



UPDATE



Newsletter for the Motor Industry Ombudsman of South Africa Issue 3 Volume 2 September 2011

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ANNUAL REPORT 2010

Nine thousand two hundred cases resolved at **first contact**

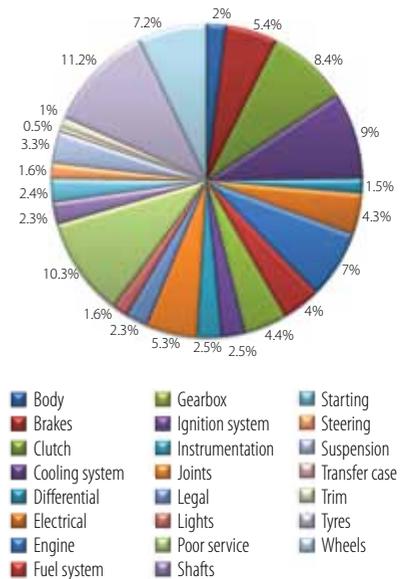
Complaints received confirm our belief that motor vehicles today are more reliable than in years gone by. Extensive road works in the main centres of the country continued through the year under review. This resulted in the most mechanical breakdowns being caused by external factors. The knock-on effect is that when repairs have to be carried out, the risk for disputes increases.

Credit conditions improved during 2010, which resulted in improved sales of motor vehicles. With the improved credit conditions, many of the complaints received by the MIO turned out to be so-called buyer's remorse. This is a condition that some car buyers experience when faced with the extra expense of a monthly car payment.

Cases dealt with by the office of the MIO during 2010 numbered 23 442. A total of 9 200 cases were resolved at first contact. This was as a result of the advice being provided by the call centre adjudicators. Although budgetary constraints limit the call centre's ability to answer calls only during certain times of the working day, the centre plays a major role in controlling the number of cases developing into time-consuming written complaints.

A total of 14 242 written complaints were referred to the relevant manufacturers, dealers and importers. Of these, the MIO made 7 150 recommendations and issued rulings in 683 cases. The remaining 6 409 cases were resolved between the parties through facilitation by the MIO.

Number of complaints
Percentage of total for 2010



MIO WELCOMES NEW SUBSCRIBERS

The following dealerships have subscribed to the **Transaction Protected Project** recently:

Atterbury Motors Pretoria
 Brits Nissan Brits
 Corona Motors Pretoria
 Discovery Auto Pretoria
 Inspectacar Gezina Pretoria
 Inspectacar Highveld Witbank

Inspectacar Kokstad
 Inspectacar Morgan Motors North
 Inspectacar Pietermaritzburg
 Inspectacar Rustenburg
 Inspectacar Trichardt
 Just Carz
 Kilokor Motors
 Landcruiser 4 Africa

Kokstad
 Randburg
 Pietermaritzburg
 Rustenburg
 Trichardt
 Vanderbijlpark
 Johannesburg
 Pretoria

MBA Auto
 Top Ten Cars
 Twin Auto
 Van Heerden Motors
 Westend Motors Hindson Street
 Westend Motors West Street
 Woodmead Auto
 Zeerust Toyota

Pretoria
 Vereeniging
 Randfontein
 Pretoria
 Durban
 Durban
 Woodmead
 Zeerust



BOSCH
Invented for life

Triple Anniversary for Bosch in 2011

Bosch is celebrating its 125th anniversary in 2011. The company was set up in Stuttgart in 1886 by Robert Bosch who would be celebrating his 150th birthday this year (1861-1942) as a “Workshop for Precision Mechanics and Electrical Engineering”. Furthermore, the Bosch Service network is celebrating 90 years of existence.

The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant up-front investments in the safeguarding of its future. Ninety-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.

The Bosch Group is a leading global supplier of technology and services. In the areas of automotive and industrial technology, consumer goods, and building technology, some 285,000 associates generated sales of 47.3 billion euros in fiscal 2010. The Bosch Group comprises Robert Bosch GmbH and its more than 350 subsidiaries and regional companies in over 60 countries. If its sales and service partners are included, then Bosch is represented in roughly 150 countries. This worldwide development, manufacturing and sales network is the foundation for further growth. Bosch spent 3.8 billion euros for research and development in 2010, and applied

for over 3,800 patents worldwide. With all its products and services, Bosch enhances the quality of life by providing solutions which are both innovative and beneficial.

“Our customers, as well as everyone who has ever used Bosch products, have also played a role in the company’s 125-year success story,” says Franz Fehrenbach, the chairman of the Bosch board of management. Hermann Scholl, the chairman of the shareholders meeting and of the supervisory council, agrees, and adds: “Many of our pioneering technological achievements were the result of our fruitful interaction with our customers. A spirit of innovation pervades our company to this day – an unceasing search for new areas of business, markets and technologies.”



NEWS FROM KZN



Well done Eugene!

Cyril Neilson (left), MIO consultant in KZN congratulates Eugene Jili on his promotion to Sales Manager at McCarthy Inyanga (Used) in Empangeni, KZN. The dealership has been part of the Transaction Protected Project of the MIO since 2005.

Eugene started at McCarthy as a motorbike driver and worked himself up through the ranks to his new position.

To quote Eugene: “It’s been a long journey. I washed them, I cleaned them, I sold them, and now I’m the Sales Manager.”

This man shows that anything is possible with a little perseverance and a lot of hard work. An example all of us can surely follow.

They shoot horses don't they?



*Ombudsman
Johan van Vreden*

The average age of qualified technical people in our Industry has remained alarmingly high for a number of years now. If we look around our businesses we might be surprised to find the number of fifty and sixty year old people that still make up the bulk of our qualified staff. Why is this?

Answering this vexing question is not easy and can most probably have a few explanations that could suffice. Maybe the cost of training youngsters is too high? Are the rewards we reap for training people perhaps not enough? Perhaps it is the loyalty or lack of loyalty amongst young people that make us averse to providing training. Is it too easy to poach trained people from other businesses?

Are we making enough use of the available expertise amongst our older qualified people to train and facilitate the new generation? Tell me, why an instructor must be a strapping young qualified person who spends his days training other young people? Why is that young instructor not working and getting his hands dirty rather than spending time trying to teach other youngsters while we send people with forty and longer years of service into retirement because they cannot perform the physical duties of their trades anymore. What a waste of resources!

Over the ages the human race has used its elderly to teach, advise and mentor the young. The young conversely have worked, under the direction of the older members of society. Are we now so modern in our thinking so progressive that we can discard these valuable members of our industry without considering the contribution that they could make by training the new generation?

There is no doubt that we also need to make our industry, especially in the technical fields more attractive to the younger generation. As an Industry we should support and upgrade the prestige of attaining a technical qualification. I know that the trade associations and large dealer groups as well as vehicle manufacturers are trying their level best to provide training under sometimes very difficult circumstances. However, the provision of training is not enough, we should in my opinion give more attention to the importance of the technical qualification.

If we use our older human resources more effectively in training the young and we use those "young" instructors to rather do some productive work and we raise the importance of a technical qualification, I am sure that we will draw younger people in to our Industry. Who knows what the result of this will be? We may even end up with more satisfied customers!

WHEELS 30 - NOW AVAILABLE

The latest edition of WHEELS, South Africa's much sought-after motoring annual, is now available.

It is indisputable that WHEELS is considered a niche publication in terms of matchless quality of content. Every year – for the past 30 years – motoring enthusiasts are treated to the best of all the news on the local and international motoring front. Packaged in this bumper, full-colour glossy page publication are more than 100 articles from the pen of well-known motoring journalists – rounded off by some of the best motoring and motorsport photographs taken this year.

WHEELS 30 presents a full-house of topics - from manufacturer's milestones to technical innovation and from the latest models to concept vehicles and motorcycles. Also, read more about the glitz and the glamour of international motor shows and South Africa's highly acclaimed Car of the Year competition.

For the motorsport fan, WHEELS 30 brings all the action and controversy of Formula One, the battle-of-the-throttle of local and international rallying, the triumphs and misfortunes of off-road racing and the season's results in all the major local motorsport categories.

To increase its ever-popular brand value, WHEELS have added a new website www.wheelsannual.co.za – and monthly newsletter – *Wheels news* – to maximize its social media venture. The WHEELS website brings readers the A to Z of motoring in a unique and user-friendly way with an added lifestyle flavour to ensure reader-enjoyment.

And, as the so-called cherry-on-top, www.wheelsannual.co.za provides readers with the option to subscribe to *Wheels news* – the new monthly electronic newsletter that informs you of developments in the world of wheels in a lighthearted way.

Wheels 30 is available from CNA branches and other selected outlets countrywide at a price of only R45,00. Alternatively, contact WHEELS on tel: 012 841 2711, fax 086 669 4269 or e-mail info@wheelsannual.co.za.



Mercia van Niekerk



Tjaart van der Walt jnr

Proud supporters of the MIO



*Rozanne Volschenk
MIO Consultant
Western Cape*

The **Novel brand** was established in the Western Cape in 1990, when Mr. Jurgen zu Bentheim purchased the Ford and Mazda dealership in Main Road, Paarl. This was the beginning of a group of motor dealerships that today employ 137 people at 4 dealerships, all subscribers to the **Transaction Protected Project** of the MIO.

Ford Motor Company, who established itself as one of the biggest American Automakers in 1903, under the control of Henry Ford, was one of the largest family controlled companies in the world and one of the few to survive the great depression. One of the greatest strengths of the Novel Group is the set of values that the ownership of the company has instilled in the staff members, these being strong family values, empathy for others, integrity, passion for work, and the resultant customer experience— **the Novel experience**.

Novel Motor Company is proud of the fact that they have developed the Novel trade name to the respected brand that it is today. All dealerships are manned to sell New and Used Ford and Mazda vehicles, supply parts and offer quality service to their clients.

ENGINE FAILURE ANALYSIS

Specialised Two Day Course endorsed by MIO

Computers and electronics have taken over every aspect of modern life. There is nothing that we do today where this technology does not rule our lives. The automobile industry is therefore no exception.

Electronics control so much of the operation of the modern car and faults cannot be diagnosed in the complex systems in most vehicles today without the use of computers and sophisticated test equipment.

What about the mechanical side of the engine? Basically, nothing in the mechanical function of the engine has changed since the first horseless carriages found their way onto the roads. It still requires the same 5 processes to make the engine work.

These processes are: cooling, lubrication, compression, ignition and fuel.

Basically, nothing has changed except that the fuel is now injected into the engine where carburetors were used previously, and the ignition is now controlled by a computer or the engine management system.

The diagnosis of failures in these two processes is generally done by plugging the diagnostic system in and reading the result. However, these two processes do not generally cause catastrophic failure of an engine.

The catastrophic failure is generally found in a malfunction of one of the other three processes in which the cause of the failure can only be established through a sound knowledge of how the engine functions.

This takes us back to the basics that appear to be overlooked in many instances when a failure occurs and needs to be diagnosed. Very often we see the effect of the failure but the cause evades us.

A training manual was developed that investigates the cause of engine failures in detail. Training to key people in positions where engine failure analysis has to be done, is now offered.

The training material not only goes back to the basics of how the engine

works but some of the physics that are often misunderstood when looking for the cause of the failure.

The "engine failure analysis" course, presented by Peter Asselbergs and endorsed by the MIO, is a two day session and is the start of what we intend to develop into a series of training courses that will cover other aspects of the automobile as well.

The training is considered to be "specialised" and is available to qualified artisans who are in key positions in the motor industry as well as persons operating in the "mechanical assessing" business as this could also further lead to improving standards of assessing and reporting. Courses can be scheduled as required. Please contact Leanne Lubbe at the MIO on 012 841 2944 or leanne@miosa.co.za



Peter Asselbergs

In his total of 50 years experience in the motor and transport management industries, Peter held several regional service manager positions before becoming training manager at a major motor manufacturer. He attended the Fujioka Technical

Training Centre in Japan before returning to the RSA to devote himself to developing and presenting technical training courses. Peter is still doing mechanical assessing for insurance and fleet management companies. He also assists two companies in "Vehicle Accident Reconstruction".



*Dr M Phosa
Chairperson*



*JHL van Vreden
Ombudsman*



*TJ Swart
Deputy Chairperson*

MIO Board Members



A Bezuidenhout



*JL Krause
Deputy Ombudsman*



M Moeletsi



P Molefe



R Nethercott



B Pretorius



N Vermeulen

NEWS FROM THE EASTERN CAPE

A first for **Ronnie's Motors**

RONNIES MOTORS

The Consumer Protection Act (CPA) was implemented on the 1st April 2011 and in support of its introduction Mr Kobie Krause, a practicing Attorney and Director Legal Services in the office of the Motor Industry Ombudsman started presenting training courses on this subject. These courses are endorsed by the MIO.

The well known East London dealership group, Ronnie's Motors, subscribers to the **Transaction Protected Project** of the MIO, was quick to respond to the challenges of the CPA and following consultations with their Eastern Cape MIO consultant the first CPA training course in South Africa at an independent dealership group was held at their Beacon Bay Premises in July of this year. 15 Staff Members of the Dealership attended the Course. The Training Course highlighted sections of the Act, relating to customer care, service delivery, warranties, etc. as directly applicable to the Motor Industry. In addition to the Act its regulations were also addressed. The course was well received by the staff who also received presentation booklets.

Dealerships countrywide wishing to make use of this wonderful opportunity must make contact with their regional MIO consultant who will make the necessary arrangements to suit individual dealerships.



*Stephanie Newsome
MIO Consultant –
Eastern Cape*

REMINDER:

**Johannesburg
International Motor Show**

**6 to 16 October 2011
Expo Centre in Nasrec, Johannesburg**



J.L. Krause
Deputy
Ombudsman

“Voetstoots” as in the Consumer Protection Act

In terms of section 55 subsection 6 of the Consumer Protection Act No. 68 of 2008 (CPA) the word “voetstoots” can no longer be used on an invoice or any other documentation.

Goods may be sold in the condition that it is, subject to conditions set in terms of the CPA. In this regard, it is suggested that section 55 subsection 6 (a) be applied. In other words, the condition in which the goods are sold must be embodied in writing to ease the burden of proof of the supplier. It is important to note that section 55 subsection 2 (c) and (d) will still apply in these circumstances in that the goods must be usable and durable for a reasonable period of time taking into account the use to which it would normally be put and the surrounding circumstances of its supply and it must comply with any applicable standards set under the Standards Act of 1993, or any other public regulation.

It is therefore important to note that if the two abovementioned subsections be applied to such a transaction the provisions of section 49 subsection 3 to 5 must be adhered to.

To summarize, the conditions contemplated in subsection 1 of section 49 must be written in plain language in terms of section 22. The fact, nature and effect of the provisions or notice must be drawn to the attention of the consumer in a conspicuous manner and form likely to attract the attention of an ordinarily alert consumer before the consumer enters into the transaction, beginning to engage in the activity, or enters or gains access to the facility or is requested or expected to offer consideration for the transaction.

Lastly, the consumer must be given an adequate opportunity to read and comprehend the provisions or notice.

CPA training sessions

Mr. Kobie Krause, Director Legal Services in the office of the Motor Industry Ombudsman and practicing attorney is presenting one day training sessions on the CPA and its impact on the motor industry. These sessions take place at the MIO offices on Saturdays starting at 8h30 and finishing at 14h00.

If you would like to attend please phone Tjaart van der Walt at 012 841 2816 or Leanne Lubbe at 012 841 2944 or your regional MIO consultant.

- **Johannesburg/ West Rand:**
Tjaart van der Walt (jnr) – 084 845 9057
- **Pretoria/Midrand/East Rand/Free State/Limpopo/Mpumalanga/ North West/ Northern Cape:**
Mercia van Niekerk – 082 442 9250
- **KwaZulu-Natal:**
Cyril Neilson – 071 608 9995
- **Eastern Cape:**
Stephanie Newsome – 082 544 2124
- **Western Cape:**
Rozanne Volschenk – 082 575 2681

Offer to Purchase must be signed

It must be kept in mind that when parties enter into a written agreement all the parties concerned must sign the agreement to enforce the terms and the conditions of the agreement. If any one of the parties does not sign the document no contract exists between the parties.