

ISSUE 1 • VOLUME 8 • FEBRUARY 2017

UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA

TOGETHER WE GROW



NEW VEHICLE SALES AND EXPORTS – JAN 2017

50,333

vehicles sold in the first month of 2017



That's **3.7%** more than the 48,514 vehicles sold in Jan 2016

50,333

New vehicles sold in South Africa Jan 2017

8,726

more than Dec 2016

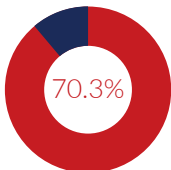
1,819

more than January 2016

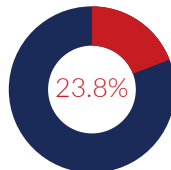
36,794

Passenger vehicles sold in Jan 2017, up by 1 661 units or 4.7% on 35,133 vehicles sold in Jan 2016

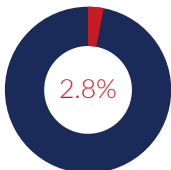
SALES PER INDUSTRY



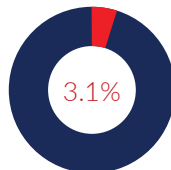
Dealer



Rental Industry



Government



Corporate

TOP 5 SELLERS



1. Toyota - **12,252**

4. Motos (previously AMH & AAD) - **4,695**

2. VW - **8,454**

5. Nissan - **4,295**

3. Ford - **6,634**

Passenger vehicle sales accounted for 73.1% of car sales in January 2017

Commercial vehicle sales in Jan 2017, 1.2% higher than Jan 2016 and 2% higher than Dec 2016



Light commercial vehicle sales in Jan 2017 were up by 1.6% from Jan 2016 and up by 5.9% in Dec 2016

TOP 5 EXPORTS



1. Toyota - **4,394**

4. Ford - **1,809**

2. VW - **2,844**

5. Nissan - **473**

3. Mercedes - **1,893**

11,659

vehicles were exported in January 2017

10.3%

down from Jan 2016

37.7%

down from Dec 2016

Supplied by Absa, Member of Barclays

Source: Naamsa



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MESSAGE FROM THE OMBUDSMAN

FACILITATIVE MEDIATION VERSUS EVALUATIVE MEDIATION. SEEING MORE THAN THE TIP OF THE ICEBERG

Legal mediation has for many years been applied in countries such as the USA, Europe, the United Kingdom and Australia. Rules on mediation were released in South Africa during May 2013 and February 2014 respectively.

According to the summary, the following people are eligible to act as mediators: accredited attorneys, advocates, traditional leaders, members of existing mediation forums or any fit and proper person who has undergone appropriate prescribed training.

Attorneys may argue that there is nothing they as specialised negotiators can't achieve that a mediator can improve on. However, their approach to negotiations invariably ends up as a compromise where the parties are of the opinion that they might have achieved more if they pursued the matter further.

Many mediators are of the opinion that facilitative mediation is more in keeping with the idea of assisting the parties in finding a solution without interference from the mediator apart from managing the process. They make a distinction between the differences of facilitative mediation and evaluative mediation. The



Johan van Vreden
Motor Industry
Ombudsman of
South Africa

description given describes facilitative mediation as not necessarily requiring specialised knowledge of the subject at hand when carrying out the mediation. To accept the protagonists as the experts. Also to allow them to reach a settlement while subjecting themselves to the rules and agenda as set out by the mediator during the pre-mediation conference.

In contrast, evaluative mediation requires the ombudsman or mediator to provide direction as to the appropriate ground for settlement. It also requires the ombudsman or mediator to be knowledgeable in the field that forms the background of the dispute.

While the facilitative mediation takes cognisance of the so called iceberg effect of the case – meaning the underlying emotions, actions and feelings that led to the case – requiring mediation. Evaluative mediation considers the facts and utilises the specialised expertise of the ombudsman or mediator to lead the protagonists to a point where a settlement can be reached. ●

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FROM THE DESK OF KOBIE KRAUSE

THE OFFER TO PURCHASE (OTP)

The OTP is a very important document in the purchasing process. Why is it that so little is recorded in this document?

One of the most prevalent complaints received is about spare keys that had not been supplied or the NATIS document that was not furnished. Sometimes consumers complain that no spare wheel or owner's manual was supplied.

This problem could easily be rectified if the situation was dealt with in the OTP. How would one go about doing it?

Section 49 of the Consumer Protection Act (CPA) provides the solution.

A proper legible notice at the entrance of your business should state the following:

Firstly, the seller can only deliver the items he received when he traded in the vehicle. He will not be obliged to compensate a consumer when goods were absent at the time of delivery of the vehicle.

Secondly, the seller cannot confirm the odometer reading as being correct due to a lack of knowledge as to the history of the vehicle. The same would apply in respect of the service history of the vehicle.

Keep a proper record of the delivery note on which all defects and failures have been indicated and which the consumer must sign.



Kobie Krause
Deputy Ombudsman

Contact the manufacturer to obtain valuable information regarding the service history of the vehicle, as well as previous collision damage – if any – to the vehicle.

Always keep in mind that the best evidence is a document signed by both parties. ●

A CASE IN POINT

COMPLAINT

A consumer purchased a used vehicle from a dealership and the vehicle broke down within three months. The dealership informed the consumer in writing that, because of the high mileage on the vehicle, wear and tear had taken place. The owner approached the MIOOSA for assistance.

CONCLUSION

The MIOOSA ruled in accordance with section 51, 55 and 56 of the Consumer Protection Act. Section 51 protects the consumer's rights by not excluding



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certain sections. Section 55 could not be excluded as it states the vehicle should be usable and durable for a reasonable period of time. This leads to section 56, giving the consumer an implied warranty of quality for six months. The vehicle was returned to the selling dealership and repairs were carried out. Both parties adhered to the MIOSA's ruling.

COMPLAINT

A customer bought a 2006 vehicle during September 2016 for R60 000 from a dealership in Pretoria. On the second day oil had landed in the radiator and mixed with the water. The owner informed the dealer and was advised to return the vehicle.

CONCLUSION

The MIOSA concluded that the vehicle in question did not meet the requirements stated in section 55(2) and 56 (1) & (2) of the Consumer Protection Act. The owner had acted in line with the abovementioned sections by informing the dealer of the faults and showing willingness to give them the opportunity to repair the vehicle. The MIOSA ruled that the dealer had to collect the vehicle at their risk and expense and repair it at no cost to the consumer. The dealer adhered to the ruling made by MIOSA.

COMPLAINT

A consumer purchased a used vehicle during October 2015. A month later the vehicle had an engine failure which the consumer reported to the dealer.

The dealer suggested that the consumer must repair the engine at his own cost or they will refund him R25 000 from the purchase price of R48 000.

CONCLUSION

The MIOSA found that the vehicle in question did not meet the requirements stated in section 55(2) of the Consumer Protection Act and was also of the opinion that the consumer had acted in line with the abovementioned section by reporting the faults and showing willingness to give the dealer the opportunity to apply corrective measures.

The MIOSA ruled that the dealer had to carry the cost to repair the engine with no cost to the consumer. The dealer adhered to the ruling made by MIOSA. ●

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ONLINE ASSISTANCE REQUEST FORM

One of the objectives of the MIOSA is to eventually develop a paperless infrastructure. In line with this objective the office is now in a position to provide a paperless method of applying for assistance in disputes.

The online application was introduced at the beginning of February 2017. It is available at www.miosa.co.za under MIO Assistance and by clicking on the submit a complaint menu option.

The online assistance request form will open up and may be completed online. It consists of five pages and each page will inform consumers of the mandatory fields that need to be completed to proceed to the next page and to facilitate a reference number when concluded.

A confirmation page will immediately inform consumers of their reference number, the assigned case manager and the e-mail address of the case manager's assistant where supporting documentation is to be sent to. An e-mail containing all the aforementioned information will be sent to the e-mail address supplied by the consumer for him/her in the online application. ●



FORD KUGA RECALL

Regarding the recent engine fires experienced by a number of Ford Kuga owners, the MIOSA would like to respond as follows.

Many consumers have enquired why the MIOSA did not come out with a statement about the possible danger that led to the eventual recall of the Ford Kuga 2014 1600 model.

The MIOSA must be seen to be objective and impartial. With this in

mind, the MIOSA cannot act proactively. Only when a case is reported, can the MIOSA carry out an investigation and make a ruling.

In the case of the Ford Kuga, the MIOSA received cases that were unrelated to the recent recall situation. These cases were dealt with in accordance with the procedures as explained on the MIOSA's website at www.miosa.co.za and were successfully concluded. ●



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MIOSA ACTIVITIES



The board of the MIOSA held its annual meeting recently. From left to right: Kobie Krause, Johan van Vreden (ombudsman), Dr Mathews Phosa (chairman), Adri Bezuidenhout.

NEW APPOINTMENT



Theresa Maree

Professional legal assistant



A training session at the MIOSA head office in Pretoria. These daily sessions of case managers and their assistants as well as information and liaison officers are aimed at updating those attending of technical and legal changes and developments.



MIOSA personnel recently attended a plant tour at Ford's manufacturing facilities in Pretoria. Yet another example of continuous training of MIOSA personnel to enable them to offer a better service to the public.

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PEOPLE, PUNS AND PRODUCTS

A MERCEDES BAKKIE

Ever thought you would see a bakkie with a Merc badge on the grille? Wait no longer. Mercedes-Benz recently unveiled the so-called X-Class double cab. It will be launched late 2017 in Europe and we should see it in South Africa in 2018.



AUDI RACING

Audi has decided to pull the plug on its World Endurance Championship (WEC) commitment after 18 years, choosing instead to focus on Formula E from 2017 onward. The change reflects a renewed focus on electric power – both in production and racing – for the Audi brand.



AN INVESTMENT ON WHEELS

It is known as the Ferrari 250 GTO. Only 39 were built during 1962/63. *Motor Trend* magazine in the USA nominated it the greatest Ferrari of all time. If you wanted to buy one in those days, Enzo

Ferrari himself had to approve the deal. The price? \$18 000. Two of these beauties are now on offer for \$57 million each.



TYRE SOLUTION

Old tyres are an eyesore and a health hazard. But how do you get rid of them? An Australian company has shown that it is possible to get a cleaner blend of fuel by combining oil derived from old tyres with diesel fuel. This raises the possibility of getting a trade-in discount when next buying new tyres.

BRAIN TEASER

Name the make of the car. When was it built? How many were built?
1960. Only 20 were built.
Porsche Abarth Carrera. GTL.



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A VERY SPECIAL BMW

The people at BMW asked a young boy of four what his requirements would be for a car. He specified that it had to have 19 engines, 42 wheels and a boot full of toys. Well, this is the youngster's dream on wheels.



NAAMSA OFFICE BEARERS FOR 2017

After its annual general meeting held in September, NAAMSA has announced its office bearers for 2017.

Mike Whitfield, managing director of Nissan South Africa, was re-elected as president. Jeff Nemeth, chief executive officer and group managing director of Ford Motor Company of Southern Africa was re-elected as vice-president from the ranks of manufacturers. Ray Levine, chief executive officer of KIA Motors SA, was re-elected as vice-president from the ranks of importers and distributors.



Mike Whitfield

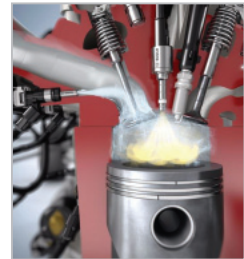
WOW!

The American-built Vanguard Roadster is a massive, frameless so-called nakedbike built around and upon a giant 1 917 cc, V-twin engine. To put it mildly, you're not going to mistake it for anything else.



WATER FOR MORE POWER

Bosch is developing a so-called water-injection technology system with the promise of more power and better fuel efficiency from compact turbocharged engines. Adding water to the air/fuel mixture lowers the temperature within the combustion chamber, allowing a higher compression ratio without the risk of knock.



SOUTH AFRICAN TYRE MANUFACTURING CONFERENCE

THE MAJOR PLAYERS

Bridgestone is one of the largest tyre and rubber companies in the world and recently began a process of vesting R700 million over a period of five years into upgrading and expanding its production facility located in Brits in the North West Province.

Continental tyres followed suit with the construction of a R65 million boiler renewal project which commenced in 2012 and was completed in 2014. Thus imputing the manufacturer's endeavour towards sustainable energy and elevated production outputs.

Other significant examples of investments have comprised of upgrades to Goodyear's facility with a stronger focus on passenger car tyres. The manifestation of these investments and their direct implication on the industry is the intensified commitment towards supplying original equipment manufacturers (OEMs).

From a consumer perspective, this remains encouraging as the ordinary consumers are most likely to use the original brand of tyres which come fitted onto their vehicles. This poses increased safety implications in the greater context due to the fact that 75 percent of all tyres on our roads are SATMC tyres

and that the safety of South African motorists remains the central focus for SATMC.

What is indispensable within the framework of these multibillion rand investments is the human value facet which must be distinctly visible throughout the industry by means of employment and job creation, as well as value-addition within the manufacturing process.

A total of 7 000 direct jobs have been created collectively throughout the industry while an additional 4 000 jobs have been created through the industry value chain.

This represents the conscious ideology towards a comprehensive investment blueprint that embraces diversity and regulatory reforms as well as the reinforcing of skills expansion within the industry. ●



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REVAMPING RHODES PARK JUNIOR TRAINING CENTRE

The South African Road Federation (SARF), of which SARTSMA is an active member, was approached by the Johannesburg Emergency Services to help revamp the Rhodes Park Junior Traffic Training Centre (JTTC). The centre had not been in operation for the past 15 years and was in a dire state. All parties involved firmly believed that road safety should be taught to children from a young age, to ensure that safe habits become ingrained.

The SARF Northern Region committee took a hands-on approach to refurbishing the centre and replaced the damaged sections of the road surface with new paving blocks. Athol Agulhas of Ennis Flint Africa (SARTSMA & SARF Member) appointed a road-marking contractor to repaint the damaged and faded road markings. The old and damaged road traffic signs were replaced with brand-new smaller sized, more appropriate road traffic signs which were donated and installed by SARTSMA members.

The official launch took place on 26 November 2016 and ward councillor Carlos Da Rocha welcomed attendees. Other speakers included Vasco da Gama (Johannesburg), Vusi Tshabangu (3M & SARF Northern Region chairperson),

councillor Michael Sun (MMC for public safety for Johannesburg) and the spokesperson of JMPD, Edna Mamonyane.

SARF donated 15 brand-new bicycles and safety helmets. Avery Dennison, 3M, Ennis Flint Africa and SARTSMA provided goody bags for the kids that were crammed with reflective bangles, pens, road safety colouring books and yummy snacks.

The ribbon was officially cut and the JTTC was opened for the excited children who sped off on bicycles, followed hastily by JMPD officials on foot, who explained the rules of the road and the meaning of each road traffic sign.

Our thanks to all who helped give the junior traffic training centre a new look.

**SUPPLIED BY THE SOUTH AFRICAN
ROAD TRAFFIC SIGN MANUFACTURERS
ASSOCIATION (SARTSMA)**

Email: info@sartsma.co.za



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INTRODUCING A CASE MANAGER

Basetsana Moroane
Case manager



Basetsana Moroane was born and bred in Mabopane, where she matriculated. After school she studied IT at Campus College in Pretoria. She joined Ford SA in 2009, gaining valuable experience in the call centre. She then moved to Nissan in 2011. After a five year stint with the company she joined the MIOSA in 2016.

Does she enjoy her work as case manager at the MIOSA?

“Very much,” says Basetsana. “The challenge is right in front of you and you must solve it to the best of your ability.”

A keen jogger, she also likes cooking and reading.

Her favourite TV channels?

“Crime, food and F1 channels,” explains Basetsana.

Who is her favourite F1 driver?

“Lewis Hamilton is my hero,” says Basetsana with a wide smile.

She is married and the proud mother of two children. ●

NEW REGISTRATIONS: NOVEMBER 2016 TO JANUARY 2017

The total number of registrations recorded in November 2016 was on par with the previous three months. The vehicle dealer sector (mainly used) topped the list again as in August 2016. As mentioned in the previous newsletter it is clear that the pressure vehicle finance houses are putting on dealers is proving that to register with the MIOSA is resulting in the huge number of registrations. Mechanical workshops and fitment centres ended the month in second and third place.

As expected, the number of registrations recorded in December 2016 decreased by 70 percent. Fitment centres took first place. Vehicle dealerships (mainly used again) came second, closely followed by panel shops.

Registrations in January 2017 recovered to almost the average for 2016. The vehicle dealership sector outshone all the other sectors, winning by a mile with the workshop and fitment centre sectors joint second with the same number of registrations. Panel shops and spares outlets also made a showing but still not at the level of 2016.

It is expected that registrations in 2017 will start to pick up as the year progresses. The registration fee for 2017 has been lowered by 10 percent across the board and this will undoubtedly contribute to higher registration volumes. ●

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



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