



**MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA**

ANNUAL REPORT

2019/20



GOVERNING BODY



DR. M. PHOSA
CHAIRPERSON



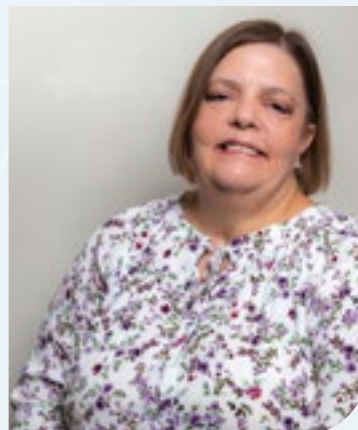
J. VAN VREDEN
OMBUDSMAN



K. KRAUSE
DEPUTY OMBUDSMAN



D. TERBLANCHE
NON-EXECUTIVE DIRECTOR



I. OPPERMAN
NON-EXECUTIVE DIRECTOR



ADV. S. TLEANE
NON-EXECUTIVE DIRECTOR

CONTENTS

Chairperson's Comments	3
Ombudsman's Report	4
Financial Report	6
Review of Systems	10
Statistics	18
The Way Forward	20
Complaint Procedure	21
Case Studies	22
Letters Received by the MIOSA	24
A Word of Thanks	25

CONSTITUTION

The office of the Motor Industry Ombudsman of South Africa (MIOSA) is an organisation which provides for alternative dispute resolution and regulates the interaction between persons conducting business within the automotive and related industries in South Africa and consumers, and also among participants in the automotive and related industries.

MISSION

The organisation's mission is primarily to defend the independence of the MIOSA's office, while tirelessly striving to educate consumers and motor related service providers alike in achieving higher levels of customer care and maintaining cordial relationships within the automotive and related industries.

VISION

As its vision, the MIOSA strives to contribute to the continuous improvement of customer care, as well as the relationships among participants in the automotive and related industries, to the benefit of all parties.

CHAIRPERSON'S COMMENTS

DR. MATHEWS PHOSA

The advent of 2019 was greeted with excitement and hope, while not without a certain amount of trepidation. With the global economy entering the Fourth Industrial Revolution, or Industry 4.0, the understanding is that it can be defined as the evolving of technological trends. The fact remains – despite the hope that the new presidency brought – that if South Africa as a country does not pull itself together very soon, we will be left behind. The year did, in fact, deliver very little in terms of betterment for the man on the street.

However, despite the low growth rate of the economy, there were glimmers of hope. These included the work of the Zondo Commission, which is busy unravelling the extent of “State Capture”, as well as the appointment of individuals that are not only competent but understand the portfolios that have become their responsibilities in certain key positions in law enforcement, the economy, finance and such. Although progress seems slow to us, this can be viewed as moving in the right direction.

Against the above backdrop, the South African motor and related industries once again played a major role in keeping the country afloat, despite the ailing economy.

During the time under review, consumers remained strapped for cash, as can be seen in the declining retail space. Despite this, the automotive and related industries continued doggedly to invest, provide employment and deliver quality products that remain the envy of many other so-called first world countries.

If these high standards are to be maintained, there is a need for compliance and respect for the law. Without this, consumers who are – at the end of the day – the lifeblood of any

manufacturing and retailing environment, can and will be taken advantage of. That is indeed why the importance of legislation such as the Consumer Protection Act No. 68 of 2008 and its regulations, which include the office of the Motor Industry Ombudsman of South Africa (MIOSA), cannot be stressed enough.

It is generally accepted that the Motor Industry Ombudsman, Mr van Vreden, and his staff play a major role in providing stability and fair play that is necessary to maintain evenhandedness within the relationship between consumers and the motor and related industries. The statistics contained in this report clearly point to the positive impact that the MIOSA's office has in this regard.

Once again, I would like to thank Mr van Vreden, his deputy, Mr Krause, and their dedicated staff for the continued dedication, enthusiasm and energy that they keep on displaying. Their situation is not an easy one as they have almost as many detractors as supporters, but they continue to serve both consumers and the South African motor and related industries, unbiased, in their everyday deliberations. May they, in 2020, continue with their important work with the same zeal shown during 2019.

OMBUDSMAN'S REPORT

JOHAN VAN VREDEN

Independence is the essential ingredient of any organisation that is responsible for dispute resolution. The Motor Industry Ombudsman of South Africa (MIOSA) has successfully managed, sometimes facing serious challenges from all directions, to maintain its independence. This has greatly contributed to the high regard in which the office of the MIOSA is held. Consumers and the motor and related industries alike have placed their trust in the MIOSA, knowing that the investigation and outcome of every dispute will be dealt with expeditiously.

The accreditation of the MIOSA by the Department of Trade and Industry (DTI), is a sure sign that the MIOSA can be trusted to carry out its mandate, not only in terms of the Consumer Protection Act No. 68 of 2008 (CPA), but also in terms of the South African Automotive Industry Code of Conduct (Code), which is a regulation of the CPA.

In order for the MIOSA to function successfully, it was necessary – considering the numbers of complaints received – to develop in such a way that certain specialist departments be established.

The first point of contact, for consumers and the automotive and related industries, would be the Information and Liaison Department. Here information on legislation can be sourced and the mandate of the MIOSA explained. This department establishes the rights to a claim, gives guidance on how to proceed and advises on the information and documentation required as proof of the claim.

As good communication is the basis of the MIOSA's approach when dealing with

complaints, the Administration Department assists in providing consumers and the automotive and related industries with a user-friendly, next-level service. This is achieved by means of the general e-mail account (info@miosa.co.za), to which all general enquiries may be directed, and where any necessary information and documentation may be sent.

During the period under review the Administration Department received 42 350 e-mails requesting information. A total of 19 456 requests were made by the Case Management Department to the Administration Department for processing. Once again this department rose to the challenge of providing accurate and efficient support to the Case Management and Information and Liaison Departments.

With the added responsibility of building the MIOSA's own database, considered to be the most accurate in the automotive and related industries, the Inspectorate Department plays a major role in ensuring that said database remains accurate and up-to-date at all times.

Inspectors appointed in each of the provinces ensure not only the accuracy of the database, but also carry out educational and compliance programmes for the automotive and related industries.

The Case Management Department is the engine room of the MIOSA. It is here where highly qualified staff carry out the dispute resolution process. After thorough investigation and consultation with technical and legal experts, they make decisions that impact on the complaints they deal with. With the closing of 8 634 cases during the year, and dealing with 705 consumers face to face, the results exceed all expectations. After the loss of three staff members, the department employed two highly qualified case managers and one assistant. So it is commendable that these positive results were achieved despite having to train the new staff members.

Without the support of the Legal Department of the MIOSA the speedy and accurate completion of complaints would not be possible. These highly qualified and dedicated staff members, managed by the vastly experienced Deputy Ombudsman, Mr Krause, provide not only legal support but also vital regular training regarding the interpretation of the CPA and the Code. Assistance does not stop with the support of the Case Management Department, but extends to the Finance Department as well, where all initial documentation such as letters of demand, summonses and acknowledgement of debt are drafted in-house to curb legal costs.

The Public Affairs Department and the functions it performs are of vital importance to the successful operation of the entire office of the MIOSA. These functions include education and alignment with causes that demonstrate the dedication of the MIOSA in carrying out its mandate in accordance with the Code, to ensure that our message is conveyed to all South Africans.

The achievements of this department are

more thoroughly discussed in the report by its manager, Mr Bodibe, and makes for very interesting reading.

The survival and general financial wellbeing of the MIOSA is dependent on the Finance Department. The monitoring of cash flow, income and expenditure remains the most important task of this department and I can happily report that, despite many challenges, it has managed to achieve its goals and thereby maintain the MIOSA on a good financial footing.

As in any organisation cooperation between the different departments is of paramount importance. The coordination and cooperation would not be possible without the Operations Department. The setting of the MIOSA's values and the monitoring of the strategic direction set by the Ombudsman and the Board of Directors is the adhesive that enables the organisation to maintain its high performance levels. The high level of professionalism and discipline maintained by this department in order to ensure the smooth running of the MIOSA is covered in the detailed report by the Chief Operating Officer.

The office of the MIOSA hopes to maintain its high standards in the new year and to meet any challenges head-on, continuing to apply the vast experience, know-how and usual resolute approach on which it prides itself.

In conclusion, I would like to thank the staff of the MIOSA for striving to ensure that the organisation remains a credible, transparent and accountable entity. Finally, my sincere appreciation goes to our Chairperson, Dr Phosa, my deputy Mr Krause, and the Board of Directors for their unwavering support.



FINANCIAL REPORT

INTERNAL FINANCIAL CONTROLS

The internal control applied by the Motor Industry Ombudsman of South Africa (MIOSA) over its financial system and risk management is effective, transparent and efficient.

The internal control systems are based on established organisational structures, together with written policies and procedures, and provide for suitably qualified staff, segregation of duties, clearly defined lines of authority and accountability. They also include cost and budgeting controls, and comprehensive management reporting.

EMPLOYMENT EQUITY

The MIOSA has made a deliberate effort to comply with the Employment Equity Act No. 55 of 1998 (EEA) as amended. In terms of the applicable provisions of the EEA, the MIOSA's 2019 employment equity report was submitted to the Department of Labour.

EMPLOYMENT TAX INCENTIVE (ETI)

Millions of young South Africans are excluded from participating in economic activity, and as a result suffer disproportionately from unemployment, discouragement

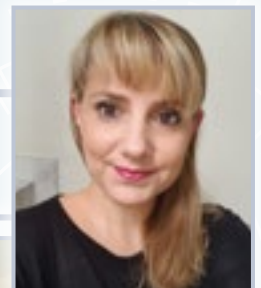
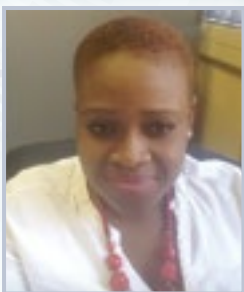
and economic marginalisation. High youth unemployment means young people are not gaining the skills or experience needed to drive the economy forward. This lack of skills can have long-term adverse effects on the economy.

Mature and developed economies, with efficient and effective apprenticeship development systems, implement apprenticeships because it makes good business sense. The return on the value created by implementing an apprenticeship accrues to the employer, the learner, the college and the economic growth of the country.

The MIOSA is proud to announce that it is currently assisting numerous young people with skills development. They will benefit from the development of real-world skills that will allow them to become increasingly competent and gain valuable experience, while also earning an income, albeit a small one initially.

PERFORMANCE MANAGEMENT

The MIOSA is committed to an effective performance management system, providing not only a working environment that is conducive to optimal productivity, but also the resources for all staff to perform to their full potential, thereby enabling a high-performance culture.



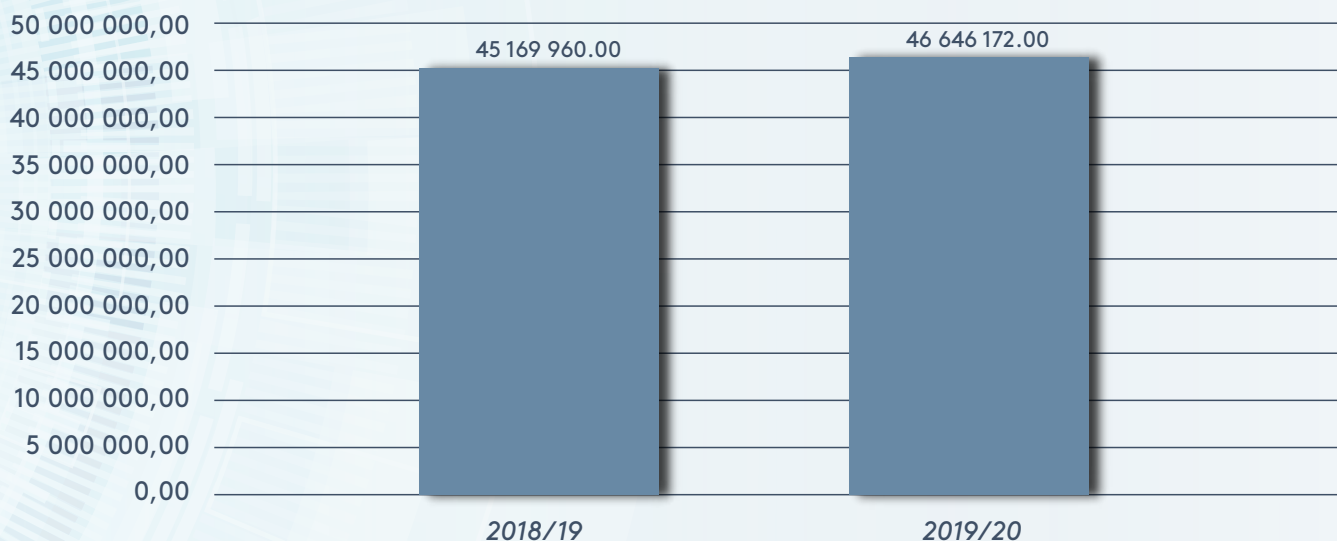
Performance management is a continuous process, performed throughout the year and involves bi-annual reviews to ensure that the organisation’s strategic priorities and organisational performance against these are aligned and on target. Performance management is the foundation for organisational success, as it impacts on areas such as rewards and recognition, learning and development, succession management and career management.

REVIEW OF FINANCIAL PERFORMANCE

The 2019/2020 financial year was a challenging one for the South African economy and the MIOSA felt the strain of the unfavourable economic environment. Its financial viability is based on sound financial principles, strict cash flow management and strong internal controls.

REVENUE

The total revenue increased by R1 476 212.00 during the 2019/20 financial year. The MIOSA managed the finances in line with the budgets as approved by the Board for the March 2019 to February 2020 financial year.

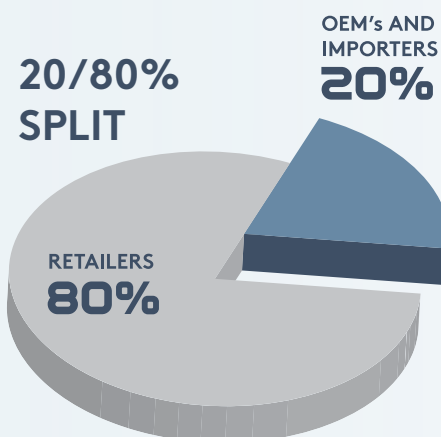


FUNDING FROM DATE OF ACCREDITATION

All industry participants are liable to pay contributions from the date of MIOSA’s accreditation in 2015, or from the time the motor industry participant started trading within the industry. With reference to the South African Automotive Industry Code of Conduct, funding is allocated as follows:

The OEMs and importers shall be liable to contribute 20 percent of the approved budget;

The retailers shall be liable to contribute 80 percent of the approved budget.



GENERAL

The 2019/20 financial year was both exciting and challenging, as the MIOSA strove to attain the goals set at the beginning of the year. There is an increasing emphasis, in both the corporate and public sector, on operating and conducting business in a responsible, transparent, accountable and fair manner. Within the office of the MIOSA, this would be applicable to both its core function and day-to-day operational functions.

The MIOSA's approach with regards to ensuring best practice and legislative compliance is set out in a corporate governance framework. The MIOSA believes that effective risk management ensures a safer, healthier work environment for staff, the preservation of assets and the effective and efficient management of resources.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

Statement of Financial Position

FIGURES IN R	2019/20	2018/19
Non-current Assets		
- Property, plant and equipment	1 193 773	1 150 644
- Intangible assets	3 695 652	
Current Assets		
- Loans receivable	79 786	53 081
- Trade and other receivables	57 028 599	43 236 005
- Cash and cash equivalent	2 711 382	1 658 809
Total Assets	64 709 192	46 098 539
Equity and Liabilities		
Equity		
- Retained earnings	46 762 490	34 461 396
Non-current Liabilities		
- Borrowings	5 485 023	-
Current Liabilities		
- Trade and other payables	12 461 679	11 637 143
Total Assets	64 709 192	46 098 539



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

Statement of Comprehensive Income

FIGURES IN R	2019/20	2018/19
Revenue	46 646 172	45 169 960
Other Income	167 904	91 122
- Interest Received	162 083	79 535
- Sundry Income	5 821	11 587
Operating Expenses		
- Accounting fees	15 000	-
- Advertising fees	117 189	117 929
- Amortisation - Intangible assets	217 391	-
- Auditors remuneration	30 750	47 930
- Bad debts	4 375 321	614 835
- Bank charges	195 058	142 172
- Chairperson fees	120 000	120 000
- Computer costs / website development	335 202	248 187
- Consulting fees	1 189 152	467 020
- Depreciation - Tangible assets	300 413	-
- Emoluments - Directors	3 668 092	3 672 194
- Employment costs	18 361 475	17 967 271
- Finance costs	387 357	-
- Insurance costs	265 329	242 663
- Lease rental of premises	1 838 156	1 227 135
- Legal costs	542 777	932 452
- Motor vehicle costs	580 026	446 121
- Postage	9 720	20 447
- Printing, stationery and hire of printers	514 478	571 106
- Repair and maintenance / security costs	481 989	483 253
- Storage and archiving costs	37 565	37 593
- Subscriptions	122 680	25 957
- Telephone and communication costs	567 067	433 506
- Training costs	60 845	20 170
- Travel and accommodation costs	195 953	183 993
Total Operating Expenses	34 528 985	28 021 934
Deficit/Surplus for the year	12 285 091	17 239 148

REVIEW OF SYSTEMS

VALUES OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA (MIOSA)

The Ombudsman and the entire staff of the MIOSA continue to deliver despite ever-changing conditions. The MIOSA prides itself on the following values:

- Continuously delivering the required business results;
- Complying with quality productivity standards and service;
- Meeting deadlines and maintaining clear focus on the MIOSA's goals;
- Demonstrating good work ethic, showing respect, displaying integrity and having empathy with stakeholders' needs;
- Working cooperatively and effectively in order to achieve common goals;
- Participating in building a group identity characterised by pride, trust and commitment;
- Effectively conveying information and expressing thoughts and facts, which demonstrates effective use of listening skills and displays openness to ideas and thoughts;
- Efficiently utilising resources, resulting in quality outcomes.

The MIOSA encourages staff members to accept responsibility for their actions and decisions and to accomplish their work in an ethical and cost-effective manner.



LEGAL DEPARTMENT

The year 2019 again presented the usual, as well as new challenges.

Chief among these were the few retailers and service providers who continued to try their utmost to convince the Motor Industry Ombudsman of South Africa (MIOSA) that they could sell goods without a warranty, or for that matter "voetstoots".

In addition, some service providers continued to render services without first giving a written quotation and recording the customer's acceptance thereof.

The MIOSA also found many industry participants who desperately tried to hide their existence. Many participants also refused to pay the regulatory contribution. In many instances this was

resolved by issuing letters of demand and satisfactory arrangements were concluded. In other instances, it was necessary to issue summons to recover arrear contributions.

The MIOSA foresees that during 2020 more litigations will be necessary to collect contributions that are in arrears.

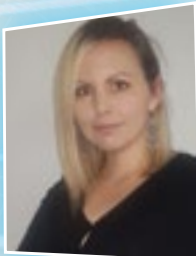
The Legal Department endeavours to stay abreast of relevant new legislation and to implement such legislation, where applicable, in the day-to-day running of the MIOSA office. Legal advice is given to case managers on a daily basis.

The Legal Department was very successful in its endeavours to collect outstanding contributions in the year

under review. All initial documentation such as letters of demand, summonses and acknowledgement of debt are all drafted in-house to curb legal costs.

The Deputy Ombudsman, Mr Krause, continues to train Case Managers and their assistants, Information and Liaison personnel and new personnel, regarding the application of the Consumer Protection Act No. 68 of 2008, regulations thereto and the accredited South African Automotive Industry Code of Conduct. Such training is done twice weekly.

The Legal Department wishes to thank all those OEM's, retailers and service providers who are in good standing and wish to confirm that those who are not in good standing will be dealt with in 2020.



OPERATIONS DEPARTMENT

The role of the Operations Department of the Motor Industry Ombudsman of South Africa (MIOSA) is to implement the strategic direction as set by the Ombud and the Board of Directors.

In addition it ensures and monitors the organisation's values, designs and implements new operational systems, improves all existing operational systems, monitors and discusses emerging issues of relevance to the work of the MIOSA, monitors performance, sets priorities, establishes targets for future performance and ensures compliance with relevant legislation and corporate responsibilities.

The Operations Department also provides leadership to and oversees all departments and staff and reports directly to the Ombud and the Board of Directors.

Each department has very specific responsibilities and duties, in a nutshell, these are:

Operational responsibilities of the Legal Department entail human resources, general office requirements and support where needed; The Administration Department is responsible for the safekeeping and management of complaint files, flagship point of contact email address and the archiving of closed complaint files; The Case Management Department handles queries and receives, investigates and resolves complaints; The Finance Department is responsible for the day-to-day cash flow of the organisation, as well as the invoicing and the collection of the contributions from all industry participants;

The Information and Liaison Department is the first point of contact, handling telephonic enquiries and giving advice; The Inspectorate Department is responsible for the managing of the industry participant database as well as visiting and registering new industry participants and those that have not yet been registered by the MIOSA; The Public Affairs Department is responsible for creating awareness and educating consumers and participants, within the automotive and related industries, on vehicle related matters, as well as the role of the MIOSA.

During the year in review all operational systems in all the different departments were improved upon to allow for a faster, more productive working environment.



ADMINISTRATION DEPARTMENT

In previous articles the Administration Department reported on many of the improved processes, technical advancements and equipment improvement that have been put in place over the past few years, designed to provide more efficient practice with reduced human errors and increased productivity. This report focuses more on statistics and output.

In an effort to provide a more consumer friendly process, the MIOSA supplies the public with a flagship point of contact e-mail address (info@miosa.co.za), to which all general queries may be sent and from which any necessary information and documentation is sent out. This general e-mail account is managed by the Administration Department, and over the last financial year received approximately 175 queries a day, equating to 42 350 e-mails over

the period under review. These mails included requests for advice, requests for escalation on current complaints, requests for information pertaining to the MIOSA process and requests for documentation, among others.

According to the comprehensive computerised administration system, 19 456 requests were made by the Case Management Department to the Administration Department for processing during the financial year under review. This process is strictly regulated and recorded by one of the administrative clerks, whose main key performance task is to keep strict control and record of all information requested or distributed through the organisation.

One of the main responsibilities of managing the Administration Department is ensuring organisation and

structure. In previous reports the MIOSA provided information relating to its responsibilities in terms of the Protection of Personal Information (POPI) Act and since then has invested in high-tech fireproof filing cabinets, in order to ensure that all current files, and information within those files, are securely protected.

Thorough maintenance of the MIOSA filing systems is of cardinal importance to the organisation. During the course of the past financial year, the Administration Department archived approximately 550 files per month, equating to around 6 826 for the year.

The Administration Department of the MIOSA continuously seeks change and improvement in order to provide the South African motoring public and the South African motor and related industries the best service possible.





CASE MANAGEMENT DEPARTMENT

As has become the norm, the Case Management Department of the Motor Industry Ombudsman of South Africa (MIOSA) was extremely busy during the year under review, as can be seen in the statistics provided in this report.

There was a rocky start to the year after the death of two staff members and the retirement of another at the end of 2018. The MIOSA stumbled into intensive interview processes in a desperate attempt to find capable staff to fill the gaping hole that the losses caused. Two new case managers, both technically qualified, and a case management assistant were employed.

Although the loss of the staff members had a negative impact on the performance of the department in the first half of the year, the MIOSA managed to gather momentum in the second.

Throughout the year, the MIOSA case managers were able to meet 705 consumers in one-on-one meetings. The office received 8 146 new complaints and closed 8 634. A total of 6 900 new complaints were referred to the motor and related industries and 4 914 responses were received. For non-compliance of the South African Automotive Industry Code of Conduct, 946 complaints were escalated to the National Consumer Commission for investigation.

The Case Management Department of the MIOSA is happy to report that the introduction of an online complaint application system was met with enthusiasm by the motoring public. As with all new systems there were a couple of concerns that had to be tweaked, but the system is now user-friendly and uncomplicated. The majority of the MIOSA's complaint submissions were through its online complaint application system, with a recorded 5 129 complaints received during the past financial year.

If anything, the year under review proved that through trial and adversity, teamwork and perseverance ensured that the MIOSA did not fail the motoring public and the motor and related industries.



INFORMATION AND LIAISON DEPARTMENT

The Information and Liaison Department is the communication hub of the Motor Industry Ombudsman of South Africa (MIOSA). Not only is it the first port of call in the process of resolving a dispute, but it also provides continued support through the communication of complaint status updates and the escalation of queries up to the end and closure of complaints.

To most consumers and industry participants, this is the first contact with an impartial party where information on legislation can be sourced and an indication given of

whether a complaint falls within the jurisdiction of the MIOSA. It is therefore one of the most important phases in the alternative dispute resolution process, as the rights to a complaint can be established, and advice can be given on how to proceed and what information and documentation to present as proof of the complaint.

Immediate assistance is given to a large number of consumers and service providers on a daily basis and this has been achieved through continuous training of staff members, good management and the motivation to promote a fair, accessible and sustainable marketplace where there is

a fair and just outcome to all disputes. The year under review was one of great change. The PABX telecommunication system was upgraded to enhance the MIOSA's service to consumers and industry participants and to take communication with all parties to a completely new level of quality.

New staff members were also welcomed in 2019, improving efficiency and productivity by being able to assist South Africans in eight of the country's official languages. The MIOSA will continue to build this department's diversity and will strive to assist all South Africans in their language of choice.



INSPECTORATE DEPARTMENT

The office of the Motor Industry Ombudsman of South Africa (MIOSA) has, since its accreditation by the Department of Trade and Industry, appointed inspectors in all the provinces with the highest activity in the automotive and related industries.

The main focus of the MIOSA inspectors is to identify and/or visit participants in

the automotive and related industries and to assist them in the registration process. Even in cases where industry participants refuse to register, they are still invoiced as paying the contribution to the MIOSA is a legal requirement.

Another key function of the Inspectorate Department is to explain the benefits that industry participants derive from registration with the

MIOSA, as well as the workings and functions of the office of the MIOSA.

In the normal execution of their daily tasks, inspectors also follow up whether participants are registered with the MIOSA and are paying the contribution. In cases where businesses have indicated that they no longer trade, inspectors are sent to the premises to confirm closure.



PUBLIC AFFAIRS DEPARTMENT

Traditionally, the Motor Industry Ombudsman of South Africa (MIOSA) kick-starts its annual consumer education and awareness calendar by participating in the National Consumer Rights Month events that are held in March. These events set the tone for the year ahead and also serve as precursor to a chain of awareness programmes that are run throughout the year.

During the year under review, the MIOSA heeded the State President's call of "Thuma mina" (send me) and partnered with various stakeholders and government departments by taking legislation to the people. However, as the MIOSA is passionate about education and awareness at grass roots, it extended awareness to informal settlements, remote rural villages and small towns across the country.

To this effect, several workshops were held at various Tribal Authorities around Limpopo. Fortunately, the MIOSA has staff members who come from villages where African traditions are still the order of the day, so it generously

educated its fellow stakeholders on how to carry themselves when visiting Tribal Authorities.

Whilst the MIOSA was rolling out awareness programmes, the scourge of violence against women and children reared its ugly head country wide. Once again, the MIOSA aligned its education projects with those of relevant stakeholders in order to address the plight of abused women and children. The organisation also supported National Disability Month in collaboration with Government Communications and Information Systems (GCIS), the Department of Education (Gauteng North District) and fellow stakeholders.

South Africa experienced a rise in road accidents during school holidays and the festive season. It is for this reason that the MIOSA, as a responsible corporate citizen, collaborated with the Gauteng Liquor Board and Liquor Unit of the South African Police Service to raise awareness. A seminar was held for liquor traders in Ekangala that

culminated in a roadshow at the main intersections. Liquor traders advised motorists on responsible drinking and the MIOSA advised them on what to look out for when buying motor vehicles. They were also given tips on how to ensure that their vehicles are in roadworthy condition in preparation for the festive season.

The MIOSA also attended the launch of the Arrive Alive campaign in Harrismith. The Minister of Transport was in attendance, highlighting the importance of the issue of road safety to the South African government.

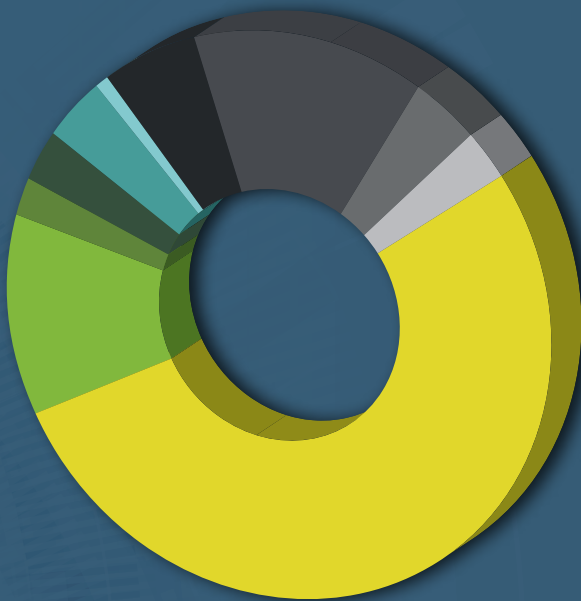
During the year under review, the MIOSA participated in 31 Consumer Education Workshops and 43 roadshows that were conducted across the country and thus regards itself as the Ombudsman without borders.

The MIOSA continued to enjoy media coverage, highlights being seven radio consumer education interviews.



STATISTICS

PROVINCE OF COMPLAINT



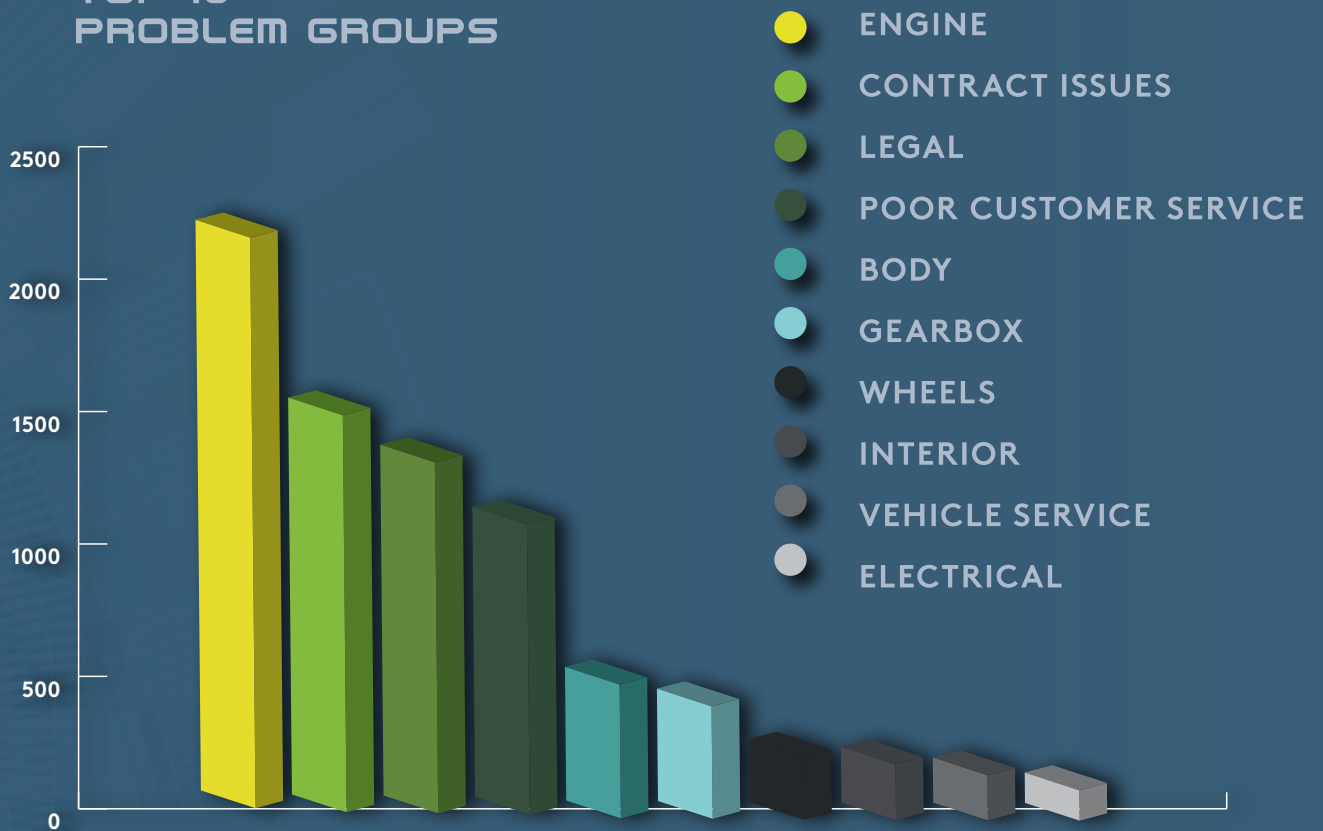
- EASTERN CAPE
- FREE STATE
- GAUTENG
- KWAZULU-NATAL
- LIMPOPO
- MPUMALANGA
- NORTH WEST
- NORTHERN CAPE
- NOT PROVIDED
- WESTERN CAPE

NEW VS CLOSED COMPLAINTS



- NEW CASES
- CLOSED CASES

TOP 10 PROBLEM GROUPS



MANUAL VS ONLINE NEW COMPLAINT SUBMISSION



- ONLINE SUBMISSION
- MANUAL SUBMISSION



THE WAY FORWARD

Each year brings its own challenges, and this is always a subject that creates great interest amongst the staff of the Motor Industry Ombudsman of South Africa (MIOSA). Brainstorming about the new year is always a group activity and staff members are encouraged to contribute as creatively as possible.

This results in “out-of-the -box” thinking on a completely different level. Sometimes the suggestions are so futuristic that it makes the head spin. Fortunately, there are strict budgetary constraints that assist to keep our feet on the ground.

However, everybody within the staff complement of the MIOSA is also requested to investigate possible scenarios that may impact negatively on the MIOSA in order for the office to be better equipped to deal with such possible unforeseen events.

Ideas for the future are of necessity closely linked to the budget, and therefore the features of new ideas are assessed in a practical and achievable manner.

The phenomenal progress in technology forces all organisations to rethink their systems and update them on a regular basis. To lag behind in this important area of a modern organisation inevitably spells disaster. The office of the MIOSA is therefore continuously upgrading its systems, to ensure the best service at all times.

The MIOSA, as custodian of the South African Automotive Code of Conduct (Code), has also contributed to the review of the Code in order to improve its efficiency.

The recommendations were presented to the Department of Trade and Industry (DTI) and we are awaiting the outcome. The review and new suggestions will certainly assist the MIOSA in the carrying out of its duties.

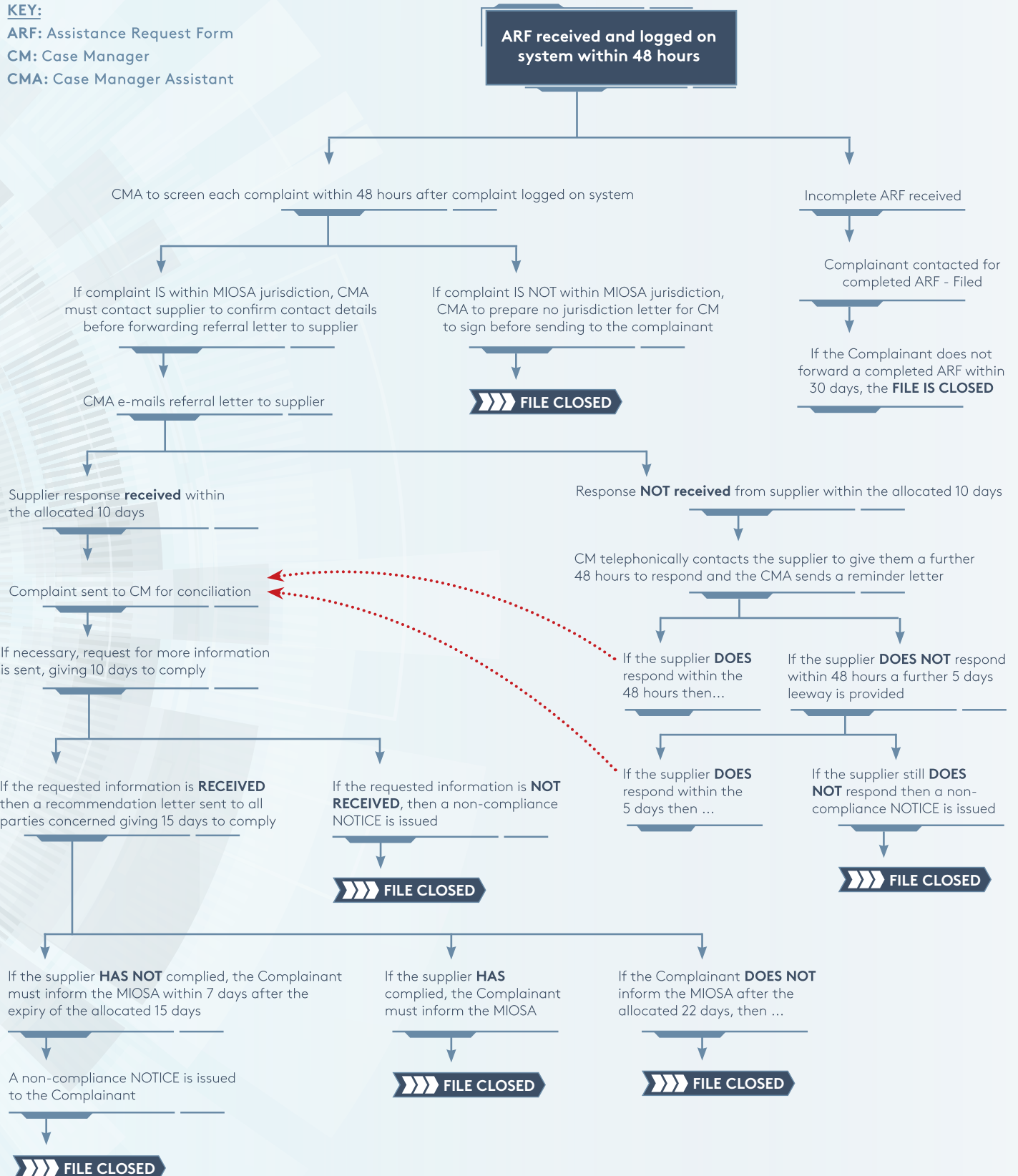
THE MIOSA COMPLAINT PROCEDURE

KEY:

ARF: Assistance Request Form

CM: Case Manager

CMA: Case Manager Assistant



CASE STUDIES

COMPLAINT

After purchasing a pre-owned truck, the complainant noticed that there was a vibration on the truck when driving at a speed of 80 km/h. This was attributed to wheel alignment, which the complainant made sure was attended to. However, the truck would still vibrate badly when carrying a load, but performed excellently with no load. This was due to a diesel leak and injector concerns, which the complainant repaired at his own cost. Subsequently, the complainant demanded that the respondent attend to other outstanding issues which he/she could not pay for, or that the transaction should be cancelled. The respondent denied any liability and claimed that the truck was sold as is.

RECOMMENDATION

The office of the Motor Industry Ombudsman of South Africa (MIOSA) highlighted that in terms of Section 56, Subsection 2 of the Consumer Protection Act No. 68 of 2008 (CPA), there is a six months implied warranty after the delivery of any goods to a consumer. However, because the complainant took the truck to a third party repairer to have some repairs carried out, without notifying the respondent, the complainant had lost all recourse against the respondent in terms of Section 56, Subsection 1 of the CPA. As such, the complainant's expectations could not be supported by the MIOSA.

COMPLAINT

A complainant purchased a pre-owned vehicle from a supplier but found that the handling of the vehicle was not as it was supposed to be. The vehicle was inspected by a vehicle repair centre and it was found that the vehicle had previously been involved in a collision and was not safe to drive. The supplier offered to trade the vehicle in on another.

COMPLAINT

The complainant purchased a pre-owned 2011 model vehicle, on January 31st, 2019. On February 4th, 2019 he realised that the vehicle had an oil leak, a broken headlamp switch, was having difficulty starting and that the battery was not charging. The vehicle was taken back to the respondent on February 6th, after which an oil leak developed that could not be rectified.

The vehicle had been in for repairs on more than eight occasions. The complainant wanted the respondent to cancel the sales transaction. The respondent was willing to cancel the transaction in question, but there were fees loaded onto the transaction for the settlement of his previous vehicle which needed to be paid back before this could be done.

RECOMMENDATION

The MIOSA recommended that the complainant meet with the respondent to discuss the settlement transaction, in order to have the deal cancelled as per his request.

It was a further recommendation of the MIOSA that the respondent should cancel the transaction in line with Section 20, Subsections 5 and 6 of the CPA.

RECOMMENDATION

The information supplied in two reports led the MIOSA to conclude that the seatbelts were defective and the airbags were not present. The handling of the vehicle was also not correct. The MIOSA recommended that the supplier accept the vehicle into their stock and replace it with another of similar value in terms of Section 56, Subsection 2 of the CPA.

COMPLAINT

The complainant purchased a pre-owned 2014 model vehicle from an approved dealership during August 2016. The clutch was replaced in February 2017 under the terms and conditions of the factory warranty. During August 2018, the manufacturer approved a warranty claim for the clutch to be replaced again out of goodwill. During June 2019, the clutch failed again and the complainant wanted it to be replaced at no cost to himself.

RECOMMENDATION

The MIOSA referred to the implied three months workmanship warranty of Section 57, Subsection 1 of the CPA and also noted that the factory warranty had since expired. Hence, the MIOSA could not support the complainant's expectations.

COMPLAINT

A complainant purchased a pre-owned motorcycle from a dealer. The motorcycle started to overheat during the complainant's first ride. The dealer refused to assist with the repair because there was no sign of an overheating concern while the motorcycle was in their possession.

RECOMMENDATION

The MIOSA requested that a report be compiled by an expert in the field of the brand of motorcycle. The evidence led the MIOSA to the conclusion that the cylinder head gasket of the motorcycle had failed. The office of the MIOSA recommended that the motorcycle be repaired at the cost of the dealer in terms of Section 56, Subsection 2 of the CPA, as the failure could not be attributed to any wrongdoing by the complainant.

COMPLAINT

The complainant purchased a 1985 model tractor from a supplier during April 2019. The tractor overheated soon after purchase and was returned to the supplier for repairs on three different occasions.

RECOMMENDATION

Section 56, Subsection 2 read with Subsection 3 of the CPA, states that – within the implied six months warranty period – if a supplier undertakes to repair any particular goods or any component of any such goods, and within three months after that repair the failure, defect or unsafe feature has not been remedied, or a further failure, defect or unsafe feature is discovered, the supplier must replace the goods, or refund to the consumer the price paid for the goods.

The complainant indicated that he wished to retain the tractor if the respondent repaired it fully and a mutual agreement was reached between the parties for the tractor to be repaired at no cost to the complainant. The MIOSA made such a recommendation.



LETTERS RECEIVED



Thank you for copying us on your email, with closing letter attached. The exceptionally professional manner in which the MIOSA exercises its mandate, is sincerely appreciated.

W. VENTER



This is the best news I have had in a long time!!!! I am most grateful for your assistance in trying to resolve this matter and I thank you most kindly for your swift response as well.

G. SUKU



I would also like to take this time to thank you and your company for the service you have delivered. It's been effective and impressive.

M. STRODE



Thank you so much for the assistance.

C. MODISE

Very many thanks for your support and satisfactory outcome. Most appreciated.

R. FINCH



Please note that the complaint was finalised last Friday. The consumer chose a new vehicle and returned the older one to the dealer. Your intervention and visit to the dealer certainly made a positive difference. We look forward to working with you to finalise many more complaints. On behalf of our office we appreciate your constant support and interventions in speedily resolving consumer complaints.

R. MOODLEY

Department of Economic Development, Tourism and Environmental Affairs



I want to extend my gratitude for the good and speedy service that you provided to me regarding my ordeal. May you please carry on helping the rest of South Africans, may you and your team get strength and blessing at all times. I thank you.

P. BILA



Thank you for your support and reaction to my complaint, it is very rewarding to know that we are looked after and are cared for. Your support has been amazing and I am very grateful for the speedy response to my query. Thanking you once again.

P. PRETORIUS



I would like to thank you and MIOSA for the prompt handling of my dispute. I am pleased to inform you that since your intervention, my fault was prioritised and resolved. I am still obviously, extremely annoyed that the brand allowed this to take 15 days to resolve, yet after an escalation from MIOSA was able to resolve within a few hours? I further question whether this brand is serious about customer service since I have yet to receive any explanation or apology on this incident or the management thereof. Nevertheless, I suppose the choice is mine to make whether I continue to support the brand! Again, thank you for the prompt intervention. The results speak for themselves.

J. REDDY

A WORD OF THANKS

The Motor Industry Ombudsman of South Africa (MIOSA) can confidently state that it enjoys the full support of the formal automotive and related industries in South Africa. The MIOSA wishes to thank the following organisations and institutions for their generous support:

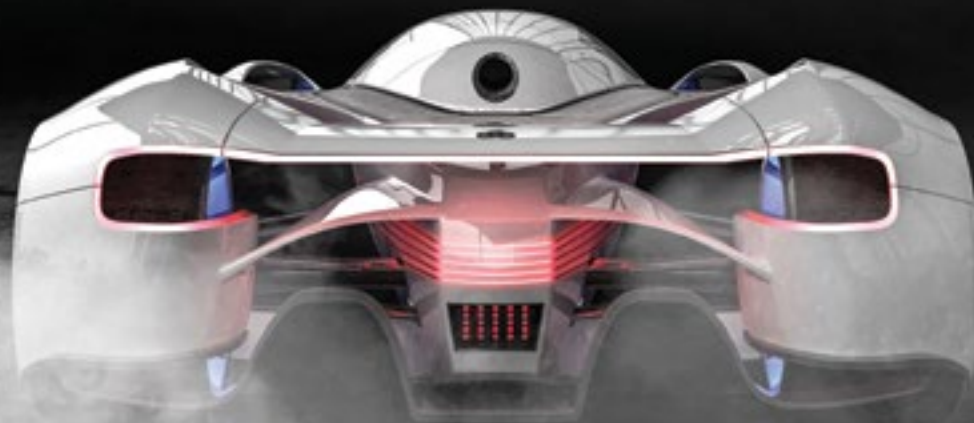
Government through the Department of Trade and Industry, the provincial consumer protection agencies, the National Consumer Tribunal, provincial consumer protectors, the consumer courts and the Departments of Justice and Transport, with a special word of thanks to the National Consumer Commission;
The chairpersons and executive directors of the National Association of Automobile Manufacturers of South Africa, the National Association of Automotive Component and Allied Manufacturers, the Retail Motor Industry organisation, the Independent Dealer Association and the Automobile Association of South Africa;
Members of the South African motoring public, who have ensured the ongoing growth of the MIOSA;
Vehicle manufacturers, importers and the retail automotive and related industries;

The media through its positive and ongoing support;

The South African Consumer Union and the South African Fraternity of Attorneys;
The Ombudsman for Banking Services;
The Consumer Goods and Services Ombudsman;
The Credit Information Ombudsman;
The FAIS Ombudsman;
The Ombudsman for Short-term Insurance.

The MIOSA also wishes to extend its sincere thanks to the dealer groups and the greater number of individual motor-related businesses for realising the importance of consumer care and retention as the basis for success.

Their support and continued acknowledgement have resulted in the MIOSA growing from strength to strength. We trust that our services will continue to benefit all parties in 2020.





MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA

THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA

Founder Member of the Ombudsman
Association of South Africa

Phone: 086 11 64672 / 010 590 8378

Fax: 086 630 6141

Email: info@miosa.co.za

www.miosa.co.za

Suite 156, Private Bag X025
Lynnwood Ridge, 0040