

# Built-in service and maintenance plans need more transparency

With the imminent publishing of the second draft to the Code of Conduct for Competition in the South African automotive industry, vehicle repair and servicing and parts supply, the National Automobile Dealers' Association (Nada) says the association supports the concept of customers having a choice of where to maintain their vehicle.



Photo by Emil Vilsek on Unsplash

“Where the vehicle is within warranty and/or maintenance plan, the nearest franchised dealer remains the best place to look after the customer’s vehicle,” says Mark Dommissie, national chairperson of Nada.

“These dealers understand the technology and design of the vehicle and are best-equipped to diagnose any faults. Franchised dealers employ qualified technicians, who undergo regular training with the manufacturer to ensure that they are fully abreast of the latest technology incorporated into the vehicles they work on. A well-trained specialist is best equipped to repair any faults.



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Les Mc Master 12 Feb 2018



“Today’s automobile is a technical piece of engineering with cutting-edge technology and design. The franchised dealer utilises correct tools, specialised diagnostic equipment and extensive, vehicle-specific training on a customer’s vehicle when it is in their service area, resulting in peace of mind that it is being well taken care of.

“For those customers choosing to purchase their vehicle with a maintenance plan, they are largely unaffected by the cost of these repairs, having already provided for their maintenance requirements within their purchase.

“Where the parts or vehicle are out of warranty and/or maintenance plan, the customer’s choice is even greater, where the customer is free to choose a franchised dealer on the above basis or use an independent specialist based on their affordability,” says Dommissie.

## Franchised dealers represent about 25% of the market

Speaking on behalf of Nada, Dommissie notes that franchised dealers represent about 25% of the market and that independent workshops service the vast majority of South Africa’s car parc.

The association recognises the need to strive for greater transparency and value-add in the way service and maintenance plans are built into the price of new vehicles, but much of this onus rests with the franchisor who controls the price structure of a vehicle.



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18 Dec 2017



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Dommissie stresses that these plans remain a peace-of-mind benefit to new and pre-owned customers as a guarantee that today’s price will be applied to all future service.

“In a debt-stressed country, as well as an industry reliant on an unstable currency, securing pricing today and ensuring budget certainty, is absolutely fundamental,” continues Dommissie.

Nada supports and has contributed to a range of policies and programmes such as the Automotive Industry Code of Conduct for South Africa in terms of the Consumer Protection Act (CPA), client Alternative Dispute Resolution (ADR), and now a Code for expanded competition. Although cautious, Nada supports the Competition Commission in its drive for a more regulated and open aftermarket, provided safety and sustainability remain at the heart of all matters.



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Jeff Osborne 27 Oct 2017



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“We have supported this practice for a long time, looking out for the interests of consumers within stringent franchised dealer agreements,” says Dommissie.

“However, we urge consumers outside of warranty to choose their repairers carefully, based on the chosen facility’s credibility and the customer’s ability to have recourse on any repairs or parts supplied. This practice not only protects the value of the customer’s vehicle but ensures the safety of those driving them.

“As Nada, we fully support fair practices in the motor industry when they create a healthy balance between benefiting customers and franchised dealers alike. This will allow South Africans access to a sustainable and credible industry with

the ability to keep safe and reliable vehicles on our roads,” concludes Dommissie.

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