



2023 / 2024

# ANNUAL REPORT

MOTOR INDUSTRY OMBUDSMAN  
OF SOUTH AFRICA



## CONSTITUTION

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

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## MISSION

Its mission is to primarily 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, as well as cordial relationships within the automotive and related industries.

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## VISION

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

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# BOARD OF DIRECTORS



**DR. M PHOSA**  
CHAIRPERSON



**MR. JHL VAN VREDEN**  
OMBUDSMAN / DIRECTOR



**ADV. R NETSIANDA**  
DIRECTOR



**ADV. S TLEANE**  
DIRECTOR



**ADV. N LOLWANE**  
DIRECTOR



**MRS. E ENGELBRECHT**  
DIRECTOR



**MS. L LUBBE**  
DIRECTOR

# CHAIRPERSON'S COMMENTS

**Dr. Mathews Phosa**

Chairperson of the Board of the Motor Industry Ombudsman of South Africa

**A**s 2023 ended the economic outlook for South Africa culminated in what can only be described as muted. The annual growth rate of 0.6% – which at least was better than the pre-COVID-19 rate – was still lower than the fourth quarter of 2022.

There were, however, a few promising signs of growth, especially in the personal services industries. Manufacturing edged higher as well. This was lifted mostly by the transport equipment, food and beverages and business services.

One cannot ignore the macro-economic factors that had a negative impact on the automotive and related industries. In 2023 loadshedding had a significant impact on the original equipment manufacturers (OEM's) as well as the rest of the value chain. According to Mr Billy Tom, president of NAAMSA, this resulted in a total of 243 days of loadshedding by end October 2023.

The above also caused an infrastructure backlog with deteriorating ports, rail and road infrastructure

resulting in rapidly rising logistics costs. In addition, the price uncertainty in the commodity markets inevitably led to price fluctuations of material used in the manufacturing of motor vehicles.

However, despite all these challenges, our automakers and their value chains – even though hard pressed – stayed the course and despite a legion of other challenges managed to uphold an industry which was under enormous stress.

It was clear from the statistics that emanated from the office Motor Industry Ombudsman that motoring consumers also did not have it easy during 2023. The number of complaints and consumer expectation rose almost exponentially and in tandem. It was clear that the ombud and his team once again had their work cut out for them.

All that remains for me is to thank Mr. Van Vreden and his team for their continuous dedication to always remaining independent and ensuring that fairness and justice is served to both the motor and related industries and the motoring consumer.



# OMBUDSMAN'S REPORT

Johan van Vreden

**A**s we reflect on the past year at the Motor Industry Ombudsman of South Africa (MIOSA), I am pleased to present this annual report, recounting our journey, achievements, and the collaborative efforts that have propelled us forward. In the pursuit of fairness and transparency within the automotive and related industries, our mission has never been more critical, and our commitment has never been stronger.

Our primary focus remains on empowering consumers and fostering a trustworthy industry. Of the complaints received by the MIOSA in line with our jurisdiction, we resolved 77% in the financial year under review, a testament to our unwavering dedication to justice. The remaining 23% were referred to the National Consumer Commission (NCC) for non-response. Our streamlined complaint resolution processes ensured quicker, fairer outcomes, providing consumers with the confidence that their concerns are heard and addressed.

Collaboration has been at the heart of our success. Strengthening ties with key stakeholders – automotive manufacturers, dealerships, and consumer advocacy groups – has been pivotal. We engaged in 89 outreach events, facilitating open dialogue and mutual understanding. By fostering a culture of cooperation, we aim to build an industry where trust and collaboration are the cornerstones of success.

Education is empowerment. Throughout the year, we participated in 58 educational campaigns aimed at raising awareness regarding consumer rights and

responsible business practices. By providing valuable resources and conducting outreach initiatives, we empower consumers and industry participants to make informed decisions.

Our financial statements for 2023/2024 reflect a sound financial position. Prudent financial management ensures the continuity of our mission, allowing us to invest in innovative solutions and maintain the high standards expected of the MIOSA.

Looking ahead, our strategic priorities for the upcoming year include, but are not limited to, enhancing consumer protection, promoting ethical business practices, addressing technological advancements, improving accessibility and inclusivity, and collaborating with industry stakeholders. These initiatives are designed to strengthen our impact, foster innovation, and adapt to the evolving landscape of the automotive industry. We are committed to remaining at the forefront of positive change and progress.

As we present this annual report, I express my gratitude for the trust you place in the Motor Industry Ombudsman of South Africa. Your support fuels our determination to champion justice, integrity, and a future where the automotive and related industries serve as a beacon of fairness. I will be amiss if I do not thank our dedicated staff, our Chairperson, our Board of Directors, and the motor and related industries for their unwavering support in order to improve the services to the communities that we serve.





## OPERATIONAL CEO'S REPORT

**Leanne Lubbe**

It is with great pleasure that I present the annual report of the Motor Industry Ombudsman of South Africa (MIOSA) for the fiscal year ending February 2024. As the Operational CEO, I am privileged to oversee the seamless coordination and functioning of seven vital departments within our organisation.

Our Administrative Department has played a pivotal role in ensuring operational efficiency and compliance. From maintaining meticulous records to managing communication channels, our team's dedication has been instrumental in facilitating the smooth functioning of MIOSA's day-to-day operations.

The Case Management Department has been at the forefront of addressing consumer complaints within the automotive and related industries. Despite challenges, including staff transitions and increased caseloads, our team has demonstrated remarkable resolve in achieving a notable increase in case closures compared to the previous year.

Under the Finance Department's stewardship, the MIOSA has maintained financial integrity and transparency. We are pleased to report that the organisation has received an unqualified audit for the fiscal year, reflecting our commitment to fiscal responsibility and adherence to regulatory standards.

As the initial point of contact for consumers and industry participants, the Information and Liaison Department has been pivotal in providing guidance and support throughout the conciliation process.

With a focus on operational efficiency and responsiveness, our call centre handled over 43 000 calls during the year, reflecting our commitment to consumers and Industry Participants alike.

The Inspectorate Department has diligently monitored compliance within the automotive and related industries, ensuring adherence to regulatory standards and consumer protection laws. Despite challenges posed by external factors, our team has actively engaged with industry participants, promoting awareness and accountability.

The Legal Department has been instrumental in providing legal guidance and support across various facets of the MIOSA's operations. From ensuring compliance with industry regulations to addressing legal challenges, our legal team has played a crucial role in safeguarding the organisation's interests and upholding consumer rights.

Our Public Affairs Department has been actively engaged in raising awareness and promoting the MIOSA's initiatives within the broader community. Through participation in events and initiatives, including consumer education workshops and media engagements, our team has fostered meaningful connections and empowered stakeholders.

The collaborative efforts of these seven departments have been essential in advancing the MIOSA's mission of upholding consumer rights and ensuring fairness within the automotive industry. As we look ahead, we remain committed to innovation, excellence, and constant improvement, ensuring that the MIOSA continues to serve as a trusted advocate for consumers and industry participants alike.

# FINANCIAL REPORT

Ellen Engelbrecht

## PURPOSE TO VALUE

**T**he values and behaviours of the Motor Industry Ombudsman of South Africa (MIOSA) are at the heart of everything we do. Guided by our purpose and our values, we enable high performance and purposeful action. Our values and the way in which we, as individuals, are expected to behave are the foundation of our Code of Conduct. These values include safety, care and respect, accountability, collaboration, integrity, and innovation.

Our business integrity sets out the standards of ethical business conduct that we require at every level within our organisation. We recognise that our responsibilities and commitments as an organisation must extend above and beyond compliance. Our approach to the ethical business conduct that underpins our reputation as a reliable and dependable organisation is integral to our organisation.

### GOING CONCERN

The MIOSA must maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information. The Financial Department must ensure that the annual financial statements fairly present the state of affairs of the MIOSA as at the end of the financial year and the results of its operations and cash flows for the financial period under review. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and data.

The annual financial statements are prepared based on accounting policies applicable to a going concern. During the audit for the 2023/2024 financial year, it was concluded that the MIOSA is solvent and that the liquidity ratios are favourable. There are no contingent liabilities that may jeopardise the MIOSA's ability to perform its functions and fulfil its mandate.

We are pleased to report that we stayed within budget during the reporting period. We are also pleased to report that the MIOSA has once again received an unqualified audit for the March 2023 to February 2024 financial year.

### LIQUIDITY RISK AND MANAGING RISK EFFECTIVELY

The MIOSA's risk to liquidity is a result of funds available to cover future commitments. The MIOSA manages liquidity risk by monitoring forecasted cash flows and ensuring that the necessary funds are available to meet any commitments which may arise. Cash which is not utilised is immediately invested in interest bearing investment accounts.

The effective management of risk is integral to good management practice and fundamental to living

up to our purpose and delivery of our strategy. By understanding, prioritising, and managing risk, the MIOSA safeguards its employees, its assets, its values, and its reputation.

The system of internal controls applied by the MIOSA over financial and risk management is effective, efficient, and transparent. There has been a continuous improvement in our internal risk management as we believe that effective risk management is essential to achieving our objectives. Risk management has been integrated with internal business processes (governance, planning, operations, management, and reporting) within the MIOSA.

### HUMAN RESOURCE MANAGEMENT

The MIOSA's staff is the foundation of its achievements and its most important asset in delivering on its objectives. The MIOSA ensures adherence to best practices in all aspects involving employees. This includes remuneration and benefits, recruitment, training and development, performance management, employee wellness and occupational health and safety.

The MIOSA continues to develop and refresh learning and development within the organisation. This includes continuous internal training on current systems as well as additional training for all staff members, including time management and Microsoft Excel.

### OCCUPATIONAL HEALTH AND SAFETY

As per the Occupational Health and Safety Act (OHS) 85 of 1993, the MIOSA is obliged to ensure a healthy and safe environment for its employees. As such, it has implemented a Health and Safety Policy as per the legislative requirements.

A Health and Safety Officer has been appointed to manage the policy and ensure readiness for an emergency, as well as being responsible for ensuring compliance with the OHS. Risks or potential safety hazards are assessed for inclusion in the risk register and controls are implemented and monitored so that these risks can be mitigated.

### EMPLOYMENT EQUITY

The Employment Equity Committee comprises of MIOSA employees who represent all levels in the organisation and are selected in line with the provisions of the Employment Equity Act. Its main function is to oversee the transformational agenda of the MIOSA. Its objectives are to do an analysis of the employee profile, play a consultative role in setting targets for transformation, and identify and resolve barriers to transformation.

The committee held four meetings during the financial year under review. The MIOSA considers employment



equity in recruiting staff, and this is reflected in the racial and gender distribution. The MIOSA submitted its employment equity report for the period under review.

### REMUNERATION

The MIOSA strives to attract and retain the best talent and as such endeavours to maintain market related salaries and remunerates its employees in line with the designated market. The remuneration structure of the MIOSA is a Total Costs to Company (TCC) structure, including compulsory medical and retirement contributions. Additional benefits include risk cover and medical aid GAP cover.

### EMPLOYEE WELLNESS

The MIOSA views its staff as its most valued resource and has contracted a life coach to provide support and

guidance at no cost to the employees. This includes emotional psychological support, thus enabling employees to address personal and work-related challenges.

### COMPLIANCE WITH LAWS AND REGULATIONS

The MIOSA is compliant with the following areas of legislation that governs its operations:

- The Broad-Based Black Economic Empowerment Act 53 of 2003
- The Employment Equity Act 55 of 1998
- The Skills Development Act 97 of 1998
- The Unemployment Insurance Fund Act, 2001
- The Occupational Health and Safety Act 85 of 1993
- The Labour Relations Act 66 of 1995
- The Basic Conditions of Employment Act 75 of 1997

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

### REVIEW OF FINANCIAL PERFORMANCE

#### Revenue

The total revenue decreased by R2 107 292 during the 2023/24 financial year. The decrease in revenue was mainly due to closures of retail/service providers, which increased due to the current economic situation in South Africa.

#### Expenses

The total expenses increased by R 2 085 650 during the 2023/24 financial year. One of the main reasons for the increase in expenses was a vigorous legal drive to target non-compliant industry participants. The costs for repair and maintenance have also increased due to the upgrading of our Information and Liaison and Debtors call centres, providing a more soundproof environment when our agents are taking calls. Our telephone costs have decreased by R 341 483, due to the implementing an improved communication system.

#### General

As we reflect on the past year and the current economic challenges that South Africans are facing, the economy remains constrained by low growth and high levels of unemployment. Loadshedding places an additional constraint on economic growth and both consumers and companies are faced with high and rising inflation rates.

**The MIOSA maintains its values through focussing on the following:**

- **Professionalism** – The MIOSA continuously demonstrates good work ethic, respect, empathy, and integrity.
- **Efficiency** – The MIOSA can measure how well its resources are utilised with proven quality results.
- **Making a difference** – The MIOSA consistently delivers required business results, complies with

quality and productivity standards, and meets deadlines.

- **Employee welfare** – The MIOSA ensures that its employees achieve their full potential while maintaining a healthy work-life balance.
- **Teamwork** – The MIOSA can work cooperatively and effectively with others to achieve common goals.

At the MIOSA, we take immense pride in our unwavering commitment to excellence. Through sheer determination and consistent dedication, we have achieved a successful year.



# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

## STATEMENT OF COMPREHENSIVE INCOME

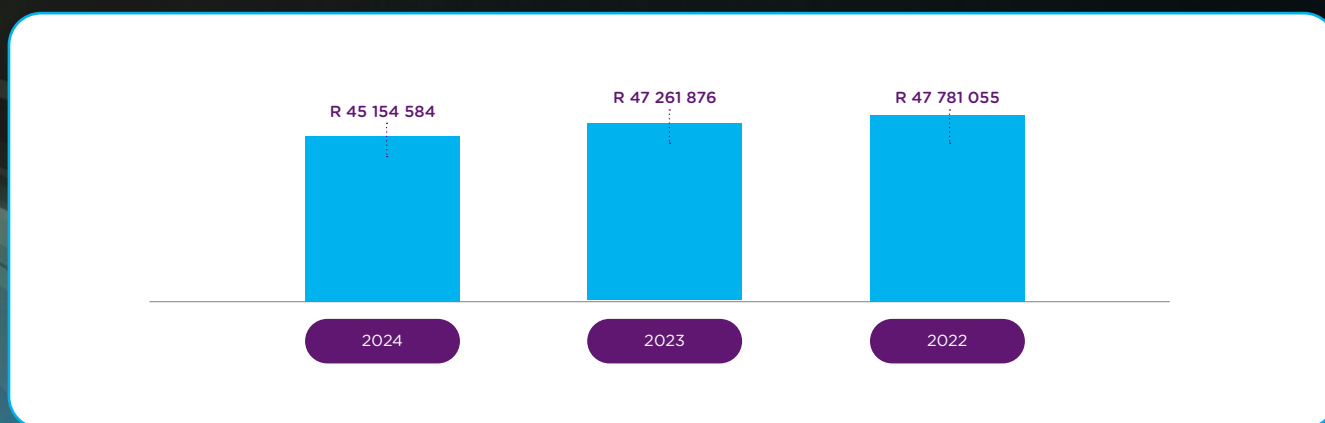
Figures in R	2024	2023	2022
<b>Revenue</b>	<b>45 154 584</b>	<b>47 261 876</b>	<b>47 781 055</b>
<b>Other Income</b>	<b>402 281</b>	<b>352 816</b>	<b>309 741</b>
- Interest received	363 802	299 716	143 653
- Sundry income	38 479	53 100	166 088
<b>Operating Expenses</b>			
- Advertising fees	165 410	154 828	111 668
- Auditors remuneration	49 000	40 500	15 000
- Bad debts	819 810	775 419	867 487
- Bank charges	154 827	135 278	142 454
- Chairman fees	120 000	120 000	120 000
- Computer costs and website development	818 166	405 050	357 695
- Consulting fees	311 183	166 617	158 209
- Depreciation, amortisation and impairments	899 247	793 172	759 450
- Donations	150	3 450	3 094
- Employment costs	29 610 949	29 183 335	27 916 130
- Entertainment	574 634	469 428	269 057
- Insurance costs	279 925	270 874	257 294
- Interest paid	0	31 271	13 503
- Lease rental of premises	2 086 504	1 949 059	1 947 134
- Legal costs	2 355 237	1 890 189	644 971
- Loss on disposal of asset	67 310	7 569	0
- Motor vehicle costs	691 974	641 719	542 644
- Postage	52 392	20 626	9 484
- Printing, stationery and hire of printers	178 823	178 368	167 549
- Repair and maintenance/ Security costs	960 504	582 915	587 138
- Storage and archiving costs	39 130	35 478	35 478
- Subscriptions	144 791	68 475	96 422
- Telephone and communication costs	389 220	730 703	445 355
- Training costs	169 742	204 344	134 168
- Travel and accomodation costs	250 824	253 176	186 038
- TERS Reimbursed	7 741	0	0
- Write off of obsolete assets	0	0	-18 751
<b>Total Operating Expenses</b>	<b>41 197 493</b>	<b>39 111 843</b>	<b>35 768 671</b>
- Finance Costs	70 635	343 239	419 852
<b>(Deficit)/Surplus for the Year</b>	<b>4 288 737</b>	<b>8 159 610</b>	<b>11 902 273</b>

# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

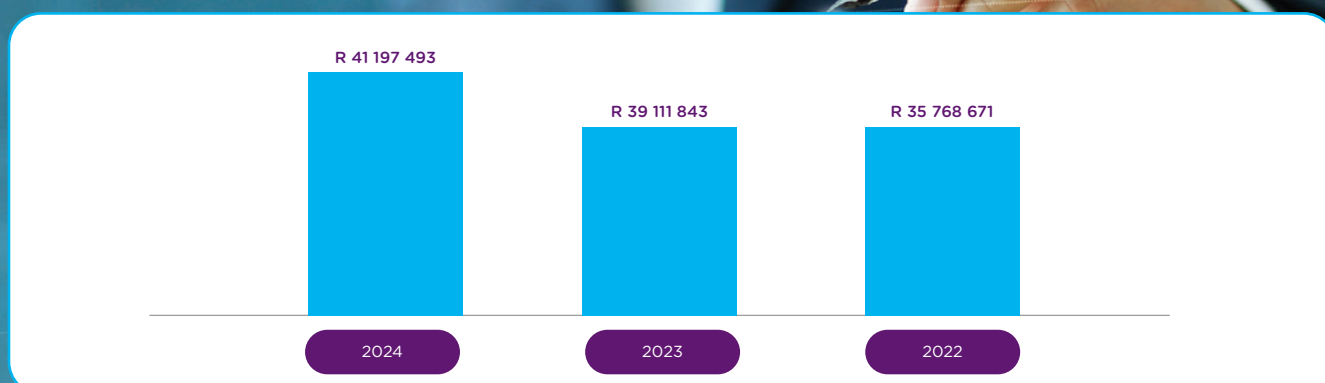
## STATEMENT OF FINANCIAL POSITION

Figures in R	2024	2023	2022
<b>Non-Current Assets</b>			
- Property, plant and equipment	2 203 577	1 650 958	1 569 632
- Intangible assets	2 652 042	2 912 912	3 173 782
<b>Current Assets</b>			
- Other financial assets	254 733	325 062	279 865
- Trade and other receivables	81 319 085	76 466 816	67 682 380
- Cash and cash equivalents	4 975 036	4 551 273	6 035 888
<b>Total Assets</b>	<b>91 404 473</b>	<b>85 907 021</b>	<b>78 741 547</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
- Retained earnings	77 515 868	73 223 610	65 064 000
<b>Non-current Liabilities</b>			
- Borrowings	162 505	199 201	2 947 399
<b>Current Liabilities</b>			
- Trade and other payables	12 985 081	12 418 277	10 673 000
- Finance lease liabilities	741 019	65 933	57 148
<b>Total Assets</b>	<b>91 404 473</b>	<b>85 907 021</b>	<b>78 741 547</b>

## MIOSA REVENUE 3 YEAR COMPARISON



## MIOSA EXPENDITURE 3 YEAR COMPARISON



# 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. In pursuing its legislated mandate, the MIOSA strives to:

- Continuously deliver the required business results;
- Comply with quality, productivity, and service standards;
- Meet deadlines and maintain clear focus on the MIOSA's goals;
- Demonstrate good work ethic, show respect, display integrity, and have empathy with stakeholders' needs;
- Work cooperatively and effectively to achieve common goals;
- Participate in building a group identity characterised by pride, trust, and commitment;
- Effectively convey information and express thoughts and facts, thus demonstrating effective use of listening skills and displaying openness to ideas and thoughts;
- Efficiently utilise resources, resulting in quality outcomes;
- Encouraging employees to accept responsibility for their actions and decisions and complete their work in an ethical and cost-effective manner;
- Display fairness, objectivity and independence;
- Deliver timeous decisions of a high calibre;
- Effectively communicate its purpose and work with the public;
- Maintain courteous, efficient, and informed interaction with all stakeholders.



## ADMINISTRATION DEPARTMENT

In the year under review, the administrative team of four diligently managed various tasks to ensure operational efficiency and effectiveness.

The archiving clerk played a pivotal role in maintaining the MIOSA's records, successfully archiving a total of 12 946 files throughout the year. This record-keeping is essential for streamlined operations and compliance.

The MIOSA's main email address served as a vital communication channel, receiving a noteworthy total of 29 455 emails during the year. Additionally, the team sent out 6 386 manual complaint forms to address the concerns of consumers.

A significant transition occurred within the Case Management Department on 27 October 2023, as it shifted towards a paperless environment. This transformation prompted the filing clerk to change roles to data-capturer, adapting seamlessly with new responsibilities.

Looking ahead, the MIOSA is excited to announce that progress is underway for the implementation of a new complaints management system, slated for completion in 2024. This advancement signifies a commitment to continuous improvement and enhanced productivity.

In conclusion, the administrative team has demonstrated unwavering dedication and adaptability, contributing significantly to the overall success of the MIOSA.

## INFORMATION & LIAISON DEPARTMENT

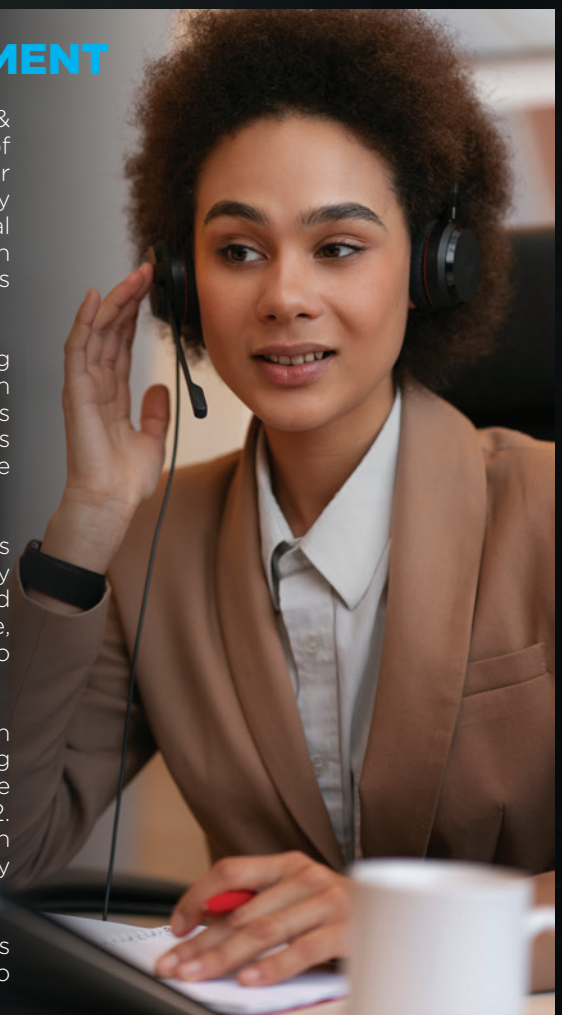
When reaching out to the MIOSA, the Information & Liaison Department serves as the initial point of contact, providing a neutral third-party interface for consumers and industry participants (IPs). Currently staffed by five information and liaison officers fluent in a total of eleven official languages, this department offers guidance on rights and responsibilities throughout the conciliation process under South African legislation.

The Information & Liaison Department is tasked with ensuring the accuracy and applicability of information provided to both parties based on their unique circumstances. Additionally, officers are trained to assess whether complaints fall within the MIOSA's jurisdiction; if not, consumers are confidently directed to the appropriate ombud scheme.

Year after year, the Information & Liaison Department collaborates closely with the Case Management Department, constantly enhancing its knowledge base to ensure information dispensed to IPs and consumers aligns with MIOSA standards. In essence, this department remains independent and impartial, committed to delivering top-notch assistance to consumers and IPs.

During the 2023/2024 financial year, the Information & Liaison Department received a total of 43 174 calls. The average waiting time for callers contacting the MIOSA was 00:01:04, while the average talk time per information and liaison officer was 00:03:22. Additionally, the Information & Liaison Department handled an average of 166 calls per day, adjusting according to the daily workload.

These statistics reflect the operational efficiency and responsiveness of the department in addressing inquiries and providing support to consumers and IPs throughout the fiscal year.



## PUBLIC AFFAIRS DEPARTMENT

**T**he commencement of the MIOSA's annual calendar is usually characterised by its participation in the World Consumer Rights Day (WCRD), which is celebrated worldwide on 15 March every year. This eventful day is preceded by awareness campaigns, consumer education workshops, and multi-disciplinary compliance visits to various businesses under the auspices of the Consumer Protection Forum (CPF).

It is important to note that under the auspices of the CPF, the WCRD is hosted by provinces on a voluntary and rotational basis. The 2023 WCRD was hosted by the Northwest Department of Economic Development, Environment, Conservation and Tourism. The build-up events took place across the Northwest Province,



where the MIOSA raised awareness amongst consumers and businesses.

The MIOSA's presence and visibility attracted the attention of consumers and the media. In that week, the MIOSA participated in five radio interviews and was approached by consumers who shared unpleasant experiences with various automotive industry participants (IPs). Not only did the MIOSA educate them regarding their rights and responsibilities, but it also empowered IPs regarding the importance of adhering to the requirements of the South African Automotive Industry Code of Conduct (Code). The MIOSA encouraged them to remove notices from their walls which were not in line with the spirit and the purpose of the Consumer Protection Act No. 68 of 2008 (CPA) and replace them with hard copies of Section 4 of the Code and educational brochures. Consumers who had complaints used the MIOSA's online application system and the participating regulators were impressed by the swift response from the office.

In the MIOSA's endeavors to sensitise dealers and educate IPs, it launched the Information Sharing Session project. This project is not only aimed at promoting the role of the MIOSA within the automotive and related industries, but it also seeks to promote uniformity in the application of the CPA. The MIOSA also established working relationships with various communities, schools, and religious organisations. This collaboration has helped to increase the MIOSA's footprint in the villages and townships where lack of access to information remains a challenge.

The highlights of the year under review include the MIOSA's participation in the Regional Training and Sensitisation Workshop on Consumer Law and Policy that was hosted by the National Consumer Commission (NCC) in conjunction with the Southern African Development Community (SADC) Secretariat. The aim of this workshop was amongst other things, to share best practices on enforcement of consumer protection law, and to sharpen the investigative and analytical skills of consumer protection authorities within SADC member states. The MIOSA's presentation and demonstration of wear and tear took centre stage as delegates kept asking for more.

During the period under review, the MIOSA participated in:

- Forty consumer education workshops (Government employees and general consumers);
- Nine virtual webinars;
- Seven radio interviews;
- Two television interviews.

And conducted:

- Two industry participant information sharing sessions;
- Fifty-five awareness campaigns;
- Thirty-two compliance visits to the automotive and related businesses.

## LEGAL DEPARTMENT

It is with great pleasure that the Legal Department presents its annual report for the year ending 29 February 2024. It was a year of immense challenges for South African consumers and the economy. The automotive and related industries were no exception. South Africa experienced unprecedented levels of loadshedding, which had a profoundly negative impact on the country's economy. This was further exacerbated by the devastating floods in KwaZulu-Natal, high inflationary costs, interest rate hikes, increased cost of living and global supply chain pressures.

The collection of outstanding contributions therefore continues to remain an area of concern. Balance must be preserved between recovering outstanding contributions and supporting industry participants in need, especially during challenging times. Collecting arrear contributions additionally occurs against the backdrop of legal complexities, cumbersome court processes and unnecessary litigation by industry participants (IPs). However, we have demonstrated our commitment to proactively, diligently, and continuously refining our collection processes and IP engagement to achieve a commendable collection rate. This results in improved cash flow, with IPs that are compliant with the Industry Code of Conduct contributing to the proper functioning of the MIOSA.

During the financial year, 582 IPs received letters of demand for arrear contributions and 606 summonses were issued against non-compliant IPs. In 56 court cases, the MIOSA successfully obtained judgment in



its favour, with 173 cases being set down. In 58 cases, active court litigation is still in process. The majority of defended cases, however, are settled prior to court proceedings. Subsequent to initiating legal process, 236 IPs made payment of the full arrear contributions and 363 arranged for payment over a period of time.

In conclusion, the Legal Department's efforts have again yielded significant achievements over the past year. Through a diligent and strategic approach, it has maximised collections while upholding legal and ethical standards. Despite the challenges encountered, it has implemented effective mitigation strategies and demonstrated empathy towards IPs in financial distress.

## INSPECTORATE DEPARTMENT

Part A of the South African Automotive Industry Code of Conduct (Code) holds that the Code applies to the entire automotive industry, while Schedule 5 confirms that the MIOSA has jurisdiction over all the members of the automotive industry. As per Clause 13.4 of the Code, the MIOSA is responsible to collect all contributions due and owing by the members of the automotive industry. It is therefore evident that each importer, distributor, manufacturer, retailer, franchisor, franchisee, supplier, and intermediary in the automotive and related industries, as cited in the Code, is responsible to pay contributions to the MIOSA. Members of the automotive and related industries cannot choose whether or not they fall within the ambit of the MIOSA, it is automatic and certainly not voluntary.

Each member of the automotive and related industries therefore has a duty to seek out the MIOSA and ensure that their details are provided and that the required contributions are paid to ensure the proper functioning of the MIOSA. Failure to do so will result in non-compliance of the Consumer Protection Act No. 68 of 2008 (CPA).

The Inspectorate Department's main role is to investigate and to ensure compliance of industry participants (IPs) within the automotive and related industries. The inspectors visit IPs throughout the country where they communicate the advantages and necessity of complying with the Code. The inspectors also assist new businesses with the registration process on the online platform of the MIOSA's Industry Participant Database. The Inspectorate Department is actively involved with

compliance officers from the National Consumer Commission, Consumer Affairs, National Credit Regulator, and the South African Police Service. The implementation of compliance during the year was carried out throughout Gauteng, North-West, KwaZulu-Natal, Western Cape and the Free State.

The number of business closures that occur in the automotive and related industries continues to be significant, due to various reasons, including the ripple effect of the COVID-19 pandemic, loadshedding and the current economic conditions in South Africa to name a few.



## CASE MANAGEMENT DEPARTMENT

The Case Management Department at the MIOSA has undergone a significant transformation towards becoming paperless. Through the implementation of an online application process and fax-to-email technology, the entire case management procedure now operates without reliance on traditional paper-based files stored on the MIOSA's premises.

All the MIOSA files have transitioned into digital format, securely backed up onto hard drives and stored off-site, aligning with the requirements stipulated by the Protection of Personal Information Act No.4 of 2013 (POPIA). This transition not only reduces operational costs but also enhances productivity, optimises space utilisation, streamlines documentation processes, facilitates easier information sharing, fortifies data security, and contributes positively to environmental sustainability.

During the period under review, the departure of a senior case manager created a significant void within the Case Management Department. Despite her decision to pursue opportunities elsewhere, the individual demonstrated unwavering loyalty to the MIOSA by diligently addressing her caseload before transitioning responsibilities to her colleagues. Her contributions merit sincere appreciation and gratitude.

The MIOSA's performance metrics for the fiscal year indicate an average closure rate of 53 business days, measured from complaint receipt to resolution. Throughout the year, the MIOSA received a total of 9 104 applications for assistance, of which 7 200 were referred to the relevant industry stakeholders for response. Impressively, 5 125 industry members promptly responded within the specified timeframe, while reminders were issued to the remaining 2 075 non-responsive entities.

The Case Management Department successfully closed a total of 8 565 cases during the 2023/2024 financial year, marking a notable increase of over 600

cases compared to the previous year. Additionally, 813 cases were referred to the National Consumer Commission (NCC) due to non-compliance with the accredited South African Automotive Industry Code of Conduct (Code).

Failure by industry members to respond to the MIOSA's consumer complaint referrals constitutes a contravention of the Consumer Protection Act No. 68 of 2008, Section 82 Subsection 8. Consequently, these cases were escalated to the attention of the NCC for further investigation and resolution.

In summary, the MIOSA's ongoing commitment to enhancing its case management processes, coupled with the dedication of its staff members, underscores its mission to uphold consumer rights and ensure fair and equitable resolutions within the automotive industry landscape.



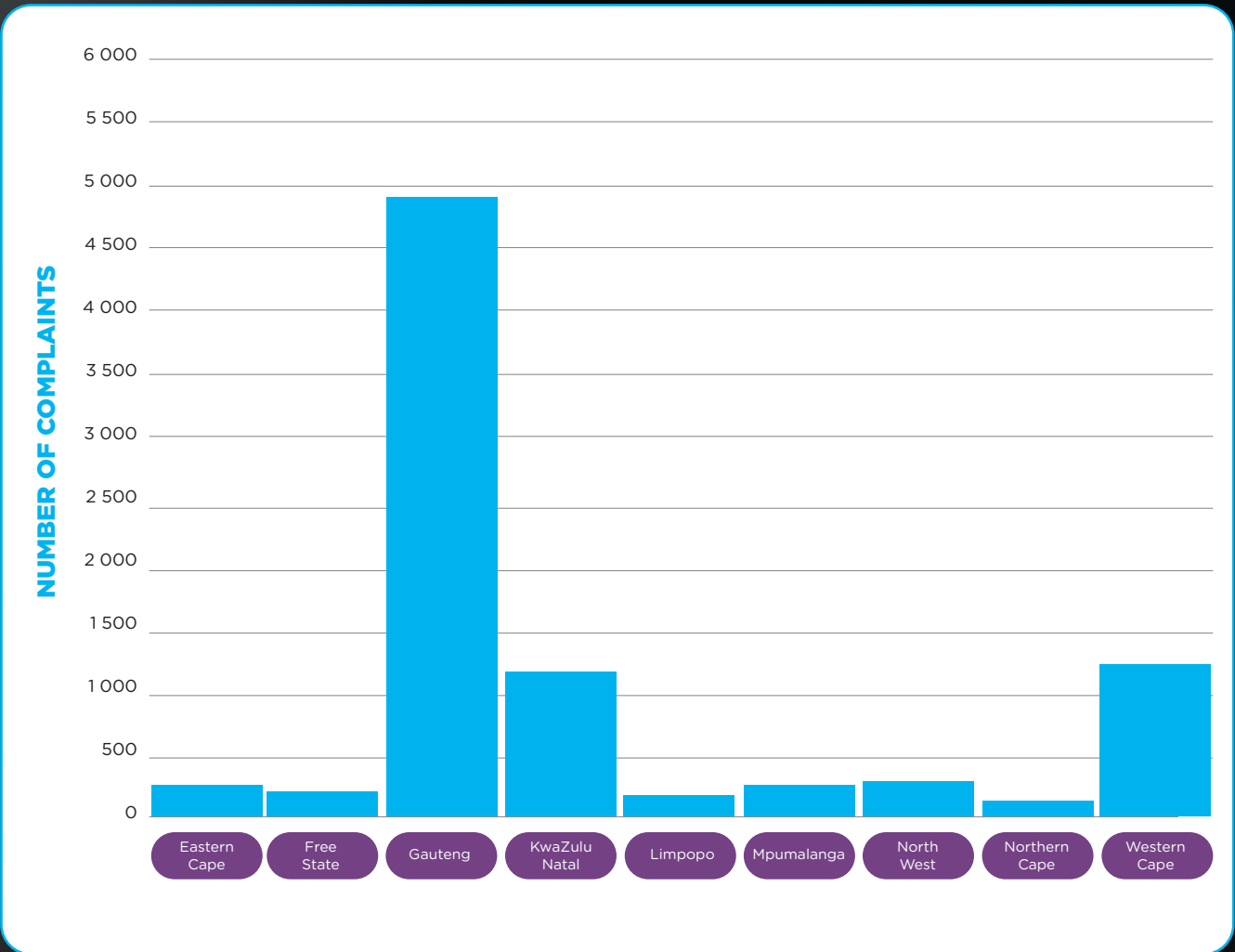
## CASE STATISTICS

### AGE GROUP OF COMPLAINANTS

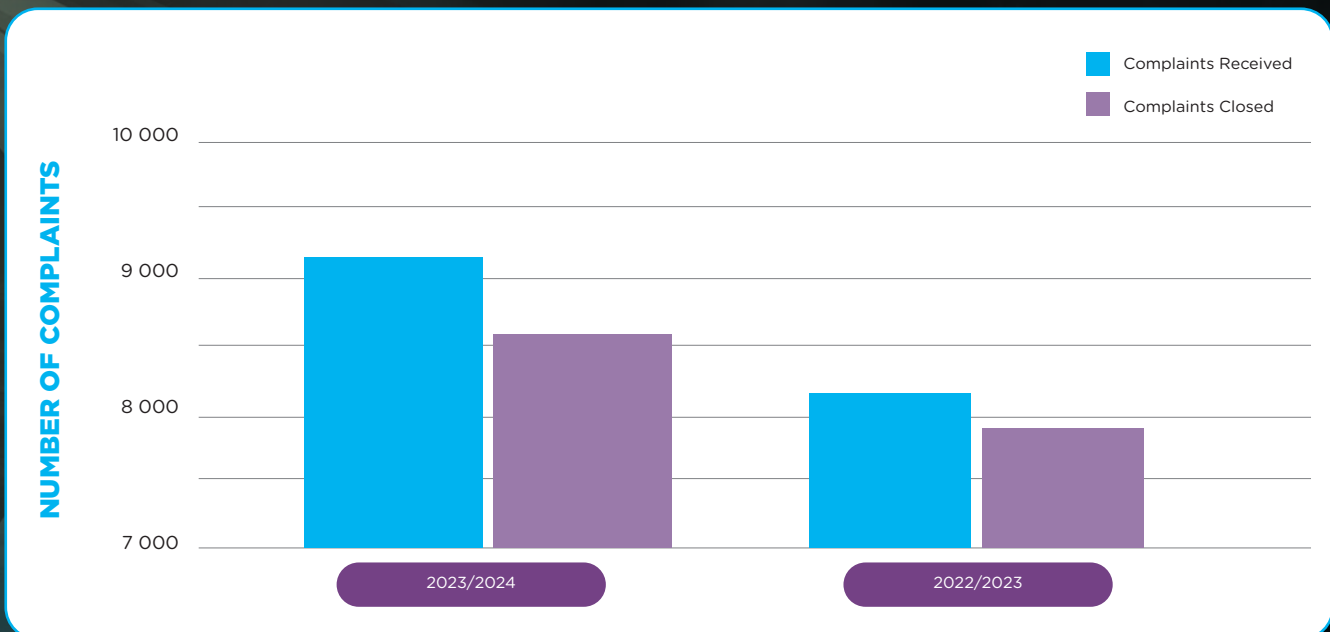




## PROVINCE WHERE COMPLAINT ORIGINATED

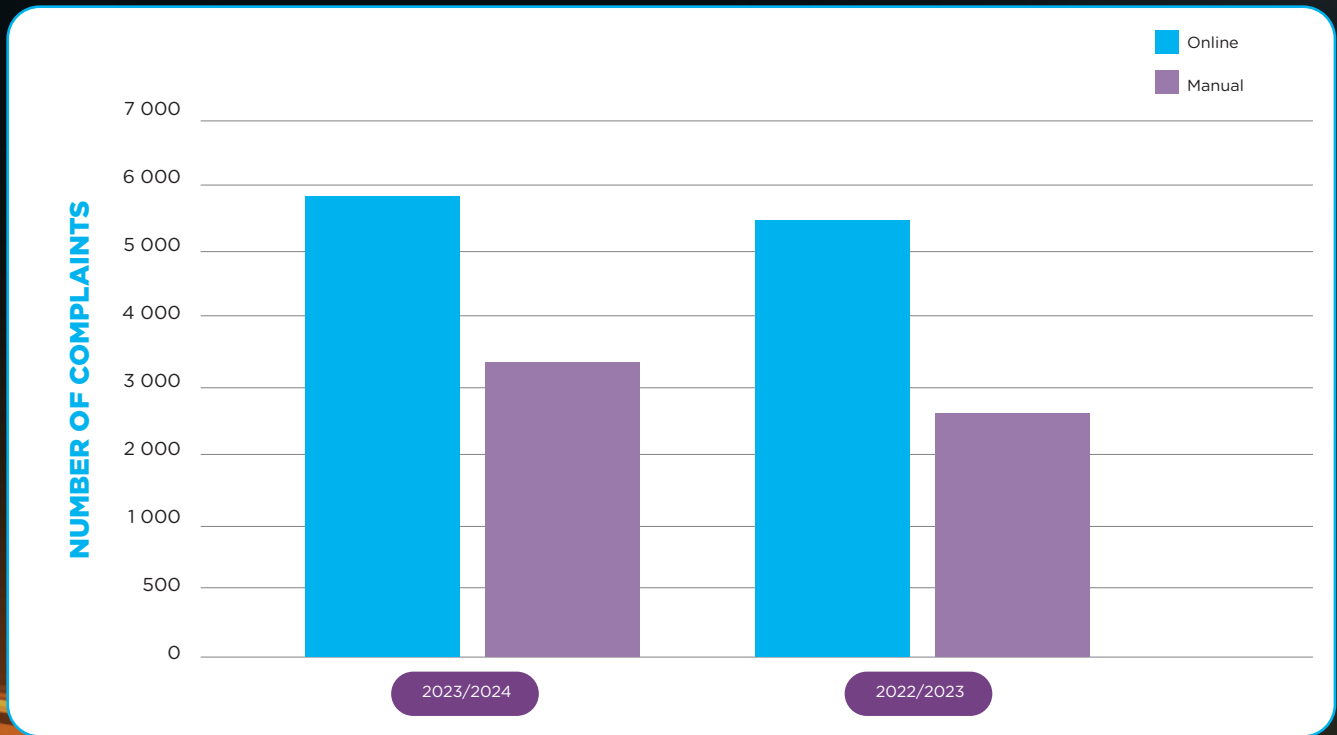


## COMPLAINTS RECEIVED AND CLOSED

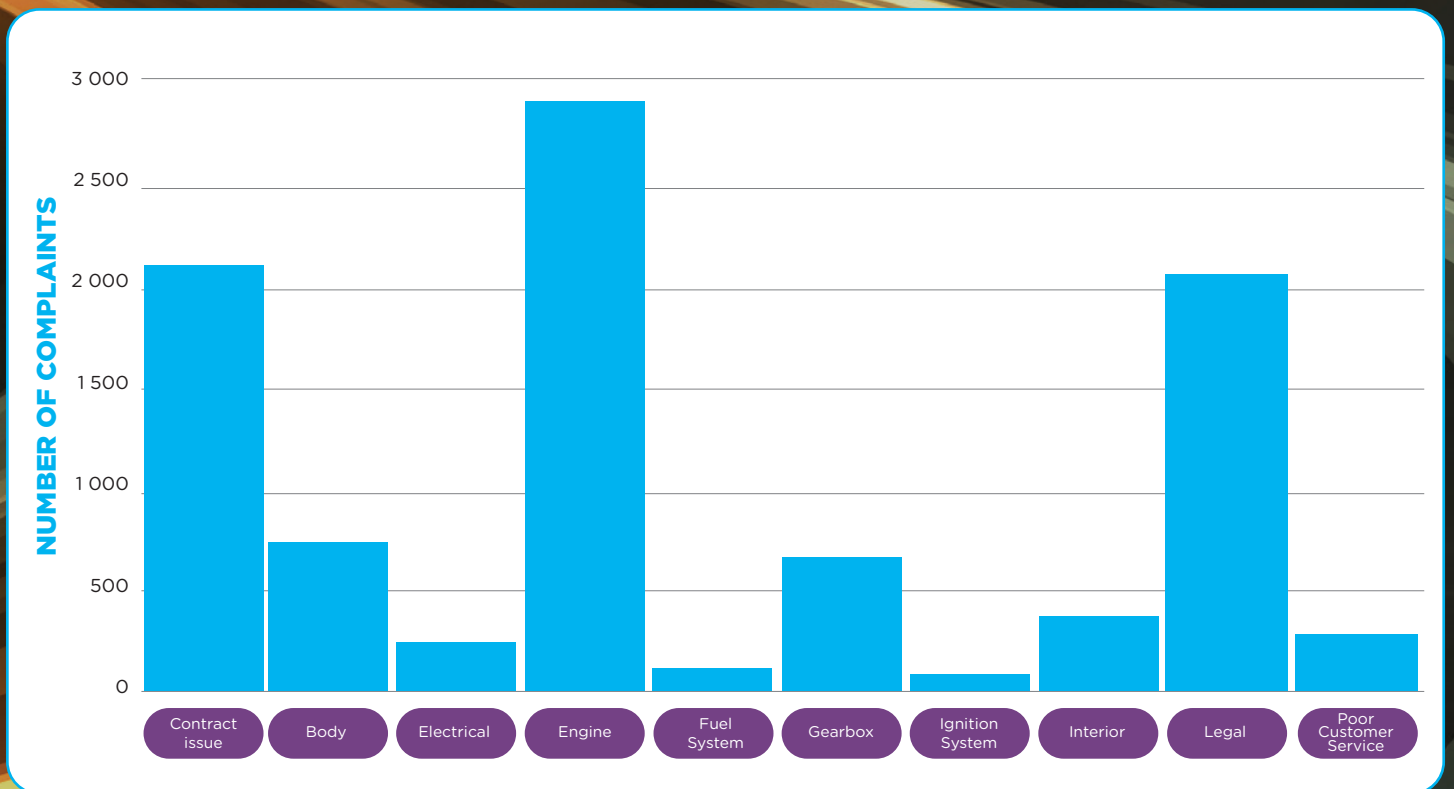


## CASE STATISTICS

### COMPLAINTS SUBMITTED ONLINE VS MANUAL



## TOP TEN PROBLEM GROUPS



# COMPLAINTS PROCEDURE

After numerous meetings and on the suggestion of the NCC, additional steps were implemented in the MIOSA'S complaints process as to be more in line with the Consumer Protection Act No. 68 of 2008, and to give consumer and industry participants more opportunity to respond to the MIOSA'S requests.



## CASE STUDIES

### COMPLAINT

Shortly after the purchase of a truck by the complainant, it had overheating concerns which required replacement of the water pump, vent control and electro fan. The complainant took the vehicle to his own preferred mechanic and after an estimate was provided, he agreed with the selling dealership (supplier) that they cover 50% of the cost of the required parts. During the repairs, the complainant's mechanic discovered further damages which the supplier declined to assist with. The complainant approached the Motor Industry Ombudsman of South Africa (MIOSA) requesting that the repairs to be carried out at no cost to himself.

### FINDING

The concerns raised arose inside the parameters of the six-month implied warranty as per Section 56 Subsection 2 of the Consumer Protection Act 68 of 2008 (CPA). However, the complainant elected to have the repairs carried out by his preferred mechanic who incorrectly diagnosed the vehicle and effected repairs. The MIOSA made a finding that it could not support the expectation availed in the submission by the complainant as the work carried out by his mechanic of choice cannot be warranted by the supplier.

### COMPLAINT

The complainant alleged that the tracking device installed by the tracking company caused his vehicle's battery to drain. The tracking company deployed a field technician to assess the situation and found that it was not the tracking device that was draining the battery. The complainant was not satisfied with the finding and approached the MIOSA for assistance.

### FINDING

After careful consideration of the submissions made, it was evident that the tracking device was not the cause of the irregular draw on the battery but rather another aftermarket component. The reports reflected the same and the MIOSA found in favour of the tracking company.

### COMPLAINT

The complainant experienced a noise in the engine of his motorcycle within six months of purchase. He reported the matter to the selling dealership (supplier) and wanted the motorcycle repaired at no cost to himself. The supplier found that there was no oil in the engine of the motorcycle, and it had been ridden in that condition. The respondent refused to repair it at its cost.

### FINDING

It was found that the noise in the engine of the motorcycle existed about two months before the complainant reported it to the supplier. By utilising the motorcycle in that condition, the complainant had caused damage to the engine, with oil starvation resulting in its ultimate destruction. The MIOSA found that the complainant would be liable for the cost to repair the motorcycle.

### COMPLAINT

The complainant purchased a truck and a few weeks later, it broke down due to a faulty fuel pump. The selling dealership (supplier) had the vehicle repaired and returned to the complainant. About a month later the truck's engine was mixing coolant with oil and the complainant's preferred mechanic determined that two Welsch plugs required replacement. The supplier only authorised replacement of one Welsch plug as it was of the opinion that it had done its part and had treated the complainant fairly and justly. The complainant approached the MIOSA with a request for the vehicle to be replaced.

### FINDING

The office of the MIOSA made a finding that in line with Section 56 Subsection 2 of the CPA, the supplier must at its risk and expense, collect the vehicle to repair the concern, or it may authorise at its cost, the necessary repairs to be carried out by the complainant's mechanic.

### COMPLAINT

The complainant cancelled the services of a tracking company; however it proceed to debit his bank account. The complainant did not find any resolve from the tracking company and approached the MIOSA with the concern.

### FINDING

The MIOSA referred the matter to the tracking company, and it responded with the contract terms and conditions. It was found that it was acting in breach of the same and the mistake was corrected by refunding the complainant the monies owed and cancelling the service agreement. The MIOSA considered the matter to be resolved and closed the file accordingly.

### COMPLAINT

The complainant booked her motorcycle in with the service provider for repairs relating to backfiring. The motorcycle was with the service provider for an extended period of time while multiple components were repaired. However, upon receiving the motorcycle back, the complainant found that the backfiring concern was still present, now accompanied by an oil leak which was not present when she made it available for repairs. The service provider was of the opinion that it was put under tremendous pressure to have the motorcycle repaired as the complainant wanted it returned as soon as possible.

### FINDING

The MIOSA found in favour of the complainant and determined that the motorcycle needed to be returned to the service provider in terms of Section 57 Subsection 1 of the CPA, to be fully repaired under the three-month workmanship warranty.

## LETTERS RECEIVED

Thank you very much for your intervention and professional handling of the matter.

*T Mokoena*

Just a quick note to thank you for getting involved in this matter. Everything has been resolved and I am extremely grateful for the help I received from you.

*C Bell*

I highly appreciate your intervention in this matter. Thank you.

*N Kubayi*

Thank you for your assistance and fairness in this matter.

*S Rassie*

Thank you for your assistance! It was dearly appreciated.

*G Becker*

Thank you to you and your team for your assistance, expertise, and services herein to resolve the matter, you're all stars!

*R Kilian*

I have no words to express the joy and happiness the MIOSA just gave me. May the great Lord bless that office and your families. I really have no words to express how I feel right now. Thanks to everyone who participated on my case.

*K Masemola*

I would like to send my gratitude to you and the MIOSA as a whole for assisting me in getting this issue resolved.

*R Dzimba*

I just want to thank you for handling our case. We have been very impressed with the high level of professionalism displayed by the MIOSA. We think your assessment is very fair, and we greatly appreciate your efforts and time spent on this matter.

*N Auret*

Thank you very much for your professionalism and appreciated assistance in this matter. Also, a word of appreciation to selling dealership whose attitude of goodwill is noted and will be remembered.

*H Brand*

I would like to thank you for taking such prompt action which has resulted in a very positive outcome. Service provider deserves praise for their immediate response and professional communication. Keep up the good work!

*B Lange*

Wow, thank you so much for the great service. We really do appreciate it.

*Service Provider*



Just want to inform you that I woke up being refunded today and would like to say thank you. If we had people working like you, South Africa would be in a better position than it is right now. You assisted me within a week whereas it took the selling dealership almost a year without any resolution. Thank you, ma'am and God bless you abundantly.

*D Reeds*

For all your efforts and most importantly timeous delivery on the matter, I take this opportunity to thank you and any team member who handled this case together.

*S Nlgadima*

I really appreciate your effort to help the consumers of South Africa. Your job is very exceptional.

*E Toodi*

Once again thank you for all to everyone for all the time and effort who that assisted me here. It is greatly appreciated, and you have restored my faith and confidence in the system.

*P Maharaj*

Thank you for your assistance I really appreciate your help in this matter. You made my dream come true.

*N Mcineka*

Thank you very much for the assistance in resolving this matter.

*S Moore*

I wish to formally place on record my satisfaction and gratitude for the time, expertise and resources expanded on my matter and the positive outcome in my favour.

*M Kara*

I would like to thank you so much for the way you handled my case against the service provider. Please keep up your good work.

*X Khumalo*

## THE WAY FORWARD

**A**s we navigate the ever-evolving landscape of the automotive and related industries, it's imperative to envision a future where consumer rights are protected, and industry standards are upheld with unwavering integrity. The Motor Industry Ombudsman of South Africa (MIOSA) stands at the forefront of this vision, committed to driving positive change and fostering trust between consumers and industry participants.

Looking ahead, our focus remains steadfast on innovation, collaboration, and empowerment. We envision a future where digital accessibility revolutionises how consumers engage with our services, where proactive education empowers individuals to make informed decisions, and where collaborative partnerships shape industry best practices.

Through continuous improvement and strategic initiatives, we will leverage technology to enhance accessibility, provide tailored support to vulnerable groups, and strengthen our mediation and dispute resolution capabilities. By harnessing the power of data analytics, we will gain valuable insights to address emerging challenges and drive systemic reform within the automotive sector.

Together, we embark on a journey towards a future where fairness, transparency, and accountability define the automotive marketplace. The MIOSA is poised to lead this transformative journey, shaping a brighter future for all stakeholders.

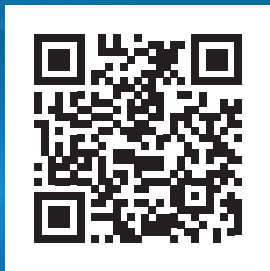


# A WORD OF THANKS

The Motor Industry Ombudsman of South Africa (MIOSA), extends its sincerest gratitude to the following organisations and institutions for their unwavering support:

- **Government:** We express our heartfelt appreciation to the Department of Trade, Industry and Competition, provincial consumer protection agencies, the National Consumer Tribunal, provincial consumer protectors, the consumer courts, the Departments of Justice and Transport, and the National Consumer Commission. Their collaboration has been instrumental in advancing consumer rights and fostering a fair and transparent motor industry landscape.
- **Industry associations:** We extend our gratitude to 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. Their partnership has been pivotal in upholding industry standards and promoting ethical business practices.
- **South African Motoring Public:** We are deeply thankful to the members of the South African motoring public for their continued support, which has been instrumental in the ongoing growth and success of MIOSA. Their trust and engagement are invaluable as we strive to address consumer concerns and enhance industry accountability.
- **Vehicle manufacturers, importers, and retail automotive industries:** Our appreciation also goes to vehicle manufacturers, importers, and the retail automotive and related industries for their collaboration and commitment to customer satisfaction. Their dedication to quality service and accountability reflects positively on the industry as a whole.
- **Media:** We acknowledge the media for its positive and ongoing support in raising awareness and facilitating constructive dialogue on consumer rights and industry practices.
- **Consumer advocacy groups and ombudsman offices:** We express our gratitude to the South African Consumer Union, the South African Fraternity of Attorneys, the Ombudsman for Banking Services, the Consumer Goods and Services Ombudsman, the Credit Information Ombudsman, the FAIS Ombudsman, and the Ombudsman for Short-term Insurance for their collaboration and shared commitment to consumer protection and advocacy.
- **Motor industry dealer groups and individual motor-related businesses:** Lastly, we extend our thanks to motor industry dealer groups and individual motor-related businesses for recognising the importance of customer care and retention. This dedication to enhancing the consumer experience is fundamental to the success and sustainability of the industry.

Your support and partnership are invaluable as we work together to promote fairness, transparency, and accountability in the motor industry. We look forward to continuing our collaboration in pursuit of our shared goals.



## THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA

Founder Member of the Ombudsman  
Association of South Africa



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