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The importance of registering with the Consumer Goods and Service Ombud

The Consumer Goods and Services Ombud (CGSO) is the accredited consumer goods and services industry compulsory Ombud complaints-handling structure set up in accordance with section 82(6) of the Consumer Protection Act 68 of 2008 (CPA) which is enforceable against Participants.

The term “Participants” is used to describe those entities required to be registered with the CGSO. The CGSO enforces the consumer goods and services industry code of conduct by dealing with complaints received from consumers and investigates alleged contraventions of the Act, free of charge to consumers.

“Consumers” for the purpose of the Act means “natural or juristic persons (with an asset value or annual turnover of less than R2 million at the time of the transaction) to whom goods and services are promoted or supplied in the ordinary course of business and for consideration”.

Who should register with the Consumer Goods and Services Ombud (CGSO)?

All entities involved in the supply chain that provides, markets and/or offers to supply goods and services to consumers should register with the CGSO. According to the CPA, *supply chain* means the collectivity of all suppliers who, in turn, directly or indirectly contribute to the ultimate supply of those goods or services to a customer, whether a producer, importer, distributor or retailer of goods or as a service provider. The following transactions or entities are exempt from registering:

- Transactions that do not fall within the ambit of the CPA;
- Those entities governed by other public regulations;
- The automotive industry;
- The electronics communication services industry;
- Transactions with financial institutions;
- Transactions with organs of the state; and
- Any entity regulated by another Ombud scheme.

Legal responsibilities of participants:

- Establish an effective and accessible Internal Complaints-Handling Process;
- Provide a prescribed notice stating that the entity is a Participant of the Industry Code;
- Provide Consumers with a copy of the Industry Code or a summary thereof;
- Provide training to relevant staff on the CPA, Regulations, Industry Code and the entity's internal complaint-handling procedure;
- Keep a record of complaints lodged for a minimum of 3 years;
- Provide relevant information on the CGSO to assist consumers in the resolution of individual complaints;
- Co-operate with all reasonable requests made by the CGSO in a timely manner;
- Contribute to the funding of the operations of the CGSO by paying a joining fee, an annual levy and (if necessary) a special levy. Annual levies are based on the participant's annual turnover;
- Appoint a designated official to manage communication between complainants and the CGSO;
- Bear in mind that refusal of registration would mean that the entity is in contravention of section 82(8) of the CPA which could lead to fines of up to 10% of the entity's annual turnover.

In conclusion

Registering with the CGSO indirectly ensures compliance with the CPA as it promotes effective complaint-handling procedures and enhances employees' understanding and knowledge of the legal aspects regarding consumers. Other benefits of registering include expert advice, feedback/risk management, supply chain dispute facilitation, industry workshops, access to CPA training, case studies / advisory notes and speedy confidential dispute settlement.

SERR Synergy assists entities by registering them with the CGSO or registration can be done directly on the website of the CGSO at *http://www.cgso.org.za/swc/business_how-do-it/*. In order to allow the CGSO to protect consumers, entities that fall within the ambit of the CPA are obligated to register so that consumer protection-related investigations and all other legal aspects are taken care of.

About the Author: Monique van der Merwe completed her B.Consumer Science degree at the University of Pretoria. She joined our team in July 2018 and currently holds the title of “Information Compliance Advisor”. She specialises in compliance with the Consumer Protection Act (CPA) as well as POPI and PAIA. This includes compiling legal compliance reports and developing policies along with the other assessment aspects relating to consumer protection legislation. She drafts and submits PAIA manuals to the Human Rights Commission and also compiles and implements Data and Information Protection Reports to identify risks associated with information security in each department of an organisation.