

The [Consumer Protection Act](#) 68 of 2008 is set to become an ever more prevalent piece of legislation and therefore both service providers and consumers need to ensure that they are compliant when entering into agreements.

In terms of the Consumer Protection Act (the "CPA") restaurants are entitled to ask patrons to make payment into their account of a non-refundable deposit when making a reservation in the event that the patron does not arrive to honour the booking.

This is because the restaurant, as the service provider (as defined in the CPA), stands to lose business in circumstances where it holds a table open for the consumer; turns other potential patrons away; is met with a cancellation by such consumer; and as a result is unable to utilise this table to produce revenue for the restaurant.

The deposit requested serves three purposes, namely:

1. To secure the reservation;
2. It stands as financial security to cover a portion of the restaurant's loss in the event of a cancellation (without adequate notice) or a no show; and
3. It serves to penalise the patron for their conduct as aforesaid.

Not only does Section 17 of the CPA allow a restaurant to call for a deposit, but the restaurant can charge a cancellation fee when the consumer decides to cancel the booking without adequate notice (as agreed) or if the consumer is a no show.