



The Motor Ombudsman Annual Report

2020

Contents

Foreword from the Chief Ombudsman and Managing Director	3
1. About us	4
2. Our Vision, Mission, Purpose and Values	4
3. Our core roles within the automotive sector	5
4. How we stay impartial as an Ombudsman	6
5. Our four Motor Industry Codes of Practice	7
6. Our five key strategic imperatives	8
7. Our year in numbers	10
8. Activity highlights by month	11
9. Overview of our key activities in 2020	12
10. Consumer contact volumes by Code (2018 – 2020)	13
11. Adjudication case volumes by Code (2018 – 2020)	15
12. Ombudsman final decisions by Code (2018 – 2020)	21
13. Case outcome breakdown	22
14. Annual consumer survey highlights	23
15. Consumer complaints about The Motor Ombudsman	30
16. How complaints to The Motor Ombudsman are being addressed	34
17. Positive consumer testimonials about The Motor Ombudsman	35
18. Annual accredited business survey highlights	36
19. Accredited business compliance	37
20. Staff learning and development	40
21. Staff diversity and inclusion	41
22. The Motor Ombudsman Accounts: Finance Report	42
23. Our key priorities for 2021	44
Appendices	45
A1. The Motor Ombudsman's Alternative Dispute Resolution process	46
A2. Benefits of The Motor Ombudsman for consumers and businesses	47
A3. Code of Practice performance summary	48
A4. Case studies - adjudication outcomes and final decisions	49
Contact	58

Managing Director and Chief Ombudsman's foreword



Bill Fennell
Managing Director

I am pleased to present the Annual Report and Accounts for The Motor Ombudsman, for the year ending 31st December 2020.

As well as witnessing our formal departure from the European Union, the arrival of the Coronavirus pandemic was undoubtedly the biggest issue in 2020. In what were unprecedented times, we left behind what we knew for so long as 'normal', previously taking for granted that we could go about our daily lives without having to contend with any kind of restrictions. COVID-19 severely affected the state of the nation's physical and mental health, took thousands of lives over the course of the year, and drastically changed the face of the economic landscape. Industries across the board, spanning retail to hospitality, suffered from the significant and long-lasting downturn, with the automotive sector also affected by the severe knock-on effect of the virus. As production lines came to a standstill, car manufacturers turned to making ventilators and vital personal protective equipment (PPE) to help in the fight against the disease, whilst dealer showrooms also had to close their doors to customers. The ensuing lockdowns and stay at home orders meant that, like the majority of businesses, we had to transition literally overnight, to a completely remote setup, with video conferencing quickly becoming the accepted means of communication to stay in touch with one another.

We were fortunate in that we have a cloud-based IT and telephony system, which allowed us to continue our services for consumers and businesses without interruption. With our way of working developing a new rhythm, and the need to swiftly adapt to being in the home environment, either alone, or being surrounded by other family members, plus with childcare not available, it was a fast learning experience for us all. A priority was to ensure that all staff were adequately supported from a wellbeing perspective, through the introduction of social and other online initiatives, and that they had the optimum setup and equipment to be able to do their job effectively.

With the regular issuing of government and industry guidance in response to helping slow the transmission of COVID-19, which included the introduction of a six-month MOT exemption for motorists, we developed a dedicated [Business Support hub](#) on our website to bring together the latest information as to how garages and dealers were allowed to operate, as well as the preventative measures that they had to have in place. In addition, we introduced a new range of safety products for use by garages to help keep

their workforce and customers safe. Furthermore, from an operational point of view, we unveiled data analytics dashboards for accredited businesses, providing greater insight into the issues giving rise to consumer contacts and cases, and where internal procedures could potentially be improved.

From a consumer point of view, we ran numerous campaigns to generate awareness around subjects, including MOTs and vehicle safety, as well as the five-year anniversary of the ADR Regulations. In addition, we introduced a new category on our online [Knowledge Base](#) to answer some of the most commonly-asked questions from consumers in relation to vehicle ownership and maintenance during the pandemic, a resource that continues to prove very popular. One of the key highlights of 2020 however, was the launch of our inaugural Garage Star Awards, which were created to allow customers to recognise the hard work delivered by staff and garages, especially those who had gone the extra mile during the previous 12 months. Over 800 customer nominations were received for the eight regional trophies on offer, and we were pleased to present (albeit virtually) the overall national trophy to [Dukes AutoTech in Cornwall](#). Thanks to the success of the initiative, we will be looking to grow and repeat the Garage Star Awards in 2021.

Despite a backdrop of more challenging trading conditions in 2020, we continued to invest in our staff and back office infrastructure. Using the valuable input of our employees, we also revisited our future direction and vision as a company, and streamlined our processes, to further enhance service levels and reduce the time it takes to review disputes and deliver case outcomes. This certainly paid off because, despite overall contacts being slightly down on last year's figure due to lockdowns (nearly 78,000 in 2020 versus just under 91,000 in 2018), our expanded level of resource meant that, encouragingly, we handled even more cases than the two previous years, i.e. 6,220 in 2020 compared to 6,114 the year before.

As we turn our attention to the coming 12 months, it is clear that we will still need to navigate our way through some hopefully less unsettled waters when it comes to the impact of COVID-19 on the wider business environment. Our focus for next year however, will be to continue to grow and consolidate our position as the largest ADR provider in the motor industry, as we fast approach the commemoration of our fifth anniversary in November 2021.

1. About us

The Motor Ombudsman is the automotive dispute resolution body. Fully impartial, it is the first Ombudsman to be focused solely on the automotive sector, and self-regulates the UK's motor industry through four comprehensive Chartered Trading Standards Institute (CTSI)-approved Motor Industry [Codes of Practice](#) providing whole market support. The Codes are designed to drive improved standards of work and service, and give today's consumers added protection, peace of mind and trust during the vehicle purchase and ownership experience.



2. Our Vision, Mission, Purpose and Values

With a growing workforce, we felt it was important to ensure that our company culture resonated and reflected what was important to our staff, and provided a clear vision for the services that we provide to consumers, businesses and other key stakeholders and the future direction of The Motor Ombudsman. Based on the valuable feedback and input gathered through a series of staff workshops, we used our Culture and Engagement Programme in 2020 to redefine and evolve our Mission, Vision and Values, and formalise our Purpose. These factors equally play a key role in helping us to support our objective of attracting and retaining employees that are of a high calibre.

Our Vision

To be the leading Ombudsman and dispute resolution body, by excelling in every aspect of our service, being recognised for the quality of our work, and inspiring total consumer confidence across the automotive industry.

Our **Vision** provides greater clarity to our long-term goal and how we envisage our future, thereby helping our staff to feel driven and positive to achieve the destination that we are ultimately looking to reach as an organisation. Our Vision is to be the leading Ombudsman and dispute resolution body, by excelling in every aspect of our service, being recognised for the quality of our work, and inspiring total consumer confidence across the automotive industry.

Our Mission

To provide the best Ombudsman & dispute resolution service through passionate, engaged people driving excellence in customer service across the automotive sector.

Our **Mission** is the driver behind how we will achieve our long-term Vision of being the leading Ombudsman and dispute resolution body. We will be doing this by providing the best dispute resolution service through passionate, engaged people driving excellence in customer service across the automotive sector.

Our Purpose

To drive standards, promote integrity, and to build confidence and trust in a way that continually improves everyone's experience of the motor industry.

Another important output from our Culture and Engagement Programme was that we formalised our **Purpose** as an organisation for the first time. It has been designed to clearly explain what we are here to do as the Ombudsman for the automotive sector, which is namely to promote integrity, and to build confidence and trust in a way that continually improves everyone's experience of the motor industry.

Our Values

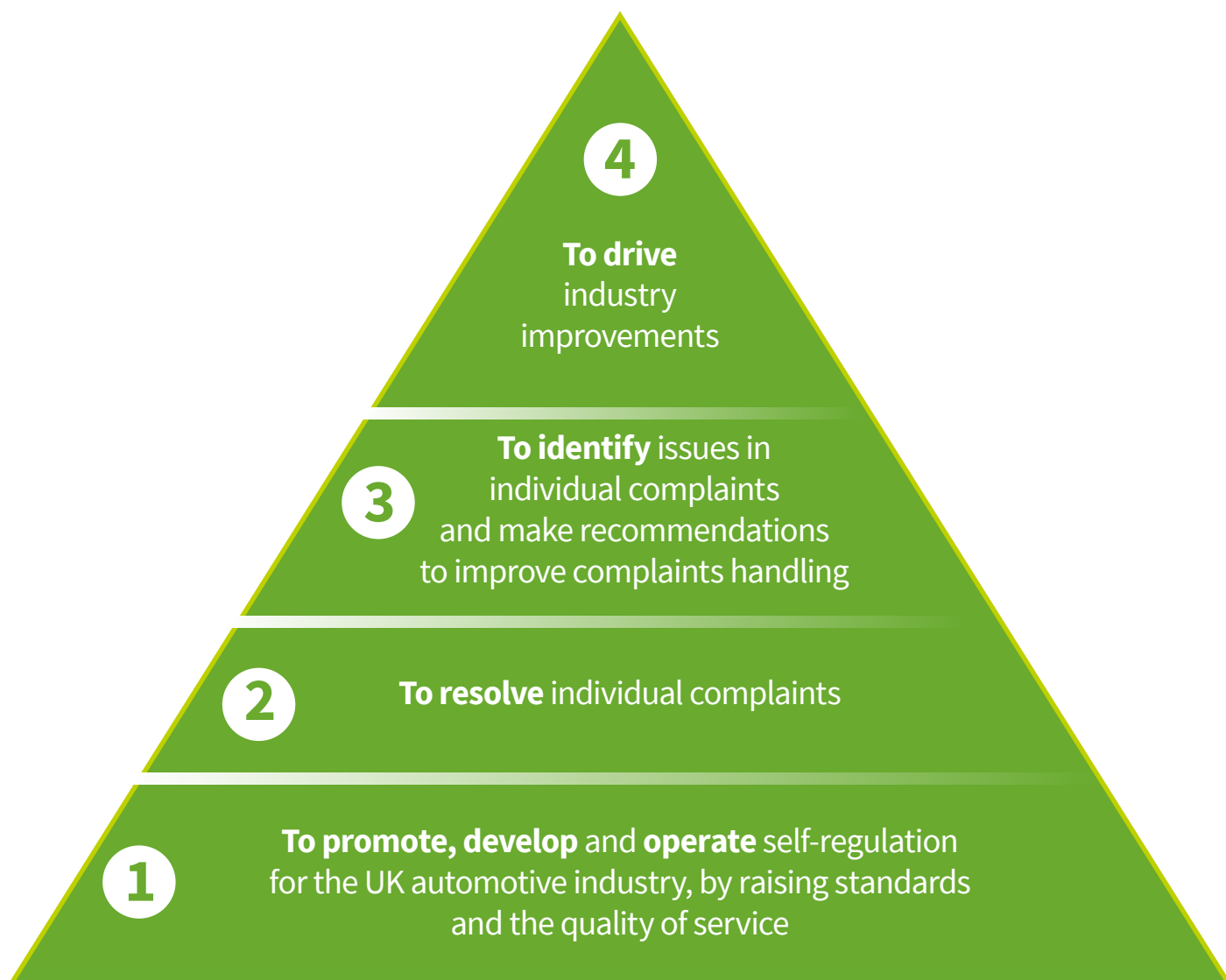
We take great **PRIDE** in everything we do, inspiring total trust and confidence in our staff, our customers, and our accredited businesses.

Our **Values** have been redefined to resonate with what is important to our staff and the way they interact and connect with one another, our customers, our accredited businesses and our suppliers. We adopted the **PRIDE** abbreviation for our five Values to reflect the approach, behaviour and attitude of staff. i.e. they feel proud to be part of The Motor Ombudsman and have pride in the work that they do.



3. Our core roles within the automotive sector

Whilst The Motor Ombudsman looks to resolve complaints between consumers and accredited businesses, this forms only part of our core responsibilities as an Ombudsman. We are tasked specifically with the self-regulation of the UK automotive industry, and to identify key issues to assist in driving even higher standards throughout the consumer purchase and ownership experience, at an independent garage, dealership, vehicle manufacturer and warranty level, and across the automotive industry as a whole.



4. How we stay impartial as an Ombudsman

Impartiality lies at the heart of what we do, which means that we treat consumers and businesses equally, and show no element of bias towards either party when coming to a decision.

To help maintain our impartiality, we are overseen by several independent entities to ensure that our work is fair at all times, and is based on all the facts presented to us. The graphic below illustrates the core areas of governance that drive our **impartiality**.



*The Motor Ombudsman's Board of Directors includes a fully independent Chair and Non Executive Directors from outside of the automotive sector. The role of the Chair is to ensure The Motor Ombudsman's compliance with OA and CTSI requirements, and that The Motor Ombudsman has a clear strategy for the delivery of service standards.

Non Executive Directors are elected to offer independent and impartial insight and guidance to help The Motor Ombudsman achieve its short and long-term customer, commercial and financial objectives.

5. Our four Motor Industry Codes of Practice

The Motor Ombudsman's four comprehensive CTSI-approved [Motor Industry Codes of Practice](#) cover the entire customer purchase and vehicle ownership experience, and commit accredited businesses to higher operating standards than those required by law.



MOTOR INDUSTRY CODE OF PRACTICE FOR NEW CARS

First launched in 1976, and endorsed by the Office of Fair Trading (OFT) in **2004**, the **Motor Industry Code of Practice for New Cars** ensures that vehicle manufacturers supply new cars and warranties to consumers responsibly. The Code helps to safeguard new car buyers from misleading advertising, and ensures that documentation supplied to consumers is easy to understand, that the terms of a warranty will be respected, and that any complaints will be handled swiftly.



MOTOR INDUSTRY CODE OF PRACTICE FOR SERVICE AND REPAIR

The **Motor Industry Code of Practice for Service and Repair**, introduced in **2008**, ensures that consumers receive an honest and fair service when visiting an accredited business' premises for work or repairs on their vehicle. It covers the use of clear advertising, open and transparent pricing, completing extra work only with prior agreement, and the use of competent and qualified staff. All businesses accredited to the Service and Repair Code can be found on The Motor Ombudsman's online [Garage Finder](#).



MOTOR INDUSTRY CODE OF PRACTICE FOR VEHICLE WARRANTY PRODUCTS

Unveiled in **2009**, the **Motor Industry Code of Practice for Vehicle Warranty Products** aims to provide guidelines for the supply of automotive warranties, including coverage of both insured and non-insured products. The Code currently represents about 70% of the industry's major providers that administer over two million products to consumers.



MOTOR INDUSTRY CODE OF PRACTICE FOR VEHICLE SALES

Launched in **2016**, the **Motor Industry Code of Practice for Vehicle Sales** focuses on the sale of both new and used cars at an accredited garage, dealership or used car outlet, as well as the supply of finance and warranties. It covers areas, such as the use of transparent wording of advertising and pricing, clear and transparent invoicing, and that the sale of a used car is supported by a vehicle provenance check to ensure that it has not been stolen, written-off and is free of any outstanding finance payments. Businesses accredited to the Vehicle Sales Code can be found on The Motor Ombudsman's online [Garage Finder](#).

6. Our five key strategic imperatives

As well as our Mission, Vision, Values and Purpose, we also have a platform of five key imperatives that cover the core aspects of our business. They are as follows:

1. To raise awareness of The Motor Ombudsman amongst consumers in the UK

- Consumers and businesses recognise The Motor Ombudsman as the “Industry Quality Mark” and the “go-to” organisation for quality garages, dealerships and automotive related businesses.
- The Motor Ombudsman is recognised as the authority for resolving motoring-related disputes.
- The Motor Ombudsman is endorsed by all accredited businesses and key stakeholders.

We looked to achieve this by:

- ▶ Undertaking marketing, PR and social media initiatives to increase the volume of consumers that recognise The Motor Ombudsman as the automotive sector’s “Quality Mark” and the authority for resolving motoring-related disputes.

2. To demonstrate our effectiveness as an Ombudsman and communicate the value of what we offer to businesses and consumers

- The Motor Ombudsman will have a clear, compelling and tailored business case communicated effectively across all accredited businesses, with The Motor Ombudsman’s Alternative Dispute Resolution (ADR) service embedded into their complaints process¹.
- The Motor Ombudsman will provide consistent and regular engagement with accredited businesses, and supply market and individual insight, best practice as well as performance and activity reports.

We looked to achieve this by:

- ▶ Making our processes and working practices more streamlined and efficient to deliver faster case outcomes for consumers and businesses;
- ▶ Providing consistent and regular engagement with our accredited businesses;
- ▶ Supplying insight to the industry, best practice guidelines and marketing opportunities for businesses, as well as annual performance reports detailing our activities;
- ▶ Growing the scope of content on our popular online Knowledge Base on our website to provide consumers with helpful information and advice when they need it;
- ▶ Introducing a new dedicated COVID-19 Business Support hub to bring together the latest government and industry guidance in relation to Coronavirus, as well as some of the resources available to support businesses;
- ▶ Continuing to source and increase the volume of testimonials on our website to illustrate how our service has been effective for businesses and consumers; and
- ▶ Delivering webinars to our accredited businesses to reinforce the value of the services provided by The Motor Ombudsman, and to provide insight into the experiences of consumers to raise service levels.

¹ Alternative Dispute Resolution (ADR) is defined as a method of resolving a dispute fairly between consumers and businesses without having to go through the legal (court) process.

3. To deliver excellence as an organisation

- The Motor Ombudsman will provide an environment which attracts, develops and retains the best talent.
- The Motor Ombudsman will have clearly defined efficient processes and a continuous improvement culture.
- The Motor Ombudsman will be supported by effective IT systems to deliver the business objectives.
- The Motor Ombudsman will continually strive to provide and improve service levels to consumers and businesses, which are consistent across the organisation.
- The Motor Ombudsman will be fully compliant with the Codes of Practice, ADR Regulations and all governance requirements.
- The Motor Ombudsman will improve staff, customer and business satisfaction at every stage of the dispute resolution process.

We looked to achieve this by:

- ▶ Formalising our Purpose, as well as redefining our Mission, Vision, Values and business behaviours to allow us to attract and retain the best talent;
- ▶ Continuing to invest in our case management systems;
- ▶ Building on our training programmes, particularly for new starters, to ensure the quality of the work we deliver is of the highest standard; and
- ▶ Refreshing our quality assurance frameworks to ensure we have sufficient and robust oversight of our work across the organisation.

4. To grow the number of businesses accredited to us in order to provide increased market coverage for consumers across the UK

- The Motor Ombudsman is the dominant authority for ADR and setting and raising industry standards and performance across core, adjacent and future markets related to the automotive sector.
- The Motor Ombudsman's ADR services are available to the highest possible number of automotive consumers, and at no cost to them.
- The Motor Ombudsman will partner strategically with other automotive organisations to increase accredited business volume.

We looked to achieve this by:

- ▶ Adopting a specific focus on growing the number of independent garages and vehicle manufacturers accredited to us, thus providing consumers with an even wider choice of Motor Ombudsman-accredited businesses across the UK.

5. To ensure the financial security of The Motor Ombudsman

- As a not-for-profit organisation, accreditation and case fees will cover The Motor Ombudsman's base operating costs.

We looked to achieve this by:

- ▶ Managing our budget effectively in line with our long-term strategy. As an Ombudsman, this allows us to maintain a free-of-charge service for consumers, and to evolve our organisation in line with customer demand.

7. Our year in numbers



1

new online COVID-19 Business Support hub, bringing together guidance and resources for garages and dealers



2

new categories on The Motor Ombudsman's online Knowledge Base: COVID-19 and distance sales



44%

of vehicle owners were aware of The Motor Ombudsman according to the 2020 consumer survey



104

new case studies across the Codes added to The Motor Ombudsman website



811

consumer nominations received for the first Garage Star Awards



6,220

cases handled



10,820

social media follower total achieved by year-end



77,762

contacts received from consumers and businesses during the year



217,672

searches on the online Garage Finder



352,760

unique website users



£1,045,000

worth of press coverage achieved



36.8 m

people reached through The Motor Ombudsman's PR programme

8. Activity highlights by month

January

- ▶ TMO met with **(BEIS)** to provide input for their forthcoming White Paper on the future of ADR.
- ▶ TMO attended the annual Consumer Codes Approval Scheme **(CCAS)** communications meeting.

February

- ▶ Bill Fennell chaired the **Consumer Code Approval Scheme (CCAS)** Code Sponsors Panel meeting.
- ▶ TMO announced that businesses on **eight** islands around the UK renewed their Codes accreditation for 2020.

March

- ▶ **Two** new adjudicators joined TMO.
- ▶ The entire TMO team moved to **remote working** in response to COVID-19.
- ▶ TMO hosted a webinar on the legal and financial issues facing businesses.

April

- ▶ A pilot of new data analytics **dashboards** for vehicle manufacturers was launched.
- ▶ TMO introduced a new COVID-19 **Business Support portal** and Knowledge Base section.

May

- ▶ Members of **ICAP** met with TMO.
- ▶ TMO issued several **COVID-19** communications to businesses, including practical examples of what businesses were doing to keep customers and staff safe.

June

- ▶ A new head of customer services and dispute resolution, together with a new ombudsman, joined TMO.
- ▶ The Knowledge Base recorded nearly **100,000** views in the first half of 2020.

July

- ▶ TMO commemorated the **fifth anniversary** of the ADR Regulations with new TMO website resources.
- ▶ **Polestar** joined the New Car & Vehicle Sales Codes.
- ▶ TMO launched its **Culture & Engagement Programme**.

August

- ▶ **EMaC** became accredited to the **VWP Code**.
- ▶ TMO staff started work within the new **Diversity and Inclusion Taskforce**.
- ▶ TMO's YouGov poll on the **MOT extension** generated over **150** articles in 48 hours.

September

- ▶ The inaugural **Garage Star Awards** were launched.
- ▶ Members of **ICAP** met with TMO.
- ▶ Bill Fennell took part in the judging for the **Motor Trader Industry Awards 2020**.

October

- ▶ TMO marked the **five-year** anniversary of the Consumer Rights Act and the ADR Regulations.
- ▶ TMO unveiled its new **Mission, Purpose, Vision and Values** to help guide its future direction.

November

- ▶ TMO celebrated **four** years of operation.
- ▶ A new category on **distance sales** was added to the TMO Knowledge Base.
- ▶ TMO announced the winners of its first **Garage Star Awards**.

December

- ▶ TMO met with the **Ombudsman Association**.
- ▶ Members of **ICAP** met with TMO.
- ▶ TMO handled **77,762** contacts and **6,220** cases during 2020.

9. Overview of our key activities in 2020

► We introduced new resources for consumers and businesses in response to the arrival of the COVID-19 pandemic



In response to the outbreak of the Coronavirus pandemic, our website (The MotorOmbudsman.org) was upgraded in **April** with the addition of a new COVID-19 **Business Support hub**. It was designed to serve as a single reference point for key government and industry guidance affecting the automotive sector, and to access useful resources on funding support and wellbeing. This was complemented by the addition of a new range of COVID-19 safety products to our online Code Shop to promote the use of social distancing and other hygiene measures to help prevent the transmission of the virus.

For consumers, we unveiled the seventh category on our online Knowledge Base under the **Coronavirus / COVID-19** heading to help answer frequently asked queries in relation to car ownership, vehicle maintenance and dispute resolution, following the announcement of government travel and trading restrictions in March. Subjects covered included the six-month MOT extension, how to find

a local garage if the consumer's regular one was closed, whilst the concern of a manufacturer's warranty agreement being invalidated if a vehicle owner is unable to service their car due to self-isolation, was also addressed in the new section.

► We commemorated the five-year anniversary of the introduction of key legislation

In **July**, we commemorated the five-year anniversary of the introduction of the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (also known as the Alternative Dispute Resolution Regulations). To mark this key milestone, we added new sections on our website for consumers and businesses to help answer some of the most common queries on the process, the laws governing it and the key benefits.



► We unveiled our inaugural Garage Star Awards



In **September**, we launched our inaugural Garage Star Awards to commemorate and recognise the individuals, teams and businesses within our nationwide accredited network that had gone above and beyond to help motorists during the preceding 12 months, including during the COVID-19 pandemic. Consumers were invited to nominate garages and dealerships across the UK for the regional trophies on offer, by submitting a short and personal account as to how their expectations were exceeded.

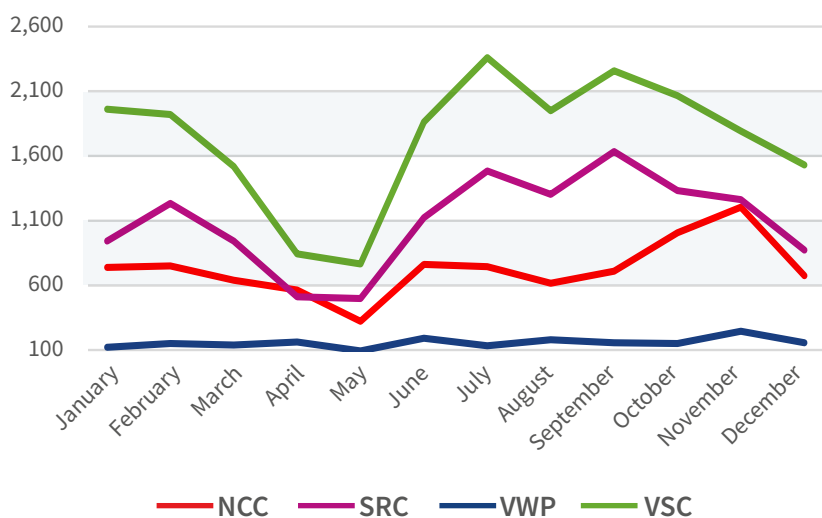


Within a two-month period, over 800 entries were received, which were whittled down to a shortlist of just 24 nominations for judges to choose the eight regional award winners and the overall national champion – Dukes AutoTech in St Austell, Cornwall. The debut campaign was very successful with widespread press coverage achieved about the awards. Thanks to the success of the inaugural year, the Garage Star Awards will be further developed and repeated in 2021.

10. Consumer contact volumes by Code (2018 – 2020)

	2018	2019	2020	2020 v 2019
Vehicle Sales Code	27,977	25,608	20,822	▼ 4,786 (-19%)
Service and Repair Code	13,859	13,714	13,136	▼ 578 (-4%)
New Car Code	11,335	9,671	8,729	▼ 942 (-10%)
Vehicle Warranty Code	1,502	1,863	1,871	▲ 8 (+0.4%)
TOTAL	54,673	50,856	44,558	▼ 6,298 (-12%)

Consumer contact volumes by Code in 2020



Vehicle Sales Code:
19% decrease (-4,786) v 2019

Service and Repair Code:
4% decrease (-578) v 2019

New Car Code:
10% decrease (-942) v 2019

Vehicle Warranty Products Code:
0.4% increase (+8) v 2019

► Consumer contact volume analysis

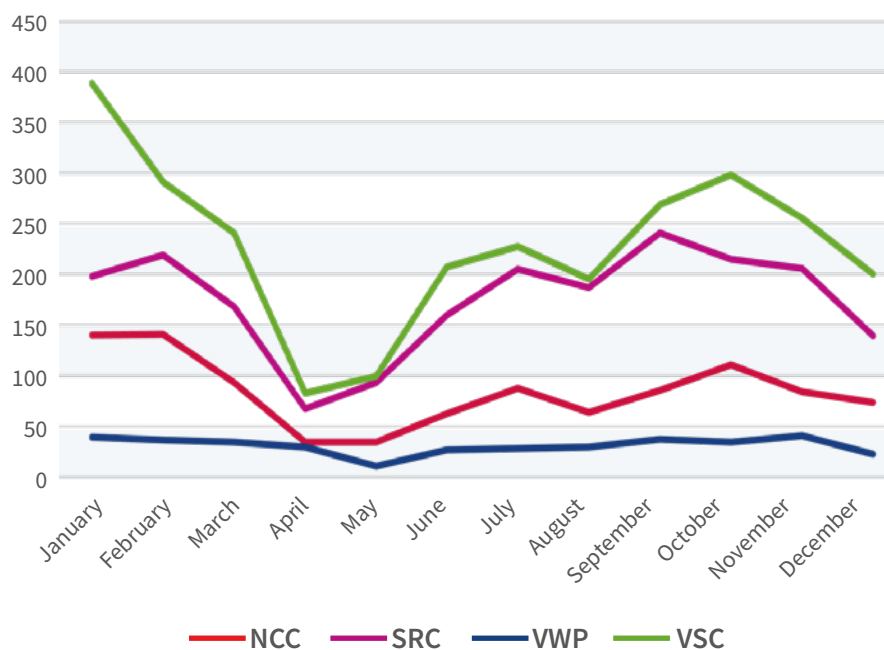
- ▶ Total consumer contacts relating to The Motor Ombudsman's four Codes of Practice decreased 12% to **44,558** in 2020, the lowest level in three years, after a 7% drop between 2018 and 2019.
- ▶ In 2020, consumer contacts relating to the four Codes of Practice peaked in September, with **4,759** calls and e-mails received in a single month. July was the second busiest month with a total of **4,718** contacts, followed by October (**4,554**). Conversely, May was the quietest period with **1,678** contacts, after the introduction of the first COVID-19 lockdown.
- ▶ The **Vehicle Warranty Products Code** recorded the only rise out of the four Codes between 2019 and 2020, increasing by a mere 0.4% to **1,871**, the highest level in three years.
- ▶ The **Vehicle Sales Code** witnessed the largest yearly decrease in contacts (**19%**), recording **20,822** in 2020, compared to 25,608 in 2019.
- ▶ The **Service and Repair Code** saw the smallest decline in contacts between 2020 and 2019, falling by only 4% within a 12-month period to **13,136** enquiries.
- ▶ The **New Car Code** equally witnessed a slight year-on-year drop in the volume of contacts, decreasing by **10%** to **8,729**.
- ▶ During 2020, there were **33,204** contacts from businesses and consumers that were non-Code related (e.g. requests for information), giving a total contacts figure of **77,762** for the year.



11. Adjudication case volumes by Code (2018 – 2020)

	2018	2019	2020	2020 v 2019
Vehicle Sales Code	1,993	2,623	2,753	▲ 130 (+5%)
Service and Repair Code	1,098	1,799	2,097	▲ 298 (+17%)
New Car Code	1,203	1,405	1,006	▲ 399 (-28%)
Vehicle Warranty Code	162	287	364	▲ 77 (+27%)
TOTAL	4,456	6,114	6,220	▲ 106 (+2%)

Adjudication case volumes by Code in 2020



Vehicle Sales Code:
5% increase (+130) v 2019

Service and Repair Code:
17% increase (+298) v 2019

New Car Code:
28% increase (-399) v 2019

Vehicle Warranty Products Code:
27% increase (+77) v 2019

► Adjudication case volume analysis

- The volume of adjudication cases passed to the case investigation stage for review increased by just **2%** to **6,220** in 2020 when compared to the year before (6,114). This was also the largest case volume seen in the last three years, and equated to a rise of around 40% versus the figure seen in 2018 (4,456).
- The Vehicle Warranty Products Code saw the largest growth in the number of cases being referred to case investigators in 2020, rising by **27%** to **364** cases, the highest in three years.
- Conversely, the New Car Code saw a **27%** drop in cases to a total of **1,006**, the lowest level in the past three years.
- Service and Repair Code cases rose by **16%** in 2020 compared to 2019, and was nearly double the volume seen in 2018 (i.e. **2,097** versus **1,098**).
- The Vehicle Sales Code recorded a slight **5%** rise in the case volume to reach **2,753**, up from 2,623 in 2019 and 1,993 in 2018.

11.1 Total adjudication cases by Code as a percentage of UK vehicle sales and total UK car parc (where applicable)

	Total case volume in 2020	Cases as a percentage of new and used vehicle sales in 2020*	Cases as a percentage of new vehicle sales in 2020**	Cases as a percentage of total vehicle parc in 2020***
Vehicle Sales Code	2,753	0.033% (0.023% in 2019)	-	-
Service and Repair Code	2,097	-	-	0.006% (0.005% in 2019)
New Car Code	1,006	-	0.06% (0.06% in 2019)	-
Vehicle Warranty Code	364	0.004% (0.003% in 2019)	-	-

* Total new (1,631,064) and used (6,752,959) vehicle sales in the UK in 2020 (source: SMMT): 8,384,023

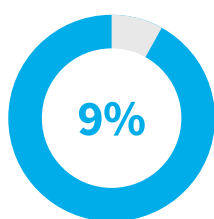
** Total new vehicle sales in the UK in 2020 (source: SMMT): 1,631,064

*** Total car parc in the UK in 2020 (source: SMMT): 34,198,175

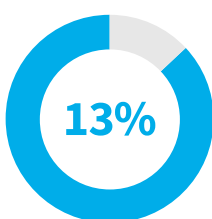
- ▶ In 2020, **Vehicle Sales Code** cases represented a small proportion of total new and used car sales (8,384,023), at just **0.033%**, up from 0.023% in 2019.
- ▶ **Service and Repair Code** cases made up just **0.006%** of the total UK car parc (34,198,175) in 2020, which is slightly up from 2019.
- ▶ **New Car Code** cases accounted for only **0.06%** of all new car sales (1,631,064) in 2020, the same as the figure seen a year earlier.
- ▶ Cases in relation to the **Vehicle Warranty Products Code** equated to 0.004% of total new and new used car sales (8,384,023) in 2020, a minimal rise from 0.004% seen the year before.

11.2 Contact to case escalation (2018 – 2020)

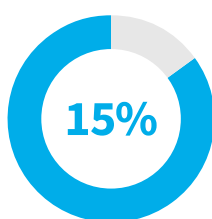
- ▶ In 2020, the average escalation ratio from a contact to a case across the four Codes of Practice increased to **15%***, from 13% in 2019 and 9% in 2018, its highest level in three years.



2018



2019



2020

*Escalation rates by Code (2020):

- ▶ **Vehicle Warranty Products Code: 19%**
- ▶ **Service and Repair Code: 16%**
- ▶ **Vehicle Sales Code: 13%**
- ▶ **New Car Code: 12%**



11.3 Percentage of cases handled by Code breach


The following tables outline the percentage of cases that were generated by the respective breaches of The Motor Ombudsman's four Codes of Practice between 2018 and 2020.

11.3.1 Vehicle Sales Code

Source of breach	2018	2019	2020	(2020 v 2019)
 1.0 Advertising	11%	7%	6%	▼
2.0 Presentation of used cars for sale	6%	9%	6%	▼
3.0 Presentation of new cars for sale	2%	2%	1%	▼
4.0 The vehicle sales process	11%	7%	6%	▼
5.0 Provision of warranty products	0%	1%	8%	▲
6.0 Provision of finance products	2%	1%	1%	-
7.0 Quality of a vehicle at the point of purchase	55%	48%	58%	▲
8.0 Aftersales support	12%	25%	9%	▼
9.0 Complaints handling	1%	1%	7%	▲


- ▶ At **58%** of total breaches in 2020, the quality of a vehicle at the time of purchase (7.0) was the subject of the largest proportion of Vehicle Sales Code cases, but this was encouragingly nevertheless down on the figure seen in 2017 (64%).
- ▶ Breaches relating to the provision of warranty products (5.0) saw a **seven** percentage point rise in 2020 when compared to the previous year.
- ▶ Breaches concerning advertising, the presentation of used and new cars, the vehicle sales process, as well as aftersales support, saw year-on-year **decreases**, with the latter (8.0) falling from 25% to 9%, a 16% difference.
- ▶ The provision of finance products (6.0) remained stable at **1%** as a source of breaches of the Vehicle Sales Code.

11.3.2 New Car Code

Source of breach	2018	2019	2020	(2020 v 2019)
 NEW CARS				
1.0 Advertising	25%	19%	16%	▼
2.0 New car provisions	18%	3%	7%	▲
3.0 Manufacturers' new car warranties	49%	73%	70%	▼
4.0 Availability of replacement parts and accessories	4%	3%	4%	▲
5.0 Complaints handling	4%	1%	4%	▲

- Disputes relating to manufacturer new car warranties (3.0) remained the largest source of New Car Code cases in 2020 (**70%**), and accounted for the majority of breaches, although this was slightly down on last year's of **73%**. However, it is still significantly higher compared to the figures of 49% and 43% seen in 2018 and 2017 respectively.
- New car advertising breaches (1.0) saw a positive six percentage point year-on-year decrease between 2018 and 2019, and fell once again by a further 3% in 2020, accounting for only **16%** of cases.
- In contrast to last year, issues relating to new car provisions (2.0) accounted for **7%** of cases, up from **3%** in 2019.
- The handling of customer complaints by a vehicle manufacturer (5.0), and the availability of replacement parts and accessories (4.0) remained the cause of the fewest number of New Car Code cases at **4%**, although this figure increased very slightly for these two sources of breaches since 2019.

11.3.3 Service and Repair Code

Source of breach	2018	2019	2020	(2020 v 2019)
 SERVICE AND REPAIR				
1.0 Advertising	1%	4%	3%	▼
2.0 Booking in of a vehicle	21%	32%	22%	▼
3.0 Standard of work	44%	37%	47%	▲
4.0 Billing	2%	3%	9%	▲
5.0 Approach of staff	28%	23%	9%	▼
6.0 Complaint handling	4%	1%	10%	▲

- Breaches pertaining to the standard of work carried out on a customer's vehicle (3.0) continued to be the source of the majority of cases in 2020, and rose by 10% since 2019 to **47%**, after falling by 7% between 2018 and 2019. However, this figure is down on the one seen in 2017 (54%).
- In contrast to last year, issues relating to the booking in of a vehicle (2.0) decreased by 10% to **22%**, which was marginally up from the figure of 21% in 2018 and 20% in 2017.
- Issues in relation to the approach of staff (5.0) recorded a positive 14% decline since 2019 to 9% of cases, but the handling of complaints (6.0) saw a marked rise of 9% to **10%** of breaches overall, with billing (4.0) also following a similar trend, increasing by six percentage points year-on-year.

11.3.4 Vehicle Warranty Products Code

Source of breach	2018	2019	2020	(2020 v 2019)
1.0 Advertising	10%	3%	2%	▼
2.0 Point of sale	52%	30%	33%	▲
3.0 Clarity of information	11%	50%	43%	▼
4.0 Claims handling	27%	17%	21%	▲

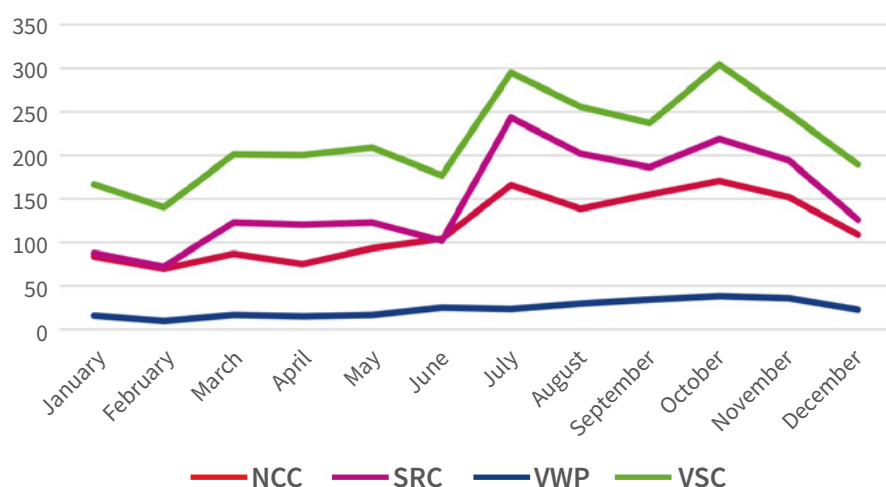
- Disputes resulting from businesses not providing accurate advice and information to customers at the time of purchase of a policy (3.0), made up a smaller proportion of cases in relation to the Vehicle Warranty Products Code than last year i.e. **43%** in 2020 versus 50% in 2019.
- Point of sale breaches (2.0), on the other hand, increased from 30% in 2019 to **33%** a year later. A similar trend was also seen for claims handling (4.0), rising from 17% of breaches in 2019 to 21% in 2020.
- As in 2019, the advertising of vehicle warranty products (1.0) once again generated the lowest source of cases at **2%** in 2020, down from 3% the year before, and from 10% in 2018.



12. Ombudsman final decisions by Code (2018 – 2020)

	2018	2019	2020	2020 v 2019
Vehicle Sales Code	161	155	222	▲ 67 (+43%)
Service and Repair Code	89	62	125	▲ 63 (+102%)
New Car Code	101	62	104	▲ 42 (+68%)
Vehicle Warranty Code	16	9	30	▲ 21 (+233%)
TOTAL	367	288	481	▲ 193 (+67%)

Ombudsman final decisions by Code in 2020



Vehicle Sales Code:
43% decrease (+67) v 2019

Service and Repair Code:
30% decrease (+63) v 2019

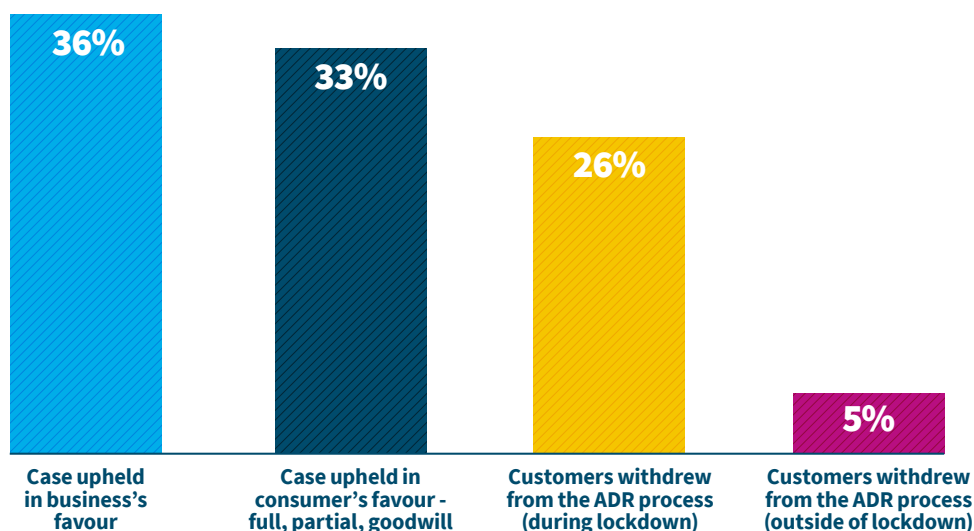
New Car Code:
39% decrease (+42) v 2019

Vehicle Warranty Products Code:
44% decrease (+21) v 2019

► Ombudsman final decisions analysis

- ▶ The number of final decisions made across The Motor Ombudsman's four Codes of Practice during 2020, increased by **67%** overall to **481**, when compared to the total of 288 seen in 2019. The rise in the delivery of final decisions, the highest level in three years, was assisted by the recruitment of an additional ombudsman during 2020.
- ▶ This meets the objective of **reversing** the decline of final decisions (seen between 2018 and 2019) as stated in the 2019 Annual Report.
- ▶ In contrast to the previous year, the Vehicle Warranty Products Code saw the highest proportional increase in final decisions, rising by **233%**, from a three-year low of 9 in 2019 to 30 in 2020.
- ▶ Final decisions relating to the Service and Repair Code doubled to **125** versus the volume seen in the previous year, with New Car Code final decisions also rising by 68% to **104**, their highest level in three years.
- ▶ Vehicle Sales Code final decisions witnessed the smallest year-on-year rise of 43% to **222**, which is not unexpected, given that disputes around vehicle sales are often our most complex, contentious and high value cases.

13. Case outcome breakdown



NB: There a variety of reasons for why we do not uphold complaints across all four Codes of Practice. Some examples include:

- Insufficient evidence, particularly technical, being provided to support the complaint;
- Complaints about minor defects that do not make vehicles of satisfactory quality or unfit for purpose; and
- Faults being due to normal wear and tear or caused by other external influences.

There was a significantly higher than usual volume of cases being withdrawn in 2020. However, when a closer look was taken at the data, the vast majority of cases were withdrawn during the periods of lockdown, which was due either to businesses settling cases without The Motor Ombudsman's intervention, or because the Coronavirus pandemic meant the consumer was unable to further pursue the dispute. This is something that is being monitored going forward.

Consumer and business redress:

Where Motor Ombudsman cases were upheld in favour of the consumer, and where a value was attributed to the award given to them (e.g. a refund), in excess of **£1.14 million** was provided as redress during 2020 (compared to more than **£1.13 million** in 2019 and **£1.7 million** in 2018). The amount claimed by consumers, but not awarded, was **£8.40 million** (e.g. requests to reject a vehicle), compared to **£8.24 million** in 2019 and **£4 million** in 2018. This is usually due to rejection requests, which are the highest value disputes considered by The Motor Ombudsman, and are often where alternative remedies can be found that are more proportionate. This can include, for example, repairing the vehicle or a price reduction to take into account the issue that was experienced.



14. Annual consumer survey highlights

Every year, The Motor Ombudsman conducts surveys of consumers and businesses as a measure of awareness and the satisfaction of the service that the organisation provides.

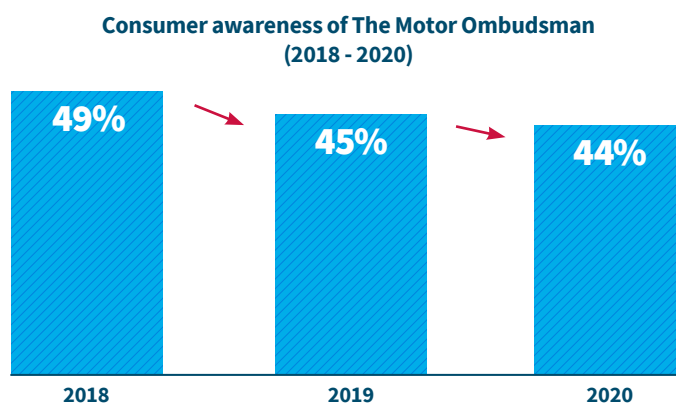
14.1 Consumer brand awareness survey highlights

Background

2020 marked the fourth year that The Motor Ombudsman has carried out a consumer awareness study since the launch of the organisation in November 2016. A total of 1,006 individuals from across a representative sample of driving licence holders were surveyed in October 2020.

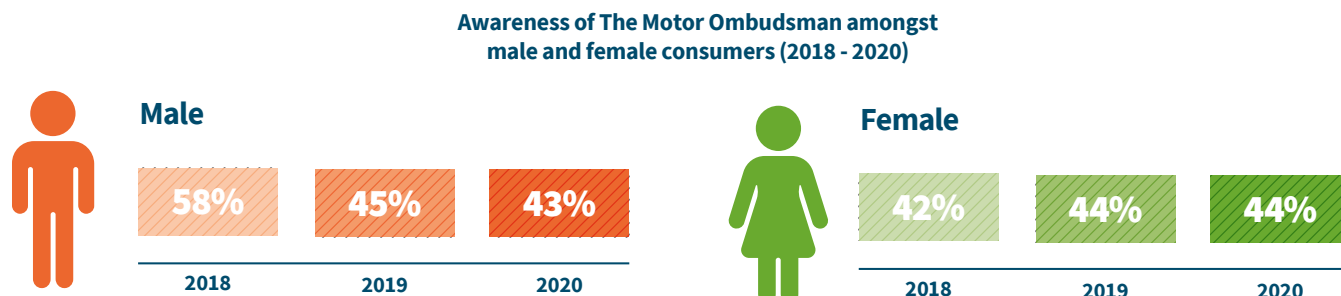
Key findings

- Overall consumer awareness of The Motor Ombudsman decreased very slightly between 2019 and 2020. However, for those with a dispute, awareness increased



In 2020, 44% of individuals surveyed were aware of The Motor Ombudsman, a slight decrease from the previous year (45%), and equating to a 5% drop compared to the figure recorded in 2018 (49%). However, for those who had previously had a motor-related dispute, awareness increased in 2020 by one percentage point to 57%, up from 56% in 2019. For those who had not had a dispute, awareness dropped from 36% in 2019 to 33% in 2020. The marginal fall in consumers knowing or having heard about The Motor Ombudsman was probably due to a reduced spend on social media and online advertising during the 12-month period.

- Versus previous years, awareness of The Motor Ombudsman was lower in 2020 amongst men, but stayed the same as 2019 for female consumers

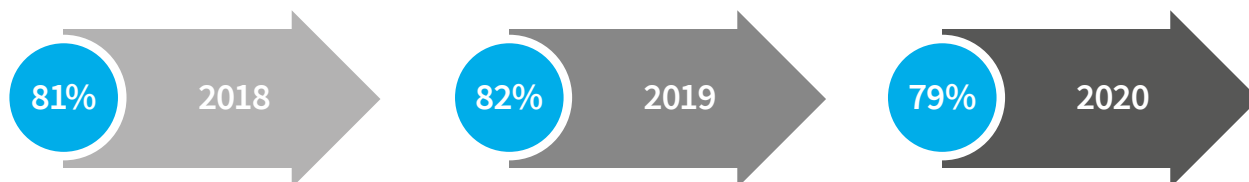


Overall awareness of The Motor Ombudsman amongst men and women was very similar in 2020 compared with that seen in 2019, with only a 1% difference. However, amongst male respondents, it dropped to the lowest level in three years (43%), down from 45% in 2019 and 58% in 2018. Conversely, female awareness did not decrease in 2020 from the level recorded in 2019 (44%), and remains higher than that seen in 2018 (42%).

► **Consumers in the 18 to 24 age bracket were the most aware of The Motor Ombudsman in 2020**

Mirroring the result seen in 2019, awareness of The Motor Ombudsman was highest amongst the **18 to 24** age group in 2020 at 59%, a subtle increase versus the year before (58%). Around half of 25 to 44-year-olds knew about the Ombudsman for the automotive sector in 2020, whilst those aged 55 years and over were the least likely to know about or to have heard of The Motor Ombudsman, with only 33% of people in this group being conversant with the organisation.

► **Nearly four out of five consumers said that they would feel more confident using a Motor Ombudsman-accredited business**

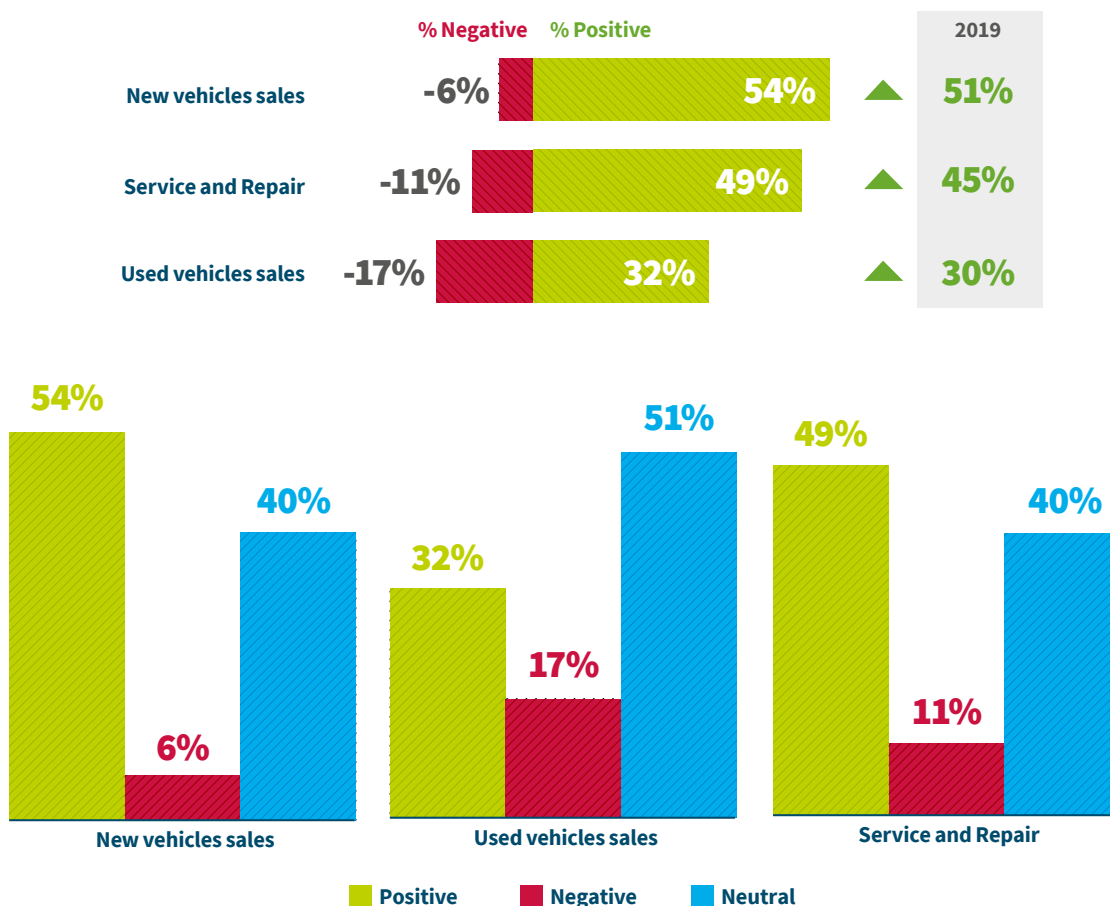


The research revealed that **79%** (nearly four out of five) people would feel more confident using a business that is accredited to The Motor Ombudsman for their vehicle purchase, service or repair in 2020. This is the lowest level since 2018, after decreasing slightly by 3% from the sentiment recorded in 2019 (82%).

► **For the second consecutive year, the new vehicle sales sector was viewed by consumers as the most positive area of the automotive industry**

Following on from the trend seen in 2019, the new vehicle sales sector was once again the area that was viewed most positively in 2020. It received the highest proportion of responses in the 'positive' category (**54%**) compared to the service and repair and used car sectors (49% and 32% respectively).

View of the automotive industry by sector in 2020
(Percentage of consumers who answered negatively and positively)



Sector analysis

The new vehicle sales sector

A greater proportion of consumers viewed the new vehicle sales sector in a positive light in 2020, with **54%** expressing this sentiment versus just over a half (51%) last year. As in 2019, female respondents were less encouraging about this area of the automotive sector, with 51% expressing a positive view, a 6% difference when compared to their male counterparts (57%). However, for both sexes, these scores were still up on those from 2019, namely, 48% for females and 53% for males.

When looking at the results of the research by age group, those in the 55 and over category were the most buoyed about this area of the motor industry (57%). This was in contrast to last year's findings, which showed that respondents in the 18 to 24 bracket were far more encouraged about this area of the motor industry (62% of individuals), but this figure decreased to 55% in 2020, a fraction behind the over 55s.

For the new vehicle sales sector, **6%** of people had a negative opinion overall, with the 18 to 24s being the most downbeat at 9% of respondents in this age group. This was only marginally higher than the 8% expressed by the 35 to 44 bracket. Reasons for the adverse sentiment related to the perceived high price of new cars, the loss of value after purchasing a vehicle, pushy salesmen and the cost of extras.

The used vehicle sales sector

The used vehicle sales sector was viewed a little more positively in 2020, up two percentage points to **32%** versus 30% the previous year. However, this figure is still down on that seen in 2018, where 41% of respondents had a positive image of this area of the automotive sector.

As seen in 2019, women were more upbeat about the used vehicle sales sector than men, with 35% of females having a positive opinion about this area of the market versus 30% of males. However, both scores were slightly down on last year's (34% and 25% respectively).

In 2020, the younger generation of 18 to 24-year-olds were even more positive about used car sales than in 2019, rising to 60% of respondents in this age group from 54% a year earlier. Coming a close second were the 25 to 34-year-olds, where 44% of individuals in this group held the sector in high esteem.

When looking at the proportion of respondents discouraged by used vehicle sales, **17%** of respondents held a negative view of this part of the automotive sector. A fifth of males were downbeat, compared to just 14% of females, with those in the over 55 age group having the most respondents expressing a negative opinion about this sector (22%). 45 to 54-year-olds came a close second at 21%.

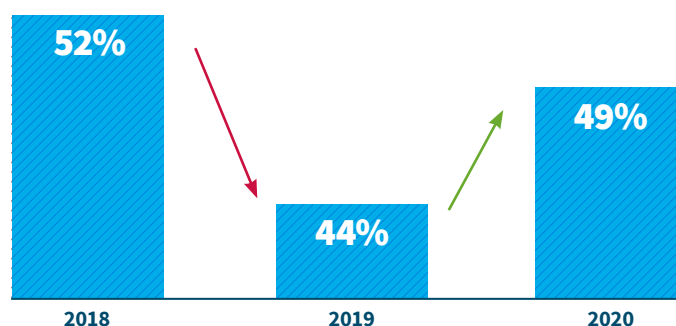
Reasons for the negative ratings related to people feeling as though they were being overcharged, not knowing whether they could trust the seller, pushy sales techniques, being worried about being sold a car with issues, as well as hearing about bad experiences from others.

The service and repair sector

Reversing the decline in sentiment between 2018 and 2019, a greater proportion of the respondents surveyed had a positive view of the service and repair sector (49%) compared to the year before, which can be seen as an encouraging trend. It is still however very slightly below the figure recorded in 2018 (52%), when the proportion of those expressing a positive opinion of the service and repair area was at its highest during the last three years.

In 2020, male respondents were a little more encouraged (51%) than their female counterparts (47%). However, those expressing a negative view of the sector was pretty much the same (i.e. 11% for males versus 10% for females), mirroring the trend seen in 2019, namely 15% for male respondents and 11% for females. Overall, 11% of respondents had a negative perception of the service and repair area.

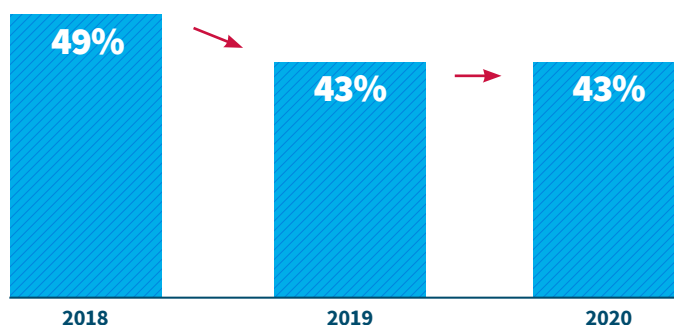
Percentage of respondents having a positive view of the service and repair sector



Reasons for the negative view of the industry related to respondents feeling as though they were being taken advantage of, being overcharged, or being told that unnecessary work was needed, as well as not knowing whether they could trust the business.

When looking at the different age groups, 18 to 24-year-olds were once again the most praiseworthy, with 69% of respondents feeling positive about the service and repair area of the industry, but was down from 72% in 2019. Furthermore, over half of individuals (54%) in the 25 to 34 age bracket were also encouraged by what they had seen in the sector, up from 49% in 2019. Conversely, the over 45 to 54s had the highest proportion of people sharing a pessimistic view (14%).

► **The proportion of individuals who made a complaint in 2020 was the same as that seen in 2019**



As in 2019, **43%** of respondents said they had made a complaint in 2020 about a new or used car that they had bought at a garage, a new car warranty, or a service and repair. This is once again lower than the figure recorded in 2018 (49%), but was on a par with the statistic recorded in 2017. A total of 57% of individuals explained that they had not raised a concern about the aforementioned areas in 2020.

For those that had complaints, just over a fifth (21%) were about a service or repair (down from 22% in 2019), whilst 14% were in relation to a new car warranty, up from 13% the year before. Both used and new car complaints remained at the same level as in 2019, at 13% and 5% respectively.

► **Most people resolved their complaints directly with a garage or dealership in 2020**

Encouragingly, more consumers had their complaint resolved in 2020 than in 2019, with only **9%** explaining in this year's study that their issue hadn't been concluded, down from 12% last year. This was however still a small rise on the figure of 7% seen in 2018.

For those respondents that did have a complaint in 2020, the majority (**69%**) had their problem concluded directly with the garage or dealership, the same proportion as that seen in 2019, but down from 75% in 2018. For 16% of individuals, the problem was resolved by the manufacturer (versus 15% in 2019 and 16% in 2018), whereas 6% had their issue successfully concluded by a third party, compared to 4% in 2019 and 2% in 2018.

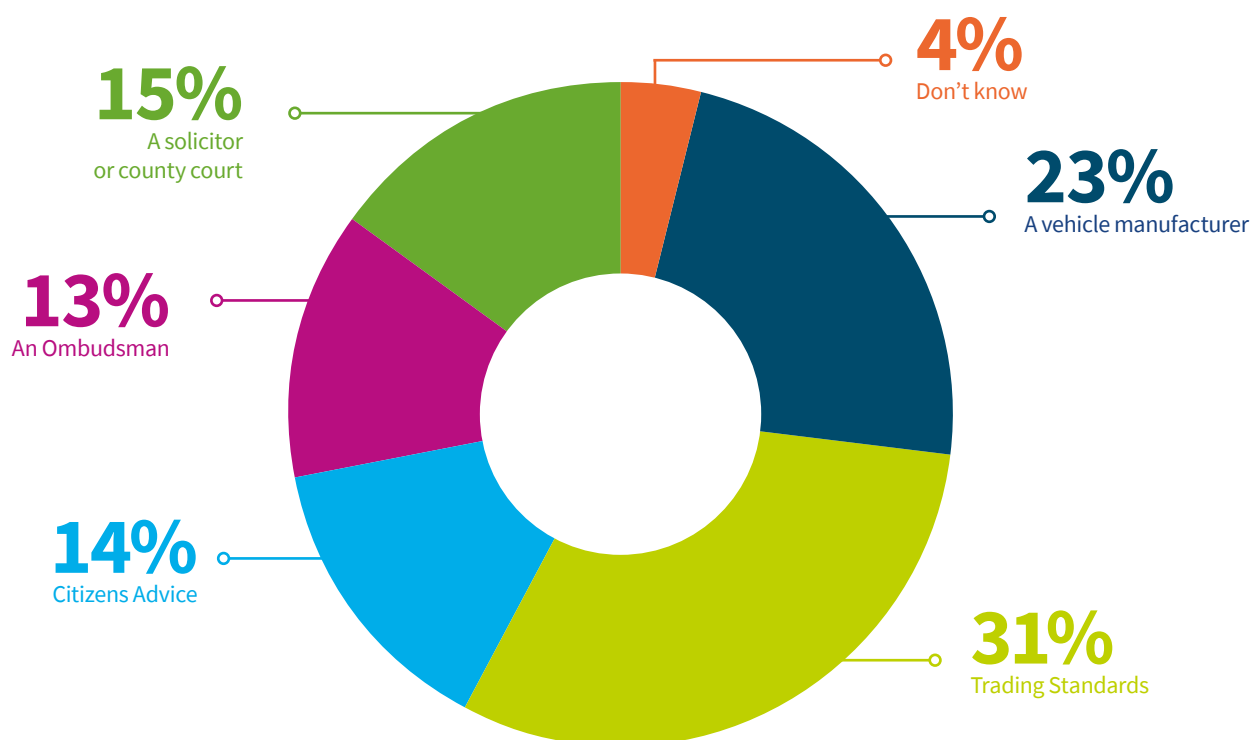
► **In 2020, individuals were more likely to escalate an unresolved issue with a garage or car dealership to Trading Standards than to any other body**

Mirroring the findings of the 2019 survey, the research revealed that nearly a third of consumers (**31%**) would seek assistance from Trading Standards as the first port of call if they had an unresolved complaint with a garage or car dealership, up from 30% in 2020.

Nearly a quarter (**23%**) said that they would contact a vehicle manufacturer, down from 28% in 2019, with **15%** explaining that they would resort to legal action i.e. consulting a solicitor, the county court or a legal representative. As in 2019, **14%** of respondents said that they would take their unresolved dispute to Citizens Advice in 2020, with **13%** opting for an Ombudsman to help solve their problem, up from 12% in 2019.



**Where consumers were most likely to take
their unresolved dispute with a garage or car dealership in 2020**



- **Over a third (38%) of consumers said that it's important for the motor industry to have an Ombudsman because it provides someone to turn to if they can't resolve their issue directly with a garage or dealership**

This figure is down on that seen in 2019 and 2018 (41%), and much lower than the statistic recorded for the same question in 2017 (52%). In addition, just over a quarter of individuals (**29%**) surveyed stated that having an Ombudsman for the automotive sector helps to drive up standards. This mirrors the score seen in 2018, and is also up from the figure of 27% recorded in 2019 and 24% in 2017.

Similar to last year (14%), **15%** of respondents in 2020 said that they thought that it was important for the motor industry to have an Ombudsman because the sector is not regulated. This is also up from 12% in 2018 and 9% three years ago.

Key conclusions drawn from the 2020 consumer awareness survey data:

- ✓ Overall awareness of The Motor Ombudsman fell very slightly from 45% to **44%**.
- ✓ Awareness has increased amongst consumers who have had a dispute (i.e. 57% in 2020 compared with 56% last year).
- ✓ Consumers in the **18 to 24** age bracket were the most aware of The Motor Ombudsman in 2020, mirroring the trend seen in 2019.
- ✓ In 2020, individuals were most likely to contact **Trading Standards** if they had an unresolved dispute with a garage or car dealership.
- ✓ More consumers had their dispute **resolved** in 2020 than in 2019, with the majority concluding it directly with a garage or car dealership.

14.2 Consumer satisfaction survey highlights

Every year, The Motor Ombudsman conducts an analysis of the customer satisfaction data it receives about its accredited businesses. This information provides an effective annual barometer to understand the sentiment of motorists on an annual basis in relation to their experience of the service and repair sector.

Satisfaction data is collected from The Motor Ombudsman's website-based survey tool, which asks customers that

have used an accredited business to rate independent garages and franchised dealers on various aspects, such as the quality of the work and the booking process. The Motor Ombudsman also receives data from surveys that vehicle manufacturers and independent garage groups conduct with their customers in relation to their satisfaction of the work and service provided, and the likelihood of them recommending the business.

The feedback received is available for all to see on the business profile pages on The Motor Ombudsman's Garage Finder. This is a valuable tool for businesses to demonstrate their credibility and high standards, as well as offering the customer the opportunity to select a garage that best suits their needs.

► Summary of results from vehicle manufacturer and independent garage group surveys

The results from the questions about a consumer's overall satisfaction with the business and their likelihood to recommend it come from surveys conducted by vehicle manufacturers and independent groups.

Category	Satisfaction levels			
	2018	2019	2020	Diff (2020 v 2019)
Overall satisfaction of the work and service provided by an accredited business	92%	92%	95%	▲
Likelihood to recommend an accredited business	90%	92%	93%	▲
TOTAL NUMBER OF SURVEYS SUBMITTED	200,356	53,133	103,458	▲

Between 2020 and 2019, there has been an increase in the number of surveys received from vehicle manufacturers and garage networks. However, in line with previous years, the difficulty with receiving data is mainly attributed to the impact of the General Data Protection Regulation (GDPR), and OEMs and groups moving away from Net Promoter Score methodology to other means of measuring customer satisfaction and obtaining reviews about their networks.

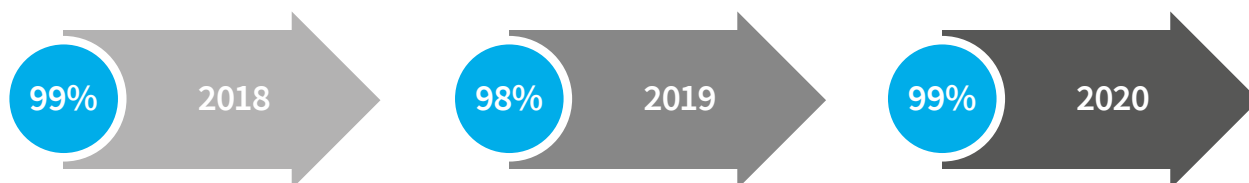
Overall satisfaction with accredited businesses remained consistently high, and is now at 95%, a 3% increase on the 92% achieved in 2019. The likelihood of recommending the garage to friends and family that serviced and / or repaired their vehicle has also increased, and is at 93%, up from 92% in 2019. This is positive to see, although it hasn't returned to the score of 95% achieved in 2017. This therefore demonstrates that there is still work to be done in the service and repair sector to continue to both meet and exceed customer expectations.

► Summary of results from surveys completed on The Motor Ombudsman website

The Motor Ombudsman asks a wider range of questions about the experience and the service received by consumers. They cover areas, such as the booking process, the quality of work, as well as the information and level of customer service provided. During 2020, The Motor Ombudsman received 956 survey submissions through its website, up from 747 the previous year, which is a positive development.

Category	Satisfaction levels			
	2018	2019	2020	Diff (2018 v 2019)
Overall quality of work carried out	99%	98%	99%	▲
Level of customer service	99%	98%	99%	▲
Booking process	98%	98%	98%	—
Information provided	98%	98%	98%	—
TOTAL SURVEYS SUBMITTED	747	861	956	▲

Overall customer satisfaction with the quality of work by accredited businesses (2018 - 2020)



The overall satisfaction with the quality of work carried out by the businesses is now at 99%, which is up by one percentage point from 98% in 2019, and in line with the 99% satisfaction score achieved in 2018. Although this is still a high figure, it demonstrates the importance that businesses need to continue to focus on providing the very best level of service, with procedures in place to ensure that servicing and repairs are carried out to the highest standard.

Satisfaction with customer service is in line with the 98% satisfaction score achieved last year, down one percentage point from the high score of 99% in 2018. Although this continues to be a high satisfaction score, businesses need to continue to meet the high standards that consumers expect.

The vast majority of customers have continued to score the process used by a garage to book in their vehicle for routine maintenance and ad hoc repair work highly. This is illustrated by a figure of 98%, which has remained unchanged since 2017. Furthermore, individuals are equally very satisfied with the level of information that the business provided them with, shown by a consistent score of 98% since 2017.

Customers are also invited to leave a written review about their experience, which is published on the online Garage Finder profile of the business if they have provided consent to do so.

The following is a snapshot of the consumer reviews that have been left:

“Super garage. You get the whole diagnostics of everything wrong with the car in human language. Mechanics also advise recommendations and are happy to answer any questions that other garages would just turn a blind eye to. Great tech at work and videos of checks are also sent to customers.”

Customer of Kingham's of Croydon SEAT

“This is the second time I've visited this garage for my car's MOT. It has been easy to arrange a convenient time and day for my MOT, and the receptionist is super friendly, very professional and knowledgeable too. The guy who carried out my MOT clearly explained the faults on my car, and I was given a price there and then, with no pressure to have the work carried out if I chose not to.”

Customer of Direct Garage Services

“I've been using this garage for years now. Honest, always friendly and helpful, great customer service and you know you can trust them with your car. 10/10 would recommend.”

Customer of of Anglo Continental Garage

15. Consumer complaints about The Motor Ombudsman

During 2020, The Motor Ombudsman received a total of **36** complaints from consumers. This was a significant 59% **decrease** compared to the volume seen in 2019 (87).

Conversely, as a percentage of total cases, complaints fell from 1.42% in 2019 to only **0.60%** in 2020, in what is a very encouraging trend.

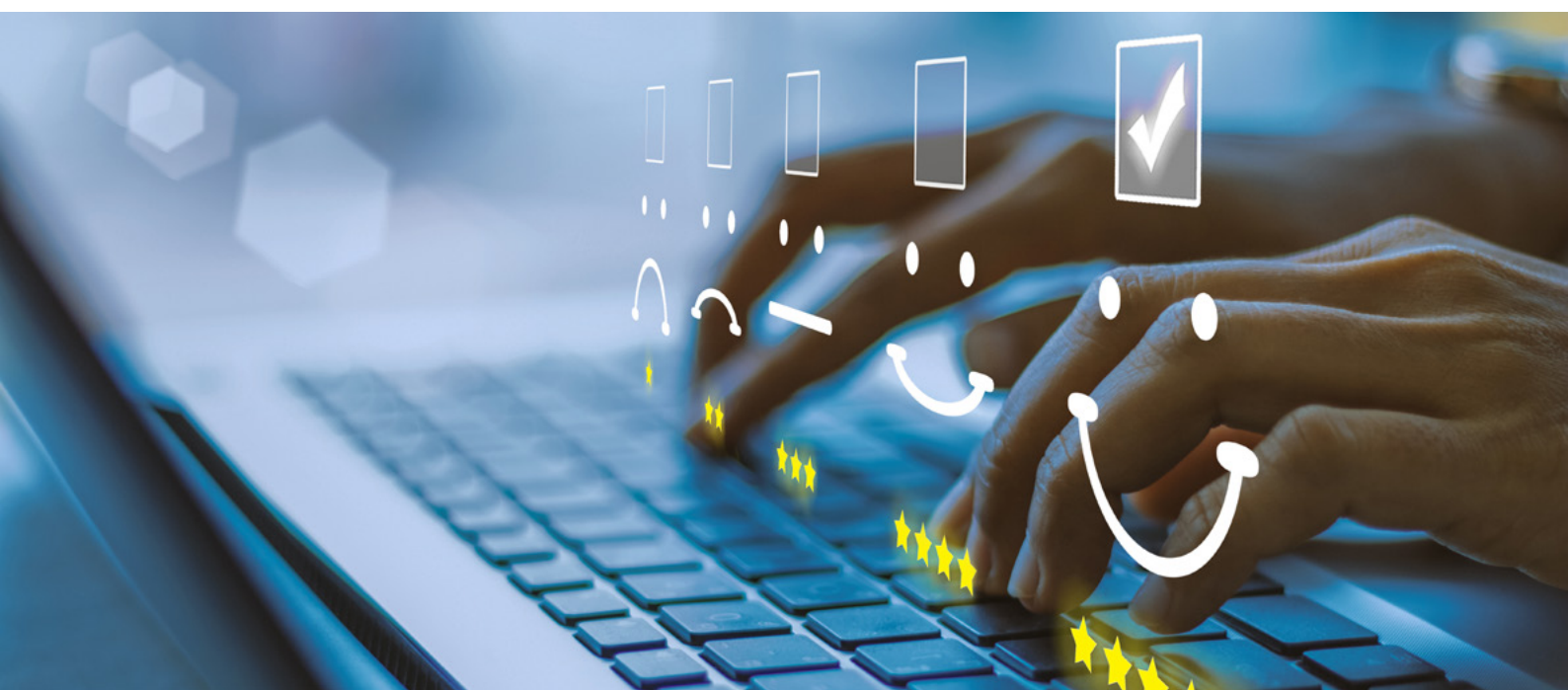
Contact, case and consumer complaint volumes

	Total contact volume handled by TMO	Total case volume handled by TMO	Total consumer complaints received
2020	77,762* (-14% v 2019)	6,220 (+ 2% v 2019)	36 (-59% v 2019)
2019	90,718* (+ 51% v 2018)	6,114 (+ 37% v 2018)	87 (+ 14% v 2018)
2018	59,925*	4,456	76

*Total contacts include others not related to The Motor Ombudsman's four Codes of Practice

Consumer complaints as a proportion of total contacts and cases

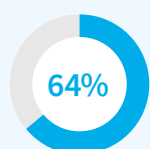
	Complaints as a percentage of total contacts received	Complaints as a percentage of total cases handled
2020	0.05% (-0.05% v 2019)	0.60% (-0.82% v 2019)
2019	0.10% (-0.03% v 2018)	1.42% (-0.28% v 2018)
2018	0.13%	1.70%



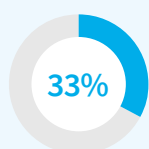
► Reason for consumer complaints by reason and stage of the dispute resolution process (2020 versus 2019 and 2018)

Reason for the complaints about The Motor Ombudsman / stage	Year	Outcome	Process	Delay	Staff issue	Total
No. of complaints made at enquiry stage	2020	2	1	0	0	3
	2019	0	1	21	1	23
	2018	0	6	3	4	13
Total for all 3 years		2	8	24	5	39
No. of complaints made at early resolution stage	2020	0	0	0	0	0
	2019	0	0	0	0	0
	2018	0	0	0	0	0
Total for all 3 years		0	0	0	0	0
No. of complaints made at adjudication stage	2020	2	4	5	1	12
	2019	9	2	35	1	47
	2018	10	9	17	10	46
Total for all 3 years		21	15	57	12	105
No. of complaints made at final decision stage	2020	1	2	18	0	21
	2019	3	0	13	1	17
	2018	10	2	1	2	15
Total for all 3 years		14	4	32	3	53
Overall number of consumer complaints by year	2020	5	7	23	1	36
	2019	12	3	69	3	87
	2018	20	17	21	16	74
Total for all 3 years		37	27	113	20	197

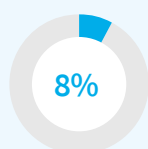
► For the 36 complaints received from consumers during 2020:



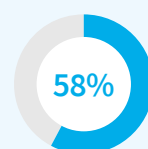
64% resulted from a delay in responding to consumers (down from 79% in 2019, though this was higher than the 28% figure recorded in 2018)



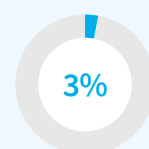
33% of complaints arose at the adjudication stage (down from 54% in 2019 and 60% in 2018), 42% of which related to a delay



8% arose during the enquiry stage (down from 28% in 2019 and 17% in 2018)



58% of complaints occurred at the final decision stage (up from 20% in 2019 and 2018)



3% related to the approach of staff (compared to 3% in 2019 and 21% in 2018)

15.1 Negative consumer testimonials about The Motor Ombudsman

The following is a sample of negative testimonials from consumers who used The Motor Ombudsman's Alternative Dispute Resolution (ADR) service during the course of 2019, and logged a complaint about the handling of their case on Trustpilot. The table below also highlights the cause of the consumer's comments, as well as the actions that were taken by The Motor Ombudsman to help resolve the customer's concerns.

Consumer / Month review left on Trustpilot	Extract of complaint made by the consumer on Trustpilot	Reasons for the consumer's complaint about The Motor Ombudsman's service	Actions taken to address the consumer's concerns
Mr. A January 2020	<i>"My review of your service I am afraid is very negative and has put me off entirely from using your ADR service in the future. Perhaps you should view both sides of the argument fairly. Sadly, sadly very, very one-sided."</i>	<ul style="list-style-type: none"> The consumer felt that The Motor Ombudsman's process was very one-sided. They wanted to see the evidence provided by the business around some of the allegations made about them, and were concerned by the delay, particularly because they had been promised an ombudsman's final decision by the 1st of December 2019 They also were confused as to why they had been told that The Motor Ombudsman could not award compensation, when the website states that this could be up to £10,000 	<ul style="list-style-type: none"> The Motor Ombudsman investigated the consumer's concerns, and found that the ombudsman's final decision had been issued in November 2019, so no further action was required on that front. The Motor Ombudsman also arranged for the documents to be sent to the consumer On the subject of compensation, The Motor Ombudsman provided a further explanation around what they could and could not award. Clearer, and more detailed guidance on remedies for consumers has also since been written and published on TheMotorOmbudsman.org
Mr. C March 2020	<i>"What a disgrace. independent, I think not. They just listen to the OEM and do not contact the consumer, so if you don't get your point over, then they don't help?"</i>	<ul style="list-style-type: none"> The consumer was unhappy with the adjudication outcome reached for their complaint, and believed The Motor Ombudsman TMO to be biased towards the manufacturer 	<ul style="list-style-type: none"> The Motor Ombudsman explained that the consumer could ask for the adjudicator's outcome to be reviewed by an ombudsman, but the consumer chose instead to withdraw his complaint
Mr. M May 2020	<i>"The TMO communication is non-existent unless chased and then still fobbed off without providing any comfort or information, I can't help but feel the TMO is a figurehead designed to make people feel better that someone is there when things go wrong, until they do go wrong, when you're left with no support."</i>	<ul style="list-style-type: none"> The consumer was upset at the time taken to make a decision because their car was off the road, meaning they were without a vehicle and facing other problems due to the car being undriveable for so long 	<ul style="list-style-type: none"> The Motor Ombudsman understood that having a car off the road can be really distressing, so they prioritised the case and managed to get it resolved through an early resolution The Motor Ombudsman will be looking into how best to establish the current status of a vehicle in the first stages of a complaint - for example, whether it is undriveable, or if a consumer is incurring costs in hiring another car. This will allow The Motor Ombudsman to better manage cases where time is really of the essence



Mr. J July 2020	<p><i>"An utter waste of time. I opened a case with them in November 2018, and at time of writing (July 2020) I have still not received a full response. It appears to be that they are clearly on the side of the industry, rather than consumers and their whole raison d'être seems to be to placate consumers until we eventually give up or forget about the issue."</i></p>	<ul style="list-style-type: none"> • The consumer was concerned by the delays with their complaint, and felt this showed that The Motor Ombudsman was biased towards the industry • They also remarked that a negative public review seemed to have prompted communication with Mr. J himself 	<ul style="list-style-type: none"> • The case was referred to an ombudsman so a final decision could be made, as The Motor Ombudsman recognised that the consumer had been waiting for some time • It also reaffirmed the need for The Motor Ombudsman to look into the communications it sends during the lifetime of the case, to ensure consumers are kept updated with their complaint's progress • It must be said that The Motor Ombudsman was concerned however, to read that consumers might think that a negative Trustpilot review is what is needed to communicate with the service • As a result, The Motor Ombudsman will be reviewing its approach to Trustpilot reviews, both positive and negative, to ensure they remain responsive, but so that consumers leaving reviews do not receive different treatment from those who do not
Mr. C October 2020	<p>"I have submitted my case through their website form receiving only a submission confirmation and not a case number. Although my case submission had been confirmed on their website, after 1.5 months I was told to resubmit my case as they have not received anything from my side and I have not been allocated a case number?! Total waste of time!"</p>	<ul style="list-style-type: none"> • The consumer was frustrated that it took The Motor Ombudsman almost two months to confirm that their web form submission hadn't been received, and that this meant they'd been put at the back of the queue in terms of timescales 	<ul style="list-style-type: none"> • Once The Motor Ombudsman had received the customer's submission, they prioritised the case to ensure that they were not prejudiced in any way by the technical error. This led to The Motor Ombudsman being able to resolve Mr. C's complaint within a week through an early resolution
Mr. H December 2020	<p><i>"Absolutely useless, can't even follow their own published operating procedures. My repeated requests to their lead adjudicator for referral to an ombudsman were just ignored until I lodged a formal complaint with a member of their management. This is an organisation that takes in excess of a year to process an application, during which time you receive minimal communications. Their Ombudsman status should be revoked as the organisation is not fit for purpose."</i></p>	<ul style="list-style-type: none"> • The consumer was unhappy that the lead adjudicator failed to refer the complaint for a final decision, and it took a formal service complaint for this to be actioned • They were also concerned about the length of time it took for The Motor Ombudsman to review their case, as well as the lack of communication during that period 	<ul style="list-style-type: none"> • The Motor Ombudsman found that there had been a breakdown in communication, which had led to the case not being referred for a final decision despite the consumer requesting this • The Motor Ombudsman apologised for the oversight, and reviewed their internal service complaint process to ensure that this mistake could not happen again

16. How complaints to The Motor Ombudsman are being addressed

The Motor Ombudsman recognises that, whilst customer complaints about its service have fallen compared to 2019, improvements are still needed. As such, much of 2020 was spent looking at the enhancement of The Motor Ombudsman's processes, systems and organisational structure, so that those who need assistance are able to access it more quickly, ensuring that the service is fully effective for all consumers.

In 2020, increasing numbers of consumers were unhappy with the fact that they had been unable to find a service complaints process online. Therefore, to help avoid a greater level of frustration for individuals who were already disappointed with the service provided, a dedicated page was introduced on The Motor Ombudsman website, designed to provide clear information on how to make a complaint, and including who to contact if a customer is not satisfied about the way that it has been handled.

Similarly, a dedicated e-mail address was created for service complaints, allowing them to be quickly identified and directed to the relevant staff member for investigation.

In addition to updating the overall service complaints process, the way that service complaints are captured, and how data is recorded, was equally improved. This is to allow this information to be used to its fullest extent, as well as permitting more comprehensive internal and external reporting. In fact, The Motor Ombudsman has always welcomed complaints about its service, as it sees them as useful tools for continuous development and improvement.

Furthermore, it has been noted that delays continue to be the most complained about area of The Motor Ombudsman's service, which is especially pertinent at the final decision stage, most likely because these cases have been with the organisation for the longest. As such, in 2020, a new ombudsman was recruited to help get through cases more quickly, and final decision processes were also reviewed, to ensure it is as effective as possible.

Service complaints

We always want to provide the highest level of customer service to our consumers and accredited businesses – no matter what the outcome of the case.

As such, if you believe that the service provided has fallen short of your expectations, please let us know. Some examples might be:

- There have been delays with your complaint
- You haven't been kept updated with progress
- Member(s) of staff have communicated with you inappropriately

If you're not satisfied with how we've dealt with your case, the first step is to let us know what's happened. It's helpful for us to have your concerns in writing but we're also happy to discuss things over the phone. You can do so at any point whilst we're handling the complaint, or within three months of the complaint being closed.

If you are not happy with how your complaint has been handled

In the first instance, please get in touch with the person dealing with your complaint. They will then respond and escalate it to their manager if necessary, and most of the time, they'll be able to get things sorted for you.

If you're still unhappy with how your complaint has been dealt with

You can then complain to the Senior Ombudsman. They will conduct an investigation into what's happened and, if needs be, let you know what we're going to do to put things right. The Senior Ombudsman aims to complete their investigations and respond to you within 15 working days.

If you have a service complaint that you've not been able to resolve, please email us on: servicecomplaints@tmob.co.uk

Please note that the complaints process is only to look at the service provided to you, and it's not an appeals process to change any decision reached or any action taken on your complaint.

For further information about service complaints and how to appeal an outcome, please read our [fact sheet](#)



17. Positive consumer testimonials about The Motor Ombudsman

The following is a sample of positive Trustpilot testimonials from consumers who used The Motor Ombudsman's Alternative Dispute Resolution (ADR) service during 2020.

"Excellent service from start to finish. I was kept in the loop through email, and my complaint was resolved with the company who are going to compensate me within 14 days."

(Ms. C, January 2020)

"I had an ongoing issue with a vehicle manufacturer and was not getting anywhere. The dispute dragged on for months, and I referred it to The Motor Ombudsman. They have resolved my complaint. Excellent service."

(Ms. M, May 2020)

"The Motor Ombudsman helped me get to a positive outcome with my complaint, when I was facing a brick wall trying to tackle it myself. It was a very painless exercise. Thanks!"

(Mr. A, June 2020)

"We cannot thank The Motor Ombudsman enough as, without their due diligence, hard work and tenacity, we would not have succeeded in getting this company to admit to still having our car and making a compensatory payment."

(Mr. G, August 2020)

"In a dispute with a vehicle manufacturer, the Ombudsman listened to the issues I raised, and then agreed my grievance with the carmaker needed pursuing. They were extremely supportive, evidence-based and relentless in pursuing my claim. Even after agreement on compensation was reached, it took several more months to conclude."

(Mr. G, August 2020)

18. Annual accredited business survey highlights

Every year, a survey is sent to The Motor Ombudsman's network of accredited businesses to understand their views and level of satisfaction regarding various aspects of its service, and what is important to them.

The research was conducted via an e-mail survey, which was sent to Motor Ombudsman-accredited franchised car dealers and independent garages² between October and December 2020. Highlights of the findings are as follows.

How businesses would describe The Motor Ombudsman in one word:

Following a similar trend to last year, **"Professional"**, **"Fair"**, **"Good"**, and **"Helpful"** were the most common words used to describe the approach of The Motor Ombudsman.



Overall, **89%** of the words used by respondents were positive in 2020, which is encouragingly a notable increase on last year's score of 78%, and 79% in 2018.

The words used by franchise dealers were 92% positive in 2020, up from 79% in 2019 and 82% in 2018. For independent garages, the positive score was slightly lower at 82%, but nevertheless higher than the figures seen during the two previous years (i.e. 78% in 2019, and 76% in 2018).

► The main benefits of accreditation stated by businesses were:

1. An increase in credibility, whilst providing important reassurance for customers (stated by 88% of participants overall);
2. Having access to The Motor Ombudsman's Information Line and dispute resolution service (85%);
3. Being able to display Chartered Trading Standards Institute (CTSI)-approved branding (85%);
4. Having use of The Motor Ombudsman logo (84%); and
5. Being able to receive online customer reviews and ratings (76%).

► Value of The Motor Ombudsman for businesses

Out of the businesses surveyed, **82%** of respondents agreed that The Motor Ombudsman is valuable to them, which was up on last year's score of **80%**. In addition, 80% of respondents were satisfied with the overall value of Motor Ombudsman accreditation, versus 82% in 2019 and 72% in 2018. The results also revealed that **70%** of businesses stated that Motor Ombudsman accreditation gave them the edge over the competition, a decrease versus the 74% and 64% figures recorded in 2019 and 2018 respectively.

► Satisfaction with the Business Services team has increased

For businesses that had used The Motor Ombudsman's dispute resolution service in 2020, **81%** agreed that the process was easy to follow, compared with 84% last year. Furthermore, 79% felt as though the case outcome was fair and reasonable, (down from 85% in 2019). The research also revealed that 68% of businesses were satisfied with the time taken to resolve the dispute, which was up from 58% last year.

► Key areas identified for improvement in 2021

The main areas identified for improvement that need to continue be addressed in 2021 are:



Ensuring that all business enquiries regarding cases, or their accreditation, are correctly routed and dealt with swiftly;



Providing more information about the benefits and the value TMO accreditation provides for businesses; and



Undertaking a greater level of marketing to promote the high standards of The Motor Ombudsman's network of accredited businesses.

Action plans will be developed by The Motor Ombudsman to ensure that the enhancements listed above are implemented during the coming 12 months.

²Sample size of 247 respondents (independent garages and franchise dealers).

19. Accredited business compliance

Business compliance monitoring remained a core focus in 2020. The Motor Ombudsman increased engagement with customers, businesses and regulatory bodies, such as the Chartered Trading Standards Institute (CTSI), to address and resolve non-compliance issues as and when they arose.

19.1 Online self-assessments and physical audits

19.1.1 Online self-assessments

Once an independent garage or franchise car dealership has expressed interest in joining The Motor Ombudsman, the completion of an online self-assessment is required when applying for accreditation to the Service and Repair, and / or Vehicle Sales Codes for the first time to demonstrate that they are compliant with the requirements of the Code(s).

It asks businesses to complete information on subjects, amongst others, such as their staff training programme, their internal complaints process, as well as the advertising and sale of vehicles. The same self-assessment applies upon the renewal of the annual Code accreditation, and all businesses are asked to complete the assessment within 30 days of it being sent to them.

To November 2020, **654** online self-assessments were completed for Service and Repair Code-accredited businesses, with a further **223** remaining in progress. In addition, 187 online self-assessments for Vehicle Sales Code-accredited businesses were undertaken, with a further **92** remaining in progress.

In the event of failed self-assessments, further guidance is provided by The Motor Ombudsman to resolve any outstanding requirements, which are then assessed prior to being awarded a “Pass”.

19.1.2 Physical on-site audits

Every year, physical on-site audits are carried out on a random sample of businesses within The Motor Ombudsman’s nationwide accredited business network to ensure that they continue to meet the necessary high standards for accreditation. However, due to COVID-19, and in agreement with CTSI, no physical on-site audits were carried out during 2020.



19.2 Managing non-compliance

Penalty points are given to businesses for non-compliance and non-response with regards to a case at either the adjudication or final decision stage. In line with the terms and conditions of becoming accredited to a Code of Practice, it is a requirement that The Motor Ombudsman receives a satisfactory response from a business to any correspondence within five working days. Failure to respond means that the case is escalated as per the body's defined processes. Penalty points are issued and accumulated as per the flowchart below, and a business can also be suspended at any point in the process for continued non-response or compliance.

Action taken by The Motor Ombudsman	Number of working days with no business response	Penalty points awarded to the business
	5	0
The adjudication team validates all contact details and communicates with the business. The Motor Ombudsman maintains contact with the business requesting a response	↓	↓
	11	6
↓	↓	↓
Case notes are updated by the adjudication team on actions taken to date. The Motor Ombudsman maintains contact with the business requesting a response	16	18
↓	↓	↓
The first written warning is issued to the business once 30 points have been accumulated		30
The adjudication team updates the consumer on the case, and points are logged against the business. A referral is made by the adjudication team to the compliance team if a response has still not been received or the business is not voluntarily responding or complying with an adjudication outcome or final decision	↓	↓
The compliance team contacts the business with the aim of resolving outstanding issues	21	42
↓	↓	↓
A second written warning letter is sent to the business and the compliance team updates the adjudication team accordingly		60
↓	↓	↓
The business is placed under Closer Scrutiny for continued monitoring**	Continued non-response / compliance*	70
↓	↓	↓
A formal referral is made to ICAP, and appropriate sanctions / further actions are reviewed by panel members at the scheduled meetings		80

*Continued non-response and non-compliance

The adjudicator and the compliance team will take further action as appropriate, such as suspension or a referral made to ICAP, if a response has still not been received from the business and issues remains outstanding.

In the event of non-response or compliance with a case, businesses will be supplied with a guidance response factsheet as necessary by the adjudicator. Once the case has been referred to the compliance team, they will attempt to contact the business through the following means:

By phone: If contact is reached with the business, the compliance team will notify the contact of compliance procedures and e-mail information confirming the phone call.

By e-mail: The contact at the business is emailed with a deadline, if appropriate, along with any further relevant information in regards to the case or non-compliance issue.

For continued non-response or non-compliance, the adjudicator will also update any penalty points that need to be logged, but can equally remove them from the record of a business if compliance is achieved.

**Closer scrutiny

Closer scrutiny has been devised to ensure each compliance area has the ability to highlight matters for improvement to accredited businesses. This means focusing on performance enhancements without necessarily issuing penalty points or taking further action. Matters can include:

1. Repeat complaints / breaches reported to the adjudication team;
2. Areas of concern highlighted on online self-assessments or the physical audits; and
3. Operational or customer service issues identified by TMO staff through internal or external sources.

Before an accredited business is added to the closer scrutiny register, all business activities are reviewed, including consumer concerns, call / case volumes, compliance checks and customer satisfaction performance scores to ascertain the extent of any overarching performance issues.

Once placed on the register at the discretion of The Motor Ombudsman, a business will be informed of any corrective action and the evidence required to remove them from it. If the concern is not resolved, suspension and / or a referral to ICAP may be required.

19.3 Accredited business suspensions in 2020

Three accredited businesses were suspended in early 2020 pending review of the cases by the Independent Compliance Assessment Panel (ICAP) in April 2020.

19.4 Accredited business expulsions in 2020

Three accredited business were expelled by The Motor Ombudsman at a meeting of ICAP members in April 2020. This followed their earlier suspensions due to non-compliance to our case decisions and the terms of our Codes.

19.5 The 2021 enhanced compliance process

In 2020, The Motor Ombudsman carried out a detailed review of its current processes and identified areas to be improved and worked on in 2021.

As a part of this review, a need was identified to harmonise the various compliance processes that currently existed, and the redevelopment of the reporting system was started to help monitor non-compliant businesses much more effectively. This has already helped identify non-compliance a lot soon in the dispute resolution process, which has led to an earlier resolution of these cases without the need for escalation. The Motor Ombudsman aims to implement this enhanced process at its full potential in 2021.

19.6 CTSI compliance



CTSI requires that all Motor Ombudsman-accredited businesses display the Approved Code logo on their website.

To significantly increase the volume of subscribers showing the Approved Code logo and that of The Motor Ombudsman, an electronic Smart Badge was developed, which allows consumers to immediately verify that businesses are signed up to The Motor Ombudsman, but they are equally able to navigate to the trader's profile page on the Garage Finder directly from the Badge.

Emphasising the importance of featuring the Smart Badge to both new and existing accredited businesses, principally through targeted marketing communications, will be an ongoing focus during 2021.

20. Staff learning and development

Staff engagement, learning and development continued to be a major focus in 2020. Due to the Coronavirus pandemic, and with staff working remotely, training was undertaken with third party providers in a virtual setting on the following subjects:

- ▶ Management, coaching and leadership;
- ▶ Talent management;
- ▶ Interviewing skills;
- ▶ Call handling skills;
- ▶ Key consumer legislation;
- ▶ Insights personality profiling;
- ▶ Mental health awareness; and
- ▶ Respect in the workplace.

The training programme for 2021 will be tailored in line with COVID-19 restrictions and social distancing guidelines. As per previous years, we will be looking to enrol additional members of staff on Queen Margaret University's Professional Award in Ombudsman and Complaint Handling Practice.



21. Staff diversity and inclusion

An inclusive and diverse workplace, and one which promotes equality, has always played an important role in how we operate as an organisation. It has also allowed us to share and become aware of each other's customs, practices and festivals, thereby providing an important and valued learning experience for our employees.

2020, we conducted the first Diversity and Inclusion staff survey to obtain the views of staff on their background and how they view different aspects of our organisation. This included their opinion of diversity in the workplace, their sense of belonging, the importance that they and their peers place on diversity, and the degree of equality when it comes to development and learning opportunities within the business.

What is your age?



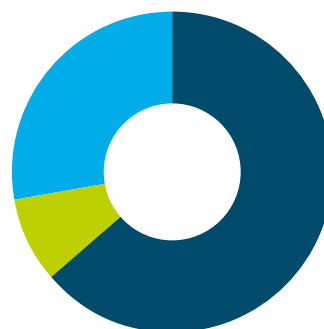
- 18 to 24: **6%**
- 25 to 34: **47%**
- 35 to 44: **24%**
- 45 to 54: **18%**
- 55 to 64: **6%**
- 65 to 74: **0%**

What is your racial or ethnic identity?



- Asian/British Asian: **19%**
- Black/African/Caribbean/Black British: **13%**
- Mixed/Multiple Ethnic Groups: **25%**
- White: **38%**

Do you identify with or practice any religions?



- Buddhism: **0%**
- Christianity: **44%**
- Hinduism: **6%**
- Islam: **19%**
- Judaism: **0%**
- Sikhism: **0%**

From the staff surveyed:

- ▶ **83%** said that diversity was important to them;
- ▶ **89%** explained that they feel they belong at The Motor Ombudsman and that they feel respected by their manager;
- ▶ **94%** believed that we hire people from diverse backgrounds, and that they feel respected by their cross-functional colleagues; and
- ▶ **100%** were in agreement that they feel respected by their colleagues.

The Diversity and Inclusion staff survey will be repeated in 2021, and highlights of the findings will be presented in next year's Annual Report.

Reflecting our organisation's commitment to equality, our senior management team has an equal 50-50 representation of males and females. At The Motor Ombudsman, 37% of staff members are female and 63% of employees are male as at 31 December 2020.

22. The Motor Ombudsman Accounts: Finance Report

Extract from the Accounts for The Motor Ombudsman Limited

Profit and Loss account for the year ended 31 December 2020		
	2020	2019
	£'000	£'000
Turnover	2,111	1,893
Operating costs:		
Other external expenses	(34)	(167)
Staff costs	(1,460)	(1,235)
Amortisation written off intangible fixed assets	(115)	(142)
Other operating expenses	(514)	(572)
(Loss) / profit on ordinary activities before interest and taxation	(72)	(223)
Interest receivable and similar income	-	-
(Loss) / profit before taxation	(72)	(223)
Tax on (Loss) / profit	12	37
(Loss) / profit for the financial year	(60)	(186)

All amounts relate to continuing operations.

There are no recognised gains and losses for the financial years other than those included above. Accordingly, no separate statement of comprehensive income is presented.

Balance Sheet as at 31 December 2020		
	2020	2019
	£'000	£'000
Fixed assets		
Intangible assets	339	400
	339	400
Current assets		
Debtors	346	252
Cash at bank and in hand	10	17
	355	269
Creditors: amounts falling due within one year	(1,254)	(1,170)
Net current liabilities	(898)	(901)
Total assets less current liabilities	(559)	(501)
Deferred taxation	(15)	(12)
Net liabilities	(573)	(513)
Capital and reserves		
Called up share capital	-	-
Profit and loss account	(573)	(513)
Total shareholders' deficit	(573)	(513)

The financial statements were approved by the Board of Directors and authorised for issue on 15 September 2021.

Company Registration No. 06517394

23. Our 10 key priorities for 2021



As the largest dedicated automotive sector ADR provider, we will be looking to **consolidate** and **expand** this position in the motor industry in 2021, whilst delivering even higher standards of service to our key stakeholders, particularly consumers and our growing nationwide accredited business network. To help achieve this goal, we will:

1. Focus on driving **enhanced customer and business satisfaction** of our services provided to them. From a consumer point of view, this will be achieved through the implementation of new initiatives to make it easier for consumers to get in touch with us and monitor the progress of their case, as well as the faster delivery of case outcomes via internal process improvements. For businesses, we will look to revise our processes in line with their feedback provided to us, and reduce the time it takes to gather evidence and to bring cases to a close.

2. Grow the **UK-wide coverage** provided to motorists by our Motor Industry Codes of Practice by expanding both their remit and the number of businesses accredited to them.

3. Improve and implement changes to our **case management process** to further reduce the time it takes to gather evidence from consumers and businesses, and to deliver adjudication outcomes and final decisions in line with the timeframes prescribed by the Chartered Trading Standards Institute (CTSI).

4. Review our accreditation policy and case fees to ensure that they offer value for money for businesses, whilst ensuring that they remain in line with our operating overheads and financial obligations.

5. Position our organisation as the **leading ADR provider** in the automotive sector based on the volume of cases and contacts handled each year from consumers and businesses.

6. Update our **Motor Industry Codes of Practice** to accommodate the latest trends in the automotive sector, such as the rise in demand for electric vehicles (EVs) and the growth of distance sales as more consumers turn to the Internet to buy a car.

7. Embed and champion the newly-introduced **PRIDE Values** into the organisation for both existing and new employees. We will look to achieve this through the introduction of creative initiatives so that staff can use and promote the Values within their work and interaction with colleagues.

8. Develop our new **five-year business plan** for the period 2022 to 2026, taking into account the latest trends in the automotive sector, such as the growth in demand of alternatively fuelled and electric vehicles, the rise of online car purchases and homeworking.

9. Mark our **five-year anniversary** as the Ombudsman dedicated to the automotive sector on the 1st of November. The commemorations will look to highlight some of our key achievements, campaigns and milestones during this period, and highlight the work that we have done to help thousands of consumers and businesses to resolve their disputes since 2016.

10. Introduce **mediation** within our early resolution process. This will be achieved through the recruitment of a dedicated mediator, who will be responsible for bringing a consumer and business together around a "virtual table" to facilitate an agreed outcome to a dispute.



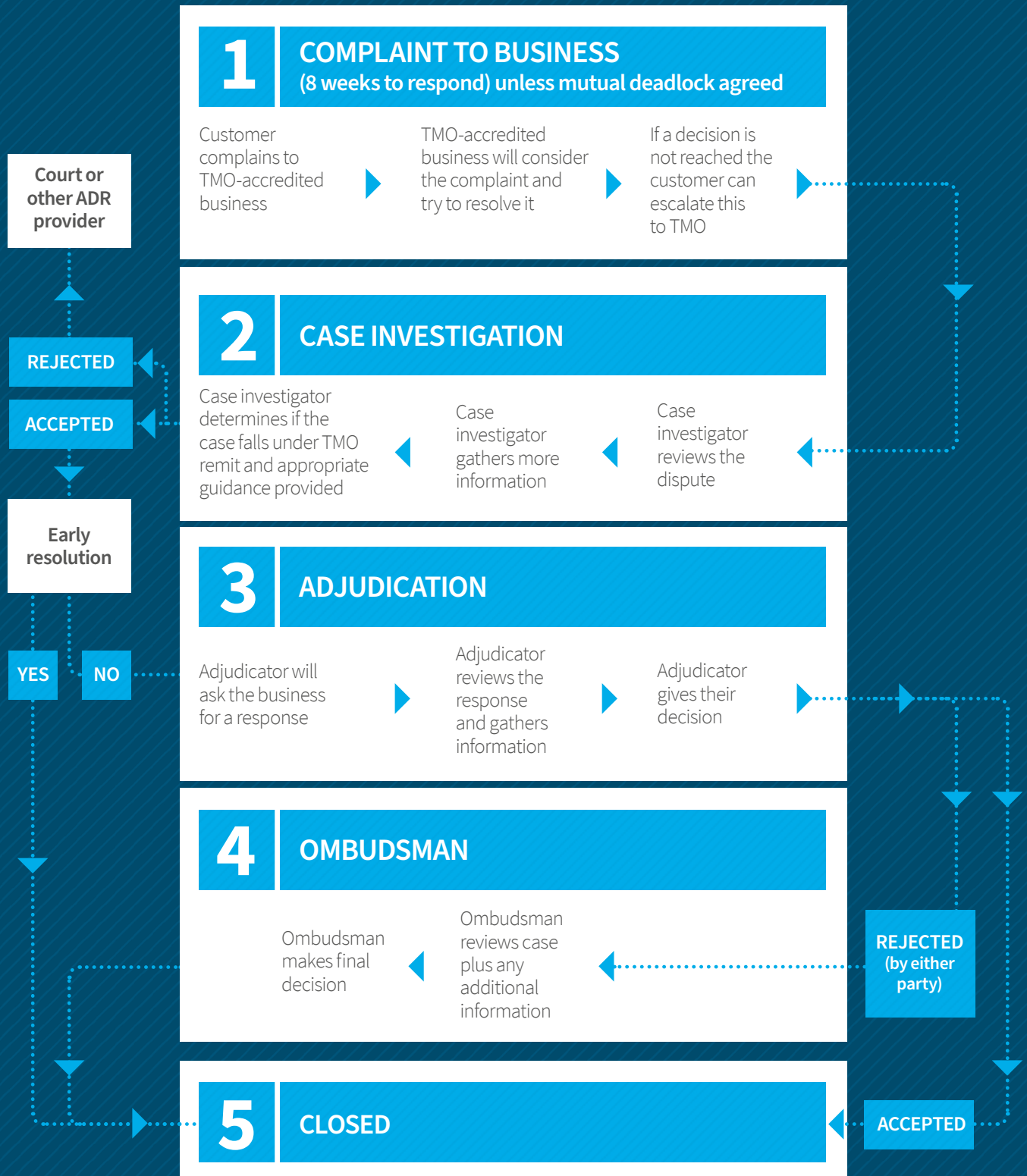
**THE MOTOR
OMBUDSMAN**

Appendices

These appendices are extracts from the full Motor Ombudsman's Independent Compliance Assessment Panel (ICAP) Annual Compliance Report 2020 which is available to view and download on TheMotorOmbudsman.org.

A1. The Motor Ombudsman's Alternative Dispute Resolution process

The Motor Ombudsman's dispute resolution process is entirely in-house and free of charge for consumers, including the ombudsman's final decision, which is legally binding on the accredited business if the consumer chooses to accept it.



A2. Benefits of The Motor Ombudsman for consumers and businesses



A2.1 Benefits of The Motor Ombudsman for consumers

The Motor Ombudsman offers consumers the following key benefits:

- ✓ A clear channel and single point of contact for all motoring-related disputes
- ✓ Free access to the Alternative Dispute Resolution (ADR) and ombudsman service, which is all in-house from start to finish
- ✓ Guidance through the entire dispute resolution process to get a fair and impartial outcome
- ✓ Avoids the need for increased detriment through costly legal and court appearance fees
- ✓ Increased confidence and peace of mind when buying or servicing a car that the accredited business is meeting high standards of service and workmanship
- ✓ A Code of Practice portfolio that covers the entire customer purchase and vehicle ownership experience
- ✓ The ability to search for a local garage / dealership that is accredited to the Service and Repair and / or Vehicle Sales Codes
- ✓ First-hand customer reviews and ratings on the online [Garage Finder](#) to make an educated decision when choosing a garage
- ✓ The Motor Ombudsman website provides a valuable resource for motoring-related information on topics, such as vehicle maintenance and components
- ✓ Access to an online recalls database on The Motor Ombudsman website to check whether a specific vehicle (by VIN) has been recalled
- ✓ Access to a library of online case studies to view previous adjudication outcomes and final decisions taken by The Motor Ombudsman
- ✓ The ability to consult over 100 informative articles on The Motor Ombudsman's [Knowledge Base](#) relating to its four Codes of Practice, car ownership and electric vehicles prior to submitting a case

A2.2 Benefits of accreditation to The Motor Ombudsman for businesses

Accreditation to The Motor Ombudsman offers businesses the following key [benefits](#).

- ✓ Allows them to demonstrate their commitment to the highest levels of care and workmanship and an open and transparent way of undertaking business
- ✓ Unlimited and tailored information from a team of legally-experienced and qualified adjudicators who are all in-house
- ✓ Guidance through the entire dispute resolution process to get a fair and impartial outcome
- ✓ Avoids increased detriment through costly solicitor and court fees
- ✓ Full use of The Motor Ombudsman and CTSI-approved Code logos at their premises, and on their customer-facing literature and website
- ✓ A dedicated profile on the Garage Finder which can help to drive footfall, new business leads and revenue
- ✓ Valuable ratings and reviews from customers on their Garage Finder profile
- ✓ Amplified exposure through The Motor Ombudsman's marketing and PR activities
- ✓ The DVSA will record whether a vehicle testing station (VTS) is a member of a Chartered Trading Standards Institute (CTSI)-approved Code of Practice during the MOT test centre inspection, which may help to consider a business as low risk, thereby resulting in reduced regulatory checks
- ✓ Access to CTSI-accredited online [training](#) modules covering relevant legislation affecting the automotive sector
- ✓ A certificate demonstrating commitment to one or more of The Motor Ombudsman's [Codes of Practice](#)
- ✓ The ability to enter The Motor Ombudsman's [Garage Star Awards](#) to gain exposure and recognition for the exceptional work and service provided to customers



The following Code of Practice performance summary provides a year-on-year comparison of key metrics for each of The Motor Ombudsman (TMO)'s four CTSI-approved Codes of Practice.

The following is a glossary of terms used in this section:

A3: Code of Practice performance summary



CONSUMER CONTACTS are received by The Motor Ombudsman's Consumer Contact team, which can include a general query, and enquiries relating to live cases.



EARLY RESOLUTIONS are when complaints can be resolved simply with minimum intervention from The Motor Ombudsman.



ADJUDICATION CASES are raised if the business that a consumer has a dispute with is accredited to The Motor Ombudsman, the business has been given a maximum period of eight weeks to try to resolve the issue directly with the customer, and the complaint requires a formal decision.



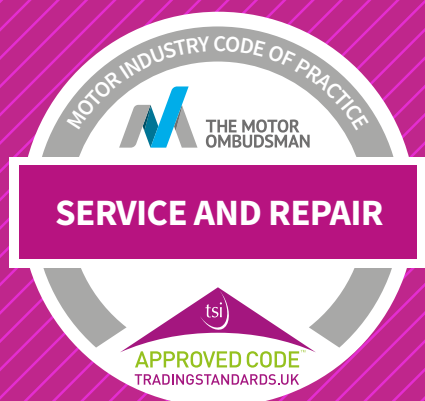
FINAL DECISIONS are only ever issued by the ombudsman, and are the last stage of The Motor Ombudsman's involvement in a case if a consumer or accredited business does not accept the outcome of the adjudicator.

A final decision is made independently from the adjudicators by looking at all the facts of the case, and is binding if the consumer chooses to accept it.



ESCALATION RATE is the proportion of consumer contacts that become adjudication cases.

A3.1 Service & Repair Code



The **Motor Industry Code of Practice for Service and Repair**, introduced in 2008, ensures that consumers receive a transparent and professional service when visiting an accredited business for servicing, maintenance or repairs to their vehicle. All businesses accredited to the Service and Repair Code can be found on The Motor Ombudsman's online Garage Finder.³

The **Service and Repair Code** covers the following principal areas:

- | | |
|-------------------------|-----------------------------|
| Advertising; | Staff competency; |
| The booking in of work; | The standard of work; and |
| Pricing; | The handling of complaints. |

No changes were made to the content of the Service and Repair Code in 2020.

A3.1.1 Service and Repair Code performance data

Accredited businesses	2018	2019	2020	Trend (2020 v 2019)
Consumer contacts	13,859	13,714	13,136	▼
Early resolutions	4	10	85	▲
Adjudication cases*	1,098	1,799	2,097	▲
Ombudsman final decisions	89	62	124	▲
Escalation rate (Contacts to cases)	8%	13%	16%	▲

* The adjudication cases figure relates to the volume of cases passed to the case investigation stage for review.

³ www.themotorombudsman.org/garage-finder

A3.1.2 Service and Repair Code performance analysis

Consumer contacts relating to the Service and Repair Code decreased from 13,714 in 2019 to 13,136 in 2020, a fall of **4%**. The significant dip in customer enquiries between February and May was most likely due to the first lockdown in response to the pandemic, whilst a decrease was also seen in November and December, a time when COVID-19 restrictions were once again tightened across the UK. The number of cases being passed for review by case investigators also followed a similar trend, but nevertheless ended the year **17%** higher than in 2019 at 2,097. The escalation rate from a consumer enquiry to the creation of a case rose from 13% last year, to **16%** in 2020.

Furthermore, the volume of ombudsman final decisions issued to consumers doubled to 124 versus 62 in 2019, which was helped by the recruitment of an additional ombudsman during the year.

It should be noted that the number of early resolutions increased significantly year-on-year (i.e. 10 to 85), as this stage of the dispute resolution process was only reported on during the final three months of 2019, as stated in last year's ICAP Report.

A3.1.3 Percentage of Service and Repair Code cases by Code breach

Source of breach	2018	2019	2020	Trend (2020 v 2019)
1.0 Advertising	1%	4%	3%	▼
2.0 Booking in of a vehicle	21%	32%	22%	▼
3.0 Standard of work	44%	37%	47%	▲
4.0 Billing	2%	3%	9%	▲
5.0 Approach of staff	28%	23%	9%	▼
6.0 Complaint handling	4%	1%	10%	▲

Consumer complaints relating to the Service and Repair Code in 2020 resulted from the following principal breaches:

3.0 The standard of work (47% of breaches):

- The work was not completed according to the scope agreed with the customer [3.0]⁴;
- Servicing carried out in accordance with the requirements of a new vehicle warranty was not performed according to the vehicle manufacturer's service specification and documentation [3.7]; and
- The accredited business did not carry out the work within the agreed timescale or exercise the expected reasonable skill and care [3.10].

2.0 The booking in of a vehicle (22%):

- The accredited business did not fully explain and give clear practical advice to the consumer to help understand the work required [2.3];
- The chargeable diagnostic or exploratory work was not confirmed and agreed during the booking process, and / or the cancellation policy was not made clear to the customer [2.4]; and
- Parts removed from a vehicle during a repair were not made available to the consumer to view and examine by the consumer [2.5].

6.0 Complaints handling (10%):

- The accredited business did not handle complaints swiftly or follow the guidance detailed in the Complaints Handling section of the Service and Repair Code [6.0];
- The accredited business did not have in place an accessible arrangement for the handling of complaints, or details of the complaints procedure were not made available to the customer on request [6.2]; and
- The accredited business did not take effective immediate action in order to ensure that the customer received a fair response to their complaint [6.1].

⁴Numbers in brackets denote Code of Practice clause reference.

A3.2 New Car Code



First launched in 1976, and endorsed by the Office of Fair Trading (OFT) in 2004, the **Motor Industry Code of Practice for New Cars** ensures that vehicle manufacturers supply new cars and warranties to consumers responsibly. The Code helps to safeguard new car buyers from misleading advertising, and ensures that documentation supplied to consumers is easy to understand, that the terms of a warranty will be respected, and that any complaints will be handled swiftly.

In 2020, a total of **39** businesses, including new joiner Polestar, were accredited to the New Car Code, meaning that around **99%** of all new vehicles sold across the UK were covered by it.

The **New Car Code** covers the following principal areas:

- ☒ Advertising;
- ☒ New car provisions;
- ☒ Manufacturer new car warranties;
- ☒ The availability of replacement parts and accessories; and
- ☒ Complaints handling.

No changes were made to the New Car Code in 2020.

A3.2.1 New Car Code performance data

	2018	2019	2020	Trend (2020 v 2019)
Consumer contacts	11,335	9,671	8,729	▼
Early resolutions	35	28	147	▲
Adjudication cases*	1,206	1,405	1,008	▼
Ombudsman final decisions	101	62	104	▲
Escalation rate (Contacts to cases)	11%	15%	12%	▼

* The adjudication cases figure relates to the volume of cases passed to the case investigation stage for review.

A3.2.2 New Car Code performance analysis

Consumer contacts and adjudication cases relating to the New Car Code fell by **10%** and **28%** respectively between 2019 and 2020, and to their lowest level in three years (i.e. 8,729 and 1,006). The escalation rate from a consumer enquiry to the creation of a case also decreased slightly from 15% to 12%.

The significant drop in contacts and cases between February and May was most likely due to the first lockdown in response to the pandemic, whilst a decrease was also seen in November and December, a time when COVID-19 restrictions were once again tightened across the UK.

Furthermore, the volume of ombudsman final decisions issued to consumers rose to 104 in 2020 from 62 the year before, a notable increase of **68%**, helped by additional resource being made available.

It should be noted that the number of early resolutions increased significantly year-on-year (i.e. 28 to 147), as this stage of the dispute resolution process was only reported on during the final three months of 2019, as stated in last year's ICAP Report.

A3.2.3 New Car Code cases by breach

Source of breach	2018	2019	2020	Trend (2020 v 2019)
1.0 Advertising	25%	19%	16%	▼
2.0 New car provisions	18%	3%	7%	▲
3.0 Manufacturers' new car warranties	49%	73%	70%	▼
4.0 Availability of replacement parts and accessories	4%	3%	4%	▲
5.0 Complaints handling	4%	1%	4%	▲

Consumer complaints relating to the New Car Code in 2020 resulted from the following principal breaches:

3.0 Manufacturers' new car warranties (73% of breaches):

- The manufacturer's new car warranty was not supplied to the customer on the delivery of their vehicle [3.0]⁵.
- A repairer who was not part of the manufacturer's network carried out repair work under the new car warranty, causing it to be invalidated [3.4];
- The customer was unable to continue to benefit from the manufacturer's new car warranty whilst the car was serviced to the manufacturer's recommendations, even if it was carried out by an independent service garage [3.1]; and
- The customer's warranty claim was incorrectly dismissed [3.8].

1.0 Advertising (16%):

- The words 'guarantee' or 'warranty' were used by the accredited business in an advertisement without the full terms of the agreement being set out or being available to the customer at the point of sale [1.6];
- Where a rust/corrosion-proofing process was advertised, the limitations were not made available to consumers [1.7]; and
- Advertising did not honestly and accurately promote new cars [1.0].

2.0 New car provisions (7%):

- The car supplied to the retailer was not manufactured to a high quality standard, and did not meet customer expectations [2.0].
- The customer was not made aware of the available aftersales services when taking delivery of their new car [2.1]; and
- The customer did not receive a copy of the manufacturer's handbook with their new car or a replacement copy when requested [2.2].

⁵Numbers in brackets denote Code of Practice clause reference.

A3.3 Vehicle Warranty Products Code



Unveiled in 2009, the **Motor Industry Code of Practice for Vehicle Warranty Products** aims to provide guidelines for the supply of automotive warranties, including coverage of both insured and non-insured products. The Code currently represents about 70% of the industry's major providers that administer over two million products to consumers.

The Vehicle Warranty Products Code covers the following principal areas:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Advertising; | <input checked="" type="checkbox"/> Service contracts, guarantees and non-insured products; |
| <input checked="" type="checkbox"/> Point of sale obligations; | <input checked="" type="checkbox"/> Insured products; and |
| <input checked="" type="checkbox"/> The clarity of information provided to customers; | <input checked="" type="checkbox"/> Complaints handling. |
| <input checked="" type="checkbox"/> The handling of claims; | |

No changes were made to the content of the [Vehicle Warranty Products Code](#) in 2020.

A3.3.1 Vehicle Warranty Products Code performance data

	2018	2019	2020	Trend (2020 v 2019)
Consumer contacts	1,502	1,863	1,871	▲
Early resolutions	0	2	15	▲
Adjudication cases*	162	287	364	▲
Ombudsman final decisions	16	9	30	▲
Escalation rate (Contacts to cases)	11%	15%	19%	▲

* The adjudication cases figure relates to the volume of cases passed to the case investigation stage for review.

A3.3.2 Vehicle Warranty Code performance analysis

During 2019, the Vehicle Warranty Code saw both a rise in the number of contacts and cases during the year, with the latter rising most substantially (**77%**) versus 2018. Similarly, the number of consumers getting in touch with The Motor Ombudsman in relation to breaches of this Code grew by nearly a quarter (**24%**), but with marked falls in the volume of contacts during the months of February, May and August.

A3.3.3 Vehicle Warranty Products Code cases by breach

Source of breach	2018	2019	2020	Trend (2020 v 2019)
1.0 Advertising	10%	3%	2%	▼
2.0 Point of sale	52%	30%	33%	▲
3.0 Clarity of information	11%	50%	43%	▼
4.0 Claims handling	27%	17%	21%	▲

Consumer complaints relating to the Vehicle Warranty Products Code in 2020 resulted from the following principal breaches:

3.0 Clarity of information (43% of breaches)

- Warranty terms and conditions were not written in plain English, and were ambiguous or difficult to understand [3.1]⁶;
- Product information was not written in plain English [3.0]; and
- The consumer was not fully informed about which components were and were not covered by the warranty product [3.4].

2.0 Point of sale (33%):

- The consumer was given insufficient information to enable them to understand fully and decide whether to buy a product [2.10];
- The customer was not provided with appropriate information regarding key terms of the product(s) and cover prior to them signing a contract [2.2]; and
- High-pressure selling techniques were used by the accredited business [2.11].

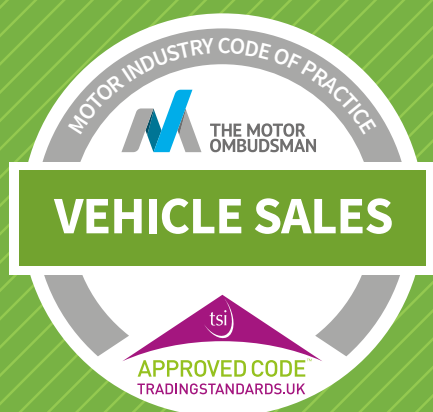
4.0 Claims handling (21%):

- The warranty provider took too long to make a decision on the claim [4.2]; and
- The accredited business did not have a simple claims procedure in place to fairly and promptly process the consumer's claim [4.0]; and
- The accredited business did not pay any costs, when covered by the warranty, either to the repairer or to the consumer if the repairer was outside of the network of the accredited business [4.12].

⁶Numbers in brackets denote Code of Practice clause reference.



A3.4 Vehicle Sales Code



Launched in 2016, **the Motor Industry Code of Practice for Vehicle Sales** focuses on the sale of both new and used cars at an accredited garage, dealership or used car outlet, as well as the supply of finance and warranties. It covers areas, such as the use of transparent wording of advertising and pricing, clear and transparent invoicing, and that the sale of a used car is supported by a vehicle provenance check to ensure that it has not been stolen, written-off and is free of any outstanding finance payments. Businesses accredited to the Vehicle Sales Code can be found on The Motor Ombudsman's Garage Finder.⁷

The Vehicle Sales Code covers the following principal areas:

 Advertising;	 The provision of warranty products;
 The presentation of used cars for sale;	 The provision of finance products;
 The presentation of new cars for sale;	 Aftersales support; and
 The vehicle sales process;	 Complaints handling.

No changes were made to the content of the [Vehicle Sales Code](#) in 2020.

A3.4.1 Vehicle Sales Code performance data

	2018	2019	2020	Trend (2020 v 2019)
Consumer contacts	27,977	25,608	20,822	▼
Early resolutions	4	5	142	▲
Adjudication cases*	1,993	2,623	2,753	▲
Ombudsman final decisions	161	155	222	▲
Escalation rate (Contacts to cases)	7%	10%	13%	▲

* The adjudication cases figure relates to the volume of cases passed to the case investigation stage for review.

⁷ www.themotorombudsman.org/garage-finder

A3.4.2 Vehicle Sales Code performance analysis

In 2020, consumer contacts in relation to the Vehicle Sales Code dropped by nearly a fifth (**19%**), or close to 4,800, compared to the year before. The total of 20,822 was in fact the lowest volume seen in the last three years, down from 27,977 in 2018. Conversely, the number of contacts being passed to case investigators rose by **5%** to 2,753, up from 2019's total of 2,623. Mirroring the trend in cases and contacts for the Service and Repair and New Car Codes, contact and case volumes dipped in tandem with the introduction of government lockdowns in response to the Coronavirus pandemic. The contact to case escalation rate rose very slightly to 13%, from 10% a year earlier.

It should be noted that the number of early resolutions increased significantly year-on-year (i.e. 5 to 142), as this stage of the dispute resolution process was only reported on during the final three months of 2019, as stated in last year's ICAP Report.

A3.4.3 Vehicle Sales Code cases by breach

Source of breach	2018	2019	2020	Trend (2020 v 2019)
1.0 Advertising	11%	7%	8%	▲
2.0 Presentation of used cars for sale	6%	9%	6%	▼
3.0 Presentation of new cars for sale	2%	2%	1%	▼
4.0 The vehicle sales process	11%	7%	6%	▼
5.0 Provision of warranty products	0%	1%	8%	▲
6.0 Provision of finance products	2%	1%	1%	–
7.0 Quality of a vehicle at the point of purchase	55%	48%	58%	▲
8.0 Aftersales support	12%	25%	9%	▼
9.0 Complaints handling	1%	1%	7%	▲

Consumer complaints relating to the Vehicle Sales Code in 2020 resulted from the following principal breaches:

7.0 Vehicle purchase quality (58% of breaches):

- The accredited business did not ensure that the vehicle supplied to the consumer was of a high-quality standard [7.0]⁸; and
- The seller of the vehicle did not meet its legal obligations to the consumer, and the car was not fit for purpose, of satisfactory quality, and as described [7.4]; and
- The customer did not receive a full documented handover regarding the operation of the vehicle and associated documentation made available to the accredited business [7.2].

8.0 Aftersales support (9%):

- The accredited business did not meet its legal obligations to the consumer [8.5];
- The accredited business did not provide the customer with aftersales support and assistance following the purchase of their vehicle [8.0]; and
- The consumer was not made aware of the aftersales support available by the vehicle retailer [8.1].

9.0 Presentation of used cars for sale (7%):

- The accredited business did not handle complaints swiftly or follow the guidance detailed in the Complaints Handling section of the Service and Repair Code [9.0];
- The accredited business did not have in place an accessible arrangement for the handling of complaints, or details of the complaints procedure were not made available to the customer on request [9.2]; and
- The accredited business did not take effective immediate action in order to ensure that the customer received a fair response to their complaint [9.1].

⁸ Numbers in brackets denote Code of Practice clause reference.

A4. Case studies - adjudication outcomes and final decisions

For all case studies relating to The Motor Ombudsman's Codes of Practice in 2020, please refer to the 2020 ICAP Report, which can be found at:

www.TheMotorOmbudsman.org/useful-information/media-publications/reports/independent-compliance-assessment-panel-reports



¹⁰www.themotorombudsman.org/garage-finder



**THE MOTOR
OMBUDSMAN**

TheMotorOmbudsman.org

Follow and like us:



Linked