


CONSUMER PROTECTION
ACT CHAPTER 14:14
INSURANCE AND PENSIONS INDUSTRY

CCZ BACKGROUND

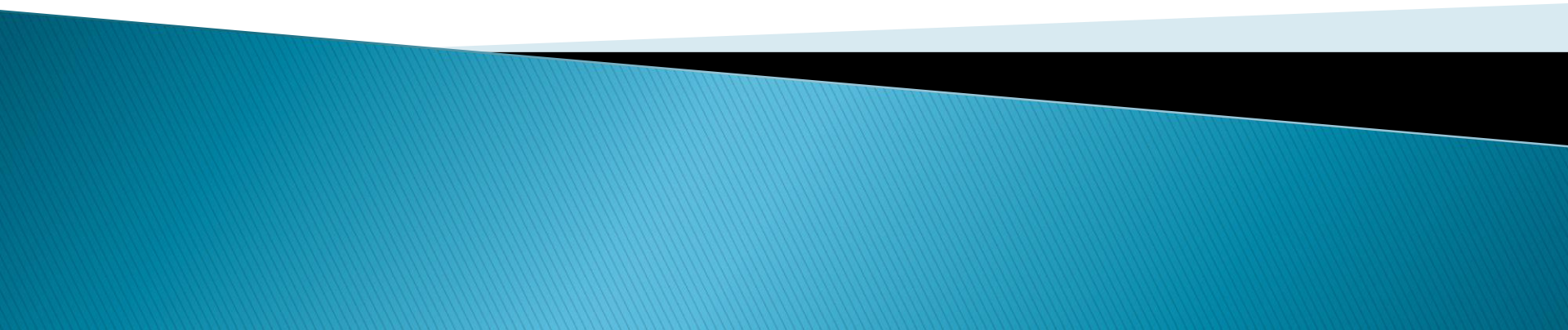
- ▶ The origins of CCZ are deeply rooted in the great and noble cause of protecting and empowering consumers by monitoring product and service quality to improve living standards of consumers. The formation of the Consumer Council of Zimbabwe can be traced as far back as 1955 and was spurred by economic problems resulting from increased costs of living and violation of manufacturing standards.
- ▶ The formation was spearheaded by two prominent Women's organizations, which had active interest in consumer issues, and these were the National Women's Organizations (NWO) and the Federation of Women's Institutes (FWI).

CCZ BACKGROUND CONTD.

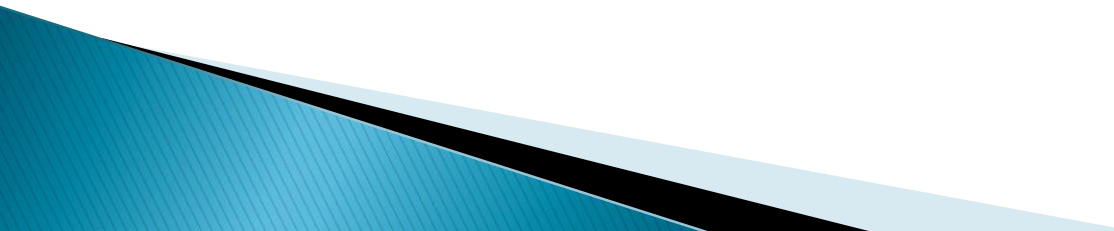
- ▶ The then Salisbury consumer movement group was aimed at ensuring that consumers would not only get value for their money, but that primary producers and manufacturers produced items of high standards which could compete with imported processed foods and manufactured goods.
 - ▶ It is against this background that the CCZ was born in the structure we know today on the 5th of December 1975, registered as a welfare organization in terms of subsection (5) of section 9 of the Welfare Organizations Act (Chapter 93) and its registration number is W.O. 9/85.
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Why the need for an Act?

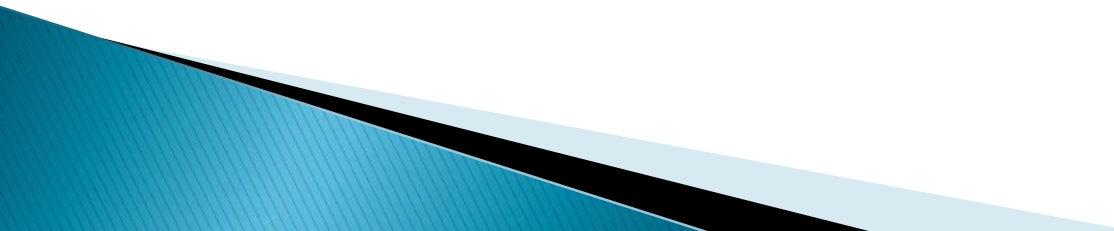
Justification



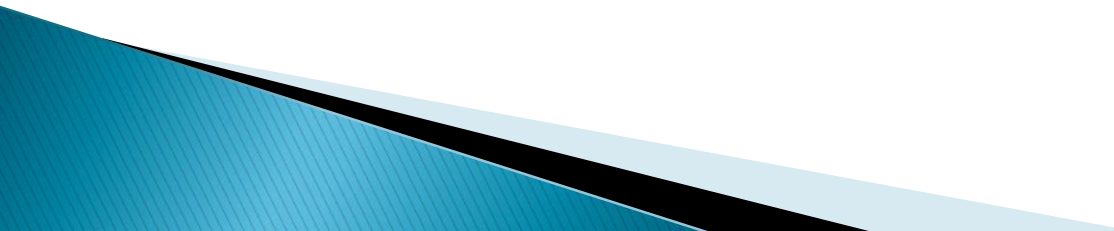
Why the need for an Act?

- The UN Guidelines for consumer protection is a declaration of best practices in consumer protection law and policy.
 - The guidelines are not binding, but do provide a set of basic consumer protection objectives upon which governments have agreed, thereby serving as a policy framework for implementation at a national level.
 - Whilst directed primarily at governments, some provisions of the Guidelines are also directed at businesses.
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CONTD...

- Adopting good practices on consumer protection will positively influence the Insurance and Pensions services sector as this is consistent with the regulator (IPEC) overall objective of promoting the general stability of the insurance and pensions industry.
 - It is this background that has necessitated the training
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The CPA is meant to:

- Be as comprehensive as possible to ensure that regulators, legislation and policy do not perennially play catch up
 - Create a platform wherein business practices operate from a standard in relation to consumer rights.
 - Be alive to the emerging markets and technologies with the view of protecting the consumer.
 - Encourage competition, while simultaneously discouraging market domination bordering on monopolies.
 - Pay particular attention to the services sector, ensuring that the sector adheres to consumer friendly modes of operation.
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The Consumer Protection Act is also meant to

- 1) Ensure that the consumer is aware of his/her responsibilities. ..
 - 2) Mandate consumer education and this entails consumer education [e.g. by the CCZ, SAZ, government departments such as health, ICT e.t.c]
 - 3) Encourage the dissemination of information using various platforms such as the electronic and print media, leaflets and billboards as well as educational programs in schools ...e.t.c]
 - 4) Facilitate frameworks for regional and international cooperation in the area of consumer protection, particularly in this era of regional integration and globalisation.
 - 5) Ensure policies are in tandem with
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OVERVIEW OF THE CONSUMER PROTECTION ACT

CHAP 14:14

ROADMAP TO CPA

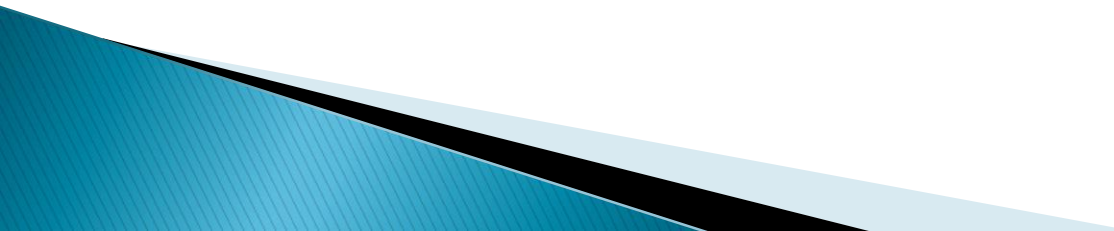
Since independence, the CCZ clamoured for the enactment of various legislation that include:

- ▶ Consumer Contract Act 8:03 (1996)
- ▶ Competition Act
- ▶ Class Action Act
- ▶ Small Claims Court Act 1992
- ▶ Patients Charter
- ▶ National Incomes and Pricing Commission Act 14:32 (2007)

However, these pieces of legislation failed to protect the consumer as they were not comprehensive & did not take into account emerging markets.



CPA CAP. 14:14 PREAMBLE

- “To protect consumers of goods and services by ensuring a fair, efficient, sustainable and transparent marketplace for consumers and business...”
 - Aims to harmonise interaction between consumers and service providers in the best possible way with main focus being on ensuring consumer gets the best possible service over merely being profit oriented.
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Consumer Rights



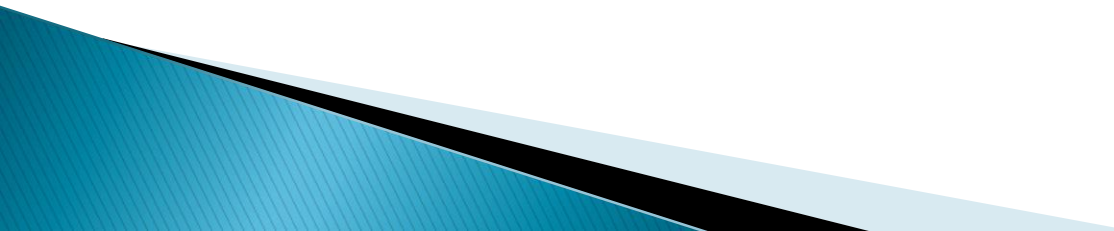
FUNDAMENTAL CONSUMER RIGHTS

As enshrined in the Act
PART III

*Right – is an entitlement which is protected by
law*

INTRODUCTION

Consumers of financial services have rights including the right to:-

- (a) Information and advice;
 - (b) Access basic Insurance and Pension services;
 - (c) Choose Insurance and Pension products and services;
 - (d) Be heard and redress;
 - (e) Insurance and Pension education; and
 - (f) Privacy of data in the custody of the regulated entities
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IPEC REGULATIONS

- ▶ The main role of the IPEC is to regulate, supervise and strengthen the insurance and pension industry for the protection of policyholders and pension scheme members through regulatory excellence.
- ▶ One of the main challenges facing the sector include; low consumer confidence, due to legacy issues, particularly the loss of value after the conversion of insurance and pension values from the Zimbabwe dollar to the United States dollar in 2009.
- ▶ The Insurance and Pensions Commission has issued a Guideline for the insurance and pensions Industry on adjusting insurance and pension values in response to the currency reforms.
- ▶ Policyholders and pension scheme members were paying USD-premiums and pension contributions since dollarisation in February 2009 until the promulgation of Statutory Instrument 142 of 2019, which re-introduced the Zimbabwe dollar. As a result, IPEC believes that the monetary reforms resulted in “extraordinary gains” for most insurance companies and pension funds

SUB PART A: SEC 9

RIGHT TO CONSUMER EDUCATION

- To acquire knowledge and skills needed to make informed, confident choices about goods and services while being aware of basic consumer rights and responsibilities.

SUB PART B: SEC 10

- ▶ Right to fair value, good quality and safety of goods and services

SUB PART C: SEC 18- 25

RIGHT TO CHOOSE

- ▶ Aimed at assisting consumers to select goods or services on the basis of having examined the goods and compared prices.

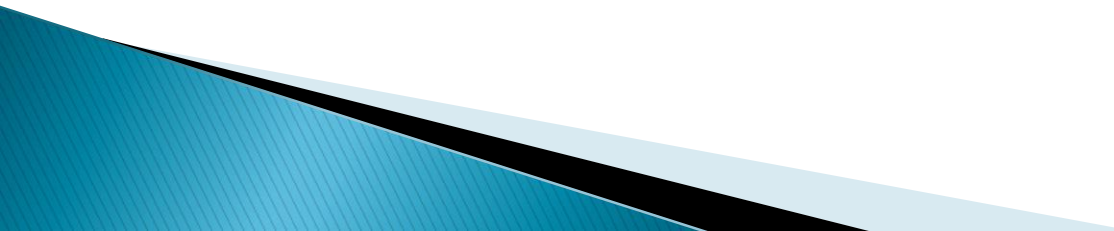
SUB PART D: SECTION 26 – 32

RIGHT TO INFORMATION

- ▶ Aims to ensure that consumers understand the terms and conditions of the transactions or agreements they enter into and are able to make informed choices about the products and services they consume, compulsory for business to display prices. Trade descriptions must not be misleading

SUB PART E: SECTION 33 – 34

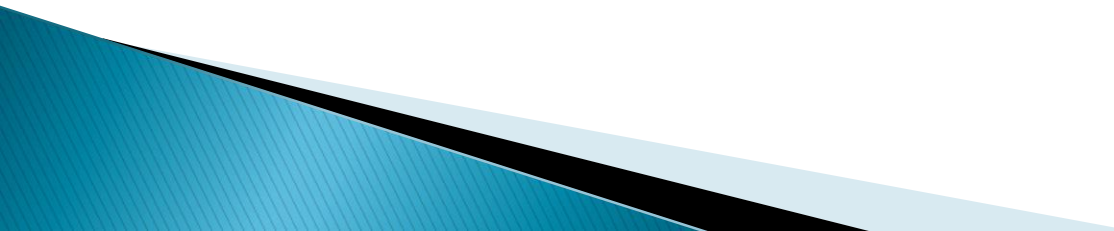
RIGHT TO BE HEARD, REPRESENTATION AND REDRESS

- ▶ Redress – to receive a fair settlement of just claims including compensation for misrepresentation, shoddy goods or unsatisfactory services
 - ▶ Asserts the ability of consumers to voice complaints and concerns about a product in order to have the issue handled efficiently and responsibly.
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SUB PART F: SECTION 35 – 51


RIGHT TO FAIR CONTRACTUAL AGREEMENTS

- ▶ Prohibits unconscionable conduct, force, coercion, undue influence, pressure or harassment, unfair tactics or conduct.
 - ▶ Regulated entities should have in place appropriate security and control mechanisms to protect customers' personal information.
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CONSUMER PRIVACY

- ▶ Consumer privacy must respected & personal information treated with strict confidentiality
- ▶ Service provider to develop appropriate security & control infrastructure to protect consumers' financial & personal information

SECTION 51 - SUPPLIERS RESPONSIBILITIES


- ▶ The Act binds both formal and informal trading and shall be required:
 - ▶ To take appropriate measures to provide fair value, good quality to consumers.
 - ▶ To provide warranty for goods and services.
 - ▶ Ensure goods and services are delivered on agreed date, time and at the cost of the supplier.
 - ▶ Allow the consumer to examine goods.
 - ▶ Not to enter an agreement to supply goods at an unfair, unreasonable and unjust prices and terms.
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PART IV: SECTION 52 – 54

ELECTRONIC TRANSACTIONS

- ▶ To provide for the facilitation and regulation of electronic communications and transactions and the use of electronic transactions.
- ▶ To prevent abuse of information systems and to encourage the use of e-commerce.
- ▶ To recognize the importance of information for the economic and social prosperity of consumers.
- ▶ Promote stability of electronic transactions.
- ▶ Acceptance of growth of electronic transactions

DEFINITIONS

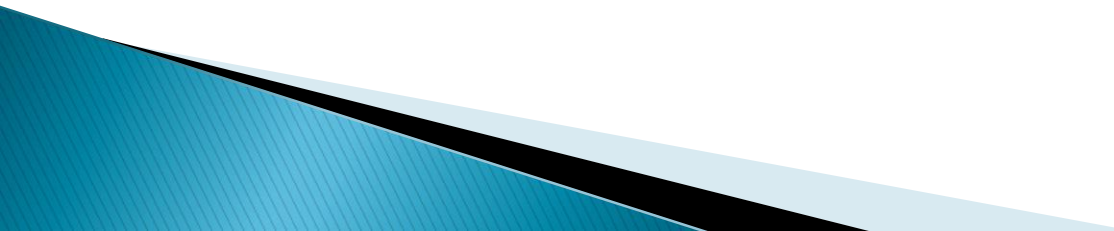
- ▶ Information system means a system for generating receiving , storing, displaying or otherwise processing data messages and includes internet.
 - ▶ Data means electronic representation in any form.
 - ▶ Transaction means a transaction of a commercial nature.
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PART 6

ENFORCEMENT OF RIGHTS

SECTION 65 – 77

ENFORCEMENT OF RIGHTS

- ▶ It allows for the consumer to approach the Commission designated consumer protection organisation or court in the case of infringement of rights.
 - ▶ Allows court to enforce consumer rights
 - ▶ The court may permit consumer advocacy bodies to enter and search any premises in terms of Section 74.
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PART 7

OFFENCES AND PENALTIES

SECTION 78 – 80

OFFENCES AND PENALTIES

- ▶ In relation to penalties and offences we are still awaiting for the establishment of the Consumer Protection Commission to develop policies and regulations.

SECTION 81

VICARIOUS LIABILITY

- ▶ If an employee or agent of a supplier of goods or services is liable in terms of this Act for anything done or omitted in the course of that person's employment or activities on behalf of their principal, the employer or principal is jointly and severally liable with the employee agent.

Conclusion

- ▶ The CPA came into operation in December 2019. In the meantime, suppliers such as insurers and Pension service providers have an opportunity redraft their agreements to align their operations with the provisions of the Act and to offer the required service to the consumers.
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