



Issue 4 | Volume 15 | Quarter 4 – 2024

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 2024

Vehicle sales by segment

Passenger

Nov 2024 | 35,101
Nov 2023 | 29,252



LCV

Nov 2024 | 10,827
Nov 2023 | 12,937



Commercial

Nov 2024 | 2,657
Nov 2023 | 2,738



Total sales

November 2024 | 48,585

November 2023 | 44,927

Total vehicle sales by manufacturer



Toyota | 12,106



Volkswagen Group SA | 6,321



Suzuki Auto | 6,004



Ford Motor Company | 3,071



Hyundai Automotive SA | 2,940

Application Volumes

New
cars
43,446

Used
cars
108,922

Average value of
new cars financed

Nov 2024 | R378,488

Nov 2023 | R402,387



MESSAGE FROM THE OMBUDSMAN

Managing your organisation during these difficult times

The economic landscape we currently find ourselves in is undeniably challenging. With an unemployment rate that appears to rise by the day and an economy struggling to gain momentum, it often feels as though the proverbial light at the end of the tunnel may, in fact, be an oncoming train. Yet, as businesspeople, we have no choice but to remain resolute. We must persevere in pursuit of our aspirations, goals, and the results we strive to achieve within our businesses.

In the face of adversity, it can be all too easy for businesses, whether large or small, to become consumed by the demands of daily operations. This focus on immediate tasks often leads to losing sight of the future. Without consistent reflection, a clear vision, or a well-defined sense of direction, businesses risk operating in a short-term mindset that may jeopardise their long-term success. Activity without a strategic purpose can lead to losing direction, control, and the very essence that drives sustainable success.

To address this, it is essential to contextualise and define a clear vision for your business. Authors Warren Bennis and Bert Nanus offer an insightful definition of organisational vision: *‘A mental image of a possible and desirable state of the organisation... A view of a realistic, credible, attractive future for the organisation, a condition that is better in some important ways than what now exists.’* This definition underscores the importance of envisioning a future that inspires and motivates both leadership and employees to move forward with purpose.

The aim of this article is to reaffirm that, regardless of prevailing trading conditions, maintaining focus on a few critical elements can safeguard your business’s trajectory.

Johan van Vreden
Motor Industry
Ombudsman of
South Africa



These elements include:

- **Understanding factors that shape your core values:** Identify what truly matters to your organisation. Core values serve as the foundation upon which all decisions should be made.
- **Isolating and prioritising those core values:** Distill your values into a manageable framework that can guide your team effectively.
- **Defining the core purpose of your business:** Determine why your business exists beyond profit. This purpose will provide clarity and drive commitment during turbulent times.
- **Visualising the desired future:** Create a vivid mental image of where you want your business to be in the coming years. This vision acts as a beacon, guiding every strategic decision.

Once these components are established, you can articulate a vision that encapsulates your reflections on core values, purpose, and the desired future.

This vision, expressed as a comprehensive “big picture,” will inspire and align your team, ensuring everyone is working towards a shared goal.

Admittedly, these concepts may seem lofty or abstract at first glance. However, in a subsequent article I will focus on breaking down the practical steps involved in crafting a business vision. These steps will empower you to remain motivated, focused, and capable of keeping your business afloat, even in these trying times. By maintaining clarity and direction, your organisation will not only survive but thrive, regardless of external challenges. ●



Protecting consumers' rights: Key points from the Consumer Protection Act

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

The Motor Industry Ombudsman of South Africa (MIOSA) wants to remind both consumers and suppliers of their rights and obligations as outlined in the Consumer Protection Act No. 68 of 2008. Understanding these provisions helps foster fairness, transparency, and accountability in all transactions. Below are some critical sections of the Act that every consumer and supplier should familiarise themselves with:

Section 65: Safeguarding consumer property

Suppliers who handle consumer payments, deposits, or property are legally required to adhere to specific standards of care. This includes:

- Treating consumer property with the utmost care and diligence, as though managing someone else's belongings.
- Refraining from treating consumer property as if it were their own.
- Accepting liability for any loss or damage caused by negligence.

This section reinforces the importance of trust and accountability in consumer-supplier interactions, ensuring that consumers' assets are protected at all times.

Section 54: The right to quality service

Consumers are entitled to high-quality service that meets their expectations and preserves the condition of their property. Specifically, suppliers must:

- Return consumers' property in the same or better condition than it was received.
- Honour any pre-agreed service conditions or quality criteria.

This section underscores the consumer's right to demand value and reliability in the services they pay for.

Section 49: Clear communication of terms

When suppliers set terms that may limit liability or expose consumers to risk, it is their responsibility to ensure transparency. They must:

- Present these terms in plain and understandable language.
- Confirm that the consumer comprehends the terms before finalising any agreement.

This provision protects consumers from unwittingly agreeing to unfair or risky terms and promotes informed decision-making.

In summary

Suppliers have a legal obligation to safeguard consumer property, deliver services that meet agreed standards, and provide clear, transparent communication of any terms or risks. Consumers, in turn, should remain informed of their rights and expect nothing less than quality and fairness in their dealings.

Stay vigilant and informed to protect your rights. For further details, contact the MIOSA or consult the Consumer Protection Act.

Final thoughts

The MIOSA extends its heartfelt appreciation to the South African motor industry for its collaboration, cooperation, and support throughout this challenging year. Your collective efforts have been instrumental in resolving industry disputes effectively and fairly.

As South African courts impose increasingly significant fines for prohibited conduct, the importance of amicable dispute resolution cannot be overstated. Working together to address disagreements before they escalate into legal action benefits all parties involved. ●

A CASE IN POINT



COMPLAINT

A complainant purchased a used vehicle, which soon presented minor issues that were addressed by the selling dealership. However, the vehicle later broke down and was repaired by a third-party service provider, but the repair was temporary. The complainant was instructed to manually adjust wires under the bonnet when certain symptoms occurred, leading to unsafe vehicle use. Eventually, the vehicle failed completely, and the dealership refused further assistance, claiming the vehicle had already been repaired. All these issues occurred within six months of delivery.



FINDING

The Motor Industry Ombudsman of South Africa (MIOSA) reviewed the legal framework and technical evidence and determined that the complainant's vehicle did not meet the standards of Section 55 of the Consumer Protection Act No. 68 of 2008 (CPA). The complainant sought to cancel the sales agreement, which the MIOSA supported under Sections 56(2)(3) and 20(6) of the CPA. The agreement was cancelled, and the complainant was liable only for usage costs if required by the dealership. Both parties accepted the MIOSA's finding and complied within five working days.



COMPLAINT

The complainant booked a vehicle in at a service centre to address engine power loss. The service centre replaced the diesel filter, which did not resolve the issue. They then engaged a specialist without the complainant's authorisation. The complainant refused to pay for the unauthorised service and demanded a refund for the initial service.



FINDING

The MIOSA cited the CPA, Section 15(2), stating the complainant should have received and approved a quotation for additional services. The unauthorised service was deemed unsolicited, meaning the complainant is not required to pay for it. However, the complainant remains liable for the initial authorised service, as it followed proper diagnostic procedures.



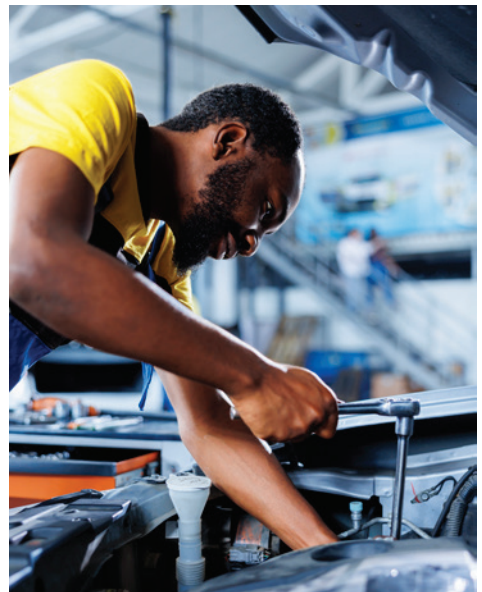
COMPLAINT

A complainant purchased a used vehicle from a dealership. Two months later the new owner complained about spots that had appeared on the paintwork of the vehicle after a rainstorm. The selling dealership collected the vehicle, had it washed and polished, and it was returned blemish-free. After another rainstorm the vehicle was again covered with spots. The complainant wanted the transaction to be cancelled as she had purchased the vehicle to be used for e-hailing purposes. The selling dealership refused to cancel the transaction.



FINDING

It was found that the vehicle had been accepted for use as an e-hailing vehicle, it had passed a roadworthy test, and the complainant had acknowledged previous accident-related repairs prior to delivery. There was no documented evidence of a paint-related concern. The MIOSA could not find that the vehicle did not meet the requirements and standards contemplated in Section 55 of the CPA and could not support the complainant's expectation that the transaction be cancelled.



PEOPLE, PUNS AND PRODUCTS

Rare Audi auctioned

The only Audi RS 6 Avant GT in South Africa recently fetched R4.5 million at an exclusive auction in Cape Town. This rare gem, one of just 660 produced globally, is a collector's dream. Finished in Arkona White with Audi Sport accents, it features high-gloss white alloy wheels and premium bespoke detailing. Beneath its sleek exterior lies a twin-turbocharged V8 engine delivering 463 kW and 850 Nm of torque. Its performance is as thrilling as its looks, hitting 0-100 km/h in 3.3 seconds and topping out at 305 km/h. Enhancements like carbon fibre panels, adjustable coilover suspension, RS ceramic brakes, and a Bang & Olufsen sound system elevate this vehicle to a class of its own.



Epic journey completed

The Africa Odyssey Expedition, led by the Kingsley Holgate Foundation, recently came to an end, marking the culmination of an 18-month adventure across 12 African countries. The journey aimed to highlight the vital conservation work of African Parks, showcasing 22 protected areas spanning over 20 million hectares.

Covering over 30 000 km, the expedition brought together community support, conservation education, and humanitarian efforts, including malaria prevention and eye care for remote communities. Travelling in Land Rover Defender 130s, the team tackled diverse terrains, from rainforests to deserts, while documenting cultural and ecological stories along the way.

Fleet professionals unite

The South African Association for Fleet Professionals (AFP) was recently launched, marking a milestone for the fleet management industry in the country. This organisation aims to elevate the profession by providing tools, resources, and advocacy to make fleet management a sought-after career path rather than an unintentional role. The AFP plans to implement strategies that promote professional development, enhance road safety, and encourage sustainability within the transport sector. Key initiatives include bridging skills gaps,



fostering innovation, and creating a unified voice for fleet professionals. By prioritising local challenges and global best practices, the AFP intends to transform fleet management into a more efficient, eco-friendly, and economically impactful industry. The association officially begins operations in 2025.

First championship for Hyundai

Hyundai Motorsport has secured its first FIA World Rally Championship drivers' and co-drivers' titles, with Belgian duo Thierry Neuville and Martijn Wydaeghe achieving this milestone at Rally Japan. The team's 2024 campaign was marked by consistency, with two victories, six podiums, and an impressive 49 stage wins. Their triumph culminated in dramatic fashion, overcoming technical setbacks and securing the championship after their closest rivals retired early in the final rally. This marks a historic moment for Hyundai, highlighting their decade-long pursuit of rally success.



Mightiest Mustang arrives in SA

Ford South Africa has officially launched the highly anticipated Mustang Dark Horse, marking the arrival of the most performance-focused Mustang yet. This beast of a car is powered by a specially modified 5.0-litre Coyote V8 engine, delivering a roaring 372 kW

and 567 Nm of torque. Designed for driving purists, the Dark Horse includes exclusive features like enhanced aerodynamics, an auxiliary oil cooler, and Brembo brakes. Priced from R1.5 million, it offers more than raw power. Its sinister design elements, including a unique grille and darkened exterior accents, complement the advanced digital cockpit, tailored to create an immersive driving experience. Demand is already high, with allocations for 2024 snapped up, but more units are set to arrive locally in 2025.

Kia builds a bakkie

The Kia Tasman, the brand's highly anticipated bakkie, was recently unveiled at the Jeddah International Motor Show. This new addition to the Kia lineup, set to compete with popular models like the Ford Ranger and Toyota Hilux, will debut in South Africa in 2025. Available in both double- and single-cab variants, the Tasman boasts impressive off-road capabilities, with features like a raised suspension, a variety of terrain modes, and an electronic locking differential for enhanced traction. Its two engine options – a 2.5-litre turbopetrol producing 207 kW and a 2.2-litre turbodiesel generating 155 kW – ensure both power and performance. With a payload capacity of 1 195 kg and towing capabilities of up to 3 500 kg, the Tasman is poised to tackle both work-related tasks and off-road adventures.



PUBLIC AFFAIRS UPDATE

Finishing the year in high gear

Lucious Bodibe
Public Affairs
Manager of the
MIOSA



The fourth quarter of 2024 was a dynamic and impactful period for the Public Relations Department of the Motor Industry Ombudsman of South Africa (MIOSA). Through a variety of initiatives and campaigns, we furthered our mission to promote compliance, educate stakeholders, and empower consumers across multiple provinces.

Early in the quarter, the MIOSA supported the Honourable MEC for the Gauteng Department of Finance & Economic Development, Mr. Lebogang Maile, in launching the business compliance campaign "Operation Qondis' Ishishini Lakho". The campaign's name, meaning "fix your business", underscores its focus on fostering compliance among businesses. Recognising that compliance is at the core of MIOSA's mandate, we swiftly joined forces with the MEC's team to shape and implement this important initiative.

The MIOSA extended its efforts to Mpumalanga Province at the invitation of their Consumer Affairs Office. This campaign had a dual focus: promoting business compliance and serving as a preparatory exercise for the upcoming 2024 World Consumer Rights Day. Despite challenges, including widespread concerns about alleged unsafe food during this period, the MIOSA team remained committed and worked collaboratively with other regulators, each fulfilling their respective legislative mandates to ensure the campaign's success.

The Free State Province's Department of Economic, Small Business Development, Tourism, and Environmental Affairs (DESTEA) hosted a two-day workshop aimed at supporting small businesses in the automotive sector. The event saw strong attendance from emerging automotive industry participants in the province, including independent providers specialising in oil and engine lubricants. The MIOSA played a central role, with numerous businesses eager to learn about compliance requirements at their formative stages. Our presence and expertise reinforced the importance of adhering to regulations for sustainable growth.

In the Northern Cape, the MIOSA collaborated with the Information Regulator on its awareness campaign. The MIOSA team organised a consumer rights workshop for officials from the Department of Education in the ZF Mgcawu District. The campaign concluded with a Stakeholder Engagement Breakfast, where the focus shifted to educating participants on the Protection of Personal Information Act (POPIA) and Protection of Access to Information Act (PAIA). This event was particularly valuable for MIOSA staff, as it provided an opportunity to learn and gain insights from others.

As Black Friday and the festive season approached, the MIOSA partnered with other ombud schemes, regulators, and provincial consumer affairs offices to raise awareness about online scams and discourage impulsive spending. These collaborative efforts proved timely and effective, with many consumers gaining crucial information to safeguard their finances during a high-spending period.

The success of the MIOSA's campaigns was evident in the increased consumer engagement we witnessed. Many individuals who were previously unaware of their rights reached out for assistance and successfully lodged complaints through the MIOSA's online platform.

The MIOSA's visibility during this quarter also attracted significant media attention. It participated in nine radio interviews across commercial, community, and SABC stations, further amplifying the organisation's reach. Additionally, the MIOSA's growing presence on social media continues to enhance its ability to connect with diverse audiences, ensuring its messages resonate far and wide.

The Public Relations Department remains committed to fostering compliance, promoting consumer rights, and building meaningful connections with stakeholders. ●