



Issue 2 | Volume 15 | Quarter 2 - 2024

UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA

THE ROAD AHEAD

NEW VEHICLE SALES AND EXPORTS JUNE 2024

Vehicle sales by segment

Passenger

Jun 2024 | 26,928
Jun 2023 | 29,599



LCV

Jun 2024 | 10,552
Jun 2023 | 13,937



Commercial

Jun 2024 | 2,592
Jun 2023 | 3,067



Total sales

June 2024 | 40,072

June 2023 | 46,603

Application Volumes

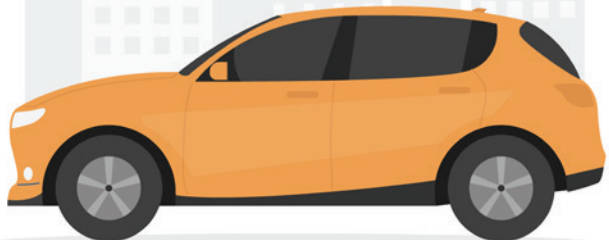
New
cars
51,718

Used
cars
107,139

Average value of new cars financed

Jun 2024 | R410,740

Jun 2023 | R396,591



MESSAGE FROM THE OMBUDSMAN

Ethics in business (part 2)

In our previous discussion we delved into the importance of conducting your business in an ethical fashion. We listed a number of affected parties that may impact on your attempts to bring ethics into your business. The old saying that a fish rots from the head down is a remarkably accurate description when it comes to organisations in all spheres of life.

The example set by the head of any organisation impacts on the whole organisation and sets the trend for how business will be conducted. In South Africa we have experienced many practical examples of how maladministration and corruption can negatively affect the entire population. The news headlines bear out this statement on a daily basis, so I will not elaborate on it any further.

However, there is – even in these difficult times – proof that ethical behaviour in a business can keep the doors open and even lead to expansion and progress. We can see that clearly when financial statements are published, and an unqualified audit is posted. That, to

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South Africa



me, is the first sign that a business is focussed on its ethical standards. Of course year-end reports discussing achievements and forward planning in a transparent manner also contribute to the trust that ethical behaviour brings to the table.

In the previous newsletter we touched on several stakeholders that can and will affect your business and I would like to refer you back to that list so that you can ponder whether your attempts to conduct an ethical relationship with these stakeholders impact positively on your business or not. It is my view that if your ethical behaviour towards the stakeholders that are relevant to your business is positive, the trust you build can only lead to success. This has been proven many times and can be noticed clearly where recurring business occurs, and staff turnover remains low.

I hope that these short discussions have given you food for thought and that you will give serious consideration to the points mentioned in your future business endeavours. ●





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

The Motor Industry Ombudsman of South Africa (MIOSA) is a non-profit organisation that operates with neutrality, independence, and impartiality. It does not represent the interests of either the industry or consumers, and the MIOSA relies on principles of sound engineering practices, excellent customer care, legal standards, and natural justice in its deliberations.

The MIOSA was established at the request of the South African motor industry to mitigate the significant financial losses the industry faced from defending itself in legal disputes brought by customers. It offers a platform for resolving disputes between businesses within the South African motor and related industries and their customers through conciliation, helping both parties avoid costly legal fees.

In the South African automotive and related industries, it is a contravention of the law for suppliers of goods and services to disregard the South African Automotive Industry Code of Conduct (Code), which is a regulation under the Consumer Protection Act No.68 of 2008 (CPA).

Unlike courts, the MIOSA does not impose fines, shut down businesses, or imprison individuals. Instead, it assists in resolving disputes amicably, which benefits all parties involved.

According to South African law, specifically the Code, every business in the automotive and related industries must be registered with and contribute to the MIOSA. Section 82 (8) of the CPA specifies that it is a legal violation for a supplier to fail to comply with an applicable industry code in the course of its business operations. ●

A CASE IN POINT



COMPLAINT

The complainant booked her motorcycle in with the service provider for repairs relating to backfiring. The motorcycle was with the service provider for an extended period of time while multiple components were repaired. However, upon receiving the motorcycle back, the complainant found that the backfiring concern was still present, now accompanied by an oil leak which was not present when she made it available for repairs. The service provider was of the opinion that it was put under tremendous pressure to have the motorcycle repaired as the complainant wanted it returned as soon as possible.



FINDING

The MIOA found in favour of the complainant and determined that the motorcycle needed to be returned to the service provider in terms of Section 57 Subsection 1 of the Consumer Protection Act (CPA) No.68 of 2008, to be fully repaired under the three-month workmanship warranty.



COMPLAINT

The complainant experienced a noise in the engine of his motorcycle within six months of purchase. He reported the matter to the selling dealership (supplier) and wanted the motorcycle repaired at no cost to himself. The supplier found that there was no oil in the engine of the motorcycle, and it had been ridden in that condition. The respondent refused to repair it at its cost.



FINDING

It was found that the noise in the engine of the motorcycle existed about two months before the complainant reported it to the supplier. By utilising the motorcycle in that condition, the complainant had caused damage to the engine, with oil starvation resulting in its ultimate destruction. The MIOA found that the complainant would be liable for the cost to repair the motorcycle.



COMPLAINT

The complainant purchased a new vehicle and soon after purchase the gearbox started leaking oil. The complainant did not want to make the vehicle available to the selling dealership during the week, so they assisted him on a Sunday afternoon at their cost. The complainant then later argued that he could not find tyres for his

vehicle, but the selling dealership denied this. They offered to order the specific tyres he wanted but he was in a rush. As part of good customer care, they swapped out his vehicle's rims and tyres with those of another demonstration model. The complainant wanted to cancel the sales agreement sighting the above concerns.



FINDING

The MIOA requested the job cards for the gearbox repair and confirmed the replacement of the rims and tyres, as well as the fact that all costs were borne by the selling dealer. In its finding it emphasised the exceptional customer service from the selling dealer, as it went above and beyond the terms and conditions of the manufacturer's warranty and complied with the requirements of the CPA No. 68 of 2008. As such, the MIOA could not agree with the request of the complainant to cancel the sales agreement.



COMPLAINT

Shortly after purchasing a vehicle and taking delivery, the complainant experienced gearbox issues and decided to take the vehicle to his own preferred mechanic for diagnosis. Once diagnosis was completed, the complainant was provided with an estimate for the required repairs and only then did he inform the selling dealer. The selling dealer requested that the vehicle be towed to its preferred workshop, but the complainant declined, citing that he trusted his mechanic with the repairs. The selling dealer reluctantly paid to the required repair amount to the complainant, which he accepted. A month after the alleged repairs, the complainant contacted the selling dealer and advised that the gearbox issues have persisted and requested the cancellation of the sales transaction, which the selling dealer rejected.



FINDING

The concerns arose inside the parameters of the six-month implied warranty as per Section 56 Subsection 2 of the CPA No.68 of 2008, but complainant elected to have the repairs carried out by his own preferred mechanic. However, a month later the same gearbox issues persisted. The office of the MIOA could not support the complainant's expectation for the cancellation of the sales transaction as the vehicle was taken to a third party. The complainant was advised to approach his own mechanic as the repairs carried out should be warranted in terms of Section 57 of the CPA. ●

PEOPLE, PUNS AND PRODUCTS

Kia appoints new CEO

Kia South Africa has welcomed Paul Turnbull as CEO, succeeding Gary Scott, who held the position since 1 July 2017 and has now been appointed Chief Digital Officer of Motus Holdings. The leadership change was announced in April and came into effect at the beginning of July. Turnbull joins Kia from Hyundai Automotive South Africa. He was born and raised in Johannesburg, matriculating at Jeppe High School for Boys and attaining a Bachelor of Arts degree (cum laude). He started his career in the automotive industry at the age of 22, joining Wheels of Africa – who held the distributorship for Hyundai in South Africa at the time – in 1995 as a sales coordinator. He became the company's youngest DP in 1997 at the age of 25. In 1999, Wheels of Africa was liquidated, with the Hyundai distributorship moving to Associated Motor Holdings (AMH), a division of Imperial Holdings. Turnbull moved into the AMH network as dealer principal in 2000 and was promoted to regional manager in Cape Town in April 2001 before being promoted to regional director 2005. In 2023, he was promoted to MD of Hyundai Automotive South Africa's retail division.



New VP for sales and marketing at DTSA

Effective 1 July 2024, DTSA has appointed Olaf Petersen as its new Vice President for Sales and Marketing. This follows Maretha Gerber, who previously held the position, being promoted to President and Group CEO of DTSA earlier in the year. Olaf brings a wealth of knowledge and international experience from various Mercedes-Benz and Daimler Truck markets across the world

and is committed to the continuation of DTSA's sales and marketing efforts. He holds degrees in engineering and business from universities in Germany, the UK and Spain and joined the Daimler company in 1998. Over the past 26 years he was responsible for various roles in sales, service, marketing, product management and body builder management at Mercedes-Benz Vans, Mercedes-Benz Trucks and Mercedes-Benz Buses in Germany, Singapore, Australia, Indonesia, USA and the United Arab Emirates. In his previous position since 2019, he was responsible for sales and marketing for Mercedes-Benz Trucks and FUSO at Daimler Truck Middle East and Africa in Dubai.

Jaguar F-Type bows out

The final Jaguar F-Type sports car made at the brand's manufacturing facility in Castle Bromwich will join the Jaguar Heritage collection – 50 years to the day since the last Jaguar E-type drove off the production line. The special car is a 5.0-litre V8 Convertible in Giola Green with a black roof and a tan leather interior – similar to that of the 5.3 litre V12 final E-type Series III Convertible built in 1974 and registered as HDU 555N. It will be handed to the custodians of Jaguar's history, the Jaguar Daimler Heritage Trust (JDHT), and will join its E-Type predecessor in the official Jaguar Heritage collection and take part in a series of special events and activities this year. The F-Type was first launched as a convertible in 2013 and was Jaguar's first two-seat sports car in almost 40 years. It received universal acclaim and was named 2013 World Car Design of the Year. The coupé made its debut the following year.



LDV SUV arrives in South Africa

The first two units of the LDV D90 SUV arrived in South Africa in June, making it the first country outside of China to receive this new flagship model. The two models – a D90 Elite and D90 Flagship – are in South Africa for viewing and final homologation and the first customer units are expected at the start of Q4 2024. Under the skin, the D90 is fitted with a 2-litre dual-turbodiesel engine with 160kW and 500Nm on tap and linked to an eight-speed ZF automatic transmission. All D90 models are 4x4 with low range, and the Flagship model adds both front and rear differential locks to the Elite's central differential lock, giving the top model no fewer than three diff locks. Overall, the D90 offers ample room for seven occupants, thanks to a 2 950mm wheelbase and a body length of 5 046mm. It can tow a braked trailer of up to 3 100kg.



Hino wins again

Hino South Africa has once again won global Service and Parts Distributor of the Year Awards from Hino Motors Limited, in Japan. This is the 13th consecutive year that Hino SA has won these two accolades which are contested by Hino distributors worldwide. Hino SA also won another award from HML which was for its sales effort in 2024. Each distributor is scored monthly against a set of criteria for each discipline and these scores are then totalled for the year. The score must

be a minimum of 80% of target to get an award. Some of the criteria for the Service Distributor of the Year Award are customer experience ratings, workshop productivity measuring efficiency and profitability for the dealer network and Hino SA itself. The Parts Distributor of the Year Award is based on specific criteria set out by HML to deliver an excellent parts supply to dealers and customers, including the ability to supply parts on first request, stock holding and emergency parts supply by Hino SA and the dealer network.

One million Ford Rangers built in SA

A major milestone was reached at Ford's Silverton plant when the one-millionth Ranger came off the assembly line recently. The Ranger's legacy in South Africa encompasses three generations and it has racked up an impressively long list of awards along the way. Production of the first-generation Ranger commenced in 2000, which coincided with the official return of Ford Motor Company to South Africa. Both of these events were defining moments in the brand's local history and set the tone for Ford's firm commitment to the country. The launch of the third and current-generation Ranger at the end of 2022 followed a massive investment and expansion programme for the Silverton plant to increase installed capacity to 200 000 vehicles per year – or 720 vehicles per day, which is the highest volume of any vehicle manufacturer in South Africa.



PUBLIC AFFAIRS UPDATE

Workers Month 2024

Lucious Bodibe
Public Affairs
Manager of the
MIOSA



Every year in May marks the beginning of Workers Month. It is, however, common knowledge that the working class usually miss out on consumer education and awareness due to work commitments. It is for this reason that during the month of May, the Public Affairs Department of the Motor Industry Ombudsman of South Africa (MIOSA) made concerted efforts to reach out to various employers to allow the MIOSA the space and opportunity to raise awareness amongst its workers.

The MIOSA leveraged an opportunity presented by Power FM 98 and participated in a radio interview on 1 May. This interview resonated with the MIOSA's wish to educate consumers who work overnight, as it took place in the middle of the night.

During this quarter the MIOSA partnered with the National Credit Regulator (NCR) and participated in the financial wellness workshops that were hosted by the Limpopo Department of Education. This campaign covered all districts across the Limpopo Province. Educators and officials shared their

experiences with the automotive industry participants. In terms of impact, the MIOSA learnt with utmost humility that not only did attendees give us good ratings online, but they also listed areas that they wish the MIOSA to cover in future.

In terms of community service, the MIOSA participated in the Service Delivery Open Day that was hosted by the City of Johannesburg in Ebony Park, Midrand, and participated in a Substance Abuse Awareness Campaign that was hosted by Built Africa in Eersterust.

The MIOSA continues to maintain relationships with various stakeholders. One case in point is a successful World Consumer Rights Week event in March this year, where the MIOSA took part in multi-disciplinary compliance awareness and consumer education events. Following this, the MIOSA was approached by the Mpumalanga Consumer Protection Office to benchmark their complaint systems against the MIOSA's, and to learn more about how the MIOSA champions consumer and business education.

As for the road ahead, the MIOSA's presence on social media continues to attract attention within the digital community. The MIOSA is currently piloting an online survey for consumers and automotive and related industry participants to rate the MIOSA in terms of the quality of the information it disseminates during consumer education workshops and awareness programmes. Soon, this information will also be shared in our newsletter and on our website. ●

