



MOTOR INDUSTRY OMBUDSMAN  
OF SOUTH AFRICA

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# ANNUAL REPORT

— • — 2018/19 — • —

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# GOVERNING BODY



**DR M. PHOSA**  
CHAIRPERSON



**J. VAN VREDEN**  
OMBUDSMAN



**K. KRAUSE**  
DEPUTY OMBUDSMAN



**A. BEZUIDENHOUT**  
NON-EXECUTIVE DIRECTOR



**I. OPPERMAN**  
NON-EXECUTIVE DIRECTOR



**ADV. S. TLEANE**  
NON-EXECUTIVE DIRECTOR



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## CONSTITUTION

The Motor Industry Ombudsman of South Africa (MIOSA) is an organisation that provides for alternative dispute resolution between persons conducting business within the automotive and related industries and their consumers, as well as dispute resolution amongst participants within the automotive and related industries of South Africa.

## MISSION

Its mission is to defend the independence of the MIOSA while tirelessly striving to educate consumers and participants in the automotive and related industries alike, in order to achieve higher levels of customer care and cordial relationships.

## VISION

As its vision, the MIOSA strives to contribute to the continuous improvement of customer care, as well as relationships among participants in the automotive and related industries to the benefit of all parties.



# CHAIRPERSON'S COMMENTS



DR MATTHEWS PHOSA

**S**outh Africa as a country faced many challenges during 2018. These challenges culminated in a change in the Presidency of the country. Several commissions of enquiry were established to ensure that our country is brought back onto an even keel. This will, of course, play out during 2019. Robust political actions were the order of the day across the board. This was made possible as a result of our Constitution, that ensured that we saw democracy at work in our beautiful country.

As far as our economy went, the challenges were and remain great. Facing downgrading by ratings organisations remains a threat that we will have to deal with as a collective in all industries and play our part to assist with the drawing of new investments to our shores. To ensure that these investments are coming to us instead of other developing countries, we will have to make sure that our offerings to investors are attractive. In other words, we need to ensure that the environment is such that investors feel comfortable to take a chance on us.

The automotive and related industries are now arguably one of the largest industry sectors in our country. The

importance of the automotive and related industries can never be underestimated. Especially where job creation is so important to our country, the automotive and related industries must play their role in maintaining jobs that in all fairness – from a business point of view – could have been dealt with by machines. Their investments in our country prove their commitment and we are extremely proud of the contribution made by this vital industry sector. They are a showcase proving South African know-how and sophistication to the rest of the world.

Consumers in the automotive and related industries remain under tremendous financial strain and represent the most important local link in the value chain. The treatment of local consumers in the automotive and related industries lies at the heart of the successes that have been achieved despite the recessionary environment in which they are expected to operate.

Mr van Vreden, Ombudsman for the South African automotive and related industries and his staff play a major role in ensuring that consumers in the automotive and related industries are fairly treated. Statistics prove the successes they have had over the years and still have.

For this I would like to thank them, for without their specialised knowledge, experience and dedication the consumer would have been far the poorer for it. I wish Mr. van Vreden and his deputy, Mr Krause – as well as their team – all the best in 2019 with the knowledge that they will never falter in their determination to ensure that objectivity is what serves the consumer and the automotive and related industries the best. ●



# OMBUDSMAN'S REPORT



JOHAN VAN VREDEN



**T**he office of the Motor Industry Ombudsman of South Africa (MIOSA) has, for the past eighteen years, continued to carry out its mandate without fear or favour. During this period, the MIOSA has made many friends, but of course there were also people who were unhappy with the outcome of their complaints lodged with the MIOSA. As the only true accredited independent dispute resolution organisation in the automotive and related industries, the above statement is not made without the facts and figures to back it up.

During the year under review the MIOSA received 8 503 complaints, of which 4 785 were lodged online. The MIOSA are very pleased to see how successful the online process is developing. During the year the number of complaints closed was 8 403.

Further successes are based on the turnaround time of 54 days from receipt of a complaint to its conclusion. It must be remembered that the MIOSA faces challenges, ranging from incomplete information received from consumers to suppliers that are reticent

to respond to requests for information. What suppliers and consumers alike do not seem to grasp is that the more thorough their response to the requests for information is, the more objective the MIOSA's decision during the conciliation process will be.

An interesting statistic that needs to be mentioned is the growth of the MIOSA automotive industry database from 1 337 industry participants, when accreditation was given to the MIOSA by the Honourable Minister of Trade and Industry in October 2014, to a staggering 15 141.

Please note that the MIOSA had to build this database with its own resources. This can also count as a phenomenal result achieved in only four years.

As the front door of our organisation, the Information and Liaison Department plays a major role in screening complaints and advising consumers of their rights, how to lodge a complaint and when and how to make use of the services of the MIOSA, which of course are provided free of charge to consumers.



When a complaint is lodged it is forwarded to the Case Management Department where the investigative and conciliation process is carried out. This department is staffed by highly skilled technical people who investigate the complaints and issue recommendations.

The success of this department cannot be overemphasised, as not one single decision has ever been challenged in a court of law in eighteen years.

Our Inspectorate Department carries out visits to automotive and related industries throughout South Africa. The MIOSA inspectors are often accompanied by the South African Police Service and officials of the South African Revenue Service.

These visits are carried out to ensure that the MIOSA database remains up to date and that compliance to different requirements is adhered to.

The Finance Department works tirelessly to ensure that the cash flow of the organisation remains healthy. The success of this department determines the ability of the MIOSA to carry out its mandate as required by the South African Automotive Industry Code of Conduct, a regulation of the Consumer Protection Act No. 68 of 2008 (CPA).

As with any Ombudsman's office a strong Legal Department is essential. The MIOSA is particularly strong in this respect as the department is run by very experienced and senior legal staff. The Legal Department carries out regular training sessions to keep the MIOSA staff informed on the CPA and to ensure that the CPA is correctly

interpreted. In addition to this, regular meetings are held with the National Consumer Commission (NCC) and industry associations.

Part of the mandate of the MIOSA is to educate consumers, not only in the cities but also in the rural areas. By working closely with the provinces, the MIOSA's Public Affairs Department does great work and carries out educational programmes in conjunction with the provinces. The ever-growing support of the provinces is also greatly appreciated by the MIOSA.

An organisation such as the MIOSA cannot function correctly if procedures and processes are not continually developed and monitored. This function is extremely well executed by the Operations Department, which keeps everybody on their toes.

To comply with the King Code of Corporate Governance IV, procedures have been put in place to regulate procurement as there are specific compliance principles in terms of selecting suppliers and negotiating pricing with suppliers.

Last but not least is the all-important Administration Department without which the Case Management Department would not be able to function. Files are meticulously kept, which enables the MIOSA to function as its mandate requires.

To conclude, I would like to thank the staff of the MIOSA for their dedication and unselfish work ethic. Finally, my sincere appreciation goes to our Chairperson, Dr Phosa, my deputy Mr Krause and the Governing Body for their unwavering support. ●



# FINANCIAL REPORT

## Ensuring Financial Sustainability and Good Corporate Governance

**F**inancial sustainability and good corporate governance, which is generally characterised by significant risk management and constant scrutiny, remain key imperatives for the Motor Industry Ombudsman of South Africa (MIOSA). The MIOSA continues to ensure financial sustainability through prudent management of its balance sheet. Sound corporate governance, based on an ethical foundation, remains the cornerstone of the MIOSA's efforts for a sustainable and successful organisation. The MIOSA continues to strengthen its governance structures and frameworks. The Governing Body has satisfied itself that appropriate principles of corporate governance (King IV) were applied throughout the year under review.

## Investing in Human Capital

The MIOSA strives to provide a work environment that promotes a high-performance culture. The organisation seeks to create a favourable environment for its employees, which includes investing in talent development, recognition and retention. The MIOSA's human capital strategy is focused on the following goals:

- To attract, build and retain talent at all levels;
- To develop robust people management and leadership development practices;
- To enable and drive a high-performance culture conducive to productivity;
- To build a knowledge management capability;
- To facilitate an environment that enables a diversified workforce at all levels.

## Risk Management

Risk management plays a critical role in ensuring that the key risks facing the MIOSA are identified, managed and reported to the Governing Body. An assessment of risks faced by the MIOSA is undertaken on a continuous basis and action plans are formulated should specific risks be identified. The MIOSA endeavours to act as a model organisation that inspires confidence, credibility and integrity as these are key components of its ethics policy.

## Review of financial performance

The 2018/19 financial year was a challenging one for the South African economy and the MIOSA felt the strain of the unfavourable economic environment. The MIOSA's financial viability is based on sound financial principles, strict cash flow management and strong internal controls.

The MIOSA has taken over all administrative work, thus saving considerably on collection fees with regards to contributions, previously administered by an independent organisation. The Legal Department costs increased in the 2018/19 financial year, as they are actively involved in collections of non-paying industry participants.

## Revenue

The total revenue increased by R13 454 591.00 during the 2018/19 financial year. The inspectors in the Inspectorate Department are actively registering industry participants that have not yet registered on the MIOSA website. All industry participants are liable to pay contributions from date of accreditation in 2015, or when the industry participant commenced trading within the automotive and related industries.



## Funding From Date of Accreditation

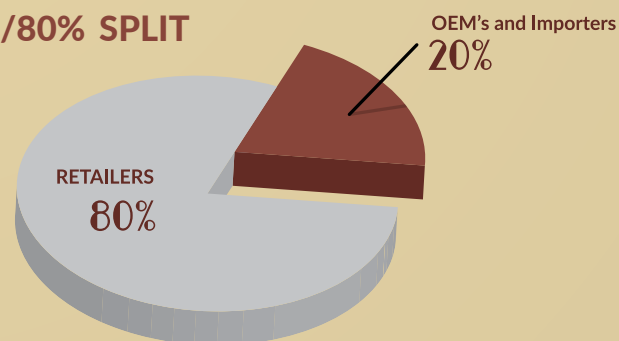
With reference to the South African Automotive Industry Code of Conduct, funding is allocated as follows:

- The OEMs and importers shall be liable to contribute 20 percent of the approved budget;
- The retailers shall be liable to contribute 80 percent of the approved budget.

## General

The 2018/19 financial year was both exciting and challenging, as the MIOSA strove to attain the goals it set at the beginning of the year. The organisation has worked hard, focusing on delivering to the automotive and related industries, colleagues and stakeholders, even in the midst of increasing external expectations as well as internal change. The MIOSA gained traction in its journey towards a stronger organisation. The employees' exceptional effort has been the driving force behind the achievements during the year.●

## 20/80% SPLIT



# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

## Statement of Comprehensive Income

FIGURES IN R	2018/19	2017/18	2016/17
<b>Revenue</b>	<b>45 169 960</b>	<b>31 715 369</b>	<b>31 363 854</b>
<b>Other Income</b>	<b>91 122</b>	<b>112 775</b>	-
- Interest Received	79 535	79 335	-
- Sundry Income	11 587	33 440	-
<b>Operating Expenses</b>			
- Accounting fees	47 930	98 175	244 027
- Advertising fees	117 929	148 582	42 597
- Bad debts	614 835	503 963	-
- Bank charges	142 172	120 198	111 331
- Chairperson fees	120 000	120 000	120 000
- Collection fees	-	4 155 460	3 136 385
- Computer costs / website development	248 187	228 798	352 586
- Consulting fees	467 020	142 908	22 359
- Debtors remuneration	3 672 194	3 894 406	3 240 000
- Employment costs	17 967 271	16 243 980	9 770 487
- Finance costs	-	13 698	-
- Insurance costs	242 663	328 364	60 009
- Lease rental of premises	1 227 135	1 352 309	597 941

# FINANCIAL REPORT

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### Statement of Comprehensive Income (Continued)

FIGURES IN R	2018/19	2017/18	2016/17
- Legal costs	932 452	289 542	147 938
- Motor vehicle expenses	446 121	364 872	64 212
- Postage	20 447	44 495	20 545
- Printing, stationery, hire of printers	571 106	496 784	412 725
- Repair and maintenance / security costs	483 253	-175 818	605 023
- Storage and archiving costs	37 593	37 894	37 544
- Subscriptions	25 957	115 249	47 315
- Expansion costs	-	3 345 110	-
- Telephone and communication costs	433 506	384 861	354 804
- Training costs	20 170	2 600	27 443
- Travel and accommodation costs	183 993	75 956	121 903
<b>Total Operating Expenses</b>	<b>28 021 934</b>	<b>32 332 386</b>	<b>19 537 174</b>
<b>Deficit / Surplus for the year</b>	<b>17 239 148</b>	<b>-504 242</b>	<b>11 826 680</b>

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

## Statement of Financial Position

FIGURES IN R	2018/19	2017/18	2016/17
Non-current Assets			
- Property, plant and equipment	1 150 644	-	-
Current Assets			
- Loans receivable	53 081	-	-
- Trade and other receivables	43 236 005	19 566 116	18 687 075
- Cash and cash equivalent	1 658 809	639 805	10 000
<b>Total Assets</b>	<b>46 098 539</b>	<b>20 205 921</b>	<b>18 697 075</b>
Equity and Liabilities			
Equity			
- Retained earnings	34 461 396	17 222 248	17 726 489
Current Liabilities			
- Trade and other payables	11 637 143	2 983 673	970 586
<b>Total Assets</b>	<b>46 098 539</b>	<b>20 205 921</b>	<b>18 697 075</b>







# THE WAY FORWARD



Development in the Motor Industry Ombudsman of South Africa (MIOSA) is an ongoing process and includes many new achievements. The new year will, however, be no different and the MIOSA is determined to improve the processes to provide even better service to consumers as well as suppliers.

Future improvements will include the further streamlining of systems and the improvement of effectiveness in terms of governance and financial discipline. The MIOSA will further pursue suppliers who fail to assist consumers when there have been recommendations made by the MIOSA in favour of consumers.

Suppliers who are in contravention of the law by not contributing to the MIOSA will be prosecuted in the courts to ensure their compliance. These are necessary steps to ensure that consumers are treated fairly in the automotive and related industries.

The MIOSA will also be stepping up to improve its relationships by strengthening the existing partnerships with the South African Revenue Service as well as the South African Police Service. The MIOSA will further develop its already good relationship with the provinces.

The biggest asset of the MIOSA is its staff who have, through the constant and ongoing training, become real experts in the areas of dispute resolution and consumer affairs.

Great strides have been made to comply with the King Code of Corporate Governance IV (King IV). It is not financially and realistically possible for an organisation such as the MIOSA to fully comply, but the effort to improve the standard of our compliance with the King IV will remain a very important project in the further developments.

# LEGAL DEPARTMENT



**T**he Legal Department of the MIOSA has grown over the past year and consists of a director, a professional assistant, a legal assistant and a personal assistant.

The bi-weekly internal training on the Consumer Protection Act No. 68 of 2008 (CPA), the regulations thereto and the South African Automotive Industry Code of Conduct (Code), as well as other relative fields of the law, has been a continued focus to ensure well-trained and knowledgeable staff. Every year the MIOSA sees complaints where it has to interpret and apply different sections of the CPA and where different legal and academic opinions and new judgments, by the National Consumer Tribunal and courts of law, have to be considered. The MIOSA finds itself in the middle of a dynamic environment where relatively new legislation is finding a footing within

not only the law profession, but also within all consumer-related industries where different interpretations, brilliant arguments and judgements will ensure rule of law by precedent.

The Legal Department liaises with the National Consumer Commission (NCC) and many associations in the automotive and related industries on a regular basis. It is a continued effort to discuss and find solutions for individual and problematic complaints and non-compliance within the industry.

The Legal Department is mandated with the enormous task of seeing to it that all members of the automotive and related industries comply with the CPA, and to pay the statutory contribution necessary to fund the MIOSA. Debt collection

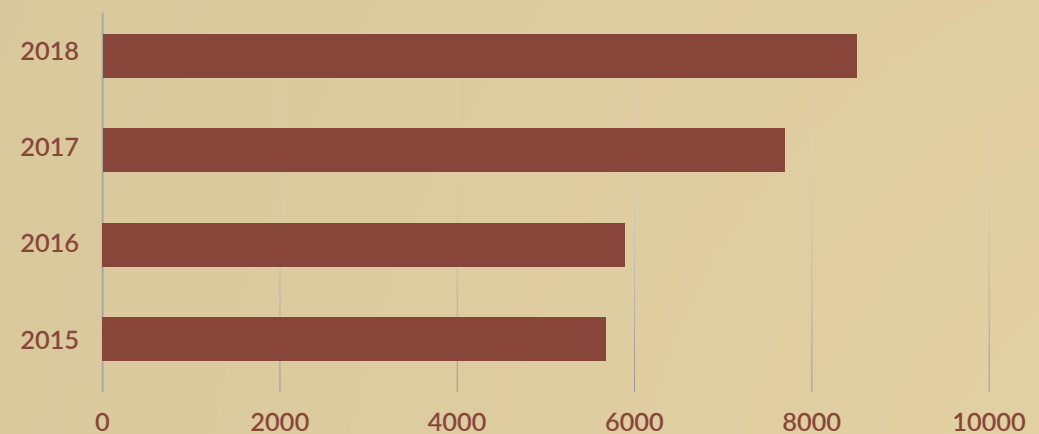
efforts include educating industry participants, as well as explaining the legislation and the mandate and functions of the MIOSA. Many meetings and discussions were held, resulting in the MIOSA being flooded with correspondence from participants in the automotive and related industries and in some cases industry participants' attorneys.

The MIOSA has finally started reaping the fruits of its labour, efforts and dedication. It is unfortunate that the MIOSA had to approach the court in some of its debt collection matters. The MIOSA is satisfied with the positive judgements received to date. The MIOSA is pleased to be the first ombud office to enforce compliance by legal proceedings and is looking forward to having the whole of the automotive and related industries on board. ●

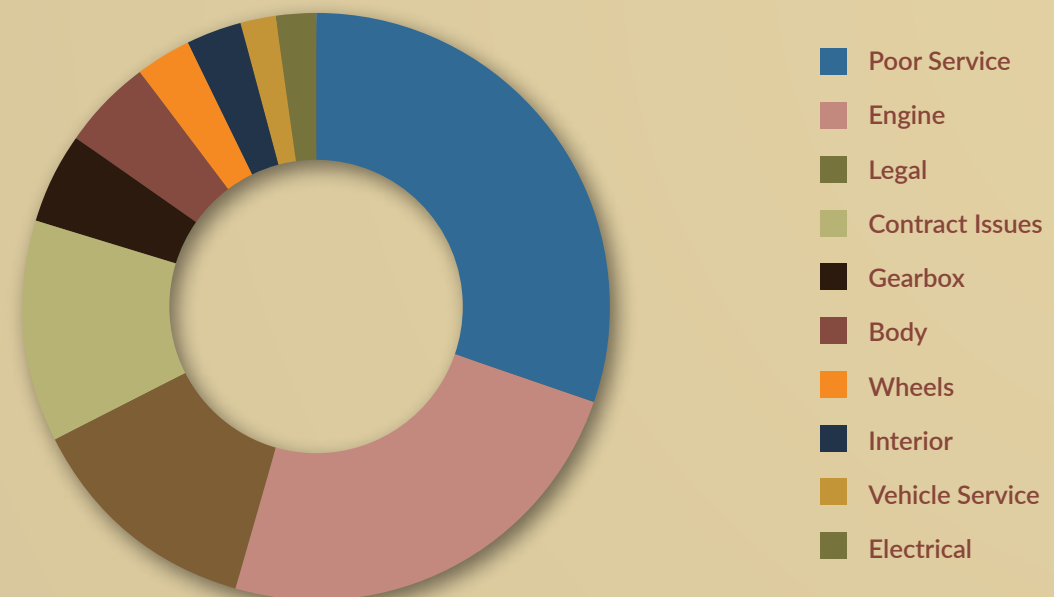


# STATISTICS

## NEW COMPLAINTS



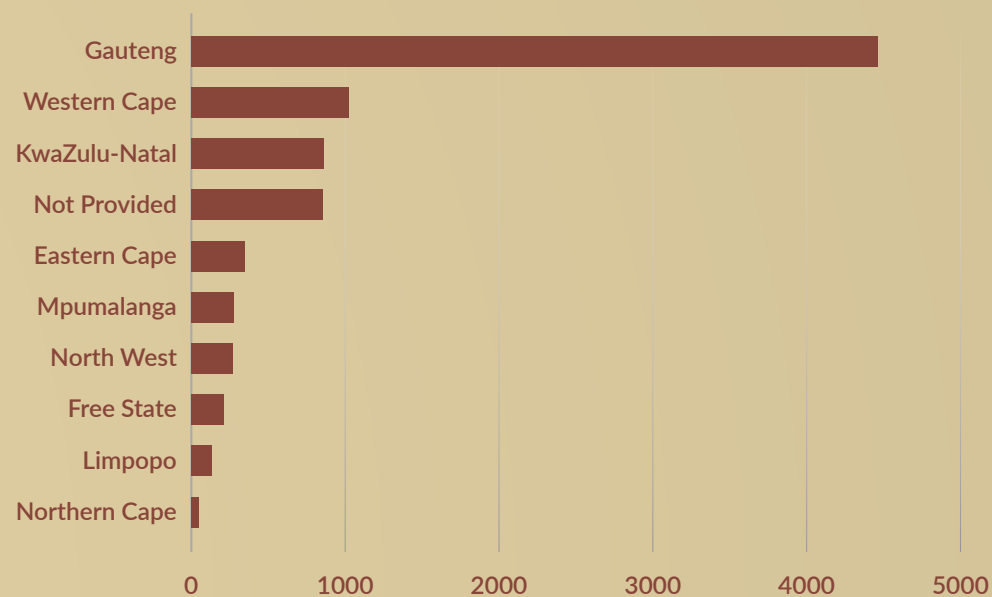
## TOP 10 PROBLEM GROUPS



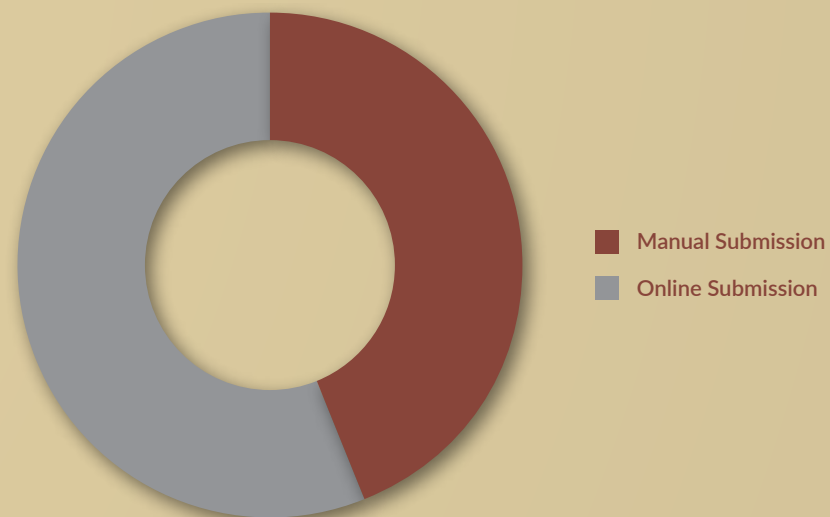



# STATISTICS

## PROVINCE OF COMPLAINT



## MANUAL VS ONLINE NEW COMPLAINT SUBMISSION



A sepia-toned photograph of a vintage car, likely a 1930s Ford, parked in a cluttered workshop. The car is the central focus, with its large grille and round headlights prominent. The background is filled with shelves of various mechanical parts, tools, and boxes, creating a sense of a well-used garage. The lighting is warm and focused on the car.

# REVIEW OF SYSTEMS



## OPERATIONS DEPARTMENT



**T**he Operations Department deals with the overseeing, designing and controlling of processes and procedures, as well as the redesigning of business operations of the Motor Industry Ombudsman of South Africa (MIOSA).

The Operations Department works closely with all the departments within the MIOSA, making sure that the strategic vision and directives are followed while staying within the financial constraints of the MIOSA. Processes and procedures were continually developed during the year under review and upgraded to ensure better, simpler systems, which resulted in improved productivity. Quarterly reporting to the National Consumer Commission (NCC) carried out by the Operations Department

continued in 2018, outlining the successes and achievements of the MIOSA's ADR process.

All departments worked hand-in-hand to ensure that the MIOSA complies with the Consumer Protection Act No. 68 of 2008 (CPA) and the South African Automotive Industry Code of Conduct (Code). In order to accomplish this all employees take part in ongoing training on both the CPA and the Code.

The year under review was a tough year for the MIOSA, as one of its retired employees and good friend and two of its beloved employees passed away and this took a toll on everyone at the MIOSA.

## ADMINISTRATION DEPARTMENT



**I**n accordance with the pending Protection of Personal Information Act (POPI Act), the MIOSA, as an organisation, conducts itself in a responsible manner when collecting, processing and storing information. In order to be compliant with this pending legislation, the MIOSA has installed a specialised filing system that offers document protection by means of a fire retardant cabinet cladding, ensuring the integrity of all consumer and supplier information regarding complaints lodged with the MIOSA.

expedient processes for allowing immediate access to complaint information. This is achieved through continuous upgrading of the processes and training of the administrative staff.

The main purpose is to keep up-to-date, precise records of all complaints past and new. This enables the MIOSA to provide an essential service to the automotive and related industries and consumers.

The MIOSA Administration Department provides support to the Information and Liaison Department and the Case Management Department in ensuring





## CASE MANAGEMENT DEPARTMENT



**F**or the Case Management Department, 2018 meant trying to maintain the stellar record achieved in 2017. Constant evaluation of processes set against current performances allowed the Motor Industry Ombudsman of South Africa (MIOSA) to gain a realistic view of what was not working and how processes needed to be changed accordingly.

Constant interaction with the National Consumer Commission (NCC) and attendance

of alternative dispute resolution seminars mapped out the change that the department needed to undergo in order to fulfill the obligations of the MIOSA to consumers and the automotive and related industries.

After careful consideration of the pros and cons, the MIOSA in the year under review decided to divide the department into two teams headed by two senior case managers who were tasked with guiding the teams to

be more proficient and expeditious in dealing with consumer complaints. This was successful without compromising the quality or quantity of complaints closed.

Unfortunately the department suffered the passing of two colleagues, a case manager and an assistant to a case manager, as well as the retirement of another colleague. It took some time for the department to recover from these sudden losses.

During the year under review the Case Management Department assisted consumers and suppliers alike, bringing about clarity in terms of their rights and obligations, and finality to their complaints regarding transactions entered into in the automotive and related industries in South Africa, by closing 8 403 complaints.

The average closure rate of cases was 54 days from submission to conclusion.



## INSPECTORATE DEPARTMENT



**T**he MIOSA has, since accreditation by the Department of Trade and Industry, appointed inspectors in the provinces with the highest activity in the automotive and related industries.

The main focus of the MIOSA inspectors is to collect information, to visit participants in the automotive and related industries and to assist them in the registration process, since making the contribution is a legal requirement. The inspectors also explain

the benefits that contributors derive from registering with the MIOSA.

The MIOSA Inspectorate Department works closely with the compliance officers of the NCC, Consumer Affairs, National Credit Regulator and the South African Police Service to ensure compliance within the automotive and related industries. If industry participants indicate that the business no longer trades, an inspector visits the premises to confirm closure.

## INFORMATION & LIAISON DEPARTMENT



**T**he first contact with a neutral party and one of the most important phases in the dispute resolution process is the Information and Liaison Department. The information and liaison department exceeded all expectations, thanks to continuous training of staff and good management.

A new system was put in place in June 2018 to ensure that consumers receive prompt response when calling the MIOSA. The department remains impartial and strives to assist consumers as well as industry participants with immediate advice on their rights or how to go about lodging a complaint and not forgetting the ability to be able to refer parties to the correct Ombudsman should their complaint not fall within the jurisdiction of the MIOSA.

There was a decrease in the number of calls received in 2018. This can be attributed to a number of factors i.e. better public awareness and the information campaign headed by the Public Affairs Department, as well as the online complaints application form and the realisation by the industry of the particular laws governing their day-to-day course of business.

The Information and Liaison Department in conjunction with Case Management, Finance, Inspectorate, Legal, Operations and Public Affairs Departments, is working tirelessly to achieve industry compliance with the requirements of the Consumer Protection Act No.68 of 2008 and its regulations.





## INSPECTORATE DEPARTMENT: REGISTERING OF BUSINESS INFORMATION



**D**uring the period covered by the 2018/19 annual report the total number of businesses that registered with the Motor Industry Ombudsman of South Africa (MIOSA) was the highest since accreditation in 2014.

The MIOSA experienced a steady flow of registrations from used vehicle dealerships, mechanical workshops, spares outlets, fitment centres and auto body repairers throughout the period.

Although these sectors made up the bulk of the new registrations, meaningful contributions were also recorded from filling stations and engineering shops.

With new importers from China appearing on the South African market there was also a notable number of new vehicle dealers registering. The total number of registrations from this sector was further boosted by registrations of dealerships retailing new vehicles due to changes of ownership.

During 2018 the MIOSA embarked on a more aggressive approach to prompt non-compliant participants in the automotive and related industries to register. This included:

Automotive and related industry participants not complying with the legislation by neglecting or refusing to register were warned that, should they be identified

by an inspector from the MIOSA, they would be held liable to pay all arrears dating back to 2015. The MIOSA embarked on a litigation strategy to force non-compliant participants in the automotive and related industries to register with the MIOSA and to make the prescribed contribution, as described in the South African Automotive Industry Code of Conduct (Code).

Consumers were advised that when it came to vehicles needing repairs, they should ask the service provider whether the business is registered with the MIOSA or not and if the answer was negative to walk away and to source a business that was registered with the MIOSA. Inspections throughout the country by the Compliance and Enforcement

Committee of the Consumer Protection Forum (CPF) at the premises of participants in the automotive and related industries resulted in numerous registrations.

The efforts of the MIOSA inspectors in assisting businesses involved in the automotive and related industries countrywide to register proved to be invaluable.

It is clear from looking at the number of registrations for the period under review that the message to comply with the legislation and to register with the MIOSA and pay the contribution has finally been accepted by the majority of participants in the automotive and related industries in South Africa.





## PUBLIC AFFAIRS DEPARTMENT



**The Code mandates the MIOSA, amongst other things, to create awareness of the organisation, but also to educate consumers, suppliers and all other participants within the automotive and related industries with regards to the Consumer Protection Act No. 68 of 2008 (CPA) and the role of the MIOSA. Except for maintaining stakeholder relationships, the Public Affairs Department remains responsible for conducting ongoing awareness and consumer education workshops throughout the country.**

Every year during the month of March, consumer rights are celebrated worldwide. During this time consumer protection groups align their activities with the theme

determined by Consumer International by embarking on consumer education and awareness campaigns. On March 1st, 2018, the MIOSA kick-started the World Consumer Rights Month by staging a consumer rights exhibition.

Although the main purpose of the event was meant to raise awareness amongst the MIOSA employees, it attracted employees from offices within the business park. The Banking Ombudsman, Tax Ombudsman, Consumer Goods and Services Ombudsman, Financial Sector Conduct Authority, National Credit Regulator, Harambe Youth Employment Accelerator and the National Consumer Commission

exhibited at this event where they interacted face-to-face with consumers. This was history in the making as the MIOSA became the first accredited Ombud Scheme in the country to stage an event of this kind.

The MIOSA also participated in a series of consumer education workshops and awareness programmes that were organised by various provincial consumer protection offices and by the Government Communications and Information Systems (GCIS).

Multi-agency awareness and compliance inspections were conducted at suppliers in the automotive and related industries which culminated in collaboration between the

MIOSA and the South African Police Service (SAPS). The two entities jointly embarked on a countrywide awareness and compliance campaign aimed at the automotive and related industries. The MIOSA also extended an invitation for co-operation to all the Provincial Consumer Protection Offices and in the process assisted them with automotive and related industry complaints that posed challenges.

The MIOSA continues to enjoy media coverage and also supports community radio stations in their endeavour to educate consumers within their spectrum. During the year under review the Public Affairs Department took part in 33 radio interviews and 3 television interviews. ●



# OBITUARIES

## COEN GOUWS

(1943 – 2018)

**C**oen Gouws was very well known in the motor industry. He had a long stint in the customer care department of Toyota before joining the MIOSA in 2005. He not only inspired his colleagues but could bring laughter to even the most dreary of days. It was indeed a sad day when Coen retired from the MIOSA in 2015 due to bad health. He will always be remembered and sorely missed.



## TERRY KENT

(1951 – 2018)

**T**erry Kent was not only a great all-round technician, he was also an accomplished pilot, deep-sea skipper, clothing designer and dressmaker. He owned his own airplanes, boats and businesses, which he ran with great success. Above all though, Terry was a good husband, father and friend. He could be called upon at any time if his help was needed and he'd be there, no questions asked. His passing leaves a great void in the hearts of those who knew and loved him.



## THAVA CHINSAMY

(1981 – 2018)

**T**hava Chinsamy will be remembered fondly as someone who always had other people's interests at heart and would put them first. This was evident not only at work but also in his community. Thava and Pragasi, his beloved sister, shared an unbreakable bond that was strengthened even further by their unwavering values. His warm smile and endearing nature will be missed by all who had the privilege of working with him.



# LETTERS RECEIVED

## A. PARDESI

*Thank you kindly for assisting me in this matter. They contacted me and will refund me. I feel so grateful and that you have resolved my case. It is a relief that I have been taken seriously in this matter.*

## L. MHIRIZHONGA

*Thank you very much for your assistance in this matter. I well appreciate your assistance, especially in cases where we feel we are powerless, you have helped me a lot.*

## A. SHERIFF

*I would like to take this opportunity to thank you for your professionalism and the efficiency of your response and attendance since the moment the matter was brought to your attention.*

## J. MADIGA

*Thank you so much for the effort made by the MIOSA, I received the call today from the supplier regarding the car. They told me to bring the car to them so that they can fix what has to be fixed.*

## P. ELS

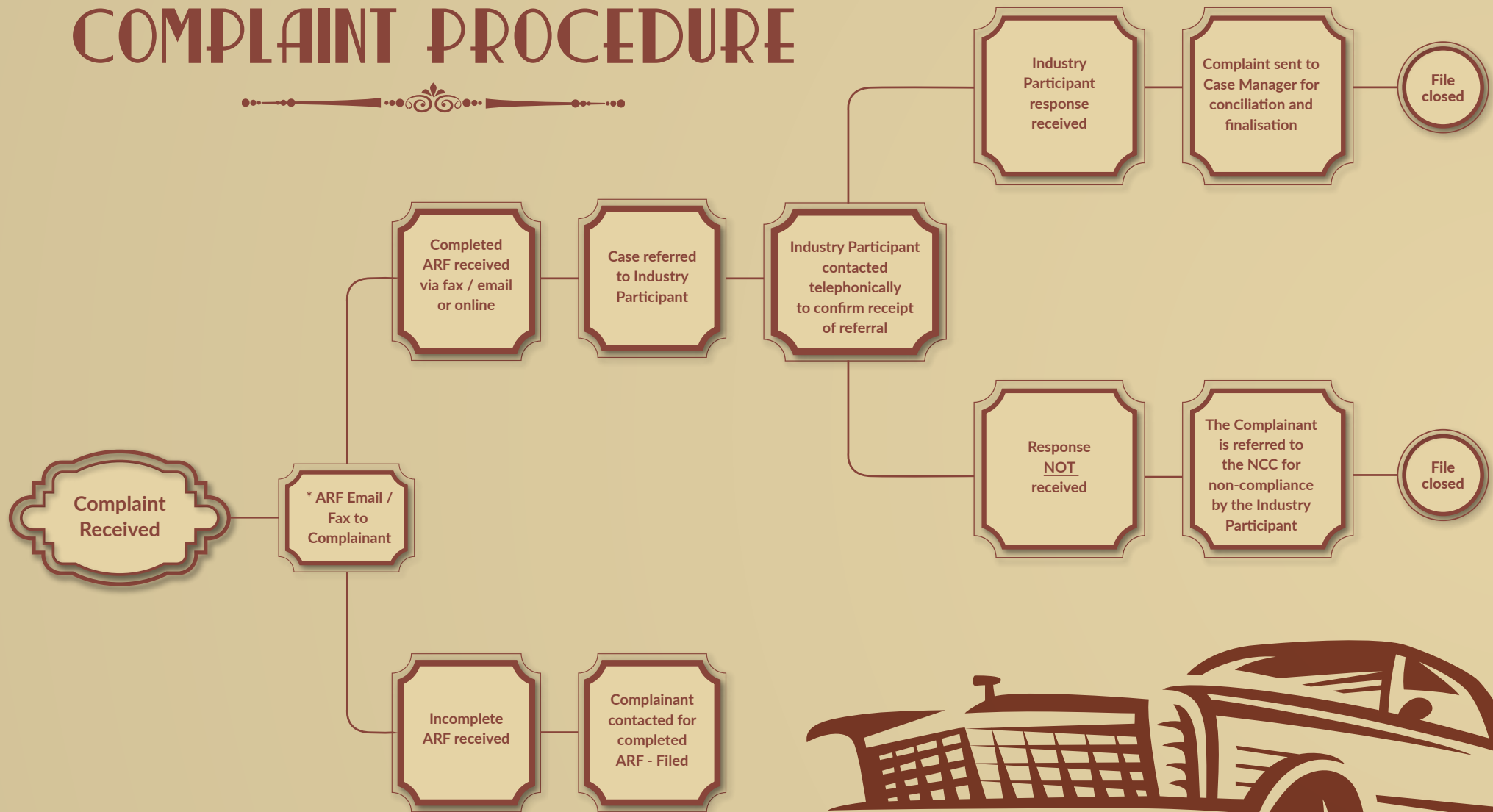
*Just a short word of thank you to all whom had overseen my case. I really appreciate the speed at which things were done and concluded.*

## B. DUBE

*Thank you very much. We give our deep appreciation to your inspectorate team. They are real consumer protection soldiers. We experienced fireworks and scud missiles in the operational environment but they could take the fight without timidity. To that we salute your team.*



# COMPLAINT PROCEDURE



\* ARF = Assistance Request Form

# CASE STUDIES



## COMPLAINT

The complainant approached a service provider and requested that they repair his motorcycle. The motorcycle was diagnosed and an estimate provided for the replacement of the fuel pump. The complainant authorised the repairs and received his motorcycle in a repaired condition. The consumer alleged that he was overcharged for the work, and wanted to be refunded a portion of the amount paid.

## CONCLUSION

The Motor Industry Ombudsman of South Africa (MIOSA) found that, according to the evidence provided, the consumer had authorised the work to continue after receiving an estimate. The work was completed according to the agreement. The MIOSA could not support the expectations of the complainant as evidence provided proved that the complainant had authorised the work to continue and was not charged more than the estimated amount, in accordance with Section 15 of the Consumer Protection Act No. 68 of 2008.

## COMPLAINT

The complainant approached an approved service provider to carry out repairs on his vehicle which was covered by the manufacturer's warranty. The clutch was initially replaced at the cost of the consumer. The consumer still found that there was a noise emanating from the engine as before and reported this to the approved service provider. The engine eventually failed and the warranty claim was rejected as the dealer was of the opinion that the vehicle was over-revved.

## CONCLUSION

The MIOSA requested a technical report on the cause of the failure. A failed thrust bearing was found to be the cause, and the clutch had been incorrectly diagnosed. The MIOSA resolved that the engine should be replaced in terms of the manufacturer's warranty and at no cost to the consumer.

## COMPLAINT

The complainant purchased a pre-owned diesel vehicle with 99 000 kilometres on the odometer from a supplier. After the sale the complainant noticed smoke being emitted from the exhaust during cold start. The complainant alleged that the vehicle was not usable and durable and as such provided the MIOSA with a manufacturer's service provider report confirming smoke during cold start. The complainant wanted the deal cancelled.

## CONCLUSION

The supplier requested an opportunity to perform an independent assessment by a MIOSA-approved independent assessor, in order to get a clear understanding of the condition of the vehicle, which was approved. The MIOSA resolved that the vehicle was usable and durable after receiving the independent assessor's report, which stated that the vehicle was in a good working condition and that the black smoke was normal considering that the vehicle used diesel fuel. The complainant's expectation was not met.

# CASE STUDIES



## COMPLAINT

The complainant purchased a pre-owned vehicle from a supplier. The oil light illuminated later that day. The supplier sent a technician who topped up the oil and advised the complainant that it was safe to continue driving. An engine noise developed that same day, requiring the overhauling of the engine. It was the expectation of the complainant that the vehicle be repaired at no cost to himself.

## CONCLUSION

The Motor Industry Ombudsman of South Africa (MIOSA) found that the vehicle had failed to satisfy the requirements and standards contemplated in Section 55 of the Consumer Protection Act No. 68 of 2008 (CPA). The supplier had to repair the vehicle in terms of Section 56 (2) of the CPA at no cost to the complainant.

## COMPLAINT

The complainant purchased a vehicle from a supplier. The vehicle overheated and the complainant continued to drive the vehicle for another five kilometres, causing consequential damage to the engine. The vehicle was equipped with warning lights which the complainant ignored when the vehicle overheated.

## CONCLUSION

The MIOSA found that the supplier could not be held liable for the excessive damage to the engine due to driver negligence. ●





# A WORD OF THANKS



**T**he Motor Industry Ombudsman of South Africa (MIOSA) can confidently state that it enjoys the full support of the formal automotive and related industries in South Africa. The MIOSA wishes to thank the following organisations and institutions for their generous support:

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- The Consumer Goods and Services Ombudsman;
- The Credit Information Ombudsman;
- The FAIS Ombudsman;
- The Ombudsman for Short-term Insurance.

The MIOSA also wishes to extend its sincere thanks to the dealer groups and the greater number of individual motor-related businesses for realising the importance of consumer care and retention as the basis for success. Their support and continued acknowledgement have resulted in the MIOSA growing from strength to strength. We trust that our services will continue to benefit all parties in 2019. ●





MOTOR INDUSTRY OMBUDSMAN  
OF SOUTH AFRICA

## THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA

Founder Member of the Ombudsman Association  
of South Africa



Phone: 086 11 64672 / 010 590 8378

Fax: 086 630 6141

Email: [info@miosa.co.za](mailto:info@miosa.co.za)

[www.miosa.co.za](http://www.miosa.co.za)

Suite 156, Private Bag X025  
Lynnwood Ridge, 0040