

Online contracts provide customer convenience, but remain legally binding, states WesBank

Buying a car is, without doubt, one of the biggest financial decisions most people will make in their life. It is not surprising, therefore, that buyers approach the car buying process with extreme caution, and in most cases, prefer to deal with a physical salesperson that they can see and touch. This is despite most car companies and finance houses now offering secure online platforms where the entire sales process can be conducted virtually.

This is confirmed in the latest Global Automotive Consumer Study conducted by Deloitte. The study, conducted amongst more than 26,000 consumers in 25 countries, including South Africa, found that over 70% of respondents in advanced economies, including USA, Germany and Japan, still preferred an in-person experience to purchase their next vehicle, as opposed to a virtual engagement.

“There is a marked shift, though, towards the use of virtual platforms in the vehicle purchase process,” notes Lebogang Gaoaketse, Head of Marketing and Communication at WesBank, “spurred on by the hybrid working culture that has proliferated most sectors.”

Gaoaketse’s observation is supported by the same Deloitte study, which listed ease of use, convenience and speed as the three main reasons cited by buyers as factors that would motivate them to opt for the virtual buying process over the in-person alternative.

“But with great convenience comes great responsibility,” warns Gaoaketse. “WesBank, for instance, as an industry leader and pioneer in the digitisation of the vehicle and asset finance sector, provides a secure online platform for the finance contract signing process, which safeguards both the lender and the customer.

“Once the finance deal has been finalised, and the customer’s documents and Offer To Purchase have been verified,” Gaoaketse explains, “the vehicle finance contract can be signed online through WesBank’s iContract.”

To finalise the vehicle finance contract, the customer is sent an email with their vehicle finance account number and iContract PIN. These, along with the customer’s ID number are required to log in to their individual iContract. Once logged in, the customer can read through all the contract information and sign their vehicle finance contract digitally.

“It’s a completely paperless process. But this does not mean it is less legally binding than a traditional hardcopy contract,” adds Gaoaketse. “Data messages or electronic signatures are now recognised in South African law as a proper basis upon which a written contract can be concluded. The terms and conditions are binding for both the lender and the customer. So, it’s important for customers to carefully read the contract so they are fully aware of their obligations.

“Take time to fully understand the contents of a contract, irrespective of whether it’s an electronic or hardcopy document. When offering an electronic option, it is the responsibility of the lender to provide a secure platform for the conclusion of the finance deal. However, it also important for customers to ensure that their information is kept safe and that they abide by the terms and conditions as stipulated in the contract,” concludes Gaoaketse.