



PRESS RELEASE

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8TH JUNE, 2026

RECENT DECISIONS BY THE COMPETITION AND FAIR TRADING COMMISSION

The Competition and Fair Trading Commission (“the Commission”) held its 75th Meeting on 8th May 2026, to consider and adjudicate over cases of anti-competitive business practices and unfair trading conducts.

The Commission adjudicated over a total of 14 cases out of which 3 were closed at preliminary stage, due to among others lack of merit and early resolution of the issues at hand.

During the sitting, the Commission has ordered six companies to pay administrative monetary fines totaling MK361 million for different violations as provided under the Competition and Fair Trading Act (CFTA). The Commission has also ordered six companies to pay refunds to consumers amounting to over K126 million.

This statement presents summaries on some of the cases that were decided during the recent sitting of the Commission.

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1. ALLEGED UNCONSCIONABLE CONDUCT, FAILURE TO DISCLOSE MATERIAL INFORMATION, AND UNFAIR CONSUMER CONTRACTS BY STANDARD BANK MALAWI

A Complainant alleged that she obtained a loan of MK4,500,000 on 22nd October 2021, which was repayable over a three-year period, ending in October 2024. She reported, however, that deductions continued beyond October 2024, contrary to the agreement on the duration of the loan.

The Complainant maintained that she raised concerns early in the process, but the Respondent failed to properly clarify the discrepancies and instead sought to rectify internal errors, which came at her expense.

Upon investigations, the Respondent discovered that an inadvertent default change in their system had resulted in the loan tenure being set to five years instead of the contracted three years. They noted that due to this change, lower monthly repayments were charged to the loan. Consequently, this resulted in the Complainant paying less than the amounts required to satisfy the debt within the original three-year contracted period. Considering that the loan was overbooked, the Respondent unilaterally resolved to extend the loan's period from three years to five years,

Upon consideration of the facts and the loan agreement, the Commission found that the Respondent failed to disclose material information relating to changes in the loan term and repayment arrangements. The investigations further found that the Respondent's terms and conditions gave the Respondent powers to unilaterally vary the parameters of the loan during the loan's lifespan. The Commission, therefore, determined that the Respondent contravened Sections 51(g), 51(p), and 52 of the CFTA.

Following deliberations, the Commission issued the following orders:

- **That Standard Bank should write off the loan and refund the Complainant all the monies deducted from the Complainant's account from November,**

2024 to date. The Respondent should provide details of deductions made to the Complainants account.

- **That Standard Bank should pay a monetary penalty of MK 100, 000,000.00 for engaging in unconscionable conduct and failure to disclose material information and unfair consumer contracts.**
- **That Standard Bank should amend the unfair clause in their contract, which states *“the Bank may at its discretion be entitled to vary any of the terms and conditions from time to time on written notice.”***

2. ALLEGED MISLEADING CONDUCT, UNCONSCIONABLE CONDUCT, FAILURE TO DISCLOSE MATERIAL INFORMATION, AND UNFAIR CONSUMER CONTRACTS BY FDH BANK

In April 2025, the Commission commenced investigations against FDH Bank (“the Respondent”) following a complaint regarding misleading conduct, unconscionable conduct, failure to disclose material information, and unfair contract terms.

The Complainant had obtained guarantee and overdraft facilities from FDH in February 2023 totaling MK150 million. These facilities included a Keyman insurance requirement linked to its co-founder. Upon renewal in 2024, the facilities were restructured to MK130 million, with the overdraft reduced and the Keyman insurance clause omitted. These changes were unilaterally effected by the Respondent. However, a deduction of MK200,000 was later made from the Complainant’s account being indicated as credit life insurance, which was later linked back to the Keyman insurance cover. The Complainant further observed that FDH Bank had altered “the Keyman” for this insurance cover and then had created another Keyman insurance under a different person.

Following the death of the Keyman (the founder of the company) in April 2024, the Complainant sought indemnification under the original guarantee. FDH Bank declined the claim, stating that the Keyman insurance had lapsed and was not renewed. The Bank further claimed that the MK200,000 that was deducted was merely an error that would be refunded.

The Complainant thus submitted that FDH Bank unilaterally altered insurance terms, changed the insured person (the Keyman) without consent, made unexplained deductions from their account, and failed to provide sufficient clarifications. This resulted in significant financial losses and contractual uncertainty for the Complainant.

The Commission found that FDH Bank's removal and alteration of the Keyman insurance without proper disclosure, coupled with erroneous deductions, deprived the Complainant of material information and amounted to misleading conduct contrary to Sections 51(d) and 51(p) of the CFTA. Furthermore, the Commission found that the unilateral variation of insurance terms created an unfair imbalance in the contractual relationship, contrary to Section 52(1). The Commission also determined that the Respondent's conduct was unconscionable, as it involved the unjustified alteration of key risk protections and the exploitation of a vulnerable commercial position, contrary to Section 51(g). As a result, the Complainant suffered a financial loss arising from a MK120 million deduction and the loss of expected indemnification. The Commission's investigations also found that the deduction of the K120 million put the Complainant's account in overdrawn position thereby incurring further charges for the account being in overdraft.

Following deliberations, the Commission issued the following orders:

- **That FDH Bank should refund MK200,000 to the Complainant, being the amount erroneously deducted for the purported creation of Keyman insurance.**
- **That FDH Bank should reverse the MK120,000,000 deducted from the Complainant's account, as the liability arose from a contract formed through unfair trading practices regarding insurance cover. This refund must include interest accrued to date, plus interest accrued on the overdraft. The Respondent must report to the Commission on the steps undertaken within 30 days.**
- **That FDH Bank should pay a monetary penalty of MK200,000,000.00 for engaging in misleading conduct, unconscionable conduct, failure to disclose material information, and unfair consumer contracts.**

3. ALLEGED EXCLUSION OF LIABILITY FOR DEFECTIVE GOODS AND SUPPLY OF GOODS FAILING TO MEET CONSUMER SAFETY STANDARDS BY NITRO PHOS LIMITED

The Commission launched investigations against **Nitro Phos Limited** (“the Respondent”) following complaints from farmers alleging the supply of defective fertilizers and the exclusion of liability for the resultant damage to their crops.

Two initial Complainants reported total crop failure shortly after applying CAN fertilizer purchased through agro-dealers supplied by the Respondent. Both alleged that the fertilizer caused wilting and severe damage, and that subsequent engagements with the company failed to provide effective redress.

The Respondent denied any direct dealings with the Complainants and disputed liability, stating that it does not supply fertilizer in the quantities or packaging described. Furthermore, the Respondent maintained that its products comply with Malawi Bureau of Standards (MBS) requirements.

However, the MBS confirmed that while Nitro Phos had previously obtained conformity certificates, certain fertilizer batches failed to meet specification standards, particularly regarding nutrient composition and moisture content. The MBS also noted inconsistencies regarding import approvals and compliance for specific consignments.

Market surveillance established that Nitro Phos fertilizer was widely distributed through agro-dealers, and multiple farmers across different districts reported similar crop damage following its application. Further submissions from distributors and additional complainants corroborated that defective batches were supplied to the market and that the crop damage was consistent with the application of the defective fertilizers.

The Commission found that the Respondent’s conduct amounted to excluding liability for defective goods and the supply of goods that did not meet consumer safety standards; and hence the conduct by the Respondent contravened Sections 51(b) and 51(e) of the CFTA.

Following deliberations, the Commission issued the following Orders:

- **That Nitro Phos Limited should take appropriate remedial measures to address the harm caused by the defective fertilizer, including a refund of the purchase price and compensation for the potential losses incurred.**
- **That Nitro Phos Limited should pay a monetary penalty of MK50,000,000.00 for excluding liability for defective goods and supplying goods that fail to meet consumer safety standards.**

4. ALLEGED EXCLUDING LIABILITY FOR DEFECTIVE SERVICES AND UNCONSCIONABLE CONDUCT BY CTS COURIER

In March 2025 and September 2025, the Commission commenced separate investigations against CTS Courier Services (“the Respondent”) for allegedly excluding liability for defective services and engaging in unconscionable conduct.

The investigations followed complaints from two consumers: one who had sent two mobile phones worth MK360,000.00 each, and another who sent household items valued at MK95,000.00 through the Respondent’s courier service. These items got lost while in transit. When the Complainants engaged the Respondent, they did not provide any redress.

Following the investigations, the Commission noted that the Respondent failed to take any meaningful steps to compensate the affected consumers. Therefore, the Commission found them to have contravened Sections 51(b) and 51(g) of the CFTA.

Following deliberations, the Commission issued the following orders:

- **That CTS Courier should refund the complainants the full market value of the lost or damaged items as well as the original courier service charges.**
- **That CTS Courier should pay a monetary penalty of MK5,000,000.00 for excluding liability for defective services and engaging in unconscionable conduct.**

5. ALLEGED EXCLUSION OF LIABILITY FOR DEFECTIVE SERVICES AND UNCONSCIONABLE CONDUCT BY MODERN DRY CLEANERS

In December 2025, the Commission launched investigations against Modern Dry Cleaners for alleged unconscionable conduct and excluding liability regarding dry cleaning services for clothes valued at MK1,459,166. Upon collection of the clothes, the Complainant found that the items were damaged following poor dry cleaning services.

The Respondent offered MK180,000 as compensation which was only 10 times the cost of cleaning services (K18,000), which the Complainant rejected as inadequate given the total value of the clothes.

The Commission's investigations further found that the Respondent's invoices contained clauses excluding the Respondent from any liability for damage cases to the clothes, but also limiting the compensation to only ten times the cleaning fee, while also permitting the disposal of uncollected items without prior notice. The Commission concluded that the Respondent's conduct was unfair and unconscionable, thus contravening Sections 51(b) and 51(g) of the CFTA.

Following deliberations, the Commission issued the following orders:

- **That Modern Dry Cleaners should refund the Complainant the amount of MK1,459,166.00, representing the full cost of the damaged products.**
- **The Modern Dry Cleaners refund the Complainant the amount of MK18,000, representing the cost of the dry cleaning services which proved to be defective.**
- **The Modern Dry Cleaners pay a monetary penalty of MK3,000,000.00 for excluding liability for defective services and engaging in unconscionable conduct.**

6. ALLEGED MISLEADING CONDUCT; UNCONSCIONABLE CONDUCT AND FAILURE TO DISCLOSE MATERIAL INFORMATION BY URBAN REALTORS LIMITED

The Complainant alleged that on 10th November 2023, he purchased two plots (LA03/12 and LA03/13) at Airwing, Lilongwe for MK2,000,000 and signed a sale agreement. However, the Respondent failed to allocate the plots, citing ongoing beacon installation and administrative processes, with no clear completion timeline.

The Respondent maintained that the delay was due to administrative processes and denied any wrongdoing, while expressing willingness to resolve the matter, including possible refund. The Complainant submitted that with passage of time, the prices of the plots in that area had increased to around K4,000,000. In this regard, the exact amount refund would not enable him to purchase equivalent value plots.

The Commission found that the Respondent failed to disclose material information, including timelines, risks, and refund terms, thereby depriving the Complainant of informed decision-making. This constituted failure to disclose material information under section 51(d) and misleading conduct under section 51(p) of the CFTA.

The Commission further found that the prolonged delay and lack of effective remedy caused economic harm to the Complainant and amounted to unconscionable conduct under section 51(g) of the CFTA.

In pursuit of a fair and equitable resolution, the Respondent proposed a structured refund settlement to the Complainant in the total sum of K 3,800,000, to be disbursed as follows: K 2,000,000 on 29 May 2026; K 1,000,000 in June 2026; and the remaining balance of MWK 800,000 in July 2026. This offer was presented to the Complainant and the Complainant accepted the offer.

Following deliberations, the Commission made the following Orders:

- **That Urban Realtors should refund the Complainant the amount of K3,800,000 (which was offered by the Respondent and duly accepted by the Complainant).**
- **That Urban Realtors should pay a monetary penalty of K3,000,000.00 for engaging in misleading conduct; unconscionable conduct and failure to disclose material information.**