

Seller beware! Consumer protection issues in Oman

Arif Mawany - Head of Corporate Commercial - Oman - Commercial / Corporate / Mergers and Acquisitions / Capital Markets

a.mawany@tamimi.com - Muscat

Noor Al Taei

N.Al-Taei@tamimi.com - Muscat

A reasonable amount of time has now passed following the implementation of Resolution Number 77 of 2017 promulgating the executive regulations of the consumer protection law ("**Regulations**"). Since the advent of the Regulations, the Consumer Protection Authority of Oman ("**CPA**") has used the opportunity given by the Regulations to provide it with more teeth to deal with practices that might be considered to be against the best interests of consumers and various powers contained in the Regulations have been notably used by the CPA in the years following their implementation. This article describes these powers and later summaries some of the key consumer rights issues arising under the Regulations.

Products breaching health and safety requirements

If the CPA becomes aware of or alleges that a product endangers consumer "health, safety or money", the Regulations empower the CPA to take a sample of the product for testing at a laboratory, at the cost of the person selling the product. If the product is later found to contravene basic health and safety standards, the CPA is permitted to take a range of remedial measures including issuing a notice to prevent further sale of the product, imposing an administrative fine or referring the matter to the public prosecution. Until the period of testing has been concluded, the CPA has the ability to seize the offending products and prohibit the seller from disposing the product.

Repair and replacement

The Regulations contain a list of a range of products that require replacement, repair or return provided that they are returned during a 15 day period and the consumer is able to provide proof of purchase. These products include vehicles and their accessories, electronic items, automotive spare parts, home appliances, fishing vessels, hospital equipment and supplies, gold and silver jewellery and cosmetics. In cases involving a replacement of any of items listed in the Regulations (and in circumstances where a replacement has been initiated by the consumer), compensation for damage is, under the Regulations, payable to the consumer. The exact amount of compensation payable is determined either by agreement between the consumer and the seller or if they do not agree on the amount of compensation, by the CPA.

Prohibited practices

The Regulations prohibit suppliers from engaging in allegedly anti consumer practices including the following:

1. attempting to deceive or mislead the consumer in relation to a product;
2. failing to make the consumer aware of risks associated with the product, after they have been discovered;
3. using defective measuring or testing equipment;
4. using forged quality certificates or data to misrepresent the quality of the product; and

5. advertising products or services in a misleading way

If proven, engaging in these practices is punishable by a fine or a daily fine if the violation continues.

Prohibited contractual terms

The Regulations prohibit suppliers from inserting “anti consumer” terms in their contracts with customers. The Regulations contain a list of these terms and in summary, any clause that attempts to exclude civil liability to the consumer or that prohibits the consumer from being able to return or replace the product is null and void. As is the case with prohibited practices (described in the paragraph directly above), the sanction for attempting to enforce such terms against a consumer is punishable by a fine or a daily fine if the violation continues.

Recalls

The CPA must be informed immediately in the event of a seller discovering a defect in a product or service and where such defect could cause harm to the consumer. A full report must be made to the CPA including the nature of the defect, potential damage likely to be suffered and the consumers that are likely to be affected. At the same time, the seller is required to contact the customer affected by the defect in addition to publishing a recall notice in the local press. The seller must bear all costs associated with the defect. The CPA is empowered to levy a one off or daily fine if the CPA has not been made aware of the defect or recall notices have not been published.

Detecting violations

The Regulations make clear that the CPA’s employees are treated as law enforcement officers giving them the power to enter premises to investigate alleged breaches of consumer protection related issues. This power is most likely to be used in response to complaints by consumers in relation to specific organisations and their practices. The CPA is permitted to issue a fine if the seller does not co-operate with the CPA’s employees during the investigation phase.