



The Motor Ombudsman Annual Report 2018

Contents

Foreword from the Chief Ombudsman and Managing Director	3
1. About us	5
2. Our Mission, Vision and Values	5
3. Our core roles within the automotive sector	6
4. Our four Codes of Practice	7
5. Our six key strategic imperatives	8
6. Our year in numbers	9
7. Activity highlights by month	10
8. Consumer contact volumes by Code	11
9. Adjudication case volume by Code	13
10. Ombudsman final decisions by Code	17
11. Case outcome breakdown	18
12. Annual consumer and business survey results	19
13. Consumer complaints about The Motor Ombudsman	25
14. How complaints to The Motor Ombudsman are being addressed	26
15. Positive consumer testimonials about The Motor Ombudsman	28
16. Accredited business compliance	29
17. Compliance with the Ombudsman Association's Service Standards Framework	32
18. Staff learning and development	34
19. The Motor Ombudsman Accounts: Finance Report	35
20. Our priorities for 2019	37
Appendices	38
A1. The Motor Ombudsman's Alternative Dispute Resolution process	39
A2. Benefits of The Motor Ombudsman for consumers and businesses	40
A3. Code of Practice performance summary	41
A4. Case studies - adjudication outcomes and final decisions	46
Contact	47

Foreword from the Chief Ombudsman and Managing Director



I am pleased to present the Annual Report and Accounts for The Motor Ombudsman, for the year ending 31st December 2018.

Reflecting on another busy 12 months, 2018 saw a period of exciting growth and evolution for The Motor Ombudsman. At the same time, it equally proved a challenging year for our organisation. Awareness amongst businesses and consumers has grown significantly since we launched in 2016, and so have the demands that are placed on our resources. In fact, in 2018, we saw a notable 41% year-on-year increase in the number of contacts received by our alternative dispute resolution (ADR) team (these totalled nearly 60,000), whilst the volume of adjudication cases that we handled also rose by 101% to nearly 4,500. The majority of these were in relation to our Motor Industry Code of Practice for Vehicle Sales, which we introduced towards the end of 2017, with the quality of a car at the point of purchase being one of the most prominent reasons for motorists submitting their dispute to us during the year.

In order to ensure that our organisation evolves in line with the increasing demands placed on our service and, is at the same time financially sustainable, we introduced a new five-year business plan taking us up to the end of 2023. As we go forward, this document will play a vital role in steering the direction of The Motor Ombudsman, and will be a strategy that is reviewed on an annual basis, so as to ensure that we continue to meet our key targets and objectives that we first set out to accomplish.

Before we look to the future, it is important to take note of some of the achievements of the present. We started the year with the welcomed news that we had been awarded the prestigious Investors in People Silver status, reflecting the significant investment that we continue to make in the training and ongoing development of our staff. Similarly, 2018 was also a time for celebration, as we commemorated the 10-year anniversary of our Motor Industry Code of Practice for Service and Repair. It has played, and will continue to play an instrumental role in both helping to resolve complaints swiftly and effectively outside the courtroom, and to drive even higher standards when it comes to the ad hoc and routine maintenance of customer vehicles.

Furthermore, we were privileged to be invited to participate in a working group to offer input, from the perspective of the automotive sector, to the recently published Modernising Consumer Markets Green Paper. Compiled by the Department for Business Energy and Industrial Strategy (BEIS), this may have an impact on the requirement for businesses operating in the motor industry to use alternative dispute resolution (ADR) in the event of a dispute. Going into 2019, we will continue to provide guidance and expertise as it transitions into a White Paper.

Turning our attention to the coming year, the underlying priority for The Motor Ombudsman will be to drive greater efficiencies in the way that we work, thereby further reducing the time it takes to adjudicate on cases. Recruitment, structural changes to our organisation, training

programmes and additional investment in our IT systems will be some of the main areas of focus to help reach this target.

As I mentioned at the very outset of this foreword, 2018 proved an extremely busy period for us, and I would therefore like to take this opportunity to thank every single staff member within The Motor Ombudsman team for their hard work and dedication during the past twelve months – without them we would not be where we are today. I look forward to building on our successes in 2019, and to continuing to make a positive difference to consumers and businesses across the automotive industry.

Bill Fennell

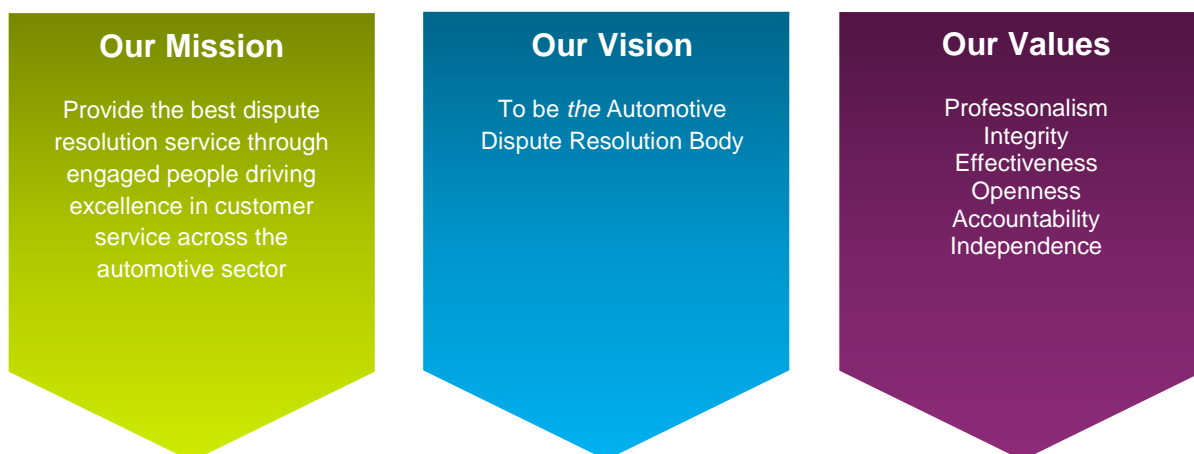
1. About us

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 Practice¹ providing whole market support. The Codes are designed to drive even higher 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 Mission, Vision and Values

Our Mission, Vision and Values, which lie at the heart what we do, and the way that we work with others.



¹ www.TheMotorOmbudsman.org/consumers/our-codes-of-practice

3. Our core roles within the automotive sector

The Motor Ombudsman has four main roles within the automotive sector. They are as follows:



4. Our four Codes of Practice

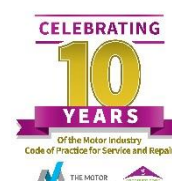
The Motor Ombudsman's four comprehensive CTSI-approved Codes of Practice, which cover the entire customer purchase and vehicle ownership experience, are as follows:



Launched 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 being misled by adverts, and advises businesses that documentation supplied with a vehicle is easy to understand, as well as making sure that the terms of a warranty will be respected if the car is serviced according to the recommended guidelines, and that any complaints will be handled swiftly. In 2018, a total of 38 businesses were accredited to the New Car Code, meaning that 99% of all new vehicles sold across the UK were covered by it.



In **2018**, The **Motor Industry Code of Practice for Service and Repair** celebrated 10 years since it was introduced in the automotive sector.



The Code ensures that consumers receive an honest and fair service when visiting an accredited business' premises for work or repairs on their car. 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.



Unveiled in **2009**, the **Motor Industry Code of Practice for Vehicle Warranty Products** aims to drive up standards across a wide range of automotive warranties, including insured and non-insured products, by committing accredited businesses to higher standards than required by law.

The Code currently represents about 70% of the industry's major providers that administer in excess of three million products every year.

The tenth anniversary of the introduction of the Code will be commemorated in 2019.



Introduced in September **2016**, the **Motor Industry Code of Practice for Vehicle Sales** provides businesses with guidelines on the sale of both new and used cars, as well as the supply of finance and warranties, and covers nine different areas. These include the transparent wording of adverts and pricing, clear and transparent invoicing, and the sale of a used car which 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.

5. Our six key strategic imperatives

Six key imperatives formed our business strategy during 2018. These were designed to ensure the continued growth and development of our organisation, as well as the ongoing expansion of the coverage provided by our accredited business network.

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

We looked 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. This was achieved through ongoing PR and marketing campaigns, the attendance at industry trade shows, and continued investment in our digital advertising and social media programme.

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

We looked to achieve this by:

- ▶ Making our processes and working practices more streamlined and efficient to deliver faster case outcomes and final decisions for consumers and businesses;
- ▶ Providing consistent and regular engagement with our accredited businesses;
- ▶ Supplying market and individual insight to the industry, best practice guidelines and marketing opportunities for businesses, as well as annual performance reports detailing our activities;
- ▶ Establishing a new case studies section on our website to show how adjudication outcomes and final decisions have been reached across our four Codes of Practice for the purpose of transparency;
- ▶ 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.

3. To deliver excellence as an organisation

☛ We looked to continue to provide an environment which attracts, develops and retains the best talent, and maintains our ongoing commitment to delivering best-in-class service levels to consumers and businesses.

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

☛ We sought to grow the number of businesses accredited to our four Codes of Practice, with a specific focus on growing the volume of independent garages and niche vehicle

manufacturers, 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

➡ We sought to ensure that we continued to provide a free of charge service to consumers by focusing on identifying additional revenue streams and managing our budget effectively in line with our long term strategy. This allowed us to develop our service according to customer demand and to ensure the long term security of our business.

6. To gain endorsement of our activities from our key stakeholders

➡ As a member of the CTSI's Consumer Codes Approval Scheme (CCAS), we continued to engage with our accredited businesses to encourage them to introduce our online "Smart Badge" on their website. This is so that they openly endorse the fact that they are accredited to The Motor Ombudsman and a CTSI-approved Code of Practice, whilst championing the importance of what we do and providing consumers with the peace of mind of knowing the business they are using is accredited to TMO.



6. Our year in numbers

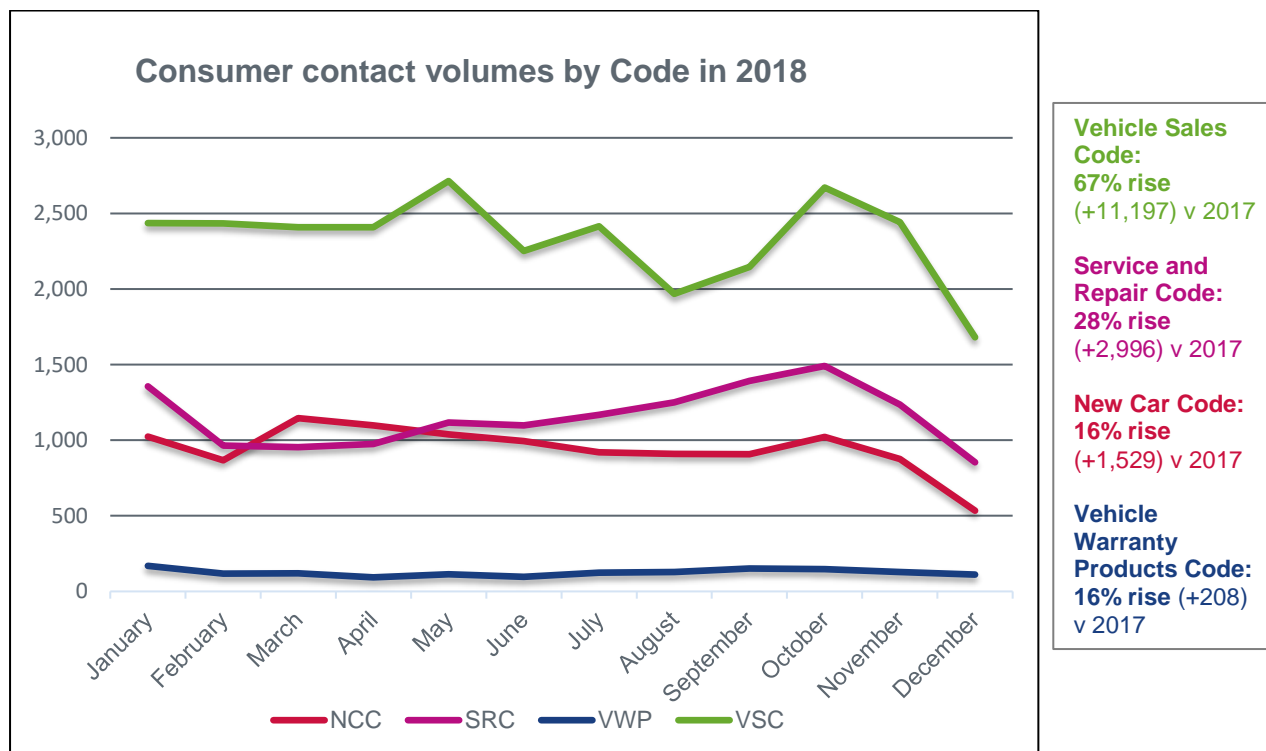


7. Activity highlights by month

January	February	March
<ul style="list-style-type: none"> ✓ The Advertising Standards Authority (ASA) ruled that dealers must state in adverts whether the car was ex-rental, lease or fleet (ruling under appeal). ✓ Two additional adjudicators joined TMO. 	<ul style="list-style-type: none"> ✓ All 15 Eden Tyres & Servicing sites became accredited to our Service and Repair Code. ✓ TMO met with BEIS to provide input into their ADR Modernising consumer markets Green Paper. 	<ul style="list-style-type: none"> ✓ TMO added two customer service advisors to the Consumer team. ✓ TMO launched a new case studies page on our website to highlight the range of vehicle issues that we see across our four Codes.
April	May	June
<ul style="list-style-type: none"> ✓ TMO upgraded its Garage Finder survey to make it easier for consumers to rate and review a business. <p>TMO's MD appointed Vice Chair of Consumer Code Sponsors Panel.</p>	<ul style="list-style-type: none"> ✓ TMO launched an online GDPR course tailored to the automotive sector ahead of the arrival of the new data protection legislation. <p>TMO welcomed an adjudicator and two customer service advisors.</p>	<ul style="list-style-type: none"> ✓ TMO welcomed a new business services executive. ✓ TMO's MD sat on the panel to decide the finalists for the 2018 Motor Trader Awards. <p>Members of ICAP met with The Motor Ombudsman.</p>
July	August	September
<ul style="list-style-type: none"> ✓ TMO's annual Service and Repair Code survey showed consumers had a more favourable view of the sector versus 2017. ✓ Warranty Assist joined the Vehicle Warranty Products Code. 	<ul style="list-style-type: none"> ✓ TMO marked the 10-year anniversary of the introduction of the Service and Repair Code with a marketing campaign. ✓ TMO launched its #StayCoveredThisSummer marketing campaign. 	<ul style="list-style-type: none"> ✓ TMO received approval for its five-year business plan (2019 to 2023) from its board of directors. ✓ Managers undertook mental health first aid training to help monitor staff wellbeing.
October	November	December
<ul style="list-style-type: none"> ✓ TMO's MD appointed Chair of the Consumer Codes Approval Scheme (CCAS) Code Sponsors Panel ✓ TMO hosted the Institute of Consumer Affairs (ICA) Annual Seminar. 	<ul style="list-style-type: none"> ✓ A new head of customer services and quality joined The Motor Ombudsman. ✓ TMO launched its winter campaign focusing on the benefits of winter tyres. ✓ Members of ICAP met with The Motor Ombudsman. 	<ul style="list-style-type: none"> ✓ Three adjudicators achieved their Professional Award in Ombudsman and Complaints Handling Practice from Queen Margaret University. ✓ TMO closed 2018 with a record 59,925 contacts and 4,456 cases handled.

8. Consumer contact volumes by Code

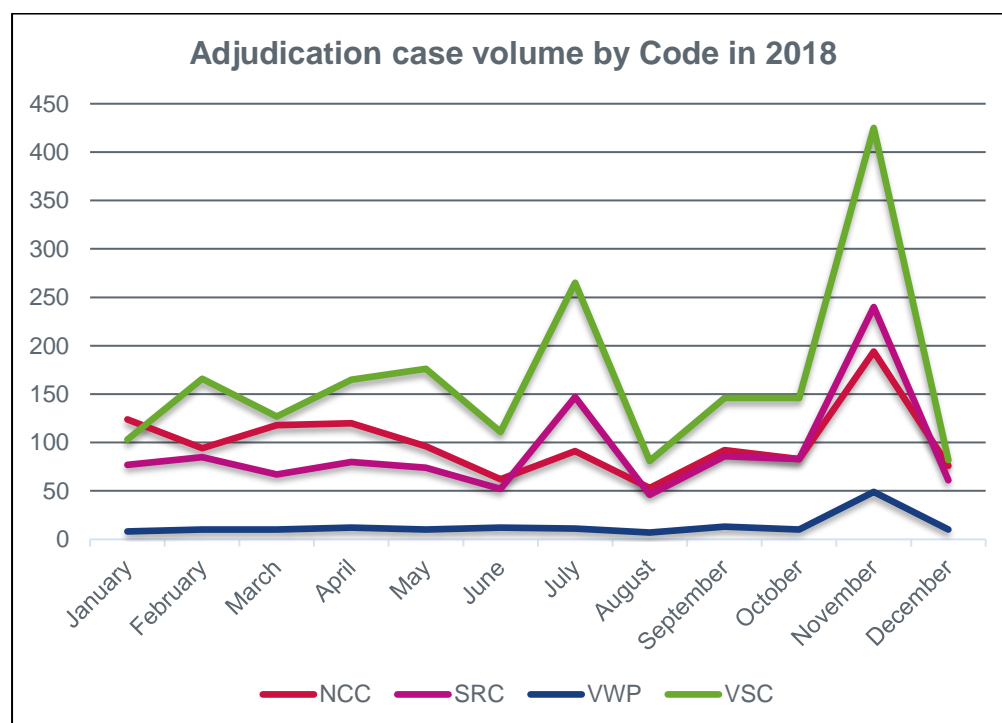
	2017 volume	2018 volume	Annual increase
Vehicle Sales Code	16,780	27,977	↑ 11,197 (67%)
Service and Repair Code	10,863	13,859	↑ 2,996 (28%)
New Car Code	9,806	11,335	↑ 1,529 (16%)
Vehicle Warranty Code	1,294	1,502	↑ 208 (16%)
TOTAL	38,743	54,673	↑ 15,930 (41%)



- ▶ Consumer contacts relating to the Codes of Practice increased to **54,673** in 2018 from **38,743** the year before, a **41%** increase compared to 2017, and making it the highest ever annual figure recorded by The Motor Ombudsman.
- ▶ Vehicle Sales contacts saw the biggest growth in volume for the second consecutive year, with a total of **27,977** recorded during 2018, up **67%** versus that seen during 2017. The second highest volume of contacts was in relation to the Service and Repair Code with **13,859** handled by The Motor Ombudsman, equating to a **28%** year-on-year rise. The New Car Code and Vehicle Warranty Products Code both saw a **16%** increase versus 2017, to a total of **11,335** and **1,502** contacts respectively
- ▶ January opened with a record amount of contacts for a one-month period, reaching **5,352** overall for calls and e-mails.
- ▶ During 2018, we received **5,252** requests for information from consumers and businesses (increasing from **3,810** in 2017), in addition to the above contacts in relation to the Codes of Practice.

9. Adjudication case volume by Code

	2017 volume	2018 volume	Annual increase
Vehicle Sales Code	944	1,993	↑ 1,049 (111%)
New Car Code	514	1,206	↑ 692 (135%)
Service and Repair Code	566	1,098	↑ 532 (94%)
Vehicle Warranty Code	70	162	↑ 92 (131%)
TOTAL	2,214	4,456	↑ 2,242 (101%)



Vehicle Sales Code:
111% rise
(+1,049) v 2017

Service and Repair Code:
94% rise (+532) v 2017

New Car Code:
135% rise (+692) v 2017

Vehicle Warranty Products Code:
131% rise (+92) v 2017

9.1 Contact to case escalation


- ▶ In 2018, the average escalation ratio from a contact to a case across the four Codes of Practice was **9%**, which was **3%** higher than that seen in 2017



9.2 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 in 2017 and 2018.

9.2.1 Vehicle Sales Code

Breach	 Percentage of Vehicle Sales Code cases (2017)	Percentage of Vehicle Sales Code cases (2018)	Year-on-year change
Quality of a vehicle at point of purchase	64%	55%	⬇️
Aftersales	4%	12%	⬆️
Advertising	6%	11%	⬆️
The vehicle sales process	11%	11%	-
Issue with a used vehicle	5%	6%	⬆️
The provision of finance	6%	2%	⬇️
Issue with a new vehicle	2%	2%	-
The provision of a warranty	1%	-	⬇️
Complaints handling	1%	-	⬇️
Other	N/A	1%	⬆️


- ▶ The quality of a vehicle at the time of purchase was the subject of the largest proportion of Vehicle Sales Code cases in 2018, but resulted in fewer cases compared to the year before (**55%** in 2018, versus 64% in 2017). Nevertheless, it remained the most prominent reason for getting in touch with The Motor Ombudsman during the year
- ▶ Code breaches relating to aftersales and advertising saw a slight year-on-year increase (up by 8 and 5% respectively) from 2017 to 2018

9.2.2 New Car Code

Breach		Percentage of New Car Code cases (2017)	Percentage of New Car Code cases (2018)	Year-on-year change
Warranties		43%	49%	⬆
Advertising		33%	25%	⬇
New car provisions		15%	18%	⬆
Complaints handling		4%	4%	-
Parts delays		5%	4%	⬇


- ▶ Disputes relating to new car warranties remained the largest source of New Car Code cases in 2018 at **49%** of cases (an increase versus the 43% seen in 2017)
- ▶ New car advertising was also the subject of fewer cases in 2018, accounting for only a quarter of the New Car Code case volume (versus 33% the year before)
- ▶ Issues relating to new car provisions increased to **18%** of cases in 2018 from 15% in 2017
- ▶ The handling of customer complaints by a vehicle manufacturer remained the cause of **4%** of cases brought to The Motor Ombudsman

9.2.3 Service and Repair Code

Breach		Percentage of Service and Repair Code cases (2017)	Percentage of Service and Repair Code cases (2018)	Year-on-year change
Standard of work		54%	44%	⬇
Approach of staff		21%	28%	⬆
Booking in of a vehicle		20%	21%	⬆
Complaints handling		2%	4%	⬆
Billing process		2%	2%	-
Advertising		1%	1%	-

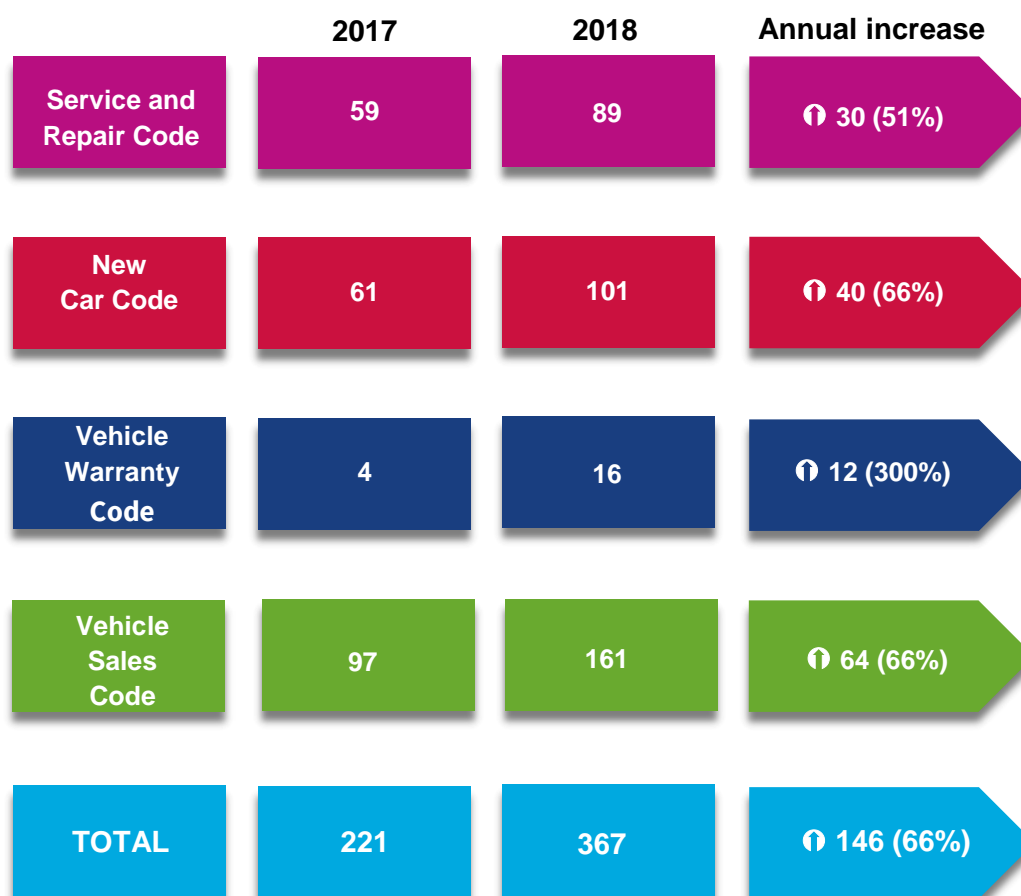
- ▶ The standard of work carried out on a customer vehicle continued to create the most cases in 2018, but on a positive note, saw a 10% decrease to **44%** compared to 2017
- ▶ Contacts relating to the approach of staff rose by 21% of overall Service and Repair Code contacts in 2017 to **28%** in 2018
- ▶ Breaches related to advertising remained the lowest source of Service and Repair Code cases, mirroring the figure of **1%** seen in 2017

9.2.4 Vehicle Warranty Products Code

Breach		Percentage of Vehicle Warranty Products Code cases (2017)	Percentage of Vehicle Warranty Products Code cases (2018)	Year-on-year change
Point of sale material		44%	52%	↑
Claims handling		26%	27%	↑
Clarity of information		25%	11%	↓
Advertising		5%	10%	↑

- ▶ Vehicle warranty point of sale disputes, the result of not providing accurate advice and information to customers at the time of purchase of a policy, made up **52%** of cases in relation to the Vehicle Warranty Products Code, up from 44% the previous year.
- ▶ As in 2018, the advertising of vehicle warranty products generated the lowest source of cases, although the volume rose by 5% of cases in 2017

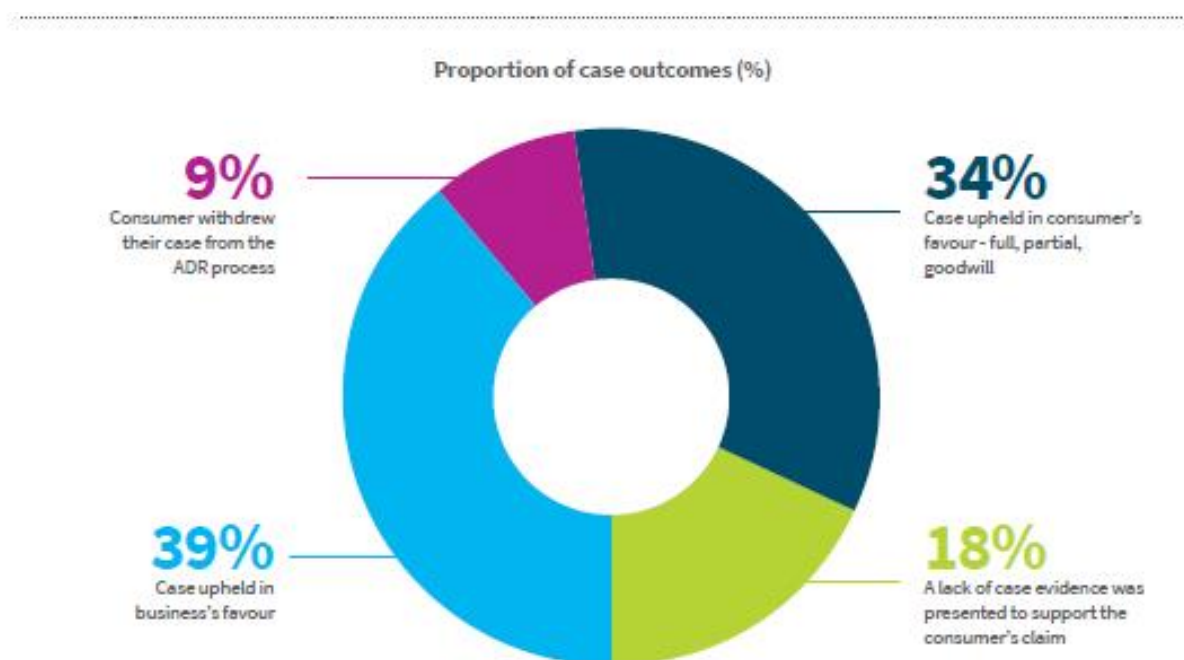
10. Ombudsman final decisions



Analysis - key points:

- ▶ In line with the significant increase in the volume of contacts and cases, the number of final decisions delivered by the ombudsman rose overall in 2018 by **66%** compared to the previous year. Vehicle Sales Code cases accounted for the largest proportion (44%) of final decisions during the year
- ▶ The Vehicle Warranty Products Code saw the highest proportional increase in final decisions at **300%**. This was driven by the **131%** increase in cases associated with the Code

11. Case outcome breakdown



Case outcome summary:

Where a value could be attributed to the case outcome in the consumer's favour (e.g. a refund, repair or vehicle rejection), this equated to in excess of **£1.7 million** in 2018.

Where cases were upheld in the business's favour, and where a value could be attributed to the consumer's claim, this equated to **£4 million** in 2018, which is mainly made up of requests to reject a vehicle (new and used).



12. Annual consumer and business survey results

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.

12.1 Consumer brand awareness survey highlights

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

1.3.1 Consumer brand awareness survey highlights

Background

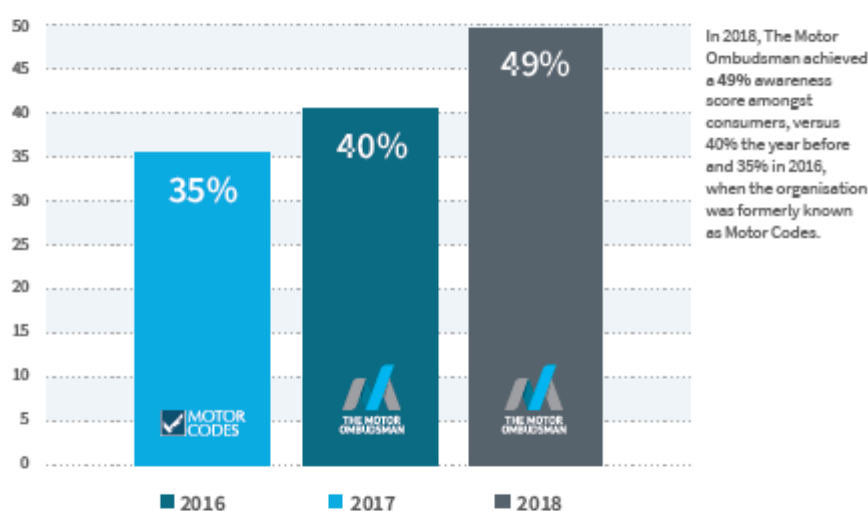
2018 marked the fourth year that the consumer brand awareness survey has been conducted, and is the second time that it has been run since the launch of The Motor Ombudsman in November 2016. Managed by an independent market research company, an e-mail survey was sent to a panel of respondents during the last week of June and the first week of July 2018.

A total of 1,002 responses were received from a representative sample spanning the UK - 49% were female and 51% male across a range of ages above 18 years old. The sample required the respondent or their household to own a car, and 96% of participants stated that they had a driving licence.

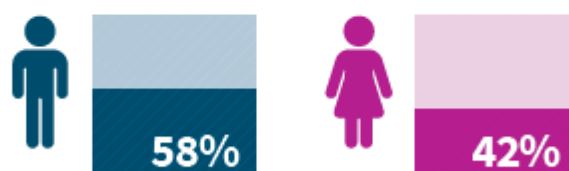
Key findings

- Consumer awareness has increased year-on-year, from 35% in 2016 (Motor Codes) to 49% in 2018 (The Motor Ombudsman)

Consumer awareness of Motor Codes / The Motor Ombudsman (2016 - 2018)



Awareness of The Motor Ombudsman amongst male and female consumers in 2018



Overall awareness of The Motor Ombudsman was higher amongst men in 2018 - 58% knew and had heard of the organisation compared with 42% of women. Awareness was also highest amongst the 25 to 34s (64%) compared to any other age bracket.

*Representative sample excludes individuals who do not have access to a computer or e-mail, or are not able to complete an online survey.

Consumers value the added reassurance of using a business that is accredited to The Motor Ombudsman

Around four out of five respondents (81%) thought that knowing that a business was accredited to The Motor Ombudsman would make them feel more confident in choosing them for their vehicle purchase, service or repair. This is slightly down on last year's percentage of 84%, but is nevertheless a positive sign of the added reassurance that TMO accreditation provides to today's motorists.



Vehicle owners have a largely positive view of the service and repair sector

Overall, 44% of respondents shared a positive view of the service and repair sector, a 7% increase on 2017. There were also no differences in opinion between men and women. However, younger generations were much more encouraging about this area of the automotive industry. In fact, 54% of 25 to 34 year olds had a positive view, compared with 38% of the over 55s. Overall, 44% of respondents shared a neutral view of the sector, whilst only 11% of respondents expressed a negative opinion.



In 2018, consumers were more likely to complain and have their problem successfully resolved

In total, 49% of respondents said they had made a complaint to a business, up from 45% in 2017. For 23% of individuals, it was a dispute about a service or repair, whereas 18% had an issue about a new car under warranty. In addition, 13% had a problem with a used car purchase, and for 5% of survey participants, the complaint originated from buying a new car. Furthermore, 51% of consumers surveyed had never made a complaint. It should be noted that these

percentages do not fall in line with the enquiries that The Motor Ombudsman receives, as the largest percentage of contacts relates to the Vehicle Sales Code.

For those who had made a complaint in 2018, just 7% said that it had not been resolved, which is a positive decrease on last year's figure of 9% and half the amount seen in 2016 (14%). The majority had their problem concluded directly with the garage

or dealership (75% versus 73% last year). For 16%, the problem was resolved by the manufacturer, whereas 2% had their issue successfully concluded by a third party.

The survey also found that, after complaining to the dealership or garage, just over a quarter (28%) of consumers would likely escalate their complaint to the vehicle manufacturer, and 26% would get in touch with Trading Standards.

Percentage of unresolved consumer complaints (2016 - 2018)



There remains a mixed understanding regarding the role of an Ombudsman

When asked to describe what an Ombudsman does, the majority of consumers (30%) believed that it resolved complaints / disputes, which is much higher than last year (22%). In addition, 17% of participants suggested that an Ombudsman was a mediator, and in 2018, they were less likely to think that an Ombudsman investigated complaints (11%) compared with 20% of respondents in 2017.

When asked about who an Ombudsman helps, the majority (37%) thought an Ombudsman was there to assist consumers, but 31% didn't know, and just 26% thought that an Ombudsman was there to help both consumers and businesses. This was quite a bit lower than last year's figure of 41%.

When asked about the importance of the role of an Ombudsman, having someone to turn to if they cannot resolve a dispute directly with the garage or dealership was ranked as the most important aspect by 41% of respondents. Moreover, 29% said that it helps to drive up standards across the industry, whilst 12% felt that an Ombudsman for the motor industry was important because it is not a sector that is regulated.

Almost a third of consumers thought a motor industry Ombudsman would be funded by the automotive sector

In 2018, consumers were more likely to think that the motor industry itself would fund an Ombudsman for the sector (32% compared to 27% last year). In fact, 29% did not know who should finance it, and 6% believed that a motor industry Ombudsman would be self-funded. Furthermore, 47% of consumers were aware

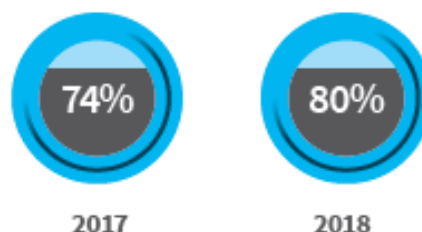
that resolving a complaint is free of charge, a slight drop on last year (49%). 31% would have thought there would be a charge and 22% did not know. There has also been a drop in the proportion of people that believed an Ombudsman would be government-funded - 24% this year compared with 31% in 2016 and 2017.



For the majority of vehicle owners, there were no qualms about having an Ombudsman funded by the industry

Four out of five consumers (80%) in 2018 had no qualms about an Ombudsman being funded by the motor industry, which was an increase on the figure recorded last year (74%).

This total is made up from 54% who said they had no problem with it (versus 49% in 2017 and 47% in 2016), and 26% who said that they did not care who funds the Ombudsman (25% in 2017). In 2018, 19% believed an Ombudsman would not be impartial if it was funded by the motor industry (26% in 2017).



Key conclusions drawn from the 2018 consumer awareness survey data

✓ Car owner awareness of The Motor Ombudsman is on the rise and is significantly higher than that recorded under Motor Codes;

✓ More awareness of the organisation is needed amongst female car owners and age groups outside of the 25 to 34 age bracket. In addition, 51% of people had not heard of The Motor Ombudsman which signals a requirement to expand marketing efforts to achieve a greater reach of the motoring population;

✓ The Motor Ombudsman continues to provide a high degree of reassurance that there is a body to help them in the event of a dispute when buying and servicing a car, and this should be a key message that should continue to be communicated going forward;

✓ More consumers are making a complaint, which may be the result of heightened awareness of both the Alternative Dispute Resolution (ADR) process and The Motor Ombudsman; and

✓ Most consumers surveyed have no concerns about The Motor Ombudsman being funded by the automotive sector.

1.3.2 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 a yearly basis in relation to their experience in 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 of their business, 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.

Overall customer satisfaction and likelihood to recommend

The results from the questions about a consumer's overall satisfaction with the business and their likelihood to recommend it, are based on a large sample size. The total number of surveys highlighted in Table A below includes those from vehicle manufacturers, independent groups, as well

those submitted by consumers directly on The Motor Ombudsman website (refer to Table B).

Overall satisfaction with accredited businesses remained high in 2018 at 92%, although it dropped by one point from 93% in 2017. The likelihood of recommending the

garage to friends and family that serviced and / or repaired their vehicle dropped to 90%, which is a decrease of five percentage compared to 2017. This demonstrates that there is still work to be done in the service and repair sector to continue to both meet and exceed customer expectations.

Table A

Category	Satisfaction levels		
	2018	2017	Diff
Overall satisfaction of the work and service provided by an accredited business	92%	93%	▼
Likelihood to recommend an accredited business	90%	95%	▼
TOTAL NUMBER OF SURVEYS SUBMITTED	200,356	168,523	▲

Motor Ombudsman website survey analysis

Through the online survey on The Motor Ombudsman website, a wider range of questions are asked about the experience and the service received. They cover areas such as the booking process, the quality of work, as well as the information and level of customer service provided. During 2018, The Motor Ombudsman received 747 survey submissions through its website, up from 644 the previous year.

Overall customer satisfaction with the quality of work by accredited businesses (2016 - 2018)



The overall satisfaction with the quality of work carried out by the businesses has increased to 99% from 98% in 2017, and from 97% in 2016. This is very encouraging to see, and highlights the quality of the garages accredited to The Motor Ombudsman's Service and Repair Code. Satisfaction with the customer service offered has

equally seen an increase to 98%, up by one percentage point from the previous year. This once again demonstrates the efforts being made by businesses to consistently strive for even higher standards.

The large majority of consumers 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 remains unchanged from 2017.

Furthermore, they are equally very satisfied with the level of information that they were provided with, shown by a score of 98% for both 2017 and 2018.

Table B

Category	Satisfaction levels		
	2018	2017	Diff
Overall quality of work carried out	99%	98%	▲
Level of customer service	99%	98%	▲
Booking process	98%	98%	-
Information provided	98%	98%	-
TOTAL SURVEYS SUBMITTED	747	644	▲



12.2 Accredited business survey highlights

How businesses would describe The Motor Ombudsman in one word:

Mirroring 2017, “Professional”, “Useful”, “Good”, “Helpful” and “Fair” were the most common words used to describe The Motor Ombudsman. Overall, 79% of the words used were positive, an increase versus the score of 74% recorded last year. For franchised dealers in 2018, this figure was 82%, whereas it was slightly lower at 76% for independent garages.



The main benefits of accreditation stated by businesses were:

1. An increase in credibility, whilst providing important reassurance for customers;
2. Being able to display CTSI-approved branding;
3. Having access to The Motor Ombudsman's Information Line and dispute resolution service;
4. Having use of The Motor Ombudsman logo; and
5. Being able to receive online customer reviews and ratings.

Value of The Motor Ombudsman for businesses:

84% of businesses surveyed stated that they are proud of their Motor Ombudsman accreditation. In addition, 77% of respondents agreed that being a part of The Motor Ombudsman is valuable for business (versus 73% last year), whereas 64% stated that it gives them the edge over competitors (compared to 67% in 2017).

How The Motor Ombudsman is seen versus its competitors:

As seen in 2017, The Motor Ombudsman compared favourably against competitors and performed better on a number of critical areas such as value for money, customer service and quality assurance for consumers.

Key areas identified for improvement in 2019:

The main areas identified for improvement that need to continue to be addressed in 2019 are:

- ✓ The level of responsiveness to accredited business enquiries;
- ✓ Raising public awareness of The Motor Ombudsman; and
- ✓ Increasing the volume of communications to businesses.

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

*Sample size of 249 respondents.

13. Consumer complaints about The Motor Ombudsman

In 2018, The Motor Ombudsman received a total of 76 consumer complaints (versus 46 in 2017), representing 0.13% of all contacts (including requests for information from consumers and businesses) and 1.7% of adjudication cases that were worked on during the year (see table below).

Contact, case and complaint volumes (2018 v 2017)

	Total contact volume handled by TMO	Total case volume handled by TMO	Total consumer complaints received
2018	59,925* (+ 41% v 2017)	4,456 (+ 101% v 2017)	76
2017	42,553*	2,214	46

*Includes requests for information from businesses

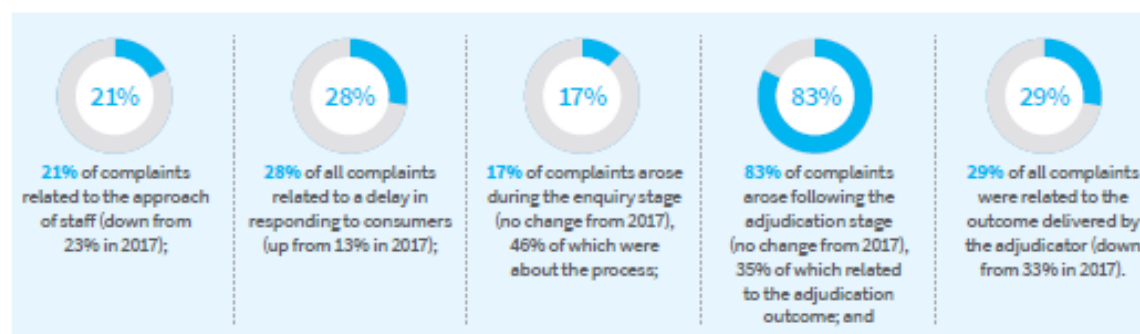
Complaints as a proportion of total contacts and cases (2018 v 2017)

	Complaints as a percentage of total contacts received	Complaints as a percentage of total cases handled
2018	0.13% (+0.02% v 2017)	1.70% (-0.37% v 2017)
2017	0.11%	2.07%

Reason for consumer complaints by stage (2018 v 2017)

Reason for the complaints about The Motor Ombudsman / stage	Outcome	Process	Delay	Staff issue	TOTAL
No. of complaints made at early resolution stage	0 (0)	v 0 (0)	0 (0)	0 (0)	0 (0)
No. of complaints made at adjudication stage	22 (15)	22 (15)	18 (5)	12 (6)	63 (38)
No. of complaints made at enquiry stage	0 (0)	6 (2)	3 (1)	4 (5)	13 (8)
Total no. of complaints about the service	22 (15)	17 (14)	21 (6)	16 (11)	76 (46)

(Figures in brackets are for the 2017 calendar year)



14. How complaints to The Motor Ombudsman are being addressed

Most of the complaints received from customers were about The Motor Ombudsman's internal processes. This included where The Motor Ombudsman had refused consumer complaints, where the customer felt that a decision was unreasonable or restricted their access to ADR, as well as allegations of bias due to how The Motor Ombudsman is funded as an organisation.

At adjudication stage, the two main frustrations of customers related to delays in handling their case, and the adjudication outcomes that were being reached. On some occasions, negative views of the service became linked with frustrations about the outcome, and that the adjudicator may have either overlooked evidence, or not looked into the case thoroughly enough, despite consumers having to wait for an outcome. Where the ombudsman made a final decision, giving no further right of review, consumers were more likely to express their dissatisfaction with the decision through a complaint about the service.

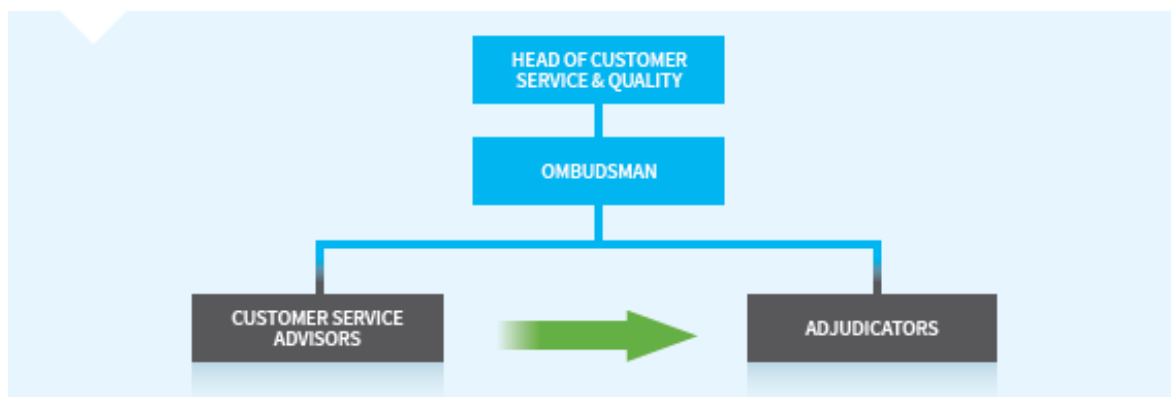


Evolution of the organisational structure in 2019 to accommodate the increases in case and contact volumes

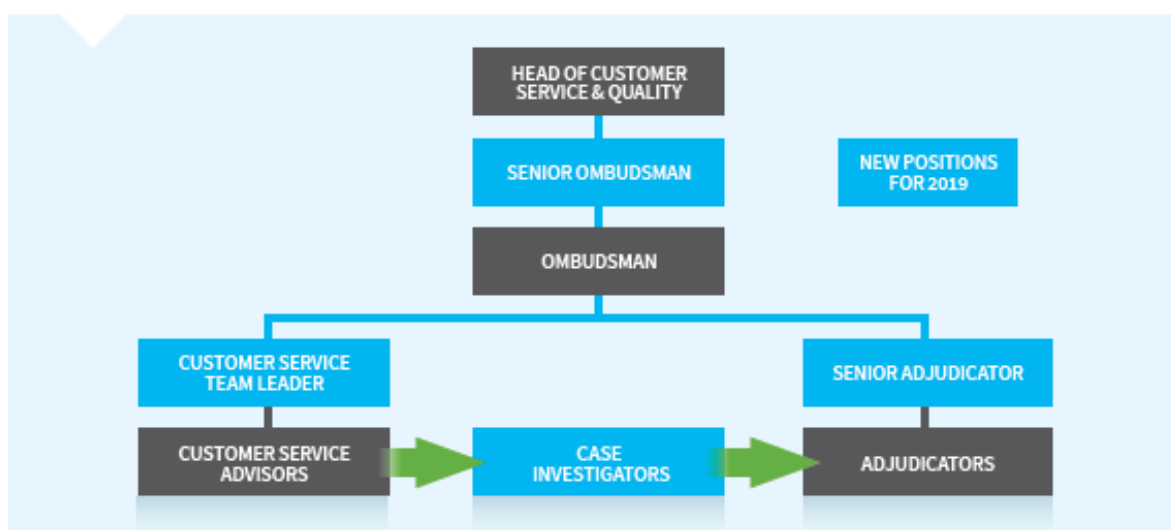
The Motor Ombudsman understands that its complaints process needs to be simple, speedy, accessible and effective. As such, in 2019, The Motor Ombudsman is introducing the new role of case investigator (please refer to the graphics). This area will be responsible for contacting the accredited business for their side of the story and gathering information so that when an adjudicator receives the case, they should be ready to deliver an outcome.

This will free up adjudicators to do what they do best – providing fair, reasonable and impartial outcomes on complaints in a much quicker time frame. Case investigators can then ensure accredited businesses respond on time and with the information needed. Alongside this, the newly created roles of customer service team leader, senior adjudicator and senior ombudsman, will all work together to better monitor productivity, enhance quality and provide support to the teams. Overall, the department staff count will be increased by 126% in 2019.

Organisational structure of the adjudication team in 2018



Organisational structure of the adjudication team to be introduced in 2019



Expansion of The Motor Ombudsman's staff development programme

The Motor Ombudsman is also continuing to expand its staff development programme. In fact, 2018 saw the introduction of a comprehensive suite of training modules, which means that new starters will now get the benefit of a rigorous curriculum combining classroom sessions with workshops on vulnerability, accessibility and the customer journey. This is in addition to practical "on-the-job" training to improve their competence and capability more quickly.

15. Positive consumer testimonials about The Motor Ombudsman

"Thank you for your time and effort that you have contributed in this case. All I can say is that as an outsider looking in, you are good at what you do."

"I would like to take this opportunity to thank you for your help and guidance through the involved procedures of making a claim through the Ombudsman service. It is much appreciated."

"Many thanks for your efforts. The settlement is not really what I expected, but the main point is that the finding was in our favour and perhaps now the business will take notice of a valued complaint regarding their service level and expertise."

"I would like to thank you for all the advice and assistance you have given me in my discussions with the business. I'm pleased to inform you that I have resolved my differences with the vehicle manufacturer to my satisfaction."

16. Accredited business compliance

4.1 Online self assessments and physical audits

4.1.1 Online self assessments

Once an independent garage or franchised 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.

In 2018, 596 Service and Repair assessments were completed (of which 28 businesses failed), and 97 Vehicle Sales Code assessments were completed (of which three failed). 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".




















4.1.2 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. During 2018, The Motor Ombudsman focused on independent businesses signed up to the Service and Repair Code, and completed a total of 200 audits. Of these, five failed due to the lack of sufficient information provided, but they were subsequently contacted with the necessary remedial steps to meet the necessary standards.



4.2 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.

4.3 Accredited business suspensions in 2018

One accredited business, Richard Hardie Ltd, was suspended during 2018 following a review of the case by the Independent Compliance Assessment Panel (ICAP) in December. For continued non-compliance by the business, expulsion will be considered as the next course of action in 2019.

4.4 Accredited business expulsions in 2018

In 2018, no accredited businesses were expelled by The Motor Ombudsman.

4.5 CTSI compliance

CTSI requires that all Motor Ombudsman-accredited businesses display the Approved Code logo on their website. However, when analysed by The Motor Ombudsman, relatively few organisations were able to demonstrate this, which included the majority of vehicle manufacturers.

Therefore, to significantly increase the volume of subscribers showing the Approved Code logo and that of The Motor Ombudsman, an electronic Smart Badge (pictured) 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 2019. A record will be kept of which organisations are featuring the Approved Code logo, and which remain outstanding in order for The Motor Ombudsman to have a "live" picture of business compliance.

17. Compliance with the Ombudsman Association's Service Standards Framework

The Ombudsman Association (OA)'s Service Standards Framework came into effect in May 2017. It provided a 'roadmap' that members of the OA, such as The Motor Ombudsman, can use to raise their own performance, to embed good practice in their organisation, and demonstrate the quality of the service they offer. In meeting these standards, they can be more effective in supplying both individual redress and improving the service of organisations being complained about.

The Framework provides five key measures for members that specifically relate to the service supplied to both the complainants and to the organisations that are the source of the dispute. The individual metrics are as follows:

- 1 Accessibility;
- 2 Communication;
- 3 Professionalism;
- 4 Fairness; and
- 5 Transparency.

In 2018, we have undertaken the following actions in-line with the five measures detailed within the Service Standards Framework.

1 Accessibility	<p>We have:</p> <ul style="list-style-type: none"> ✓ Reviewed our processes to make sure that they are effective, easy to use and efficient ✓ Continued to support consumers who need us to adapt the way we do things to meet their needs ✓ Raised awareness of the importance of vulnerable customers with our accredited businesses
2 Communication	<p>We have:</p> <ul style="list-style-type: none"> ✓ Reviewed the information provided to consumers and accredited businesses to make sure it is clear, accurate and easy to understand ✓ Developed the way we structure our decisions, to make sure everyone can understand our findings
3 Professionalism	<p>We have:</p> <ul style="list-style-type: none"> ✓ Focused on recruiting the right people into the right roles, making sure we find and retain talent ✓ Implemented a complexity rating so we can make sure we're dealing with complaints appropriately

4 Fairness	<p>We have:</p> <ul style="list-style-type: none">✓ Worked with our accredited businesses to ensure they understand their obligations and that, on the rare occasion things go wrong, they know how to put it right✓ Looked at the quality of our investigations so we know we've got all of the relevant evidence before making a decision
5 Transparency	<p>We have:</p> <ul style="list-style-type: none">✓ Continued publishing case studies on our website for all four Codes of Practice✓ Broadened the reports we publish about our service, including reporting on our learnings, both for our service and the industry

18. Staff learning and development

Staff development, competency and engagement plays a critical role in the future success of our organisation, and continued to be a major focus in 2018. Several training programmes were undertaken during the year, which were namely:

- ▶ **Insights Discovery training** to improve team performance and communication, and reduce conflict by sharing the type of personality traits members exhibited, and where they added value to their team and the organisation as a whole
- ▶ **Language and Behavioural (LAB) Profiling** to identify the values that individual members of the team bring to their role, what motivates them, how they process information and how they make decisions, with the objective of helping us in our recruitment and skills training to ensure we have the right people for the job
- ▶ The completion of Queen Margaret University's **Professional Certificate in Ombudsman and Complaint Handling Practice**, which was undertaken by our ombudsman
- ▶ An annual refresher course on key pieces of legislation which underpins our Codes, including the **Consumer Protection From Unfair Trading Regulations**, with a particular focus on the ASA's ruling regarding dealers selling vehicles that were previously used for business purposes

Achievement of IIP Silver accreditation



After previously holding Bronze accreditation under our predecessor, Motor Codes, we were awarded the prestigious Investors in People Silver standard in January. This demonstrated our commitment to realising the potential of our staff, and this new status put The Motor Ombudsman in the top 13% of Investors in People-accredited businesses in the UK.

In the report supplied by Investors in People, we were also praised for, amongst other attributes, our ability to empower individuals to make decisions, for putting the right mechanisms in place to allow staff to develop, motivating people to achieve their objectives, and having a focus on promoting the values and the future direction of our business.

Looking forward to 2019

Amongst the priorities for the coming year will be to continue to facilitate the learning and development of staff according to the specific requirements identified during their bi-annual Performance and Development Reviews (PDRs). As part of the training initiatives for 2019, adjudicators will undertake the Professional Certificate in Ombudsman and Complaint Handling Practice (as above). In addition, we will continue to work closely with Investors in People as part of our objective of achieving Gold certification.

19. 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 2018

	Note	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Turnover	4	1,688	1,478
Operating costs:			
Other external expenses		(95)	(134)
Staff costs	5	(1,005)	(780)
Amortisation written off intangible fixed assets	8	(74)	(99)
Other operating expenses		(509)	(568)
(Loss) / Profit on ordinary activities before interest and taxation		5	(103)
Interest receivable and similar income	7	-	-
(Loss) / Profit before taxation	8	5	(103)
Tax on (loss) / profit	9	-	11
(Loss) / Profit for the financial year		5	(92)

Balance Sheet as at 31 December 2018

Registered Number: 6517394

	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	10	487	490
Current assets			
Stocks		-	-
Debtors	11	584	259
Cash at bank and in hand		71	95
		655	354
Creditors: amounts falling due within one year	12	(1,434)	(1,160)
Net current liabilities		(779)	(807)
Total assets less current liabilities		(292)	(316)
Provisions for liabilities		(20)	(9)
Deferred taxation	13	(15)	(6)
Net liabilities		(327)	(331)
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account		(327)	(331)
Total shareholder's deficit		(327)	(331)

Summary of accounts:

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Company. For further information, the full accounts, including the unqualified auditor's report on those accounts and the Directors' Annual Report, should be consulted.

Copies of these can be obtained from The Motor Ombudsman Limited, 71 Great Peter St, London SW1P 2BN.

The financial statements were approved by the Board of Directors and authorised for issue on July 2019 and are signed on their behalf by Mr M Hawes, Director.

Company Registration No. 06517394

20. Our priorities for 2019

The following are our five strategic imperatives for 2019:

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

- ▶ We will continue to raise awareness of our organisation amongst car owners, as measured through our annual brand research survey

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

- ▶ We will look to improve our engagement levels with accredited businesses

3. To deliver excellence as an organisation

- ▶ We will strive to do the best possible job to achieve and exceed our objectives

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

- ▶ We will seek to increase our accredited business base across all of our Codes of Practice to ensure that our alternative dispute resolution (ADR) services are available to the highest possible number of car owners

5. To ensure the financial security of The Motor Ombudsman

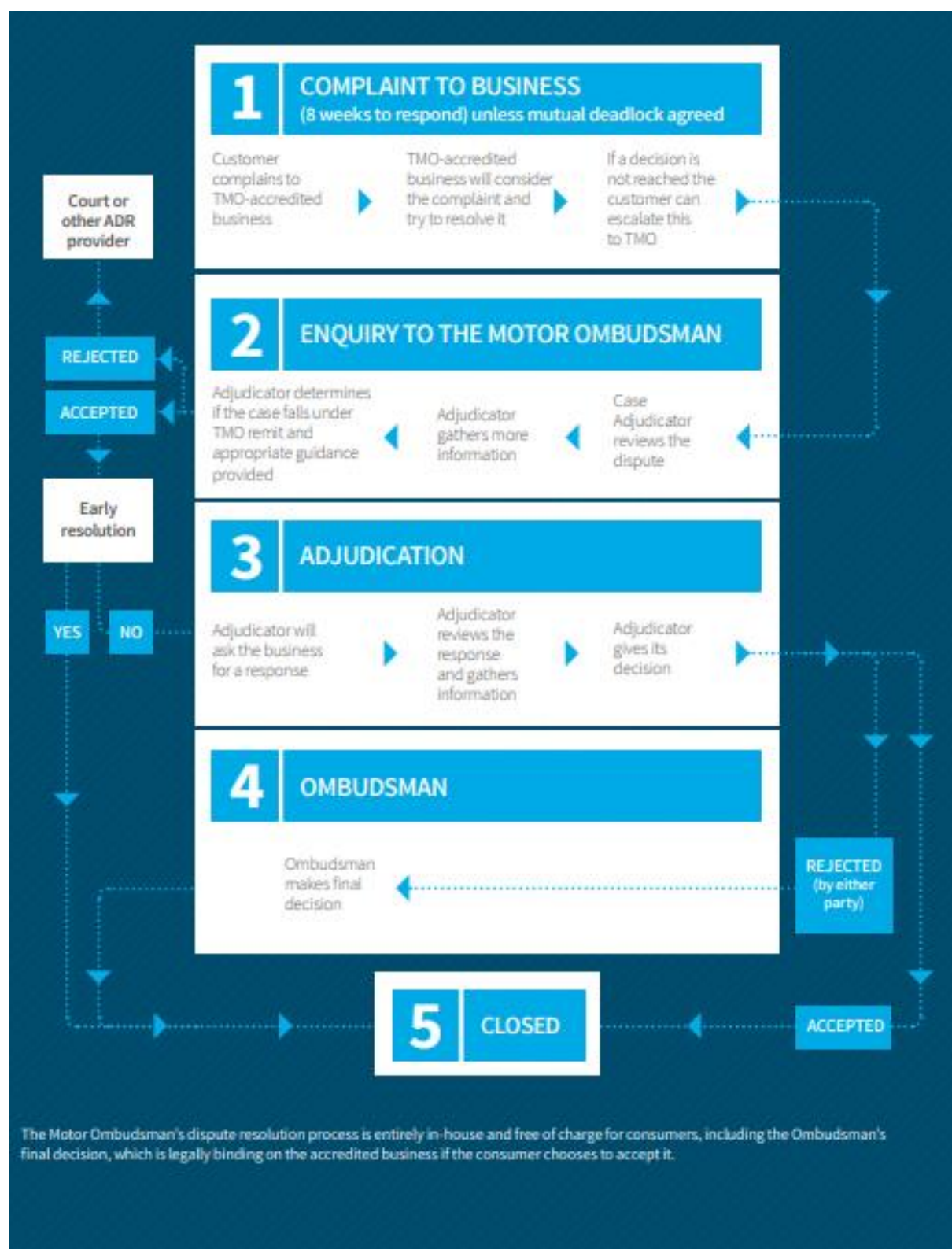
- ▶ We will secure the long term future of our organisation by managing resources efficiently, identifying additional income streams and maintaining a cost effective resource base



Appendices

These appendices are extracts from the full Motor Ombudsman's Independent Compliance Assessment Panel (ICAP) Annual Compliance Report 2018 which is available to view and download on [TheMotorOmbudsman.org](https://www.themotorombudsman.org).

A1. The Motor Ombudsman's Alternative Dispute Resolution process



A2. Benefits of The Motor Ombudsman for consumers and businesses

1.2.3 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
- ✓ 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



1.2.4 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 listing on external high traffic websites such as the AA Garage Guide and ReferenceLine, amongst others
- ✓ A certificate demonstrating commitment to one or more of The Motor Ombudsman's Codes of Practice

A3. Code of Practice performance summary



A3.1 Service and 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' premises for servicing, maintenance or repairs to their vehicle. Businesses accredited to the Service and Repair Code can be found on The Motor Ombudsman's Garage Finder.⁶

The Service and Repair Code covers the following principal areas:

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

No changes were made to the content of the Service and Repair Code in 2018.

2.1.1 Service and Repair Code performance data

Accredited businesses	2018	2017	Trend vs 2017
Consumer Contacts	13,859	10,863	▲
Early Resolutions	4	7	▼
Adjudication Cases	1,098	566	▲
Ombudsman Final Decisions	89	59	▲
Escalation Rate	8%	5%	▲
Garage Finder Searches	377,767	420,905	▼
Consumer Survey Volume	200,356	168,523	▲

2.1.4 Service and Repair Code performance analysis

The growth in the volume of enquiries relating to the Service and Repair Code has remained steady, with contacts rising by around 27% in 2018 compared to that seen in 2017. Encouragingly, the number of contacts escalating into a full case has remained low at 8%, and of those, only 89 cases went to an ombudsman, which highlights the effectiveness of The Motor Ombudsman's adjudication process.

The consumer complaints relating to the Service and Repair Code that were seen during 2018 can be divided into three main categories. They are as follows:

1. The standard of work:

- ✓ The repair didn't cure the fault;
- ✓ The work took too long; or
- ✓ The consumer was unhappy with the price.

2. Staff competency:

- ✓ The vehicle was damaged whilst at the garage or dealership;
- ✓ Communication between the business and customer was poor; or
- ✓ Staff were insufficiently trained or monitored.

3. The booking-in of work:

- ✓ Consumers had to wait too long for their car to be seen;
- ✓ The dealership or garage wasn't clear about the work or price; or
- ✓ Replacement parts were not made available to the consumer for inspection.

A3.2 New Car Code



Launched 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 adverts, that documentation supplied with the vehicle is easy to understand, that the terms of the warranty will be respected and that any complaints will be handled swiftly.

38 vehicle manufacturers are accredited to the New Car Code, meaning that around 99% of all new vehicles sold across the UK are covered by this comprehensive guide of best practice.

The New Car Code covers the following principal areas:

- ✓ Advertising;
- ✓ New car provisions;
- ✓ Manufacturer new car warranties;
- ✓ Replacement parts and accessories; and
- ✓ Complaints handling.

No changes were made to the New Car Code in 2018. Going forwards, The Motor Ombudsman will be looking at refreshing the Code in line with the emergence of alternatively fuelled vehicles (AFVs), so that it includes a greater level of guidance on technology and software. Similarly, issues around software updates have also been a more prevalent issue and this will be taken into account within future revisions to the Code.

2.2.1 New Car Code performance data

Accredited businesses	2018	2017	Trend vs 2017
Consumer Contacts	11,335	9,806	▲
Early Resolutions	35	112	▼
Adjudication Cases	1,206	514	▲
Ombudsman Final Decisions	101	61	▲
Escalation Rate	11%	7%	▲

2.2.4 New Car Code performance analysis

The number of New Car Code contacts has remained fairly constant, with a 16% rise in 2018 compared to a 41% rise across all four Codes. Increased consumer awareness of The Motor Ombudsman and effective manufacturer complaints processes are likely to have driven this increase.

Consumer complaints relating to the New Car Code in 2018 can be divided into three main categories:

1. Warranty:

- ✓ The consumer has tried to claim under an anti-perforation warranty, and the manufacturer has said this doesn't apply;
- ✓ The component, such as a clutch, has failed due to wear and tear and the manufacturer has refused the claim; or
- ✓ The consumer has failed to service the vehicle in accordance with the manufacturer's specifications and a claim has been invalidated.

2. Advertising:

- ✓ The brochure says a feature is included which isn't;
- ✓ The brochure is vague; or
- ✓ The literature is otherwise misleading or capable of being misunderstood.

3. New car provisions:

- ✓ The consumer has not been aware of the relevant after-sales provisions;
- ✓ The consumer was not provided with a copy of their handbook; or
- ✓ The handbook was not considered to be written in plain language.

A3.3 Vehicle Warranty Products Code



Unveiled in 2009, the **Motor Industry Code of Practice for Vehicle Warranty Products** aims to drive up standards across a wide range of automotive warranties, including coverage of both insured and non-insured products, by committing accredited businesses to higher standards than those required by law. The Code currently represents about 70% of the industry's major providers that administer over three million products and is fully approved under the Chartered Trading Standards Institute (CTSI)'s Consumer Codes Approval Scheme (CCAS).

The Vehicle Warranty Products Code:

- ✓ Advertising;
- ✓ Point of sale obligations;
- ✓ The clarity of information provided to customers;
- ✓ The handling of claims;
- ✓ Service contracts, guarantees and non-insured products;
- ✓ Insured products; and
- ✓ Complaints handling.

No changes were made to the content of the Vehicle Warranty Products Code in 2018.

2.3.1 Vehicle Warranty Products Code performance data

Accredited businesses	2018	2017	Trend vs 2017
Consumer Contacts	1,502	1,294	▲
Early Resolutions	0	1	▼
Adjudication Cases	162	70	▲
Ombudsman Final Decisions	16	4	▲
Escalation Rate	11%	6%	▲

2.3.4 Vehicle Warranty Products Code performance analysis

The Vehicle Warranty Products Code has performed similarly in 2018 compared to 2017, with a 16% rise in consumer contacts. The number of cases considered in 2018 was more than double than the volume investigated in 2017.

The consumer complaints relating to the Vehicle Warranty Products Code in 2018 can be divided into three main categories:

1. Point of sale:

- ✓ The consumer was given incorrect information about the product;
- ✓ The consumer was given insufficient information to enable them to decide whether to buy a product; or
- ✓ The consumer was not properly informed about their cancellation rights.

2. Claims handling:

- ✓ The warranty provider refused the claim;
- ✓ The warranty provider would not accept the claim because the vehicle had not been serviced within the manufacturer's specifications; or
- ✓ The warranty provider took too long to make a decision on the claim.

3. Clarity of information

- ✓ Warranty terms were ambiguous or difficult to understand;
- ✓ The consumer was not fully informed about which components were and were not covered; or
- ✓ Significant exclusions were not sufficiently brought to the consumer's attention.

A3.4 Vehicle Sales Code



The **Motor Industry Code of Practice for Vehicle Sales** provides guidelines on the sale of both new and used cars, as well as the supply of finance and warranties. Businesses accredited to the Vehicle Sales Code can be found on The Motor Ombudsman's [Garage Finder](#).

The Vehicle Sales Code covers the following principal areas:

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

2.4.1 Vehicle Sales Code performance data

Accredited businesses	2018	2017	Trend vs 2017
Consumer Contacts	27,977	16,780	▲
Early Resolutions	4	12	▼
Adjudication Cases	1,993	944	▲
Ombudsman Final Decisions	161	97	▲
Escalation Rate	7%	6%	▲

2.4.4 Vehicle Sales Code analysis

The Vehicle Sales Code continues to drive a significant amount of consumer contacts and cases, with 51% of all consumer contacts relating to the purchase of a new or used vehicle. Awareness of the Code, as well as the number of businesses accredited to it, continues to grow, and this will naturally increase the number of enquiries received.

The consumer complaints relating to the Vehicle Sales Code in 2018 can be split into three main categories:

1. Vehicle purchase quality:

- ✓ The vehicle developed a significant fault shortly after purchase;
- ✓ The vehicle failed to meet the consumer's expectations; or
- ✓ The vehicle was deemed unfit for purpose.

2. After-sales:

- ✓ The accredited business did not meet its legal obligations to the consumer;
- ✓ The consumer was not made aware of the after-sales support available; or
- ✓ The accredited business did not handle an issue effectively which occurred after the purchase of a vehicle.

3. The sales process:

- ✓ The accredited business withheld information which would have influenced the consumer's purchasing decision;
- ✓ The consumer felt pressured into the vehicle sale; or
- ✓ The consumer left a deposit, but was not made aware of terms and conditions.

A4. Case studies - adjudication outcomes and final decisions

For all case studies relating to The Motor Ombudsman's Codes of Practice in 2018, please refer to the 2018 ICAP Report, which can be found at:

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

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