



## Buying a 2<sup>nd</sup> hand motor vehicle and the Consumer Protection Act

The 2<sup>nd</sup> hand motor vehicle sales market provides an alternative for those consumers who for some reason or another opt to buy 2<sup>nd</sup> hand vehicles. With the state of the economy as it is, it proves to be a better option than to buy a new vehicle that one may not even afford. However, the pre-owned vehicle market is fraught with lots of non-compliance and injustices against unsuspecting buyers of these vehicles.

Here are some tips for consumers before purchasing a 2<sup>nd</sup> hand motor vehicle:

### Disclosures and Information

- ❖ The Consumer Protection Act (CPA) recognises the need to provide consumers with crucial information when they are buying 2<sup>nd</sup> hand cars so they can make informed decisions and choices.
- ❖ Cost price must also clearly show additional fees such as VAT, on the road fees, licensing etc.
- ❖ Do not be tempted to take the vehicle as “*voetstoots*” or ‘as is’ but ask the dealer to inform you about all the defects so that you can make an informed decision. You have to specifically agree to accept the vehicle in a particular condition.
- ❖ If the selling dealer cannot provide loose items such as a spare key, make sure that a record is made on the delivery document so that they do not renege at a later stage.
- ❖ The receipt issued must have the name and address of the supplier, contact details, date of transaction, description of the vehicle as well as the total price including applicable taxes and registration charges if any.
- ❖ Request information in plain and understandable language to be able to agree with all terms and conditions attached to that transaction.

Ask the dealership if the vehicle has its original engine and ensure that it has police clearance if the engine was changed.

### Contract Terms and Conditions

- Beware and confirm information provided with regards to quality, model, performance etc.

- Contracts must not be such that consumers find themselves unfairly and unjustly accepting obligation for something they would not ordinarily be obligated to do or sometimes waive the liability of the supplier. Such terms and conditions need to be expressly brought to the attention of the consumer even before they enter into the contract.
- Consumers cannot be expected to contract out of their rights in the CPA.

Read your contract thoroughly and avoid contracts that say that ‘the vehicle is purchased as “voetstoots” or “as is” or “as scrap” these are very rife.

Make sure that the Offer to Purchase is signed by all parties and keep all your sales records and contracts at the end of the transaction as they will be needed in the event of a dispute.

### **Safety and Good quality**

- ✓ In ensuring the safety of consumers the Act requires that products including 2<sup>nd</sup> hand vehicles available for sale must be of good quality, in good working order and have no defects.
- ✓ The legislation further endorses the issues of safety by providing for a mandatory warranty of six months which allows a consumer to return a product should it fail to perform or gets faulty within the six months period after delivery to a consumer.
- ✓ A consumer who has bought a 2<sup>nd</sup> hand vehicle that exhibits defects within a period of 6 months of buying it, has a right in terms of the CPA to return the vehicle to the dealership for repair or replacement of faulty components or a refund of money paid for the vehicle.
- ✓ The supplier is then expected, at the discretion of the consumer to either replace, repair or refund the monies paid for the goods bought.
- ✓ Insist on a current roadworthy certificate (valid for 60 days) and inspect the service history, this will tell you a lot about the vehicle.
- ✓ Have the vehicle independently inspected, even if you have to pay for this, it is worth it. Any reputable dealer will send the vehicle to the party of your choice. The Inspection report should then be discussed with the selling dealer before you enter into the agreement.

Remember

- Shop around, compare prices and strictly deal with reputable car dealerships.

For complaints that could not be resolved with the service provider contact:

- Motor industry Ombudsman: 08611MIOSA/08611 64672;
- Provincial Consumer Affairs Office (if both you and the supplier are in the same province, or
- National Consumer Commission: 012 428 7000.