Court Upholds Consumer Rights When Purchasing a Used Vehicle

As a consumer, when you buy something as significant and costly as a vehicle, you expect it to work correctly and last a reasonable amount of time. The law agrees with you.

In a recent matter, Mr. Car Buyer purchased a used Ford Ranger that broke down just two days after he drove it off the lot. When the dealer refused to refund him and blamed him for the failure, Mr. Buyer didn't back down. Instead, he turned to the legal avenues available under the Consumer Protection Act, Act 68 of 2008. What followed was a legal journey through various consumer bodies that eventually led to a R200,000 fine for the dealer and an order to refund the full purchase price to Mr. Buyer. Here's how the law protected his rights — and how it can protect yours, too.

Mr. Buyer purchased a 2015 Ford Ranger from a dealer for a little over R270,000.00 in January 2020. The vehicle had 115,567km on the clock at the time of the purchase. Within 2 days of the purchase, the vehicle suffered an engine failure and was sent back to the dealer. Mr. Buyer emailed the dealer and indicated that he wished to cancel the agreement and reclaim the full purchase price.

The dealer refused to cancel the agreement and insisted on repairing the vehicle at their own cost. Ultimately, the dealer contended that driver negligence was the cause of the breakdown.

Mr. Buyer was dissatisfied with the dealer's stance and lodged a complaint with the Motor Industry Ombudsman of South Africa (MIOSA), who eventually recommended that the agreement be cancelled. The dealer refused to comply with the MIOSA recommendation, so Mr. Buyer escalated the issue to the National Consumer Commission (NCC). After investigating the matter, the NCC concluded that the dealer had contravened the provisions of the Consumer Protection Act ("the CPA") which relates to every consumer's right to receive goods that "are of good quality, in good working order and free of any defects, which will be useable and durable for a reasonable period".

As a result of the findings of the NCC, the matter was referred to the National Consumer Tribunal ("the Tribunal") for adjudication. The Tribunal had to decide whether the dealer contravened the provisions of the CPA.

The Tribunal concluded that the engine failure was mechanical and serious, so much so that it rendered the vehicle unusable. It held that there was no evidence in support of the dealer's contention that the breakdown was caused by driver negligence.

It also found that the vehicle cannot be considered durable for a reasonable period, given the engine failure within 2 days. Mr. Buyer was within his rights to demand cancellation of the purchase agreement as the defect occurred within the statutory 6-month warranty period, as provided for the CPA. Section 56(2) of the CPA stipulates that a consumer may return goods to the supplier, without penalty and at the supplier's risk and expense, if the goods fail to satisfy the requirements and standards contemplated in the CPA, within six months after delivery of any goods to a consumer. In such an instance, the supplier must, at the direction of the consumer, either repair or replace the failed, unsafe or defective goods, or refund the consumer the price paid for the goods. In light of the fact that Mr. Buyer elected to cancel the agreement and claim the return of the purchase price, the dealer had no choice but to oblige.

In the circumstances, the Tribunal ordered that the dealer must refund the full purchase price to Mr. Buyer within 15 business days. It also ordered that the dealer must pay an administrative fine of R200,000.00 stemming from its conduct in dealing with the complaint and refusing to abide by the NCC.

This case is a powerful reminder that the Consumer Protection Act isn't just legal jargon — it's there to ensure that ordinary South Africans are treated fairly. Mr. Buyer's perseverance, along with the clear protections in the CPA, held the dealer accountable for selling a defective vehicle and refusing to do the right thing. In this case, it wasn't just about a refund — it was also about sending a message: dealers who ignore their legal obligations will pay the price.

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