



**MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA**

FOUNDER MEMBER OF THE OMBUDSMAN ASSOCIATION OF SOUTH AFRICA NPC
2001/004871/08

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WHAT TO LOOK OUT FOR WHEN PURCHASING AFTERMARKET MAINTENANCE PLAN OR EXTENDED WARRANTY POLICY

When a consumer buys a pre-owned/used vehicle, he/she expects a vehicle that is in good working order and would like to enjoy problem-free usage. Many of the pre-owned/used vehicle's manufacturer's warranty and maintenance plans have expired. Therefore, in this case a consumer relies on the advice given by a selling dealer as to which policy (extended warranty or maintenance plan) is suitable depending on the make and the age of a vehicle.

The Motor Industry Ombudsman of South Africa (MIOSA) has received several complaints that emanated from unauthorized claims by the policy administrators. Though we managed to resolve them satisfactorily, a sequence of this type of complaint is indicative that:

- Consumers are not given policy documents at the point of delivery. They only get them when a dispute arises;
- Some policies are marketed and sold through telemarketing and as such consumers are not given adequate time to make informed decisions;
- Consumers are not informed of the complaint procedure or the alternative dispute resolution processes so that they know where to go when a matter reaches a deadlock;
- The terms and conditions are not explicit.

Considering the above, we advise consumers to guard against being hurried into buying these policies without reading the terms and conditions. We also advise them to collect copies of the sale agreement including documents of any policy product that was included in the deal.

Board of Directors:
Chairperson: Dr. M. Phosa
Executive Directors: JL Krause, JHL van Vreden (Ombudsman)
Non-Executive Directors: I Opperman, D Terblanche, S Tleane

We are also reminding the service providers and the selling dealerships to observe the guidelines of the Consumer Protection Act No. 68 of 2008 when engaging consumers in the ordinary course of their business.

The MIOSA's Information and Liaison Department can be contacted between 08h30 and 16h30 from Monday to Thursday, and Friday between 08h30 and 16h00 for an update on existing complaints or for advice.

Our contact details are: 0861164672 and info@miosa.co.za.