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UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



THE ROAD AHEAD

MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA

NEW VEHICLE SALES AND EXPORTS NOVEMBER 2023

Vehicle sales by segment

Passenger

Nov 2023 | 29,384
Nov 2022 | 33,436



LCV

Nov 2023 | 12,941
Nov 2022 | 13,467



Commercial

Nov 2023 | 2,750
Nov 2022 | 3,083



Total sales

Nov 2023 | 45,075

Nov 2022 | 49,986

Vehicle sales by channel

DEALERSHIP



RENTAL



GOVERNMENT



SINGLE SALES



Top 3 selling vehicles

Passenger



LCV



Application volumes

New cars
67,786

Used cars
129,936

Average value of
new cars financed

Nov 2023 | R403,387
Nov 2022 | R399,418

MESSAGE FROM THE OMBUDSMAN

It's a risky business (part 2)

As promised in the previous newsletter, I would like to continue with the theme of risk assessment and prioritising risks. I really hope that you find it useful in the day-to-day running of your business.

Risk assessment

- a. **Quantify risks:** Assign a probability and impact score to each identified risk. This helps prioritise them based on severity.
- b. **Risk mapping:** Create a risk map or matrix to visually represent the identified risks. This can help you focus on high-impact, high-probability risks.

Risk mitigation and management

1. **Risk avoidance:** If possible, avoid high-risk activities or business ventures that could pose significant threats.
2. **Risk reduction:** Implement measures to reduce the likelihood or impact of identified risks. You should, for example, enhance cyber security to protect customer data and diversify your vehicle inventory to reduce dependence on a single manufacturer.
3. **Risk transfer:** Consider transferring certain risks through insurance, warranties, or contracts with suppliers or customers.
4. **Risk acceptance:** For risks that are low-impact or unlikely to occur, you may choose to accept them without further action.
5. **Contingency planning:** Develop contingency plans and response strategies for high-priority risks. This could include having financial reserves or backup suppliers.
6. **Monitoring and review:** Continuously monitor the risk landscape and update your risk assessment regularly. This allows for timely adjustments to your risk management strategies.

Johan van Vreden
Motor Industry
Ombudsman of
South Africa



7. **Employee training:** Train your employees to be aware of and respond to various risks. This includes customer service training, compliance training, and cyber security awareness.

Communication and reporting

It is important to maintain open channels of communication within your organisation to ensure that employees can report potential risks or issues. At the same time, establish reporting mechanisms for stakeholders, such as shareholders, lenders, and regulatory bodies, to keep them informed about risk management efforts.

Regular audits and reviews

Conduct periodic risk audits and reviews to assess the effectiveness of your risk management strategies and make necessary adjustments.

Scenario planning

Develop scenarios and conduct stress tests to simulate how your business would fare in various adverse situations. This helps prepare for unexpected events.

Legal counsel

Consult legal experts to ensure your business is compliant with all applicable laws and regulations, and to receive guidance on risk management in the legal context.

Remember that risk management is an ongoing process, and it should be integrated into your organisation's culture. Regularly revisiting and updating your risk management strategy is essential to adapt to changing circumstances and ensure the long-term success of your automotive retail business. ●



Preparing your vehicle for a holiday trip: Vital checks

By **Darren Smith**, Head of the Case Management Department of the MIOSA

Before embarking on a holiday trip, ensuring your vehicle is road-ready is essential for a safe and enjoyable journey. Here's a concise guide on the key checks:

FLUID LEVELS

Check and refill essential fluids:

- Engine oil, coolant, brake fluid, transmission fluid, power steering fluid, and windshield washer fluid should be at recommended levels.

TYRES

Inspect tyre pressure, tread depth, and overall condition:

- Ensure proper tyre pressure and adequate tread depth for safe driving. Replace or repair damaged tyres.

BRAKES

Check brake pads, discs, and lights:

- Inspect for wear and tear and ensure all brake lights function correctly for optimal safety.

BATTERY

Examine battery terminals and charge:

- Check for corrosion, secure connections, and test the battery's charge for reliability.

LIGHTS AND SIGNALS

Ensure all lights and signals are working:

- Test headlights, taillights, and turn signals, and clean lenses to ensure maximum visibility.

BELTS AND HOSES

Inspect for wear and leaks:

- Check belts and hoses for cracks or signs of aging, replacing if necessary.

WIPERS AND WASHER

Ensure clear visibility:

- Inspect wiper blades for wear and tear; replace them if they leave streaks or are damaged.
- Refill the windshield washer reservoir with a proper cleaning solution.

HVAC SYSTEM

Test heating and cooling functions:

- Ensure the air-conditioning and heating systems work efficiently for comfort.

EMERGENCY KIT

Prepare for unforeseen circumstances:

- Carry an emergency kit with basic tools, first-aid supplies, jumper cables, and essential contact numbers.

SCHEDULED MAINTENANCE

Review the vehicle's maintenance schedule:

- Prioritise any pending maintenance tasks before the trip for optimal performance.

FINAL THOUGHTS

Prioritising these checks can significantly reduce the risk of mechanical issues during your holiday trip. It's always prudent to plan ahead, allowing time for these inspections and necessary repairs. By ensuring your vehicle is in top condition, you'll not only enhance safety but also maximise the enjoyment of your holiday adventure. Remember, a well-maintained vehicle contributes to a stress-free and enjoyable journey, allowing you to focus on creating lasting memories with loved ones while exploring new destinations. Safe travels! ●

A CASE IN POINT

COMPLAINT

The complainant purchased a used vehicle and had a tracking device installed. The complainant was provided with the applicable terms and conditions upon signing the agreement and an email was sent to the designated email address provided, accompanied with relevant telecoms.

The complainant's vehicle was stolen around ten months after the installation of the tracking device. The vehicle could not be retrieved, and the complainant wanted to capitalise on the agreement as it indicated that R150 000 would be paid out if the asset could not be detected and retrieved. The respondent declined the claim, citing that the complainant did not comply with the terms and conditions of the agreement.

FINDING

The office of the Motor Industry Ombudsman of South Africa (MIOSA) requested that both parties supply it with the agreement. The agreement had certain terms and conditions that placed an obligation on the complainant to have the tracking device tested in a specific manner, due to the high level of technology utilised. Said testing had to be completed on a quarterly basis and the complainant had failed to comply. It was evident that the complainant was aware of the same and was notified, however chose not to test the tracking device as detailed in the terms and conditions of the agreement.

The MIOSA applied good engineering practice, good customer care practice, good legal practice, and natural justice as a basis in its deliberations and found that the complainant failed to comply with the requirements of the agreement. The respondent was therefore not liable to pay the complainant R150 000.

COMPLAINT

The complainant took her vehicle to an approved repairer (respondent) for diagnosis related to an engine warning light that had illuminated on the instrument cluster. After diagnosis, the respondent provided the complainant with an estimate for the required repairs, which the complainant declined due to the time frame and cost of the repairs. Upon taking collection of the vehicle, the complainant noticed that the lid of the glove box had been broken.

The respondent denied responsibility as it alleged

that the lid was functional at the time of collection and the complainant only reported the damage a few days after taking collection of the vehicle.

FINDING

After assessing the information provided by the parties, the MIOSA noted that for the respondent to carry out the diagnosis a diagnostics machine would have to be used, the plug for which is situated behind the lid of the glove box. This was indicative that the respondent worked around the area of the broken cubby hole lid.

The office of the MIOSA made the finding that, in line with Section 54 Subsection 1(d) of the Consumer Protection Act 68 of 2008, the respondent must assist the complainant with either securing or replacing the cubby hole lid. The respondent agreed to comply and advised that it would be ordering the lid and will supply it to the complainant.

COMPLAINT

The complainant purchased a used vehicle from the respondent, and it broke down on the same day of delivery. The respondent collected the vehicle and assessed the same and alleged that the complainant was to blame for the engine failure. However, it was willing to cancel the sales agreement, but deduct the cost of repairs from the total purchase price. The complainant was not satisfied with the same and approached the MIOSA for assistance.

FINDING

The MIOSA requested that the respondent supply it with a report as it was alleged that the complainant was to blame for the engine failure of the vehicle. The report indicated that the oil pump had failed, causing catastrophic engine damage. The report further provided proof that the complainant had driven the vehicle to the point of engine failure by ignoring the warning on the cluster panel to stop the vehicle immediately. Doing so would have limited the engine damage or avoided it entirely.

The complainant further admitted in the submission to the MIOSA that the vehicle had been driven for an extend period of time, although symptoms were not apparent until total engine failure occurred. The MIOSA considered the evidence presented and applied its technical and legal expertise to find in favor of the respondent. ●

PEOPLE, PUNS AND PRODUCTS

Ten years of the PeoplePavilion

In the decade since its opening in December 2013, Volkswagen SA's PeoplePavilion in Kariega has become an important fixture in the community. The facility has welcomed 1 029 168 visitors, of which 59 613 were in the first 11 months of 2023. It has also hosted 1 867 events, ranging from wedding receptions to birthday parties and fundraisers. The gym has received 259 761 visitors in this time, while the sports fields have been used frequently by various sports teams from the VWSA workforce, with sports such as netball, soccer, cricket, baseball, volleyball, and Judo among the codes on offer to employees. The PeoplePavilion also celebrated a significant milestone earlier this year when it welcomed its 1-millionth visitor in June.



Hino seeks Dakar glory

Team Hino Sugawara is aiming for its 33rd consecutive finish in the gruelling 2024 Dakar Rally which takes place in Saudi Arabia from 5 - 19 January. Hino, the only Japanese manufacturer in a field of mainly Western and Eastern European trucks, will enter the Hino 600 diesel-electric hybrid truck that it debuted in 2023. It has undergone an extensive development programme during the year, with the focus on improving reliability. The straight six turbo-

diesel engine with its hybrid system produces almost 800 horsepower and drives all four wheels through a six-speed transmission and the truck weighs 8 300 kg. Hino has taken part in every Dakar Rally since 1991 and each year at least one Hino has completed the event and qualified as a finisher.

Dates for 2024 Festival of Motoring announced

The seventh edition of the Festival of Motoring will once again take place at the Kyalami Grand Prix circuit from August 30th to September 1st, 2024. Attendees can look forward to a plethora of engaging activities, from experiencing passenger and performance models driven around the renowned Kyalami track by professionals to first-hand encounters with cutting-edge technologies. Tickets will go on sale in March 2024.



New wheels for Springbok hero

Mitsubishi Motors South Africa (MMSA) handed over a brand-new Pajero Sport to Rugby World Cup winning Springbok Bongji Mbonambi. The handover took place following the culmination of the recent Springboks Trophy tour at Mitsubishi Motors Ballito. "Like the rest of South Africa, we are over the moon with what the Springboks achieved and are proud to partner with double Rugby World Cup winner Mbonambi by sponsoring him with a brand-new Mitsubishi Pajero Sport," said Jeffrey Allison, General Manager: Marketing at MMSA.



AAAM has new president

Martina Biene, Volkswagen Group South Africa's (VWSA) Chairperson and Managing Director has taken over as President of the African Association of Automotive Manufacturers (AAAM) from Mike Whitfield who has been President since July 2020. Biene has over 20 years of experience in the automotive industry, having joined Volkswagen in 2001 where she held multiple roles in the company in Sales, Marketing, Product Planning and Product Marketing for Luxury Vehicles and the Volkswagen Brand in Germany, Belgium, Luxembourg, and South Africa. In 2018 she

was appointed as the head of the Volkswagen Brand in South Africa whereafter she returned to Germany in 2020 to take up the position of Head of Small and Compact Vehicle line up, returning to South Africa in November 2022 to take up her current position.



New Isuzu on the market

Hot news from Isuzu Motors South Africa is the launch of the all-new X-Rider. Based on the latest seventh-generation D-Max range, which is produced at Isuzu's Struandale plant in Gqeberha, the X-Rider has a bold design and distinctive features that make it stand out in a crowd. It will be offered with a choice of manual and automatic transmissions in 4x2 form, and a 4x4 automatic for adventurous customers heading off the beaten track.

A new brand in town

Jaecoo, the newly established urban off-road SUV marque, is launching its first model, the J7 in South Africa in early 2024. Featuring Jaecoo's proprietary ARDIS intelligent off-roading system, it will boast as many as seven drive modes, allowing it to adapt to a wide variety of terrains. Its distinctive exterior styling is a mix of classic aesthetics and cutting-edge design, including a matrix-style grille, slim LED headlights and elegant flush door handles. Later next year, Jaecoo will also introduce the new, larger J8. More details, including local specifications and pricing, will be released closer to the launch dates.



PUBLIC AFFAIRS UPDATE

Taking stakeholder relationship to another level

Lucious Bodibe
Public Affairs
Manager of the
MIOSA



Except for performing its alternative dispute resolution function, the Motor Industry Ombudsman of South Africa (MIOSA) has a duty to educate consumers and to raise ongoing awareness amongst the participants within the automotive and related industries.

To meet these service level agreements, the Public Affairs Department had to build relationships and collaborate with various stakeholders such as the media, the automotive and related industries, communities, government departments and non-governmental organisations.

A collaboration with these stakeholders has enabled us to extend consumer rights education and awareness to the far-flung rural areas, small towns, and townships of South Africa, where limited access to information remains a challenge.

During the quarter under review, the Public Affairs Department participated in mental health and disability awareness campaigns. These events took place around Mamelodi and Eersterus (north of Pretoria).

In addition to these campaigns, we have extended an olive branch to religious organisations and stokvels. This strategy is showing the potential to grow beyond our expectations as other stakeholders within consumer protection have shown interest and are already implementing it.

We have been inundated with invitations from various churches and stokvels since its

inception. Our participation and support for the government and community-based events is informed by the values for which our organisation stands.

We also participated in the Regional Training and Sensitisation Workshop on Consumer law and Policy that was hosted by the National Consumer Commission (NCC) in conjunction with Southern African Development Community (SADC) Secretariat.

The aim of this workshop was, amongst other things, to share best practices on enforcement of consumer protection law, and to sharpen the investigative and analytical skills of consumer protection authorities within SADC member states. Consumer protection authorities that were in attendance included delegates from member countries such as Botswana, Kenya, Namibia, Zimbabwe and Seychelles. Our presentation and demonstration on wear and tear took centre stage as the delegates kept asking for more.

As we enter the Festive Season, we join forces with other consumer protectors and regulators to educate consumers to be more alert and make informed choices and decisions before they decide to spend their hard-earned money.

Our presence on radio and social media gives us more exposure and increases our reach. ●