



### Navigating the Guidelines for Competition in the South African Automotive Aftermarket



## You have the freedom to choose your service provider

- You are entitled to chose where you service your vehicle both during the in-warranty period and after.
- You may choose to service your vehicle at the dealer from whom you purchased your vehicle or shop around for a better price.

# Your warranty is protected no matter which service provider you choose

- You are entitled to take your vehicle to an independent service provider (ISP) for your services or other non-warranty related maintenance during the in-warranty period AND still keep your warranty.
- If the vehicle is insured all insurance based accident repairs must be undertaken by a original equipment manufacturer (OEM) approved repairer while the vehicle is still under warranty.
- ISPs must record all work performed in the vehicle's service book and must disclose to consumers the risk that a OEM may decline a portion of the warranty should a fault arise and the ISP or materials used be found to be the cause of the fault. In such instances the OEM is not entitled to void the warranty in its entirety.
- ISPs must disclose to the consumer whether they have adequate commercial insurance to cover an instance where a OEM declines a warranty claim.

# You are entitled to use original or matching-quality spare parts

- You are entitled to use original or matching-quality spare parts (for example oil filters) in your vehicle during your vehicle's inwarranty period and OEMs are not entitled to void your warranty for doing so.
- If there is any damage to the vehicle from the fitment of matching-quality parts by an ISP, there is a risk that the provisions in the warranty relating to the fault may be voided by the OEM. In such instances the OEM is not entitled to void the warranty in its entirety.
- OEMs must make original parts available to ISPs where required to perform service, maintenance or repair work.
- OEMs are entitled to require ISPs to meet accreditation standards before providing access to security critical components.
- OEMs may not restrict manufacturers of spare parts from placing their logo on the parts they produce.

# OEMs must adopt measures to lower financial barriers to becoming a dealer

OEMs shall not impose onerous obligations to prospective dealers and take measures to make becoming a dealer more accessible, with preference given to historically disadvantaged individuals (HDIs).







# Unbundling of service/maintenance plans from the price of a vehicle

- Vehicle retailers are now obliged to provide you with separate prices for your vehicle and for any value added products that they have on offer such as service and maintenance plans, extended warranties ect.
- Included in the price breakdown must be the average price of each service included and the average price of the parts covered by a maintenance plan.
- Car retailers are also obliged to sell you a new vehicle without a service or maintenance plan if you do not wish to purchase one and simply pay for your services as they are performed.
- You are entitled to purchase value added products from any licensed third parties.



# Workshops are entitled to technical information

- ISPs are entitled to be provided with the technical information they require in order to work on the vehicles brought to them by their customers.
- OEMs must provide access to training to employees of ISPs who request training.
- OEMs are required to provide the technical information and/or training on reasonable terms and conditions that are no less favourable to the terms offered to its dealers and approved motor body repairers.
- The information that OEMs are required to provide access to includes, but is not limited to: service books (stored electronically or in the cloud); technical repair and service information; diagnostic codes; operational software and data record information.



- OEMS must give preference to HDI owned repairers;
- OEMS must approve any repairer that meets their standards and specifications;
- OEMS may not enter into exclusive agreements relating to a geographic area;
- OEMS may not enter into contracts exceeding 5 years or continuously renew agreements to the exclusion of new ISPs.



### Insurers must adopt measurers to ensure the fair allocation of work

- Insurers must give preference to HDI owned repairers;
- Insurers must approve any repairer that meets their standards and specifications;
- For transparency insurers must publish the standards used to accredit repairers and a list of all of their repairers on their website;
- Vehicles under warranty shall only be allocated to OEM approved repairers;
- Insurers may not enter into contracts exceeding 5 years or continuously renew agreements to the exclusion of new ISPs.







### Stand up for your rights!

### Encountered what you believe to be noncompliance with the Guidelines?

Contact Right to Repair South Africa at kate@r2r.org.za or lay a complaint directly with the Competition Commission by doing the following:

- Download the complaint form here and fill it in.
- Prepare a written statement setting out all of the facts relating to your complaint and attach any evidence you may have to the statement (eg. an email, photograph ect.)
- Email your complaint form together with the written statement and evidence to <a href="mailto:ccsa@compcom.co.za">ccsa@compcom.co.za</a>
- For full details regarding lodging a complaint visit the Competition Commission's website <a href="here">here</a>.

#### An OEM has declined your warranty, now what?

When you bring your vehicle to a OEM with a suspected warranty fault the manufacturer must at its own cost conduct an assessment of the vehicle and fault to ascertain the cause of the failure. If the failure is a factory fault the OEM is obliged to honour the warranty.

If the OEM declines your warranty without a valid basis, your options are to contact the Motor Industry Ombudsman <u>here</u>, approach an attorney to take legal action or if the basis on which the OEM is refusing to honour your warranty relates to any of the provisions of the Guidelines such as making use of an ISP for your services then you can contact the Competition Commission by following the instructions above.

If the OEM is able to provide evidence that the failure can be attributed to the work performed by an ISP or the parts/materials used by an ISP then you are entitled to claim against any party in the supply chain (ISP, supplier, manufacturer ect.) If the ISP/supplier/manufacturer disputes your claim you are entitled to approach the Motor Industry Ombudsman or approach an attorney to assist you with your claim.



#### **Enforceability of the Guidelines**

The Guidelines are not enforceable as a stand alone document. However the Guidelines were created as a document which must be considered when interpreting the Competition Act in the context of the Automotive Aftermarket. The Competition Act is of course enforceable and accordingly the sections of the Guidelines which are very clear and directive in their nature must be adhered to if one wishes to stay on the right side of the law.

# To access FAQs on the Guidelines click <u>here</u> and for a copy of the full Guidelines click <u>here</u>.

This infographic was prepared by Right to Repair South Africa to serve as an explanation of the Competition Commission's Guidelines and does not constitute legal advice. The final decision on the implementation of the guidelines lies solely with the Competition Commission. To continue to fight for your Right to Repair we require donations from the public, to make a donation or for any other enquiries email kate@r2r.org.za.

www.right2repair.org.za

