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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 348**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 17 FEBRUARY 2023**

**INTERNAL QUESTION PAPER NUMBER: 2 – 2023**

**348. Ms L H Arries (EFF) to ask the Minister of Social Development:**

What (a) influenced the decision by the Postbank to assume the SA Social Security Agency's contract with the SA Post Office and (b) are the reasons that the public, especially recipients of social grants, were not informed of the impending cession?

NW363E

**REPLY:**

1. The grants payments Master Services Agreement entered between SAPO and SASSA in 2018 was ceded to Postbank which was originally a division of SAPO when the contract was concluded. The cession of the contract to Postbank by SAPO was concluded given that the payments are financial services facilitated through the National Payment System (NPS) in which Postbank is a participant and SAPO is not a recognized participant. Since the inception of the contract in 2018, Postbank was facilitating more than 90% of the grants payments via the NPS, whereby grant recipients mostly received their money via ATM’s and retailers similar to any bank transaction. SAPO only facilitated limited beneficiary numbers payments within its branches and it still continues offering this service, providing the rationale for the contract cession.
2. Postbank together with SASSA implement a public campaign that included roadshows and on the ground activations creating public awareness that Postbank is responsible for social grants payments.