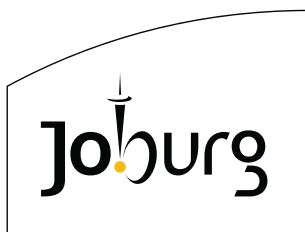




All you need to know about

PRE-TERMINATION NOTICES



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Pre - termination Notices:

If the balance on a customer's latest account shows an overdue amount, they have already been scheduled for credit control action because the account is 30 days overdue. A final letter of demand will be issued to the customer and to avoid being cut off the account has to be paid by the stipulated due date. If customers do not respond to the letter of demand, their services will be cut off. In this instance customers will have to settle the full outstanding amount, plus a re-connection fee before services will be reinstated.

The law provides that a municipality must give the customer and the owner of the property (if the person consuming the services at the property is not the owner) a minimum of 14 days written notice of termination of the supply of electricity and water.

The purpose of giving a 14 days written notice of termination is to allow a customer to respond to the City within that time and to raise any disputes/queries about the charges that are purportedly owing, or alternatively to allow the customer to make payment of the arrears or make other payment arrangements with the City such as by entering into an instalment payment plan.

A charge of pre-termination notice is not a punishment to customers for paying their bills late. It is a levy that the City passes to the customer for the administration costs that arises because of lawyers having to deliver the notice of intention to terminate services on accounts that are in arrears.

Customers still have time after the pre-termination notice has been sent to settle their debt to avoid further added costs associated with the credit control process. The delivery of the pre-termination letter takes place **five** days after the bills were due.

Customers receive a copy of their municipal statements/invoices before the due date, so they will have time to ask any questions/log a query before payment. Should this not be, before credit control action kicks in?

The bulk of Pre-termination notices are system generated.

On the 2nd day after the due date, the dunning (credit control) process begins, accounts are sent by the system to the Outbound Telephone Collections Department in a further attempt to contact the customer to pay his/her account. On the 3rd day, accounts with arrears migrate to dunning level 20 (the sending of pre-termination notices on accounts with services).

The pre-termination notice will have the details of the debtor (**name, surname, physical address, stand number and the amount owing as well as what the debtor should do in case they are disputing the content of the notice**).

These pre-termination notices are hand delivered to the debtors' properties within 24 hours by external contractors that are employed by the City for this specific function.

Any customer who disputes the content of the pre-termination notice must either call the Call Centre or go with the notice to any of our Customer Service Centres to avoid the services from being disconnected.

Customers can avoid pre-termination notices from being sent to them by always ensuring that they pay their accounts before the due date on their accounts.

The City of Johannesburg's **Credit Control & Debt Collection Policy** states clearly that:

“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.

Furthermore, 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:

- Fails to make full payment on or before the due date or fails to make acceptable arrangements for the repayment of any amount for services, rates or taxes or any other amounts due;
- Fails to comply with a condition of supply determined by the City;
- Fails to repair a leak that causes wastage after having been advised to do so and been given reasonable notice to comply;
- Obstructs the efficient supply of electricity, water or any other municipal services to another customer;
- Supplies such municipal service to another customer (tenant) who is not entitled thereto or permits such service to continue;
- Causes a situation which, in the opinion of the City, is dangerous or a contravention of relevant legislation;
- 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;
- 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;
- Is placed under debt review, or debt counselling, or debt rearrangement in terms of the National Credit Act;
- 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; Sentence is so long and complicated, I cut it into two bullets.
- Furthermore, shall prevail the fact that the person who entered into an agreement for supply of services with the City and the owner are different entities or parties, as the case may be. Are you talking about businesses here? We do not open tenant accounts anymore, so should always be the owner.....
- Where the account holder is deceased, the City reserves the right to terminate the services on the said property if the account is in arrears. The Executor of the deceased estate is then authorised to enter into an 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.