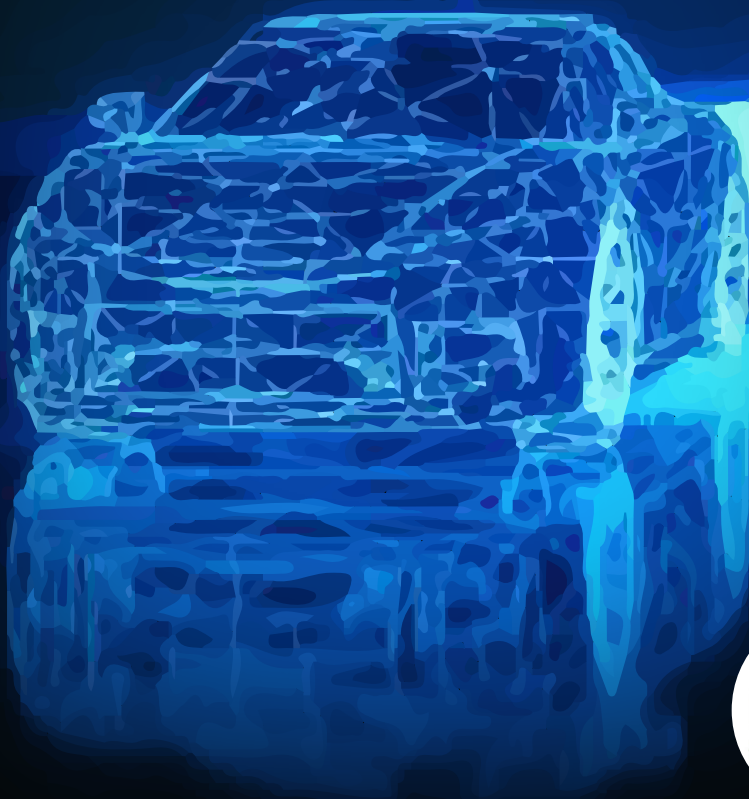




ISSUE 2 • VOLUME 13 • JUNE 2022

UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



THE ROAD AHEAD

**MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA**

NEW VEHICLE SALES AND EXPORTS MAY 2022

Vehicle sales by segment

Passenger

May 2022 | 27,437
May 2021 | 24,119



LCV

May 2022 | 9,221
May 2021 | 11,912



Commercial

May 2022 | 2,519
May 2021 | 2,327



Total sales

May 2022 | 39,177

May 2021 | 38,358

Vehicle sales by channel

DEALERSHIP



RENTAL



GOVERNMENT



SINGLE SALES



Top 3 selling vehicles

Passenger



SUZUKI Swift | 1,764



TOYOTA Urban Cruiser | 1,213



VW Polo Vivo | 1,179

LCV



FORD Ranger | 1,548



TOYOTA Hilux | 1,386



ISUZU D-MAX | 1,163

Application volumes

New cars
51,090

Used cars
111,831

Average value of
new cars financed

May 2022 | R366,526
May 2021 | R365,313

MESSAGE FROM THE OMBUDSMAN

Know when to say no!

Johan van Vreden
Motor Industry
Ombudsman of
South Africa



We are all living in extraordinarily difficult times, and sometimes we try to do the impossible in order to survive. I am certain most repairers, in the motor and related industries, have had to make difficult decisions to make ends meet. Smaller stakeholders in particular have had to learn to swim, or face the very real possibility of sinking, during these difficult financial conditions that we are currently enduring.

In this light, many are faced with the difficult decision of either saying no and losing money-earning jobs, or taking on jobs which they realise fall outside of their fields of expertise, in the hope that they will be able to complete it successfully. I realise the temptation is great, but it has landed many repairers in hot water as it has resulted in comebacks and broken relationships with customers. In the end a failed repair job can cost a repairer more than simply the value of the repair. Taking the risk is simply not worth it.

The moral of the story is to stick with what you know! If you have a specific field of expertise, try to punt that area and try

to specialise. Not only will you fare better in your business, but you will also build a reputation that will ensure return business. I know it is sometimes difficult to say no to a customer when you are approached to carry out a repair. However, it is better to refer your customer to another repairer that might specialise in the job they require, rather than to risk your reputation on something that falls outside of your frame of reference.

This will certainly result in your customer thanking you for being honest and chances are that he or she will support you if they might require a repair job that falls within your field of expertise. You must also be willing to explain to your customer why you aren't able to do a particular repair or why you don't feel comfortable taking on the job.

This way your integrity will remain intact, and you will not have to face the consequences a potential comeback and a tarnished reputation. So, learn to say NO, even when you think that you might possibly be able to carry out a repair job. ●



FROM THE DESK OF KOBIE KRAUSE

Independent Service Providers



Kobie Krause
Deputy Ombudsman

As we all know by now, the Competition Commission South Africa (CC) gazetted the Guidelines for Competition in the South African Automotive Aftermarket No. 46 (Guidelines), at the end of January 2021. In the guidelines an overview of and reasons for the issuing thereof were given.

There are a few aspects in the Guidelines that Independent Service Providers (ISPs) should be aware of. Not all of these will be discussed now but will be elaborated on at a later stage. For now, it is recommended that all ISPs study the definitions of the Guidelines.

According to the Guidelines OEMs shall not obstruct consumers in their choice

of service providers. However, during the warranty period the OEM will not be obliged to pay for work rendered by an ISP. There might be an issue regarding the terms and conditions of the warranty, and it might be that the OEM will void the whole or part of the warranty.

It is not yet clear which OEMs are going to abide by these Guidelines. It is therefore recommended that an ISP, before doing any work, establishes what the attitude of the specific OEM is. Work done by an ISP must be traceable and as such the ISP is obliged to record such in-warranty work in the consumer's service booklet or equivalent record-keeper.

Paragraph 5.4.6 of the Guidelines is very clear on the fact that the ISP shall disclose to the consumer the risk of damage – including consequential damage that could arise from its work – that may potentially void certain obligations of the OEM in terms of the warranty. An OEM may conduct an assessment, at its own cost, to ascertain such damage and liability. The warranty may be partially voided; however it is not clear at this stage what the attitude of the OEMs will be in this regard.

At this stage, let's conclude that an ISP must disclose to consumers whether it has adequate commercial insurance cover to perform the work that will be undertaken on a vehicle. It is suggested that clear signs or even a signed record from the consumer will suffice.

Further aspects will be discussed in the next issue. ●



A CASE IN POINT



COMPLAINT

The complainant took delivery of the vehicle, and it broke down on the same day. The selling dealership advised that it might be the battery and instructed the complainant to assess the same. This was not the problem. The vehicle was not operational, and the selling dealership was not willing to assist, later offering a full and final settlement of R6 000. The complainant declined the offer as the vehicle had not yet been assessed and the repair cost could potentially exceed the amount offered. The complainant then approached the MIOSA for assistance.



RECOMMENDATION

The MIOSA studied the submission made by the parties and the selling dealership had made allegations of negligence against the complainant. The MIOSA requested that an independent third-party service provider assess the vehicle and provide it with a report. As the report did not implicate the complainant, the MIOSA recommended that the selling dealership collect the vehicle and repair it at its cost, as per the directive in Section 56(2) of the Consumer Protection Act No. 68 of 2008.



COMPLAINT

Within a month after purchasing the vehicle, the complainant took it for a service and was informed that the sump, shock mounting, and suspension were defective. He subsequently authorised repairs to the sump and carried the costs himself. The complainant then approached the selling dealer, expecting it to be liable for the remaining repairs and to be refunded for the costs already incurred. However, the dealer declined to assist.



RECOMMENDATION

The office of the MIOSA assessed the submissions of both parties and concluded that although the concerns raised 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 (the Act), the complainant had third party repairs carried out on the vehicle without the consent of the selling dealer. As such, the complainant had voided the implied warranty as the vehicle has been altered in terms of Section 56 Subsection 1 of the Act. The MIOSA could therefore not accede to the complainant's request. ●



PEOPLE, PUNS AND PRODUCTS

Toyota dominates Car of the Year competition

The winners of the South African Car of the Year (COTY) competition were recently announced, and Toyota has reigned supreme. The manufacturer scooped four of the seven category awards, as well as the overall Car of the Year title for the Corolla Cross. The Corolla Cross was also the winner of the Compact Family category, while the hybrid model walked off with the silverware in the New-energy category. The Urban Cruiser won the Compact category and the Landcruiser 300 dominated in the category for Adventure SUVs. The Nissan Navara was crowned as SA's best double cab 4x4. Other category winners were the Mercedes Benz C-Class in the Midsize category and the Volkswagen Golf GTI in the Performance category. The C-Class was also announced as the winner of the Juror's Excellence Award, while the Peugeot 208 came out on top in the Motor Enthusiasts' Choice category.



Jeep Gladiator makes local debut

The all-new Jeep Gladiator has just been launched here and is being hailed as the ultimate vehicle for any outdoor adventure. It combines rugged utility, versatility and functionality and offers Command-Trac and Rock-Trac 4x4 systems, third-generation Dana 44 axles, Tru-Lock electric front- and rear-axle lockers, Trac-Lok limited-slip differential, segment-

exclusive sway-bar disconnect and off-road tyres. The Gladiator is available in one model derivative in South Africa: the Rubicon. Under the bonnet is a 3.6-litre V6 engine delivering 209kW and 347Nm of torque, coupled to an eight-speed automatic transmission. It has a price tag of R 1 259 900, which includes a three-year/100 000 km maintenance plan.

Jaguar fit for a queen

Jaguar Classic showcased a bespoke Jaguar E-type at the Queen's Platinum Jubilee Pageant on 5 June 2022. The one-off renovation features a comprehensive list of enhancements carried out by the expert technicians at Classic Works, and metallic blue paintwork inspired by the Union Jack. The unique E-type made its debut alongside fifteen iconic Jaguars to feature in the Jubilee Pageant,



including a selection of historically important Jaguar E-types, an all-electric I-PACE eTROPHY race car, and seven convertible Jaguars. The one-off E-type was commissioned by a client who had specific requirements. He wanted a roadster manufactured in the year he was born and finished to a bespoke specification. The team at Jaguar Classic set to work and tracked down a Series 1 E-type that was built just two days after the customer's date of birth and over the following 12 months, the car underwent a complete rebuild. The original 4.2-litre straight-six was replaced by a 4.7-litre engine, delivering superior performance. It is optimised for road driving and married to Jaguar Classic's specially developed five-speed gearbox.

New appointment at Audi

Audi South Africa has announced the appointment of Mulalo Makungo (Ratshikhopho) to the role of National Sales Operations Manager, officially from 1 April 2022. She brings with her over ten years' experience in the automotive industry and has worked with the Barloworld and McCarthy Groups at Head Office level and across various other brands in the automotive sector, including BMW, General Motors, Burchmores and Traders Online. More recently, Mulalo held the position of Business Manager for the Volkswagen Brand since 2017. She has a Bachelor of Commerce Degree in Financial Accounting from the University of Cape Town and is a qualified Chartered Accountant. In her new role and reporting directly to the Head of Retail and Planning at Audi South Africa, she assumes responsibility for all sales operational topics together with the Rental, Government and Fleet sales portfolios too.



Haval creates COO position

Haval Motors South Africa has appointed Conrad Groenewald into the newly created position of Chief Operations Officer, effective 1 July 2022. Groenewald served as the Director of Sales Operations at Ford South Africa for just under five years and has held various management positions in the automotive industry. He also spent three years on an international assignment based in China.

Subaru celebrates 30 years

The year 2022 marks the 30th anniversary of Subaru Southern Africa. On 16 June 1992 it opened its doors with its first-ever dealership on the corner of Mooi Street and Commissioner Street in Johannesburg. Today it has thirteen dealerships and four service centres in South Africa and another dealership in neighbouring Botswana. The first vehicle on the floor in 1992 was the Legacy 2.2GX sedan. Featuring a Boxer four-cylinder, 2.2-litre engine and permanent all-wheel drive, the car was a unique offering in the market at the time. It was soon joined by the Legacy Outback wagon, a vehicle that boasted driver airbags, a safety feature that was lacking in many of its competitors at the time. The model range expanded to include a range of models that suited families and performance enthusiasts alike, all boasting signature Subaru Symmetrical All-Wheel Drive and Boxer engines. Subaru SA will mark the entire 2022 calendar year in celebration of this 30-year milestone through a number of initiatives that will honour the legacy of the brand in South Africa through its customers, dealer network and staff, as well as suppliers and members of the media.



PUBLIC AFFAIRS UPDATE

Workers Month Awareness campaign

Lucious Bodibe
Public Affairs
Manager of the
MIOSA



May 1st is traditionally celebrated by workers both locally and internationally and in South Africa the month of May is generally recognised as Workers Month. It is for this reason that the Public Affairs Department of the MIOSA continues to align its awareness programmes with this theme and focuses on workers as consumers.

This year, its awareness campaign was dominated by employee wellness events that were hosted by various Provincial Departments of Education.

We kickstarted the Workers Month campaign in Gauteng by attending the launch of the Social Cohesion Masters League in Soweto. This event attracted other stakeholders such as the Ombudsman for Banking Services (OSTB), Supabets and football associations from Soweto and the East Rand. Not only did we raise awareness, but it was also a valuable networking opportunity. We also attended an employee wellness awareness event hosted in Mamelodi by the City of Tshwane.

In the third week of May we took our campaign to the Northern Cape and

participated in a week-long employee wellness event hosted by the Provincial Department of Education. This campaign was two-pronged as it was aimed at raising awareness amongst consumers as well as the automotive and related industries within the John Taolo Gaetsewe District. Compliance visits to industry participants were conducted in the morning and consumer workshops held in the afternoon.

We spent the fourth week of the month in the Free State Province to raise awareness amongst municipality workers and members of various trade unions. We announced our participation on Qwaqwa FM a week before the event and there was a strong media presence. Government Communications and Information Systems (GCIS) attended proceedings on the first day.

Considering the large audiences reached and the quality of information shared at these events, workshops and in the media, there is no doubt that the MIOSA was successful in empowering even more consumers during Workers Month. ●