

Talk Isn't Cheap: When Verbal Agreements Count

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INTRODUCTION

Many South Africans assume that an agreement is only enforceable once it has been reduced to writing and signed by all parties. However, **South African contract law generally recognises verbal agreements as valid and binding**, provided that the necessary legal requirements for a contract are present. The difficulty with oral agreements is often not their validity, but rather proving what was agreed upon should a dispute arise later.

ESSENTIAL REQUIREMENTS

For a verbal agreement to be legally enforceable, the ordinary requirements for a valid contract must still exist. These include consensus between the parties, the necessary capacity to contract, formalities, legality, certainty and possibility of performance.

Some agreements, such as agreements for the sale of immovable property¹, antenuptial contracts², and suretyship agreements³, must be in writing in terms of South African legislation. In these instances, a verbal agreement alone will not be enforceable.

PROVING A VERBAL AGREEMENT

Although oral agreements are recognised and enforceable in South African law, proving their existence and terms may become contentious in the absence of a written agreement. In the absence of a written agreement, evidence such as emails, WhatsApp messages, payment records, quotations, recordings, and witness testimony may assist in proving existence and terms of the agreement. The *Electronic Communications and Transactions Act 25 of 2002* recognises certain electronic communications as legally equivalent to writing.

CONCLUSION

Although verbal agreements can be legally binding, written agreements remain the safest approach. A clear written agreement reduces uncertainty, limits disputes, and provides reliable evidence of the parties' intentions and obligations.

Please note: this article is for general public information and use. It is not to be considered or construed as legal advice. Each matter must be dealt with on a case-by-case basis and you should consult an attorney before taking any action contemplated herein.

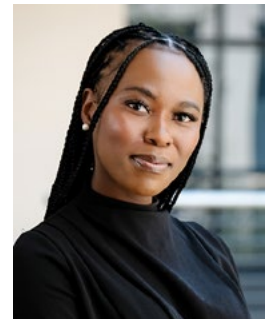
¹Section 2(1) Alienation of Land Act 68 of 1981.

²Section 87 Deeds Registries Act 47 of 1937.

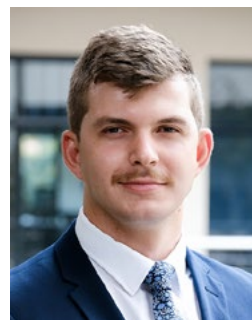
³Section 6 General Law Amendment Act 50 of 1956.



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8. Copy of City Power Account/ Prepaid meter account for the property;
9. Johannesburg Water Account/ prepaid meter number for the property.

According to the City's ESP rebate policy, applicants who wish to receive the continued ESP benefit must reapply every 6 months and are encouraged to apply between the 1st and 15th of the month to receive benefits in the following month. Applications made between the 15th and 30/31st day of the month will benefit in the subsequent month. It is doubtful whether the City has the capacity to process these applications with this speed, but this is the City's official stance on the matter.

FREE WATER AND ELECTRICITY

Resident who qualify for an ESP benefit will also be able to obtain a certain allocation of free water and electricity to their households.

Subject to an applicant being scored against the COJ's poverty index (0-100), an household may be entitled to receive up to 15kl of free water per month if they apply for an ESP.

A household receiving ESP benefits may also qualify for a 150 kWh allocation of electricity per month, again dependent on the household's level of poverty. This would reflect as a credit on accountholder's municipal invoice.

CONCLUSION

In the midst of increased tariffs and rates being imposed for the new financial year starting 1 July 2025, residents and owners who qualify for the ESP benefits are encouraged to apply for their benefits timeously to ensure that they are not unduly financially pressured by the imposition of property-based charges that they cannot afford.