



## **CGSO Press Release – January 2020**

### **Beware of predatory towing services:**

A complaint was lodged with our office wherein a consumer advised that he was involved in an accident on the 2nd December 2019. At the accident scene while laying on a stretcher to be wheeled into an ambulance, he alleges that a tow truck driver insisted that they take his car so that they could help him with an accident assessment report to submit to the insurance of the person who bumped him. He alleges that he repeatedly told the tower that he would not be able to pay for towing services and storage since he is unemployed and did not have insurance. He rather preferred to have the metro officer on the scene to tow his car with the metro truck and keep it in their yard until he was fully recovered. The metro officer confirmed that they could tow it for free, but he alleges that the tow truck driver kept insisting and advised against it and insisted that his company would help him with claiming for third party insurance. Despite the consumer's advice that he could not afford the towing fees, he alleges that the towing company eventually towed his car. One to two weeks later when he called to check on his car, he alleges that he was told that he owes +/- R12 000 and that if he did not pay the amount demanded they would sell his car.

The office of the Consumer Goods and Services Ombudsman has received an influx of similar complaints as the one above against several towing companies. The complaints relate to allegations of misleading representation to drivers immediately after they are involved in an accident. Some towing companies seem to take advantage of the state of shock and confusion that a driver experiences just after being involved in an accident. "Some of these companies have refused to cooperate with our office to resolve the complaints and as a result we have referred them to the National Consumer Commission for possible further investigation" said the Ombudsman, Ms Magauta Mphahlele.

The modus operandi reported to the CGSO that the towing operator pretends to call the driver's insurer to confirm authorization for the specific towing company to tow away the car or they promise to help with claims and accident assessments. When the driver later contacts their insurer, they are advised that no authorization was provided nor was there any call logged to seek authorization. It is alleged that the towing company then charges the driver for storage and towing fees which were not previously disclosed and refuses to release the car if the driver does not pay these monies. Drivers have also complained that the towing companies also strip and vandalize the vehicles while it is said that the vehicles are in the "care" of their premises.

Because of the conduct described above, drivers have reported that they are dispossessed of their vehicles when they are not able to settle the exorbitant amounts charged for towing, salvage and storage.

In view of the above, The Office of the Consumer Goods and Services Ombud advises consumers to use towing companies that are authorized by their insurers or alternatively consider the following guidelines before concluding an agreement with any towing service company:



- If you are insured, make sure you understand the benefits of your policy, the claims procedure as well as their guidelines on what to do when involved in an accident;
- Make sure to store the contact details of your insurer's emergency roadside assistance and claims departments;
- When involved in an accident and if possible, rather contact your insurance provider yourself to report the accident and obtain authorization;
- If the tow truck driver claims to have contacted your insurer, ask them to write down the number they called as well as the person they spoke to before you allow your car to be towed;
- Do not allow your car to be towed unless you have either confirmed that your insurer has given the go ahead and if not insured that you understand the cost as well as the terms and conditions of the towing contract you are signing;
- Remember to write down all the details of the towing company that you are using, before they tow your car away. Get the company's name, driver's name, tow truck's registration, address and telephone number.
- Make sure to read through the documentation that the tow truck driver has given you. Don't just sign anything until you know what you are signing for. Also make sure that you are authorizing them to tow your car away. So, only the driver of the car can sign that document.
- Remember to remove all your valuables from your car before it gets towed away. The tow truck company will not be held liable for missing valuables.

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#### ABOUT THE CGSO

The Office of the **Consumer Goods and Services Ombud** (CGSO) is the consumer goods and services industry's compulsory Ombud scheme which has been accredited by the Minister of Trade and Industry in terms of section 82(2) of the [Consumer Protection Act \(CPA\)](#). The CGSO enforces the Consumer Goods and Services Industry Code of Conduct by mediating disputes between consumers and suppliers of goods and services. The service is free to consumers.