



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA



NATIONAL CONSUMER COMMISSION

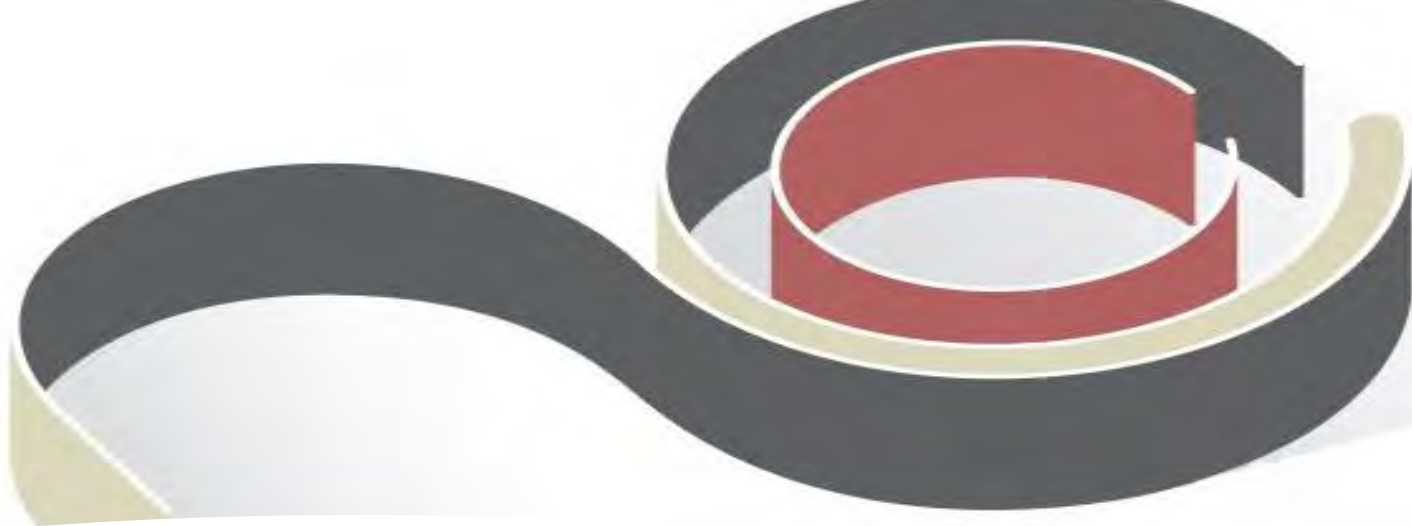
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BRIEFING TO THE PARLIAMENTARY PORTFOLIO COMMITTEE ON TRADE, INDUSTRY & COMPETITION

NATIONAL CONSUMER COMMISSION IMPLEMENTATION OF THE RECOMMENDATIONS OF THE TIMESHARE INQUIRY OF 2018

24 MAY 2023

Ms. THEZI MABUZA
ACTING COMMISSIONER



Ms. Thezi Mabuza – Acting Commissioner

DELEGATION

Ms. Prudence Moilwa- DH: Complaints & Investigations

Mr. Jabulani Mbeje – DH: Legal & Enforcement

OUTLINE OF PRESENTATION

1. Establishment and methodology
2. Scope
3. Deductions
4. Medium-to-long-term (Recommendation 1 – 22)
5. Short-term (Recommendation 23 – 32)
6. Implementation of recommendations - 2018 to date
7. Regulation drafting process (CCRB)
8. Other NCC interventions
9. Conclusion



ESTABLISHMENT AND METHODOLOGY

- In May 2017, the National Consumer Commission (NCC) established a formal inquiry into the Timeshare industry i.t.o. Section 88(3) of the CPA.
- The NCC appointed a three-member Inquiry Panel, to undertake the inquiry on its behalf.
- The Inquiry was conducted through public consultations (consumers, industry participants, provincial consumer protection authorities and sector regulators).
- The public consultations provided translation services to ensure that all in attendance could express themselves in a language of their choice.
- Written submissions were also received from affected consumers in all 9 provinces, through a dedicated email.



SCOPE OF THE INQUIRY

Based on alleged misconducts that were raised by consumers in complaints they had filed with the NCC, the following areas were explored:

- a) Inability to cancel contracts with the Clubs
- b) Forfeiture of points
- c) Unavailability of accommodation
- d) Unacceptable alternative accommodation offered
- e) Misrepresentations made during sales presentations
- f) Value of the points that industry sells to consumers
- g) The membership fees linked to membership levels
- h) levies charged and the unpredictable annual increases
- i) Inaccessibility of the Vacation Ownership **Clubs'** AGMs
- j) Inadequate handling of complaints by the Clubs



DEDUCTIONS

- a) None of the complaints filed, related to conventional timeshare e.g. where consumers owned weeks at resorts or holiday destinations.
- b) The complaints received were about the **“points systems”** and how the clubs were managed.
- c) The apparent over-subscription led to consumers not having access to the facilities of their choice and at the time they wanted to go on holiday.
- d) The Vacation Ownership Association of South Africa (VOASA) as a voluntary industry Association had attempted but failed to resolve some of the consumer complaints.
- e) The Property Time-Sharing Control Act, Act 75 of 1983 (PTSCA), did not cover the **“points system”**, that consumers were complaining about.
- f) The Consumer Protection Act 68, 2008 (CPA) did not repeal the PTSCA, and there are some misalignments between the two, especially emanating from the rights as espoused in the CPA.



RECOMMENDATIONS

The Inquiry Panel, made recommendations to address its findings.

The recommendations were categorized into medium-to-long-term and short-term.



MEDIUM-TO-LONG-TERM RECOMMENDATIONS



A. MANAGEMENT OF CLUBS

1. Meetings
 - a) The Clubs should take responsibility to ensure that their members are able to attend meetings, including AGMs;
 - b) Clubs have a national footprint, and members in all nine provinces should have equal representation in the management of the Club.
 - Provincial structures;
 - c) Adopt a rotation system in terms of hosting of AGMs to engender fairness to members in terms of logistics; and
 - d) In all dealings between the Clubs and members, there should be periodic “**customer** satisfaction **surveys**”, measuring satisfaction with the products/services offered. The contents of the surveys should be shared with the proposed industry regulator.



A. MANAGEMENT OF CLUBS ...

2. Annual increases of levies, fees and charges

- a) The Minister should designate a specific entity/ regulator to enforce the PTSCA in terms of the proposed regulations.
- b) The regulation will contribute in ensuring that **members'** rights and interests are protected and safeguarded in the determination of all forms of financial contributions to be made by the members.
- c) Once created or designated, the entity/ regulator should in consultation with other relevant regulators, investigate the **Clubs'** practices in respect of the quorum requirements and the use of proxies at General, Special and Annual General meetings

3. Change of Rules of Clubs

The NCC should consult with the relevant regulator/s to ensure that the members of the Clubs have access to and are placed in a position to influence decisions affecting their rights, responsibilities and the financial obligations imposed on them.



A. MANAGEMENT OF CLUBS ...

4. Complaints handling

The NCC should consult with the relevant industry regulator to ensure that:

- a) The relevant Code is updated to include a provision to oblige providers of goods and services to set up appropriate internal complaints handling mechanisms
- b) Include sanctions in the event that consumers are not able to access complaints handling mechanisms within the supplier at a set timeframe.



B. COMPETITION ISSUES

5. Industry definition and makeup

The NCC should consult with the Competition Commission (CompComm) to assess and determine the **industry's** definition, its makeup and competitiveness within the industry.

6. Competition and consumer protection matters

- a) The NCC should approach the CompComm and the Companies and Intellectual Property Commission (CIPC) to investigate the VO/ timeshare industry for:
 - Possible horizontal and vertical restrictive practices (focus areas of possible collusion amongst industry members, in terms and conditions of supply and product offerings, pricing, marketing, terms and conditions of cancellations, etc.).
 - Attention should also be given to possible conflict of interest (COI) emanating from overlapping club directorships and gate-keeping;
- b) A working group/ committee comprising of the CCSA and the NCC, be established to oversee matters negatively impacting consumer rights and protection affecting the industry and devise a plan on how those matters will be addressed



C. MARKETING

7. Invitation of potential members to presentations
 - a) The following practices should be discontinued and also be proscribed/ outlawed:
 - Luring consumers through purported freebies e.g., holiday vouchers, motor vehicles, free flights and similar items.
 - Hoodwinking consumers using scratch cards as a representation of whether or not they have won holidays or prizes;
 - Requiring consumers to bring along credit cards to venues for marketing presentations should be outlawed and discontinued.
 - b) The NCC should belabour the intricacies or modalities and facilitate the release of the consumers where the contracts were either a progeny of, or, were concluded as a sequel to unfair marketing practices.
 - c) All presentations made to consumers in the course of marketing should be recorded (visual/ audio) and copies be kept and archived, in accordance with the Archives Act
 - d) In the event of a dispute, the club should be obliged to produce the record.



C. MARKETING ...

8. High-Pressure Selling

- a) The practice of inducing consumers into signing contracts under pressure, using the threat that “**offers are valid for only today**” or “**bonus points are only available today**” when in actual fact this is never the case, should be discontinued and outlawed/prohibited.
- b) *Statement of practice*
- Should be developed by the NCC and the CGSO (with the industry)
 - Should outline the types of behaviour which should be regarded as “**pressure selling**” in timeshare.
 - The detailed conduct in such a Statement of Practice should be incorporated into the proposed PTSCA regulations as an interim solution, and be outlawed.
 - When the proposed industry focused legislation is ultimately passed, the contents of the Statement of Practice should likewise be incorporated therein
 - The proposed regulations should contain:
 - ✓ A prescript making it compulsory that the entities within the **Clubs’** domains should provide training courses to all timeshare marketing and sales personnel
 - ✓ A clause that provides for a stiff penalty for crossing the ethical line



C. MARKETING ...

9. Sales consultants/ agents/ external marketing companies
 - a) The industry should develop a Code of Conduct (Ethics) for the VO/ Time Share industry regulating the conduct of Sales Consultants/ Agents
 - b) The Code of Conduct Such should be submitted to the NCC (and the Minister for accreditation)
 - c) All industry entities should arrange training courses for consultants/ agents in order to promote adherence to the law and the Code of Conduct (Ethics)
 - d) Projection or representation of holidays/ incentives as investments should cease immediately



C. MARKETING ...

10. Agents/ intermediary

- a) The NCC should investigate and take action where the CPA had been contravened- refer matters relating to non-disclosure regulated under other laws to the relevant regulators
- b) Minister must be approached to prescribe, in terms of section 27(3)(a) of the CPA, the information including the manner and form of delivery of any such information, that an intermediary, or different categories of intermediaries must provide in terms of the Section
- c) As part of the Industry Code regulating the industry;
 - A Code of Ethics be developed and prescribed for all agents to adhere to
 - Agents must undergo compulsory training and obtain accreditation

11. Sales to vulnerable groups

- a) Where the said consumers have allegedly been prejudiced, they should be released from their ensuing contracts.
- b) The NCC should facilitate such release.



D. CREDIT RELATED COMPLAINTS / MATTERS

12. Extension of credit/reckless credit to consumers

The NCC should:

- a) Refer complaints regarding alleged reckless credit to the National Credit Regulator (NCR) to investigate
- b) Refer complaints relating to refusal to cancel credit agreements to the NCR to investigate
- c) Not entertain the cancellation proposal by the industry for credit agreements as it infringes the credit **receivers'** statutory rights contained in the National Credit Act

13. Non-disclosures

Where there is alleged non-disclosure relating to a credit agreement, the NCC should refer such complaints to the NCR to investigate



E. CONTRACTING

14. Contract management

A regulation should be promulgated in terms of Section 12 of the PTSC Act, to provide for a coordinated, streamlined and simplified disclosure in terms of information clubs/ developers must disclose to potential members.

- a) All timeshare contracts should be deemed as “**Fixed Term Contracts**”, subject to renewal by agreement between the club/ developer and the member. The limit should attach the Purchase of Points and Membership Application Agreements.
- b) The rights accorded to consumers in terms of Section 14 of the CPA should apply automatically, in the event of a consumer cancelling.
- c) No valid contracts should be concluded within a period of time to be specified on the proposed regulations, from when disclosures are made, in order to allow consumers to consider, digest and assimilate the said disclosures.
- d) It be made obligatory that all consumers are provided with the concluded contract (signed by both parties) on the day of the sale.



E. CONTRACTING ...

- The cooling-off period should commence only when the last party has appended his/her signature to the contract and the contract has been delivered to the consumer (once a consumer has received notification that their membership has been activated and membership number allocated).
- Given the general complexity of the contract and due to the added complexity resulting from the incorporation by reference of the **Clubs'** Constitution and Rules, and the multitude of prescribed disclosures, careful consideration should be given to the cooling-off period being extended for the consumer contracts.

15. Cancellation of contracts

- The NCC should not entertain the cancellation proposal for both membership and credit agreements made by the industry, as they might constitute collusive behavior for competitors to agree on contractual arrangements with their customers, such arrangements are a possible contravention of the Competition.



F. LEGISLATIVE REFORM

16. Property Time-Sharing Control Act, Act 75 of 1983 (PTSCA)

The Minister of Trade and Industry (now Trade, Industry and Competition) should in terms of Section 12 of the PTSCA:

- a) Prescribe information which should be disclosed in writing by a seller to a purchaser prior to the signature of any contract by a purchaser.
- b) Consider delegating administration of the PTSCA to a regulatory authority which might include the NCC to administer and implement the PTSCA .
- c) Prescribe for the Club to disclose an email address where notice of cancellation is deemed to be received once proof of remittance is provided.

Consumer Protection Act

In terms of section 14(4) of the CPA, the Minister should promulgate regulations to specify the Purchase of Points and Membership Application Agreements entered into between consumers and Clubs as fixed term agreements.



F. LEGISLATIVE REFORM ...

17. New piece of legislation

The dti(c) should draft a modern, industry focused, comprehensive piece of legislation that centralises regulation of the timeshare industry in South Africa in order to bring consumer protection in the timeshare/ vacation ownership industry on par with the rest of the world.

18. Creation of a new regulator

- a) A new regulator be created and tasked with enforcing compliance with existing and future legislation.
- b) There is benefit to be obtained from benchmarking in jurisdictions that are trailblazers and purveyors in this regard.



G: POINTS IN THE VACATION OWNERSHIP TIMESHARE INDUSTRY

19. Valuation of points

- a) At the point of sale, the seller should provide a clear and concise statement as part of its standard disclosures of the **points**' value and the calculation behind it
- b) The disclosure should reflect precisely the number of points required for a vacation period at the resorts or shared holiday accommodation consumers may access
- c) The Clubs should provide consumers with an annual valuation certificate for their points relative to the type of accommodation and the time of the year they can access that accommodation with their points

20. Expiry and forfeiture of points

- a) Consumers be notified of the imminent lapse of their points and be refunded the money they paid towards the maintenance of the holiday accommodation the points are associated with
- b) In instances where a consumer could not secure holiday accommodation during any year, the consumer should pay a reduced levy/management fee



G: POINTS IN THE VACATION OWNERSHIP TIMESHARE INDUSTRY

20. Expiry and forfeiture of points....

- c) In instances where a consumer is faced with the potential forfeiture of points due to non-availability of accommodation, those points should be carried forward until the consumer is able to secure holiday accommodation as per their contractual rights.

21. Cashing in and re-sale of points

- a) A platform be created for cashing-in, exchange and re-sale of points. Existing entities currently performing this critical role such as the Cape Escape, are tainted by their lack of independence from industry and the absence of known guidelines and methodology for valuation of points, to which consumers are privy.
- b) This can be done in two phases:
- Immediately- in terms of the regulations proposed to be passed in terms of Section 12 of the PTSCA
 - Longer term- such a platform can be detailed in the proposed industry focused or specific legislation.



G: POINTS IN THE VACATION OWNERSHIP TIMESHARE INDUSTRY

22. Liability of heirs for timeshare points

- a) Where the heirs of a person who owns a timeshare or points are willing to accept the **'inheritance'**, the Club should be required to:
- i. disclose the full terms and conditions of the inheritance.
 - ii. provide a detailed explanation of the obligations that flow from the inheritance, such as the following:
 - Management fees and/or levies payable;
 - The fact that there is no guarantee of availability of preferred accommodation upon bookings; and
 - These terms and conditions should be written in bold font.



SHORT-TERM RECOMMENDATIONS



H. QUALITY OF SERVICE/ AVAILABILITY OF ACCOMMODATION

23. Availability of accommodation

- a) The proposed industry regulator should:
 - Conduct periodic audits into vacational accommodation stock available in the South African markets.
 - Audit the vacational accommodation that gets converted into points for sale to Club members or consumers and ensure that the Clubs always have the available holiday accommodation to service the points they sell or resell
- b) Although the scope of the proposed audits will certainly evolve, the current challenges requires that the proposed audits should take into account all points sold or available for sale, relative to the movement of points in the holiday accommodation inventory.
- c) Ensure that all members are treated fairly in a non-discriminatory fashion and to ensure that Club rules do not operate to infringe **consumers'** rights to access vacational accommodation their points and/timeshare entitle them to
- d) Provide assurance and independent oversight in respect of the Clubs membership, reservation and inventory management systems
- e) The NCC should engage with affected Clubs in order to address specific complaints from consumers and obtain redress



H. QUALITY OF SERVICE / AVAILABILITY OF ACCOMMODATION...

24. Quality of accommodation

- a) As with all commercialized accommodation, the property subject to timeshare should be periodically evaluated and graded in order to ensure value for money (Grading Council is best placed to perform this function).
- b) Where a consumer cannot be accommodated in the facility of choice, the alternative or replacement should be of the same or commensurate standard as the originally booked facility.
- c) Where specific complaints have already been lodged with the NCC, the latter should engage with the Department of Tourism or the Grading Council and the specific establishments against which complaints have been lodged, in order to identify and address systemic issues and obtain redress for the consumers.



I. MISCELLANEOUS MATTERS

25. Confidential information

The NCC should engage with the Information Regulator regarding possible violation of the POPI Act;

26. Debt collections and litigation

- a) Clauses in agreements entered into between consumers and clubs, and consumers and developers; where consumers agree to consent to the jurisdiction of courts away from the **consumer's** place of residence and employment be outlawed;
- b) The NCC should engage the various Clubs with regards to complaints as above described and seek immediate cessation of this conduct as it violates Section 40 of the CPA and other applicable rules or prescripts of the jurisdiction;

27. Abuse of bank accounts and debit orders

The NCC should refer matters of this nature to the OBSSA.



J. ENGAGEMENT WITH INDUSTRY ON EXISTING COMPLAINTS

28. Existing consumer complaints

- The NCC should prioritize and urgently engage with the industry on a club-to-club basis regarding the commitments and concessions that they (clubs) made, vis-à-vis complaints lodged against them at the hearings that the Inquiry Panel held with them during November 2017 (over two days) and, February 2018 (over two days).
- Complaints that ideally require urgent intervention/ engagement are those where consumers seek cancellation of their contracts, especially when questionable marketing/ contracting practices were used to hoodwink consumers into signing timeshare contracts.



J. ENGAGEMENT WITH VARIOUS REGULATORY ENTITIES

29. Consultation with various other regulatory entities

The NCC should consult with the following regulators depending on the nature of the matters reported against each club, with a view to jointly coming up with ultimate solutions to consumer complaints in the VO/ timeshare industry:

- a) Law Society of South Africa (LSSA), regarding alleged misconduct by lawyers/attorneys
- b) Estate Agency Affairs Board
- c) Information Regulator, regarding matters of confidential information of consumers
- d) Debt Collectors Council, regarding dubious debt collecting methods and actions
- e) South African Revenue Services regarding the issuance of valuation certificates in respect of points



J. ENGAGEMENT WITH VARIOUS REGULATORY ENTITIES ...

- f) Companies and Intellectual Property Commission, regarding the legal form of companies, reporting and compliance requirements in respect of the issues that were raised by consumers, where relevant
- g) Banking Council of SA and Banking Ombudsman, regarding alleged abuse of debit orders and credit cards
- h) Provincial Consumer Affairs Offices and relevant Ombuds Schemes with regard to complaints resolution in general;
- i) SAICA and IRBA regarding responsibilities of Chartered Accountants vis-a-vis reporting, disclosure and compliance requirements of the entities they are appointed as assurance providers; and
- j) The Competition Commission in respect of possible anti-competitive behaviour in that relevant market.



J. ENGAGEMENT WITH INDUSTRY ON EXISTING COMPLAINTS

30. Proposed self-regulation mooted by VOASA

- a) The general view of consumers is that the VOASA driven self-regulation entity is biased and ineffective.
- b) An independent arbitrator or Ombudsman be set up for the industry with no ties or links at all to it, to resolve problems faced by consumers.

31. Effective enforcement of proposed regulations and protection of timeshare industry consumers

- a) Closer interaction between the NCC and the Provincial Consumer Affairs Offices in terms of section 83 of the CPA;
- b) Consumer education campaigns to ensure consumer awareness.
- c) The NCC should encourage professional and trade associations to develop consumer protection codes to enforce quality standards designed to safeguard the interests of consumers.



J. ENGAGEMENT WITH INDUSTRY ON EXISTING COMPLAINTS ...

31. Effective enforcement of proposed regulations and protection of timeshare industry consumers
- d) The proposed regulations and ultimately, industry specific legislation should address impediments to **consumers'** access to the courts and enable them to approach the courts directly in respect of complaints of prohibited conduct.
 - e) Development of clear processes of complaints handling and handover between the NCC and the Ombuds be established in terms of section 82 of the CPA.
32. Unresolved complaints
- a) The NCC should engage with consumers and update them as to what extent their complaints have in fact been resolved.
 - b) The NCC should execute the recommendations in the report, in connection with the specific issues raised where the complaints have not been resolved.





IMPLEMENTATION OF RECOMMENDATIONS – 2018 TO DATE



3.1. REFERRAL/ SHARING OF THE REPORT

The final Report was referred to the following regulators for them to consider the recommendations within their jurisdiction:

- a) Department of Trade, Industry & Competition (CCRB)
- b) Companies and Intellectual Property Commission
- c) Competition Commission
- d) National Credit Regulator
- e) Department of Tourism
- f) Consumer Goods & Services Ombud
- g) Estate Agent Affairs Board
- h) Council for Debtors Collectors
- i) Law Society of SA (LPC)
- j) Information Regulator
- k) Banking Council of SA and Banking Ombudsman
- l) SAICA and IRBA
- m) Provincial Regulators and Ombuds



3.2. TASK TEAM TO RESOLVE EXISTING COMPLAINTS

- a) May 2019- A seven (07) member task-team was appointed to ensure that the recommendations of the timeshare inquiry were implemented
- b) The task-team was to engage with industry and consumers to ensure the cancellation of the 1 230 outstanding timeshare contracts to ensure consumer redress.
 - 997 complaints were resolved as the contracts were cancelled without penalty / cancellation fee.
 - 223 complaints were resolved through mediated settlement with the intervention of the Consumer Goods and Services Ombudsman (CGSO).



3.3. LIMITED LEGISLATIVE REFORM

- a) **NCC engaged with the DTIC's Consumer & Corporate Regulation Branch to explore the following:**
- Overhauling the archaic Timeshare legislative regime, and passing of updated piece of legislation; or
 - Passing of Timeshare Regulations to address immediate plight of consumer on issues the NCC has no jurisdiction on.
- b) Independent of the Inquiry related processes, the Department of Human Settlements amended some portions of the PTCSA, through the Sectional Titles Schemes Management Act No 8 of 2011 and Regulation 1231 of 7 October 2016
- The said legislative reforms only apply to Community Schemes (namely, Sectional Title Scheme, Homeowners' Association; Shareblock Building, Retirement Village, Gated Village with a Constitution and A Social Co-operative) and do not apply to Timeshare Schemes.
- c) The work around the overhaul of the Timeshare legislation and the possible creation of a regulator remains, efforts are being made to address this gap.



REGULATION DRAFTING PROCESS: CCRB (DTIC)

Overview

- a) The Inquiry Panel recommended that Regulations be promulgated in terms of section 12 of the Property Time Sharing Control Act, 1983 (Act No. 75 of 1983) (referred to as the **“PTSCA”**).
- b) The **“PTSCA”**) is administered by the DTIC and its purpose is to regulate the alienation of time-sharing interests pursuant to property time-sharing schemes.
- c) The Regulations was to address issues such as information disclosure by a seller and issues on notices of cancellation.
- d) Through the Regulation, the Minister was also to delegate the administration of the PTSCA to a regulatory authority (in this case the NCC), to administer and implement the PTSCA once the Regulations in reference are effective.



REGULATION DRAFTING PROCESS: CCRB (DTIC)...

Progress

- a) The PTSCA is currently not actively enforced.
- b) The **dtic** had commenced with the process to develop the Regulations and consulted the NCC, Legal Services, Department of Tourism, Office of the Chief State Law Advisors (OCSLA) on:
 - the jurisdiction of the PTSCA, and
 - the powers of the Minister to issue the Regulations in terms of the Consumer Protection Act.
- c) The **dtic** developed the draft Regulations whilst addressing the legislative uncertainty on how to issue the Regulations.
- d) As there was a need to ensure that the Department acts within the legal prescripts; the consultations took longer than anticipated.



REGULATION DRAFTING PROCESS: CCRB (DTIC)...

Challenges

- a) OCSLA made it clear that the dtic was tasked to obtain a proclamation to ascertain which department administers the PTSCA as currently, it is unclear.
- b) Through further legal advise, it was noted that the Minister cannot use the blanket provision (section 120) within the CPA to issue regulations if the Act does not explicitly give such powers to deal with the Timeshare issues.
- c) The dtic had to determine which department in government administers the PTSCA between Department of Tourism (Tourism) and the dtic. Such exercise was carried through and Tourism through their Legal Service, confirmed that they do not administer the PTSCA.
- d) However from a Timeshares legislation, there is no prescribed reference in the CPA; the issues raised from the Inquiry **Panel's** recommendations could not be addressed through the CPA.
- e) There is legislative uncertainty given the laws that provide for the Timeshares in South Africa.



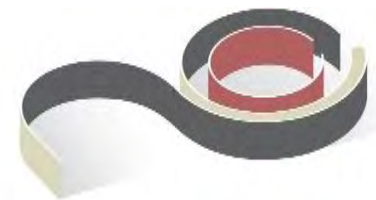
REGULATION DRAFTING PROCESS: CCRB (DTIC)...

WAY-FORWARD

The dtic has undertaken to migrate the Property Time Sharing Control Act to the relevant Department.



The receiving Department would be advised on the recommendations of the Inquiry Panel and they will then decide on the way-forward.



4. OTHER NCC INTERVENTIONS (CURRENT)

- a) The NCC received complaints from consumers related to Travel Clubs/ Air BnB such as Vacation Hub International (VHI), Travelution and Booking.com (Ashanti Lodge)
- b) Formal investigations have been conducted against VHI and Travelution. Through investigation, 237 out of 247 complaints were resolved. The 10 unresolved complaints revolve around cancellation and the “**cooling off**” period
- c) Travelution has thus far resolved 7 of the 10 complaints and refunded consumers 65% of the Cancellation Fees averaging between R25, 000-00 and R29, 000-00 per consumer
- d) **NCC's** Prosecution Unit has assessed the investigation report and agreed with the findings of the investigation that Travelution may have contravened either both section 16(3) of the CPA, subject to consumers confirming that the transactions were a result of direct marketing.



4. OTHER NCC INTERVENTIONS (CURRENT)...

- e) Many Timeshare Clubs have subscribed for membership with the **NCC's** accredited CGSO, and are thus obligated to subscribe to its Code of Conduct
- e) The **clubs'** conduct that consumers complain about and are covered in the **CGSO's** Code; get addressed through the mediation process by the Ombud.
- f) In Q3 of 2022/23, the NCC dealt with 18 timeshare-related complaints and in Q4 of 2022/23, there were 3. The Complaints while related to timeshare, they were against travel clubs that the NCC has investigated, which are VHI and Travelution.



5. CONCLUSION

- a) The Timeshare Inquiry received support from the DTIC, the consumer protection fraternity within the various provincial Economic Development departments, affected consumers, some academics, the timeshare industry, regulators, whistleblowers and other stakeholders.
- b) There was international interest and the dedicated email address enabled the Inquiry to receive input from consumers beyond South African borders.
- c) By just comparing the numbers/ volume of timeshare (not travel clubs) related complaints that the NCC and CGSO are currently receiving, as against what they were accustomed to prior to the Inquiry, it seems there has been significant behaviour change on the part of the Timeshare Industry.
- d) Concluding on the legislative reforms and ensuring the clarification of the regulatory framework including its jurisdiction through migration to the more applicable department, will enhance consumer protection for consumers.

DELEGATION DETAILS

Ms. Thezi Mabuza- Acting Commissioner-
T.Mabuza@thenc.org.za - 0836532391

Ms. Prudence Moilwa– DH: Complaints. & Inv.
P.Moilwa@thenc.org.za - 0616260573

Mr. Jabulani Mbeje- DH: Enforcement & Legal Ser.
J.Mbeje@thenc.org.za - 0674024333



NATIONAL CONSUMER COMMISSION
a member of **the dtic** group

Thank you!

**National Consumer Commission
South Africa**

Contact: + 27 12 428 7000

Email: www.thencc.gov.za