

Banks' burning issue with Ford

Banks are grappling with how to deal with the financing of transactions involving Ford Kugas - of late notorious for their tendency to burst into flames.



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One bank said it required guarantees from the car manufacturer before it would process financing applications for the vehicle. At least one WesBank client was told that, before financing could be approved, he would have to get a guarantee from Ford that a replacement part fitted to the car is safe. The bank has said that this was not official policy.

Fifty-one Kugas, including one in which Reshall Jimmy burnt to death, have caught fire, prompting [Ford to recall](#) 4,556 of the vehicles assembled between 2012 and 2014.

Ford said the Kugas, except for Jimmy's, had caught fire because of a faulty coolant system. The company was unable to explain what caused the fire in Jimmy's car.

Renaldo Vilonel, who is selling his 1.6-litre Kuga because he is emigrating, said he bought the car six months ago. Shocked at the amount he was offered by the Somerset West Ford dealership he decided to sell his car privately.

"It was only then that I learned of Jimmy's death and the other fires. I thought I would have problems trying to sell it, but I found a buyer."

Vilonel's joy was short-lived. He was told that, for the finance from WesBank to be approved, he would have to get guarantees from Ford on the parts that had to be replaced.

"I was told that I needed to get a roadworthy certificate and technical inspection report, but that wasn't the problem. The problem was that, for the sale to be signed off, the bank needed a certificate from Ford guaranteeing the repairs and replacement parts, and that the car's electrical system had been checked out and given the OK."

He said when he asked why all this was necessary he was told that it was because the vehicle was a fire hazard. But the dealership said it could only give him a letter stating that the repairs would be done.

Vilonel said that when he told WesBank that he could provide a written undertaking by the Ford dealership that the repairs would be done, the bank was still apprehensive. WesBank spokesman Rudolph Mahoney said the bank's call centre workers were looking after the buyer's interests.

Absa spokesman Lies Squire said that Ford was providing each customer with a letter confirming that the vehicle had been repaired and a guarantee on the parts replaced.

Standard Bank spokesman Ross Linstrom said his bank did not require such a guarantee.

Nedbank declined to comment.

Source: The Times

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