

COJ CREDIT CONTROL & DEBT COLLECTION POLICY

CITY OF JOHANNESBURG CREDIT CONTROL & DEBT COLLECTION POLICY

PREAMBLE

Whereas Section 96(a) of the Local Government: Municipal Systems Act, No 32 of 2000 (hereinafter referred to as the “Systems Act”), obliges the City of Johannesburg (hereinafter referred to as “the City”) to collect all money that is due and payable to it, subject to the provisions of that Act and any other applicable legislation;

And whereas Section 96(b) of the Systems Act requires the City to adopt, maintain and implement a credit control and debt collection policy, which is consistent with its rates and tariff policies and complies with the provisions of the Act;

And whereas Municipalities are required in certain circumstances to comply with the National Credit Act No. 34 of 2005;

Now therefore the following is adopted as the Credit Control and Debt Collection Policy of the City (hereinafter referred to as “this Policy) as set out hereunder.

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1 INTERPRETATION

Except to the extent to which the context may otherwise require, this Policy shall be construed in accordance with the following provisions of this sub-paragraph:

- 1.1 Any word or expression importing any gender or the neuter shall include both genders and the neuter;
- 1.2 Words importing the singular only also include the plural, and vice versa, where the context requires;

2. DEFINITIONS

The following words shall have the meanings hereby assigned to them-

- 2.1 **“Abandoned Buildings”** means buildings that are either vacant or occupied and where the legal owner cannot be found or traced and there is no maintenance of the building to the extent where the condition of the building poses a health and safety risk to the occupants of the building or occupants of neighbouring buildings.;
- 2.2 **“Account(s)”** means any account that includes municipal rates and/or taxes and/or services;
- 2.3 **“AOD”** means Acknowledgement of Debt, which means a legal document signed by both the account holder and the City where the account holder acknowledges liability for an outstanding debt and agrees to pay the debt off in monthly instalment payments until such debt (and any interest thereon if any) is repaid in full;
- 2.4 **“Agreement”** means a legal document signed by the account holder that consents to the supply of municipal services. It includes any agreement that becomes an incidental credit agreement in terms of section 4(6)(b) of the National Credit Act No. 34 of 2005;

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- 2.5 “**Arrears**” means an amount that is due, owing and payable to the City and includes inter alia; (a) the principal debt, (b) collection costs, (c) interest, (d) default administration charges, (d) connection fees;
- 2.6 “**Customer**” means anyone who occupies premises to which the City has agreed to provide services or it is actually supplying services to the premises. If there is no occupier the owner of the property where the services are supplied.
- 2.7 “**The City**” means the City of Johannesburg Metropolitan Municipality;
- 2.8 “**Clearance Figure**” refers to an amount which a account holder and/or rate payer has to pay to the City in terms of section 118 of Act 32 of 2000 in order to clear the outstanding amounts that are due to the City as contemplated in the aforesaid Act.
- 2.9 “**Collection charges/costs**” means collection charges/costs which may be recovered by the City in terms of the Local Government: Municipal Systems Act No 32 of 2000 and the National Credit Act. Collection charges include Default Administration Charges;
- 2.10 “**Default administration charges**” means a charge that may be imposed by the City to recover administration costs incurred as a result of an account holder’s default, if the agreement is a credit agreement in terms of the National Credit Act.
- 2.11 “**Hijacked Buildings**” means buildings that may or may not be occupied and where someone other than the legal owner or his authorised agent, collects rent from occupiers (lawful and unlawful occupiers) but the occupants being neither the owners, nor tenants, nor having consent from the owners to occupy such buildings. The owners must have attempted to evict such illegal occupiers without success.
- 2.12 “**Interest**” means a charge levied on all arrear monies and calculated at a rate determined by the City from time to time.

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2.13 “**Indigents**” are defined by the approved Expanded Social Package of the City as those qualifying for support due to personal and/or geographic circumstances which result in a score of 1 or higher out of a possible 100 points under the most current approved poverty index of the City of Johannesburg.

2.14 “**Law**” includes a by-law;

2.15 “**Policy**” means this document;

3 APPLICATION

This policy shall apply only in respect of money due and payable to the City for

3.1 rates;

3.2 fees, surcharges on fees, charges and tariffs in respect of the provision of water, refuse removal, sewerage and the removal and purification of sewerage, electricity (hereinafter referred to collectively as “services”) in cases where the City is responsible for the rendering of accounts in relation to any one or more of the services and for the recovery of amounts due and payable in respect thereof, irrespective of whether the services, or any of them, are provided by the City itself or by a service provider through which and on its behalf, in terms of a Service Delivery Agreement, it provides a service;

3.3 interest which has or will accrue in respect of any money due and payable or which will become due and payable to the City in regard to rates or services;

3.4 collection charges.

3.5 municipal services provided through pre-paid meters as well as fees, surcharges on fees and tariffs related thereto, as the case may be.

4. OBJECTIVES OF THIS POLICY:

The objectives of this Policy are to –

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- 4.1 ensure that all money due and payable to the City in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly;
- 4.2 provide for credit control procedures and mechanisms and debt collection procedures and mechanisms;
- 4.3 provide relief for indigent account holders of municipal services;
- 4.4 provide for the setting of realistic targets consistent with generally recognised practices and collection ratios and also the estimates of income set in the annual budget of the City less an acceptable provision for bad debts;
- 4.5 provide for interest on overdue amounts;
- 4.6 provide for collection charges on the payment of any overdue amount;
- 4.7 provide for extension of time for the payment of overdue amounts;
- 4.8 provide for the termination of services or for restrictions on the provision of services when payments are overdue;
- 4.9 provide for matters relating to the unauthorised consumption of services, theft and damages.

5. IMPLEMENTATION

This policy shall be implemented by Designated Officials whose duties include the following:

- 5.1 rendering of accounts; and
- 5.2 collection of money due and payable to the City;

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in respect of rates and services. These Designated Officials have contact with members of the public in relation to payments to the City for rates, taxes and services.

6. CODE OF CONDUCT

All the City's officials shall treat all debtors with dignity and respect at all times. Employees shall execute their duties in an honest and transparent manner whilst protecting the confidentiality of information in accordance with the Promotion of Access to Information Act No.2 of 2000.

7. ACCOUNTS

An account for the provision of municipal services will not be opened unless the prescribed account holder agreement is signed by the account holder applying for the provision of municipal services.

7.1 An account for the provision of municipal service will not be opened unless a specified deposit has been paid by the account holder applying for the provision of municipal services.

7.2 The City will only register accounts for account holders who are the owners of a property. No accounts will be registered for account holders who are tenants.

7.3 All existing tenant accounts will be phased out in terms of a phasing out plan, which will be developed by the City.

7.4 The City may, at its discretion, allow for the opening of tenant accounts in relation to the following circumstances:

7.4.1 Tenants who are registered indigents in terms of the Expanded Social Package;

7.4.2 Tenants of abandoned buildings;

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7.4.3 Sectional title accounts where infrastructure is not in place to support prepaid meters;

7.4.4 Business tenant accounts;

7.4.5 Government tenant accounts.

7.5 In relation to the opening of business tenant accounts or government tenant accounts, the City shall be entitled to levy an administrative charge additional to all other charges already levied on accounts.

8. BILLING MANAGEMENT AND INTERIM READINGS

The City will endeavour to ensure:

8.1 Accurate metering of consumption at fixed intervals with the minimum delay between service connection and first and subsequent billing.

8.2 Where no reading can be obtained, interim readings (estimates) will be charged.

8.3 Accurate up-to-date customer information.

8.4 Accurate monthly billing with the application of appropriate correct tariffs and service charges.

8.5 Ensuring timely despatch of accounts.

8.6 Adequate provision and the efficient operation of pay facilities throughout the City.

8.7 Arrangements with third party institutions to accept payments on behalf of the City. Responsibility to ensure that payments are reflected on the account is vested with the debtor.

8.8 Appropriate hours of business to facilitate account payments.

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- 8.9 Although the City must render an account for the amount due by a debtor, failure thereof shall not relieve a debtor of the obligation to pay this amount.
- 8.10 Where a property does not have a meter, or where the meter on such a property is faulty, interim (estimate) readings will be charged. As soon as a proper reading can be taken by the City, the necessary adjustments will be made to the account.
- 8.11 Where there are numerous interim readings for metered services on an account (more than six interim readings), the relevant authorised official of the City may enter into settlement negotiations with the account holder regarding the amount owed and may accept, at his or her discretion, a settlement amount that is less than the estimated amount, provided that such acceptance of a lesser amount will not be held against the City at court – the acceptance is made without prejudice.
- 8.12 In determining an acceptable settlement amount, the relevant official, must consider the failure of the City to provide accurate meter readings to the account holder.

Account holders are obliged to ensure that:

- 8.13 Access to their property for purposes of the reading of meters is not restricted or hampered in any way.
- 8.14 Illegal reconnections of supply of metered services is not permitted on the property to which the municipal services relate and that positive steps are taken to avoid the illegal consumption of municipal services.
- 8.15 Failure to attend to the obligations mentioned in 8.13 and 8.14 above may act against the account holder in full and final settlement negotiations with the account holder.

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9. PREPAID METERS

- 9.1 The City, generally, prefers the use of prepaid meters (electricity and water services). It will therefore promote the installation and use of pre-paid meters on all properties within its jurisdiction.
- 9.2 The City may install pre-paid meters for all registered indigents and occupiers of hijacked and abandoned buildings.
- 9.3 Even after the installation of a prepaid meter, any existing debt which is due and payable to the City shall still be the responsibility of the accountholder.

10 INDIGENTS

- 10.1 Indigents have to apply and be registered in terms of the Expanded Social Package in order to qualify for any social relief related to the provision and charge of municipal services within the City;
- 10.2 The City may install prepaid meters for registered indigents;
- 10.3 The City may, at its discretion, permit registered indigents to open tenant accounts for municipal services, upon authorisation of an authorised official and upon written consent by the owner of the property being provided.
- 10.4 In instances where a registered indigent has been granted permission to open a tenant account, a deposit equivalent to 3-6 months deemed consumption will be required.

11. HIJACKED BUILDINGS

- 11.1 Services to these buildings will be disconnected and/or terminated upon non-payment of an account in terms of this Policy, or at the request of the owner of the building.
- 11.2 The owner of the building will still be liable for payment of all outstanding accounts and arrears.

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12 ABANDONED BUILDINGS

- 12.1 The City may permit the opening of tenant accounts for municipal services in abandoned buildings upon authorisation of an authorised official and upon written consent by the owner of the property being provided.
- 12.2 In instances where a tenant account for municipal services has been granted permission, a deposit equivalent to 3-6 months deemed consumption will be required.
- 12.3 The City may, at its discretion, prescribe that prepaid meters should be installed in abandoned buildings.

13 DEBT WRITE OFFS

- 13.1 The City has the discretion to write off debt if irrecoverable.
- 13.2 All debt write offs will be referred to the Debt Write-off Committee, or an authorised official or forum.
- 13.3 Debt shall be considered irrecoverable if:
 - 13.3.1 legal recourse has been exhausted and the City is still unable to secure payment of the outstanding debt; or
 - 13.3.1 the success of future legal action by the City to recoup the outstanding debt is compromised due to actions or inactions by the City or its MOEs; or
 - 13.3.2 the costs of instituting legal action for the recovery of the outstanding debt would be higher than the value of the outstanding debt; or
 - 13.3.3 the debtor in question cannot be traced and a tracing agency has rendered a non-traceable report on the debtor in question; or
 - 13.3.4 if the amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or

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- 13.3.5 a deceased estate is insolvent and has no liquid assets to cover the outstanding amount; or
 - 13.3.6 a competent Plea of Prescription has been raised by the defendant in the Plea, or alternatively if the Plea of Prescription is raised *ex facie* the Plea but carries the real risk that it would be upheld if raised properly in the Plea; or
 - 13.3.7 if, as a result of the lack of evidence, it is not possible to prove the debt outstanding; or
 - 13.3.8 if the outstanding amount is due to an irreconcilable administrative error by the municipality; or
 - 13.3.9 if the Sheriff of the Court has rendered a *Nulla Bona* return on movables and the debtor has no immovable property.
- 13.4 The above factors do not constitute an exhaustive list of factors that may be taken into account, and the City may, in its opinion, consider any other factor.
- 13.5 In exercising its discretion, the City must act lawfully and reasonably having regard to the principles of fairness and equity.
- 13.6 A request by a account holder to write off an amount or amounts as bad debt must be made in the form of a submission/motivation and must be in the prescribed or required form as stipulated by the City from time to time. Any deviation from the prescribed form shall result in the rejection of such submission/motivation.
- 13.7 In making submission for a debt write off, a City Official shall take all necessary and reasonable steps to ensure compliance with this Policy and shall take all necessary and reasonable steps in the detection of fraudulent activity on the part of the account holder and shall be obliged to report such fraudulent activity to his respective Directorate.

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13.8 An official who knowingly participates in fraudulent conduct with an account holder in the write off of a debt shall be subjected to the disciplinary action as set out in the City's Disciplinary Code of Conduct, as well as civil or criminal prosecution in a competent court of law.

14. WRITE BACKS

14.1 The City shall be entitled to reverse any amount written off as a bad debt where it is later found that an account holder has misrepresented (whether intentional or negligent) any information whatsoever in order to motivate such write-off of debt

14.2 The City shall be entitled to effect the write back immediately against the account holder's municipal account upon noting the fraud or misrepresentation.

14.3 The City may write back any amount previously written off on behalf of an account holder if the account holder at any time has a credit balance reflected against any of his/her municipal accounts and requests a refund from the City for such credit balance. The write back principle will apply to all other account holders, including indigent account holders.

15 INTEREST REVERSALS

15.1 An accountholder may apply to the City, in the prescribed form, for interest on an account to be reversed.

15.2 Interest on outstanding debt can be reversal when:

15.2.1 an account holder would like some relief from interest in order to facilitate the final settlement of all outstanding debt on his account;

15.2.2 before embarking on litigation to recover outstanding debt, interest reversal is used as a tool to persuade the account holder to settle his outstanding debt in full;

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15.2.3 in the course of litigation, the reversal of interest is used as a negotiating point for the settlement of the matter in court;

15.3 Interest reversal may also be initiated by authorised officials in instances where errors with billing have occurred and outstanding arrears should not have accrued interest in the first instance.

16. REFUNDS

16.1 Any account holder may apply, in the prescribed manner, for a refund on any credit balance on their account.

16.2 The refund application will be considered and verified by the City in terms of its internal procedures

16.3 The City reserves the right to periodically determine a bottom threshold for when it is entitled to decline to issue a refund where the cost and administrative burden of issuing the refund is out of balance with the amount to be refunded. The present bottom threshold at the point of the approval of this policy is R50.

16.4 The City may, at its discretion, use any payment method, when paying a refund to an account holder.

16.5 The City will not process refunds for amounts up to and below R30 due to the administrative cost of attending to such refund.

16.6 Any arrears on any account of the account holder requesting or entitled to a refund may be set off against any credit balance due to that account holder on any of his accounts before the refund is effected.

16.7 There is an obligation on all account holders to ensure that their contact details on the City's system are correct and updated at all times.

16.8 The City shall be entitled to write back or appropriate any unclaimed money arising from a credit balance of an account holder account, if such amount is

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not claimed by the account holder within a period of three years from the date when it became due to him/her.

17 CLEARANCE FIGURES

- 17.1 In order to obtain a rates clearance certificate, an account holder must accurately complete a rates clearance application form in full, either manually or electronically in terms of the City's e-clearance process.
- 17.2 The City will provide the full outstanding amount owing on the account as a clearance figure as it is this figure that will clear the account.
- 17.3 An account holder may also apply for a clearance certificate, in the prescribed manner, in terms of section 118 of the Municipal Systems Act.
- 17.4 Any dispute/query regarding a clearance figure or the incomplete/incorrect completion of a clearance application form may result in a delay of the furnishing of the final figures.
- 17.5 An administration fee may be included into all clearance figure amounts.
- 17.6 The issued certificate should be in the prescribed form and must be signed by the Manager of the Clearance Department or a duly authorized official.
- 17.7 The prescribed clearance certificate is valid for a period of 120 days from the date of issue and the process for application of a clearance figure will have to be repeated if clearance amounts are not paid timeously.

18 ISSUING OF CLEARANCE CERTIFICATE IN SPECIAL CIRCUMSTANCES

- 18.1 In the instance of a deceased estate where the surviving spouse or heir is a registered indigent and therefore unable to pay the amount required for the purpose of obtaining the requisite clearance certificate, an authorised official may recommend to the authorised forum that a clearance certificate be issued against the writing off of the outstanding debt.

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18.2 In the instance where an account holder negotiates full and final settlement of his outstanding debt in order to facilitate the transfer of his property, upon payment of the accepted full and final settlement amount can entitle the account holder to immediate issue of a clearance certificate.

19 MULTIPLE ACCOUNT MANAGEMENT

19.1 The City may:

19.1.1 Consolidate any separate accounts of any account holder liable for payments to the City, and/or separate an account of any account holder liable for payments to the City; provided that the accounts involved relate to the same account holder.

19.1.2 Appropriate, any credit balance on one account against an arrear amount on another account instead of issuing a refund for such credit balance, provided that the accounts involved relate to the same account holder.

19.2 The rule in 19.1 above does not apply in the instance where attorneys pay in moneys on behalf of their clients for the purposes of obtaining a clearance certificate.

20 ACTIONS TO SECURE PAYMENT

20.1 The City may use any other Credit Control methods, which are permitted in law (including the National Credit Act, where applicable). This includes but is not limited to the following:

20.1.1 Reference Checking;

20.1.2 Credit bureau, Deeds Office, Registrar of stands vetting

20.1.3 Deposit taking

20.1.4 Requirement to sign Account holder Agreements

20.1.5 Monthly statements

20.1.6 Statement reminder messages

20.1.7 Telephone calls

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- 20.1.8 Notices and Final Notices
- 20.1.9 Termination or Restriction of Services Notices
- 20.1.11 Letters of demand
- 20.1.12 Legal Action

20.2 The City reserves the right to report multiple bad debtors to Credit Bureaus as allowed by the National Credit Act.

21 INTEREST CHARGES

- 21.1 Interest will be charged on all overdue accounts by due date at the prevailing prime rate, which the City's banker at the time charges its clients in terms of mortgage agreements.
- 21.2 If a consumer agreement falls under the National Credit Act, the City will comply with section 4(6)(b) of the Act before charging interest on an account.
- 21.3 Since interest will vary, the City will ensure that it sends a notice in terms section 104 of the National Credit Act (where an account holder agreement is classified as a credit agreement) every time the interest rate is increased or decreased.
- 21.4 Interest will not be paid by the City on any credit balances that may register against an account holder account.

22 COST OF CREDIT CONTROL & DEBT COLLECTION

- 22.1 Any costs incurred by the City in collecting amounts owing to it may be recovered from the relevant account holder
- 22.2 The account holder will only pay a Default Administration Charge and a Collection Charge (as defined in the National Credit Act) for transactions that fall under that Act.

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23 COSTS OF TERMINATION OF SERVICES

Where any service is terminated as a result of non-payment of outstanding amounts, the City shall be entitled to levy and recover the standard credit control fees as determined by the City, from time to time, from the account holder.

24 RESTRICTION OR TERMINATION OF SERVICES

24.1 The City may restrict or terminate the supply of water, electricity and refuse removal or discontinue any other service to any premises whenever a user of any service:

24.1.1 Fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for services, rates or taxes or other amounts due;

24.1.2 Fails to comply with a condition of supply determined by the City;

24.1.3 Fails to repair a leak to supply that causes wastage of supply after having been advised to do so and having been given reasonable notice to comply;

24.1.4 Obstructs the efficient supply of electricity, water or any other municipal services to another customer;

24.1.5 Supplies such municipal service to a customer who is not entitled thereto or permits such service to continue.

24.1.6 Causes a situation which in the opinion of the City is dangerous or a contravention of relevant legislation;

24.1.7 Is placed under provisional sequestration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act no 24 of 1936; and

24.1.8 if an administration order is granted in terms of section 74 of the Magistrate court Act, 1944 (Act 32 of 1944) in respect of such user.

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24.1.9 Is placed under debt review, or debt counselling, or debt re-arrangement in terms of the National Credit Act.

24.2 The right to restrict, disconnect or terminate service due to non-payment shall be in respect of any services rendered by the City and shall prevail notwithstanding the fact that payment has been made in respect of any specific service and shall prevail notwithstanding the fact that the person who entered into agreement for supply of services with the City and the owner are different entities or parties, as the case may be.

24.3 Where the account holder is deceased, the City reserves the right to terminate the services on the said property if the account is sufficiently in arrears. The Executor of the deceased estate is then authorised to enter into acceptable arrangement with the City so that the services may be reconnected. Such an arrangement should be reduced to writing and signed by the Executor.

25 RECONNECTION OF SERVICES

25.1 The City shall reconnect and/or restore full levels of supply of any of the restricted or discontinued services only after the full amount outstanding is paid, including the costs of such disconnection and reconnection or acceptable arrangements having been made for payment of such outstanding amounts in terms of this Policy, or any other condition(s) of this Policy have been complied with.

25.2 Only an authorised official shall authorise the reconnection of services or reinstatement of service delivery after satisfactory payment and/or arrangement for payment has been made according to this Policy

26 FULL & FINAL SETTLEMENT OF AN ACCOUNT

26.1 The City is willing to negotiate a settlement of an arrear account at any stage of the collection process.

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- 26.2 The City shall appropriate monies received in respect of any of its debts at its sole discretion, provided, such appropriation complies with section 126 of the National Credit Act for transactions that fall under that Act.
- 26.3 Where the exact amount due and payable to the City has not been paid in full, any lesser amount tendered to and accepted by a the City employee, except when duly accepted in terms of a delegation of power, shall not be in final settlement of such an account.
- 26.4 The provision above shall prevail notwithstanding the fact that such lesser payment was tendered and/or accepted in full settlement.
- 26.5 Only once an authorised official has, in terms of the powers delegated to him/her, accepted and confirmed in writing, payment of such lesser amount, shall such payment be regarded as a payment in full and final settlement.
- 26.6 In the case of numerous interim readings for metered services on an account (more than six interim readings), the relevant authorised official of the City may enter into settlement negotiations with the account holder regarding the amount owed and may accept, at his or her discretion, a settlement amount that is less than the estimated amount, provided that such acceptance of a lesser amount will not be held against the City at court – the acceptance is made without prejudice.

27 ARRANGEMENTS TO PAY ARREARS

- 27.1 A debtor may enter into a written agreement with the City, in terms of the procedures provided by the provisions of section 57 of the Magistrates' Court Act 32 of 1944, to repay any overdue amount by signing an acknowledgment of debt (AOD) wherein the account holder or duly authorised representative:
- 27.1.1 admits liability for all outstanding amounts owing and payable to the City;
- 27.1.2 offers to pay all outstanding amounts together with any collection costs that may have been incurred by the City;

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- 27.1.3 undertakes to pay collection fees for which the City is liable in respect of the recovery of such instalment;
- 27.1.4 includes a consent to judgment and shall entitle the City to obtain default judgment against the account holder should the account holder default in terms of the conditions as set out in the AOD.
- 27.2 Should the account holder fail to act in accordance with the written offer made, the City shall then be entitled to proceed to obtain default judgment against the account holder and proceed to collect any amount due owing and payable by the account holder;
- 27.3 Should the City accept this offer, the acceptance shall be in writing and forwarded to the account holder via registered mail.
- 27.4 Should the account holder fail to pay the agreed instalments, after having been advised by the City or his attorney in writing that his offer is accepted, the City may proceed to obtain judgment against him/her.
- 27.5 The written agreement has to be signed on behalf of the City by a duly authorised official.
- 27.6 In order to determine monthly instalments, a comprehensive certified statement of assets and liabilities of the debtor needs to be compiled by the debtor. To ensure the continuous payment of such arrangement the amount determined must be affordable to the debtor, taking into account that payment of the monthly current account is a prerequisite for concluding an arrangement. The main aim of an agreement will be to promote full payment of the current account and to address the arrears on a consistent basis.
- 27.7 Should any dispute arise as to the amount owing, the debtor will continue to make regular payments, based on the average charges for the preceding three months prior to the dispute, plus interest.

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28 INTEREST ON ARRANGEMENTS

Once an agreement has been concluded the amount in arrears will be reflected as current and no further interest will be added. In the event of default, interest will again be levied from date of default.

29 AGENTS, ATTORNEYS AND OTHER COLLECTION AGENTS

29.1 The City shall compile a list of all external agents acting on behalf of the City which list shall *inter alia* contain their names, details and contact information. All such agents shall be supplied with a copy of the credit control measures.

29.2 Under no circumstances may agents negotiate terms, extend payment periods or accept cash on behalf of the City, unless specifically instructed in writing to do so. The agent, on request of the debtor, must produce this instruction.

29.3 The cost to the City and to the debtor must be detailed for each stage of the credit control measures and for all possible actions. The liability for the costs of legal action and other credit control actions will be for the account of the debtor where appropriate.

30 LEGAL FEES

All legal costs, including attorney-and-own-client costs incurred in the recovery of amounts in arrears shall be levied against the arrears account of the debtor and/or recovered directly by the duly appointed agent.

31 THE PROCESS OF LEGAL COLLECTION

31.1 After various attempts to collect the debt in terms of this Policy, the account will be handed over to the City's Attorneys or Collection Agents.

31.2 If the agreement is also a credit agreement in terms of the National Credit Act, a letter in terms of section 129 of this Act will be sent to the account holder informing him/her about the default and proposing that the matter be

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referred to a debt counsellor, alternative dispute resolution agent or account holder court in order to assist the account holder to pay the debt.

- 31.3 If the debtor does not react to the above letter within 10 days of it being sent or if he rejects the proposal made, the city can proceed with legal action against him/her.

32 FRAUD, FORGERY, TAMPERING & OTHER CRIMINAL ACTIVITY

The City shall at its discretion be entitled to withhold the supply water or electricity to a debtor who is found guilty of fraud, theft or any other criminal action relating to the supply of water and electricity, or if it is evident that fraud, theft or any other criminal action has occurred relating to such supply, until the total costs, penalties, other fees, tariffs and rates due to the City have been paid in full.

33 PAYMENT OF DEPOSITS

- 33.1 All account holders shall pay a deposit for the supply of electricity and/or water by the City calculated at the rate of the deemed consumption for a period of 2 (Two) months in respect of the property in question.
- 33.2 The City may periodically review the sufficiency of the deposit paid by the account holder to ensure that the deposit held by the City is always equivalent to 2 (two) months deemed consumption.
- 33.3 Any sum deposited by or on behalf of an account holder shall, be set off against any outstanding debt due by the account holder before being refunded upon termination of the account holder's agreement for service provision.
- 33.4 Where a deposit has not been paid to the City by the account holder for whatever reason, water and/or electricity may be disconnected until such time as an account holder agreement has been signed and the applicable deposit has been paid.
- 33.5 Where a deposit has not been paid to the City by the account holder, or during review of the sufficiency of the deposit held with the City, it is found

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that the deposit paid by the account holder is not equal to 2 (two) months deemed consumption, the City may raise the deposit against the account holder's account after due notice to him.

- 33.6 With regard to agreements that fall under the National Credit Act, the City must ensure that it complies with section 124 of this Act before it uses the deposit for any purpose.

34 PAYMENT METHODS

- 34.1 The City reserves the right from time to time to introduce new payment methods in line with the advancements of technology, and to:

34.2.1 recover the costs of the introduction of such payment methods from the account holders; and

34.2.2 discontinue the use of existing payment methods.

- 34.2 Factors that will guide the discretion of the City in discontinuing a payment method include:

34.2.1 susceptibility of payment method to fraud and corruption,

34.2.2 difficulty with tracking payments and appropriating payments to the correct account,

34.2.3 cost of sustaining payment method

35 EXCESSIVE CASH PAYMENTS

- 35.1 The City reserves the right not to accept excessive cash payments as payment in circumstances where such cash payment will entitle the account holder to a refund for a period of 1 (one) year following payment of the cash into the account holder's account.

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35.2 In furtherance of 35.1 above, the City may withhold the refund of amounts under circumstances described in 35.1 above for a period of 1(one) year from the payment of the cash into the account holder's account.

36 TARGETS FOR COLLECTIONS

36.1 The City may set collection targets towards which it should strive to achieve on a periodic basis.

36.2 These targets must be consistent with generally recognised accounting practices for municipalities and collection ratios.

36.3 These targets must also be consistent with estimates of income set in the budget less an acceptable provision for bad debt.

37 APPEALS OF ADMINISTRATIVE DECISIONS

37.1 All administrative decisions by the City made in terms of this Policy may be appealed in terms of the internal escalation mechanisms within the Revenue and Customer Relations Management Department.

37.2 If the Revenue and Customer Relations Management internal escalation mechanisms have been exhausted and a consumer is still aggrieved, the consumer may appeal to the Appeals Board, a forum meant to assist the City Manager as the authorised appeals authority in terms of Section 62 of the Municipal Systems Act.

37.3 All appeals to the Appeals Board of the City Manager must be in the required form, failing which such may not be considered by the Appeals Board of the City Manager.

37.4 The Appeals Board shall make recommendations to the City Manager, who will finally decide on the matter.

37.5 The decision of the City Manager, assisted by the Appeals Board, shall be final, and any further recourse should be sought through the judicial system.

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38 APPEALS MECHANISM FOR PREPAID METERS

38.1 A separate appeals mechanism exists for disputes arising from the issue and supply of prepaid meters.

38.2 The prepaid meters appeal mechanism is administered by the Department of Community Development within the City.

39 REVIEW OF THIS POLICY

This Policy should undergo regular reviews in order to maintain this Policy in line with the obligations placed on the City in terms of Section 97 of the Systems Act.