

***Second draft release for CGSO***

**30 March 2015**

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**CODE GIVES CONSUMER GOODS OMBUD TEETH**

South African consumers are not known to hold back on complaints about goods and services. The promulgation yesterday (30 March) by Minister of Trade and Industry Rob Davies of the Consumer Goods and Services Industry Code of Conduct gives the fledgling Consumer Goods and Services Ombud (CGSO) the power to resolve these issues.

With effect from 29 April 2015, the CGSO will be a mandatory scheme that consumer goods and services companies are compelled to fund. Companies must also abide by its decisions.

Ombudsman Advocate Neville Melville describes the move, two years after the code was first published for public comment, as a tremendous relief. "It is the start of a new era of consumer redress that will raise the standard of conduct in the industry," he says. "Several large industry players and most smaller companies had opted not to participate voluntarily, which forced our core business of dispute resolution and ensuring compliance with the Consumer Protection Act (CPA) to compete for resources with the need for advocacy.

"The financial load of running the scheme will now be shared over a broader base, which will bring down the level of contributions for participating companies. Businesses with a turnover of less than R1 million are exempted from fees."

The Consumer Goods Council of South Africa (CGCSA) played an invaluable role in establishing the CGSO, says Melville, providing seed capital and assisting in drumming up support for the code. "With the legislation coming into effect, CGSO is now an independent entity, which will be run as a non-profit organisation," he says.

He explains that the scheme kicks in if a consumer's complaint is not resolved to his satisfaction after he has lodged a complaint with the supplier. If he is still not happy after the CGSO has delivered its finding, the consumer may refer the matter to the National Consumer Commission (NCC). Those who go directly to the NCC are likely to be referred to the CGSO. If websites such as [helloworld.com](http://helloworld.com) are an indication, Melville and his nine-person team will certainly have their work cut out for them.

The website [www.cgso.org.za](http://www.cgso.org.za) sets out the Ombud's decisions on a range of disputes handled to date and outlines consumer rights and obligations under the CPA.

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