

ISSUE 3 • VOLUME 9 • AUGUST 2018

# UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



MOTOR INDUSTRY OMBUDSMAN  
OF SOUTH AFRICA

# THE ROAD AHEAD

# NEW VEHICLE SALES AND EXPORTS – JULY 2018

**315,293**

vehicles sold in first seven months of 2018



That's **0.3%** less than the 316,336 vehicles sold in the first seven months of 2017

**47,881**

New vehicles sold in South Africa in July 2018

**1,218**

more than June 2018

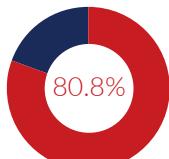
**1,210**

More than July 2017

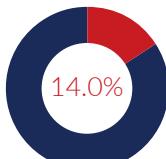
**32,108**

The number of passenger vehicles sold in July 2018, up by 2,281 units or 7.65% on 29,827 vehicles sold in June 2018

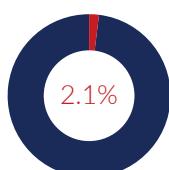
## SALES PER INDUSTRY



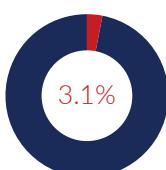
Dealer



Rental Industry



Government



Corporate

## TOP 5 SELLERS



1. Toyota - **8,213**

2. VW - **6,261**

3. Ford - **3,570**

4. Nissan - **3,403**

5. Hyundai - **2,633**

Passenger vehicle sales accounted for 67.06% of car sales in July 2018



Light commercial vehicle sales in July 2018 were down by 6.0% from June 2018 and down by 2.3% from July 2017

## TOP 5 EXPORTS



1. Mercedes - **9,179**

2. Ford - **6,404**

3. BMW - **4,216**

4. Toyota - **4,178**

5. VW - **3,151**

**28,063**

vehicles were exported in July 2018

**4.8%**

Higher than June 2018

**19.2%**

Lower than July 2017

Supplied by Absa

Source: Naamsa

**Driven by MOBILITY**  
What drives you, drives us

Bosch technologies are used worldwide in almost all vehicles. People, and assuring their mobility, is what we are focused on. We continue to work on our unique combination of solutions for spare parts, diagnostic devices, workshop equipment and services.

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# MESSAGE FROM THE OMBUDSMAN

## BUYER BEWARE

South Africans are totally reliant on their motor vehicles for transport and day-to-day activities that require movement from place to place. This can include transport to work and back, shopping trips and leisure activities.

Never has the important role that the motor vehicle plays in the everyday lives of people become as prominent as it has now. No-one who owns a motor vehicle can afford to be burdened by an unreliable mode of transport.

The question is: Will you take your sick child to an unqualified so-called medical practitioner or would you make sure that the person is properly qualified? This statement might sound a little extreme, but considering what a motor vehicle costs these days, isn't it time that you as a vehicle owner enquire about the qualifications and whether your service provider is compliant with the laws of the land which are specifically promulgated to protect you as a consumer? It is your right to choose, but it is also your responsibility to ensure that any damage that may occur is avoided as far as humanly possible.

When your motor vehicle needs a repair, the first question you must ask your proposed service provider is

Johan van Vreden  
Motor Industry  
Ombudsman of  
South Africa



whether he or she is registered with the Motor Industry Ombudsman of South Africa (MIOSA). If the answer is negative, walk away and source someone or a business that is registered with the MIOSA. Firstly, by dealing with an organisation that is not registered with the MIOSA is literally dealing with someone who is in fact plying his or her trade not according to the rules. Secondly, it becomes extremely difficult for the MIOSA to assist in matters where non-compliant service providers are involved to assist a consumer. A non-compliant service provider can end up having to face the National Consumer Tribunal (NCT) which can result in hefty fines being issued. The result of this is that a consumer's redress can take much longer, leaving the consumer without transport. ●

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Bosch is your one-stop shop for everything from straightforward troubleshooting and suitable equipment to repair work for current diesel vehicles, systems and components.

# FROM THE DESK OF KOBIE KRAUSE

## BOUNDARIES OF JURISDICTION

It is of the utmost importance to know the boundaries of jurisdiction pertaining to each of the ombud schemes.

Each ombud scheme has its own jurisdiction boundaries and no cross-pollination is allowed. Therefore the Motor Industry Ombudsman of South Africa (MIOSA) is bound by its code.

In terms of Section 17 of the motor industry accredited code, the MIOSA does not have jurisdiction in respect of some of the following disputes:

- i. Which falls within the exclusive mandate of any other ombudsman;
- ii. Which requires determination of merits and the quantum of damages;
- iii. Where a class action must be determined;
- iv. Where legal action has been instituted by either party;
- v. Where it appears that a criminal offence has been committed by either party;
- vi. Make findings on product liability;
- vii. Which has been prescribed in terms of the Prescription Act.

The purpose of the accredited code is to regulate relations between persons conducting business within the automotive industry and to provide for a scheme of alternative dispute resolution

**Kobie Krause**  
Deputy ombudsman



between consumers and all participants in the industry with an accredited ombud.

In terms of Section 5(2) (d) of the Consumer Protection Act No. 68 of 2008 (CPA), the CPA will not apply to a transaction that constitutes a credit agreement under the National Credit Act, but the goods or services that are the subject of the credit agreement are not excluded from the ambit of the act.

The MIOSA can therefore only deal with complaints pertaining to the goods and services in respect of the goods and not to the finance agreement in respect of the goods and services.

The CPA is very clear about the price in respect of goods and services. In terms of Section 23 (6) a supplier must not require a consumer to pay a price for any goods or services:

- a. Higher than the displayed price for goods or services;
- b. If more than one price for these goods or services are concurrently displayed, higher than the lower or lowest of the prices displayed.

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What drives you, drives us

Ongoing research and development ensures our products delivery beyond expectations used across the globe in various applications.

Due to the fact that the so-called on the road costs are only added to the invoice after the transaction commenced, it would appear that the price advertised did not include the additional costs. It might be a different scenario if such costs were disclosed to the consumer when advertised, or before the transaction commenced.

The National Credit Regulator is apparently busy with an investigation regarding the above. Should the adding of additional costs to the purchase price be found to be a contravention of the CPA, consumers will have recourse without having to pay for such relief to enforce their rights.

Section 13 (i) of the CPA also states that a supplier must not require, as a condition of offering to supply or supplying any goods or services, or as a

condition of entering into an agreement or transaction, that the consumer must:

- a. Purchase any other goods or services from the supplier;
- b. Enter into an additional agreement or transaction with the same supplier or a designated third party;
- c. Agree to purchase any particular goods or services from a designated third party.

It might therefore be found that the on the road costs might be a contravention of Section 13 of the CPA as well.

Consumers should be vigilant and enquire from the supplier of goods or services as to how on the road costs are calculated and why the consumer should be held responsible for the costs such as pre-delivery services, administration fees, valet and absorbent registration fees. ●

## A CASE IN POINT

### COMPLAINT

A consumer purchased a previously owned motorcycle, but within a few weeks he started experiencing inconsistent idling and cutting out problems. He took the motorcycle back to the dealer on five occasions but the problems persisted. The consumer eventually asked the selling dealer to cancel the deal. The selling dealer then offered to contribute 50 percent towards the cost of repairs.

### CONCLUSION

The MIOSA found that the motorcycle did not meet the requirements as set out in Section 55 of the CPA. The MIOSA recommended that the sale agreement must be cancelled and that the selling dealer must refund the consumer the purchase price, less the cost of usage. ●

### Driven by TECHNOLOGY

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We provide a full compliment of diagnostic technology from around-the-engine to around-the-wheel ensuring your workshop delivers accurate technical service.



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## FOOD FOR THOUGHT

**Sir Alex Ferguson is a Scottish former football manager and player who managed Manchester United from 1986 to 2013. He is regarded by many players, managers and analysts to be one of the greatest and most successful managers of all time. May his quotes inspire you to be a leader by becoming a master of self-discipline so that you live the life of your dreams.**

You can't always come in shouting and screaming. That doesn't work. No one likes to be criticised.

Only true champions come out and show their worth after defeat.

In the long run principles are just more important than expediency.

If I were running a company, I would always want to listen to the thoughts of its most talented youngsters, because they are the people most in touch with the realities of today and the prospects for tomorrow.

There's a reason that God gave us two ears, two eyes and one mouth. It's so you can listen and watch twice as much as you talk. Best of all, listening costs you nothing.



We had a virus that infected everyone at Manchester United. It was called winning.

For me, drive means a combination of a willingness to work hard, emotional fortitude, enormous powers of concentration and a refusal to admit defeat.

I always felt that our triumphs were an expression of the consistent application of discipline.

Once you bid farewell to discipline you say goodbye to success.

Look more closely and you will find that the great leader possesses an unusual characteristic. He will think and operate like an owner, or a person who owns a substantial stake of the business, even if, in a financial or legal sense, he is neither.

You cannot lead by following. ●

An advertisement for Bosch diagnostic software. It features a car with its hood open, showing the engine. A technician is standing next to the car, holding a tablet computer which displays a diagnostic interface. The Bosch logo is prominently displayed in the top left corner. Text on the right side of the ad reads: "Driven by SOLUTIONS", "What drives you, drives us", and "The web-based diagnostic software supports you through active troubleshooting during repair and maintenance."

# REGISTERING WITH THE MIOSA

MAY 2018 – JULY 2018

The MIOSA has embarked on a litigation strategy to force non-compliant participants in the automotive industry to register their businesses with the MIOSA and to make the contribution as the South African automotive industry code of conduct prescribes. This had a noticeable influence on the number of registrations during the period under review.

The total number of businesses that registered with the MIOSA in May 2018 was the highest so far for 2018 and one of the highest since accreditation in 2014. Used vehicle dealerships registering with the MIOSA again secured first position, marginally beating registrations of mechanical workshops. Fitment centres and parts outlets continued with strong showings as was the trend throughout 2018. Auto body repairers made a noteworthy contribution to the total for May 2018. The total was also boosted by registrations due to changes of ownership of dealerships retailing new vehicles.

The number of businesses registering with the MIOSA in June 2018 was in line with the average so far for the year to date. The effect of the multi-agency compliance inspections throughout the country at used vehicle dealerships continued to result in a

**Tjaart van der Walt**  
Senior administrative clerk



high volume of registrations from that sector. Mechanical workshops, parts outlets, fitment centres and auto body repairers made up the bulk of the new registrations for the month.

Registrations in July 2018 equalled the June 2018 total and was also in line with the average for the year. The number of registrations from mechanical workshops for the first time this year were higher than the registrations from the used vehicle sector. Auto body repairers, fitment centres and parts outlets made a strong contribution to the total.

In an article in the May 2018 MIOSA newsletter the deputy ombudsman warned industry participants that are not complying with the legislation by neglecting or refusing to register that if they are eventually identified by a MIOSA inspector they will be held liable to pay all arrears dating back to 2015. This will have a definite positive effect on the number of registrations over the next three months. ●

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## PEOPLE, PUNS AND PRODUCTS

### A ROLLS-ROYCE STORY

It was originally bought for about R14 000 in 1912. Recently it went under the hammer for R65 million, making it the most expensive Rolls-Royce ever sold at an auction.



### A NEW OLDIE

One of the star attractions at the Biarritz Motorbike Show in France is this so-called BMW Black Phantom created by Dirk Oehlerking. He used almost exclusively original BMW parts from 1951 to 1979 to create the Black Phantom.



### Driven by CONNECTIVITY

What drives you, drives us

Bosch brings together vehicle technology, the data cloud, and services to offer complete mobility solutions for the individual or fleet partner.

### SUPER TOYOTA

Toyota announced plans to put the GR Super Sport Concept into production. The new GTR is powered by a mid-mounted 2.4-litre, biturbo V6 and a hybrid system and it produces 735 kilowatts. Underneath the striking shape there is a lot of carbon fibre to keep the weight as low as possible.



### BRAIN TEASER

Name the driver and the car. How many times did he win the drivers' world championship?



Sir Jackie Stewart, Matra-Ford, 3 times – 1969, 1971 and 1973.

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## NEW FROM AUDI

The Audi Q8 is a mid-sized luxury sport SUV coupé that will be launched later in 2018. According to Audi the Q8 is inspired by the Audi Quattro rally car of the 1980s.



## SMALL WONDERS ON WHEELS

Albert (Tapper) Torney was forever collecting empty cans and people wondered why. After Albert died at the age of 86 in 1998 his large collection of model cars made from aluminium cans was discovered. Wonder what it is worth?



## PORSCHE 70

The Porsche 911 Speedster Concept was built to celebrate 70 years of Porsche sportscars. Pundits reckon it is a clear indication that the 911 is nearing its end. Porsche says a decision on whether to put the Speedster into production will be made in the foreseeable future.



## NEW FROM INDIA

The Indians are capable of producing interesting motorbikes.

Indian Motorcycle will launch an all-new street bike next year, based on a custom racing model. The Indian FTR 1200 is claimed to be light and fast.



**Driven by PARTNERSHIP**

What drives you, drives us

Bosch Service partners are one of the very best independently owned workshops who have met stringent technical and customer service quality standards which are backed by Bosch.



# TRAFFIC TO GROW ON GAUTENG'S FREEWAYS

Current traffic growth on Gauteng's e-toll freeways is running at around four percent according to Alan Robinson, planning, toll and transport project engineer at the South African National Roads Agency Limited (Sanral). This means the current volume of 1,25-million people-trips a day on the e-toll freeway network will grow by 50 000 people-trips a day this year, he adds.

The existing roads are full during the extended peak period, with the supporting, second order road network also full, says Robinson. He says new technology, such as autonomous vehicles, car-sharing services and e-hailing, will not necessary solve the problem, as they all require road capacity and are also likely to travel during peak periods.

Improving public transport delivers a conundrum all of its own, as moving ten percent of car users (125 000 people) from the e-toll network will require 2,5 more Gautrains and 1,5 more of all current bus rapid transit systems.

Sanral currently has no secured budget to improve and extend the road network, says Robinson. The agency is merely looking after the existing network.

E-tolling has largely failed in Gauteng, with estimates that around 80 percent

of users do not pay their e-toll bills. This has curbed Sanral's efforts to build new roads, as well as government's planning for new e-toll roads.

Robinson says answers to increasing road congestion include reducing travel demand. The single most important method of doing this was improved land-use planning.

The continued construction of housing, business and retail structures on the outskirts of cities, meant the continuance of long commuting distances in a low density urban environment.

"Unless things start to change, we'll be grinding to a halt," warns Robinson.

It is also possible to advance telecommuting and virtual shopping to decrease congestion. In the end, says Robinson, addressing congestion will require a workable land plan that is enforced, a significant improvement in road capacity and a significant improvement in public transport.

"It is not one or the other. You need roads and public transport to get the economy growing," says Robinson. He also points out that the estimated funding requirements to sustain the South African road network is R86-billion a year.

## Driven by KNOW-HOW

What drives you, drives us

The Bosch Service network is backed by Bosch supported with a full portfolio of services such as technical training, support and information database ensuring customer satisfaction.



"So we are basically looking at R90-billion to keep what we've got in the condition we'd like," says Robinson.

To address the identified backlogs will increase this number to R116-billion. The funding allocation for roads in the 2017/18 financial year, however, was R52-billion.

Raising the fuel levy to fund roads, as is often suggested, is not an option, notes Robinson, as this is a diminishing

resource, especially on the back of advances in engine technology which has seen a steady drop in fuel consumption, as well as the rise in numbers of electric vehicles.

Robinson spoke at the i-Transport and UATP Go Green, Go Smart conference, held in Midrand in June. ●

*By: Irma Venter. Creamer Media senior deputy editor.*

## MIOSA STAFF TRAINING

The Motor Industry Ombudsman of South Africa (MIOSA) is continuously carrying out in-house training to ensure the expertise of its staff. The reality of the matter is that our field of work is such that it requires a very specific type of training that must be carried out regularly to ensure that staff members remain at the cutting edge of their tasks.

As the training includes legal compliance issues with specific reference to the Consumer Protection Act No 68 of 2008 (CPA), the repetitive approach results in a better understanding of and interpretation of the CPA and its regulations. This has been proven repeatedly as staff members have to deal with all the legal queries that may arise in the normal course of their work. However, the legal aspects are just one

of the issues the staff of the MIOSA must deal with. In addition, there is the very important technical component of the job that forms the basis for dealing with automotive and related industries' technical issues. This presents challenges as technology races ahead at blinding speed and the need to keep abreast is an ongoing challenge. However, this also forms part of the ongoing training carried out by the MIOSA to ensure the empowerment of staff members to deal with complex technical issues.

From the results recently measured, it can be concluded that the ongoing in-house as well as contracted training programmes have had a very positive outcome. This has resulted in better quality of service being provided to industry and consumers alike. ●

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## INTRODUCING A STAFF MEMBER

Forty-seven-year-old Lucious Bodibe, who holds a qualification in public relations, is the manager of the public affairs department at the Motor Industry Ombudsman of South Africa (MIOSA). He is responsible for consumer education, media and stakeholder relationship management. The MIOSA supports the consumer protection forum and Lucious represents the MIOSA on all the sub-committees of the forum.

Lucious worked nightshift at Glencarol Manufacturing while he was doing matric. He joined Toyota South Africa in 1991 as a material handler and worked himself up the ranks to the position of regional customer care manager.



**Lucious Bodibe**  
Public affairs manager

During his time at Toyota he obtained extensive training. This included language of positive communication, advanced product training and service advisor. He moved to Call Centre Nucleus (currently known as AEGIS BPO) as a case manager in May 2006. Later that year he joined McCarthy Toyota Centurion where he was employed as a service advisor.

Lucious joined the MIOSA in 2008.

The father of three boys and three girls, Lucious is a keen Kaizer Chiefs supporter. ●

## INFORMATION AND LIAISON OFFICE



The information and liaison office is the first line of contact for consumers and industry participants when approaching the MIOSA. The MIOSA recently welcomed a new staff member who is currently undergoing intense training. The MIOSA is continually upgrading its communication system to improve service to consumers and industry participants.

**From left to right:** Prudence Buys, Daniela Briesies, Jéan Bouwer, Onkgopotse Tau, Innocentia Nene. Seated: Pragasi Nayagar (manager)

The views expressed by contributors are not necessarily those of the MIOSA.

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