

Media release:

CPA COMPLAINTS HIGHLIGHTS NEED FOR EFFECTIVE RECORDS MANAGEMENT BY SA BUSINESSES

May 2011: The hundreds of complaints received by the National Consumer Commission (NCC) in the first two weeks following the introduction of the Consumer Protection Act (CPA) on 1 April has highlighted the importance for businesses to ensure that they have effective records management systems in place.

Richard Buttle, CFO at Metrofile, the JSE listed information and records storage management business, says that the implementation of the CPA has created an increased awareness among consumers of their rights and businesses need to prepare themselves for the potential onslaught of returns and cancellations of contracts.

“Records management must be a top priority to ensure sales and contract records and supporting documentation are easily accessible and securely stored at all times. Ineffective records management could result in a loss of productivity, reputational damage, legislative ramifications and ultimately financial losses,” says Buttle.

He says that daily claims will require a speedy response from a reputation and productivity management perspective. “Businesses need to implement a robust process for collating documents, storing records both locally and offsite and archiving records in a managed structure so they can retrieve the records timeously and resolve consumers’ queries quickly and efficiently.”

Buttle advises that while all industry sectors will be heavily affected by the regulations of the CPA, it is likely that cellular companies, banks and retailers will experience the biggest impact due to their large client bases.

He says that while corporate organisations are more likely to have an effective records management system in place due to previously implemented business continuity and backup plans, the small-to-medium businesses need to be more vigilant when it comes to records management.

“Documents such as sales records, warranties, service level agreements and contracts opened between the business and consumer should be safely stored and easily accessible. Businesses should even document any advice given as evidence that recommendations were given to the consumer should they complain on a basis that insufficient information was provided at the time of the sale.”

He adds that businesses also need to protect themselves against potential false claims which could lead to financial losses. “For example, an effective records management system will aid businesses to identify whether a claim is legitimate, so as to ensure that they are not taking back goods that were not originally bought from their particular business.



“The rights of consumers are firmly in the spotlight at the moment and companies need to ensure they are prepared from a records management perspective to avoid complaints hampering business in anyway, concludes Buttle.

-ends-

About Metrofile

Metrofile is Africa’s market leader in information and records storage management and is represented in all of South Africa’s major provinces. Metrofile operates from 23 facilities covering more than 68 000m² of warehousing space and manages more than 18 billion records on behalf of its customers.

Services include in and outsourced solutions to help business and government to increase operating efficiency and meet legislative and corporate governance requirements. Metrofile’s services also mitigate business risk by ensuring that company data is secure and protected at all times. These services comprise file plan development, training in all aspects of records management, the supply of files, active file management (on and off-site), archival of records (on and off-site), image processing, data protection, backup management, paper management and confidential records destruction. Metrofile also supplies and maintains a wide range of business equipment including scanners, library security systems, mailing and packaging machines.

Metrofile has been listed on the JSE Limited (“JSE”) since 1995 and its ordinary shares are quoted in the Support Services sector of the JSE. Its largest shareholder is its empowerment partner, Mineworkers Investment Company (Pty) Limited (“MIC”), which owns 32,4% of Metrofile’s equity. Visit www.metrofile.com for more information.