



competition commission
south africa

Press Release

For Immediate Release

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**COMPETITION COMMISSION CHARGES
WESBANK AND TOYOTA FINANCIAL SERVICES FOR COLLUSION**

The Competition Commission has referred motor vehicle finance institutions, FirstRand Bank Limited, Wesbank, and Toyota Financial Services South Africa Limited (TFS) to the Competition Tribunal for prosecution on allegations of dividing the market by allocating customers or suppliers.

The Commission's investigation revealed that Wesbank and TFS entered into an agreement to divide markets by allocating customers or suppliers in the market for the provision of vehicle finance in contravention of section 4(1)(b)(ii) of the Competition Act 89 of 1998, as amended (the Act). The motor vehicle finance market includes offering vehicle finance, leases, and dealerships financing.

FirstRand Bank Limited (FirstRand), through its WesBank, division and TFS are involved in the provision of vehicle finance services. They are therefore supposed to compete. They, however, concluded a shareholder agreement which contains clauses that prevent them from competing.

FirstRand, TSA Investment Holdings Limited and Toyota Motor Finance (UK) PLC have 33.3% share each in TSA. They concluded shareholder agreement which include clauses that prohibit WesBank from offering vehicle finance to customers seeking to purchase vehicles at authorised Toyota dealerships.

Further, the agreement identifies the vehicle that Wesbank is prohibited from financing, and these are the "new" TOYOTA, LEXUS and HINO vehicles and any "used" vehicles sold through any

authorised Toyota dealership, except McCarthy Group. This arrangement constitutes market division by allocating customers or suppliers in contravention of section 4(1)(b)(ii) of the Act.

This type of collusive conduct is harmful to the consumers as it deprives them of the benefits which arise from competition. Such agreements are inherently inimical to competition and the Commission has asked the Tribunal to fine the companies 10% of their turnover.

[ENDS]

Issued by:

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