

Restaurants in UAE taking service charges will be slapped with heavy fines

Restaurants across the UAE have withdrawn service charges, abiding by the directive issued by the Ministry of Economy in December that the practice of imposing a service charge on food bills is illegal.

- By Anjana Sankar, Senior Reporter, and Mariam M. Al Serkal and Nasouh Nazzal, Staff Reporters
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Dubai/Ras Al Khaimah: Residents will pay less when they eat out as service charges are off the menu effective from Wednesday.

Restaurants across the UAE have withdrawn service charges, abiding by the directive issued by the Ministry of Economy in December that the practice of imposing a service charge on food bills is illegal. Authorities had given outlets a month's grace period to comply, which ends on Wednesday.

Following complaints that some restaurants were charging up to 20 per cent of the bill as a service charge, the Ministry ruled that it is against the consumer protection law number 26 for year 2006. But despite media reports, a majority of outlets continued to flout the rule insisting that they did not receive communication from the authorities.

From the first week of January, the ministry started sending instructions to outlets and set February 10 as the deadline to stop the illegal practice, warning them that heavy fines will be imposed if they violate the rule.

With the deadline ending today, *Gulf News* has found that most of the outlets have started complying, and have taken off the service charge from the billing system and menu.

Paul, a popular restaurant said they have withdrawn their 10 per cent service charge from January 5 onwards after they received a memo from the authorities.

John Valdez, restaurant manager at the fast food outlet Chili's said they have also stopped taking a 10 per cent service fee. "We were waiting for specific instructions and we have already implemented the new rule by taking it off from the system," Valdez said.

Japengo Café, another franchise has also followed suit.

Restaurants in Sharjah have also abided by the rule and stopped imposing service charge on their customers, and both managers and employees said they are well aware of the consequences if they fail to do so.

Nui Chanopas, supervisor at Lemongrass, said they were well informed about the new rule. "We used to impose a service charge but have already stopped imposing it since last December."

The franchise Nando's has also stopped imposing any service charge, and a waiter said: "We used to put a service charge on the bill but we stopped that practice almost 20 days ago."

Restaurants in Ras Al Khaimah said the new rule does not make any difference to them because they never used to charge an extra fee on service. Hikmat Fadel, a co-owner of Al Sahari Restaurant in Ras Al Khaimah said that his restaurant never imposed a service charge and there was only an additional charge if the order is for home delivery.

Abu Ali, another restaurant owner said the price lists of the restaurants are usually attested by the RAK Department of Economic Development, which does not allow in any way service charges to be included in the bills.

The rule has met with mixed response from restaurant owners and their employees. It has been found that many restaurants pocket the service charge instead of giving it to their staff. G.A, who works as a waiter in a restaurant in Dubai said his employer pays him merely 1.5 per cent out of the 10 per cent service charge they levy from customers.

A managerial staff at the Mall of the Emirates Outlet of Japengo in Dubai said, "One good thing about it is our customers have started tipping the staff quite generously."

But some restaurant owners maintain that the scrapping of the service charge means huge loss of revenue for them.

Robert D'Sa, General Manger of Caesars Restaurant group said, "We incur lot of hidden charges like breakages and damages of crockery. There are also instances when we have to replace dishes when customers are unhappy. We cover all these expenses using the service charge since we cannot deduct from the salaries of our staff."

Logging a complaint for service charge issues

The UAE Ministry has a complaint logging system for consumers to log their complaints. UAE residents could file complaints on service charge issues with the Ministry of Economy.

Following is a guide for our readers:

What is the complaint system?

The complaint system is an online web site that provides a service for the Ministry of Economy website visitors to submit and track their complaint(s) about any the services or the procedures of Ministry of Economy

What is a complaint?

A complaint is any issue that you need to communicate to Ministry of Economy related to our business, our service units or any of our staff.

The goals of the suggestions and complaints system:

- Preparing the suitable environment that encourages the users to be creative, innovative and distinguished
- Achieve a distinctive government performance in line with the directives of Ministry of Economy guidelines for the betterment of the good quality of the services, the development of the performance and extend better services to the users.
- Spread awareness of the importance of distinction, creativity and create a spirit of efficient interaction with the users
- Appreciate and reward the distinct initiatives and creations

How do I submit my complaint?

You need to be registered in the system. If you are an external customer (a website visitor and not an employee of Ministry of Economy), then you need to register as an external user, then login to the system, and click the New Complaint button, then enter your subject and body of your complaint, and finally select the service unit that you believe this complaint belongs to (or select others if you wish the Ministry of Economy suggestions specialist to assign it the proper service unit).

How to track a complaint?

To track your complaint, you need to log into the system, go to the complaint list page, then search for your complaint, click on the complaint number, you will be redirected to the complaint details page, where you will be able to view the actions that have been taken on your complaint by the employee of Ministry of Economy .

What is the suggestion system?

The suggestion system is an online web site that provides a service for the Ministry of Economy website visitors to submit and track their suggestion(s) about topic they like to talk about which is related to the business of Ministry of Economy

What is a suggestion?

A suggestion is any idea that you need to suggest to Ministry of Economy and which is also related to Ministry of Economy business.

How do I submit my suggestion?

You need to be registered in the system. If you are an external customer (a website visitor and not an employee of Ministry of Economy), then you need to register as an external user, then login to the system, and click the New Suggestion button, then enter your subject and body of your suggestion, and finally select the service unit that you believe this suggestion belongs to(or select others if you wish the Ministry of Economy suggestions specialist to assign it the proper service unit).

How to track a suggestion?

To track your suggestion, you need to log into the system, go to the suggestion list page, then search for your suggestion, click on the suggestion number, you will be redirected to the suggestion details page, where you will be able to view the actions that have been taken on your suggestion by the employee of Ministry of Economy.

Do you know of any restaurants that still have service charge? Would you leave a restaurant without paying the service charge if you saw it on the bill?

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