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UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



THE ROAD AHEAD

MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA

NEW VEHICLE SALES AND EXPORTS FEBRUARY 2022

Highest Sales February 2022: Hilux

3,503

VEHICLE SALES BY SEGMENT

Passenger

Feb 2022 | 29,563

Feb 2021 | 24,144



LCV

Feb 2022 | 12,290

Feb 2021 | 11,232



Commercial

Feb 2022 | 2,376

Feb 2021 | 1,993



TOTAL SALES

February 2022 | 44,229

February 2021 | 37,369

VEHICLE SALES BY CHANNEL

DEALERSHIP

37,553

RENTAL

4,492

GOVERNMENT

1,668

SINGLE SALES

516

TOP 3 SELLING VEHICLES

Passenger

1. VW Polo - 2,004
2. Toyota Corolla Cross - 1,693
3. VW Polo Vivo - 1,634

LCV

1. Toyota Hilux - **3,503**
2. Toyota Hiace - **1,458**
3. Isuzu D-MAX - **1,401**

APPLICATION VOLUMES

NEW

51,749

USED

103,538

Average value of new cars financed

February 2022

371,454

February 2021

363,738

MESSAGE FROM THE OMBUDSMAN



Johan van Vreden
Motor Industry
Ombudsman of
South Africa

REPUTATION

There's an old saying: "The more things change, the more they remain the same." Bearing this in mind, I want to caution readers that everything is not always as it seems though.

Showroom floors at dealer networks may be fully stocked and appear to be a veritable buyer's paradise, but buyers are not as plentiful as in the past. We are bombarded with advertising on all platforms, but the importance of word-of-mouth recommendations as a valuable selling tool can't be stressed enough. This is true for all industry participants that deal with the public. The question is how does one successfully tap into this?

You might think that I am hammering on the old clichés of providing good customer service and quality work. Remember, however, that even though normal advertising channels play a significant role in the promotion of a business, brand or service, there is still no substitute for positive word-of-mouth advertising.

Surveys conducted by the Motor Industry Ombudsman of South Africa (MIOSA) have shown that service providers who engage in quick, effective, and constant communication with customers – via SMS or

a telephone call – have the highest number of loyal and returning customers.

This is especially true for so-called independents that are not linked to a specific manufacturer or brand. We have entered a new era where the building of one's own brand is more important than ever. This means that one should pay increased attention to public affairs issues through initiatives such as customer satisfaction surveys or special open days where loyal customers are invited to visit the premises, interact with staff, and receive VIP treatment.

MIOSA surveys have revealed time and again that there is simply no substitute for personal contact by management with consumers when it comes to laying a solid foundation for positive word-of-mouth advertising. In fact, it has been proven that personal interaction is a huge contributing factor to the success of certain service providers. Yes, it takes time to build a good reputation, but that same reputation can be destroyed in no time at all.

The battle to maintain good standards is a constant and unrelenting one. In the next issue of UPDATE we will discuss a few ways of achieving this continuity. ●

FROM THE DESK OF HOBIE KRAUSE



Kobie Krause
Deputy ombudsman

RIGHT TO REPAIR

In-warranty service, maintenance and repairs by independent service providers

With the date for implementation of the Guidelines for Competition in the South African Automotive Aftermarket (Guidelines) fast approaching, there are a few important issues to pay attention to. As such, we will – in the next few issues of UPDATE – pay special attention to some of the challenges facing independent service providers (ISPs).

Section 5.4 of the Guidelines especially 5.4.6 – 5.4.9 places certain obligations on the ISP which should be taken seriously by the ISP.



Here are some highlights:

5.4.6 Important here is the fact that the consumer must be made aware in clear and explicit terms the risk of damage as well as consequential damage caused by the ISP which might void certain obligations of the original equipment manufacturer (OEM) in terms of the warranty.

5.4.7 ISPs must disclose whether they have adequate commercial insurance cover to perform the work.

5.4.8 If the OEM finds that the damage to the vehicle is as a result of the ISP's cause, there is a risk that certain provisions of the warranty will be voided. The OEM at its own costs will assess the situation.

5.4.9 It becomes more interesting as a consumer who suffers harm from a defective product can bring a claim against any party in the supply chain in terms of section 61 of the Consumer Protection Act No. 68 of 2008 (CPA).

It is important for ISPs to take note of the above and protect both themselves and the consumer in the normal course of business. ●

A CASE IN POINT

COMPLAINT

The complainant purchased a used vehicle with 167 600 kilometres on the odometer. When the complainant collected the vehicle from the respondent, he felt that the clutch was set extremely low. The complainant immediately took the vehicle back and asked that they set it correctly. A day later, the vehicle was delivered back to the complainant, who took it for a drive and found that the clutch was still set too low. The complainant returned the vehicle for a second time. The vehicle was delivered back to the complainant again a day later with the clutch set correctly. However, as there was not enough travel on the clutch, the complainant heard a rumble and felt a vibration. The complainant immediately returned the vehicle to the respondent, and they replaced the clutch. The respondent returned the vehicle two days later, but the noise and vibration problems were still there. The complainant took the vehicle to a gearbox workshop for a second opinion, and it was confirmed that it was not normal. This was communicated to the respondent, who refused to collect the vehicle.

CONCLUSION

In terms of the Consumer Protection Act 68 of 2008, Section 56 subsection 2 states that there is a six-month implied warranty after the delivery of any goods to a consumer and that the consumer may return the goods to the supplier, without penalty and at the supplier's risk and expense. It further states that the supplier must at the direction of the consumer either repair or replace the failed, unsafe, or defective goods. As the report from the third party confirmed that there was indeed an issue with the vibration on the clutch pedal when changing gears at

2 500 r/min, the MIOSA recommended that the respondent attend to the noise/vibration concern indicated, as it was reported within the implied warranty period.

COMPLAINT

The complainant returned her vehicle to the selling dealership within two months of purchase as the radio and air-conditioning were not functioning. There were also gear selection difficulties and a noisy rear differential. In perspective, the vehicle was a 2010-year model, and the complainant had expected some problems along the way. The selling dealership attended to said concerns and the complainant took delivery. Around eight months after taking delivery of her vehicle the complainant returned it to the selling dealership and wanted them to attend to some concerns she noticed. The selling dealership declined to assist, and the complainant approached the MIOSA for assistance.

CONCLUSION

Upon the MIOSA's investigation it was found that the complainant had been involved in a bumper bashing before returning her vehicle to the selling dealership on the first instance. The selling dealership attended to the concerns raised, although some of these concerns raised were due to the collision. The selling dealership, however, declined to assist the complainant on the second instance as the six months' implied warranty in terms of section 56 (2) of the Consumer Protection Act No. 68 of 2008 (CPA), had already lapsed. The MIOSA concurred with the selling dealership on the matter and the recommendation conveyed that they had met their obligations in terms of the CPA. ●

PEOPLE, PUNS AND PRODUCTS

EUROPE'S CAR OF THE YEAR IS ALL-ELECTRIC

The Kia EV6 all-electric crossover is the 2022 European Car of the Year. The EV6 successfully fought off competition from the Hyundai IONIQ 5, Ford Mustang Mach-E, Škoda Enyaq iV, Cupra Born, Renault Mégane E-Tech and Peugeot 308 to take the crown. It is Kia's first dedicated EV to be based on the company's Electric-Global Modular Platform (E-GMP). It offers class-leading interior space, a 528 km driving range and 800V ultra-fast charging capabilities that enable customers to carry out a 10% to 80% charge in just 18 minutes.



FORD MUSTANG TO RACE IN 2024

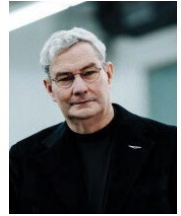
The Ford Mustang will lead Ford's return to global sports car racing as Ford Performance prepares a new GT3 race car for competition in 2024. The new Mustang GT3 racer will be powered by a Ford 5.0-liter Coyote-based V8 engine developed by Ford Performance and built by long-time racing collaborator and world championship winning team, M-Sport of Cumbria, England. It will feature bespoke short-long arm suspension front and rear, a rear-mounted transaxle gearbox, carbon fibre body panels, and a unique aero package developed to meet GT3 targets.



WORLD CAR PERSON OF THE YEAR ANNOUNCED

The World Car Awards jury panel has named Luc Donckerwolke, the Hyundai Motor Group's Executive Vice President for Design and Chief Creative Officer, its 2022 World Car Person

of the Year. The accolade recognises automotive industry professionals who have made a significant impact with their contributions in the year leading up to the award. Jury members representing 102 journalists from 33 countries cited Donckerwolke's role overseeing innovative new models, including Kia's EV6, as the principal reason for honouring him this year.



LOCAL RACERS MAKE HISTORY

The Stradale Racing/Into Africa Lamborghini Huracan GT3 Evo team made history as the first all-Black African team to enter – and finish – the recent Kyalami 9-hour. The team gained enormous exposure and interest from the international media on the grid before, during and after the race, garnering the loudest applause from the throngs of spectators as they mounted the podium. Xolile Letlaka claimed a double podium at the event, finishing third in the SA GT 1-Hour race, before racing to second place in the Kyalami 9-Hour National GT3 class along with team-mates Tschops Sipuka and Philip Kekana. Sipuka and Kekana were recruited into the team as homage to the missed international opportunities their talent deserved.



LEXUS WRITES A NEW CHAPTER WITH EV SPORTS CAR

Lexus has released a gallery of new photos and animations of its next-generation battery electric vehicle (EV) sports car. The new sports model will be part of a full line-up of battery EVs Lexus will launch by 2030 under its Lexus Electrified brand vision. With the bold proportions and low ride height required for a high-performance sports car, the newcomer will accelerate from 0-100 km/h in the

low two-second range and the cruising distance will exceed 700 km, thanks to the possible use of solid-state batteries.



MANAGEMENT CHANGES AT RENAULT SA

Motus Vehicle Distributors has announced promotions within the current managerial structure of Renault South Africa. Shumani Tshifularo assumed the role of Managing Director of the organisation with effect from 1st March 2022, with Jaco Oosthuizen being appointed as CEO of Motus Australia, effective 1st July 2022. Oosthuizen will be replacing John Johnson, the current CEO of Motus Australia, who is retiring from the group. Tshifularo is a qualified Chartered Accountant who has extensive experience spanning across various industries, including at Ernst & Young, the Nedcor Group, Imperial Fleet Services and Saficon Industrial Equipment (Toyota Forklift). He joined Renault SA in July 2021.



HIJACKINGS ON THE INCREASE

Tracker’s vehicle crime statistics for the period July to December 2021 reveal that the nature of vehicle crime has changed. For the past three years, hijacking has been on the rise. Recorded from Tracker’s more than 1.1 million installed vehicle base, the statistics indicate that hijacking attributed 57.5% of the Tracker vehicle crime activities for the second half of 2021. This is a complete reversal compared to July to December 2018, when theft accounted for 57.2% of the vehicle crime activities. Data also indicates that a higher proportion of vehicles



are reported hijacked on Thursdays, followed by Tuesdays, with a higher incidence of hijacking between the hours of 4pm and 8pm. Gauteng still experiences the most vehicle crime, followed by KwaZulu-Natal and the Western Cape.

NISSAN DESIGNS LIVE ON THROUGH EVERYDAY ITEMS

Did you know that Nissan has a dedicated brand and product licensing team whose sole purpose it is to come up with new products that repackage classic Nissan design features? Examples would be a Nissan Z chair, the first Japanese car model to feature in the LEGO range and a soy sauce dish bearing the GT-R logo. Inspiration for new products can come from anywhere and the team is always on the lookout for designs that embody Nissan’s brand identity. There is also an extensive clothing line, which enjoys a customer base beyond fans of Nissan cars. The idea is to make the brand useful and enjoyable in people’s daily lives, enabling a greater number of people to experience the exciting world of Nissan.



VOLKSWAGEN TO EXPAND ITS T RANGE

VW’s T SUV range will be bolstered with the market introduction of the Taigo later this year. By the end of 2022, Volkswagen’s T line-up will consist of seven models namely the T-Cross, Taigo, T-Roc, Tiguan, Tiguan Allspace, Tiguan R (launching in the local market in the third quarter of 2022) and Touareg. The Taigo will only be available with a 1.0 TSI 85 kW DSG engine and will offer a crossover body style, raised seating position and pioneering connectivity. ●



A STAUNCH SUPPORTER OF THE MIOSA HANGS UP HIS CONSUMER PROTECTION GLOVES



Lucious Bodibe
Public affairs
manager of the
MIOSA

We were raising awareness in North-West Province a year ago when a great friend and supporter of the office of the Motor Industry Ombudsman of South Africa (MIOSA) confided in me that he would be retiring at the beginning of 2022. Although I have known him for more than a decade, I was fooled by his youthful appearance and as such did not take his confession all that seriously.

I met Mr Sekgabi Tshenye, Senior Consumer Education Officer, in 2008 during an awareness campaign in the mining areas of North-West Province. He sat quietly and listened attentively throughout the workshop, and this made me worried as I thought my presentation was



boring. Surprisingly, he approached me at the end of the workshop to share his excitement. As time went on, I came to realise that Mr Tshenye is honest and a straight talker. In fact, as much as he professed to admiring and approving of my presentation skills, he would never hesitate to inform me when my performance was not to his satisfaction. Never one to shy away from constructive criticism, this helped me to grow in the education and awareness space.

I remember one year we had a challenge with a venue in Lebotlwane Village. Mr Tshenye disappeared amid the chaos, and I later found him sitting with the late Kgosi Nawa at the Baphuting Ba ga Nawa Tribal Office. He had already negotiated with Kgosi to allow us to hold a workshop at their offices. That is Mr Tshenye for you, a negotiator of note.

There is a Setswana idiom that says: "Ngwana wa mosimane ithute molodi, o gopole motlhang malata a ile." This means that you must learn from the elders while you are still young so that you can fend for yourself when they are gone. Though Mr Tshenye came from the high office of North-West Consumer Protection, he always reminded us to humble ourselves when we work in the villages and squatter camps. He served as a fountain of knowledge from which most of us quenched our thirst, and I have no doubt that he will look back with pride and smile every time he remembers our camaraderie.

It is on this note that I dedicate this article to him. Tsamay sentle Kgabo, ditiro tsa gago di tla go sala morago. ●