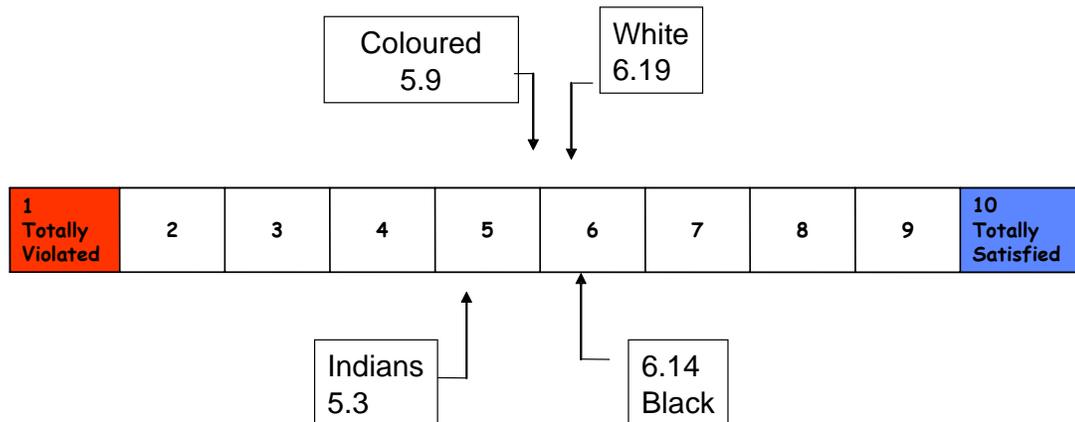
The scores out of ten for the different community sizes are given below. Rural areas are generally more positive with metro areas the least positive.

Figure 24: Average scores on satisfaction with consumer rights in South Africa for the different community sizes



The figure below indicates the scores out of ten that the different race groups assign to consumer rights.

Figure 25: Average scores on satisfaction with consumer rights in South Africa for the different race groups



Black and White respondents are most satisfied with their consumer rights. Indians are the race group least satisfied.

Table 27: Average scores out of 10 for the different provinces

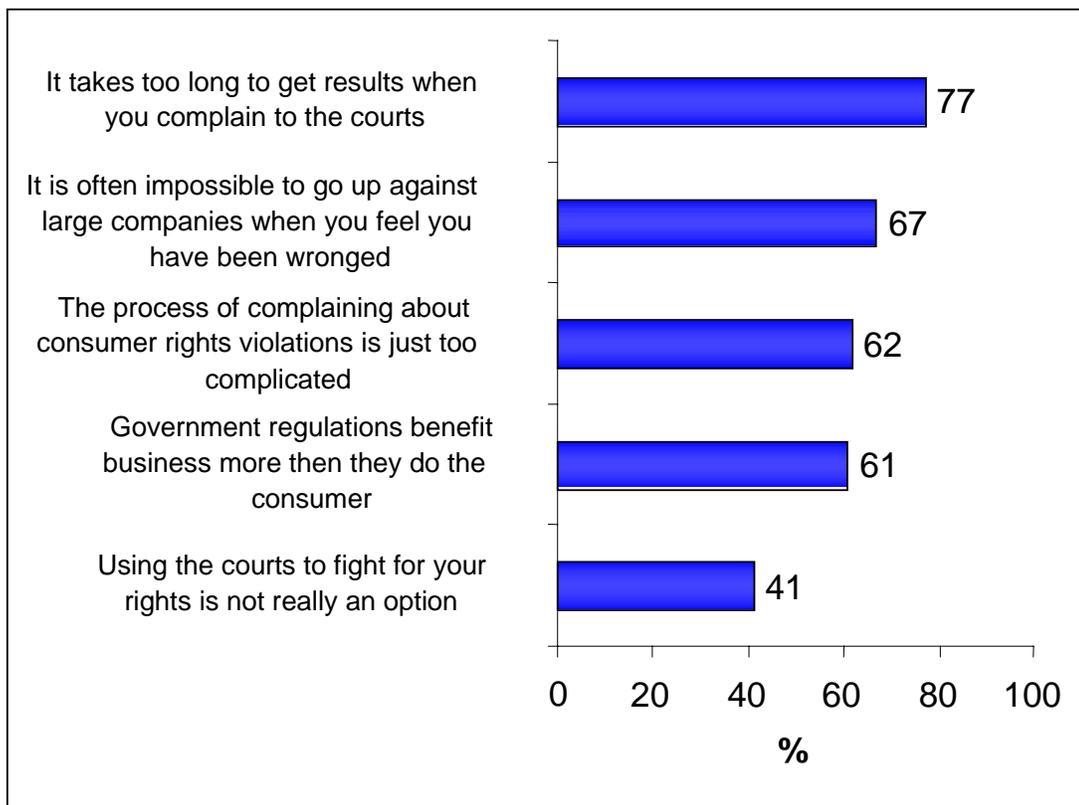
	% with Telkom land lines
Western Cape	5.75
Northern Cape	6.08
Free State	6.72
Eastern Cape	5.65
KwaZulu-Natal	5.27
Mpumalanga	7.35
Limpopo	6.38
Gauteng	5.88
North West	6.88

Respondents from the Free state and Limpopo are relatively more satisfied with consumer rights. KwaZulu-Natal, Western Cape and Gauteng scored relatively low.

Respondents were asked to indicate on a five point scale, where 1 is Strongly disagree and 5 is Strongly agree, how much they agree with certain general statements. The general issues were grouped into those pertaining to consumer rights, government issues and product quality.

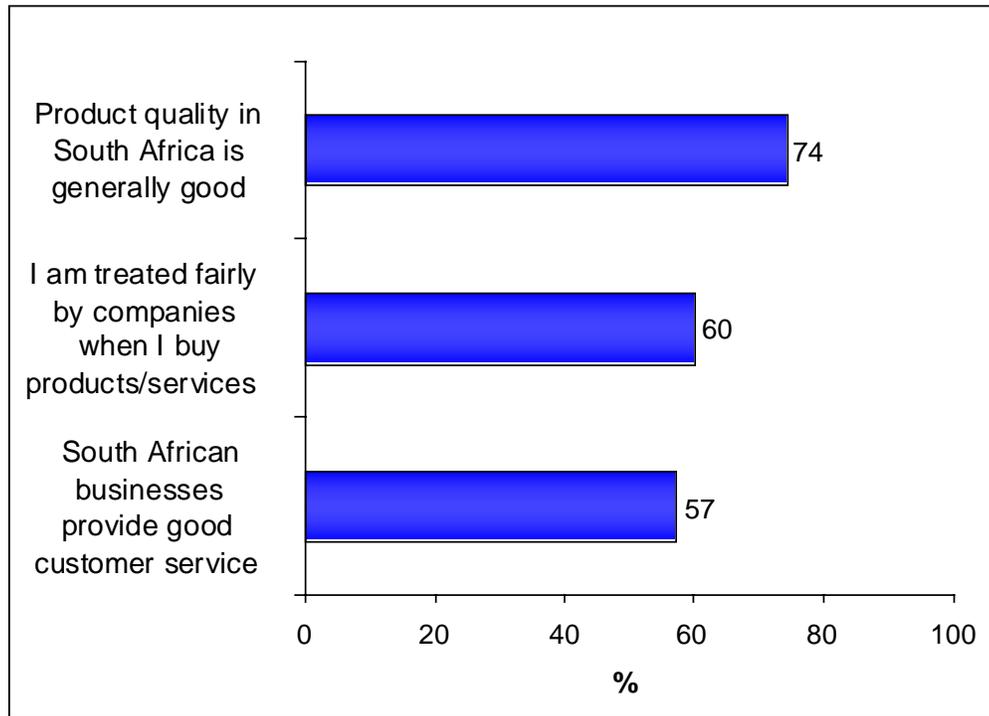
The figure below gives the percentage people that strongly agree/agree with each of the statements relating to **consumer rights issues**.

Figure 26: Percentage respondents that strongly agree or agree with statement regarding consumer rights



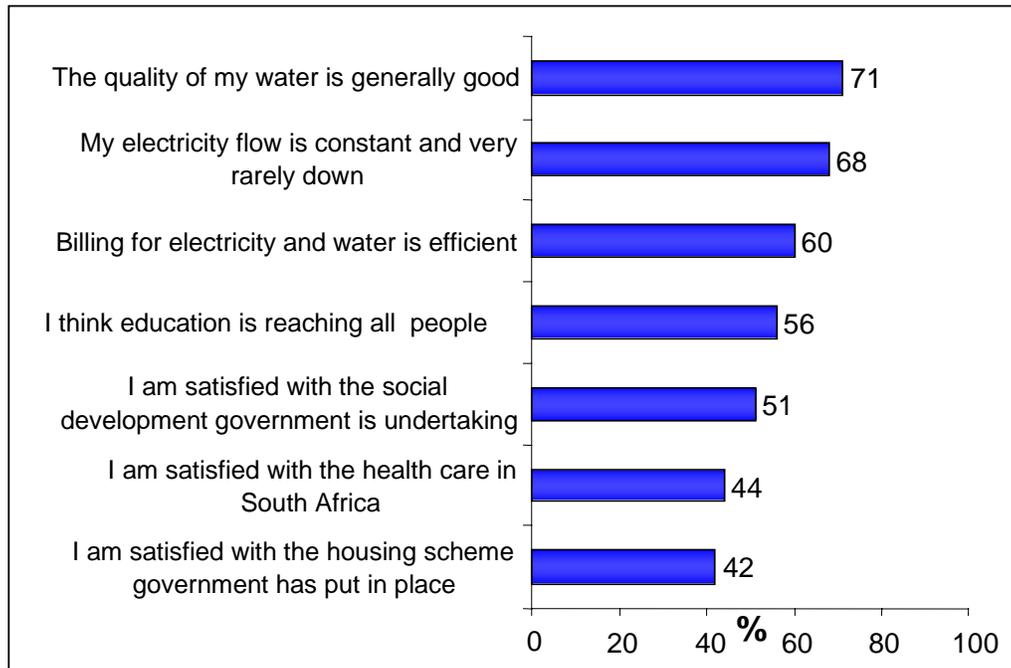
There is a strong perception of tardiness on the courts. While the majority, by far, have not actually made use of courts, this is the perception that they have.

Figure 27: Percentage respondents that strongly agree or agree with statements regarding product quality



Product quality is generally considered good in South Africa (74% agree with this). Customer service, however, is only perceived by 57% as being good.

Figure 28: Percentage respondents that strongly agree or agree with statement regarding government related issues



Respondents are least satisfied with the housing schemes that government has put in place and with the health care system. Respondents are reasonably satisfied with their water and electricity.

3.4 NON GOVERNMENTAL ORGANISATIONS

Only 2% of the respondents claim to belong to an NGO. Most of these 2%, however, misunderstand the meaning of NGO. When probed on which NGO they belong to some of the following were mentioned:

Legal Wise, the church, a burial society, the Scorpions.

Those that do not belong to one were questioned as to their reasons. Reasons were:

- Don't know of any NGO's 32%
- Don't know where to find them 12%
- Don't know about their benefits/much about them 9%

3.9 CONCLUSIONS

A need for information about consumer rights and consumer rights organisations has clearly come to the forefront. Not only have 85% of the respondents asked for more information on their rights as consumers, but it is also clear from the spontaneous mentions that some respondents are confused as to what exactly consumer rights entail.

Human and employment rights are sometimes confused with consumer rights. Certain situations were also perceived by respondents as being violations of their rights while they were, in fact, only unfortunate life events, such as losing your furniture when you cannot pay.

The radio is a preferred source of information about consumer rights, especially for Black respondents. While television is a popular choice, most of the rural respondents don't have access to a TV. Newspapers, as a source of information, would work well in metropolitan areas, especially for the Indians.

In terms of the support consumers require, a government supported system with a consultant speaking your home language is important to most respondents. A telephone helpline and a face-to-face service are viewed equally favourably. Similar concerns, like money and time, are raised for both methods. However, the main reason for the unlikeliness of utilising either is the sense that it would not be of significant help, (a sense of hopelessness).

This general negative attitude is reflected by respondents' relatively low satisfaction levels with their consumer rights. On average, respondents rated their satisfaction with consumer rights as a six out of ten. They have, on reflection, not experienced that many consumer rights violations, yet they are relatively negative towards courts and other protective systems. They perceive courts to be slow and ineffective, even though most have not made use of any.