

CGSO STAKEHOLDER NEWSLETTER

2nd Issue 2018



**CONSUMER GOODS
& SERVICES OMBUD**
Fairplay between consumer & supplier

CELEBRATING FIVE YEARS OF SERVICE



Magauta Mphahlele: Acting Ombudsman

This year marks our fifth anniversary serving the consumers and the goods and services industry in South Africa. We opened our doors in 2013 and our code was formally promulgated by the Minister of Trade and Industry in April 2015.

Like any new and growing organization, we faced many challenges, the main ones being the signing up of participants and collecting the contributions required to fund the operations of the office. Our 2017/18 annual report, due for release in August, shows that management - with the support of the Board and the various Board Committees - has achieved great results in all the relevant key strategic areas most notably in the recruitment of participants, revenue collection, fiscal management, complaint handling, and stakeholder relations.

In this respect we are indebted to those Board members who have volunteered their time and expertise to ensure that we have a sustainable funding model. In particular, I would like to take this opportunity to thank Grattan Kirk and Russel Behrens for their unwavering commitment to the CGSO. They stepped down at the last Board meeting having served on the Audit and Risk Committee since inception. As industry representatives, they were not remunerated to attend Committee and Board meetings, but they dedicated their time unselfishly to guide management to the point where we now enjoy financial sustainability. We are most grateful for their excellent contribution and wish them all the very best.

On behalf of everyone at the GCSO I would also like to thank you, our valued participants, for your willingness to ensure fairplay. Thank you for your ongoing commitment to South African consumers.

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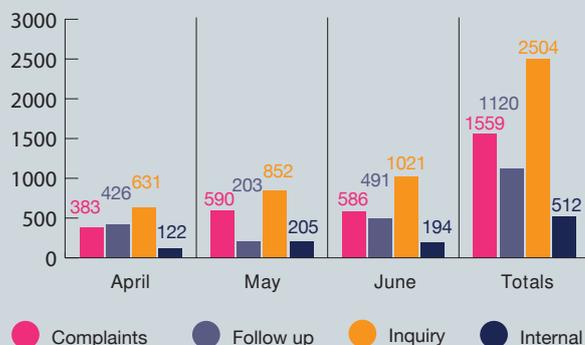
COMPLAINTS AND CALL CENTRE STATISTICS



Ouma Ramaru: addressing consumers at a Workshop held in Moshawana village Mafikeng in collaboration with OCP North-West.

In the second quarter of 2018 the office dealt with a total of 5 704 calls, which is slightly less than the 5 917 calls received in the first quarter of the year. To date we have dealt with 11 621 calls as per the breakdown below.

Call Statistics



MEDIA COVERAGE

The number of calls we receive is driven by the extensive media coverage that the office receives as well as the outreach into rural areas that the office undertakes in collaboration with the provincial consumer affairs offices, other regulators and ombuds. The reports below indicate the media we receive free of charge as a result of the public interest topics we provide - or respond to - in the media.

Electronic Media Engagement

DATE	STATION	CHANNEL	PRESS	TIME	DURATION	TOPIC
21.05.2018	Khwezi fm			11:30pm	15 minutes	Rights with regards to defective products
28.05.2018	Lesedi fm			6:30am	20 minutes	Online shopping
18.06.2018	Metro fm			8:10pm	30 minutes	Consumer open line
20.06.2018		Morning Live		7:15am	15 minutes	Consumer rights in relation to the Ford Kuga
25.06.2018		Yilungelo Lakho		12:00pm	1 hour	Consumer rights in relation to funeral businesses

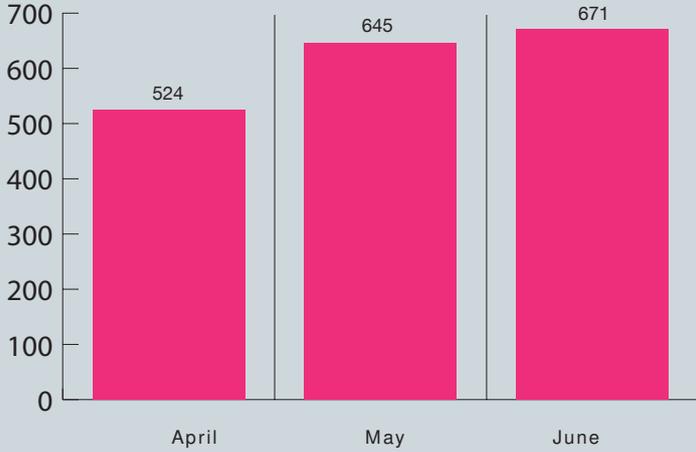
Print Media Engagement

DATE	JOURNALIST	PUBLISHER	TOPIC
18.04.2018	Charles Ngobeni	Market Place	About the CGSO
13.04.2018	Georgina Crouth	Independent Media	Transferability of warranties
17.04.2018	Georgina Crouth	Independent Media	Right to information
25.04.2018	Lyse Comins	The Witness	Defective goods
18.05.2018	Georgina Crouth	Independent Media	Wedding deposit
22.05.2018	Buhle Soni	Think Local Magazine	Defective laptops
30.05.2018	Georgina Crouth	Independent Media	Fixed term contract
30.05.2018	Kevin Lancaster	MyBroadBand	Breaking warranty seal
19.06.2018	Buhle Soni	Think Local Magazine	Incorrect pricing
27.06.2018	Brian Joss	Offmytrolley	Cellphone/purchase & repair

COMPLAINTS STATISTICS

For the second quarter of 2018 the office opened 1 840 new cases as compared to 1 495 in the previous quarter.

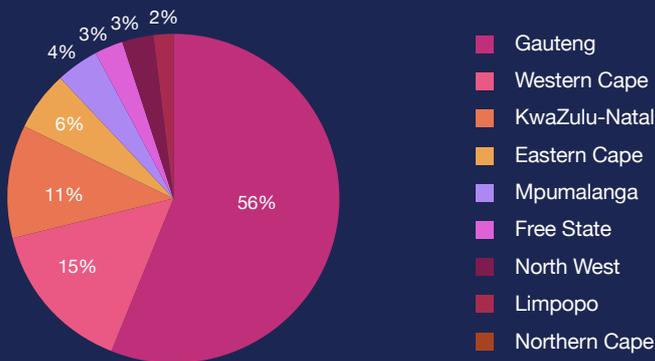
Total Cases Received Per Month



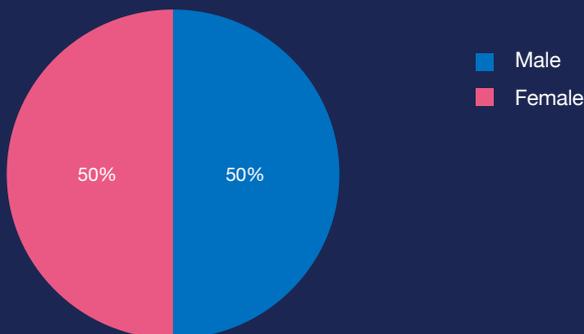
Gender and Geographical Spread of Cases Received

For the first two quarters of 2018 the majority of complaints emanated from Gauteng, Western Cape and KwaZulu-Natal. While more men than women complained this quarter, the spread of complaints by gender remains evenly split over the first two quarters.

Provincial Spread



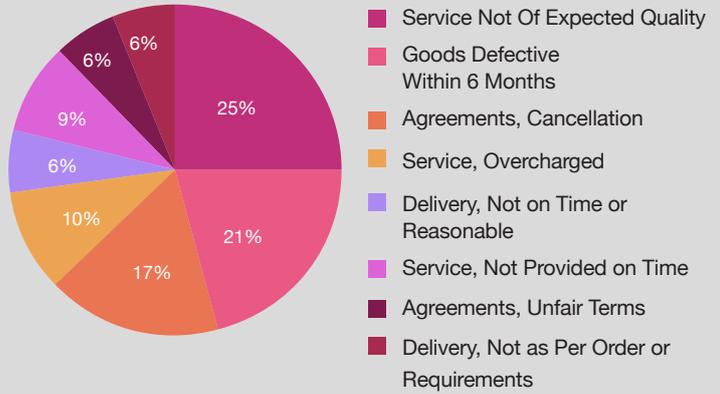
Provincial Spread



Top 10 Nature of Complaints Received

The majority of complaints relate to the right to demand quality service and the cancellation of agreements.

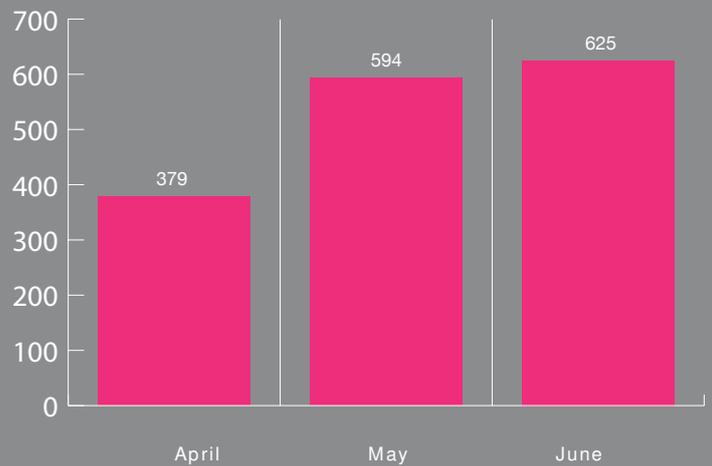
Type of Complaints



Total Cases Closed

For the second quarter of 2018 we closed 1 598 complaints as compared to 1 284 cases for the first quarter of 2018. The average time to close a complaint is 42 days, which is less than the required 60 days. Our office is always working hard to reduce the number of days it takes to close a matter.

Total Closed per Month

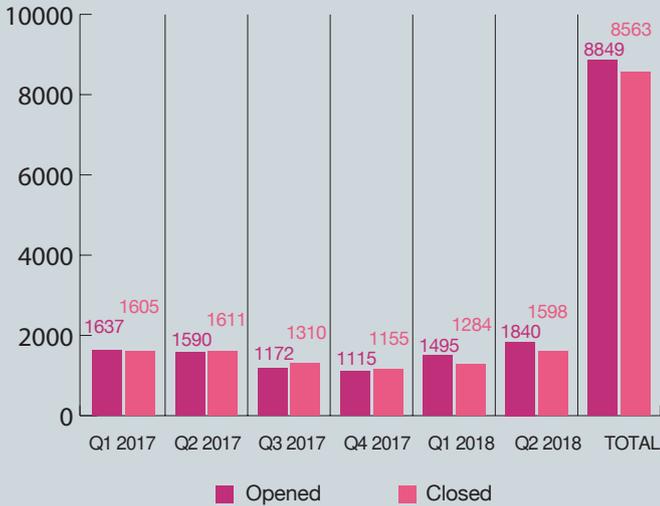


COMPLAINTS STATISTICS

Quarter-by-Quarter Comparison

The cases we receive are increasing if we compare the number of cases opened in the last quarter of 2017 with the first and second quarter of 2018.

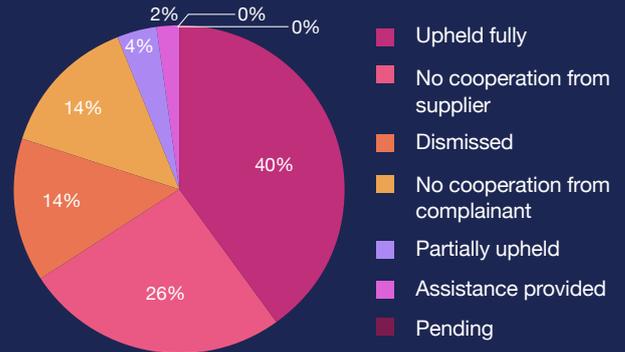
Cases Opened and Closed



Outcome of Complaints

In 56% of the cases, GCSO found in favour of the consumer, either fully or partially. This excludes non-referred and withdrawn cases, as well as those that fell outside of the Ombud's jurisdiction. In some cases the office provided assistance to the consumer which led to mainly administrative glitches or miscommunication being resolved.

Type of Complaints



CASE STUDIES

Photography: Compliance with agreement

The complainant contracted the supplier to photograph their wedding. It was agreed that they will get a video, discs with photos and an album of 50 printed photos. The complainant was charged R12 000 which was a discounted price on condition that the full amount is settled by an agreed date. They paid R5 500 and the balance was supposed to be paid by the end of November. The complainant was unable to pay the balance and it was explained to the service provider. The service provider advised that they will get their photo album as soon as the balance has been paid. The complainant has since paid the supplier in full, but the supplier has allegedly failed to provide the album.



The supplier advised that he agreed to reduce the cost by more than half on condition that the complainant commit to pay the amount by a certain date in order to ensure that the goods could be ordered before any price increases.

This was denied by the complainant. Neither party was able to provide a written agreement to substantiate either version.

We requested any proof of the arrangement between the parties in order to determine what was agreed between the parties.

The supplier was able to recover WhatsApp conversations between himself and the complainant advising the complainant that if she cannot pay by the agreed date, the printing will be cut from the agreement.

Based on the WhatsApp evidence provided by the supplier, it was concluded that the consumer was aware of the need to settle the bill at the agreed date or otherwise forfeit the album.



Tips to consumers: ensure that you have an agreement in writing, especially if certain promises are made verbally. Consumers are also entitled to receive information in plain and understandable language as required by Section 22 of the Consumer Protection Act. Agreements must be clear to ensure there is no misunderstanding.

Membership of love: Cancellation of fixed term agreement in terms of Section 14 of the Consumer Protection Act

The complainant advised that she met an agent of the supplier on a dating site. The parties decided to exchange numbers and keep in contact. The complainant was later advised by the agent that he was interested in meeting her.



The complainant met the agent at the gym, and the meeting resulted in the complainant signing a one-year contract with the supplier. The complainant paid the entire 12-month contract upfront.

No sooner had the complainant concluded the deal with the supplier, when the agent cut all contact with the complainant and blocked her on WhatsApp. The complainant then advised that she elected to cancel the agreement on 01 June 2018.

The complainant requested a full refund from the supplier. The supplier's response was that the complainant is free to cancel the agreement at any time and the supplier will levy a reasonable cancellation fee, in accordance of section 14 of the Consumer Protection Act.

As the complainant entered into a valid agreement with the hope of pursuing her love interests, she is bound by the agreement unless she pays a cancellation fee.

In this matter the supplier charged the complaint a cancellation fee of one-month and refunded the amount already paid for the rest of the year.

The complainant was satisfied with the outcome.

Tips to consumers: never make emotional decisions when entering into an agreement. They are binding and if things do not work out as planned you will be held liable in terms of such agreement.



UPDATES FROM THE ACTING CEO'S OFFICE



Queen Munyai: Acting CEO

2017/18 Financial Statements

I'm proud to announce that the 2017/18 audit has been finalized and CGSO has received yet another clean audit. A copy of the 2017/18 audited financial statements is available on our website: <http://www.cgso.org.za/wp-content/uploads/2018/07/CGSO-2018-signed-AFS.pdf>

We thank the finance team for a job well done.

Participant Numbers

The number of CGSO's paying participants has grown to 679 since the last quarter. We welcome the additional 10 participants who joined during the 2nd quarter of 2018 and we also thank all participants for their unwavering commitment to funding the operations of CGSO.

A complete list of participants is published on our website: <http://www.cgso.org.za/participant-list/>

PARTICIPANT LEVEL	NO. OF PARTICIPANTS	ANNUAL TURNOVER RANGE
Group 1	44	R3 billion+
Group 2	26	Above R1 billion to R3 billion
Group 3	19	Above R500 million to R1 billion
Group 4	432	Above R5 million to R500 million
Group 5	99	Above R1 million to R5 million
Group 6	59	R1 to R1 million
	679	



Katlego Lehabe

Welcome to Katlego Lehabe - New Business Development Officer

All qualifying businesses trading in the consumer goods and services industry are bound by the Consumer Goods and Services Industry code.

To ensure all qualifying entities sign up with the CGSO, we have appointed **Katlego Lehabe** in the role of New Business Development Officer. Katlego will be contacting prospective and non-paying participants to ensure complete industry participation.

Complete industry participation is important to ensure that all consumers receive redress and that all suppliers contribute to the scheme fairly.

Since non-compliance with the Code is a contravention of the CPA, those entities that refuse to sign up are reported to the National Consumer Commission.

USEFUL CONTACTS

ITEM: Service and Policy Issues
CONTACT PERSON: Magauta Mphahlele
EMAIL ADDRESS: magautam@cgso.org.za

ITEM: Participant Subscription,
Fees and Billing
CONTACT PERSON: Queen Munyai
EMAIL ADDRESS: queenm@cgso.org.za

ITEM: Complaints
CONTACT PERSON: Bonita Hughes
EMAIL ADDRESS: bonitah@cgso.org.za

ITEM: Call Centre, Media And
Participant Training
CONTACT PERSON: Ouma Ramaru
EMAIL ADDRESS: oumar@cgso.org.za



Important Note: Submission of Financial Statements

We Urge all CGSO Participants to submit their company's most recent Financial Statements to ensure accurate categorization of the applicable group per turnover.

CGSO has relocated to new premises

Our new address is:
292 on Surrey,
292 Surrey Avenue,
Ferndale, Randburg.



SHARECALL: 0860 000 272 (CPA), FAX: 086 206 1999,
WEB: <http://www.cgso.org.za>, EMAIL: info@cgso.org.za
PHYSICAL ADDRESS: 292 on Surrey,
292 Surrey Avenue, Ferndale, Randburg.
POSTAL ADDRESS: PO Box 3815, Randburg, 2125