

# Tribunal orders Volkswagen to refund consumer fees

The National Consumer Tribunal has instructed Volkswagen Financial Services South Africa to refund consumers for on-the-road, admin and handling fees on credit agreements.



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The Tribunal handed down judgment confirming a compliance notice issued by the National Credit Regulator (NCR) to Volkswagen Financial Services South Africa (Pty) Ltd.

In its judgment, the Tribunal found that the “on the road”, admin and handling fees charged by Volkswagen Financial Services to consumers on credit agreements are not permitted by the National Credit Act (NCA).

The Tribunal, which is an independent adjudicative entity deriving its mandate from the National Credit Act, adjudicates on applications made in terms of the NCA by consumers, credit providers, credit bureaux, debt counsellors and the National Credit Regulator.

“The Tribunal ordered Volkswagen Financial Services to refund all those consumers charges, fees or interest levied and submit a report by independent auditors to the NCR. [The Tribunal has also ordered Volkswagen to] refund all those consumers charges, fees or interest levied and submit a report by independent auditors to the NCR,” said the regulator on

Monday.

The Tribunal has also ordered Volkswagen to cease the practice and/or conduct of charging consumers the “on the road”, admin and handling fees on credit agreements from 10 April 2019 and to submit written confirmation to the NCR.

Meanwhile, the regulator has welcomed the judgment, saying it affirms the protection given to consumers by the NCA against illegal charges and fees on credit agreements.

“The NCR will continue to conduct industry-wide investigations on fees and charges on credit agreements to root out illegal charges and fees on credit agreements,” it said.

The Tribunal and the NCR are agencies of the Department of Trade and Industry.

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