



COMPETITION AND CONSUMER PROTECTION COMMISSION

NON-ISSUANCE OF SMALL CHANGE TO CUSTOMERS

Revised 10.04.2025

**ADVISORY NOTE TO THE RETAIL SECTOR AND CONSUMERS ISSUED
PERSUANT TO SECTIONS 85 AND 5(d) OF THE COMPETITION AND
CONSUMER PROTECTION ACT NO. 24 OF 2010 AS AMENDED BY THE
COMPETITION AND CONSUMER PROTECTION (AMENDMENT) ACT No.
21 Of 2023**

***Small Change in this case refers to that part of change that cannot be issued
due to non-availability or nonexistence of certain denominated coins***

Introduction

Zambia's legal framework generally allows for the private sector to set prices based on business considerations. However, there are provisions in the Competition and Consumer Protection Act no. 24 of 2010 as amended by the Competition and Consumer Protection (Amendment) Act No. 21 of 2023 (the Act) that prohibit some forms of pricing such as excessive pricing, predatory pricing and unfair pricing, which can be a form of unfair trading. These provisions are designed to protect public interest in case of market failures and unconscionable conduct.

Retail pricing practice

One of the most commonly adopted pricing strategy in the retail sector particularly in the Fast Consumer Moving Goods (FCMG) is the psychological pricing strategy. It is a strategy that impacts the consumer's subconscious mind, and involves pricing the goods and services slightly lower than a whole number. For instance, in the retail store, a price of K199.99 is psychologically considered to be lower and more favorable than K200. Although the price is slightly lower, it is only K0.01 short of K200. Therefore, it will be more attractive to consumers if K199.99 is charged for the given commodity than K200. This increases both sales and store attractiveness for enterprises.

Currency in circulation

Zambia currently has six banknotes and six coins in circulation. These are: K500, K200, K100, K50, K20, and K10, and six (6) coins K5, K2, K1, 50N, 10N, and 5N.¹ The current set of denominations and coins only support a specific type of pricing such as those denominated in 10N and 5N. These include prices that end with a 5N such as K99.95 or those with a 10N such as K99.90. Zambia currently does not have 1Ns as legal tender. This means for every purchase that requires any other coins as change other than 5N or 10N results in the customer losing the change. Below are figures of current prices in selected retail stores;

¹ https://www.boz.zm/Governors_Presentation_Heritage_Currency_Launch.pdf

Fig 1: Pricing in selected stores



Secondly, due to inflation, the Commission has observed that coins tend to lose value in the eyes of the public as is the case with 10Ns and 5Ns. While the Bank of Zambia has continued to mint and make available the coins in circulation, members of the public tend to hold on to the coins effectively creating a shortage. The shortage of coins in circulation means that consumers even where the price is in current coin supported denomination, are not able to obtain the change they require.

Unfair Trade Practice

A trading practice is considered unfair and thereby distorts, or is likely to distort, the purchasing decisions of consumers if the trading practice (a) misleads consumers; (b) compromises the standards of honesty and good faith which an enterprise can reasonably be expected to meet; (c) is unconscionable; or (d) places pressure on consumers by use of harassment or coercion. In addition, unconscionable conduct includes a conduct of price gouging, selling of goods and services of unacceptable low quality and other unfair trading practice that defies good conscience and is harsh and oppressive to the consumer.

The non issuance of small change to customers constitutes a form of unfair trade practices. Retail stores accept the offer and consideration (amount to be paid) made by consumers and hence have the implied obligation to retain to the consumer the difference between the purchase price and the amount tendered if any. Equally, consumers, at the point of purchase expect to be given the difference between the purchase price and the amount tendered. The non issuance of small change to consumers after purchase on the premise of the pricing models pursued by enterprises should therefore not be an excuse to the disadvantage of consumers while profitably benefiting the enterprises. Change, however small, accumulates over time resulting in consumers collectively losing thousands of Kwachas annually. For instance, if an average of 500 consumers forfeited a K0.20 across two hundred thirty- six (236) outlets, collectively, consumers would have lost K8,496,000.00 in a year as follows:

No. of Consumers	Change retained by retailer	Outlets	Days	Total amount Retained
500	K0.20	236	1	K23,600.00
500	K0.20	236	30	K708,000.00
500	K0.20	236	365	K8,614,000.00

Nature of Advisory Note

This Advisory Note 10.04.2025 (“Note”) is thus issued pursuant to section 85 of the Act which state that; *“the Commission may disseminate in such manner and form as it considers appropriate, information and advice concerning the operations of this Act”*. The Advisory note relates to issuance of small change in retail stores to consumers.

The Retail Sector and Consumers are Advised as Follows

1. While the setting of prices is the prerogative of the retail stores, such stores must ensure that the consumers obtain their change however small upon conclusion of a purchase transaction.
2. Consumers are advised to demand for their change however small.
3. Consumers are encouraged to stop hoarding the small denominated coins such as 10N and 5N coins in order to have them in circulation.
4. Enterprises are equally advised to accept the small denominated coins such as 10N and 5N coins as legal tender during purchases made by consumers.

Issuer : Competition and Consumer Protection Commission

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