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**GENERAL NOTICE**

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**NOTICE 251 OF 2008****DEPARTMENT OF TRADE AND INDUSTRY****CONSUMER AFFAIRS (UNFAIR BUSINESS PRACTICES) ACT 71, OF  
1988**

I, Mandisi Mphahla, Minister of Trade and Industry, do hereby, in terms of section 11(2) of the Consumer Affairs (Unfair Business Practices) Act 1988 (Act No. 71 of 1988), publish an arrangement dated 21 August 2007 entered into between the Consumer Affairs Committee and Homemark (Pty) Ltd.



**MANDISI MPAHLWA, MP  
MINISTER OF TRADE AND INDUSTRY  
DATE: 21-12-2007**

## UNDERTAKING

### **UNDERTAKING BY AVI OVADIA, THE CHIEF EXECUTIVE OFFICER OF HOMEMARK (PTY) LTD IN TERMS OF SECTION 9 OF THE CONSUMER AFFAIRS (UNFAIR BUSINESS PRACTICES ACT) ACT 71 OF 1988**

I, Mr Avi Ovadia, do hereby confirm that I am the Chief Executive Officer of Homemark (Pty) Ltd (Homemark) whose principal place of business situated at 39 Commerce Crescent, Eastgate Extension, Sandton, South Africa; and that I am duly authorized to make the following acknowledgements and undertakings:

#### **1.**

I am aware that the Consumer Affairs Committee (Committee), on grounds of an investigation in terms of section 4 (1) (c) of the Consumer Affairs (Unfair Business Practices) Act 71 of 1988 (Act), is of the opinion that Homemark;

1) without the unequivocal consent of consumers:

- a) delivers or causes goods to be delivered to consumers;
- b) obtains payment for such goods;
- c) seeks and or secures payment of delivery charges in respect of those goods;
- d) debits consumers' credit cards for goods delivered but not ordered by consumers;

2) insists on payment by credit card only for goods duly ordered and for duly agreed delivery charges when; and

3) Advises consumers that they have won prizes when in fact these consumers have not participated in any competition, promotional or otherwise and where after Homemark seeks delivery charges in respect of delivering the "prize".

#### **2.**

I confirm that there have on a few occasions been Sales Operators who have been sending goods to the consumer without the consumers' expressed consent. I wish to explicitly state that it is not Company Policy or standard business practice to dispatch any goods to customers which the customer does not require or has not ordered.

Unfortunately, as part of the Sales Operators' remuneration is commission based and due to the fact that they are target driven, they sometimes act unethically and possibly unlawfully out of their own accord and regrettably Homemark does not always have control over this type of behaviour. Homemark does not condone or promote this type of behaviour and views this in a very serious light. The Sales Operators involved have all been disciplined and all Sales Operators have been trained in the correct procedures.

The consumers have all been refunded in full for the goods and delivery charges.

3.

The credit card issue has been dealt with and all operators have been trained in the correct procedure and are now aware that they cannot only request payment via credit card. This was not a practice that was in any way endorsed by Homemark.

4.

Consumers that were approached to participate in the prize campaign are on the Homemark data base or referrals. Homemark does give high value prizes to these consumers even when they do not order any additional products. In every campaign that Homemark embarks on, Homemark explicitly informs consumers that the 'give-away' excludes shipping and handling.

5.


It is not company policy or procedure to conduct business in any manner that may be unfair. All staff have received training and guidance in the correct policy and procedures to follow.


6.

Further, I undertake that Homemark has not and shall not engage in such or similar unfair business practices as contained in paragraph 1 hereto.

7.

I furthermore understand that if it is of the opinion of the Committee that this Undertaking has been contravened then the Committee may conduct an investigation in terms of Section 8(1) (a) of the Act.

SIGNED at  on this the 21 day of August 2007.

  
A. OVADIA

On behalf of Homemark (Pty) Ltd

As witnesses

1.



2.

