
GENERAL NOTICE

NOTICE 980 OF 2009

UNDERTAKING BETWEEN THE CONSUMER AFFAIRS COMMITTEE AND AMAZING VOUCHERS IN TERMS OF SECTION 9(1) OF THE CONSUMER AFFAIRS (UNFAIR BUSINESS PRACTICES) ACT NO. 71 OF 1988

We Jaco Den Haan, Garth Ernest Venter, Brian Neville Gamsu and Charles Michael Segall do hereby confirm: that we are the trustees of The Amazing Vouchers Trust, Registration No. IT No: 1058/2006. The said business enterprise has its principal place of business at 3rd Floor, 80 Strand Street, Cape Town, 8001.

The principal business of the said business enterprise is the marketing and sale of loyalty and benefit membership through direct selling.

I am aware that on June 27 2007 the Consumer Affairs Committee (the Committee) authorized a preliminary investigation in terms of section 4(1) (c) of the Consumer Affairs (Unfair Business Practices) Act no 71 of 1988 (the Act) into certain of my business practices. In particular, the Committee investigated complaints relating to the company's refusal to cancel an agreement within five working days of that agreement having been concluded between the company and certain consumers. The Committee was also concerned that consumers only became aware of the terms and conditions that applied to their contracts after the contracts were concluded.

We are aware that the definition of an *unfair business practice* as contained in the Consumer Affairs (Unfair Business Practices) Act no. 71 of 1988 (the Act), includes, *inter alia*:

"...Any agreement, accord, arrangement, understanding or undertaking whether legally enforceable or not, between two or more persons which, directly or indirectly, has or is likely to have the effect of harming the relations between business and consumers, unreasonably prejudicing any consumer and unfairly affecting any consumer".



We were also made aware that the aforesaid conduct can be deemed to be unfair or it is likely to have the effect of harming the relations between the business and the consumers, unreasonably prejudicing and unfairly affecting consumers. This practice also contravenes the Direct Selling Association Code on cooling off period and constitutes a *prima facie* unfair business practice as defined in the Act.

We are also aware that, in terms of section 9(1) of the Act, the Committee may at any time after section 4(1) (c) preliminary investigation negotiate with any person, with a view to making an arrangement which in the opinion of the Committee will ensure the discontinuance of an unfair business practice which exists or may come into existence and which is the subject of an investigation.

Undertaking: In view of the above, we the trustees of Amazing Vouchers Trust, undertake to:

1. Make sure that all agreements contain a cooling off clause permitting the customers to add, reduce or withdraw from the agreement by written notice within a specified period of time, which shall not be less than 5 (five) working days from receipt of the products, and to obtain reimbursement of any payments made.
2. Inform members during the recorded telephone conversation that their access code will be forwarded to them within twenty four (24) hours by means of a short message service ("sms") to their cell phone, failing which, they have to immediately contact your Client Services Department to obtain receipt thereof.
3. Advise consumers of their right to add, reduce or withdraw from the agreement concluded with the company within a period of five (5) working days from receipt of his or her access code.
4. Ensure that such advise is communicated to the consumer, in all of the following instances:

