

E-commerce sector generating bulk of consumer complaints - Ombud

Online shopping accounts for the majority of consumer complaints received by South Africa's Consumer Goods and Services Ombud (CGSO), according to its [latest annual report](#).



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The CGSO is mandated to mediate disputes between consumers and suppliers of goods and services in South Africa and ensure that industry players abide by the Consumer Goods and Services Industry Code of Conduct.

In its annual report for the period ending 28 February 2022, the Ombud revealed that, as in the previous financial year, online transactions accounted for the most complaints per sector, despite a slight decrease in the number of e-commerce-related complaints relative to other sectors from 27% to 25%. "This is a trend that is expected to continue for the foreseeable future," the Ombud said.

Following the e-commerce sector at 25% of complaints, were satellite and telecommunications (17.5%), retail appliances (14%) and furniture (12%).

"The e-commerce sector, together with the telecoms and satellite services sector and retailers and manufacturers of appliances and furniture, continues to generate the most consumer complaints. Combined, these four sectors accounted for almost 70% of all complaints received by this office during the period under review," the CGSO said.

It added, "As part of our mandate to protect the integrity of the industry, the CGSO published several guidelines for suppliers on how to improve the online experience for customers, as well as tips for consumers on how to protect themselves from rogue operators."

Ombudsman Magauta Mphahlele commented, "It is clear that the online shopping trend sparked by Covid is here to stay. While the scammers and fraudsters tend to make the headlines, I would like to commend the vast majority of online suppliers and all our participants who responded positively to rectify customer service failures and uphold the integrity of the sector."



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R11.5m in refunds

The CGSO received 11,834 complaints, compared to 14,438 cases in the previous period, indicating a return to pre-Covid volumes. Of these, 2,983 fell out of the CGSO's jurisdiction and were referred to other ombud offices, regulators and sector-specific alternate dispute resolution entities.

The Ombud said that 13,946 cases were closed, clearing the backlog from the previous period's record influx of complaints fuelled by unresolved issues over cancellations due to the Covid pandemic, and delivery and service malfunctions associated with the unprecedented rise in online shopping due to lockdown.

Sixty percent of complaints were resolved resulting in a positive outcome for consumers, with cash refunds totalling R11.5m paid out to consumers.

Goods, services and agreements accounted for 94% of all complaints received. For the first time, the office also received complaints relating to civil unrest which took place in parts of Gauteng and KwaZulu-Natal in July 2021.

These included cases of goods that were left at a supplier for repairs and were subsequently stolen during the looting, or where transport services were cancelled because of the violence and goods were not delivered or not delivered on time.



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The CGSO said four consumer alerts were issued against companies who accepted payment from consumers but failed to deliver the goods or services even after the Ombud's office referred numerous complaints to them. The alerts followed "numerous unresolved complaints against the same online retailers and continued lack of cooperation by these entities with our office," the CGSO stated.

The four companies that the alerts apply to are: Mr Shopper (furniture and electronics), Wiegenkind Boutique (baby and maternity wear), Ana Eleven Brand (women's clothing) and Liepies Online (women's clothing, shoes, and accessories).

Just under 50% of total complaints received by the CGSO were from Gauteng, followed by Western Cape at 18% and KwaZulu-Natal at 13%, with the remainder spread across the other six provinces.

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