

CPS warns social grant recipients about possible disruption of grant payments during September payment cycle

August 29, 2018

Cash Paymaster Services (Pty) Ltd (“CPS”) has received the payment instructions for the September payment cycle from the South African Social Security Agency. The September payment cycle will be the last month that CPS will provide a payment service at pay points before its contract expires at the end of September. Unfortunately, it appears that SASSA and SAPO have made certain adverse decisions regarding the September payment cycle that will negatively impact the seamless payment experience that grant recipients have become accustomed to at pay points and ATM’s. These decisions include:

- Approximately 800,000 grant recipients with the old SASSA cards, who have withdrawn their grants at pay points from the CPS mobile ATM’s in the past, have been removed from the CPS pay point payment file. It would appear that the majority of these grant recipients have not been issued with the new SASSA/SAPO payment card. CPS will not be able to pay these grant recipients if they arrive at pay points with their old SASSA cards, despite the fact that these cards have not expired and will continue to remain valid until 2022, as SASSA would presumably have paid their September grants into the SASSA/SAPO accounts that have been opened for them. This will unfortunately result in a disruptive and stressful experience for these grant recipients, who will be turned away at pay points or be declined withdrawals at ATM’s and will have to travel to a SASSA or SAPO office to join the long queues first to receive their SASSA/SAPO cards, and then to withdraw their grants.
- SASSA has instructed CPS to discontinue servicing all cash pay points in Gauteng, Free State, Northern Cape and Western Cape as SAPO will take full responsibility for these pay points. In the other five provinces, a number of pay points will be closed but SASSA has not yet provided any details to CPS. The decision to close these pay points has been communicated at short notice to CPS and the company is not aware of any communication from SASSA to the grant recipients who are accustomed to visit these pay points to receive their grants to inform them of the procedure that they will have to follow to receive their grants in September.
- Approximately 900,000 grant recipients who lawfully elected to receive their grants into an EasyPay Everywhere bank account by completing the forms required by SASSA, will not receive their September grants in these accounts as SASSA has failed to process these requests. These beneficiaries will most likely arrive at pay points or ATM’s with the legitimate expectation to receive their grants on 1 September, but will not be able to do so as SASSA would not have credited these accounts with the September grant amount. This will unfortunately result in a disruptive and stressful experience for these grant recipients, who will be turned away at pay points or be declined withdrawals at ATM’s and will have to

travel to a SASSA or SAPO office to join the inevitable long queues first to resolve their payment query.

The inconvenience or disruption that grant recipients may experience with their SASSA/Grindrod Bank or EPE cards during the September payment cycle is therefore beyond CPS's control. It is most unfortunate that our last month as a service provider will be disrupted by the unilateral decisions taken by SASSA and SAPO, without proper consultation with CPS, grant recipients and other stakeholders. CPS has been, and probably will continue to be accused of seeking to prolong its involvement in the payment of social grants beyond 30 September by criticising the phase-out process. CPS accordingly reconfirms that it has no interest in any further delays or an extension of its contract and fully intends to terminate the contract with SASSA on 30 September in accordance with the Constitutional Court's order. CPS is extremely proud of the uninterrupted grant payment service that it provided to all grant recipients over the last six and a half years.

Net1 and Grindrod Bank will continue to service their EPE customers by providing transactional facilities through mobile and fixed ATM's and the Net1 branch network, ensuring that customers have convenient access to their banking facilities irrespective of where they live.