

Right to Repair South Africa raises red flag on non-compliance

Consumer education and dealer compliance are two key focal areas after the Competition Commission's Guidelines came into effect on 1 July 2021.



Source: [Unsplash](#)

Seasoned legal expert and chief executive of Right to Repair South Africa (R2RSA), Kate Elliott, says her role is to champion the rights of the consumer and act as the consumer's watchdog checking for any non-compliance. "At our core, R2RSA exists to help create better competition in the automotive aftermarket for the benefit of the consumer, all role players in the industry and the economy."

It is not a position Elliott takes lightly and just six weeks in she is concerned about the lack of compliance and apparent lack of awareness amongst dealers.

Round one of a mystery shopper experiment amongst dealers in the Western Cape revealed that of the eight dealerships visited, only one, Volkswagen, passed the test advising that in line with the guidelines, the price quoted for a new vehicle was for the vehicle alone and that as consumers we were welcome to purchase a service plan separately. They also indicated that the vehicle's warranty would be honoured if we chose to service the vehicle elsewhere.



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A visit to Mercedes on the other hand was slightly different. While the staff had clearly been properly briefed on the Guidelines, they had not yet put plans in place to unbundle service plans from the price of a new vehicle and advised that this would only be an option for consumers from February 2022.

“Unfortunately, that is where any semblance of compliance stopped.” Visits to the remaining six dealers revealed a very different picture.

Five of the six were adamant that the service plan could not be unbundled from the price of the car, and the last only admitted that the service plan could be purchased separately after much prodding. Most expressed doubt if they could honour the warranty if servicing was done by an independent workshop. The majority also advised the service plan was “free” to the consumer and expressed a general lack of awareness of the contents of the Guidelines.

“Just by way of illustration, a built-in service plan is never free and can range between R30,000 to R60,000 or more. Added to that, you are also charged interest on this when you choose to finance a vehicle. This is precisely why the guidelines requested this cost be unbundled from the purchase price so the consumer can assess their options and make an informed decision.”



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It is clear that there is still a long way to go in terms of consumer education to educate the consumer about what these guidelines really mean. Manufacturers also need to ensure that they are compliant with the Guidelines and that they educate their dealer networks and staff to provide the public with the facts surrounding the guidelines. “One of the biggest issues we faced when approaching the dealers as a prospective customer was that the salespeople were providing false information about the Guidelines, advising things such as ‘it is not set in stone’ or indicating that the Guidelines were not yet in force.

She says it is important to remember that the Commission has been engaging and consulting with the industry since early 2017 to resolve these market issues. It was only after two years where the stakeholders failed to reach consensus and/or to commit to meaningful pro-competitive reforms, that the Guidelines were drafted to provide practical guidance for the automotive aftermarket industry and to provide consumers with a more competitive and fairer market landscape.

“We would like to remind the public that as the guidelines are already in force, if a dealer tries to convince you otherwise, they are acting in contravention of the Guidelines and you can report them. We have great faith that if the guidelines can be implemented effectively, the automotive aftermarket will become one of the healthiest markets in the country to the benefit of all South Africans,” concludes Elliott.