

BLACK SASH



Unauthorised, undocumented
and unlawful Debit Deductions
Campaign

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MAKING HUMAN RIGHTS REAL

- Thank you Minister Dlamini for agreeing to meet with the Black Sash and our strategic partners to discuss this very important issue of the debit deductions.

Introduction



Minister, your “without prejudice” letter dated 21/01/2014 refers:

- *Para 9.* “I wish to place on record my sincere gratitude to your organization for pursuing this matter, and I deem it crucial that we engage further in order to resolve this injustice that is perpetrated on our people and therefore beg your indulgence to discuss this matter as proposed above.”

Case studies from the ground



Let us share with you some of the experiences on the ground:

- Case Study #1 : **Airtime Deductions, failed recourse** - Mrs.G, Makwassie, Lebaleng Advice Office, NorthWest
- Case Study #2: **Airtime deduction, failed recourse**, Light of Hope, Sedibeng Municipality, Gauteng
- Case Study #3: **Closure of SASSA Office, loans deductions & Retailers** - Patricia de Lange, Adelaide Advice Office, Eastern Cape

Case studies from the ground



- Case Study #4: **Waiting @ ATMs at 2am** - Joyce Muller, KOOR and Siyafunda - Northern Cape
- Case Study #5: Further violations

These sample cases tell us of the hardships experienced by grant beneficiaries as a result of the roll out and implementation SASSA-CPS Contract, Service Level Agreement (SLA) and Bid Document.

Your “without prejudice” letter of 21/01/2014



- Minister we note your instruction to “*the Chief Executive Officer of SASSA, Ms. Virginia Petersen to stop all deductions, save for the allowed deductions in terms of Regulation 26A of Social Assistance regulations;.....made prior to payment to beneficiaries by the Service Provider.*” (para 5).

- **We would like your comments on progress in this regard.** The stories shared by our colleagues from the various provinces are a clear indication that the debit deductions from the account of grant beneficiaries have not stopped. Furthermore, we note the periodic adverts place by SASSA in the electronic and print media to distance themselves from these “unlawful” deductions.

Your “without prejudice” letter of 21/01/2014



- *Furthermore, Minister you said that “it should be noted that currently, neither SASSA nor the Dept. Social Development has control over the deductions that are affected post payment of social grant benefits into the account held by the beneficiaries as those deductions or debits are effected within the National Payment System to which both SASSA and my Department have no access to.” (para 6).*

- The unlawful debit deductions were made possible through the contract and Service Level Agreement with CPS. **We are of the view that you have the authority and influence to stop the debit deductions from the SASSA bank accounts of the grant beneficiaries.**

The Pandora's box: Service Level Agreement/ Contract with CPS



- 1) In 2013 we have witnessed an increase in unlawful loan deductions and a flurry of direct marketing of financial services and products including airtime via the specially created SASSA bank account.
- 2) Seeking recourse for unlawful and unauthorised debit deductions is often difficult and with no success and has become the responsibility and onus of the grant beneficiary at considerable cost to themselves.
- 3) Black Sash & our partners raised these debit deductions in meetings and correspondence on several occasions with SASSA and CPS. Very little materialised through these activities.

The Pandora's box: Service Level Agreement/ Contract with CPS



- SLA and contract does **not protect the confidential information of social grant beneficiaries'** held by the Agency (CPS) as contemplated in Section 16 of SASSA Act – Section 16 (1) & 2 (1).
- Beneficiaries' confidential information (ID numbers, cell phone numbers, etc.) has been **made available to commercial third parties** who now use this information for profit gain.
- **Direct marketing of airtime, loans, electricity (imminent), and prescribed (old) debt** without the consent of beneficiaries.

The Pandora's box: Service Level Agreement/ Contract with CPS



- If a grant beneficiary does not withdraw the funds from their SASSA bank account after a certain period, the funds are removed from the account. **Where do the funds disappear to and who benefits from these funds?**
- Grant beneficiaries **wait from 2am at pay points to withdraw the cash** from their SASSA accounts to circumvent credit and other service providers.

Denying people access to social security – these are NOT savings but new hurdles!



- The new technology that is being introduced (voice verification) is prohibitive. Grant beneficiaries must have knowledge of cell phones to access grants – not all pensioners have access to cell phones or know how to use them.
- Implementation of voice recognition via cell phones is a serious barrier for some beneficiaries.

Denying people access to social security – these are NOT savings but new hurdles!



- Many beneficiaries live in rural areas where there is no or little cell phone reception.
- Some beneficiaries who are ill would not be able to perform the monthly voice recognition procedure or be able to travel to have their fingerprints scanned.
- Appointing a curator for mentally ill beneficiaries is expensive and tedious.

Conclusion

We call for the Minister of Social Development to:



- **intervene decisively to stop unlawful and undocumented deductions** from bank accounts of grant beneficiaries and work towards **protecting the bank accounts of grant beneficiaries.**
- **work towards criminalising** the use of social grants as collateral **by lenders** and stop the sale of credit and other products.
- implement and enforce the laws and regulations.

Conclusion

We call for the Minister of Social Development to:



- Together with SASSA **insource social grant payment system to protect government's social security mandate** and to ensure effective implementation of the Inter Ministerial Committee's recommendation to develop a SASSA payment system
 - independent of external service providers before deadline of 2015
 - report publically on plans and steps taken/to be taken.
- together with SASSA and 3rd parties be **held responsible for recourse and compensation for these unlawful deductions.**
- Establish the long overdue **Inspectorate for Social Assistance – to ensure maintenance of integrity of social assistance framework and system – with appropriate investigations.**

Thank you.

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