

# Fraudsters threaten to turn festive season cheer to festive season frustration

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With the festive season fast approaching, South Africa has been slowly aligning itself with the rest of the world in heralding the start of the festive season shopping spree with its Black Friday shopping event.

While the origins of Black Friday in South Africa can be traced back as far as 2012 and 2014, it has really gained momentum since 2018. Since then, it has grown significantly with an estimated R5bn spent in 2021.

“While Black Friday has now become the common way to mark the beginning of the commercial side of the festive season, it is important that South Africans remember that fraudsters are very active at this time of the year. While there are plenty of special offers in the market, there are a lot of fraudsters who will want to take advantage of our desire to find the perfect deal,” says Manie van Schalkwyk, CEO of the Southern African Fraud Prevention Service (SAFPS).

He added that particular attention needs to be given to online payments as these can become low hanging fruits for fraudsters. PayFast reported in the media last year that online transactions over Black Friday increased by 34% and that the average basket price was R1,208/transaction. This looks likely to increase this year as many consumers will want to avoid the in-store rush on Black Friday.

## Empty promises

A growing trend that South Africans need to be wary of is the practice whereby a company offers products and services at a discount, accepting payment and not delivering the actual product or service.

The SAFPS recently received notification from the Consumer Goods & Services Ombudsman (CGSO) that they have been receiving several complaints against several suppliers who accept payments from consumers with no intention to deliver the goods or services. One of the suppliers offers fireplaces and chimneys that is operating in the Western Cape.

The company is offering its products at a discounted rate but not supplying the products purchased. Once the consumer indicates that they are interested in the product, they are asked to pay a deposit on the promise that installation will take place at a later date. The company does not deliver on their promise and offers a number of excuses as to why the consumer is facing a delay. The installation date is pushed out further and further with the deposit never being returned to the consumer.

Between 1 April 2022 and 28 September 2022, the Consumer Goods & Services Ombudsman received a total of 16 complaints regarding the company. The Consumer Goods & Services Ombudsman pointed out that the offending company has resolved two of the complaints by refunding the complainants and has resolved one complaint by delivering and installing the purchased fireplace. The Consumer Goods & Services Ombudsman pointed out that the offending company became uncooperative in June 2022.

## Look out for red flags

“This is a classic case of fraud and there are a number of ways that consumers can protect themselves against this,” says Van Schalkwyk.

Check the company's website for a legitimate telephone number and address. If there is no way to contact this company outside of their website, it may be a red flag that the business is not legitimate. Emails and domain names are easy to

obtain; therefore, having an email address is not as trustworthy as traditional contact information. It is always a good idea to call the number provided on their website to speak to an agent in person.

Browse the internet for discrepancies and indicators of professionalism. The internet has provided consumers with a voice to highlight their frustrations with a company and indicate that there may be problems when dealing with a specific company.

Always look at a request for a deposit with some degree of suspicion. It is a common practice with some companies. However, you should only pay a deposit once you are confident that you are dealing with a legitimate company.

“Sometimes, consumers still become victims of fraud even after they have carried out extensive research on the company. In the fireplace and chimney cases, there was no indication to consumers that they were dealing with a fraudulent company. In these instances, it is always advisable to deal with companies that are registered as Participants with the CGSO as there is a guarantee that they are legitimate and will address any complaints themselves. Consumers can also escalate any complaints to the CGSO if there is no quick resolution. All qualifying suppliers of goods and services in South Africa are required to register with the CGSO and comply with the Consumer Protection Act (CPA). Accepting payment without delivering the goods or the services is a contravention of the CPA,” says Van Schalkwyk.

Consumers can check on the CGSO website for registered Participants or lodge complaints on [www.cgso.org.za](http://www.cgso.org.za).

### **Protective Registration**

Besides the example provided above, consumers are also subjected to financial fraud, where their documents are used to open cell phone accounts or apply for credit. In this regard, one of the most important services, and the core of SAFPS’ service offering, is Protective Registration. Protective Registration is a free service protecting individuals against future financial fraud. Consumers apply for this service and the SAFPS alerts its members to take additional care when dealing with that individual’s details.

Protective Registration provides an added layer of protection and peace of mind regardless of whether the identity of the applicant has been compromised.

“If a member of the public wants to become proactive in the fight against fraud, the SAFPS is there to serve them. Visit our website at [www.safps.org.za](http://www.safps.org.za). Click on the fraud prevention tab and protect yourself against identity theft with Protective Registration. For best results, use your smartphone to go to our website. Once you have uploaded key pieces of information, you will add another layer of protection against potential ID fraud,” says Van Schalkwyk.

### **Fraud Victim Registration**

Through Fraud Victim Registration, the SAFPS will assist applicants in preventing fraud that is a result of identity theft and impersonation.

This will protect applicants from associated financial implications. The SAFPS will issue applicants with a Victim of Impersonation letter which they can share with future credit providers to assist in any verification processes.

Consumers are urged to visit the SAFPS website at [www.safps.org.za](http://www.safps.org.za), and click on protect your identity. It is recommended that a smartphone is used in this process and that the applicant has a copy of their ID with them. Alternatively, applicants can follow the manual process explained on the website.

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