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UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA

TOGETHER WE GROW



NEW VEHICLE SALES AND EXPORTS – JULY 2016

317,357

vehicles sold in the first seven months of 2016



That's **11%** less than the first seven months of 2015

44,883

New vehicles sold in South Africa July 2016

62

less than June 2016

9222

less than July 2015

29,007

Passenger vehicles sold in July 2016, down by 7520 units or 20.6% on 36,527 vehicles sold in July 2015

TOP 5 SELLERS



- 1. Toyota - **10,224**
- 2. VW - **6,814**
- 3. Ford - **6,002**
- 4. AMH & AAD - **4,621**
- 5. GMSA/Isuzu - **3,499**

Passenger vehicle sales accounted for 64.6% of car sales in July 2016

Commercial vehicle sales in July 2016 were **9.7% lower** than July 2015 and **0.1% lower** than June 2016



Light commercial vehicle sales in July 2016 were **down by 9.9%** from July 2015 and **up by 1.3%** on June 2016

TOP 5 EXPORTS



- 1. Mercedes-Benz - **10,076**
- 2. VW - **6,219**
- 3. Toyota - **6,199**
- 4. BMW - **4,459**
- 5. Ford - **1,219**

29,042

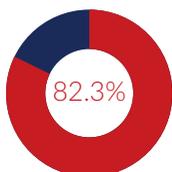
vehicles were exported in July 2016

2.4%

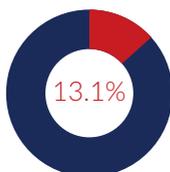
6.9%

higher than July 2015 down from June 2016

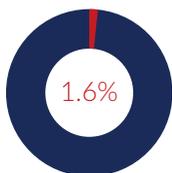
SALES PER INDUSTRY



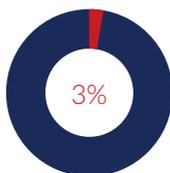
Dealer



Rental Industry



Government



Corporate

Supplied by Absa, Member of Barclays

Source: Naamsa

MESSAGE FROM THE OMBUDSMAN

WHY AN OMBUDSMAN?

The main role of an ombudsman is to act as a referee when there is a dispute between a supplier and a customer or between a supplier and another supplier. He does not represent any of the parties and he is neither friend nor foe of the supplier or the disgruntled customer.

An ombudsman has no right or jurisdiction to get involved in the day-to-day running of a company, a business or a private individual. There are other departments and institutions with the necessary jurisdiction to handle that side of things.

In case of a dispute between a disgruntled consumer and a service provider, the ombudsman communicates with both parties concerned. Once he has all the details pertaining to the case at his disposal, he will make a ruling as to how the dispute can be resolved. To this end the ombudsman is guided by the following: good customer care practices and engineering practices, legal requirements and fairness.

The ombudsman does not charge a fee in the conciliation process. The question is: how does the ombudsman generate income to offer his services free of charge?

Johan van Vreden
Motor Industry
Ombudsman of
South Africa



January 17, 2015 marked the start of a new era for the MIOSA as it became a government accredited dispute resolution agency and also the custodian of the South African Automotive Code of Conduct – a regulation that forms an integral part of the Consumer Protection Act 68 of 2008.

The Code stipulates that any supplier in the automotive and related industries must make a financial contribution to the MIOSA for the organisation to carry out its duties. Should there be a surplus at the end of the MIOSA's financial year, it is carried over to the next financial year. A surplus may not be paid out to directors, advisory committee members or staff members of the MIOSA. This is in compliance with the Code.

It should also be noted by service providers that the small financial contribution payable to the MIOSA is tax deductible.

The motto of the MIOSA says it all: TOGETHER WE GROW. In the interest of consumers and service providers alike.

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EXCELLENCE AWARD FOR DR PHOSA



Dr Mathews Phosa

MIOSA advisory committee chairperson, Dr Mathews Phosa, has been presented with the prestigious Award for Excellence in Leadership at the recent African Achievers Awards (AAA) gala in Abuja, Nigeria. The African Achievers Awards are Africa's version of the Nobel Prize.

The award was bestowed on Dr Phosa in recognition of his immense contribution to the transformation of South Africa's economy from being mainly white-controlled to inclusive.

Dr Phosa is the third South African to be honoured by the AAA. Emaritus archbishop and Nobel Peace Prize winner, Desmond Tutu, was presented with the inaugural African Achievers Award in 2011. Last year, former South African cabinet minister and current chairperson of the African Union, Dr Nkosazana Dlamini-Zuma received the award for leadership in Africa.

NEW REGISTRATIONS:

MAY 2016 TO JULY 2016

When analysing the May 2016 data relating to new registrations, the fitment centre sector topped the number of new registrations for the first time thanks to a major drive from a national group to motivate their franchisees to register. Vehicle dealers (mainly used) registering continued to show a strong improvement. It was interesting to notice the number of motorcycle dealers that registered. Panel shops and spares shops also featured but not as strong as in previous months.

In June 2016 the fitment centre sector again took first place as more franchisees from the group mentioned in the May 2016 report, registered. It was, however, a close race as the vehicle dealer network (mainly used again) made the best showing in months. The fact that some vehicle finance houses now insist on proof that the business is registered with the MIOSA brought in a flood of registrations from this sector. Other contributors to the total number of registrations were workshops and panel shops.

During July 2016 the flood of registrations from the vehicle dealer sector continued to reach the highest monthly total this year. Disappointing low overall number of registrations

was received from all other sectors. The midyear holiday break could have contributed to this.

Looking at the overall picture, it becomes clear that the major sectors within the industry are more and more complying with the legislation. Worrying is the slow progress being shown by amongst others engineering shops and used parts establishments. In the coming months MIOSA inspectors will focus on these sectors.

FROM THE DESK OF KOBIE KRAUSE

BE AWARE OF THESE ALTERNATIVE
RESOLUTION AGENTS



Kobie Krause
Deputy Ombudsman

The office of the Motor Industry Ombudsman of South Africa (MIOSA) has noticed an increase in the number of so-called alternative resolution agents (ADR), who claim to act on behalf of a consumer. These ADRs have impressive names for their businesses and promise consumers outstanding results in respect

of their complaint handling abilities.

Their modus operandi usually contains veiled threats and demands restitution in favour of the consumer. In some instances a service provider or retailer is also threatened with costs in favour of the consumer. This is where the retailer either settles or refuses to cooperate.

After consultation with some consumers, it appears that the ADR charges a fee in excess of R1 500 upfront to assist the consumer with his/her complaint. If the service provider refuses to cooperate, the ADR then refers the matter to the MIOSA which, through a process of conciliation, resolves the dispute free of charge to both consumer and retailer/service provider.

According to the National Consumer Commission (NCC) no ADR has been accredited in terms of the Consumer Protection Act (CPA). A retailer or service provider is under no obligation to cooperate with these ADR operators. They have no jurisdiction whatsoever.

The motor industry has its own accredited ombudsman and in terms of Section 4 of the CPA it is clear how a consumer can approach the MIOSA free of charge to conciliate his/her complaint.

It is suggested that should a retailer or service provider not be able to settle a dispute with a consumer, to encourage the consumer to approach the MIOSA which has jurisdiction to commence with a conciliation process.

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MAJOR PLAYERS IN THE INDUSTRY

INDEPENDENT DEALER ASSOCIATION

The Independent Dealer Association (IDA) was founded in 1998 to fulfill the need for a professional association for independent motor dealers that would help shape a professional standard for the industry.

The IDA has since evolved to effectively service motor dealers and their customers, the buying public.

The IDA has established tailored valued products for second-hand motor buyers countrywide.

The IDA has now entered its next stage in evolution by becoming the preferred source of information for the general public on anything motor-related.

The IDA's mission is to be the most respected automotive association with the most innovative products, services and solutions.

The IDA also plays an active role in supporting independent motor dealers in their quest to be sustainable.

Key values of the IDA are honesty and integrity, respect, service excellence, innovation, teamwork, social responsibility and accountability.

IDA member dealerships will at all times comply with the minimum industry standards in terms of the Second Hand Goods Act. Members will

also sell products and offer services that are value for money determined by prevailing market conditions.

Members will also conduct all dealings in a fair and transparent manner while acting with absolute integrity.

Members will also endeavour to appoint staff members who have not previously been dismissed or debarred due to misconduct in the motor industry.

Members also subscribe to the Motor Industry Ombudsman of South Africa (MIOSA) and accept its jurisdiction.

WHY BUY FROM AN IDA ACCREDITED DEALER?

The IDA and its members are recognised by financial institutions and other role players in the industry as being an organisation with high esteem and widespread negotiation powers. All IDA members adhere to the organisation's code of conduct and disciplinary procedures.

By supporting IDA products and services, clients contribute to the IDA Care Foundation.

The IDA Care Foundation is a charity founded by the IDA in 2012 to benefit less



fortunate South Africans, with a specific focus on abused woman and children.

The head office of the IDA can be contacted at telephone **(011) 288 7300** or **info@ida.co.za** or visit the organisation's website at **www.ida.co.za**

SAKE RAPPORT

ARTIKEL IN SAKE RAPPORT BETREFFENDE DIE MIOSA

Op Sondag 31 Julie het daar 'n onpartydige artikel in Sake Rapport verskyn oor die toedrag van sake by die kantoor van die Motor Industrie Ombudsman van Suid-Afrika (MIOSA). Die opskrif lees: *Vrag vol klagtes vir karrese ombud. MIOSA haak in tweede rat omdat bedryf nie opdok.* 'n Ondertitel tot die berig lees: *Dis 'n groot probleem dat baie diensverskaffers in die bedryf nie wil registreer nie.*

'n Gebrek aan ruimte verhoed dat die artikel in sy geheel hier kan verskyn, maar onderstaande is 'n paar uittreksels.

Sowat 60 persent van diensverskaffers in die motor- en verwante bedrywe oortree die verbruikerswet omdat hulle nie by die motorombudsman geregistreer is nie.

Gevolgtrek kry die Motorombudsman van Suid-Afrika (MIOSA) nie genoeg maandelikse gelde van diensverskaffers om genoeg personele aan te stel nie.

MIOSA se kantoor het 42 werknemers en ontvang daaglik byna 500 navrae.

Johan van Vreden, die ombudsman, sê aan Rapport MIOSA doen wat hy kan en gaan nou begin om dagvaardings aan ongeregisteerde diensverskaffers te stuur.

"Dis 'n groot probleem dat baie diensverskaffers nie wil registreer nie en dat baie ook nie beseft hulle moet in gevolg die wet registreer nie," sê Van Vreden.

MIOSA is sedert Januarie 2015 'n geakkrediteerde ombudsman hoewel dit reeds in 2001 as 'n vrywillige organisasie ontstaan het.

"Ons kry nie 'n sent van die regering nie en moet al ons inkomste van die motorbedryf invorder," sê Van Vreden.

Omdat MIOSA in die vorige boekjaar minder nuwe registrasies ontvang het as wat verwag is, moes die aanvanklike begroting van R22 miljoen tot R18 miljoen verminder word.

Sowat R11 miljoen van die begroting was vir salarisse.

"Die volume van navrae het so toegeneem dat ons verplig was om mense met die nodige kundigheid in diens te neem wat nie goedkoop is nie," sê Van Vreden.

MIOSA beoog om in die toekoms 'n register van skelm motorhandelaars te skep, wat op die MIOSA se webwerf gepubliseer sal word.

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The Rolls-Royce Next 100 concept gives us an idea of what luxury cars may look like in future. Powered by two 250 kW electric motors, it has no steering wheel or a dashboard. It will ride and glide without a driver being in control. Are you ready?



NEW CEO

The Fiat Chrysler Group in South Africa has announced the appointment of Marco Melani as its new CEO. He succeeds Trent Barcroft.

MORE AND MORE TURBOS

It seems turbocharging is the way to go. The 3-litre, six-cylinder, diesel engine fitted to BMW's latest 750d, has no less than four turbochargers. What next? A turbocharger for every cylinder?



ALCOHOL ALERT

When must you stop drinking? A new wrist-worn alcohol sensor alerts the wearer through his or her cell phone when they are drinking too hard. A great gift for dad on his birthday!



STUNNING NEWCOMER

This striking looking mean machine is the result of a cooperation between Red Bull Racing and British manufacturer Aston Martin. It is powered by a naturally aspirated V12 engine. Only 100 will be built with a price tag of about R45 million.



BRAIN TEASER

Name the make of this F1 car



1973 Ferrari 312B3S "Spazzaneve" which means snowplough in Italian. It never raced in this guise.

R5,5 MILLION FERRARI IN SA

A Ferrari 488 GTB Spider has just reached our shores. Powered by a 4-litre, turbocharged, V8 engine it accelerates to 100 km/h in 3 seconds. Zero to 200 km/h takes only 8,7 seconds. That's low flying in the true sense of the word. Wonder who the lucky owner is!



SMALL VOLVOS

Volvo recently showed two concepts: The 40.1 crossover and the 40.2 small sedan. If Volvo maintains most of the styling when the designs go into production, they should be winners from the word go.



ANOTHER ITALIAN

Mazzanti isn't Italy's most famous supercar brand, but the company is trying hard to establish itself. Their latest creation, the Evantra Millecavalli, is powered by a 7,2-litre, twin-turbo, V8 engine that develops 1 000 bhp (746 kW). Claimed maximum speed is 402 km/h. The price will be equally insane.



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ALERTDRIVER

HOW TO PREVENT REAR-END COLLISIONS

According to some experts, rear-end collisions on the highway between Johannesburg and Pretoria account for some 80 percent of crashes.

Common to almost all of these incidents, is the fact that they are caused by incorrect following distance.

However, there are other contributing factors.

It is no surprise that the leading cause of rear-end collisions is distracted driving as a result of drivers trying to use a GPS app or make a call and as a result they may take their eyes off the road.

Impaired driving is another reason why rear-end collisions occur. Impaired driving isn't just driving while under the influence of alcohol. It could be caused by drowsy driving or certain types of medication which are purchased over the counter.

The main message for drivers is to remain alert at all times. Cellphones, sipping coffee or changing the radio station can wait. Keeping their eyes on the road and being aware of their surroundings takes precedent.

Another more common way a driver can prevent distracted driving is to put his or her phone on airplane mode. This

will help eliminate the urge to look at the phone or text.

Other contributors to rear-end collisions are speeding, tailgating or hazardous weather. But, as indicated at the outset, too close a following distance is the one that causes the most chaos on highways.

Be sure to keep an eye on what's going on in front and behind you.



NUMBER PLATES: INDUSTRY NEWS

BROUGHT TO YOU BY THE SOUTH AFRICAN NUMBER PLATE ASSOCIATION

PROVINCIAL GRAPHICS & LOGOS : FEEDBACK

National Department of Transport (NDoT) agreed to arrange individual meetings between the stakeholders that included NDoT, SABS, Industry and the provincial Departments of Transport, to resolve the failure of

embossed number plates on the provincial graphics and logos.

Feedback was delaying and Industry went ahead and scheduled a meeting with Gauteng Department of Transport on 6 July '16, to request a concession on the number plate graphics and logos, based on the following grounds:

- that the various brands of retro-reflective sheeting were tested and approved by SABS Test House during 2009 / 2010 and compliant test reports were issued to Industry;
- that none of the brands of retro-reflective sheeting were changed, since its approval by Gauteng Provincial Department of Transport and SABS Test House during 2009 / 2010;
- that retro-reflective sheeting is ordered in advance and mass production is required to ensure continuous supply; and
- that it is legally impossible to comply with the requirements as laid out in SANS 1116, which states that "a graphic shall be of not more than four colours...". The relevant Gauteng legislation references 6 colours to be applied to a number plate and it is therefore impossible to comply with the SANS 1116 specification.

NDoT notified Industry that they first want to meet with SABS before continuing with said individual meetings. Industry is currently awaiting feedback from National and Gauteng.

SABS COMMERCIAL : CERTIFICATION & TESTING

SABS Certification confirmed during the number plate meeting of 18 April 2016 that auditing would resume with the exception of provinces where the number plate graphics and logos are still a concern. SABS also agreed to issue an explanatory communiqué on the current issues of concern and to confirm that a task team was formed to address and resolve these matters.

Industry was surprised to note the Embossers from the Eastern Cape and Gauteng were recently audited, especially since the issues pertaining to the graphics in both provinces weren't resolved. The promised communiqué was never issued.

SANA requested feedback from SABS Commercial and is awaiting feedback.

SUPPLIED BY THE SOUTH AFRICAN NUMBER
PLATE ASSOCIATION

SANA Contact Details:

Cell: 082 322 5208

Fax: 086 684 1304

Email: zurika@neza.co.za

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INTRODUCING A CASE MANAGER



Kenneth Makatu (34) was born in Turfloop in Limpopo. He completed most of his schooling in Johannesburg, but matriculated in Limpopo. He is currently doing his BCom degree in supply chain and procurement management through UNISA.

Kenneth started his career in the motor industry in 2005 when he joined Mercedes-Benz South Africa (MBSA) as a road-side assistant agent and was appointed as case manager a year later. When Chrysler split from MBSA in 2010, Kenneth was appointed a customer liaison officer in the customer care department at Chrysler. After a stint with McCarthy Kunene in Witbank, he joined Nissan South Africa before joining the MIOSA.

“My position as case manager at the MIOSA is challenging but very rewarding,” explains Kenneth. “You must understand the motor industry in all its facets to be able to deal with complaints.”

Kenneth is very much a sport fanatic. He watches soccer, cricket, MotoGP and F1 racing on TV whenever he gets the opportunity.

His favourite soccer team? “Kaizer Chiefs, of course,” explains Kenneth with a smile.

His favourite F1 team? “Mercedes-Benz,” is the reply.

The most important item on his bucket list? “It’s my dream to do skydiving.”

NEW APPOINTMENTS



Janine McFadden
Case manager assistant



Ellen Engelbrecht
Financial manager



Mariëlle Ferris
Case manager assistant



Basetsana Moroane
Case manager



Pragasi Nayagar Information and liaison officer

The views expressed by contributors are not necessarily those of the MIOSA.

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