

## CONSUMER ALERT

August 05, 2024

### **CAUTION AGAINST UNFAIR BUSINESS PRACTICES IN CELL PHONE PRODUCTS AND SERVICES**

The Competition and Consumer Authority – CCA, has noticed with regret the escalating consumer complaints relating to the cell phone products and services as it investigates 144 complaints registered in the Financial 2023 -24 from the cell-phone sector.

The complaints mainly relate to failure of suppliers to provide accurate and clear information on the cell phone gadgets and related services, such as: selling used/preowned cell phones as new; limited warranty offered; failure to label the products; failure to display prices; poor repair services; faulty handsets and defective products; misleading advertising or misrepresentation; retailing products that do not comply with labelling standards; limited warranty offered that ranges from zero to four months, failure to repair; and poor customer service, among others.

CCA therefore informs the general public and reminds business community that failure to comply is in breach of the law. A minimum warranty of six months on new gadgets, and three months for repairs is prescribed by law and should be complied with. Suppliers should extend the full warranty provided by the manufacturer to the consumer. The warranty period given should never be less than what the manufacturer stipulates (or the Act) or whichever is more.

Regrettably CCA has noticed that the non-compliant suppliers often transfer the liability of products to consumers.

With regards to returning gadgets, the supplier has the responsibility to: **Repair** or **Replace**; or **Refund** the consumer the amount paid for the goods. This should be on sound business judgement, and not on the preference of the consumer; negligence; mishandling; physical damage; water related damage; tempering through attempts to repair; wear and tear; and some software defects, under the context that a cell phone is under warranty.

#### **Competition & Consumer Authority**

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Consumers are encouraged to keep the box or container of the gadget at the time of a purchase as such containers may carry important information (serial number) for identification. Consumers should also keep safely, payment receipts as will be required as proof of purchase upon submitting complaint and necessary for investigations. Consumers are further advised to refrain from any activity that may compromise the validity of warranty on the gadget, such as attempting to self-repair the gadget.

CCA would like to urge the business community to implement a transparent complaint management systems aimed at dealing effectively with consumer complaints and will reduce perennial complaints to the Authority unnecessarily.