NATIONAL CONSUMER COMMISSION
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NCC v Sunward (Pty) Ltd and Another

Case No: NCT/435320/2026/73(2)(b) (National Consumer Tribunal, Centurion)

Date of Judgment: 28 September 2026

1. Summary of the Judgment

1.1. The National Consumer Commission (NCC) received a complaint from Mr Lourens Mathys Visser (the complainant) against Sunward Motors (Pty) Ltd (Sunward). On 9 February 2023, the complainant purchased a used 2016 Ford Tourneo Connect from Sunward for R341 852.50, financed by MFC, a division of Nedbank Ltd (MFC). On 9 March 2023, the complainant discovered the vehicle lacked oil. Ford Aurina Motors confirmed insufficient oil and booked the vehicle for a service. The complainant later discovered the service was defective because oil filters were not replaced and a glued oil sump was found.

1.2. On 16 May 2023, approximately three months after the sale, the vehicle broke down. The complainant obtained a diagnostic report from MF Repair and Tune Up Centre listing extensive repairs (cylinder head recondition, pistons, head gasket, oil pump, water pump, thermostat, turbo charger, injectors, etc.) totalling R170 516.02. Sunward collected the vehicle on 16 October 2023 and delivered it to JJ Velddientse for repairs. On 29 January 2024, Sunward informed the complainant the vehicle was repaired. Six days after collection, on 4 February 2024, the vehicle broke down again. It remained in Sunward's possession.

1.3. On 26 February 2024, the complainant's attorneys cancelled the sale agreement and demanded a refund of the purchase price. The NCC referred

the matter to the Tribunal on 26 January 2026 under section 73(2)(b) of the CPA, seeking declarations of contravention of section 55(2) read with section 56(3), cancellation of the sale agreement, refund of the purchase price and related amounts, and an administrative penalty of R1 000 000.00.

1.4. Sunward opposed the application, alleging the defects were caused by the complainant's failure to maintain the vehicle, excessive use (more than 14,000 km in two months), wear and tear due to degraded oil, and Aurinia Motors' poor service. Sunward also alleged a material non-joinder of Aurinia Motors CC, alternatively misjoinder of Sunward. Sunward claimed it had replaced the entire engine as per section 56(3) after the February 2024 breakdown, with the complainant's consent. MFC also opposed, raising a point in limine that the Tribunal lacked jurisdiction over the finance agreement, which was dismissed.

1.5. The Tribunal found that Sunward contravened section 56(3) of the CPA. The Tribunal held that the vehicle broke down on 16 May 2023, was repaired by Sunward, and broke down again six days after the complainant collected it on 29 January 2024. Sunward was therefore obliged to replace the vehicle or refund the purchase price, and by repairing the vehicle instead of refunding, it undermined the complainant's section 56(3) right. The Tribunal rejected Sunward's compromise argument as unsupported by evidence. The Tribunal ordered Sunward to refund the purchase price of R302 898.00 within seven days. The Tribunal declined to impose an administrative fine, finding it not just and equitable in the circumstances, and made no order as to costs. The Tribunal also found that MFC was not jointly and severally liable for the defective repairs.

2. Impact of this Case

This case reinforces the mandatory nature of section 56(3) of the CPA and clarifies several important principles. Key effects include:

2.1. **Suppliers cannot repair their way out of section 56(3):** Once a repair has been effected and the defect persists or a further defect is discovered within three months, the supplier must replace or refund. Continuing to repair undermines the consumer's statutory right.

2.2. **Bona fide disputes do not suspend section 56(3):** A supplier cannot avoid its section 56(3) obligations by claiming a bona fide dispute about the cause of the defect. Any other interpretation would allow suppliers to undermine consumer rights.

2.3. **Compromise agreements must be proved:** An alleged compromise agreement that rests solely on a courtesy vehicle and a settlement proposal in a letter of demand, without evidence of when or how it was reached, will not be upheld.

2.4. **Credit providers may be suppliers under the CPA:** The Tribunal confirmed that MFC, as a credit provider that supplied the vehicle to the complainant, falls within the definition of "supplier" under the CPA, and the CPA applies to the vehicle despite the finance agreement being governed by the NCA.

2.5. **Administrative fines are discretionary:** The Tribunal declined to impose an administrative fine where the supplier had repaired the vehicle at its own cost and the circumstances did not justify a penalty, demonstrating that fines are not automatic.

2.6. **Consumers may choose their remedy:** The complainant was entitled to demand a repair, refund, or replacement from Sunward, MFC, or both. Having chosen to demand a repair from Sunward, and the repair having failed, the complainant was entitled to a refund from Sunward.

2.7. **No costs in NCC referrals:** The Tribunal made no order as to costs, consistent with the principle that the NCC acts in the public interest and the Tribunal is not empowered to award costs in such referrals.