

Built-in service plans - what are your options?

By [Les Mc Master](#)

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So, you've made the decision - you want to buy a car and you've decided which one. A big question you should be asking is how you want to service the car?



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What are your options? Unfortunately, as things currently stand in South Africa, dealerships sell most vehicles with a built-in service plan. What this means is that you buy the vehicle with a non-negotiable service plan included in the price.

What you need to realise is that this service plan could be hugely expensive and cost anywhere between R30,000 to R60,000 or more. Add to that the fact that you are also charged a hire purchase interest cost.

But what's more of a concern is that there is no transparency in pricing from the dealerships. You could be paying a premium for servicing without even knowing. When R2RSA tried to determine the actual cost of the service plan component, no manufacturers approached were prepared to provide this information.



Vehicle service survey results

In the vehicle service survey recently concluded by the Automobile Association (AA), 53% of car owners surveyed said they service their vehicles at the original dealer franchises, while 37% take their vehicles to private mechanics. The rest either service their vehicles themselves or do not service their vehicles at all.

Results from the survey also show that the rates of satisfaction among those who use original dealer franchises and those who use private mechanics for their services are equally high – over 80%.

I question whether consumers would be as pleased with the service they are receiving from original dealer franchises if they were aware of the premium they paid upfront for the service. Considering the same level of satisfaction could have been experienced at a private mechanic for half the price. Also, what the survey does not reveal is how many of those car owners using the dealer franchises are locked in because of built-in service plans and warranties.

Making informed decisions

Ultimately, we believe that you as the car owner should have the choice about servicing your car and the only way to make an educated decision is if you have all the information. If the offer by the original equipment manufacturer (OEM) dealership is the best offer there is, logically you would go for it.

“ There should be no need to automatically build in the cost of the service and not disclose the cost you will be paying for the service plan. ”

If a consumer is happy with the service at a particular dealership and wants to use that dealership an upfront payment makes sense for both sides and creates a win-win situation. That's why R2RSA is all for offering service plans. But if consumers would rather choose an independent repairer because it's more convenient, offers a better service experience, better location, or is more affordable, they should have the right to do so.

The whole point of the Right to Repair campaign is to allow you to select where your vehicle is serviced, maintained and repaired at competitive prices. There is a need for a fair and competitive regulatory environment that enables freedom of choice for consumers and gives aftermarket small medium enterprises a chance to stay in business.

The south African legislature needs to follow the international Right to Repair trend which promotes South Africa's existing consumer and competition laws.

“ Built-in service plans and extended warranties are locking consumers into periods where firstly, they have no choice but to use the dealer for repairs and secondly, they are at the mercy of the dealer who can charge whatever rates he/she

chooses. ”

We want to see change. We want equality, transparency and sustainability in our industry. R2RSA plans to make these things a reality and we call on you, the consumer, to support the cause and ask questions before making that car purchase.

ABOUT THE AUTHOR

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