



Joint Paper CONSUMER PROTECTION IN E-COMMERCE

MARCH
2026

Compiled by The National Consumer
Commission and Consumer Goods and
Services Ombud of South Africa

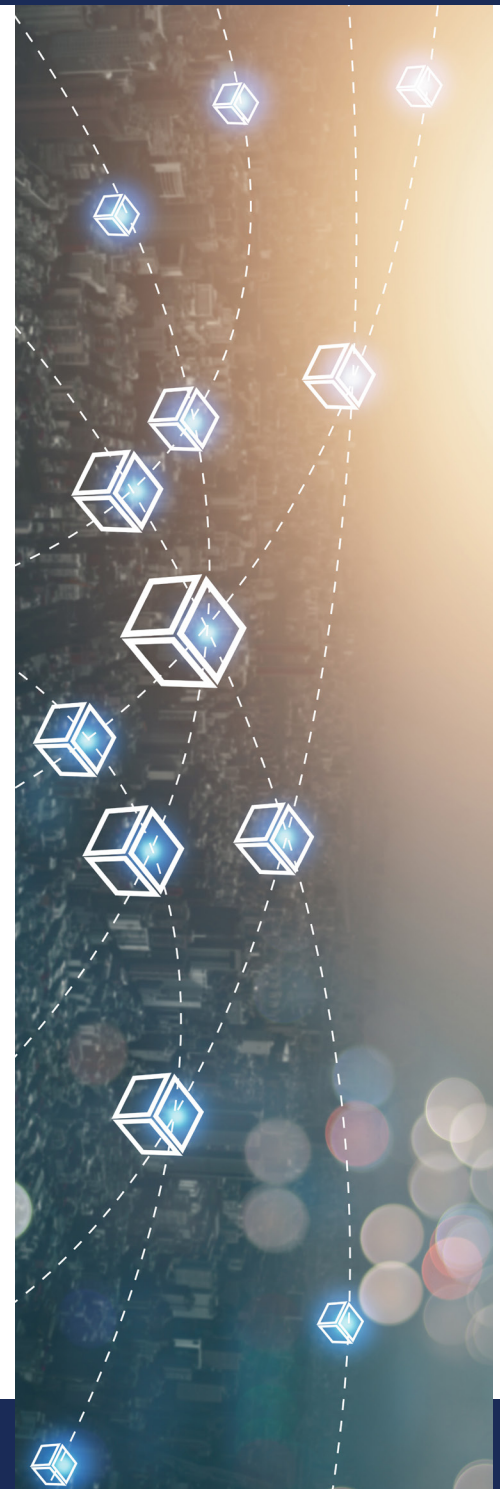


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ACKNOWLEDGEMENTS

The National Consumer Commission (the NCC) acknowledges the contribution of internal stakeholders and the Consumer Goods and Services Ombud (CGSO) of South Africa. In addition, contributions from the Department of Trade, Industry and Competition (dtic) and the Localisation Support Fund (LSF) are acknowledged.

Disclaimer: This joint paper has been prepared by the NCC and the CGSO to assess potential challenges on e-commerce that affect consumers in South Africa. The content of this paper should not be construed as findings for or against any e-commerce platform or related providers.

EXECUTIVE SUMMARY

There are several challenges consumers face when transacting online, namely marketing, rights, refunds and delivery challenges, data protection and privacy regarding online transactions, concerns related to third party sellers in online marketplaces and treatment of vouchers.

Marketing occurs before a transaction takes place and is therefore important because it informs consumers' purchasing decisions. Businesses often use social media and social media influencers to advertise products to consumers in a misleading way. However, there are provisions in the Consumer Protection Act No. 68 of 2008 (CPA) that protect consumers from misleading advertising. Section 29 of the CPA prohibits any suppliers from marketing goods in a deceptive manner. Section 30 of the CPA, which covers Bait Marketing, prohibits suppliers from advertising goods as being available at a specific price when the actual price is different.

In relation to consumer rights, refunds and delivery challenges there is heightened sense of concern among consumers that products purchased online will not arrive or will be damaged or look different to what was ordered. Thus, it is imperative that consumers are aware of their rights as set out in the CPA and the Electronic Communications Act No. 25 of 2002 (ECTA). Section 44 of the ECTA affords consumers the right to cancel an online purchase within seven (7) working days without penalty and to receive a full refund within thirty (30) days if payment was made prior to cancellation. Furthermore, consumers are entitled to cancel an agreement resulting from direct marketing in accordance with Section 11 of the CPA.

Section 20 (read with Section 19) of the CPA ensures that consumers have the right to inspect an item purchased online, and if it does not meet the quality and specifications of the order, they can refuse delivery, claim a refund and cancel the order without any penalty.

Further, Section 43 of the ECTA governs the information disclosure requirements (including the full price of goods and services) which suppliers are enjoined to comply with. This empowers consumers to make an informed decision. Section 46 of the ECTA stipulates that a supplier must execute an order within thirty (30) days unless otherwise agreed to.

E-commerce can be fraught with privacy issues which could dissuade consumers from transacting online. To address this, the Protection of Personal Information Act No 4 of 2013 (POPIA) protects consumers' personal information (name, ID number etc.) in online payments and obligations when processing personal data (collect only data relevant for the transaction, getting consent for processing data etc.). Section 45 of the ECTA provides that that any person must divulge the source of information to a consumer from which their personal information was obtained when sending unsolicited goods, services, or communication. Section 11 of the CPA empowers consumers to register a pre-emptive block in terms of not receiving unsolicited marketing communication thus ensuring privacy.

Regarding third party sellers, online platforms are incentivised to have as many as possible operating with no motivation to vet what is being sold by these sellers. This has resulted in a proliferation of third-party sellers selling counterfeit products that could harm consumers. Notwithstanding this, Amazon an online platform based in the United States was held liable for injuries that accrued from selling third party sellers' products on its platform. Furthermore, the Stopping Harmful Offers on Platforms by Screening Against Fakes in E-Commerce (SHOP SAFE ACT of 2024) is a piece of legislation from the United States that holds the potential of limiting the number of harmful counterfeit goods sold online.

In South Africa, the CGSO and NCC issued an explanatory note on 13 July 2025 aimed at enhancing consumer understanding when transacting with e-commerce platforms. The explanatory note affirms that it is the responsibility of the hosting platform to resolve a dispute when it arises and to ensure that all third-party sellers comply with the provisions of the CPA and ECTA.

The treatment of E-Vouchers is accommodated in Section 63 of the CPA. Consumers need to be aware that E-Vouchers are valid for three (3) years and suppliers need to honour the initial value of the voucher and in the circumstance of any price increase the consumer will need to pay the difference. Another noteworthy issue that consumers need to be aware of are hidden terms and conditions, such as the condition that a voucher is not transferable.

The paper finally looks at consumer protection measures that could strengthen e-commerce from a short-, medium- and long-term perspective. These measures encompass advocacy and enforcement, legislative considerations and general measures. The measures advocated by the Localisation Support Fund (LSF) report and the E-commerce Strategy are unpacked as well.

1. INTRODUCTION

The COVID-19 pandemic significantly accelerated the global shift towards online shopping, with an increase of 6 to 10 percentage points across most product categories. In addition, South Africa's online retail sector, increased to R71-billion in 2023. This represented a 29% increase from 2022. According to Statista's Global Consumer Survey, Takealot.com and SHEIN were the most popular online stores in South Africa as of September 2024, and in this regard around 62% of the consumers indicated that they bought something from Takealot.com, and 48% did so from SHEIN.

In this context, the importance of consumer protection related to e-commerce transactions has gained prominence. For instance, consumer issues, particularly in relation to timely delivery of goods, service and quality of goods have gained prominence with the rise of e-commerce.

It is these developments that informed the 2025-2030 strategy of NCC to prioritise e-commerce, amongst other areas of focus. There is therefore the need to scope the e-commerce market broadly in South Africa to fully understand the market dynamics and any consumer protection concerns.

This paper has been jointly developed by the NCC and the CGSO to assess areas in e-commerce that may affect consumer rights. Moreover, the paper feeds into the e-commerce strategy being developed by the E-Commerce Advisory Committee falling under the dtic.

The NCC is the primary regulator of consumer issues in South Africa. It was established in terms of Section 85 of the Consumer Protection Act No. 68 of 2008 (CPA) and has been operational since 1 April 2011. With respect to the CGSO, Section 86 (2) of the CPA governs the accreditation of ombuds to undertake alternative dispute resolution services. The CGSO was subsequently established in March 2013 to mediate complaints between consumers and suppliers for the consumer goods industry. As such, and within the framework of the CPA, both the NCC and the CGSO have the mandate to investigate complaints in the consumer goods and services sector.

The paper firstly unpacks the challenges consumers face regarding e-commerce and how these are addressed from a regulatory perspective, secondly it provides recent developments in e-commerce and challenges faced by consumers, and finally, recommends measures that could strengthen e-commerce consumer protection in South Africa.

2. SOURCES OF INFORMATION AND APPROACH

The approach employed for compiling the paper entailed secondary research. This encompassed existing reports, journal articles and other online sources. This involved analysing how current legislation addresses consumer challenges posed by e-commerce.

Therefore, this paper is not an exhaustive account of the e-commerce landscape in South Africa but rather provides consumer protection concerns broadly.

3. LEGISLATIVE LANDSCAPE GOVERNING E-COMMERCE IN SOUTH AFRICA

The primary pieces of legislation governing e-commerce consumer protection in South Africa are the Electronic Communications and Transactions Act No. 25 of 2002 (ECTA) and the CPA. The primary aim of the ECTA is to facilitate and regulate electronic communications and transactions in South Africa. This includes providing a legal framework for electronic signatures, data messages, and other aspects of e-commerce. The CPAs primary goal is to establish a fair, accessible, and sustainable marketplace for consumers. The CPA applies to all transactions in South Africa, including e-commerce, unless explicitly excluded.

The other piece of legislation is the Protection of Personal Information Act No. 4 of 2013 (POPIA). Whilst not exclusively focused on e-commerce, the POPIA is crucial for protecting consumer data in the digital space. The POPIA ensures that e-commerce businesses handle consumer data responsibly and ethically.

In essence the CPA applies to all transactions, whilst the ECTA provides enhanced and specific protection related to e-commerce and the POPIA is concerned with consumer data and privacy thereto. The interplay between the CPA and ECTA is covered in Section 2 (9) of the CPA which states that if a concurrent application is not possible, the provision that offers the greater protection to the consumer prevails. In this regard, certain sections in the ECTA as outlined in the next section provide greater consumer protection, and ought to take precedence.

The E-commerce Strategy developed by the dtic concurs with the above-mentioned perspective regarding the main pieces of legislation governing the consumer protection milieu in South Africa. The Strategy also posits that the current challenge facing the e-commerce consumer protection legislative framework in South Africa is its fragmented nature.

1. UNCTAD. (2020). *Covid-19 has changed online shopping forever, survey shows*. Available at: <https://unctad.org/news/covid-19-has-changed-online-shopping-forever-survey-shows>. (Accessed 28 July 2025)

2. Worldwideworx. (2024). *SA online retail passes 6% of total retail*. Available at: <https://www.worldwideworx.com/onlineretail2024/>. (Accessed 28 July 2025)

3. Cowling, N. (2025). *E-commerce in South Africa - statistics & facts*. Available at: <https://www.statista.com/topics/11038/e-commerce-in-south-africa/#topicOverview>. (Accessed 28 July 2025)

The following table highlights the relevant sections of the ECTA, CPA and POPIA.

ECTA	CPA	POPIA
Section 43 (Information to be provided) Section 44 (Cooling-off period) Section 45 (Unsolicited goods, services or communications) Section 46 (Performance)	Section 11 (Right to restrict unwanted direct marketing) Section 19 (Consumers right with respect to delivery of goods or supply of service) Section 20 (Consumers right to return goods) Section 24 (Product labelling and trade descriptions) Section 26 (Sales records) Section 29 (General standards for marketing of goods and services) Section 30 (Bait Marketing) Section 31 (Negative option marketing) Section 33 (Catalogue marketing) Section 63 (Prepaid certificates, credits and vouchers)	Chapter 3 (Conditions for lawful processing of personal information) Condition 1: Accountability Section 8 (Responsible party to ensure conditions for lawful processing) Condition 2: Processing limitation Section 9 (Lawfulness of processing) Section 10 (Minimality) Section 11 (Consent, justification and objection) Section 12 (Collection directly from the data subject) Condition 3: Purpose specification Section 13 (Collection for specific purpose) Section 14 (Retention and restriction of records) Condition 4: Further processing limitation Section 15 (Further processing to be compatible with purpose of collection) Condition 5: Information quality Section 16: (Quality of information) Condition 6: Openness Section 17: (Documentation) Section 18: (Notification to data subject when collecting personal information) Condition 7: Security safeguards Section 19: (Security measures on integrity and confidentiality of personal information) Section 20: (Information processed by operator or person acting under authority). Section 21: (Security measures regarding information processed by operator) Section 22: (Notification of security compromises) Condition 8: Data subject participation Section 23: (Access to personal information) Section 24: (Correction of personal information) Section 25: (Manner of access)

4. CHALLENGES FACED BY CONSUMERS IN RELATION TO E-COMMERCE

It is common cause that e-commerce has enabled the sale of goods and services in markets that would have not occurred in traditional retail. This is more pronounced in cross-border transactions, where e-commerce platforms can execute a transaction without the need to have physical presence in a territory. This means that suppliers of goods and services do not require direct contact or engagement with the consumer to sell goods or services. The consumer merely interacts with a platform, over the internet, and a transaction is completed.

4. Department of Trade Industry and Competition. 2025. *E-commerce Strategy: Exploring Challenges, Opportunities and Strategic Pathways for Developing a Robust E-commerce System in South Africa*. Pretoria. dtic

The rise of e-commerce, particularly cross-border, raises several challenges for consumers, inter alia:

- Marketing (pre-transaction challenges);
- Returns, refunds and delivery challenges;
- Data protection and privacy regarding online transactions;
- Concerns on third-party sellers in online marketplaces;
- Treatment of electronic vouchers; and
- Other general concerns.

The latest perspective of the Organisation for Economic Co-operation and Development (OECD) declaration on e-commerce and consumer protection remains the Recommendation of the Council on Consumer Protection in E-commerce which was adopted in March 2016 . The recommendation includes the following key principles:

- Transparent and effective communication: Consumers participating in e-commerce should receive similar protection relative to traditional commerce;
- Fair business, advertising and marketing practices: There should be clear and honest advertising and no misleading or unfair commercial operations by businesses;
- Online disclosures: Information about business should be provided coupled with information describing all goods and services. Further businesses should be transparent about terms and condition and costs;
- Confirmation process: Business should provide a clear confirmation process for the transaction before payment is affected and should not process a transaction unless consent has been provided by a consumer;
- Payment: Businesses should provide consumers with user friendly payment mechanisms and ensure security measures to obviate unauthorised usage of personal data, fraud and identity theft;
- Dispute resolution and redress: Consumers should have access to user friendly, cost effective, fair and transparent dispute resolution mechanisms to resolve domestic and cross border e-commerce transactions;
- Privacy and security: Businesses should ensure consumer privacy and that their practices regarding the collection and use of consumer data is lawful, transparent and fair and with reasonable safeguards; and
- Education, awareness and digital competence: Government and other stakeholders should educate consumers about their rights in the e-commerce milieu. Government and other stakeholders should work together to improve the digital skills of consumers.

The most recent perspective by the United Nations Conference on Trade and Development (UNCTAD) on e-commerce and consumer protection is the Recommendation on Preventing Cross-Border Distribution of Known Unsafe Consumer Products adopted in 2020 which focuses in the main on product safety stemming from online cross-border transactions . Salient aspects of the recommendation are:

- That members states should prevent the cross-border dissemination of unsafe products in their respective jurisdictions;
- Awareness raising among businesses about the adverse effects of distributing harmful and unsafe products across borders; and
- Informing consumers about their physical safety when engaging in cross border online transactions

Beyond the focus of unsafe cross-border products, UNCTAD has also set up an Informal Working Group on Consumer Protection in E-commerce to highlight best practices, facilitate information-exchange, and develop workplans for issues such as Artificial Intelligence, dark commercial patterns among others.

Challenges faced by consumers in e-commerce are briefly assessed below.

4.1 Marketing (Pre-Transaction Challenges)

With the rise of e-commerce, social media is increasingly becoming a place of deceptive advertisements and fraudsters, and users should be cautious when making monetary transactions or online purchases. Consumers' purchasing decision are influenced by social media influencers who advertise inter alia clothing and make-up. An example of deceptive advertising is photo manipulation, such as blurring and beauty filters, which are often implemented in platforms such as Tik Tok or Instagram by influencers resulting in concealing skin imperfections

The CPA addresses misleading advertising in the following ways:

Section 29 (b) General Standards for Marketing Goods–

A producer, importer, distributor, retailer or service provider must not market any goods or services in a manner that is misleading, fraudulent or deceptive in any way, including in respect of - (i) Nature, properties, advantages or uses of the goods (ii) Price ... & (iv) any other material aspect of the goods ...

5. OECD. (2016). OECD Recommendation of the Council on Consumer Protection. Available at https://www.oecd.org/en/publications/oecd-recommendation-of-the-council-on-consumer-protection-in-e-commerce_9789264255258-en.html (Accessed 23 October 2025)

6. UNCTAD. (2021). Recommendation on preventing cross-border distribution of known unsafe products. Available at https://unctad.org/system/files/official-document/ditccplpmisc2021_en.pdf. (Accessed 23 October 2025)

Section 30 (1) – Bait Marketing

A supplier must not advertise any goods or services as being available at a specified price in a manner that may result in consumers being misled or deceived in any respect relating to the actual availability of those goods or services from that supplier, at that advertised price.

Section 31- Negative Option Marketing

(1) A supplier must not—

- (a) promote any goods or services;*
 - (b) offer to enter into or modify an agreement for the supply of any goods or services; or*
 - (c) induce a person to accept any goods or services or to enter into or modify such an agreement, on the basis that the goods or services are to be supplied, or the agreement or modification will automatically come into existence, unless the consumer declines such offer or inducement.*
- (2) An agreement purportedly entered into as a result of an offer or inducement contemplated in subsection (1) is void.*
- (3) A modification of an agreement purportedly agreed to as a result of an offer or inducement contemplated in subsection (1) is void.*

Section 33(3) - Catalogue Marketing

Before concluding an agreement or transaction, a supplier must disclose the following information to a consumer, in an appropriate manner, having regard to the manner in which the supplier and consumer communicate in concluding the transaction:

- (a) The supplier's name and licence or registration number, if any;*
- (b) the address of the supplier's physical business premises and related contact details;*
- (c) the sales record information required by section 26;*
- (d) the currency in which amounts under the agreement are payable;*
- (e) the supplier's delivery arrangements, including—*
 - (i) the identity of the shipper;*
 - (ii) the mode of transportation; and*
 - (iii) the place of delivery to the consumer;*
- (f) the supplier's cancellation, return, exchange and refund policies, if any;*
- (g) the manner and form in which a complaint may be lodged; and*
- (h) any other prescribed information.*

4.2 Returns, Refunds and Delivery Challenges

Consumers engaged in online shopping are often worried about what will happen if something goes wrong, such as the goods not arriving or arriving damaged. When traders are not close to the buyer or when they do not have a physical store that customers can visit, the process is complicated and uncertain. This is underscored by statistics, which reveal that 30% of all products bought online are returned as opposed to only 8.89% from brick-and-mortar stores. The challenge of consumers receiving products that look different to what they ordered online may constitute misrepresentation.

Furthermore, from a trade and labelling perspective, there are challenges in terms of sizes used, i.e. European Union and United States, which poses a challenge to consumers who order shoes that they often cannot wear. Another challenge associated with trade and labelling relates to the usage of harmful materials in goods that consumers purchase online because these are not clearly indicated.

It is therefore important for consumers to understand their rights in relation to the return of products bought online. It is equally important for consumers to note that goods purchased online have a cooling-off period of seven (7) working days as per Section 44 of the ECTA which allows consumers the right to cancel without reason or penalty in the said period. In addition, if payment was made prior to cancellation, consumers are entitled to a full refund within thirty (30) days. In addition, Section 11 of the CPA gives consumers the right to cancel an agreement resulting from direct marketing within five (5) business working days. In the final analysis Section 44 of the ECTA has closer relationship to e-commerce and will apply. Section 20(2b) read with Section 19(5) of the CPA sets out the consumers right to return goods and receive a full refund if the consumer did not have the opportunity to inspect the goods and if the goods are not satisfactory upon inspection. In addition, Section 26 (2-3) of the CPA obliges suppliers to provide a written record of each transaction to a consumer comprising of information pertaining to their trading name, physical address, among others, that facilitates the return of goods by aggrieved consumers.

Section 43 of the ECTA sets out the information disclosure requirements with which suppliers are required to comply in respect of electronic transactions.

7. Baltezarevic, R (2023). *Deceptive Advertising in the online environment*. Conference: 3rd International Black Sea Modern Scientific Research Congress. Available at https://www.researchgate.net/publication/369539091_DECEPTIVE_ADVERTISING_IN_THE_ONLINE_ENVIRONMENT. (Accessed 23 October 2025)

These include disclosing the full price of the goods or services (including transport costs, taxes and any other fees or costs). In addition, suppliers are required to display information on their website relating to their legal status, accreditation, code of conduct and physical address.

Section 46 of the ECTA states that the supplier must execute an order within thirty (30) days from the day on which the supplier received the order, unless the parties have agreed otherwise. Notwithstanding this, consumers complain of the refund and return practices of online stores. This is evidenced by the National Retail Federation which found that 67% of consumers look at the returns policy before purchasing. In addition, many customers will forgo a retailer altogether if the retailer does not provide a seamless returns experience. To mitigate these challenges, consumers require a seamless returns policy and moreover a lenient return policy and quality of the return experience which motivates consumers to repurchase.

4.3 Data Protection and Privacy regarding Online Transactions

Consumers expect banks, retailers and mobile operators to do more in terms of protecting their personal information from fraudsters. For instance, when consumers buy something online, they take it for granted that their banking details will be kept secure or if they provide their identity number at a store, they trust that it will be kept confidential. Privacy concerns become prevalent, especially during the check-out process, which leads to consumers aborting their shopping carts. Having to share personal information on online payment systems leads to consumers feeling uneasy and vulnerable. The possibility of retailers misusing consumers' personal information discourages consumers from purchasing online.

The National Payment Systems Act No. 78 of 1998 (NPSA) is the main piece of legislation governing how online payments are processed in South Africa. The legislation gives the South African Reserve Bank the right to license and regulate payment system providers. In essence, the NPSA ensures the security, stability, and efficiency of payment systems.

The CPA, ECTA and the POPIA do not regulate how online payments are processed from a consumer protection perspective. However, these pieces of legislation protect personal information of consumers.

The POPIA protects consumers personal information (including name, address and ID number) in online payments and obligations when processing personal data (such as collecting only data relevant for the transaction and getting consent for processing data). Section 45 of the ECTA provides that any person must divulge the source of information to a consumer from which their personal information was obtained when sending unsolicited goods, services, or communication. Section 11 of the CPA empowers consumers to register a pre-emptive block in terms of not receiving unsolicited marketing communication thus ensuring privacy.

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4.4 Concerns on Third-Party sellers in Online Marketplaces

Amazon, the largest online retailer in the United States, relies on third-party sellers which have increased from 55% to 61% in the first quarters of 2022 and 2025, respectively. Thousands of third-party sellers from around the world can list the same product for sale, increasing the supply of the product and reducing its price. Platforms are incentivised to have as many third-party sellers selling products as they can and have little incentive to properly vet the sellers or their products. This may in some instances create an opportunity for third parties that may offer substandard or counterfeit goods.

With the global trade in counterfeit goods reaching an estimated USD 467 billion in 2021, there is a need to implement measures to ensure that illegitimate third-party sellers are not provided space in platforms. Counterfeiters are using new technology to avoid detection and are savvy in hastening the process of producing in demand fake products and selling these online, as such it is important for platforms to have strict measures to vet third-party sellers.

Consumers, and by extension platforms, have limited recourse available as counterfeit sellers use strategies to avoid liability, such as operating several seller accounts so that if one account is identified and/or removed, a counterfeiter simply switches to another account. However, there are cases in the USA, for example, there are cases in the USA, for example, that impute third-party sellers conduct on a platform.

8. Simple Global. (2025). What percentage of orders are returned in e-commerce. Available at <https://www.simpleglobal.com/faqs/what-percentage-of-orders-are-returned-in-ecommerce/>. (Accessed 21 October 2025)

For instance, in 2020 a California appeals court ruled that Amazon was liable for injuries of consumers who had bought product from third-party sellers, as the court maintained that Amazon was instrumental in bringing the product to the consumer.

In addition, online platforms that sell third party goods could be held liable through the Stopping Harmful Offers on Platforms by Screening Against Fakes in E-Commerce (SHOP SAFE ACT of 2024) which is legislation that is currently being considered by the United States aimed at reducing the amount of counterfeit goods sold online and holding platforms accountable for selling products that harm consumers. Online platforms need to comply with ten (10) best practices to make sure that sellers are sufficiently vetted to ensure their validity, counterfeit listings are removed, and sellers who often sell counterfeits are banned and precluded from creating new accounts.

The CGSO and NCC issued explanatory notes to consumers on 15 July 2025 aimed at enhancing their understanding when transacting with e-commerce platforms and e-vouchers. In relation to e-commerce platforms, the explanatory note raised the following questions to enhance consumer understanding :

- Are the goods owned by a third-party or the platform hosting and marketing the goods that are being sold?
- Who is responsible for delivery of the goods purchased?
- Who is responsible for providing a receipt as proof of purchase that will assist in claiming a warranty on the goods purchased?
- Will the platform hosting the sale assist with a complaint relating to non-delivery, return or when goods become defective?
- Do the terms and conditions protect the consumer when accessing rights of redress?

The NCC and the CGSO are of the view that it is the responsibility of the hosting platform to resolve disputes and to ensure that third party sellers comply with all provisions of the CPA and ECTA.

In addition to the explanatory note, regulations 9 and 11 of the CPA require Intermediaries (e-commerce platform providers / hosts) to keep records of specific information, and when required, to make such information available. The concerns on third-party sellers who trade in online marketplaces are as outlined above.

4.5 Treatment of Electronic Vouchers

An electronic voucher (e-voucher) is an electronic version of a gift voucher, that is typically delivered to a customer via SMS or email, often with a personalised and branded message. E-vouchers can be redeemed either online using a specific code, or in store. E-vouchers are accommodated in Section 63 of the CPA. E-vouchers are afforded the same legal standing as physical vouchers under Section 63 of the CPA. The noteworthy consumer protection questions of e-vouchers include the following:

- Is the voucher valid for a minimum of three (3) years as provided for by the CPA?
- What do the terms and conditions of the voucher state when the supplier is unable to perform by delivering the goods or services purchased?
- How will the voucher be allocated to the remainder of items where more than one (1) item is purchased when using the voucher?

With regards to the three-year validity period, consumers need to be aware that in the event of any price increases, suppliers need to honour the initial value of the e-voucher. Thus, the consumer will need to pay the price difference but cannot be denied the opportunity to redeem the voucher.

Consumers need to be vigilant with any hidden terms and conditions of e-vouchers. Terms and conditions such as an e-voucher that is not transferable to another person needs to be clearly stated at the outset.

Another issue with e-vouchers is that some suppliers could deny a consumer the right to use the remaining portion of the voucher if it was partially redeemed. In such a scenario the consumer has the right to redeem the remaining value of the voucher as provided in Section 63 of the CPA.

9. Chase, E. (2025). *Understanding the impact of return policies on consumer confidence*. Available at <https://berinsteinresearch.com/understanding-the-impact-of-return-policies-on-consumer-confidence/>. (Accessed 21 October 2025)

10. Wang, Y., Anderson, J., Joo, S.-J. and Huscroft, J.R. (2020), "The leniency of return policy and consumers' repurchase intention in online retailing", *Industrial Management & Data Systems*, Vol. 120 (1), pp. 21-39. Available at <https://doi.org/10.1108/IMDS-01-2019-0016>. (Accessed 28 July 2025)

11. Khathutshelo, M., and Kate, N. (2021), "The impact of risk factors on South African consumers' attitude towards online shopping", *Acta Commerci*, Vol. 21 (1), pp 1-10. Available at https://scielo.org.za/scielo.php?script=sci_arttext&pid=S1684-19992021000100015. (Accessed 28 July 2025)

12. *Marketplace Pulse*. (2025). "Amazon percent of units by third party sellers". Available at <https://www.marketplacepulse.com/stats/amazon-percent-of-units-by-third-party-sellers>. (Accessed 5 August 2025)

13. Smith Gambrell and Russell. "n.d". *Shop Safe Act: A Bill to Hold E-Commerce Sites Liable for Counterfeit Goods Sold Online*. Available at <https://sgrlaw.com/ttl-articles/shop-safe-act-a-bill-to-hold-e-commerce-sites-liable-for-counterfeit-goods-sold-online/>. (Accessed 28 July 2025)

14. OECD. (2025). *Global trade in fake goods reached USD 467 billion, posing risks to consumer safety and compromising intellectual property*. Available at [https://www.oecd.org/en/about/news/press-releases/2025/05/global-trade-in-fake-goods-reached-USD-467-billion-posing-risks-to-consumer-safety-and-compromising-intellectual-property.html#:~:text=Newsroom-,Global%20trade%20in%20fake%20goods%20reached%20USD%20467%20billion%2C%20posing,goods%20\(see%20figure%20below\)](https://www.oecd.org/en/about/news/press-releases/2025/05/global-trade-in-fake-goods-reached-USD-467-billion-posing-risks-to-consumer-safety-and-compromising-intellectual-property.html#:~:text=Newsroom-,Global%20trade%20in%20fake%20goods%20reached%20USD%20467%20billion%2C%20posing,goods%20(see%20figure%20below)). (Accessed 5 August 2025)

4.6 General concerns

There are general concerns with online platforms, namely:

- Inability to trace online suppliers without physical addresses;
- Issue of cross border transactions, particularly on whether the CPA and ECTA apply to suppliers trading in South Africa but based offshore with no local physical presence;
- Costs incurred by consumers if incorrect products were delivered; or
- Collection of data on consumers.

There are broad consumer protection concerns raised by consumers against some offshore e-commerce platforms in relation to returns, refunds, poor customer service and promotional competitions that can be misleading. These are areas of focus in several jurisdictions.

5. MEASURES TO STRENGTHEN E-COMMERCE IN SOUTH AFRICA

With the concerns in e-commerce, a regulatory response should not be limited to enforcement and advocacy, but also legislative reforms. The following measures, as considered by the NCC and the CGSO, may be necessary in the short, medium and long term, to strengthen consumer protection on e-commerce in South Africa.

5.1 Enforcement and advocacy measures

- Implementation of measures to ensure compliance with the CPA.
- Development of a central complaints handling platform, with improved cooperation between regulators and ombudsmen.
- Section 78(3) of the CPA empowers the NCC to accredit consumer protection groups. Consumer protection groups can advocate specifically for enhancing digital literacy among vulnerable consumers.
- Enhanced consumer education regarding the risks associated with e-commerce needs to be intensified because of the lack of consumer awareness of the dynamic nature of e-commerce as exemplified in terms such as dark patterns and pressure selling which are practices adopted by e-commerce players. Consumer educational campaigns should be oriented to advocating for a heightened sense of responsibility and vigilance among consumers when engaging in e-commerce. These types of advocacy campaigns can be incorporated in broader 'Black Friday' awareness drives.

5.2 Legislative considerations

The CPA and ECTA may need to be amended to foster greater consumer protection to align with the dynamic and complex nature of e-commerce. Example of sections that might be amendment are Sections 43 and 44 of the ECTA and Section 11 of the CPA respectively are appended as Annexure A to the paper.

5.3 General considerations

- Businesses using online marketplaces need to be vetted to ensure that the goods sold are safe and of good quality. This can potentially mitigate instances of consumers receiving products that are incorrect, unsafe, damaged, or not receiving their orders. Both the CPA and ECTA should include provisions for greater accountability of these online platforms that host these "Market Place Sellers".
- Online marketplaces should be obliged to share the information of suppliers that sell products on their sites in instances where the supplier cannot be traced.
- Impose joint liability on platforms facilitating transactions, holding the platform and the third party liable for transactions.
- The CPA encourages consumers to engage suppliers regarding the resolution of disputes. Guidelines for e-commerce platforms can be developed. Another consideration to address cross border disputes would be through international co-operation. An example would be that the NCC through its membership of the International Consumer Protection and Enforcement Network can access information related to fraudulent transactions and violations of South African consumer protection law among Offshore Economic Retailers and other international suppliers for enforcement purposes. Further it will be prudent to amend Section 2(1)(h) of ECTA to address e-commerce sale transactions with international entities to fall within the ambit of South African consumer protection legislation.

15. Lyons, K. (2020). Amazon can be liable for third-party sellers' defective products, appeals court rules. Available at <https://www.theverge.com/2020/8/13/21367966/amazon-liable-defective-products-california-marketplace-third-party>. (Accessed 21 October 2025)

16. Authentix. "n.d". Understanding the SHOP SAFE Act and how to safeguard your brand. Available at <https://www.authentix.com/knowledge-center/understanding-the-shop-safe-act-and-how-to-safeguard-your-brand/>. (Accessed 21 October 2025)

17. Smith Gambrell and Russell. "n.d". Shop Safe Act: A Bill to Hold E-Commerce Sites Liable for Counterfeit Goods Sold Online. Available at <https://sgrlaw.com/ttl-articles/shop-safe-act-a-bill-to-hold-e-commerce-sites-liable-for-counterfeit-goods-sold-online/>. (Accessed 28 July 2025).

18. CGSO. (2025). Transacting with ecommerce platforms and e-vouchers. Available at <https://www.cgso.org.za/cgso/download/transacting-with-ecommerce-platforms-and-e-vouchers/>. (Accessed 21 October 2025)

- There should be clear guidelines and illustration requirements in terms of Section 49(4)(1)(a) of the CPA on how these limitations or restriction of rights should be brought to the attention of the consumer in a conspicuous way. This is of particular importance when dealing with the installation of certain electronic goods that are purchased online, where suppliers simply refuse to honour warranties, claiming that these goods were not installed in a specific way. To address the vulnerable consumer, these requirements and exclusions should be highlighted to the consumer in a graphic and intentional way so that the consumer is aware and not 'expected to be aware' to their demise.
- Fair application and allocation of electronic e-vouchers in terms of Section 63 of the CPA, for the value of a voucher to be redeemed against the goods or services chosen by the consumer at the time of purchase. Should goods be unavailable, the full value of the voucher must be applied to the remainder of the goods that form part of the collective purchase at the time. The supplier should be prevented from having the discretion to suspend the use of the voucher for a future date. The CGSO has seen instances where the use of these vouchers has been applied in a manner that does not align with the intention of the consumer and the purports of the CPA. Amendment of the CPA and ECTA to regulate services provided for by local and international online booking platforms for accommodation services to address instances of prohibited conduct in terms of the CPA.
- In addition to the sampling and testing that will be undertaken, the NCC, the CGSO and the Independent Communications Authority of South Africa as key regulators in the e-commerce consumer protection landscape should consider the introduction of a RAPEX (Rapid Exchange of Information System) in South Africa that has the potential of enhancing product safety of non-food items through providing rapid information to consumers via an online platform. The RAPEX is the EU rapid alert system for unsafe consumer products and consumer protection. It has established a health protection network in the European Economic Area in which authorities exchange information on hazardous consumer products in real time.

5.4 Measures proposed by the Localisation Support Fund

The LSF report titled 'Offshore E-commerce Disruption in South Africa' makes the following proposals to strengthen consumer protection regarding e-commerce in addition to the appointment of a mandatory local representative mentioned above:

- Investigate the product quality and safety standards of retailers.
- Accuracy of labelling is crucial as it requires OERs to disclose all information pertaining to product sourcing and materials. This encompasses clear, specific and non-misleading information.
- Fair pricing and transparent costs which includes a holistic breakdown of all cost's before checkout.
- In terms of rights regarding returns, refunds and faulty goods the report advocates for clear, efficient, and cost-competitive systems for consumers to return goods or request refunds for faulty products supported by policies and local representatives.
- Ensure OERs adhere to the POPIA as they rely on data intensive practices that are central to their respective business models.
- Enforce Extended Producer Responsibility (EPR) compliance through advocating the Department of Forestry, Fisheries and the Environment (DFFE) to audit OERs for compliance.
- Amendments to legislation such as the Electronic Communications Transaction Act.

5.5 Actions proposed by the E-commerce Strategy

The E-commerce Strategy recommends the following actions under pillar 3 (Enhancing the regulatory framework for e-commerce) :

- Modernise and harmonise existing laws to align with electronic transactions: The ECTA and CPA require amendments to address consumer protection gaps related to e-commerce. In the interim, e-commerce guidelines and regulations will be issued under the CPA;
- Enforce existing e-commerce laws: Enforcing existing consumer protection will enhance trust in digital transactions, attract investment in the e-commerce sector and foster a secure and safe environment for consumers and merchants;
- Review competition rules: Competition rules will be revised to obviate abuses like price fixing or platform dominance that impede SME sellers.
- Establish a legal framework for settling e-commerce disputes: The CPA encourages consumers to communicate with suppliers to resolve disputes. Foreign online suppliers, and online marketplaces will be encouraged to assist in dispute resolution between consumers and foreign suppliers through their sites. Guidelines for e-commerce platforms will be developed in this regard. All e-commerce retailers, including international platforms will be required to appoint a local representative (advocated by the LSF as well) that will serve as a liaison between consumers and regulators in matters related to complaints, returns, refunds and regulatory compliance.

19. United Nations Conference on Trade and Development. (2020). "International Cooperation in Consumer Protection". Available at https://unctad.org/system/files/official-document/ser-rp-2020d13_en.pdf. (Accessed 10 September 2025)

20 .Federal Office of Consumer Protection and Food Safety. "n.d". For safe consumer products: The RAPEX Government Authority Network for Consumer Health Protection in Europe. Available at https://www.bvl.bund.de/EN/Tasks/01_Food/01_tasks/04_Alert_and_information_systems/00_Alert_and_information_systems/03_RAPEX/RAPEX_node.html. (Accessed 8 August 2025)

6. CONCLUSION

The projections of e-commerce in South Africa indicate that the sector will continue to grow significantly and concomitant challenges as expounded in this paper will increase in tandem. The paper highlighted the legislative landscape pertaining to e-commerce consumer protection. Thereafter the challenges related to e-commerce (returns, privacy amongst others) were unpacked and how these are addressed in terms of current consumer protection legislation. The paper finally advanced recommendations that can be considered in the short, medium and long-term to enhance the protection of consumers in the e-commerce marketplace in South Africa.

APPENDIX A: LEGISLATIVE CONSIDERATIONS

PROPOSED AMENDMENT/ISSUE TO BE ADDRESSED	MOTIVATION
Amendments to Section 44 of the ECTA and Section 11 of the CPA	Lack of clarity on costs applicable when goods are to be returned but the online platform/supplier claim it has been used, hence the need for more clarity on what goods can be returned that are unsealed during the colling off period.
Amendment of Section 42 (2)a-j of the ECTA as it excludes certain goods and services from the cooling-off period, especially regarding accommodation, transport and leisure services.	This will ensure suppliers do not apply a no-refund policy for advanced bookings that contravenes Section 17 (2-4) of the CPA.
Amend Section 43 of the ECTA to provide the same level of detail / description as required by s24 of the CPA (Product labelling and trade descriptions).	<p>This will ensure that suppliers are more transparent regarding the full upfront disclosure of return related charges coupled with justifying how these costs are calculated.</p> <p>To ensure consistency and fair treatment between ‘in store’ and ‘online’ trade descriptions online retailers should be required to display all trade description information prescribed by the CPA and its regulations in their online listings, ensuring that consumers receive equal protection and transparency regardless of whether they purchase ‘in store’ or ‘online’.</p>
Amendment of CPA and ECTA to regulate transportation and delivery services provided by local and international online booking platforms	This will assist in addressing instances of prohibited conduct in relation to the CPA
Amendment of the ECTA to bring pricing obligations in alignment with Section 23 of the CPA	This will assist in aligning the CPA and ECTA in terms of obligatory transparency of prices of goods and services including online transactions.
Strengthen enforcement of POPIA in retail around consent and data sharing	This will enhance the credibility and trust consumers have on transacting online
The appointment of a mandatory local representative for offshore economic retailers in South Africa	This will intensify compliance and enforcement with the ECTA and CPA.
The inclusion of ‘intermediaries’ into the definition of <i>“supply chain”</i> , with respect to any particular goods or services, means the collectivity of all suppliers who directly or indirectly contribute in turn to the ultimate supply of those goods or services to a consumer, whether as a producer, importer, distributor or retailer of goods, or as a service provider;	This will then bring online hosting platforms that host third party suppliers, delivery intermediaries, logistics providers, and digital content facilitators within the definition of ‘supply chain’, like.

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