

Double dipping and misrepresentation

In this article we continue to focus on double dipping.

There is more than one meaning for the term depending on the context of double dipping. For example, "the practice of drawing two incomes from the government, usually by holding a government job and receiving a pension, is also referred to as double-dipping" (Investopedia).

A case is known of foreigners who were not allowed to leave the offices of a motor vehicle hiring company before they paid the total amount for a damaged vehicle. The customers were under the impression that they had insurance for the vehicle, for which they were held liable by the specific motor vehicle hiring company.

In another case a motor vehicle hiring company offered a comprehensive insurance package, or so it seemed in their verbal communication, with the intention to create the most positive impression with the customers. However, the company was in this case not legally registered to offer such insurance.

The customers were compelled to pay the full amount of the damages to the vehicle. They later initiated a civil case against the motor vehicle hiring company.

READ THE FINE PRINT

It is recommended that customers read the fine print before signing



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contracts. Do not rely on good faith and unconditional trust. What a salesman says because he or she wants to convince you, could be quite different from the fine print.

This could be a form of corruption, called misrepresentation, however difficult to prove especially where a customer signed the fine print contract. Customers could be under the impression that they are covered in terms of insurance and still held liable for damage to a vehicle.

Customers should also not accept that the rules applicable to "insurance" or "waiver" offered by a motor vehicle hiring company are similar to the usual rules applied by registered short term insurance. Often the fine print of such contracts contains more exclusions or discretions as to whether the customer would be held liable or not.

The old adage applies: "Let the buyer beware"/"emptor caveat" (Scholz).

• References

Investopedia. WWW. 2016.

Scholz, J. 2016. Director: Millennium Investment.

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