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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 – APRIL 2017

181,899

vehicles sold in the first four months of 2017



That's **13.4%** less than the 40,348 vehicles sold in Apr 2016

34,956

New vehicles sold in South Africa April 2017

13,570

less than March 2017

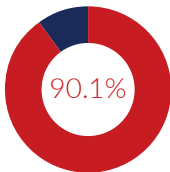
5,392

less than April 2016

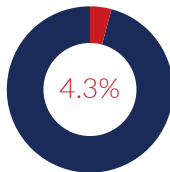
22,452

Passenger vehicles sold in April 2017, down by 3,560 units or 13.7% on 26,012 vehicles sold in April 2016

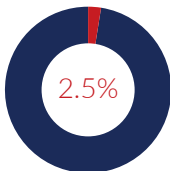
SALES PER INDUSTRY



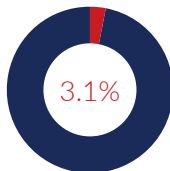
Dealer



Rental Industry



Government



Corporate

TOP 5 SELLERS



1. Toyota - 7,528
2. VW - 5,761
3. Ford - 4,422
4. Motus - 2,912
5. Nissan - 2,860

Passenger vehicle sales accounted for 64.2% of car sales in April 2017

Commercial vehicle sales in April 2017, 12.8% lower than April 2016 and 28.5% lower than March 2017



Light commercial vehicle sales in April 2017 were down by 13.3% from April 2016 and down by 28.8% from March 2017

TOP 5 EXPORTS



1. Mercedes-Benz - 9,721
2. Ford - 4,618
3. VW - 3,817
4. BMW - 3,376
5. Toyota - 2,331

24,449

vehicles were exported in April 2017

25.5%

lower than April 2016

21.98%

lower than March 2017

Supplied by Absa, Member of Barclays

Source: Naamsa



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MESSAGE FROM THE OMBUDSMAN

WHAT IS ETHICAL BEHAVIOUR?

Ethical behaviour is defined in the dictionary as a system of moral principles. In other words, it is a behaviour that is in tandem with what is acceptable in our everyday society.

In the motor industry, like in most others, it can be described as the acceptance of certain professional standards. Well, there are many consumers who would vehemently argue that the standards practised every day are not up to standard. One is totally frustrated when one hears of how consumers comment on how they were treated, when you know the service provider was only trying to provide a service within his or her means at the time.

The service provider has an ethical responsibility to stay within the limits prescribed clearly by the consumer protection act and the automotive code of conduct. This is an important guideline for not only the service provider, but also for the consumer. It is therefore of cardinal importance that the parties confine their perceived differences within the guidelines of the code and the consumer protection act.

The above-mentioned code of practice, as well as the consumer protection act, was established to provide guidelines

Johan van Vreden
Motor Industry
Ombudsman of
South Africa



to ensure the ethical behaviour of not only the service provider but also the consumer. It is therefore of paramount importance for every service provider and consumer to make themselves aware of these practical guidelines provided by the authorities.

However, ethical behaviour in the automotive industry demands that service providers not only provide a service within the guidelines of the code of conduct, but also service that can be associated with the general definition of ethical behaviour. In these difficult times it is of even more importance to treat consumers with respect and dignity that they, as paying customers, deserve.

With the above in mind, it is clear that knowledge of the automotive code of conduct, as well as a general knowledge of the consumer protection act, will assist both parties in their dealings. This will result in better communication between the parties as well as better relationships between service providers and consumers. To the benefit of all concerned. ●



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FROM THE DESK OF KOBIE KRAUSE

HOW TO READ AND INTERPRET THE CONSUMER PROTECTION ACT (CPA)

The CPA consists of various chapters covering the various topics the legislator wishes to address. It is therefore important to start with the preamble to establish the objects the legislature wishes to address. Without comprehending the objectives of the CPA, it might be difficult to comprehend certain sections in the CPA.

The next step is to understand and comprehend the definitions in section 1 of the CPA. This is very important as the CPA frequently refers to words as defined in various sections in the CPA. One cannot define words and phrases on feelings or general principles as the definition of the word in section 1 is the only interpretation of that word in terms of the CPA. This becomes obvious in respect of various words and phrases like consumer, consideration, direct marketing, goods, intermediary, ombud with jurisdiction, price, service, supply chain and used goods, to mention but a few.

It is important to realise that sections in the CPA must, in most instances, be read with reference to other sections to get the bigger and proper picture. In this regard, if one would only read section 56(3)(b) of the CPA, it would

Kobie Krause
Deputy Ombudsman



appear that if the goods were returned the supplier must refund the consumer the price paid for the goods. In terms of section 20(6)(c)(ii), however, the supplier may charge the consumer for necessary restoration costs to render the goods fit for restocking.

A further example is section 53 of the CPA. This section deals with the right to fair value, good quality and safety. This section again defines words and phrases which are more often misused in the industry. The legislature defines the words defect and failure specifically. The word defect is used loosely when in fact the word failure would be more appropriate under these circumstances.

It has become a prevalent occurrence where suppliers negotiate with a consumer not to give a warranty and refer to section 55(6) of the CPA. Section 55(6) only excludes subsections (a) and (b) of subsection (2). In this regard section 55(2)(c) and (d) still apply to the transaction and the six-month warranty still applies to the transaction.



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It would be prudent to read the CPA in its entirety before a single section is seen as the alpha and omega of resolving a problem. ●

A CASE IN POINT

COMPLAINT

A consumer purchased a previously owned vehicle from a dealer. A month later the vehicle suffered an engine failure which the consumer reported to the dealer. The dealer suggested that the consumer repair the engine at his own cost. Alternatively, the dealer undertook to refund the consumer R25 000 of the purchase price of R48 000.

CONCLUSION

The MIOSA found that the vehicle in question did not meet the requirements as stated in section 55(2) of the Consumer Protection Act (CPA). The MIOSA was also of the opinion that the consumer had acted in line with the above-mentioned section of the CPA by reporting the faults. He also showed willingness to give the dealer a chance to apply corrective measures. MIOSA found that the dealer must carry the cost to repair the engine with no cost to the consumer.

COMPLAINT

A consumer bought a previously owned vehicle from a dealer. Two days later the

owner noticed oil in the radiator. The consumer informed the dealer and was asked to bring the vehicle back.

CONCLUSION

The MIOSA found that the vehicle did not meet the requirements stated in section 55(2) and 56 (1) & (2) of the CPA. The consumer had acted in accordance with the above-mentioned sections by reporting the faults and showing willingness to give the dealer a chance to repair the vehicle. It was recommended that the dealer collect the vehicle at his own risk and expense and repair it at no cost to the consumer.

COMPLAINT

A consumer purchased a previously owned motorcycle, but within a few weeks he started experiencing inconsistent idling and cutting out problems. He took the motorcycle back to the dealer on five occasions but the problems persisted. The consumer eventually asked the selling dealer to cancel the deal. The selling dealer then offered to contribute 50 percent towards the cost of repairs.

CONCLUSION

The MIOSA found that the motorcycle did not meet the requirements as set out in Section 55 of the CPA. The MIOSA recommended that the sale agreement must be cancelled and that the selling dealer must refund the consumer the purchase price, less the cost of usage. ●



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NEW REGISTRATIONS

FEBRUARY 2017 TO APRIL 2017

The total number of registrations recorded in February 2017 was marginally higher than the average for 2016. It was a close race for the most registrations between the vehicle dealer sector, mainly previously owned, and the mechanical workshop sector. The dealers beating the workshops by the narrowest of margins. Panel shops and fitment centres ended the month in third and fourth place.

Registrations in March 2017 were characterised by an excellent showing from the vehicle dealer sector, mainly previously owned, representing 53 percent of the total number of registrations for the month. The mechanical workshop sector came a distant second with 23 percent. The only other sector that made a noticeable showing was the panel beater shops.

Due to the school holidays and the two long weekends, the number of registrations recorded in April 2017 decreased by 50 percent. The vehicle dealer sector, mainly previously owned, took first place again. Spares shops came second, thanks to a major parts distributor insisting that their franchise holders must register with the office of the Motor Industry Ombudsman of

South Africa (MIOSA). They were closely followed by mechanical workshops and fitment centres.

It is important to note that the new vehicle dealer sector – groups as well as independents – with a few exceptions, have all registered with the MIOSA. ●

OPPASA

EXTRACT, OUTDOOR POWER PRODUCT ASSOCIATION OF SOUTH AFRICA (OPPASA) NEWSLETTER

To register with the Motor Industry Ombudsman of South Africa (MIOSA) has always been an option to our members. Not so any more. The MIOSA and the South African Automotive Industry Code of Conduct (Code) was accredited by the Department of Trade and Industry on 3 October 2014. The contribution payable to the MIOSA is now a legal requirement for the automotive industry.

Being it a legal obligation to be a member of the MIOSA, the OPPASA needed to make it a requirement to OPPASA membership as the MIOSA has the right to fine parties not yet registered with them. Current members, not yet part of the MIOSA, are urged to go to www.miosa.co.za and complete the registration form and supply the secretary of the OPPASA with proof of their registration. ●



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MIOSA ACTIVITIES



Above: Ombudsman Johan van Vreden and deputy ombudsman Kobie Krause recently visited parliament in Cape Town to address the portfolio committee for the Department of Trade and Industry on the Ford Kuga issue.

Below: The 2016 annual report of the MIOSA was published at the end of May 2017. The full report, as well as the financial statements of the MIOSA can be viewed at www.miosa.co.za



Above: Manager of the public affairs department, Lucious Bodibe, delivering an address at one of the meetings he attended. The objective of Lucious' presentations is aimed at spreading the word regarding the consumer protection act and the MIOSA's involvement.

Top right: One of the stalwarts of the office of the MIOSA, Tjaart van der Walt, recently celebrated his seventieth birthday. Many thanks for all the hard work Tjaart and may you be blessed with good health and happiness in the future.



The chairperson of the Outdoor Power Product Association of South Africa (OPPASA) Melt van Schoor (right), recently paid a visit to the MIOSA to discuss matters of mutual interest with ombudsman Johan van Vreden.



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A VERY SPECIAL BENETTON FOR SALE

This 1991 Benetton B-191, driven by racing greats like Nelson Piquet and Michael Schumacher, is heading for auction. In original specification, its estimated worth is R13 million.



WHAT A BEAUTY

There are many who claim it is the most beautiful car ever made. This 1937 Talbot-Lago T150-C SS is up for auction soon. The estimated price? R55 million.



RENAULT'S F1 CAR OF THE FUTURE

French carmaker Renault, recently released a few images to reveal its idea of an F1 car of 2027. Renault sees more power, less weight and an increased focus on safety in years to come.



ALL NEW JAGUAR E-TYPE

Ten comprehensively restored Jaguar E-types are now offered for sale direct from Jaguar in the UK. Prices, dependent on specifications, start at R4,8 million.



TOURING ITALIAN STYLE

Italian bike maker, MV Augusta, recently introduced its latest model, the Turismo Veloce Lusso. It is powered by a 797 cc, in-line, three-cylinder engine producing 80,3 kW. The retail price in the USA is R256 000.



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THE NEXT A-CLASS?

Mercedes-Benz recently showed this design study to the motoring world. It could be the 2019 A-Class. There is talk of two engine derivatives: four-cylinder petrol and one with a turbo.



A GOOD INVESTMENT

Motor Cycle magazine in the UK described the Brough Superior SS100 as the fastest privately owned machine in the world. That was way back in 1931. It was sold for R4,4 million in 2011, becoming one of the top 10 most valuable motorcycles ever sold. It is up for auction soon. The estimated price is R10 million.



NEW FORD MANAGING DIRECTOR

Ford Motor Company recently announced the appointment of Casper Kruger as managing director of Ford Motor Company sub-Saharan region.



Casper Kruger

BRAIN TEASER

Name the car. What made it unique? How many races did it take part in? How many races did it win? Who designed it? What nationality is the designer?



Brabham-Alfa Romeo BT 46B. It was fitted with a fan behind the engine which sucked air from under the car, thereby enhancing handling and roadholding. It took part in only one race, the 1978 Swedish Grand Prix. It won. Gordon Murray, South African.



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SOUTH AFRICAN TYRE MANUFACTURING CONFERENCE



THE CHALLENGES

The South African tyre manufacturing industry is facing some tough challenges. Its main concern is competition from approximately 200 importers of tyres of various brands. About half of which are imported and shipped in from the Far East.

Some of the implications of this have been the under-invoicing of these tyres owing to formula duty implementation. Yet another challenge is the sale of unsafe second-hand tyres to the public and the unregulated importation of such tyres.

However, if the industry is going to attain the veracious custodianship of the tyre manufacturing industry, then the complete on-boarding of relevant partners is required through the cogent support in key messaging and testing techniques.

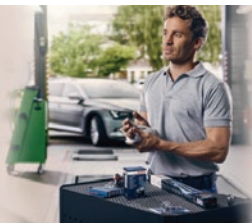
This must form the basis of what is such a safety critical industry. The establishment of an independent tyre testing facility remains a pivotal resource for the industry and ensuring that South Africa solidifies its positioning in the global spectrum.

Therefore, collaboration must be the cornerstone in accomplishing this resource which will require the full cooperation of the National Regulator for Compulsory Specifications (NRCS), the South African Bureau of Standards (SABS) and government entities such as the Department of Trade and Industry. The complete integration and streamlining of standard regulations is the quintessential representation of safety custodianship over a commodity which represents the value of safety standards for both the local and overseas markets.

In echoing this sentiment, the local industry has continued to advocate on key matters of contention with regard to compulsory standards which govern second-hand tyres, further entrenching the value of safe driving practices through assisting the industry and consumers on the required standards.

Through this, the prioritising of all pneumatic tyres for passenger and commercial vehicles and trailers, manufactured by SATMC members to conform to compulsory safety standards introduced by the ministry of trade and industry remains paramount with the objectives of the SATMC.

These discussions are welcomed by the SATMC in lieu of what continues to



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be an integral industry. For this reason the SATMC values the collaboration with industry players in interacting with government on issues such as applying tariff amendments on tyre dealer associates.

In the endeavour to be custodians of safety, the SATMC welcomes and supports the processes administered by the NRCS for the homologation of tyres being manufactured in South Africa. ●

ROAD SIGNS

NEW ROAD TRAFFIC SIGNS MAINTENANCE MANAGEMENT COURSE



The continuing spate of road accident-related deaths on South African roads, indicates that road safety must become an urgent priority in South Africa. The South African Road Federation (SARF) and the South African Road Traffic Sign

Manufacturers' Association (SARTSMA) play an active role in making our roads a safer environment for all road users.

SARF and SARTSMA collaborated with Anfab Consult to design a road traffic sign maintenance management course, aimed at resident and assistant resident engineers, sign practitioners, technologists, technicians, project managers, site supervisors and staff responsible for the verification and installation of road traffic signs.

The one-day practical programme is aimed at providing delegates with the necessary skills and knowledge to demonstrate competency across a full range of required duties during the display, replacement and removal of road traffic signs. It also focuses on inventory, evaluation, costing, prioritisation, execution and record keeping of the installed signage in a cost-effective manner and in compliance with South African legislation.

Feedback and comments from the 12 attendees at the first course, were positive and further courses are planned to be rolled out nationally in the near future. Attendees included consultant engineers, municipal engineers, construction companies, traffic sign manufacturers, traffic sign installers and suppliers to the traffic sign industry. ●

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INTRODUCING A CASE MANAGER



Darren Smith
Head of the case
management unit

The head of the case management unit of the MIOSA is forty-year-old Darren Smith. Born in Benoni, Darren took part in anything aquatic while still at school; swimming, water polo and life-saving.

After obtaining a diploma in business management, Darren worked for a number of small businesses where he gained valuable experience.

He joined the MIOSA in 2008. As Darren puts it: "I started rock bottom as filing clerk. The lowest step of the ladder."

Darren was promoted to the position of senior adjudicator of the case manager department. His next position was that of manager of the information and liaison department. This department handles approximately 2 000 calls on a monthly basis.

In March 2017 Darren was promoted to be the head of the case management unit.

Does he like his job?

"It's challenging yet awesome," says Darren. "The main objective of the department is to expedite and increase the closing rate of complaints received, to the benefit of everybody concerned."

Darren is married to Jenny and the couple has three children. ●

NEW APPOINTMENTS



From left to right: **Daniela Briesies** Information and liaison officer. **Prudence Buys** Information and liaison officer. **Monique Hendrikse** Financial assistant. **Letissia Jansen** Case manager assistant.

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



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