

## **The Hands Off our Grants (HOOG) Campaign**

***Stop unauthorized, fraudulent & unlawful debit deductions permanently!***

### **Black Sash Media Release**

**13 October 2016**

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

### **Mass Silent Protest**

**On 17 OCTOBER 2016**

**OPPOSITE GRINDROD MEWS, 106 MARGARET MNCADI AVENUE (FORMER VICTORIA EMBANKMENT)**

**FROM 10:00 TO 12:00**

In their court papers, the South African Reserve Bank states that Grindrod Bank is a small retail bank with a few branches, and expresses concern about the bank's ability to service millions of social grant beneficiaries. It relies mainly on a call centre infrastructure. It has limited capacity to offer recourse (and refunds) emanating from unauthorised, fraudulent and unlawful debit deductions from social grants. Beneficiaries thus continue to bear the high cost of travel and phone calls to sort out their compromised bank accounts.

From the court papers, Grindrod argues that 90% of debit orders from social grant bank accounts are credit related, which appears to be in violation of Section 20 of the Social Assistance Act. The act is clear that a grant may not be "ceded, transferred or encumbered". Grindrod Bank seems to prioritising the interest of creditors, above that of social grant beneficiaries, who they claim are 'their clients'.

If Grindrod Bank were interested in servicing the interest of their social grant clients, they would heed to SASSA's request to protect and ring fence the SASSA bank accounts immediately from unauthorised, fraudulent and unlawful deductions. Furthermore, Grindrod Bank should immediately suspend the electronic transfer of social grant money from the SASSA bank account to the Easy Pay Everywhere account, without the grant beneficiaries' mandate to SASSA to effect this as per the new regulations.

**We will also be standing in solidarity with those pursuing justice in the four court cases to be heard on the 17th and 18th October 2016 in the High Court in Pretoria.**

The Department of Social Development published new regulations to the Social Assistance Act in May 2016, to stop the flood of unauthorised, unlawful and fraudulent deductions from the SASSA bank accounts and protect social grants from exploitation. Cash Paymaster Services (CPS) and Grindrod Bank

**Trustees:** Sibongile (Bongi) Mkhabela (Chairperson), Yasmin Turton (Deputy Chairperson), Woineshet Bischoff, Maria (Mary) Burton, Jennifer De Tolly, Margaret (Dolly) Khumalo, Mary Kleinenberg, Thembi (Nyami) Mbhele, Mary-Jane Morifi, Diana (Di) Oliver, Yasmin Sooka, Hilary Southall

were instructed to remove the debit order facility and stop all deductions from the SASSA bank accounts.

However, in June 2016 Net1 (parent company of CPS), some of its subsidiaries (Moneyline, Manje Mobile and Smartlife) as well as a few other companies 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 bank account. They furthermore ask the court to declare the new regulations unconstitutional.

Black Sash and six co- applicants have asked the High Court for the right to intervene in the four cases against SASSA and the Department of Social Development. It is asking 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 if the interpretation renders the new regulations unconstitutional - government should be given the opportunity to fix the new regulations, and if defective, to protect vulnerable beneficiaries from predatory and unscrupulous financial and other third party service providers.

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.

We salute Mr Bani, Mrs Hendricks, Mrs Saptoe, Mrs Nkosi, Mrs Nthite and Mrs Bezuidenhout for their brave stand as co-applicants in the upcoming court cases. Join us as we support in prayer, our co-applicants, the Black Sash and the many other social grant beneficiaries who are seeking justice.

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**BlackSashSouthAfrica**



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