

Over 10 000 complaints closed ... R12.9 million recovered for consumers

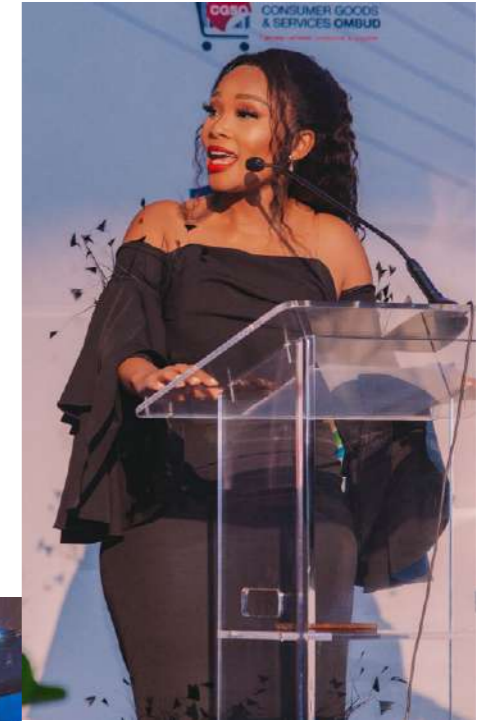
The CGSO celebrates its 10th birthday

The Consumer Goods and Services Ombud (CGSO) released its annual report for the 2023 financial year today, at an event celebrating 10 years of fair play between consumers and suppliers.

Speaking at the event, CEO Queen Munyai paid tribute to the industry champions who have spent the last decade supporting, upholding, defending and protecting consumer rights in South Africa ...

“The CGSO owes its existence to many role players who came together to set up an ombuds office in 2013 to promote fair business practices in line with the then relatively new Consumer Protection Act (CPA).”

“That effort was boosted by the promulgation of the CGSI Code of Conduct in March 2015, which made it mandatory for all eligible businesses to participate in the Ombud Scheme. Since then, we have helped resolve over 70 000 disputes between businesses and their customers, and in the process helped consumers to access redress while allowing suppliers the opportunity to do right by their customers. We are proud and privileged to have played a part in maintaining trust and confidence in our industry. We look forward to finding new and better ways to fulfil our mandate.”



Above left: Queen Munyai and the CGSO team toast to a decade of successfully resolving consumer complaints.

Above right: Master of Ceremony, Innocent Sadiki outlining the programme of the day.

Below: Stakeholders listening attentively to the different speakers.

Trends and highlights of the financial year ending 28 February 2023

- The CGSO received 10 562 complaints, compared to 11 834 in the previous period.
- In line with the previous reporting period, goods, services and agreements accounted for 94% of all complaints received.
- Three sectors generated 63% of consumer complaints ... online transactions, appliance manufacturers and retailers, and satellite and communications – with e-commerce accounting for 34% of all complaints, up from 25% last year.
- Of the 10 749 cases closed ...
 - The Ombud was unable to assist 2 363 complainants. These included 2 044 that fell out of the CGSO's jurisdiction and were referred to other Ombud offices, regulators, and sector-specific alternate dispute resolution bodies.
 - In 4 610 cases (representing 55% of cases that fell within the CGSO's jurisdiction), the complaint was either fully or partially upheld by the Ombuds office.
 - This resulted in R12.9 million being recovered for consumers, up from R11.4 million in the previous period.
 - 3 776 cases (45%) went against the complainant. These include 2 103 termination notices issued in line with section 70(2) of the CPA, whereby consumers were advised to lodge complaints with the National Consumer Commission (NCC) after the parties failed to reach a settlement, or the supplier refused to cooperate. Twelve per cent (983) of complaints were not upheld, and 290 cases were closed due to a lack of cooperation by the complainant.
 - 26% of cases were closed due to non-cooperation from suppliers.



The discussion panel unpacking the 2022/23 annual report.



CEO Queen Munyai, outlining the highlights of 2022/23 annual report.

Consumers who wish to lodge a complaint can now do so by downloading the CGSO mobile complaints app from the google or App Store. It's free and allows users to upload and track the status of complaints, as well as submit supporting documentation, such as photos and invoices. Alternatively, they are welcome to call the CGSO on 0860 000 272, send an email to info@cgso.org.za, or visit www.cgso.org.za to submit a claim.



CGSO staff celebrating the 10 Years of success.



Mpho Pops comedian, entertaining the audience.

- The average number of days to close a case fell markedly, from 63 in FY2022 to 40. The mandated number of days permitted by the Code to close a case is 60 days.
- Year-on-year, the number of paid-up industry participants rose from 1 048 to 1 356 representing a retail footprint of 23 517 outlets countrywide.
- Revenue increased 35% year-on-year from R20 million to R27.1 million.
- Healthy cash reserves maintained – 16 months vs 20 months in FY2022.
- Ninth consecutive clean audit.
- Strong media partnerships maintained to help educate vulnerable consumers.
- Search for a new Ombudsman following the resignation of Magauta Mphahlele, concluded. Liaquat (Lee) Soobrathi took up office post-year end on 1 July 2023.

Ten years on and consumers' complaints are not much changed

Queen Munyai noted that while e-commerce now accounted for over a third of all complaints received, the nature of consumer complaints hasn't changed in 10 years ...

“Our 70 000 plus case files all tell pretty much the same tales of disappointment, crossed wires, rude staff, dismissive managers and suppliers who disappear, never to be seen again.”

“Fortunately, our participants view the CGSO as a partner who can intervene when their internal



Graham Rabello, receiving an award on behalf of Massmart Holdings

systems get it wrong. They also can turn to us to counsel consumers who have unreasonable expectations, like the customer who demanded consequential damages of R59 million after discovering 'crystal-like' particles in a popular soft drink. Other cases are more heartbreaking, especially in the current economic climate, such as the complainant who lost R400 000 earmarked for a full renovation of his apartment which was never completed.”

The CEO, who was also acting Ombudsman from 1 April to 30 June, noted that many of the complaints received are also a reflection of social ills, involving an unregistered supplier selling guns on lay-by. “Sadly, the customer passed away before he could make the last payment, and when his widow went to ask for a refund of the monies

paid to date, as was her right in terms of the law, she was ruthlessly dismissed and banished from their premises. She and millions like her have little to no recourse when dealing with suppliers who are not registered participants in the Ombud scheme, purely because they are aware that the resources to tackle individual cases of fraud and bad practice are not there. Where suppliers are registered participants, consumers have a much better chance of getting the protection afforded to them under the Consumer Protection Act, like the complainant who wanted to return a mattress after five months and the supplier wanted to deduct for wear and tear. This is not allowed in terms of the CPA, which is clear that goods which fail as a result of a manufacturer's defect within six months must be refunded, repaired or replaced according to the complainant's wishes. Once we pointed this out, the complainant was given a full refund.”

Ms Munyai added that consumers, equally, have a responsibility to check invoices against purchases in the event of a dispute, citing the example of a complainant who tried to return faulty batteries purchased as backup power during load-shedding, only to discover that the invoice reflected a different brand of batteries to the faulty ones he wanted to return ... “In cases like this, it is very difficult to reach a decision on the evidence or a balance of probabilities, and complaints such as this end up having to be dismissed in accordance with our terms of reference.” **SR**

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