

Ford fined and offers compensation over Kugas

Motorists affected by the burning Ford Kuga SUVs will be offered compensation in terms of a settlement agreement between the National Consumer Commission and Ford SA. **TimesLIVE** says the company has agreed to pay a R35m fine while consumers have three options; a cash settlement, dispute resolution or to fight a claim in court. The first option is that Ford **(FMCSA) will pay R50 000 each to those consumers who were owners of, or in lawful possession of, a Kuga FMCSA vehicle which combusted.** If they accept it, the payment will be 'in full and final settlement of all claims that the consumer may have against FMCSA as a result of the damaged or recalled Kuga vehicles', said the commission. Consumers who want more than the offered compensation may submit a claim against FMCSA in terms of section 61 of the Consumer Protection Act. This is the second option, but the commission cautioned against it as 'arguing damages claims in court can be costly'. As a result, it said it was agreed that Advocate Terry Motau SC would provide alternate dispute resolution services as contemplated by section 70(1)(c) of the CPA. Option three is if a consumer chooses to reject both the cash settlement and dispute resolution in favour of proceeding to prove damages in court. The *Sunday Times* reported in September that the consumer commission had done an about-turn on its stated intention to prosecute Ford.

The commission believes the settlement agreement it reached with Ford SA is 'fair and equitable', notes a second **TimesLIVE** report. It brings to an end a two-year investigation which the commission undertook after it received more than 160 complaints from Kuga owners. The fine is payable within 30 days of the Consumer Tribunal making it an order. Thezi Mabuza, acting Commissioner of the commission, said of the settlement: 'It brings an end to a long investigation which began in 2017. It is a good agreement which has seen the **largest fine paid ever in the commission's history.**' Mabuza said: 'The investigation showed that Ford was involved in prohibitive behaviour under the Act. Ford has agreed to this. Owners of these vehicles will be helped. We achieved what the law empowers us to do, and that is to protect the South African consumer.'