

## **Disclosure of price of goods or services**

### ***Scope***

Section 23 of the Act makes reference to the display of prices for goods and services that are for sale. This section is not applicable to transactions where estimates for the performance of certain services are given; or to transactions where section 43 of the ECT Act applies.

### ***Who does it apply to?***

This section applies to any suppliers of goods and services as defined by the Act.

### ***How does it apply?***

Suppliers must clearly display the price of any products that they are displaying for sale to consumers. The price displayed must be in ZAR. The adequacy of the display of the price must be as per the requirements in the Act.

A supplier may not require a consumer to pay a price higher than the one that is displayed for the product. Should a supplier display two different prices for a single product, the lower of the two prices is what must be charged to the consumer.

If a supplier announces (by display of placards or similar medium) a discount, whether in monetary amount or percentage) on the displayed price of any product, the displayed price is deemed to be the price displayed for the product less the announced discount.

### ***So what?***

Businesses, particularly suppliers of retail products, must take care when displaying prices. This will require that when prices go up, the suppliers ensure that they change the displayed prices immediately so as to avoid losses or decreased profit margins. Particular care will have to be taken when announcing discounts, as suppliers must be careful to be clear whether the discount is on the displayed price, or the displayed price is the new discounted price. Should consumers be aware of the provisions of this section, they will be able to enforce their rights as per the Act and suppliers will no longer be able to force consumers into paying a higher price than what is displayed.

*This article was written by Tumeka Matshoba, Senior lecturer at the University of Johannesburg and member of the SAICA Legal and Compliance Committee.*