

## **Black Sash Media Release: 14 October 2016**

### **The Hands Off our Grants (HOOG) Campaign** ***Stop unauthorized, fraudulent & unlawful debit deductions permanently!***

The Black Sash, its civil society partners and grant beneficiaries will be holding a

#### **Silent Protest**

**On 17<sup>th</sup> and 18<sup>th</sup> OCTOBER 2016 from 10h00**

**OUTSIDE THE PRETORIA HIGH COURT**

The Department of Social Development, in its efforts to remedy the exploitation of social grant beneficiaries' bank accounts from unauthorized and unlawful deductions, published new regulations to the Social Assistance Act in May 2016. Cash Paymaster Services (CPS) and Grindrod Bank were then instructed to remove the debit order facility and stop all deductions from the SASSA bank accounts.

However, in June 2016 Net11 (parent company of CPS), some of its subsidiaries (Moneyline, Manje Mobile and Smartlife) as well as a few other commercial companies<sup>2</sup> initiated four legal cases against SASSA, the Department of Social Development and others. These companies question government's interpretation of the new regulations, particularly the protected ring fenced SASSA bank account. These companies also question the power of the Minister to limit Electronic Funds Transfer Debits against the 'SASSA' bank account, since she is not the regulator of banks or the National Payment System (NPS). They furthermore ask the court, in the event that government's interpretation is correct, to declare the new regulations unconstitutional and invalid.

On 17 and 18 of October, the Black Sash and six grant beneficiaries will ask the court to order that the Minister publish regulations to protect social grants from exploitation if: (a) DSD and SASSA's interpretation is correct; and (b) that the interpretation renders the new regulations unconstitutional - government should be given the opportunity to fix the new regulations, if defective, to protect vulnerable

<sup>1</sup> The first case Number 43557/16 was filed together with subsidiaries Manje Mobile Electronic Payment Services and Moneyline Financial Services

<sup>2</sup> The other three cases are: Number 46024 / 16 Applicant: Finbond Mutual Bank; Number 46278 / 16 Applicant: SmartLife Insurance Company; and Number 47447 / 16 Applicant: Information Technology Consultants

beneficiaries from exploitation.

The Black Sash and partners have supported many beneficiaries to secure recourse and refunds for deductions from the bank accounts into which their social grants are paid. A SASSA owned and controlled recourse mechanism has been put in place but it is not yet working well. Beneficiaries continue to pay high transport and telephone costs, which they can ill afford, to query deductions.

Join us in solidarity to support social grant beneficiaries who are seeking justice.

**For further information contact:**

**Vincent Skhosana** (Black Sash Gauteng Paralegal Field Worker) –079 291 2345/ 011 8348361/5

**Esley Philander** (Black Sash Communications and Media) – 073 468 2909 / 021 686 6952

**Lynette Maart** (Black Sash National Director) – 083 628 3425 / 021 686 6952

**Thandiwe Zulu** (Black Sash Gauteng Regional Manager) - 082 456 2643 / 011 8348361/5



**BlackSashSouthAfrica**



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