

# Explained: Service plans, maintenance plans and warranties

Since the Competition Commission Guidelines came into effect on 1 July, consumers can now choose where they want to have their new car serviced. Ford South Africa is the latest car manufacturer to commit to the new Automotive Aftermarket Guidelines, also known as 'Right to Repair'. Starting from 1 November 2021, Ford Protect service and maintenance plans will be unbundled from the purchase price of the vehicle and will be available as an added cost option.



Source: [Unsplash](#)

So essentially, in the spirit of the Guidelines, vehicle retailers are now doing away with contractual clauses which tie consumers into uncompetitive contracts. “Your warranty is protected, even if you chose to service your car elsewhere and vehicle retailers are obliged to provide you with separate prices for your vehicle and for any value-added products that they may have on offer like service and maintenance plans.”



Ford unbundles its service plans from the price of its vehicles

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But, if you are still confused about the difference between a service plan, a maintenance plan and a manufacturer's warranty, you need to read on.

Kate Elliott, chief executive officer of Right to Repair South Africa (R2RSA), an organisation specially formed to help drive compliance and protect consumer interests, explains.

## What is a warranty?

A warranty is provided by the car manufacturer and provides the assurance that the manufacturer will repair or replace any

parts that fail prematurely (where no external factors have caused the failure, such as an accident). New cars typically come with a standard warranty which includes an average four-year or 120,000km comprehensive warranty, a three-year or unlimited km roadside assistance, and a five-year or unlimited km corrosion warranty, although the exact extent of the warranty will vary from manufacturer to manufacturer.

Previously manufacturers would void your warranty simply for the act of taking your vehicle to an independent service provider (ISP) for a service, now with the guidelines, the manufacturer is not permitted to void a warranty if the vehicle has been serviced correctly at an ISP who conforms with the manufacturer specifications.



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It is important to note that you may not take your vehicle to an ISP for warranty related repairs. Warranty parts must be repaired by the car manufacturer. Examples of what components may be covered under a warranty include the engine (including turbochargers); fuel system and fuel pump; drive shafts and axles; brake components etc.

## What about a service plan?

A service plan covers service parts and labour used in accordance with a car manufacturer's (OEM) service schedule. This includes parts that are typically replaced during a scheduled service like oils, filters, spark plugs and air filters. As a consumer you are entitled, when you buy your car, to get a separate service plan with details about what will be looked at each service and for the average price on parts to be changed or checked.

Service plans exclude maintenance that may be needed as a result of modifications made to the car, or that may be needed because of accidents, abuse or misuse; a failure to use the car as stipulated in the vehicle service book; or that have come about through failure to stick to the maintenance schedule.



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In the past service plans were sold as part of the total price of a vehicle, and it was not possible to elect not to purchase one. This has now changed. The manufacturer must now provide you with separate prices for the vehicle and the service plan and give you the option not to purchase a service plan if you would prefer to pay for your services on an ad hoc basis at a service provider of your choice. However, if you have elected to purchase a service plan you must take your vehicle to

the dealer for your services.

## **What is a maintenance plan?**

Labour costs are generally covered through this plan. This means that if the repair or part is not typically included in a regular service, it might be covered in the maintenance plan, including items such as new wiper blades. What exactly is covered however will vary from manufacturer to manufacturer and the customer needs to check which items are covered by the plan with the car manufacturer where they purchased the car.

## **Advice from Right to Repair:**

- You have the right to purchase a new vehicle without any value-added products such as service or maintenance plans. Make sure these are separated out so you can check competitive costs;
- Ensure you know the difference between the three
- Only repair warranty parts with the OEM
- An OEM cannot void your warranty if you service your car correctly at an independent service provider who conforms with manufacturer specifications
- Report any abuse to the Motor Industry Ombudsman or directly to the Competition Commission

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