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# UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



MOTOR INDUSTRY OMBUDSMAN  
OF SOUTH AFRICA

## THE ROAD AHEAD

## NEW VEHICLE SALES AND EXPORTS JANUARY 2024

### Vehicle sales by segment

#### Passenger

Jan 2024 | 28,790  
Jan 2023 | 30,863



#### LCV

Jan 2024 | 10,871  
Jan 2023 | 10,623



#### Commercial

Jan 2024 | 1,975  
Jan 2023 | 1,808



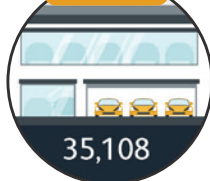
### Total sales

Jan 2024 | 41,636

Jan 2023 | 43,294

### Vehicle sales by channel

#### DEALERSHIP



#### RENTAL



#### GOVERNMENT



#### SINGLE SALES



### Top 3 selling vehicles

#### Passenger



Polo Vivo | 2,034



Corolla Cross | 1,660



Swift | 1,566

#### LCV



Hilux | 2,645



Ranger | 1,914



ISUZU D-Max | 1,336

### Application volumes

New cars  
63,017

Used cars  
126,180

Average value of  
new cars financed

Jan 2024 | R391,287

Jan 2023 | R386,657

## MESSAGE FROM THE OMBUDSMAN

# Ethics in business (part 1)

Ethics in your business is becoming increasingly important and it is not enough to merely proclaim that you do business in an ethical way. In this two or three-part series (depending on the feedback I receive), we will endeavour to provide some guidance when considering the ethical dilemmas within your business.

The only way to ensure that existing and potential customers know that you act ethically in your day-to-day business dealings, is through word of mouth. This is the only way in which you will be able to establish and maintain a reputation for treating your customers in an ethical manner and providing a service that is second to none.

Although there is no magical formula for solving ethical dilemmas, it is helpful to have a framework with which to organise your thoughts. This will provide you with the tools to weigh various elements and reach a decision or plan of action. One of the elements your framework should focus on is stakeholder analysis.

Start by making a list of all the potentially affected parties, and then evaluate the positive and negative impact that a particular action will have on those involved. The next level of analysis ought to determine the rights and responsibilities of each of the affected parties. Employees, for instance have the right to a fair wage and safe working conditions, but they also have the responsibility to be productive for your business. In a typical stakeholder analysis, the list of potentially affected parties may look like this:

- The decision maker
- Executives and directors
- Customers – and the industry in which they operate

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Motor Industry  
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- Suppliers – and the industry in which they operate
- Shareholders – bondholders
- Employees – and their families
- Government – on national and local level, as well as their agencies (such as the MIOOSA, for instance)
- Special interest groups – industrial, consumer, environmental, political, unions
- The affected community
- The environment – fauna, flora, natural resources
- Future generations
- Competitors
- Lawyers and courts

Obviously, the list could be much longer, but at the analysis stage it will be narrowed down to the significant players that will impact on your business. Then, a situational analysis will be performed and eventually a decision is reached.

Next time we will take the discussion further and delve into the relevance of the subject of ethics in your business. ●







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

Beyond meeting legal obligations, contributing to the Motor Industry Ombudsman of South Africa (MIOSA) offers practical benefits such as expert advice, structured dispute resolution, adherence to legal timeframes and database management to ensure industry compliance and fair practices.

The MIOSA provides valuable guidance to retailers and service providers, helping them to navigate customer disputes effectively. This advice covers interpretations of the Consumer Protection Act (CPA) and the South African Automotive Industry Code of Conduct (Code), and its application in the ordinary course of business – pre-emptive action is always better for business than having to deal with the fallout of conflict.

The MIOSA employs a structured conciliation process to resolve disputes. Unlike informal mediation attempts, the MIOSA's process ensures adherence to legal principles and fair practice, guiding parties through complex legislative and consumer protection webs.

Despite reports to the contrary in certain publications, the MIOSA consistently adheres to the accredited Code's timeframe. According to the CPA and South African Law, suppliers/service providers are entitled to respond to complainants' allegations. Delays in their response may arise due to the need to garner expert opinions, or the unavailability of staff members to submit comments. Unfortunately, due

to imperfections in dispute resolution processes, complaints also sometimes simply fall through the cracks.

Regrettably, some suppliers opt to disregard requests from the MIOSA, to their own detriment. Failure to respond to a request made by the MIOSA is a contravention of the CPA, in terms of Section 82(8). Recent judgements coming out of the National Consumer Tribunal and the courts have looked harshly on this behaviour.

The MIOSA, in accordance with the accredited industry Code, is mandated to establish and maintain its database. To this end the MIOSA's team of inspectors – in an ongoing endeavour – identifies industry participants who have failed to register. As this is a non-profit organisation, increased compliance with contribution payments would reduce the burden on all parties involved and presently, the MIOSA takes legal action to recover outstanding contributions from defaulters. Interestingly, compliance with this legislative requirement is also a good indication of an industry participant's general business ethics and even how it treats its customers.

The MIOSA wishes to express its sincere gratitude to responsible industry participants who fulfil their financial obligations, thus contributing to a secure consumer environment. It is essential to recognise that the automotive and related industries aren't the con artists they are often portrayed as. ●

## A CASE IN POINT

### COMPLAINT

A new engine was installed in the complainant's vehicle in early 2020 under the manufacturer's warranty. The manufacturer's warranty ended that same year. In late 2023 the engine failed, and the complainant returned the vehicle to the dealership where it had been installed. An assessment was done to determine the cause of the failure and it was found that the engine had not been maintained as per the manufacturer's specifications, meaning no services were conducted for around three years. Therefore, the dealership and manufacturer would not consider a goodwill offer, especially in the light of the fact that all warranties had already expired. The complainant then approached the Motor Industry Ombudsman of South Africa (MIOSA) to attempt to receive a new engine at no cost.

### FINDING

The MIOSA requested all relevant reports and related records. It was found that all warranties on the vehicle had expired at the time of the engine failure. Furthermore, the technical report and service records reflected that due to non-service, the engine sustained catastrophic failure that might have been avoided or minimised if it had been maintained and serviced as per the requirements. Due to the evidence supplied, the MIOSA found in favour of the dealership and the manufacturer.

### COMPLAINT

The complainant purchased a used vehicle and shortly after taking delivery, he noticed that the petrol gauge was malfunctioning. The vehicle was taken to a dealership within the manufacturer's network where it was diagnosed and an estimate for the required repairs was provided. The complainant then approached his extended warranty insurer, who authorised the repairs. However, there was a shortfall amount required from the complainant. Upon requesting assistance from the selling dealership (respondent), the complainant was advised that it does not cover electrical parts and that he is liable for such repairs. The complainant approached the MIOSA requesting that the respondent cover the required shortfall.

### FINDING

After assessing the information supplied by the parties involved, the MIOSA noted that the concern arose inside the parameters of the six

months implied warranty in terms of Section 56 Subsection 2 of the Consumer Protection Act 68 of 2008 (CPA). This office further advised that the CPA does not exclude electrical components as the respondent had stated in its response. As such, the MIOSA found that, in line with the abovementioned Section of the CPA, the shortfall required to have the fuel gauge concern resolved had to be covered by the respondent.

### COMPLAINT

The complainant noticed a noise from the engine during a test drive prior to purchasing the vehicle and elected to continue with the transaction. However, the noise became worse, and the complainant expected the respondent to carry the cost of the necessary repairs. The respondent was of the opinion that the complainant had been made aware of the atypical noises on the engine and that the engine management light was illuminated, as well as the fact that the vehicle had an engine control module diagnostic error. As such, the respondent was not willing to assist with any repairs.

### FINDING

Although said vehicle was still within the parameters of the implied warranty in terms of Section 56 Subsection 2 of the CPA, the vehicle had a Dekra Condition Report, which highlighted all the concerns raised by the complainant. In fact, the complainant had affixed his signature to this document, indicating that he was made aware of these exact concerns. The complainant also stated in his submission that he had noticed these concerns during the test drive prior to purchase and elected to continue with the sales transaction anyway. The office of the MIOSA could not support the complainant's expectations that the respondent should carry the cost of the necessary repairs as he was expressly informed of these concerns prior to the sales transaction being concluded. ●



## PEOPLE, PUNS AND PRODUCTS

### Yet another Chinese challenger

These days Chinese vehicle brands are a dime a dozen on the local market and South Africans can ready themselves for the arrival of yet another: GAC. This follows the recent signing of a distribution agreement between GAC Motor and Salvador Caetano Auto. GAC Motor has a global vehicle portfolio consisting of 12 different models, including sedans, SUVs, and MPVs. However, there is no word yet on which of these models will be available in local showroom. Considering the vehicles from other Chinese manufacturers that have been launched in South Africa in recent years, the initial focus will most likely be on SUVs. GAC's SUV lineup includes the GS3, GS4, GS5, GS8, and Emkoo. All of these have automatic petrol engines and transmissions and come in different sizes and specification levels.



### History made at DTSA

Daimler Truck Southern Africa (DTSA) has appointed Maretha Gerber as its new president and group CEO. Gerber, a born and bred South African, makes history by being the first female appointed in this role at DTSA. She holds a degree in marketing and has more than twenty years' experience within the Daimler organisation. She held various management roles across sales, marketing, and dealer network before moving to a dealer principal role in the

Mercedes-Benz dealer network. In 2018 she moved back into headquarters as the head of Mercedes-Benz Trucks and subsequently became the Vice President of Sales and Marketing for Mercedes-Benz Trucks and FUSO Trucks.

### New GM at Hino

Itumeleng Segage has been appointed General Manager at Hino South Africa, reporting to Anton Falck, Vice President for Hino SA. The appointment follows the retirement of Pieter Klerck. Itumeleng has been working in the motor industry for over 18 years and has extensive experience in all aspects of the business, with an in-depth knowledge of the dealer network. He began his career at Hino SA in 2006 and has occupied various positions at Hino in marketing, aftersales, demand planning, pricing, dealer sales and network as a manager and senior manager. His most recent post, prior to his recent move back to Hino, was as senior regional manager for the Central Region at Toyota SA Motors.



## VWSA remains a top employer

Volkswagen Group South Africa (VWSA) has been named a Top Employer for 2024. This marks the 13th year in a row that the company has been honoured with this internationally recognised certification from the Top Employers Institute, which is awarded in recognition of employers around the world that provide excellent conditions for their employees. Included in the considerations are the company's commitment to employee wellbeing, continuous improvement and to developing talent within the organisation. For 2024, more than 2 300 companies worldwide were certified as Top Employers, including 137 recipients from South Africa.



## New models galore kick off 2024

The local motor industry hit the ground running in 2024 and there have already been numerous new models introduced to the market. The most exciting of these is undoubtedly the brand-new GWM Tank 300 and the upgraded Toyota Land Cruiser 70 Series. Honda has introduced both the Elevate and the new CR-V, the latter with a somewhat hefty price tag of around R1 000 000! Mitsubishi also got in on the action by expanding its Outlander range, and if electric vehicles are your thing you can now buy a new Volvo EX30. Additional new models on the cards for the remainder of the year include the Toyota Prado, Ford's Territory and the Renault Duster.





## PUBLIC AFFAIRS UPDATE

# World Consumer Rights Day 2024

**Lucious Bodibe**  
Public Affairs  
Manager of the  
MIOSA



When the New Year dawned, many consumer educators wondered how they were going to run their awareness campaigns amid the upcoming national elections. Fortunately, the Public Affairs Department of the Motor Industry Ombudsman of South Africa (MIOSA) constantly monitors various environments (business and socio-political) within which it functions and holds strategic plenary meetings to circumvent any eventuality that could hamper its attempts to raise awareness.

Early in the year, we received a notice from the Government Communications and Information Systems (GCIS), stating that the Independent Electoral Commission (IEC) had resolved to open voting stations for voter registration between 3 and 4 February 2024. Immediately after that registration weekend, we hit the ground running and headed for the Limpopo Province where we participated in awareness campaigns around the Blouberg and Lepelle-Nkumpi municipalities and paid compliance visits to the automotive and related industries in Polokwane. We then crossed the country and participated in a workshop that was hosted by the Commission for Gender Equality in Kimberly and joined local consumer protection offices to raise awareness around the Francis Baard district. From there we proceeded to the Eastern Cape where we raised awareness and conducted compliance visits in Gqeberha, Addo and Motherwell. In short, it was a busy month and we wrapped up our financial year on a high note.

Against the backdrop of these February events, the Consumer Protection Forum (CPF) was in the process of preparing for the World Consumer Rights Day (WCRD), which is celebrated worldwide every year on the 15 March. This year, the WCRD will be jointly hosted by the National Consumer Commission (NCC) and the University of the Free State in Bloemfontein and will be preceded by build-up events around the Free State Province. The theme for 2024 WCRD is: "Safe products, safe consumers: demand accountability and enforcement". As always, the MIOSA will be deploying a team of inspectors and consumer educators for the duration of this event.

It came as no surprise when the Compliance and Enforcement Committee of the CPF elected the MIOSA to coordinate the multi-disciplinary compliance and enforcement inspections. This proves that our organisation is making a meaningful contribution in the consumer protection space and has depth of knowledge and experience in the automotive and related industries.

The Public Affairs Department will be conducting rural and business engagements prior to the WCRD event so that no one is caught by surprise. There will also be media engagement to keep consumers and businesses that are based in far flung communities abreast of the developments. ●