



**REPORT OF THE DIALOGUE SESSION
ON THE CONSUMER GOODS AND SERVICES OMBUD (CGSO) HELD
ON 07 MARCH 2023 FROM 09H00-10H00
Platform: Microsoft teams (Virtual)**

Chairperson: Ms Priscilla Mashabane

1. WELCOME AND APOLOGIES

- 1.1. Ms. Priscilla Mashabane, Manager in the Labour and Development Unit opened the meeting and welcomed members from the Consumer Goods and Services Ombud (CGSO) and the Nedlac social partners.
- 1.2. The purpose of the session was to provide CGSO with an opportunity to present and interact with Nedlac social partners on its mandate, free services offered by the institution. CGSO was also expected to outline various initiatives that were underway and indicate the kind of support it required from the Nedlac social partners.
- 1.3. The programme of the dialogue session was adopted by all social partners as presented.

2. PRESENTATION FROM THE OFFICE OF THE CONSUMER GOODS AND SERVICES OMBUD (CGSO)

- 2.1. Ms. Queen Munyai, the Chief Executive Officer (CEO) of CGSO made the presentation and highlighted the following.
 - 2.1.1. The CGSO was an independent dispute resolution scheme established in 2013 in terms of section 82(6) of the Consumer Protection Act (CPA). It was mandated to resolve disputes between consumers and suppliers and further address complaints arising from the consumer goods and services sector.
 - 2.1.2. It reports to the National Consumer Commission, the Department of Trade, Industry and Competition (DTIC) and to the board of directors constituted from retail, manufacturing sectors, and from consumer bodies. The Board was responsible for strategic input and oversight but does not get involved in the resolution of disputes. CGSO offers free services to its consumers. However, Businesses were required to subscribe to the CGSO in order to obtain these free services. The mediation process was conducted through emails and telephone. Since the outbreak of COVID-19 pandemic, Ombud rarely conduct face-to-face interactions with consumers.

- 2.1.3. Its mandate was to mediate disputes and ensure that industry players abide by the Consumer Goods and Services Industry Code of Conduct. The Ombud was obligated to provide advice, educate the consumers about their respective rights, and steps to follow when an industry member infringed the CPA or the Code. As a not-for-profit organization, the funding of the Ombud was generated from participation fees levied on companies and service providers operating within the sector and industry fees paid by businesses that have subscribed to the Ombud.
- 2.1.4. The Ombud was the first point of escalation when a consumer a complaint. Consumers would be encouraged to try to resolve the issue with the supplier, but if that fails the matter would be escalated to the CGSO to mediate on the complaint, if it fails, the matter will be referred to the National Consumer Commission and then to the consumer tribunal.
- 2.1.5. There are consumer provincial courts where consumers can lodge their complaints. There are private companies and individuals who charge for their services (Alternative Dispute Resolution (ADR) agents). The CPA redress framework includes the following: Courts; National Consumer Tribunal; National Consumer Commission; Ombuds & ADR agents.
- 2.1.6. The Code apply to all suppliers of goods and services in South Africa either informal or formal businesses. Following the publication of the Code in April 2015 it became mandatory for all participants (a producer, retailer, manufacturer, distributor or intermediary) to sign up to the Code to be a member of CGSO and contribute as outlined by the funding model. The Code excludes transactions not covered by the CPA; governed by other public regulations; automotive industry; Electronic Communication Service as defined in section 1 of the Electronic Communications Act of 2005; transactions with the organs of State or financial institutions; including credit agreements.
- 2.1.7. In terms of the CGSO funding model, an outline of the number of participants since its inception, statistics relating to the number of telephonic calls and emails recorded during the COVID period and complaints per province statistics were provided in detail.
- 2.1.8. The CGSO facilitated about ZAR 7.7 Million refunds to consumers in 20 in 21 and the number increased to ZAR 11.5 Million in 2022. The Office will be celebrating its 10 years anniversary in 2023 and will be launching the vulnerable consumer policy and unveiling its mobile APP for easy access the focus will be on strengthening relationships with stakeholders.
- 2.1.9. The challenges of the CGSO include the non-cooperative participants, lack of visible enforcement and jurisdictional challenges.
- 2.1.10. The CGSO proposed some amendments to the CGSI Code with the view of tightening the loopholes.
- 2.1.11. Consumer education forums, supplier awareness, compliance awareness and such dialogues with social partners can assist in spreading the word and reaching out to people who might need the services of the CGSO. Nedlac Social partners can add value and work together with the CGSO to advance and ensure that the redress is directed to the consumer.

3. INPUTS BY SOCIAL PARTNERS TO THE CGSO PRESENTATION

3.1. Organised Business input:

- 3.1.1. It appreciated the Office of the CGSO to come to Nedlac and give such a presentation to the social partners.
- 3.1.2. It sought clarity on how this issue will be taken forward by the Development Chamber and what interventions were expected from the social partners relating to possible collaborations.
- 3.1.3. Business asked about any awareness campaigns spearheaded by the Office of the CGSO or the DTIC.

3.2. Organised Community input:

- 3.2.1. Community appreciated the informative presentation from the Office of the CGSO.
- 3.2.2. It pointed out that the Board of the CGSO was dominated by business and indicated that the users/consumers of the services provided by the Ombud were mostly community and those members were not well represented in the Board.
- 3.2.3. Stakeholder workshops and exhibitions can be beneficial to the consumers on the ground as there was not enough knowledge in terms of the processes to be followed in lodging a complaint.
- 3.2.4. Ombud to consider establishing offices within the bigger Malls as this could assist and could become more accessible to the communities. In order to be able to lodge complaints and concerns.

3.3. Organised Labour input:

- 3.3.1. Labour welcomed and appreciated the presentation from the CGSO and agreed with the Community on issues of accessibility and advocacy to cater for the vulnerable, and to benefit from services offered by the Office of the CGSO.
- 3.3.2. It identified a possible collaboration with the Office of the CGSO taking into consideration the vulnerability of workers relating to goods and services received by a consumer from a number of outlets.
- 3.3.3. It suggested to having bigger advertising boards outlining key services provided to the consumer by the CGSO. As this can be beneficial to the consumer, the Office to also consider possible partnerships with Malls management.
- 3.3.4. Supported the convening of workshops for the most impoverished communities should be undertaken.

3.4. The DTIC input

- 3.4.1. The DTIC welcomed the presentation from the CGSO team and emphasized on the importance of awareness as indicated by other Constituencies.

3.5. Response from the CGSO to social partners

- 3.5.1. The Office appreciated the comments and questions from social partners.
- 3.5.2. Awareness campaigns are a top priority of the Office and there are partnerships with community radio and television stations including the media at no charge.
- 3.5.3. There will be a coverage of the Office CGSO on the media this Month of March as it's a world consumer rights month.
- 3.5.4. The Board released more budget for outreach programmes and strategic collaborations will assist in sharing the burden.
- 3.5.5. SMMEs that generate less than R1 Million per year are not required to pay any fee to the Office and they benefit from the training offered to companies subscribed to the Office.
- 3.5.6. The Office releases newsletters every quarter, and an annual report in August every year, present on all social media platforms and WhatsApp lines.
- 3.5.7. There was engagement ongoing with the association for shopping centers to be a compliance issue to meet certain requirements on the legislative part.
- 3.5.8. Most of the complaints resolved are in favour of consumers and that indicated the Office's impartiality and the office is not influenced. As much as the Office is funded by business the Office ensure its independence to promote a good standard of business exchange within the industry.
- 3.5.9. Conducting of workshops within the community level was welcomed to ensure accessibility of services to vulnerable people and partnerships with both Community and Labour Constituencies will be of paramount importance.
- 3.5.10. A number of Government departments have invited the Office to share education about consumer trends and the Office was ready to come to do presentations whenever they are invited. If Community can invite the Office to any community initiative events the Office will be more than ready to honour the invitations.

4. WAY FORWARD

4.1. The Chairperson provided a summary of the engagements and a proposed way forward as follows:

- 4.1.1. It was clarified that convening of dialogue didn't always signal that there should be a follow up engagement on the task team level. Nedlac deals with legislation tabled by Government for engagement. However, it also convenes information-sharing sessions to ensure that the message was obtained by the relevant people on the ground. In this regard, it was a dialogue session conducted by the Office of the CGSO to share their initiatives and planned activities to improve on awareness get some valuable views from social partners.
- 4.1.2. Bilateral meetings would be convened between the Office of the CGSO and the Community Constituency and with Labour Constituency. To plan how to take forward the issues of partnerships with the malls as raised by Labour and issues of advocacy and accessibility.
- 4.1.3. The Office of the CGSO through the Nedlac Secretariat to share the digital advertising material to be circulated to the Nedlac social partners to widely distribute in their respective Constituencies.
- 4.1.4. It was agreed that this was a once-off engagement and there would be no follow up engagements at the task team level.
- 4.1.5. It was agreed that a report arising from the session will be developed and shared with all participants within a period of 14 days after the session.

**ATTENDANCE REGISTER FOR THE DIALOGUE SESSION ON THE MANDATE OF THE OFFICE OF THE CGSO HELD ON
THE 07TH OF MARCH 2023**

Business	Community	Labour	CGSO	Nedlac Secretariat
Annelize Crosby Sanelisiwe Jantjies Michael Lawrence Andile Kuzwayo Paul Theron Fani Xaba	Lucas Qakaza Matthews Mponza Laura Kganyago Thembinkosi Josopu	Sipho Ndhlovu	Queen Munyai Jack Malatji Ouma Ramaru	Priscilla Mashabane Mojalefa Radebe Bongani Mahlalela
Government (dtic)				
Bridget Mohlala Adele Gilbert				

