

First legal step in R699 car scheme

The Port Elizabeth High Court agreed yesterday to hear a case on Tuesday that will be the first step in a massive class action on behalf of consumers left out of pocket by the alleged R699 car scam.



The court action, led by Port Elizabeth attorney Duncan Heuer, follows an announcement by the National Credit Regulator (NCR) this week that it is investigating the scheme.

This comes after thousands of motorists - the latest estimate is about 17,000 - were lured into buying new cars by an attractive offer that was meant to have seen them paying significantly reduced monthly instalments.

However, since Satinsky - the company managing the deals - cut ties with its Hong Kong-based holding company, many clients have been lumped with much higher instalments they simply cannot afford.

Heuer explained that he and his legal team took the case on a contingency basis, which meant that, if they won, they would recover their costs from Satinsky and the three banks that provided credit for the purchase of the vehicles.

He said last night his team had so far registered the cases of 167 consumers but had been inundated by others also wanting to take part in the class action.

An example

Heuer said at this stage only one consumer's case would be presented to the court to serve as an example of how the greater class of consumers were suffering as a result of the collapse of the scheme.

He would then ask the court to certify other affected consumers from around the country as a class. The ruling of the court would thus be applicable to everyone who bought a car through the scheme.

Heuer said once his team received the go-ahead from a court to bring a class action they would apply for legal relief on

behalf of the many thousands of affected consumers.

The most pressing application would be for an interdict to stop the banks from collecting car payments at the end of this month.

Heuer said that after the high court yesterday certified their legal action as urgent, he could now serve papers by fax.

The respondents in the court case would be Satinsky along with Absa, Standard Bank and Nedbank.

He said the NCR and Wesbank had also been added to the legal action. He explained they were not seeking any relief against Wesbank but wanted them to explain what investigations they had done against Satinsky eight years ago, and why Wesbank decided at the time not to provide credit to consumers wanting to buy cars through the scheme.

Vehicles back to the banks?

Heuer said he and his team would eventually ask that all credit agreements made under the R699 scheme be declared void. This would mean the vehicles would have to be returned to the banks.

The three banks involved said this week they would also probe allegations of massive irregularities in the credit applications of consumers who had joined the scheme.

As month-end approaches the banks have asked consumers to make payment arrangements with them if they cannot afford their instalments.

Meanwhile, it was reported at the weekend that the man behind Satinsky, Albert Venter, 50, has continued his life of luxury in the exclusive Mooikloof Estate in Pretoria and that he owns several expensive vehicles, including a Ferrari FF, a Porsche Cayenne Turbo S, a Maserati Spyder and a Nissan Infiniti.

Venter could not be reached for comment yesterday. He did say last week that his company would have no further comment apart from a press release urging consumers to join his new rewards programme.

- The law firm where Heuer is an associate, Pieterse Cary Finlaison, has created a dedicated SMS line for affected consumers. To register to receive updates on the matter, SMS the keyword PCFattorneys, with your name and e-mail address, to 43366.

Source: *Herald*, via I-Net Bridge