

Minister Fernandez slams national government over social-grant payment delays

The province's development minister Sharna Fernandez says national government's attempt to clear the air on social-grant payment delays this month is far too little too late.



Source: David Ritchie/African News Agency (ANA) Archives.

Last week her office was inundated with complaints from Sassa beneficiaries who either could not access their grants at all or only received some of the funds. Many indicated that they had no food at home.

On Wednesday, 14 September, the Parliamentary Portfolio Committee on Social Development learned that the recent "system glitch" impacting numerous social-grant recipients resulted from Postbank's payment switch software. This software facilitates Postbank's connection to the BankServ Africa platform for processing transactions via the Integrated Grant Payment System (IGPS).

Postbank's issues with the "payment switch" software have been ongoing since 2018.

These difficulties reached a critical point on 31 July, 2023, when Electronic Connect, the software supplier, threatened to suspend its service by midnight unless Postbank settled its outstanding invoices.

Postbank is alleged to have owed Electronic Connect R1.9m for May and R1.7m for June.



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Katja Hamilton 12 Jan 2023



Postbank then approached the High Court on an urgent basis. It wanted the court to order Electronic Connect to continue providing the “payment switch” software.

In the [court papers](#), Postbank said it could not pay the outstanding invoices because of ongoing investigations into Postbank, and that National Treasury had not approved the agreement between the two companies because it did not comply with public procurement protocols.

The court granted the order on 2 August 2023 and Postbank proceeded to settle the invoices.

Postbank has since appointed a new provider for the payment switch, although Electronic Connect still runs the core banking platform.

The migration to the new payment switch caused the so-called system “glitch” which on Monday, 4 September left thousands of old-age grant recipients unable to access their R2,080 grant on their Sassa/Postbank cards.

A total of 6.3 million people, receive their money through this system.

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