

The role of the Consumer Goods and Services Ombud and its relevance to the agricultural sector

Background

The Consumer Goods and Services Ombud made a presentation to the NEDLAC Development Chamber on the 7th of March.

The Ombud was established in terms of section 82(6) of the Consumer Protection Act and is accredited by the Minister for Trade, Industry and Competition. The main aim of the Ombud is to enforce the Consumer Goods and Services Industry Code of Conduct by receiving and mediating complaints against suppliers of goods and services. Failure to comply with the Code is a contravention of the Act.

It is mandatory for all qualifying suppliers of goods and services or entities involved in providing, marketing and/or offering to supply goods and services to consumers to register with the Consumer Goods and Services Ombud. This applies to entities along the entire spectrum of the supply chain, including suppliers who directly or indirectly contribute to the ultimate supply of those goods or services to consumers, whether as a producer, importer, distributor or retailer of goods, or as a service provider.

Who needs to comply with the Consumer Goods and Services Industry Code?

The Code applies to all suppliers in the goods and services industry, including retailers, wholesalers, distributors, manufacturers, producers and their agents. A supplier is any person who markets goods and services to consumers in the ordinary course of their business. The Code applies to all participants unless they are regulated elsewhere by other public regulations. Suppliers have to register with the Consumer Goods and Services Ombud. Annexure B to the Code provides a list of some of the wholesale, retail, manufacturing, distribution and trade sectors of the goods and services industry to which the Code will apply. Included in this list are suppliers of food, tobacco and beverages, pet food and pet products.

What obligations are placed on participants?

Participants shall contribute to the funding of the operations of the Ombud by means of the payment of a joining fee and an annual levy as shall be determined from time to time by the Board of the Ombud. This is based on a percentage of turnover.

The Code sets minimum standards of conduct expected from suppliers in the industry when engaging with consumers and prescribes procedures for resolving disputes between consumers and suppliers.

Annelize Crosby
Head: Legal Intelligence

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Participants must display prominently the CGSO decal on all their trading premises and their website and provide consumers with the contact details of the Ombud and notify the consumer of their right to refer complaints to the Ombud.

Benefits of registering as a participant

According to the Ombud, some of the benefits of being a participant, are:

- Peace of mind that your organisation is fully compliant with the Consumer Protection Act (CPA).
- Establishes your credentials as a customer-centric organisation committed to fair play and best practice.
- Provides a legitimate, impartial, and non-punitive avenue for consumers when your internal customer complaints processes fail to diffuse or resolve an issue.
- Full access to cost-effective, unbiased, quick, effective and impartial dispute resolution in the event that consumers lay a complaint against you.
- Assistance and advice on how to increase CPA compliance through the extension of internal resolution processes.
- Free training to your front-line employees on all aspects of the Consumer Protection Act.
- Access to industry guidelines relating to minimum conduct standards.