

## R2RSA welcomes draft guidelines for automotive aftermarket sector

Right to Repair South Africa (R2RSA), a Section-21, not-for-profit organisation that has been advocating for freedom of repair choice for vehicle owners over the last couple of years has welcomed the publication of draft guidelines for the Automotive Aftermarket sector by the Competition Commission seeing this as a positive move for the industry and a big win for consumers.



Gunther Schmitz, chairman of Right to Repair South Africa (R2RSA)

The draft guidelines were published and industry stakeholders are requested to submit formal comments by Monday, 16 March 2020.

“Now that we have the guidelines, fair competition can be implemented speedily. It is a big win for consumers and an opportunity for market players to report uncompetitive behaviour. It is encouraging to see such a strong focus on increased consumer choice, fair competition and competitive pricing,” says Gunther Schmitz, chairman of Right to Repair South Africa (R2RSA).

Schmitz says this increased transparency and freedom of choice for consumers is really going to help grow small businesses.

In the past, lack of access to technical information has really constrained the independent aftermarket.

“It is encouraging - the Commission has acknowledged that access to technical information remains a prerequisite for effective competition in the automotive aftermarket and is removing that obstacle by directing Original Equipment Manufacturers (OEMs) to share key technical information with independent service providers (ISPs) for both in-warranty and out-of-warranty motor vehicles. Our hope is the OEMs do remove the barriers for consumers and do not try to make access to technical information unaffordable.”

## **Maintenance and service plans**

Schmitz says another win for the consumer is the unbundling of maintenance and service plans at the point of sale from the purchase price of the motor vehicle. He says at the point of sale, dealers and financiers must now provide the consumer with details of all inclusions and exclusions included in the service and maintenance plans.

The draft guidelines point out ‘this will allow consumers to exercise choice regarding whether to purchase the maintenance or service plan and make servicing a more affordable option for South Africans, whilst allowing for more players to provide such Value-Added services for consumers whose vehicles are in-warranty.’

“It is good for the industry and good for consumers who can now make informed financial choices.”

The draft guidelines also make provision for consumer choice around value-added products which is also a significant change.

“This is such a positive step for consumers and the aftermarket. We want an environment where consumers can select where their vehicles are serviced, maintained and repaired, at competitive prices and in the workshop of their choice, and which gives aftermarket small-medium enterprises a chance to stay in business. The draft guidelines embrace these principles,” concludes Schmitz.

Download the [Guidelines for Competition in the South African Automotive Aftermarket Industry](#)

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