

# Business

**MINES** Minister Ngoako Ramathodi appealed for calm yesterday after saying protests around Steelpoort, on the eastern edge of the platinum belt, had disrupted mining operations in the area. The mining industry has in the past three years been rocked by periodic outbreaks

## Minister calls for calm in Steelpoort

of violence and labour unrest. The minister did not name the operations disrupted by the protests but said in a statement that he would be visiting the area today. A spokeswoman for African

Rainbow Minerals, that operates the nearby Modikwa and Two Rivers Platinum mines, said the company was aware of protests in the vicinity but that its operations had not been affected. – Reuters

# RETAILERS SLAM LOYALTY REWARDS

## Card costs a burden on fuel dealers

**Mpho Sibanyoni**  
Business Reporter

**FUEL** retailers have criticised loyalty rewards programmes, saying they were eroding their margins.

The retailers are now pushing for the card fees associated with the loyalty rewards programmes to be terminated.

The SA Petroleum Retailers Association director Bakang Moeketsi has told Sowetan that the loyalty rewards programmes were resulting in retailers having to carry the costs of loyalty card transactions.

“[One of the major challenges we are facing is] the advent of loyalty programmes through the banks. Although the public is benefiting from that, it is hurting our members in that there are more feet on site but less cash being used.

“You and I purchase fuel using our cards because we are benefiting through these loyalty or rewards programmes, but that results in increased card costs that retailers

have to pay out of their pockets.”

Caltex has a customer rewards programme with Standard Bank, Engen with FNB while BP and Shell has one with Discovery Insure.

Moeketsi said some retailers have complained to oil companies about the loyalty rewards programmes hurting their margins.

“They are [complaining], however, oil companies at the end of the day exercise their authority over their franchisees,” she said.

“[Our members] have observed an increase in the usage of [loyalty rewards] cards and a direct increase in card costs,” said Moeketsi.

She said the programmes should be enhanced to suit fuel retailers.

In an email statement, FNB said: “Retailers regularly engage with banks as fees are negotiated between the two parties.

“For our personal customers, a bank card is definitely more convenient and much safer than cash. Removing cash from the retail process also has safety and convenience benefits for the petrol



**DISCONTENT:** National director of the SA Petroleum Retailers Association Bakang Moeketsi

PHOTO: THULANI MBELE

attendants/fuel station.”

Discovery Insure executive director Themba Baloyi said the Vitality Drive card fees were carried by the company’s head office and the programme was not eroding the margins of fuel retailers. Nedbank head

of consumer cards Graeme Holmes said: “Nedbank is not aware of the alleged complaint stemming from the SA Petroleum Retailers Association regarding loyalty card programmes.

“Notably, merchants can accept the Greenbacks shop card at no

cost to themselves as Nedbank does not charge any card fees to the merchant ...” he said.

Standard Bank had not responded by the time of going to press.

Moeketsi also revealed that the new Black Economic Empowerment legislation was causing uncertainty among the retailers, especially on the ownership aspect. “The legislation is there and is causing uncertainty in the sector,” she said.

“There needs to be proper consultation on how exactly the ownership part of the legislation will be managed,” she said.

“With the Broad-Based Black Economic Empowerment legislation, it is expected that they will take a Bakang off the streets and make her part of the business without her understanding the intricacies of the business.”

Moeketsi said although the industry does need transformation, it should be noted that some fuel retailers have bought filling stations using their savings, retirements or investments. She said the acquisition of fuel stations by black people was happening, though at a very slow rate.

■ [sibanyonim@sowetan.co.za](mailto:sibanyonim@sowetan.co.za)