
GENERAL NOTICE

DEPARTMENT OF TRADE AND INDUSTRY

NOTICE 1499 OF 2005

UNDERTAKING

UNDERTAKING BY MR M M BASSON, SOLE MEMBER OF STORMFIRE TRADING 40 cc T/A FINANCE ASSIST CK 2003/085848/23 IN TERMS OF SECTION 9 OF THE CONSUMER AFFAIRS (UNFAIR BUSINESS PRACTICES) ACT NO 71 OF 1988

I, Mr. M M Basson, do hereby confirm: that I am the sole member *of* Stormfire Trading 40 cc T/A Finance Assist CK 2003/085848/23. The said Close Corporation has its principal place of business at 37 Vorster Avenue, Glenanda. **The** principal business of the said Close Corporation is to facilitate bond refinancing over immovable property.

I am aware that in October 2005 the Consumer Affairs Committee (the Committee) instituted an investigation in terms of section 4(1)(c) of the Consumer Affairs (Unfair Business Practices) Act no 71 Of 1988 (the Act) into the nature of the advertisements issued by my company on the basis that the advertisement constituted a *prima facie* unfair business practice as defined in the Act.

I am aware that the definition of an *unfair business practice* as contained the Consumer Affairs (Unfair Business Practices) Act no 71 of **1988** (the Act), include, *inter alia*:

“...Any advertising, type of advertising or any manner of soliciting business which directly or indirectly has or is likely to have the effect of deceiving any consumer or unreasonably prejudicing any consumer.”

I am also aware that the Committee determined that the advertisement of Finance Assist, which appeared in the Daily Sun, was likely to directly or indirectly mislead prospective clients into believing that Finance Assist is offering ordinary personal loans as opposed to refinancing of mortgage bonds. Accordingly, and in order to correct the unfair business practice my Company amended its advertisement to include the sentence “Money on your Bond within $\pm 2\frac{1}{2}$ Weeks”, copy of which is attached hereto marked *MMB1*,

I am aware that the committee referred the amended version of the advertisement that includes the sentence, “Money on your Bond within $\pm 2\frac{1}{2}$ Weeks”, to the Advertising Standards Authority (the ASA) for advice on whether the amended advertisement had the potential of misleading consumers or not. The ASA ruled that;

The wording of the amended advertisement/commercial creates an ambiguous impression and contravenes Clause 4.2.1 of the Advertising Code. As a result Finance Assist was required to:


- Withdraw the advertisement in its current format;
- The process of withdrawing this advertisement must be actioned with immediate effect;
- The process of withdrawing the advertisement must be completed within the deadlines stipulated in Clause 15.3 of the Procedural Guide; and
- The advertisement may not be used again in the future

I am also aware that, in terms of section 9 of the Act, the Committee may at any time negotiate with any person, with a view to making an arrangement which in the opinion of the Committee will ensure the discontinuance of an unfair business practice which exists or may come into existence and which is the subject of an investigation.

In view of the above I, Mr M Basson undertake to:


1. Abide by the ruling of the Advertising Standards Authority
2. Ensure that future advertisements of my company do not directly ~~or~~ indirectly have or are likely to have the effect of deceiving any consumer or unreasonably prejudicing any consumer."

I furthermore understand that any contravention of this undertaking shall lead to an investigation in terms of section 8 (1)(a) of the Act.

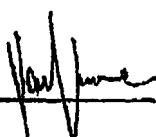


Mr. M. Basson

Signed on the 20th day of June 2005

(1) Witness: 

Signed on the 20th day of June 2005

(2) Witness: 

Signed on the 20th day of June 2005