



Independent Compliance Assessment Panel (ICAP)

Annual Compliance
Report 2023



Contents

3

FOREWORD:

Managing Director and Chief Ombudsman

5

SECTION 1:

Introductions and annual survey results

29

SECTION 2:

Breakdown of case outcomes

32

SECTION 3:

Code of Practice performance summary

64

SECTION 4:

Business compliance monitoring

71

SECTION 5:

ICAP member comments

TheMotorOmbudsman.org

Managing Director and Chief Ombudsman's foreword



Bill Fennell
Managing Director

The rising cost of living continued to be a dominant feature of news headlines in 2023, as interest rates were raised on a near-monthly basis to help bring inflation back into single figures in line with government targets. This resulted in more expensive borrowing for households, whilst increasing grocery and energy bills also piled the pressure on to already cash-strapped consumers.

Of course, motorists were not spared from this amalgamation of mounting costs. What we saw from the impact of individuals feeling the strain was a growing trend for consumers to look to recoup losses with their vehicle when something had gone wrong, through the means of free-of-charge Alternative Dispute Resolution. This in turn drove a record and unprecedented demand for our service during the year, where we received nearly 150,000 contacts (a circa 40% jump compared to the volume seen in 2022), whilst we accepted close to 9,000 cases into our service for a decision – around 2,000 more than the preceding 12 months.

To sustain our high standards of work and service, we continued to invest in new technologies to streamline and implement further system efficiencies and improvements in the way that we work. On this note, we achieved our highest-ever Trustpilot score of 3.3 (out of a maximum five), highlighting the increased satisfaction of consumers at the different touchpoints of our service. Furthermore, we hit an average of 34 days from the collation of a complete case file to the delivery of an adjudication decision – far below the 90 days mandated by the Chartered Trading Standards Institute (CTSI).

We also recruited new members of staff across our organisation to meet growing demand. This included the expansion of our Business Services department, adding further resource to our in-house compliance team, and accommodating our growing accredited business network across our four Codes of Practice.

At year-end, in terms of headcount, we have nearly four times the number of employees compared to when we launched back in 2016, underlining the evolution of our organisation in a relatively short space of time. What is equally important is staff engagement and satisfaction, and our annual survey showed scores at an all-time high – the result of our teams having access to a number training and development opportunities, an attractive remuneration and benefits package, and the scope to progress in their career whilst working at The Motor Ombudsman.

The UK motor industry had a more positive year

From a wider motor industry perspective, it was certainly a more upbeat picture in 2023, following on from the challenging landscape reported in

preceding years. UK vehicle production reached over one million units during the year, the first time they have exceeded this milestone since 2019, whilst we also saw new car registrations recover to record their best 12-month period since the end of the pandemic.

However, the growing electric vehicle (EV) car parc was very much underpinned by company car users (i.e. the fleet sector), as consumer appetite waned in the face of the high cost of purchase versus an equivalent petrol or diesel model, charging infrastructure concerns, and the absence of further government incentives to drive EV demand and encourage private individuals to get behind the wheel.

Signalling a more affordable outlook for motorists, there was however, a realignment of used car prices in a downward direction, after posting record highs resulting from the pandemic and the widely-publicised shortage of new cars coming off production lines. This subsequently drove an increase in sales transactions versus what was seen in 2022.

Looking ahead to 2024...

Based on the sustained level of demand that we saw for our service in 2023, we expect it to be a case of “business as usual” next year from the point of view that increased awareness of our organisation, coupled with the raised cost of living will likely serve as primary catalysts of high demand for our service.

As well as ongoing recruitment to ensure that we have sufficient resource to meet more consumers requiring our assistance in the resolution of motoring disputes, our key areas of focus as an organisation for 2024 will be to:

- ▶ Drive improvements in our overall service levels for the benefit of all stakeholders;
- ▶ Ensure consumer and business satisfaction with our services;
- ▶ Further raise consumer awareness, and to continue growing our market coverage by expanding our accredited business portfolio; and
- ▶ Continue to position The Motor Ombudsman as the leading ADR provider in the automotive sector.

Another year of milestones

Following on from this year's commemoration of 15 years of the Service and Repair Code and its expansion to encompass mobile mechanics for the first time, we will be marking another two important anniversaries in 2024 for our Motor Industry Codes of Practice. The first is 20 years since the [New Car Code](#) gained approval from the former Office of Fair Trading (OFT), whilst the second is a celebration of 15 years of the [Vehicle Warranty Products Code](#).

ICAP Chair's foreword



Tim Milsom
ICAP Chair



Despite a slip on the timeline regarding the demise of the internal combustion engine (ICE) to 2035, electric vehicles (EVs) and the evolution of automotive technology has continued apace. I am pleased to report that The Motor Ombudsman is keeping abreast of the many changes and technical advances on today's vehicles, so as to provide a safe trading environment for consumers.

From an industry perspective, vehicle manufacturers were mixed with their response to the aforementioned five-year extension to the ICE new car sales ban. However, regardless of the relaxation by government, The Motor Ombudsman continues to assist consumers no matter how their vehicles are powered.

This year, we have also seen The Motor Ombudsman engaging with several new vehicle manufacturers, and what better way to establish credibility with car buyers than by signing up to its New Car Code.

Car sales have continued to show post-COVID growth, and the semiconductor shortages appear to have lessened, shortening new vehicle wait times that were making diminishing part exchange volumes a potential barrier to sales.

My role as Chair of the Panel has continued to be focused on ensuring that the decisions made by The Motor Ombudsman are timely, fair and impartial, and adhere to our quality assessment framework.

As in previous years, the Panel has met three times with The Motor Ombudsman, and pursues its aims in line with its Constitution, providing amongst other duties, an objective critique of the organisation, and the scrutinising of its actions to ensure that the body complies with its various obligations and remains fully impartial.

The Panel looks to ensure that The Motor Ombudsman equally adheres to its values,

as well as ensuring that it delivers integrity, effectiveness, openness, accountability, professionalism, and fairness.

This year has also seen the Panel refine its Constitution to facilitate a slightly wider field of scrutiny, and has been examining the sphere of vehicle recalls, which may have relevance with consumer complaints in hand, and has taken the opportunity to learn about The Motor Ombudsman's mediation service, and the introduction of a new Quality Framework along with the positive response it has received from staff.

ICAP members continue to have access to a specific KPI Dashboard to monitor The Motor Ombudsman's performance outside of scheduled meetings, and have welcomed the reviews of the body's existing Codes of Practice during the year.

I would like to take this opportunity to sincerely thank ICAP members for their time and commitment in upholding The Motor Ombudsman's core values across the service during 2023. I would also like to welcome Owen Kennedy, a great addition to the Panel, and who brings with him a wealth of Trading Standards and motor trade experience, and thank Sarah Terrey for taking on the role of Vice Chair.

Going forward, the Panel hopes that links with other key industry bodies can be established to facilitate cross-working on overlapping issues, where motoring disputes are of relevance, in order to assist in providing maximum consumer support.

The following annual compliance report provides evidence of the work of The Motor Ombudsman in ensuring that it maintains its objectives, and shows annual data from previous years for the purpose of comparison.



SECTION 1:

Introductions and annual survey results

- 1.1 The Independent Compliance Assessment Panel (ICAP)
- 1.2 The Motor Ombudsman
- 1.3 Annual consumer and business survey results
- 1.4 Consumer complaints about The Motor Ombudsman
- 1.5 Positive consumer testimonials about The Motor Ombudsman
- 1.6 Annual accredited business survey highlights



“The Panel is tasked with monitoring the effectiveness of The Motor Ombudsman.”

1.1 The Independent Compliance Assessment Panel (ICAP)

ICAP remit

Meeting at least three times a year, the Panel is tasked with monitoring the effectiveness of The Motor Ombudsman, through the review of annual performance data, the analysis of accredited business performance and compliance issues, as well as the application of sanctions should they be required.

The Panel is equally responsible for looking at a cross section of complaints, whereby it examines a selection of adjudicator recommendations and ombudsman determinations, and considers whether these have been made on a fair and impartial basis.

Panel members

Under the existing Constitution, and for the purpose of impartiality, only a quarter of individuals may be employed within the automotive sector.

The Panel consists of the following members:



Tim Milsom
ICAP Chair

Tim Milsom is an independent Trading Standards motoring consultant and an experienced automotive industry professional. Tim was formerly the director of an award-winning independent garage for over 27 years. He also specialised in Trading Standards and Regulatory Compliance within the automotive sector, and brings experience in product safety, compliance, risk management and stakeholder engagement. Tim has developed Trading Standards business support / business education initiatives, including guidance and advice, training and professional

development, and other business support programmes relating to regulatory activities.

Furthermore, Tim served as a Used Car Commission member, a government-commissioned project to examine the root causes of complaints in the used car industry. It involved the liaison with a broad spectrum of commission members, the gathering and analysis of their input, and contributing to the drafting and development of reports.



Sarah Terrey
Vice Chair

Sarah Terrey is a Senior Improvement Officer at the Parliamentary and Health Service Ombudsman, leading its Service Model and casework policy and guidance. She has been working at the office for almost a decade, initially across a range of casework roles, before moving into her current position five years ago.

Sarah has also represented her office at the Ombudsman Association's casework interest group for the past four years. As part of this role, she has presented with other association members on casework topics at two annual conferences.



Frances Harrison

Frances is a non-executive board member of The Motor Ombudsman. In addition, she serves as an Independent Advisory Member of the Commission for Local Administration in England, which oversees the Local Government and Social Care Ombudsman. Frances is also a board member of the Consumer Code for Home Builders, and a member of the Finance and Leasing Association's Lending Code Group. In a voluntary capacity, she is the Vice Chair of Brighton and Hove Citizens Advice, a trustee for the homeless charity Emmaus Sussex, and a member of the British Standards Institution Consumer Forum.

In the past, Frances has served as a member of the Legal Services Consumer Panel and the Financial Services Consumer Panel, and worked for the National Consumer Council as Head of Policy Research and Development, Citizens Advice providing support for local offices in consumer law and practice, and for local authorities where she managed consumer advice services. She chaired the Consumer Congress and the Institute of Consumer Affairs, and has represented consumers on a range of government and trade body working groups.

**Kate Hobson**

Kate has been involved in consumer advice since 2002 when she joined West Yorkshire Trading Standards Service as a consumer adviser. She led a team of consumer advisers in the Yorkshire and Humber Consumer Direct contact centre between 2004 and 2009, when she moved to quality assurance of advice within Consumer Direct. The Citizens Advice consumer service replaced Consumer Direct from 1st of April 2012, and Kate moved to Citizens Advice, where she

began monitoring performance and quality of contact centres, and then transferred to subject matter expertise. Focusing on consumer protection law and industry specific protections for energy and post, the priorities of Kate's current role are to research anything that affects advice given to consumers and accuracy check Citizens Advice online consumer content, adviser learning materials and campaign resources.

**Owen Kennedy**

Owen Kennedy is a Chartered Trading Standards Practitioner with nearly 40 years' experience in Trading Standards work. Nationally, he is the Lead Officer for the motor trade for the Chartered Trading Standards Institute.

The motor industry has been a constant theme throughout Owen's career, and he is currently working in Doncaster, overseeing the South Yorkshire Motor Trade Partnership,

which provides training and support to over 80 dealerships across four authorities and the associated ADR scheme. In addition, he manages Doncaster's Primary Authority scheme providing Trading Standards support to 10 motor groups.

**Duncan MacRae**

Duncan MacRae continues to work within the motor industry, currently as a member of the senior management team at Copart UK, as Head of Performance, Quality and Risk.

Duncan previously worked for many years at The Automobile Association (AA), serving in a variety of positions. During his tenure, he oversaw various operations, including the management of the Supplier Network Management department,

the Garage Approval programme within the UK, the AA brand within the UK, Police National Vehicle Recovery Schemes, and the Dealership Quality Standards Programme.

Duncan also previously oversaw the Garage Inspection contract for The Motor Ombudsman prior to the introduction of the self-assessment, bringing insight to the panel of the operational activities.

**Tim Roberson**

Tim Roberson is a former senior economist at the Office of Fair Trading (OFT), which has now merged with the Financial Conduct Authority (FCA) and the Competition and Markets Authority (CMA). Previously he worked at HM Treasury, the Department of the Environment and the Department for Transport.

Employed for over 20 years at the OFT, Tim was involved in a wide range of investigations, including consumer credit, extended warranties, new car warranties, payment protection insurance, private medical insurance and

current account banking. Other responsibilities included assessing unfair contract terms and commercial practices and their relationship with influences on consumer behaviour, and the scope for self-regulation (Codes of Practice) to give added protection to consumers.

Since 2010, Tim has been a member of the National Consumer Federation's Executive and Legislation Committees. Between 2012 and 2015, he was a member of the Consumers' Association (Which?) Council of Trustees.

1.2 The Motor Ombudsman

1.2.1 Overview

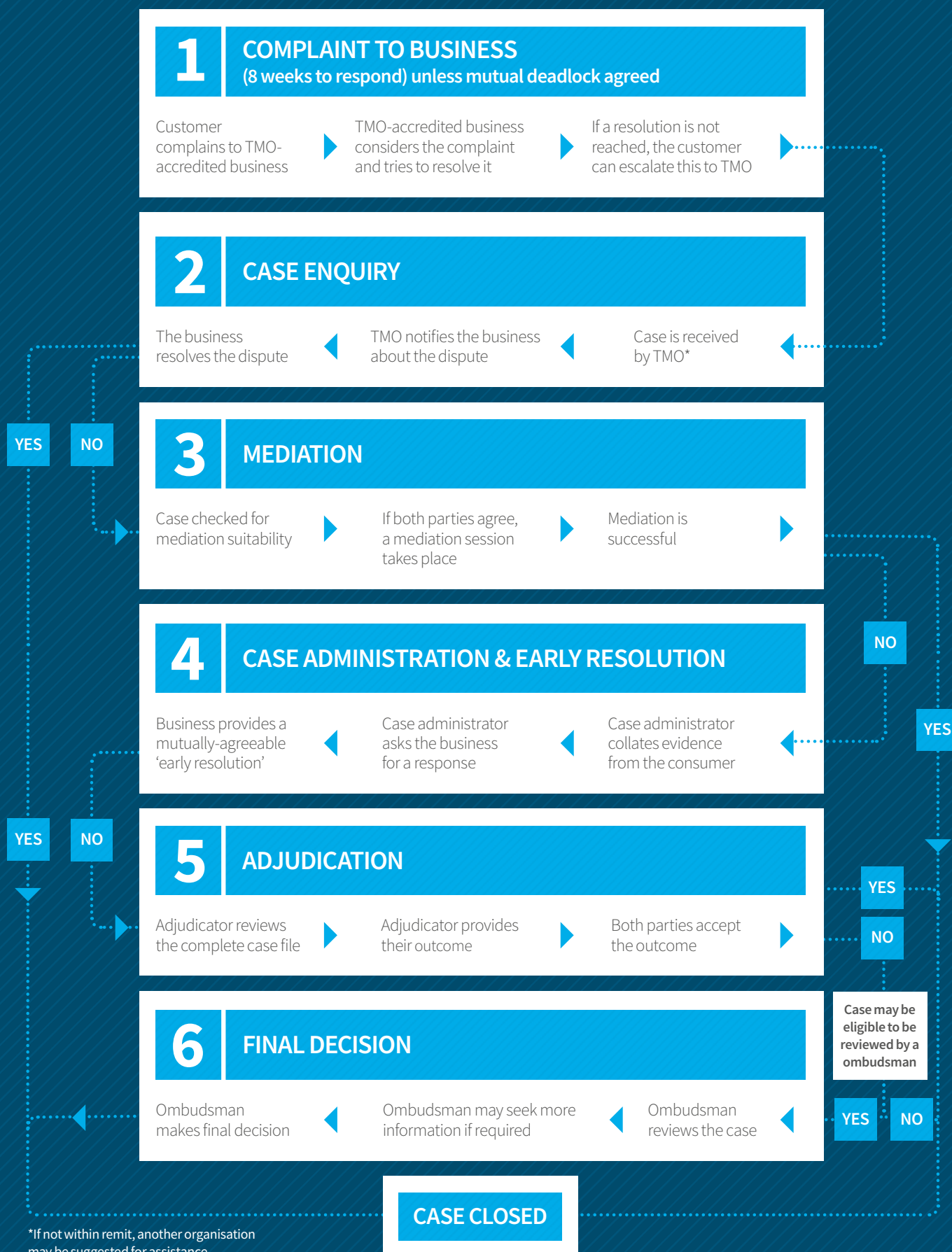
Established in 2016, The Motor Ombudsman is the independent and impartial Ombudsman dedicated solely to the automotive sector, and self-regulates the UK's motor industry through its comprehensive Chartered Trading Standards Institute (CTSI)-approved Codes of Practice. Thousands of businesses, including vehicle

manufacturers, warranty product providers, franchised dealers and independent garages, are accredited to one or more of the Codes, which drive even higher standards of work and service, and give consumers added protection, peace of mind and trust during the vehicle purchase and ownership experience.



1.2.2 The Motor Ombudsman's Alternative Dispute Resolution (ADR) 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.



1.2.3 Benefits of The Motor Ombudsman for consumers

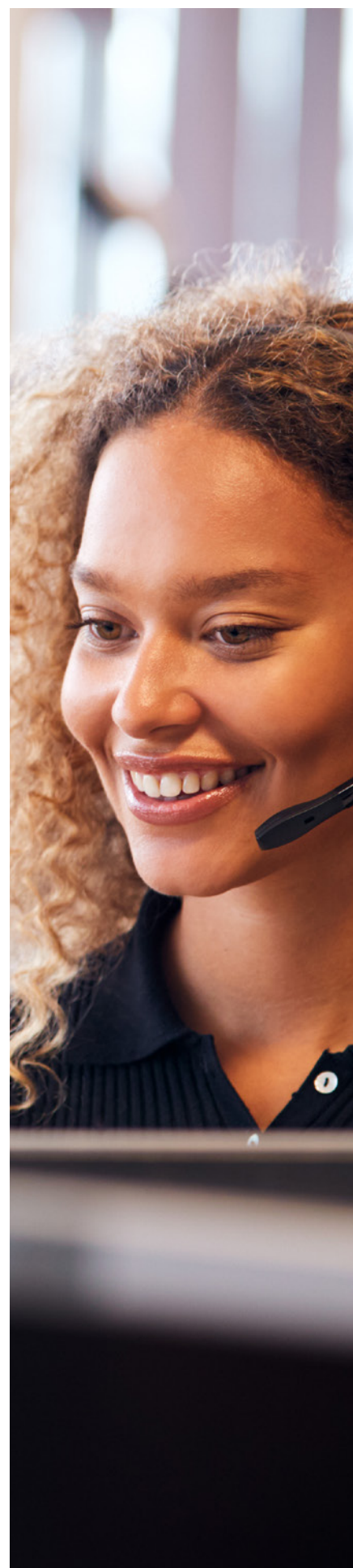
The Motor Ombudsman offers consumers the following key benefits:

- ✓ 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 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 new or used 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 or bodyshop 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 [electric vehicles](#)
- ✓ 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 200 informative articles across 11 different categories on The Motor Ombudsman's [Knowledge Base](#), which look at subjects such as, car ownership, distance sales, dispute resolution, mediation, and electric vehicles prior to submitting a case

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 trained adjudicators, who are all in-house
- ✓ Guidance through the entire dispute resolution process to get a fair and impartial outcome
- ✓ The ability to participate in mediation as part of the early resolution process
- ✓ 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
- ✓ Exclusive access to interactive and smart dashboards to allow accredited businesses to view the progression of customer contacts through the dispute resolution process, as well as the principal reasons for consumer complaints
- ✓ 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
- ✓ A certificate demonstrating commitment to one or more of The Motor Ombudsman's [Codes of Practice](#)
- ✓ The ability to enter The Motor Ombudsman's [Star Awards](#) to gain valuable exposure and recognition for the exceptional work and service provided to consumers



1.2.5 2023 activity highlights by month

January

- ▶ TMO released results of its **survey of service and repair businesses** revealing that operational costs were the main challenge in 2023.
- ▶ **Jaguar Land Rover** made it mandatory for all dealers to be accredited to TMO.

February

- ▶ TMO reported on the **EV disputes** seen in 2022.
- ▶ TMO passed its annual **Consumer Codes Approval Scheme** audit.
- ▶ **Centurion Warranties** joined TMO's Vehicle Warranty Products Code.

March

- ▶ **MG Motor UK** and its dealer network gained TMO accreditation.
- ▶ TMO met with the **Department for Business & Trade** to discuss future ADR quality and service level standards.

April

- ▶ TMO ran a **broadcast campaign** to highlight the risks of buying a **used car** privately during the cost of living crisis.
- ▶ TMO published a **paper** on the impact of the cost of living crisis on disputes.

May

- ▶ TMO hosted its **Annual Business & Law Conference**.
- ▶ TMO's Service and Repair Code turned 15, and was extended to encompass **mobile mechanics**.
- ▶ Members of **ICAP** met with TMO.

June

- ▶ TMO exhibited at the **Automechanika** event in Birmingham.
- ▶ TMO published its **2022 ICAP Report**.
- ▶ TMO attended the **CCAS Code Sponsors Forum**, and the OA Conference.

July

- ▶ TMO published a **paper** on **EV disputes** in H1 2023.
- ▶ Members of **ICAP** met with TMO.
- ▶ TMO was appointed to the OA's Validation Committee.
- ▶ TMO partnered with **AA Approved Garages**.

August

- ▶ **Warranty First** joined TMO's Vehicle Warranty Products Code.
- ▶ TMO recorded its highest ever **Trustpilot** score of 3.3.
- ▶ TMO implemented a new **telephony system** to further enhance its service levels.

September

- ▶ TMO published a story on manual and automatic **gearbox** preferences.
- ▶ TMO attended the **VSTAG** meeting on mileage tampering devices.
- ▶ TMO hosted a webinar on **EV** complaint trends.

October

- ▶ Bill Fennell was re-elected to the **OA Board**.
- ▶ TMO presented the Customer Service trophy to **P & W Auto Services** at the **Servicesure Awards**.
- ▶ TMO marked **OmbudsDay** on **social media**.

November

- ▶ Members of **ICAP** met with TMO.
- ▶ TMO presented the **National Garage Star trophy** formally in-person at CTSI's **Hero Awards**.
- ▶ TMO hosted a **Business and Legal Review** webinar.

December

- ▶ **Smart UK Automotive Ltd** became accredited to the New Car Code.
- ▶ TMO handled more than **148,000** contacts and accepted nearly **8,900** cases for adjudication in 2023 – a new annual record.

1.3 Annual consumer survey results

The Motor Ombudsman conducts annual barometer surveys of consumers and its accredited businesses, as a measure of awareness and the satisfaction of the services that it provides year on year.

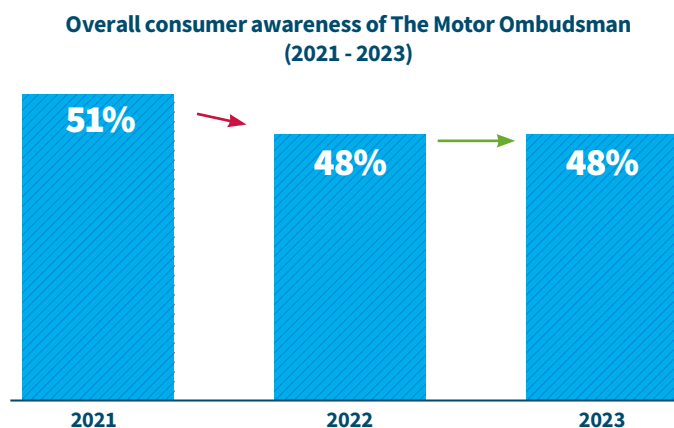
1.3.1 Consumer brand awareness survey highlights

Background

2023 was the seventh consecutive year that The Motor Ombudsman has carried out a consumer awareness study. A total of **2,009** individuals from across a representative sample of UK driving licence holders were surveyed for the study between September and November 2023.

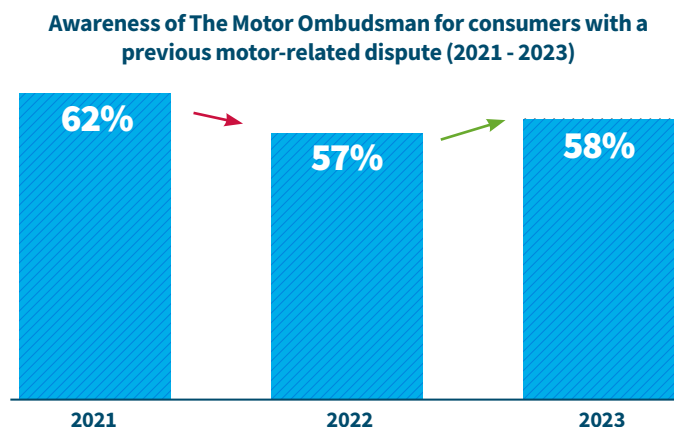
Key research findings

- ▶ Overall consumer awareness of The Motor Ombudsman in 2023 has remained in line with the awareness score achieved in 2022



In 2023, nearly half of individuals surveyed (**48%**) said that they were aware of The Motor Ombudsman, which is in line with the figure recorded the year before.

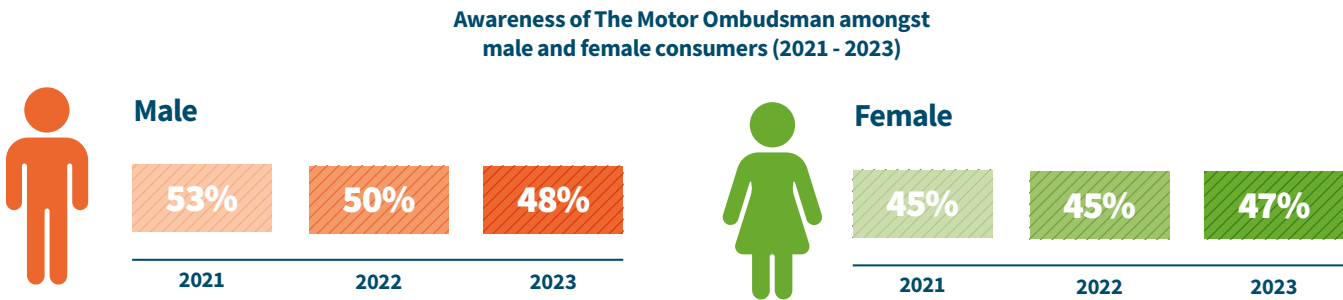
- ▶ Awareness of The Motor Ombudsman for consumers who previously had a motor-related dispute has increased by one percentage point to **58%** in 2023



For those consumers who had previously had a motor-related dispute, awareness of The Motor Ombudsman increased by one percentage point from last year to 58%. However, it was expected that awareness would be higher based on the increase in the number of enquiries and cases being accepted into The Motor Ombudsman's dispute resolution service, and the volume of website traffic increasing in 2023 versus the previous year.

For those who had not had a dispute relating to a vehicle, consumer awareness of The Motor Ombudsman decreased slightly from 39% in 2022 to 37% in 2023, which was still above the figure of 33% seen in 2020.

► Consumer awareness of The Motor Ombudsman amongst male and female consumers saw little change in 2023 versus the year before



Gender is an important measurement within the survey metrics to gauge the level of awareness and engagement across the consumer landscape. This is because The Motor Ombudsman may sometimes see certain consumers under-represented in the cases brought to them. As such, information on gender breakdown may help steer awareness and activities where this may be lower.

Familiarity with The Motor Ombudsman decreased slightly amongst men in 2023, with awareness falling by just two percentage points to 48% from 50% the previous year. In contrast, awareness of the organisation amongst female respondents increased by two points to 47% in 2023, up from 45% in 2022 and 2021.

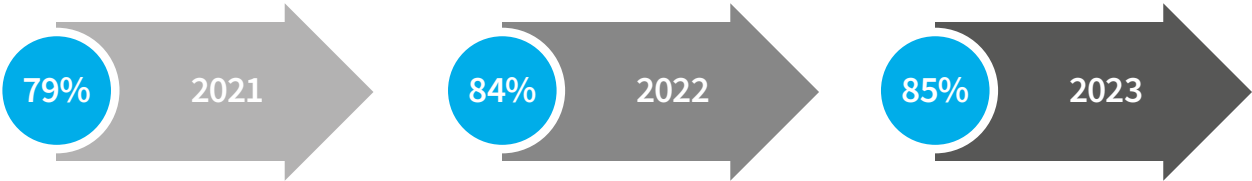
► Echoing the trend seen in previous years, 18 to 24-year-olds were the most likely to have heard of The Motor Ombudsman in 2023 when compared to individuals in other age groups

Awareness of The Motor Ombudsman by age group (2023 v 2022)			
Age group	Percentage of age group who were aware of The Motor Ombudsman		
	2022	2023	2023 v 2022
18 to 24	64%	58%	▼
25 to 34	58%	52%	▼
35 to 44	52%	57%	▲
45 to 54	38%	41%	▲
55+	40%	40%	—

Continuing the trend witnessed in previous years, the research revealed that awareness of The Motor Ombudsman was once again highest in the 18 to 24 age group during 2023, although familiarity amongst these individuals dropped to 58% from 64% the previous year.

Similarly, the survey showed that 35 to 44-year-olds were the next most conversant with the organisation, shown by 57% amongst this age group – an increase of five percentage points versus the statistic recorded in 2022. According to the findings of the study, consumers who are in the 55+ category are the least likely to know about the Ombudsman for the automotive sector – at just 40% of people within this age group – the same level of familiarity recorded in the 2022 research.

► **In 2023, 85% of consumers said that they would feel more confident using a Motor Ombudsman-accredited business for a vehicle purchase or repair – the highest score during the last three years**

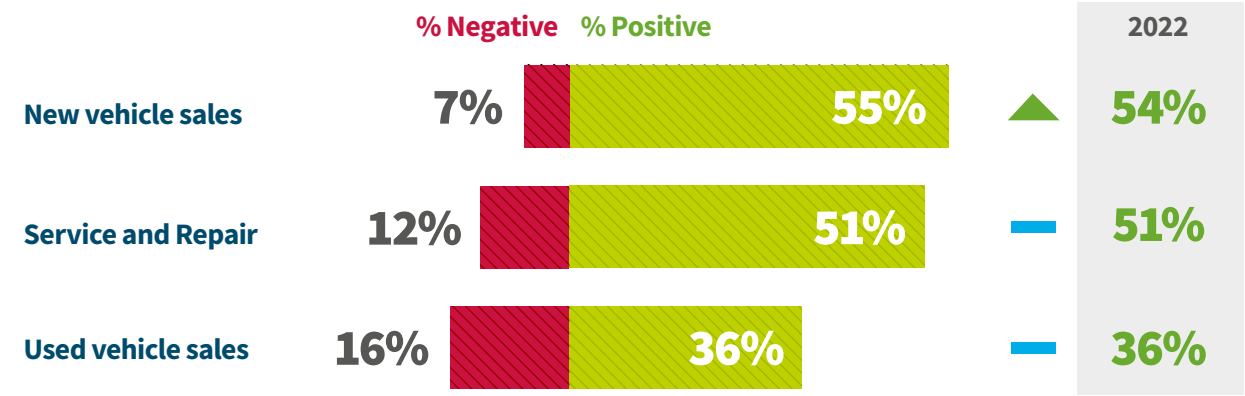


The 2023 study revealed that over eight in 10 consumers (85%) would feel more confident using a business that is accredited to The Motor Ombudsman for their vehicle purchase, service or repair. This is an encouraging increase on the figures of 84% in 2022 and 79% in 2021, and is the highest ever score achieved in the annual research, and during the past three years.

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

Reflecting the trend seen since 2019, the new vehicle sales sector once again emerged as the most positively viewed area of the automotive sector in 2023, with 55% of the consumers surveyed having a favourable opinion. This surpassed the proportion of positive responses received for both the service and repair (51%) and used car sectors (36%) in 2023.

View of the automotive industry by sector in 2023
(Percentage of consumers who answered negatively and positively)



Analysis of survey results by sector

The new vehicle sales sector in 2023

According to the 2023 study, a near-similar proportion of consumers viewed the new vehicle sales sector in a positive light compared to the previous year. The metric recorded a one percentage point rise from 55% to 54%, and was up from 53% in 2021. When looking at the perception of the new vehicle sales sector by gender, male and female respondents shared a more varied view, with 48% of females holding a positive view (up from 52% in 2022 and 48% in 2021) versus 57% of males (56% in 2022).

When viewing sentiment by age group, 25 to 34-year-olds emerged as the most positive about the new vehicle sector (at 58% of respondents in this category), in contrast to those in the 18 to 24 and 45-54 age groups, where only 51% of the respondents held this part of the automotive sector in high esteem, down from 62% last year for 18 to 24 year-olds, and up from 50% last year for 45-54 year-olds.

For new vehicle sales, in line with the previous year, just 7% of respondents held a negative view overall. Reasons for the adverse sentiment related to the perceived high price of new cars, new vehicles being slow to arrive, depreciation after making a purchase, and pressured sales techniques.

The used vehicle sales sector in 2023

Positive sentiment in relation to the used vehicle sector remained level and relatively low with just over a third (36%) of respondents saying they have a positive view, which mirrors the results seen in previous years i.e. 36% in 2022 and 33% in 2021.

In terms of the perception held by each of the sexes, males (38%) and females (41%) were more encouraged by the used vehicle sector in 2022 than in the previous year (35% and 38% respectively), which was positive to see.

18 to 24-year-olds emerged as being the most upbeat about the used vehicle sector at 56%, compared with 59% in 2022. At the other end of the scale, it was the 55+ (26%) and 45-54 (31%) categories that were the most negative of all the age groups surveyed.

Overall, respondents were more likely to have a neutral view of the sector, (48% rated it as neutral) and when looking at the proportion of respondents discouraged by used vehicle sales, 16% of respondents held a negative view of this part of the automotive sector (down from 18% in 2022 and 16% for the same metric in 2021).

Reasons for the negative ratings related to people having a lack of trust, cars being expensive and having to haggle to get a good price, having a negative perception of used car salespeople, and receiving low part exchange values when buying another vehicle.

The service and repair sector in 2023

A mainly positive perception of the service and repair sector remained in 2023 with overall 51% rating it as positive, (51% in 2022), and was significantly up from 44% recorded in 2019.

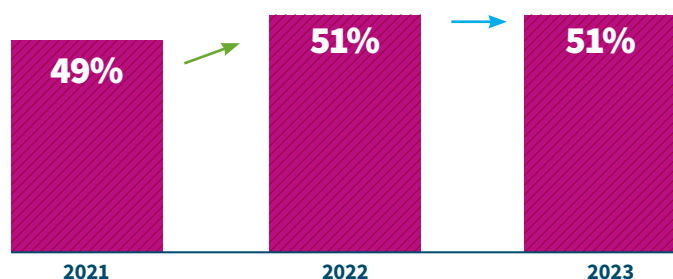
When looking at the breakdown of sentiment about the service and repair sector by gender in 2023, male respondents were once again more upbeat about this area of the automotive industry when compared to their female counterparts (53% versus 49%). For males this is a 2% decrease on the year before, however for females this is a 2% increase which is positive to see.

When looking at how individuals feel by age group, in relation to the service and repair area of the industry, 60% of 18 to 24-year-olds felt optimistic about the sector, the highest proportion of any age group surveyed in 2023. However, this was down from 67% the previous year. They were followed by the 25 to 34 age group, where 59% of individuals in this category shared this buoyant view, the same figure as 2022. In contrast, the survey showed that two-fifths (40%) of 45 to 54-year-olds shared a positive view about the service and repair sector, up from 36% last year.

Overall, just 12% had a negative view of the service and repair sector in 2023 (13% in 2022) and 37% overall rated it as neutral. The research equally revealed 13% of males (a 2% increase on 2022) and 11% of females (the same as 2022) expressed a negative view of the sector.

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

▶ **Percentage of respondents holding a positive view of the service and repair sector (2021 – 2023)**



Vehicle complaints made by survey respondents in 2023

For those that had a motoring-related complaint during 2023 (49% of the survey sample), the study revealed that:

- ▶ Almost a quarter (**24%**) were about a service or repair (down from 25% in 2022, and up from 22% in 2021, and 21% in 2020);
- ▶ **14%** were in relation to a new car warranty (staying static compared to 2022, 2021, and 2020);
- ▶ **16%** were about a used car purchase (up from 15% in 2022, 12% in 2021, and 13% in 2020); and
- ▶ **5%** were in conjunction with a new car purchase (down from 6% in 2022, and in line with the figure of 5% seen in 2021 and 2020).

▶ Almost three-quarters of people with a complaint about their vehicle, resolved it directly with a garage, service centre or dealership in 2023

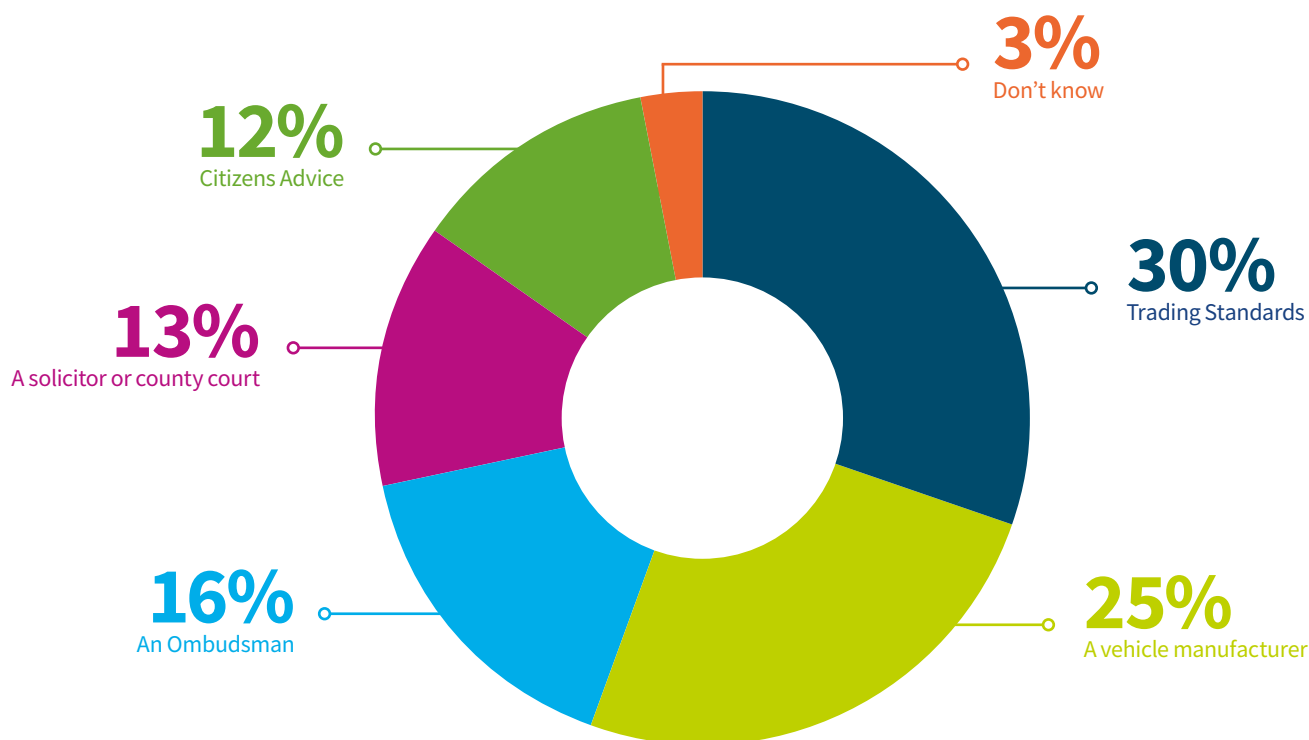
How a respondent's motoring complaint was resolved	Percentage resolved		
	2021	2022	2023
By the garage / service centre / dealership	67%	72%	73%
By the vehicle manufacturer	16%	13%	13%
Via a third party	5%	4%	4%
The complaint was not resolved	10%	11%	10%

For survey respondents that had a motoring complaint in 2023, nearly three-quarters (73%) had their issue resolved directly by the garage, service centre or dealership, a slightly higher proportion to that seen during the last two years.

In contrast, there was a very small (1%) decrease in the volume of unresolved complaints seen in comparison with 2022, and reverted back to the level recorded in 2021 (10%).

- ▶ In 2023, individuals were more likely to escalate an unresolved issue with a garage or car dealership to Trading Standards or a vehicle manufacturer than to any other organisation

Where consumers were most likely to take their unresolved dispute with a garage or car dealership in 2023



In the event that a complaint with a garage or car dealership remained unresolved, the 2023 study revealed that almost a third (30%) of consumers would refer their complaint to Trading Standards (up from 29% in 2022), whilst 25% would consult a vehicle manufacturer as the next point of call (25% in 2022).

The research also showed that 16% of respondents would take their unresolved dispute to an Ombudsman (up from 14% in 2022), whilst 13% would resort to legal action i.e. consulting a solicitor, the county court or a legal representative to help bring their complaint to a close (13% in 2022). The findings equally showed that 12% would take their dispute to Citizens Advice, down from 14% in 2022.

- ▶ In 2023, **72%** of consumers deemed it to be 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;
- ▶ Over half (**56%**) of respondents deemed it important for the motor industry to have an Ombudsman to help drive up standards;
- ▶ **30%** felt it was important to be able to find out who the rated and recommended garages are their local area when they want to buy or service their car; and
- ▶ **26%** of survey participants explained that it is important for the motor industry to have an Ombudsman, as it is not regulated.

Key conclusions that may be drawn from the 2023 consumer awareness survey data, are as follows:

- ▶ Overall awareness of The Motor Ombudsman remained consistent at **48%** of consumers, down from 51% in 2021;
- ▶ Awareness of The Motor Ombudsman amongst consumers who had a dispute was up slightly by one percentage point to **58%**. However in contrast, 2023 has been a much busier year in terms of the website traffic we have seen, as well as the number of enquiries and cases into our service, so we would have expected to have recorded an even higher level of awareness amongst consumers;
- ▶ Consumers in the **18 to 24** age bracket, and **male** respondents, emerged as being the most aware of The Motor Ombudsman, mirroring the result seen the year before;
- ▶ Individuals were most likely to contact **Trading Standards** or a **vehicle manufacturer** if they had an unresolved dispute with a garage or car dealership;
- ▶ Slightly fewer consumers had their complaint **unresolved** in 2023 (10%) compared with 11% in 2022 and 10% in 2021;
- ▶ Nearly three-quarters of consumers (**73%**) said that they were able to conclude their complaint directly with a garage service centre or dealership – an increase from the figure of 72% recorded in 2022;
- ▶ Consumers felt the most important reason for having an Ombudsman was because it provides someone to turn to if they can't resolve their issue directly with a garage or dealership, followed by raising standards within the motor industry.

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 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 received, as well as the vehicle 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 one that best suits their needs.



▶ Summary of 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, come from surveys conducted by vehicle manufacturers, independent groups, as well as from surveys which are left on The Motor Ombudsman's online survey on the Garage Finder.

Category	Satisfaction levels			
	2021	2022	2023	Diff (2023 v 2022)
Overall satisfaction of the work and service provided by an accredited business	90%	92%	90%	▼
Likelihood to recommend an accredited business	93%	92%	90%	▼
TOTAL NUMBER OF SURVEYS SUBMITTED	36,888	67,325	57,005	▼

Between 2022 and 2023, there has been a drop in the number of surveys received from vehicle manufacturers and garage networks (down 15% from 67,325 to 57,005). This is principally due to changes with how car manufacturers measure customer satisfaction and obtain reviews about their networks, moving away from Net Promoter Score (NPS) methodology, and employing alternative benchmarks.

The latest study showed that overall satisfaction with accredited businesses remained high, with a score of 90%, which is down slightly on 2022 (92%), and in line with the figure seen in 2021.

The likelihood of recommending a garage to friends and family that serviced and / or repaired their vehicle, dropped by two points from the 92% achieved in 2022. This demonstrates that there is still work to be done by businesses 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 wide 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 2023, The Motor Ombudsman received 1,034 survey submissions through its website, up on the 320 it recorded the previous year. In 2023, there was equally a greater emphasis on collecting customer feedback about businesses through the wider promotion of the Star Awards, which has resulted in an increase in survey returns.

Category	Satisfaction levels			
	2021	2022	2023	Diff (2023 v 2022)
Overall quality of work carried out	82%	99%	99%	—
Level of customer service	91%	99%	99%	—
Booking process	87%	99%	99%	—
Information provided	81%	98%	99%	▲
TOTAL SURVEYS SUBMITTED	717	320	1,034	▲

Other findings revealed by the 2023 study are as follows:

- Satisfaction with customer service was scored at 99% in 2023, which was the same high rating as the previous year (99%), and was up from 91% achieved in 2021;
- 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 99%, in line with the score achieved in 2022 and up from the statistic achieved in 2021 (87%);
- The overall satisfaction with the quality of work carried out by the businesses was put at 99%, which is also in line with 2022, and up from 2021 (82%); and
- 98% of respondents were satisfied with the level of information that the business provided them with, which was also 99%, up by one point from 98% in 2022 and 81% in 2021.

“In 2023, 99% of consumers surveyed were happy with the overall quality of work provided by Motor Ombudsman-accredited businesses.”

1.3.3 Snapshot of positive customer reviews on The Motor Ombudsman’s Garage Finder

As well as being able to rate a garage or dealership that is accredited to the Service and Repair and/or the Vehicle Sales Code, 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 positive consumer reviews that have been left for Motor Ombudsman-accredited businesses during 2023:

“Excellent service, great staff, very professional, well organised and clean workshop. Prices are very good rates. Always greeted me with a smile.”

*Customer of
A J Fleetcare*

“Even when needing expensive repair work, the garage were reassuring and professional.”

*Customer of
Crown Honda Bushey Heath*

“The only garage I know that are truly honest, helpful and accommodating.”

*Customer of
NRP Autocentre*


1.4 Consumer complaints about The Motor Ombudsman

Since 2021, The Motor Ombudsman's service complaints process has been divided into two distinct tiers to make the handling of service complaints clearer and more effective.

- **Tier 1 – Informal complaints (introduced from 2021 onwards)** are described as informal expressions of consumer dissatisfaction, and are handled by team leaders. The Motor Ombudsman finds that the vast majority of issues can be resolved at this stage.
- **Tier 2 – Formal complaints** are those that then escalate to the senior ombudsman or the head of customer service and dispute resolution, and require a formal response.

Informal and Formal consumer complaints as a proportion of total contacts and cases (2021 – 2023)

	Total complaints as a percentage of total contacts received	Total complaints as a percentage of total adjudication cases accepted
2023	0.32*	5.3%*
2022	0.28**	4.7%**
2021	0.25%***	4%***



- In 2023, The Motor Ombudsman handled **148,007** contacts and accepted **8,892** cases.

*2023: Based on **Tier 1 Informal (441)** and **Tier 2 Formal (32)** complaints - a total of **473**.

2022: Based on **Tier 1 Informal (262) and **Tier 2 Formal (41)** complaints - a total of **303**.

***2021: Based on **Tier 1 Informal (217)** and **Tier 2 Formal (29)** complaints - a total of **246**.

► Informal and Formal consumer complaints by reason and stage

Complaint Tier	Case stage	Process	Delay	Outcome	Staff	Communication	Total
Tier 1 Informal complaints (2021 - 2023)	Enquiry (also known as Initial Assessment)						
	2023	9	1	7	5	9	31
	2022	8	0	2	4	3	17
	2021	2	4	1	11	3	21
	Early resolution						
	2023	0	0	0	0	0	0
	2022	0	0	0	1	1	2
	2021	0	0	0	0	0	0
	Mediation						
	2023	1	0	0	0	2	3
	2022	0	1	0	1	0	2
	2021	0	0	0	0	0	0
	Administration (formerly known as Investigation)						
	2023	9	85	19	9	23	145
	2022	4	29	2	7	11	53
	2021	4	29	4	8	14	59
	Adjudication						
	2023	14	22	25	21	22	104
	2022	4	25	25	10	20	84
	2021	4	37	5	11	22	79
	Final decision						
	2023	21	78	21	7	31	158
	2022	7	60	22	8	7	103
	2021	7	31	10	4	6	58

Complaint Tier	Case stage	Process	Delay	Outcome	Staff	Communication	Total
Tier 2 Formal complaints (2021 - 2023)	Enquiry (also known as Initial Assessment)						
	2023	0	0	1	0	0	1
	2022	0	0	0	3	0	3
	2021	1	0	0	0	0	1
	Administration (formerly known as Investigation)						
	2023	3	4	2	0	6	15
	2022	0	1	0	2	1	4
	2021	1	2	0	1	1	5
	Adjudication						
	2023	0	2	3	1	3	9
	2022	1	3	2	2	1	9
	2021	2	6	2	2	2	14
	Final decision						
	2023	1	0	4	1	1	7
	2022	3	6	10	4	2	25
	2021	2	2	3	1	1	9

When looking at the reasons behind the **441 Tier 1 Informal** complaints received from consumers during 2023:

- ▶ **20%** resulted from the level communication provided to consumers, an increase versus 16% in 2022, but lower than the 21% figure seen in 2021;
- ▶ **24%** arose during the adjudication stage, down from 32% in 2022, and 27% in 2021;
- ▶ **33%** occurred at the case administration stage (formerly known as investigation), up from 20% in 2022, but lower than 36% in 2021;
- ▶ **36%** of complaints occurred at the final decision stage, down from 39% in 2022, but up from 27% in 2021; and
- ▶ **42%** resulted from a delay in responding to consumers during the dispute resolution process, down from 44% in 2022, and 47% in 2021.

When looking at the key drivers behind the **32 Tier 2 Formal** complaints received from consumers during 2023:

- ▶ **6%** related to the approach of staff, a significant improvement compared to 27% in 2022, and 14% in 2021;
- ▶ **19%** resulted from a delay in responding to consumers, up from 12% in 2022, but lower than the 35% figure seen in 2021;
- ▶ **22%** of complaints occurred at the final decision stage, down from the figures of 61% in 2022, and 31% in 2021;
- ▶ **28%** of complaints arose at the adjudication stage, an increase versus 22% in 2022, but down from 48% in 2021;
- ▶ **31%** resulted from the level of communication provided to consumers, up from 10% in 2022, and 14% in 2021;
- ▶ **31%** were caused by the outcome delivered to consumers, a slight rise from 29% in 2022, and 17% in 2021; and
- ▶ **47%** of complaints occurred at the case administration stage (formerly known as investigation), significantly up from 10% in 2022, and 17% in 2021. This was mainly driven in 2023 by a sub-standard level of communication in the eyes of consumers during this part of the process, coupled with delays.



1.4.1 Negative consumer testimonials about The Motor Ombudsman

The following is a sample of negative testimonials from consumers who used The Motor Ombudsman's ADR service during the course of 2023, 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 response by The Motor Ombudsman in relation to their 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	Response by The Motor Ombudsman
Mr. M February 2023	<i>"Never got a resolution after about three and a half years since originally raised. What a rubbish service. Close down this useless service draining tax payers funds!"</i>	<ul style="list-style-type: none"> Mr. M's case was submitted prior to the pandemic, which was followed by the business closing in line with COVID-19 restrictions, meaning a delay to their response. This was followed by an extended delay with The Motor Ombudsman providing an adjudication decision (upheld in the consumer's favour), where the proposed remedy of a refund for the vehicle minus usage deductions was then appealed by the business. This added to further frustration to Mr. M. Due to the rise in values of used cars during the period between the case was raised, and an adjudicator decision being made, Mr. M explained that he could no longer afford a replacement vehicle, even in the event of a full refund. 	<ul style="list-style-type: none"> As the business requested a final decision based on the adjudication outcome, the ombudsman reached out to the business to get an updated view of the case from both parties due to the time that had lapsed since the case was submitted. As part of this, Mr. M responded to explain that, due to the fact that a full refund would not cover his costs for a car in the used market at that time, he withdrew his case, rather than choosing to receive the refund proposed by the adjudicator. The case was then closed.
Mr. M March 2023	<i>"Absolutely a time-wasting service. Highly unlikely to rule in your favour. Lazy investigators. Lengthy time to resolve issues."</i>	<ul style="list-style-type: none"> This was another case submitted before the pandemic, and delays were experienced to the case being reviewed due to the business closing down in line with COVID-19 restrictions, and staff being put on furlough and being made redundant, thereby making it more difficult to get a response for the adjudication decision. Due to The Motor Ombudsman's subsequent backlog in cases needing to be reviewed for an adjudication outcome, the length of time that passed caused further frustration to Mr. M. In addition, no breach of the Service and Repair Case was found, despite Mr. M's claim that the repairer had failed to give the warranty provider correct information, thereby causing disappointment in The Motor Ombudsman's service. 	<ul style="list-style-type: none"> The Motor Ombudsman acknowledged the delays and apologised for this. However, in addition to the time that had passed, it explained that this was a complex case due to having to review a significant amount of evidence which were primarily made up of large audio files between the dealership and the warranty provider, which were difficult for The Motor Ombudsman to receive due to their file size, thereby further drawing out the case until these technological issues had been resolved. In addition, there was no technical evidence submitted by the consumer, which meant that the adjudication decision was based on paperwork provided, as well as the aforementioned audio files.

Ms. V May 2023	<p><i>“Failed to grasp the purpose or reason of the complaint. This was a tick box exercise with no personal involvement or understanding. Our concerns were not addressed at all throughout the process.”</i></p>	<ul style="list-style-type: none"> • Ms. V felt that there was a lack of reasoning behind the adjudication outcome that was not upheld in her favour, despite the decision addressing the consumer’s concerns. • Ms. V was primarily unhappy with the fact that repairs did not solve the issue despite paying for it, whilst also questioning the diagnosis or the business’s professional opinion. 	<ul style="list-style-type: none"> • The Motor Ombudsman noted that evidence was requested on numerous occasions from the consumer to reinforce her claim that the business acted incorrectly (i.e. it was not what another business in the same situation would have done), but no professional evidence was submitted to show any wrongdoing, and what was sent was the same information multiple times rather than supplying any new documentation. Therefore, the decision to not uphold Ms. V’s case remained. • Based on this course of events, Ms. V was then invited to request a final decision with new evidence, and submit a service complaint based on her experience of The Motor Ombudsman’s service, but neither option was taken up, leading to her voicing her disappointment on Trustpilot, and the case being closed.
Mr. D July 2023	<p><i>“The very people they adjudicate over are the businesses that fund the service, and this is obvious with the way they deal with complaints. No sense of fairness in their decisions and the dealerships use the service as way of side stepping real true mis justices.”</i></p>	<ul style="list-style-type: none"> • Due to the fact that Mr. D’s case about engine failure on his low mileage, six-year-old car, was not upheld in his favour, he expressed that all the facts were not considered by the adjudicator based on the evidence he provided, which supported his view that there were manufacturing defects. • Mr. D. also expressed his concern that The Motor Ombudsman was not an impartial organisation based on the fact the decision had gone against him despite there being no evidence to underline this claim. 	<ul style="list-style-type: none"> • The Motor Ombudsman explained that the evidence provided by Mr. D, which included references on the internet, did not demonstrate that the fault with the engine was due to a build issue. • The adjudicator also highlighted that, as a fully independent and impartial body, they had taken into account the arguments and evidence submitted by both parties. • The consumer was offered the opportunity to submit his case for a final decision, but due to Mr. D’s view that The Motor Ombudsman was not impartial, he decided not to proceed with this, and the case was closed.
Mr. W October 2023	<p><i>“Do not use this service. Just proceed to court. TMO will take months to process your case. In my case, they were not impartial and conducted conversations with and advised the garage on their responses without my knowledge.”</i></p>	<ul style="list-style-type: none"> • Mr. W was frustrated that he was unable to recover any award via The Motor Ombudsman’s service following his vehicle being mis-diagnosed and subcontracted to a third party where the car was damaged, when he achieved this via the legal system. • Mr. W also alleged that there was an element of bias, as The Motor Ombudsman was talking to the vehicle repairer without the consumer’s knowledge, which was not the case, as The Motor Ombudsman was simply gathering evidence as part of the ADR process. • Despite taking 35 days from case submission to an adjudication outcome, the Mr. W was unhappy with how long this process took. 	<ul style="list-style-type: none"> • Mr. W received an adjudication outcome, but then chose to pursue his case via the legal system two years later, to have his car returned to reinforce the evidence behind his claim. A negative Trustpilot review was then submitted two years after this court case, but there were no further submissions to The Motor Ombudsman. The case therefore remained closed, with no further action taken.

Ms. B December 2023	<i>“Staff are rude and cut me off each time. Refused to help answer valid questions. Failure to log service failings. To help others - perhaps contact CTSI who apparently regulate TMO.”</i>	<ul style="list-style-type: none"> • Ms. B was disappointed with the final decision, and was concerned that she did not receive an award from the business. • The consumer was also concerned that she did not receive the response she was looking for, and claimed that the service no longer responded to her multiple case submissions, and other corresponding communications. 	<ul style="list-style-type: none"> • The Motor Ombudsman explained that all correspondence from Ms. B was responded to. • The final decision was partially upheld in the consumer’s favour, mirroring the adjudication outcome. However, Ms. B confirmed that she did not agree with the final decision, thereby making her ineligible for the award made. • This prompted the consumer to make multiple contacts with The Motor Ombudsman, which advised that, in line with its unacceptable actions policy, it could no longer assist the consumer, due to her having submitted several cases, subject access requests, and service complaints about the same problem reported. • The consumer also contacted the Chartered Trading Standards Institute (CTSI) to express her disappointment about the service received. The Motor Ombudsman responded to CTSI with an overview of the process followed, and CTSI was happy with the steps taken since case submission, with no breach of the ADR Regulations. No further action was taken by CTSI.
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1.4.2 How consumer complaints about The Motor Ombudsman’s service are being addressed

The total number of complaints brought by consumers to The Motor Ombudsman about its level of service, increased from 303 in 2022 to 473 in 2023. This was once again predominantly due to the delays and cases awaiting an ombudsman’s final decision.

As has been seen already, not only has the cost of living crisis increased the volume of cases being accepted, but The Motor Ombudsman has equally seen an increase in the number of service complaints from consumers who are unhappy with the outcome of their adjudication, and have subsequently requested a final decision from an ombudsman.

Whilst these are not strictly complaints about our service in general. Often the accusation of consumers, who have lost their case, is that the work undertaken by the adjudicator, has not taken into consideration all relevant evidence, or are not content with the tone of the decision itself. This can lead to overall dissatisfaction with their case outcome, and influence negative reviews posted on Trustpilot.

Service complaints can also arise due to the volume of adjudications being appealed, and needing to go to an ombudsman for a final decision. As well as the work being undertaken with regards to shortening the final decision queue, and based on the service complaints received in 2023, a core focus for the senior management team in 2024 will be to continue to enhance The Motor Ombudsman’s dispute resolution service, by improving service delivery timescales across each stage of the process.

In summary, and looking ahead to 2024, The Motor Ombudsman will continue to monitor and track service complaints and respond in a timely manner to consumers. In addition, it will use the feedback and learnings gained from each complaint to make necessary changes that will enhance the consumer’s experience of using The Motor Ombudsman’s service as their case progresses through to its conclusion.

1.5 Positive consumer testimonials about The Motor Ombudsman

The following is a sample of positive Trustpilot testimonials from consumers who used The Motor Ombudsman during 2023.

“It was effortless and very easy to speak to the agents, who were knowledgeable, and they were all very helpful.”

(Ms. J, January)

“The company I wanted to escalate my complaint with wasn’t registered with The Motor Ombudsman, but the lady still listened to the issue, and explained and advised me on what my next steps could be.”

(Ms. S, March)

“Answered my call very quickly, and gave me full reassurance. Excellent service, and I would recommend to friends and family if they ever needed help.”

(Ms. H, June)

“Helpful and independent. A very useful third party service for those unfortunate times when an issue isn’t getting resolved properly by a company.”

(Mr. D, August)

“A wonderful service that has helped to ease my stress by providing free assistance after being mis-sold a car. Always polite and transparent and acting within my best interests.”

(Ms. M, November)

1.6 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 garages¹ between August and October 2023. 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**, **“trustworthy”**, **“fair”**, **“impartial”**, **“reassurance”**, and **“supportive”**, were the most common words used to describe The Motor Ombudsman in 2023.



Overall, of the words used by respondents, **93%** were positive, up from 86% last year.

▶ The main benefits of accreditation stated by businesses were:

1. Being able to demonstrate that they are committed to the standards of an approved Code of Practice (stated by 90% of participants overall);
2. The credibility and reassurance provided for customers (87%);
3. Consistent and fair adjudication outcomes (86%);
4. Having access to The Motor Ombudsman's Information Line and dispute resolution service (83%); and
5. Being able to use the CTSI-approved Code logo (80%).

▶ Motor Ombudsman accreditation is valuable for businesses:

Out of the businesses surveyed, **87%** of respondents agreed that The Motor Ombudsman is valuable for businesses, which is up on last year's score of **80%**, and 83% were proud of their accreditation (85% in 2022). This year, 75% of respondents were satisfied with the overall value of their Motor Ombudsman accreditation, the same as last year, although this represented a drop compared to 83% in 2021. The 2022 survey results also revealed that **68%** of businesses stated that Motor Ombudsman accreditation gave them the edge over the competition – an increase on last year's figure of 66%, although it is down on the 2021 figure of 77%.

▶ Satisfaction with the dispute resolution service is good:

Overall, 83% of respondents were satisfied with their Motor Ombudsman accreditation. For businesses that had used The Motor Ombudsman's dispute resolution service in 2022, there has been a drop in satisfaction with the service. **65%** agreed that the process was easy to follow, versus 79% last year. Furthermore, 69% felt as though the case outcome was fair and reasonable, down from 75% in 2022. The research also revealed that 46% of businesses were satisfied with the time taken to resolve the dispute, which was less than the 53% figure seen in 2022.

▶ Key areas identified for improvement in 2024:

The main areas identified for improvement by The Motor Ombudsman, and that need to continue be addressed in 2024 are:



Quicker timescales to resolve disputes, and faster responses to business enquiries;



More information about the reasons for adjudication and ombudsman decisions, to ensure businesses better understand why a case has not been upheld in their favour; and



A better understanding of the value and benefits that Motor Ombudsman accreditation brings to businesses, as well as improved communication of the wide range of benefits for businesses that do not have disputes.



Greater awareness of The Motor Ombudsman amongst consumers through ongoing marketing and PR initiatives.

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

¹Sample size of 347 respondents (independent garages and franchise dealers).

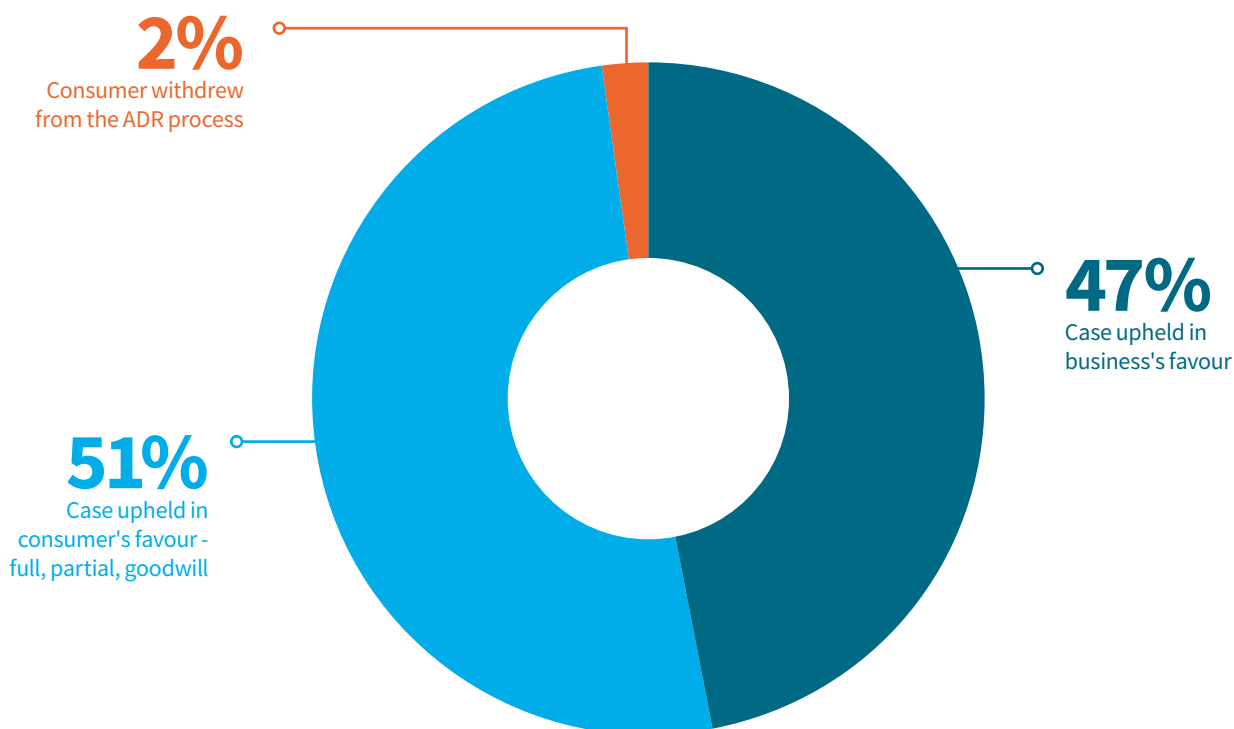
SECTION 2:

Breakdown of case outcomes in 2023



SECTION 2: Breakdown of case outcomes in 2023

▶ The proportion of case outcomes awarded / cases withdrawals for all Codes



In 2023, it was a contrasting picture versus the breakdown seen in 2022, from the point of view that the majority (**51%**) of cases were upheld in the consumer's favour, increasing from 37% the previous year. Cases upheld in the business's favour therefore fell on an annual basis from 62% in 2022 to **47%** in 2023, based on the evidence presented.

Furthermore, the percentage of withdrawn cases increased very slightly year-on-year (from 1% to 2%), which may be put down to delays in consumers receiving an outcome to their dispute, especially when at the final decision stage, thereby prompting them to pursue the resolution of their dispute via alternative avenues, such as the court system.

Case outcome summary:

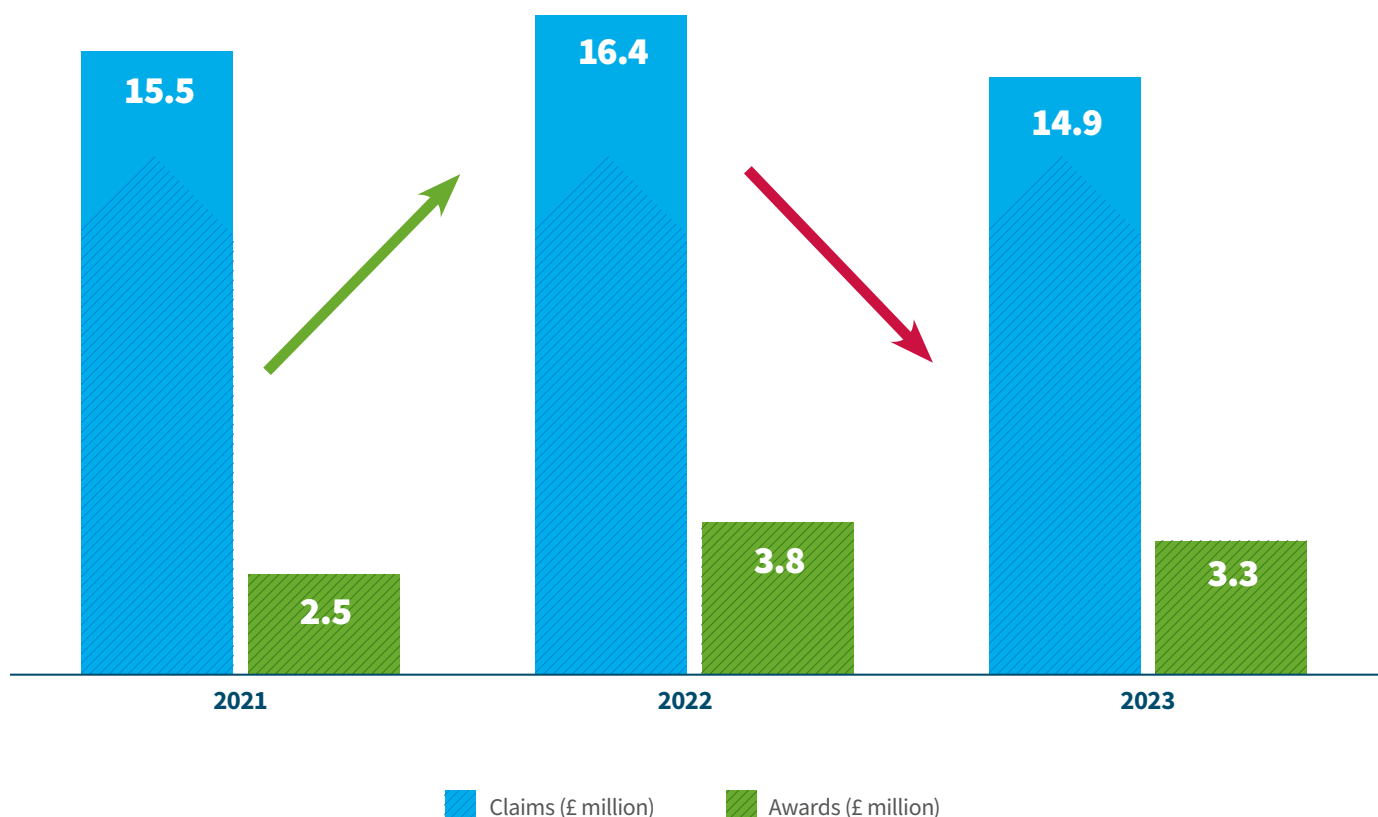
In 2023, the total value of the preferred awards claimed by consumers as a resolution to their dispute equated to £14.9 million, which was less than the figures of £16.4 million and £15.5 million seen in the two preceding years.

However, as seen in the table and graph below, the actual awards made to consumers tend to be lower. The difference, which has been, on average, around £12 million each year, is the result of consumers often over-claiming to maximise what they feel they are entitled to, on encountering an issue with their vehicle. This may lead to the request of a higher remedy of rejection, a full refund, or a replacement vehicle.

However, in many cases, there is insufficient evidence, particularly technical, supporting the consumer's complaint, meaning a lesser remedy, such as a repair, will be awarded to rectify the problem, hence the wide disparity between the claim and award values, when a case is upheld in the consumer's favour.

▼ Total value of claims of consumer claims and awards (2021 – 2023)

Year	Total value of claims made by consumers when submitting a case	Total value of awards made to consumers when a complaint is upheld in their favour	Difference per year between consumer claim values and awards
2023	£14.9 million	£3.3 million	£11.6 million / -127%
2022	£16.4 million	£3.8 million	£12.6 million / -124%
2021	£15.5 million	£2.5 million	£13 million / -144%



SECTION 3:

Code of Practice performance summary

- 3.1 Service and Repair Code
- 3.2 New Car Code
- 3.3 Vehicle Warranty Products Code
- 3.4 Vehicle Sales Code



SECTION 3: Code of Practice performance summary



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

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



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 an 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.

3.1 Service and Repair Code



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's 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.²

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. |

In 2023, and on the fifteenth anniversary of its launch, the Service and Repair Code was extended to encompass mobile mechanics, tyre fitters, and smart repairers for the first time.

3.1.1 Service and Repair Code performance data

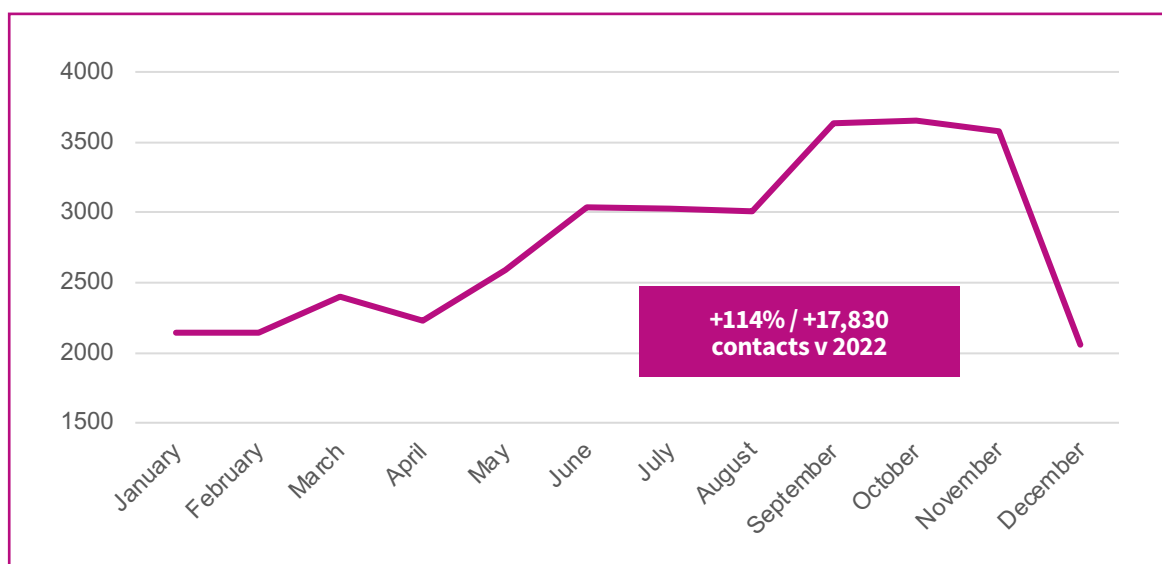
	2021	2022	2023	Trend (2023 v 2022)
Consumer contacts	24,316	15,690	33,520	▲
Early resolutions	171	81	61	▼
Adjudication cases*	1,693	1,821	2,430	▲
Ombudsman final decisions	99	207	379	▲
Escalation rate (Contacts to cases)	7%	12%	7%	▼

* The adjudication cases figure relates to the volume of cases passed to adjudicators for review.

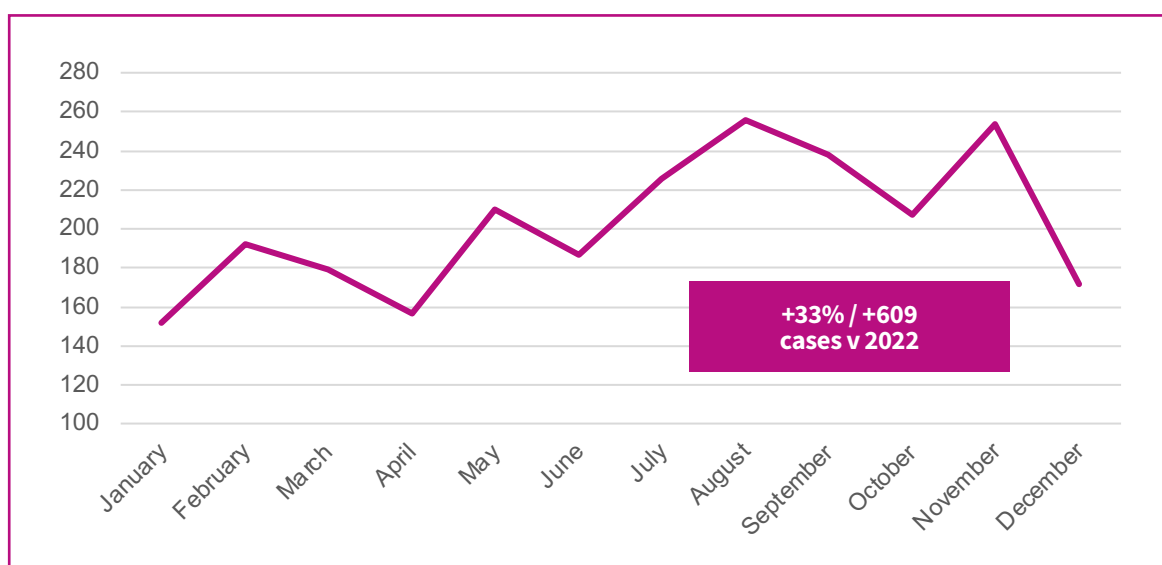
² www.TheMotorOmbudsman.org/garage-finder

3.1.2 Service and Repair Code performance charts

Service and Repair Code contact volumes by month (Jan - Dec 2023)



Service and Repair Code case volumes by month (Jan - Dec 2023)



3.1.3 Service and Repair Code performance analysis

Against the backdrop of the cost of living crisis, and increased financial pressures on motorists, consumer contacts received by The Motor Ombudsman in relation to an issue with a service or repair, more than doubled in 2023 versus the year before, from 15,690 to **33,520**, with the peak coming between September to November, where contacts averaged around 3,600 every month.

Similarly, reflecting the aforementioned jump in contacts, there was a slight increase in the number of Service and Repair Code cases accepted for adjudication over the course of the year, rising 33% from 1,821 to **2,430**, as a greater proportion fell within The Motor Ombudsman's remit.

The volume of ombudsman final decisions rose significantly in 2023 (**379**) versus 2022 (207) thanks to greater resource in this department, whereas early resolutions made fell by 20, from 81 to **61** – the lowest level in three years, as more cases went to adjudication for a formal outcome.

3.1.4 Percentage of Service and Repair Code cases by Code breach

Source of breach	2021	2022	2023	Trend (2023 v 2022)
1.0 Advertising	3%	1%	3%	▲
2.0 Booking in of a vehicle	11%	9%	19%	▲
3.0 Standard of work	68%	76%	66%	▼
4.0 Billing	4%	4%	3%	▼
5.0 Approach of staff	4%	6%	3%	▼
6.0 Complaints handling	10%	4%	6%	▲

Consumer complaints relating to the Service and Repair Code in 2023 resulted from the following principal breaches:

3.0 The standard of work (66% of breaches):

- The accredited business did not carry out the work within the agreed timescale, or exercise the expected reasonable skill and care [3.10]³;
- The accredited business did not act promptly and effectively in the response to consumer questions regarding the work completed, and swiftly investigate issues with the work [3.12]; and
- Guarantees or warranties were not provided with parts or labour, in addition to an individual's existing consumer rights [3.5].

2.0 The booking in of a vehicle (19%):

- The accredited business did not fully explain and give clear practical advice to the consumer to help understand the work required [2.3];
- The accredited business did not provide the consumer with flexibility and choice regarding dates and times for booking and completion, along with accurate information and advice to enable them to choose the service and repair work required [2.1]; and
- The accredited business did not confirm whether any additional or special requirements the consumer had, were included or required additional work, time and/or cost prior to the agreement of a completion date and time [2.2].

6.0 Complaints handling (6%):

- The accredited business did not take effective, immediate action in order to ensure that the consumer received a fair response to their complaint [6.1]; and
- The accredited business did not provide assistance to The Motor Ombudsman while they were investigating a complaint, and when reaching a conclusion [6.6].

³ Numbers in brackets denote Code of Practice clause reference.

3.1.5 Service and Repair Code case studies reviewed by ICAP

The following case studies in relation to The Motor Ombudsman's Motor Industry Code of Practice for Service and Repair were reviewed by members of ICAP to ensure that the adjudication outcomes and final decisions were delivered correctly.

Note:

- **This is a sample of the Service and Repair Code cases reviewed by members of ICAP during 2023.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

Case 1: Consumer's claim

Vehicle age	10 years old
Vehicle mileage	Approx. 170,000
Outcome	Not upheld
Award	None

Mr A purchased a used premium estate car in March 2018. In December 2019, when the vehicle was nearly 10 years old, the consumer took the car to his local dealership to have a diagnostic investigation and repairs carried out in relation to the gearbox.

However, after getting the car back, Mr A said that the problems had not been fixed, and reported shuddering when accelerating, jerking from each gear change, and stalling when bringing the car to a halt. The consumer then said that the business had explained that they had tried to repair the vehicle by chipping or re-mapping the gearbox, but could not carry out any further work until the ECU software was rectified.

As a result, Mr A took his vehicle to an independent garage, where the gearbox ECU was replaced, meaning the issues highlighted were resolved to his satisfaction. To conclude his dispute, the consumer was looking to have the costs of repairs covered by the dealership, and attributed a value of £5,500 to his claim – the sum spent by Mr A to have his vehicle rectified.

Response of accredited business

The dealership explained that they had carried out a gearbox oil change in September 2019, and no issues were found at that time. After a further 8,000 miles on the clock in the two months that followed (totalling 169,000), the car was then booked in again by Mr A in December 2019 to investigate a gearbox malfunction warning light, and the transmission at the time was not holding gear even when the car was stationary.

The recommendation from the business was to test and replace the gear speed sensor to clear three related faults, which would involve the removal and refitting of the gearbox. The work was authorised, with the sensor duly replaced, and the gearbox was stripped and removed free of charge. However, despite the faults being cleared, and the work being carried out correctly, the technician noted a slight judder from the gearbox when Mr A's car was slowing, and a clunking when selecting reverse gear.

The dealership's service advisor therefore notified Mr A that these issues were still present, and the consumer confirmed that he had experienced these previously. However, he did not express any concern, and explained that he wished to return to the dealership to test drive the vehicle before settling the invoice, to ensure that no other problems had materialised at this point.

The vehicle manufacturer also highlighted that the vehicle had been chip-tuned, so would need to be reverted back to manufacturer settings in order for the dealership to continue with getting to the bottom of the problem with the gearbox. Mr A declined to get this work completed, paid the outstanding sum due, and took the car away.

Adjudication outcome

The adjudicator explained that Mr A had the burden of demonstrating that the issues with the vehicle were related to the standard of work exercised by the dealership. He also noted that the consumer believed that the repairs completed to the gearbox by the business were in December 2019 were unnecessary to rectify the issues affecting the car's performance at the time, and that the dealership introduced new issues with the gearbox's performance, which did not exist before these works were completed.

The adjudicator remarked that the dealership had stated that issues affecting the vehicle's gearbox performance remained after the work, but the business was unable to investigate these further due to the car being chip-tuned. The repairer also stated that Mr A had informed them that the problems highlighted pre-dated the works it completed in December 2019.

Whilst Mr A deemed the repairs carried out to be unnecessary, the adjudicator concluded that there was no evidence to prove this was the case, as the three faults relating to the sensor had been cleared, meaning the consumer was not entitled to a refund of the cost of the work undertaken to his vehicle.

Mr A disagreed with the adjudicator's conclusion, and requested a final decision from an ombudsman.

3.1.5 Service and Repair Code case studies reviewed by ICAP (continued)

Ombudsman’s final decision

The ombudsman reviewed the evidence, and stated that the dealership had identified the fault codes, and that when the gear speed sensor was replaced, this cleared the faults. Therefore, on this basis, the ombudsman was unable to say that the work completed by the dealership to Mr A’s car had been unnecessary.

In addition, the vehicle manufacturer had identified that the car had been chip-tuned, and the ombudsman noted that the dealership neither had the capability to tune the vehicle, nor would they recommend it. The ombudsman equally accepted that the business would not normally look to see whether a car had been modified, and that there was no reason to suspect that this was the case, as Mr A had not informed the business about this.

In summary, the ombudsman was unable to determine when the car was chip-tuned, and that, similarly, there was no evidence the repairing dealership was responsible for this. Therefore, in the ombudsman’s view, the work completed to the gearbox was a reasonable attempt to repair the fault that had been diagnosed. As a result, the case was not upheld in Mr A’s favour, and no award was made.

Conclusion

Mr A acknowledged the final decision, but made no further comment. The case was then closed.

Case2: Consumer’s claim

Vehicle age	5.5 years old
Vehicle mileage	57,000
Outcome	Partially upheld
Award	Replacement of prop shaft at no cost to the consumer

Mr B bought a used 17-plate hatchback in December 2021. In February 2022, the consumer took the car to a dealership to have several faults looked at, which included a noise from the windscreen while driving, a water leak into the boot, a possible coolant leak, and problems with the clutch. This resulted in the business refitting and resealing the car’s windscreen, and carrying out a replacement of the thermostat and clutch slave cylinder.

When the consumer had his car returned following the work, he noticed a series of issues, and believed that the business had not carried out repairs with reasonable care and skill. According to Mr B, there was a failure to reconnect the car’s radiator fans causing overheating and potential engine damage, incorrectly fitted heat shields, damage to the car’s bodywork and interior, and the accelerated deterioration of one of the vehicle’s tyres due to not carry out tracking after the work was completed.

Specifically, the consumer believed the business had failed to reinstate his car’s prop shaft correctly, after it completed the clutch repairs, resulting in its total failure around four months later. To resolve Mr B’s complaint, he was looking for repairs to rectify the problems to be carried out at no cost to himself.

Response of accredited business

The dealership conceded that the prop shaft had been unbolted and strapped to one side to enable the replacement of the car’s clutch slave cylinder, but declined to accept that the limited interaction it had with the prop shaft could have resulted in it being damaged. It also provided evidence demonstrating that the car had a sporadic fault with its radiator fans from before it worked on the car, and that had they been disconnected, this would have showed as an open circuit fault, as the vehicle’s electronic control unit (ECU) would not have been able to communicate with the fan ECU.

The business also declined to accept responsibility for any of the interior or exterior damage claimed by the consumer, saying that while some damage had been caused to the car’s A pillar trims when the dealership’s subcontractor replaced the windscreen, both repairers accepted responsibility for the work undertaken and agreed to replace the headlining material and A-pillar trims at no cost as a gesture of goodwill.

The business also believed the interior damage to the B- and C-pillar trims claimed by Mr B, was normal wear and tear marks for a vehicle of five years old, and pre-dated work on the car. Nevertheless, as a gesture of goodwill, the dealership offered to repair this at no cost to restore Mr B’s confidence and faith in the business, plus some cigarette damage to a sun visor, which it agreed to rectify, without taking responsibility for this.

In regards to the exterior damage claimed by Mr B, this was present at the time of the car’s presentation to the dealership, and could be seen in the video the technician sent to the consumer on the day of the repairs. Therefore, no further action was taken on this.

3.1.5 Service and Repair Code case studies reviewed by ICAP (continued)

Adjudication outcome

The adjudicator addressed each of the issues raised in the consumer's complaint, and came to the following conclusions:

Damage to the car's prop shaft

The adjudicator noted that the business accepted that it had removed three bolts to enable the prop shaft to be moved out of the way to allow the replacement of the clutch slave cylinder. However, it did not accept that this will have caused irreparable damage to the prop shaft flange or flange bolts.

Whilst the adjudicator could not be certain, he mentioned that if the prop shaft bolt and flange were found to be damaged when the work to replace the clutch slave cylinder was being done, then the dealership would have brought this to Mr B's attention at the time. Furthermore, as the prop shaft incurred sustained and irreparable damage around four months after they had been worked on, it was deemed likely by the adjudicator that this would have been instigated during the clutch slave cylinder repairs in February 2022. Therefore, the adjudicator upheld this element of Mr B's complaint, and said that the dealership should be responsible for the cost of the prop shaft's replacement.

In terms of the heat shields, it appeared to the adjudicator that these were components that were not touched during the slave cylinder repairs. This meant that the dealership did not have any obligation to accept responsibility for their replacement or re-fitting.

Damage to the car's bodywork and interior

The adjudicator stated that it was not disputed by either party that the sub-contractor appointed to refit Mr B's car windscreen caused some damage to the interior trim. As this was then rectified by the dealership, alongside the cigarette markings on the sun visor, no further action was needed to resolve this matter.

Accelerated tyre wear

Whilst the adjudicator agreed that tracking can impact the lifespan of tyres, they did not see any request from the consumer for this to be checked, or note any reason why this would be deemed necessary following the agreed works to Mr B's vehicle. As a result, the adjudicator was unable to suggest that the dealership had any obligation to contribute towards the cost of replacing the aforementioned tyre.

Disconnected radiator fans

On this point, the adjudicator stated that there was confirmation of a stored fault for overheating in mid-March 2022, but on the other hand, there was no evidence that showed definitively what had caused the overheating to occur, and whether it resulted in long-term damage to Mr B's vehicle. Therefore, no further action was needed regarding this aspect of the consumer's complaint.

Conclusion

Both the consumer and the business accepted the adjudication outcome, and the case was closed.



3.1.5 Service and Repair Code case studies reviewed by ICAP (continued)

Case 3: Consumer's claim

Vehicle age	6 years old
Vehicle mileage	37,000
Outcome	Upheld
Award	Apology

Ms C took her 14-plate high-performance estate car to a dealership for its service in December 2019, honouring the two-year interval since the last one. The consumer also had the vehicle MOT'd at the same time.

A week later, Ms C had no sound coming from the infotainment system, so she contacted the same business to have the issue looked into. When she spoke to the technician, they informed Ms C that they would not be able to diagnose the problem, as the dealership was no longer part of the manufacturer's authorised repairer network, and did not have the required software. The business therefore advised Ms C that she sought assistance at a franchise dealership, which is what the consumer duly did.

Ms C said she would have been none the wiser that the dealership did not have authorised repairer status had she not had the audio fault. In addition, she claimed that she was never informed that the business was not an authorised repairer when she took her car in for its service and MOT.

Ms C stated that the business also gave the impression that they were an authorised repairer, when she was invoiced on manufacturer branded-headed paper. However, the subsequent e-mail correspondence sent by the business denied that they were authorised, and did not advertise this in any way to the consumer.

The consumer equally expressed her disappointment with the lack of engagement to resolve her issue, and claimed the business had been fraudulent and dishonest. To bring her complaint to a close, Ms C was looking for the business to pay for her car's service to be re-done at another dealership, in order to restore the service history to being manufacturer-approved repairers only, and to pay for the cost of return travel for the vehicle and a driver, as an alternative dealership was not nearby.

Response of accredited business

The business explained that they relinquished their manufacturer-authorised repairer status in December 2018, as it was no longer financially viable to be part of the network. At the time, the business contacted all customers via e-mail to inform them of this change, and that all branded signs were removed from the premises from 1st January 2019. However, the records showed that Ms C never opened this communication.

In terms of the service reminder that was sent to the consumer, this did not contain a manufacturer logo, and neither did the stamp in the service book. When it came to the invoicing for the service undertaken, the business stated that, due to IT issues, the invoice did in fact include a manufacturer logo. Nevertheless, once they were informed about this, the insignia was removed.

They also said they were unsure as to why this glitch happened with Ms C, because their other invoice to the consumer for a replacement alloy wheel due to the vehicle failing its MOT, had no manufacturer logo showing.

The consumer also pointed to a Google search showing the name of the business and the manufacturer on the repairer's website, but the business said this was on the manufacturer's website, not their own.

In summary, the business did not believe they acted dishonestly, and communicated accurate information to all customers. Unfortunately, in this case, Ms C had not seen the information about the changes.

Adjudication outcome

The Motor Ombudsman adjudicator stated that he could see that the service record from December 2019 now included a service that had not been completed by a manufacturer-authorised repairer, as well as an invoice for the work which featured the manufacturer's logo in the header of the document.

The adjudicator noted that an e-mail had been sent out by the business about rescinding the franchise status, but in his view, this held less weight than an email communication personally addressed to the consumer to inform her about the change. Therefore, the adjudicator could not discount the possibility that there had been a clerical error, which meant that although Ms C was marked as having received an email from the business, it could have been the case that this information was entered erroneously.

Overall, based on the evidence submitted, the adjudicator deemed there to have been a breach of the Service and Repair Code in relation to the clause which explains that any communications should not contain any content, which is likely to mislead consumers or be at risk from being misunderstood.

In terms of what would be considered to be a proportional award based on what had happened, the adjudicator recommended, in these circumstances, that the business offered a written apology to Ms C. The consumer however, disagreed with the adjudication outcome, as she did not think that this was a satisfactory outcome to her dispute (Ms C wanted another service paid for by the business), and proceeded to request a final decision from an ombudsman.

3.1.5 Service and Repair Code case studies reviewed by ICAP (continued)

Ombudsman's final decision

The ombudsman reviewed the evidence, and stated that, whilst the business was no longer a manufacturer-authorised repairer, they had completed the service correctly and stamped the vehicle's service book to keep the service history up to date.

Because of this, the ombudsman did not consider Ms C to have been put in a worse position, simply because the business was no longer part of the manufacturer's repairer network. In addition, Ms C had not provided any evidence to show what loss she had suffered as a result of the misleading information that had been provided. So whilst the ombudsman understood the consumer's frustration, there was no demonstrable loss.

In terms of the business's change in status, the ombudsman stated that it was unfortunate that Ms C had not opened the marketing email that was sent to outline this information. Furthermore, the ombudsman did not think that the dealership was acting with intent to showcase themselves as a manufacturer-approved repairer, as some of their letters did not include the carmaker's logo or branding. This also applied to the service stamp used by the business. Therefore, this was put down to administrative errors.

Whilst the ombudsman agreed that the complaint should be upheld in Ms C's favour, as there had been the aforementioned breach of the Service and Repair Code, mirroring the findings of the adjudicator, the ombudsman was also satisfied that the apology already provided by the business was a sufficient resolution to resolve the dispute with Ms C.

As a result, the ombudsman did not think it was suitable that the business covered the cost of any additional servicing, as outlined by Ms C in her complaint submission.

Conclusion

The consumer rejected the final decision, resulting in Ms C being free to pursue her dispute in a court of law at her own expense. As the final decision was not accepted – the last stage in The Motor Ombudsman's dispute resolution process, this meant that the final decision was not binding on either party, and the case was closed.



3.2 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 2023, a total of **42** businesses were accredited to the New Car Code, meaning that **98%** 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 2023.

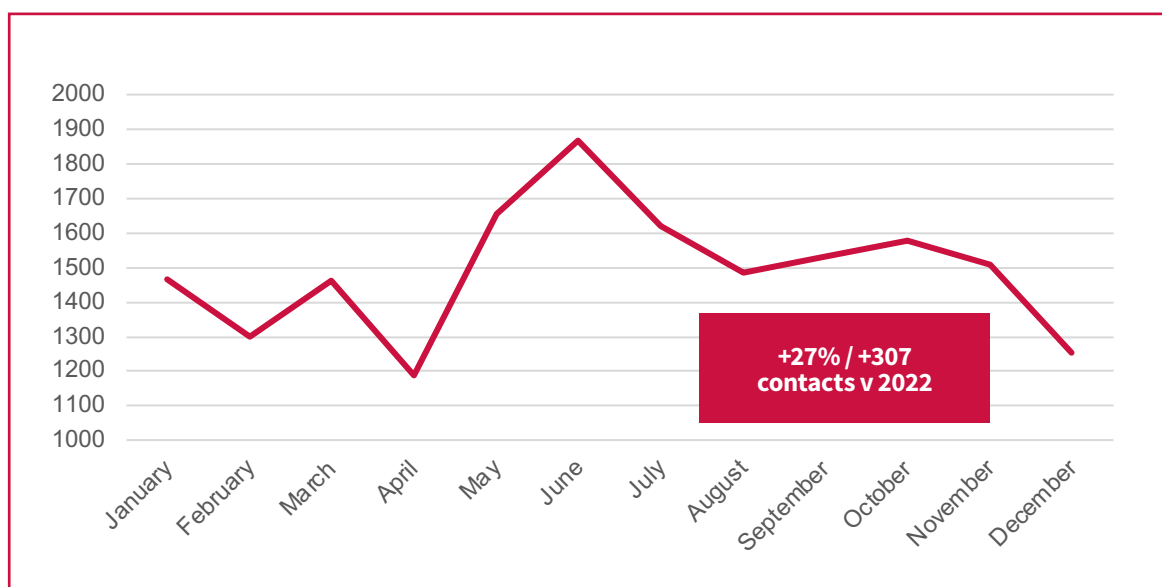
3.2.1 New Car Code performance data

	2021	2022	2023	Trend (2023 v 2022)
Consumer contacts	15,453	12,551	17,922	▲
Early resolutions	152	141	84	▼
Adjudication cases*	1,164	1,226	1,533	▲
Ombudsman final decisions	141	129	228	▲
Escalation rate (Contacts to cases)	8%	10%	9%	▼

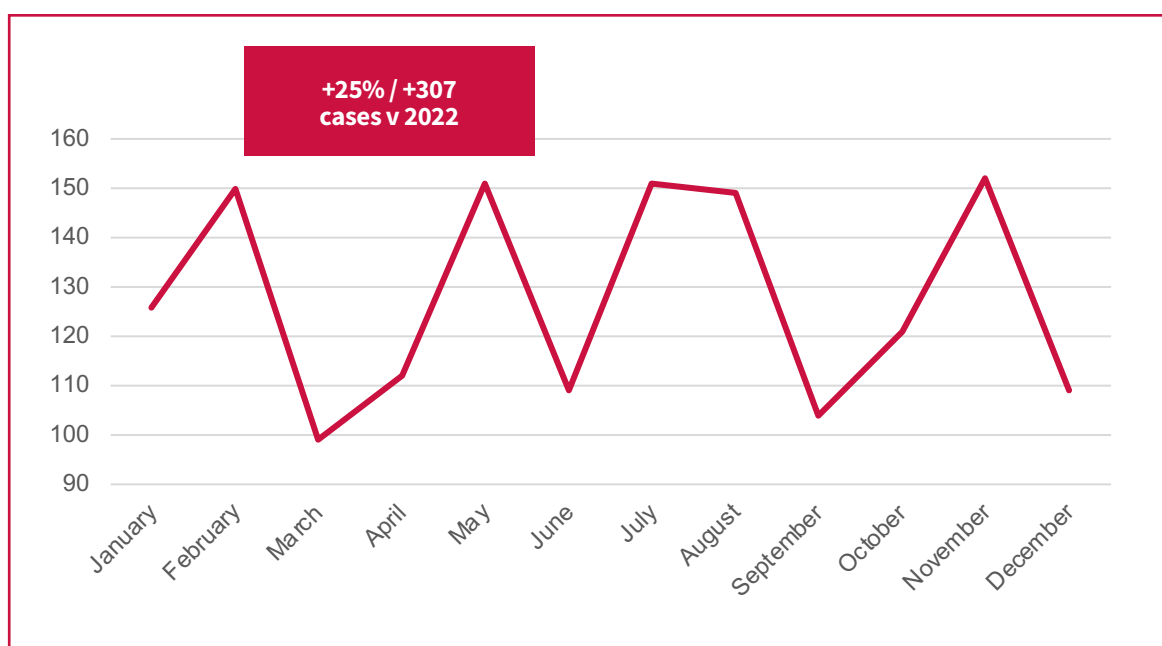
* The adjudication cases figure relates to the volume of cases passed to adjudicators for review.

3.2.2 New Car Code performance charts

New Car Code contact volumes by month (Jan - Dec 2023)



New Car Code case volumes by month (Jan - Dec 2023)



3.2.3 New Car Code performance analysis

Consumer contacts in relation to the New Car Code rose by around a quarter (27%) year-on-year to **17,922** in 2023 – an all-time high during the last three years, and peaked in June at around 1,900 contacts in a single month.

Despite fluctuating throughout 2023, the volume of cases accepted for adjudication increased on an annual basis by the same proportion as contacts i.e. 25% to **1,533** – also the highest level in three years. This was due to more disputes falling within the remit of this Code.

On a positive note, the volume of ombudsman final decisions delivered to consumers and businesses equally rose by close to 100 to **228** – the most in a 12-month period for the 2021 to 2023 timeframe.

In contrast, the volume of early resolutions fell from 141 to **84**, equating to a decrease of around 40%, as more disputes required a formal review by the adjudication team, as noted above.

3.2.4 New Car Code cases by breach

Source of breach	2021	2022	2023	Trend (2023 v 2022)
1.0 Advertising	8%	5%	7%	▲
2.0 New car provisions	2%	0%	0%	—
3.0 Manufacturers' new car warranties	72%	84%	72%	▼
4.0 Availability of replacement parts and accessories	8%	7%	7%	—
5.0 Complaints handling	10%	5%	14%	▲

Consumer complaints relating to the New Car Code in 2023 resulted from the following principal breaches:

3.0 Manufacturers' new car warranties (72% of breaches):

- The terms of a new car warranty were not written in plain English, and did not clearly list items specifically included or excluded from its scope and the geographical coverage of the warranty provided [\[3.3\]](#)⁴;
- The consumer did not continue to benefit from the manufacturer's new car warranty whilst the car was serviced to the manufacturer's recommendations [\[3.1\]](#); and
- The consumer's warranty claim was incorrectly dismissed [\[3.8\]](#).

5.0 Complaints handling (14%):

- The accredited business did not take effective, immediate action in order to ensure that the consumer received a fair response to their complaint. [\[5.1\]](#); and
- The accredited business did not have in place an accessible arrangement for the handling of complaints, and details of the complaints procedure were not made available to the consumer on request [\[5.2\]](#).

4.0 Availability of replacement parts and accessories (7%):

- Spare parts were not made available from the time a new model was launched, throughout its production and for a reasonable period thereafter [\[4.3\]](#);
- Where the accredited business's parts were supplied to their dealers, they were not of a satisfactory quality and fit for the purpose for parts of that type which were normally used [\[4.1\]](#); and
- Where the accredited business offered promotions on parts and accessories, the terms of the promotion (in particular, any restrictions) were not clearly stated [\[4.2\]](#).

1.0 Advertising (7%):

- Advertisements, promotions or any other publications or communications, whether in writing or otherwise, contained content which was likely to have misled or be misunderstood by a consumer [\[1.1\]](#);
- Where a rust / corrosion-proofing process was advertised, the limitations were not made available to consumers [\[1.7\]](#); and
- The words 'guarantee' or 'warranty' within an accredited business's advertisement were used without full terms being either set out clearly within the advertisement, or being made available at the point of sale [\[1.6\]](#).

⁴Numbers in brackets denote Code of Practice clause reference.

3.2.5 New Car Code case studies reviewed by ICAP

The following case studies in relation to The Motor Ombudsman's Motor Industry Code of Practice for Service and Repair were reviewed by members of ICAP to ensure that the adjudication outcomes and final decisions were delivered correctly.

Note:

- **This is a sample of the New Car Code cases reviewed by members of ICAP during 2023.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

Case 1: Consumer's claim

Vehicle age	7.5 years old
Vehicle mileage	54,000
Outcome	Not upheld
Award	None

Mr D bought a used premium five-year-old cabriolet for £16,000 from a dealership in October 2020. At the same time, the consumer purchased an extended warranty for £700 to help cover the cost of mechanical and electrical failures for two years, due to the initial three-year / 60,000 mile warranty expiring in June 2018.

In September 2022, within less than two years of owning the car, the vehicle broke down because of an issue with the engine, and the consumer was advised to have the vehicle recovered to one of the warranty provider's nominated garages, instead of to a franchise dealer.

Mr D contacted the manufacturer about the problem with his car, and they explained that the vehicle would need to be inspected at one of their Approved Centres to determine the fault, and highlighted that the car had not been seen in their franchise network since 2018, so could offer no further assistance as things stood.

The warranty provider's nominated garage explained to Mr D that the issue was with the front part of the engine, but individual sections were not available for repairs, meaning a full engine replacement would be needed at a cost of £10,000. The warranty provider agreed to cover £4,000 of this cost, but Mr D thought it was unfair that he should be liable for paying for the remaining sum.

As Mr D was without a car since the incident happened, and was struggling to keep his job, as he needed to travel for work, the consumer was looking for the manufacturer to pay the remaining £6,000 to bring his dispute to a close, as he ultimately did not think the car was fit for purpose based on its age and mileage (i.e. there were less than 60,000 miles on the clock).

Response of accredited business

The vehicle manufacturer acknowledged Mr D's concerns with his vehicle, and that he would have had high expectations of reliability and build quality when owning one of their cars. They also explained that, whilst a failure like the one Mr D experienced was disappointing, the manufacturer said that it was always a possibility that a component may fail during its lifetime, and could not provide a lifespan for parts outside of the main vehicle warranty supplied by the manufacturer.

To diagnose the faults correctly using genuine parts and equipment, to offer appropriate remedial advice, and to determine whether the cause of the problem was the result of a build defect, the manufacturer emphasised the need to take the car to an Approved Centre. Without this, they would not be able to take any further action.

Furthermore, as the car was already four years outside of the manufacturer's warranty period, and was purchased and taken to a business outside of their network, they were not in a position to offer any further support to Mr D, unless an Approved Centre could view the vehicle.

Adjudication outcome

The adjudicator explained that, under the New Car Code, the manufacturer was obliged to honour the warranty in the event of any identified manufacturing defects whilst the vehicle was still under warranty.

Therefore, considering that Mr D's car was substantially outside of this period, the manufacturer was under no further obligation to honour the warranty or contribute towards the cost of the engine replacement.

On the point of Mr D deeming the car to be of unsatisfactory quality, as it had covered less than 60,000 miles before suffering an engine failure, the consumer was advised that he may be able raise a complaint against the selling dealership under the Vehicle Sales Code.

The adjudicator also pointed out however, that if a defect occurred outside the first six months of sale, Mr D would need to be able to demonstrate that the issue was present at the point of sale.

Conclusion

In summary, Mr D's complaint could not be upheld by the adjudicator in his favour, as no breach of the New Car Code by the vehicle manufacturer had been identified. Neither party disputed the outcome, and the case was closed.

3.2.5 New Car Code case studies reviewed by ICAP (continued)

Case 2: Consumer's claim

Vehicle age	Nearly 2 years old
Vehicle mileage	51,000
Outcome	Not upheld
Award	None

Mr E bought a '70' registration ex-demonstrator, medium-sized diesel van for around £25,000 in April 2021. It had just over 5,200 miles on the clock. On the sales invoice, it stated that the vehicle had been serviced prior to sale, and that the van needed to be seen every 24,000 miles or every 24 months, whichever came sooner.

The consumer did not take the vehicle back in again for a service until November 2021 when it had reached 30,870 miles. In May 2022, after just over a year of ownership, the turbo failed, causing the engine to seize. Mr E claimed that, prior to this happening, there was a notice on the dashboard about checking the injectors, but there were no servicing notifications or oil warning lights.

Following an investigation at a manufacturer-approved service centre, Mr E was informed that the cost of repair would be £11,500, and could not be covered under warranty, due to the prescribed servicing schedule not being followed.

Furthermore, Mr E expressed his dissatisfaction that he was never offered a courtesy vehicle or any compensation to cover costs incurred whilst his van was off the road. In addition, he said that the manufacturer had not been able to identify the cause of the failure, as the warranty claim was rejected immediately due to the vehicle's service history. To bring his complaint to a satisfactory close, Mr E was looking for the repairs to be conducted for free under the manufacturer's warranty.

Response of accredited business

The manufacturer explained that the vehicle had been serviced by the selling retailer in April 2021 prior to sale with 5,228 miles on the clock, and was then next seen by an authorised repairer in November that year after completing 30,870 miles. In accordance with the service schedule, the vehicle was overdue its service at this point by more than 1,600 miles. In May 2022, the van then suffered from the failure around 20,000 miles later (51,111).

At this point, the vehicle was recovered to another dealership to investigate the cause of the problem, and it was found that the turbo bearing had failed, allowing oil to pass from the turbo into the engine cylinders. They therefore recommended a new turbo, engine, and gaskets.

The manufacturer then explained that the retailer looked to gain authorisation for repairs to be carried out under warranty, but this claim was rejected due to a discrepancy that was found with the service history, plus the dealership did not confirm whether the failure was due to a manufacturing defect or a late service.

The manufacturer therefore requested an independent inspection report from the consumer, because without firm evidence of a manufacturing defect, they were not in a position to progress any claim under their warranty.

Adjudication outcome

The Motor Ombudsman adjudicator pointed out that, under the New Car Code, the consumer had the evidential burden of showing that the cause of the fault with the vehicle was due to a manufacturing defect, and was covered under the manufacturer's warranty agreement. The adjudicator also stated that it was Mr E's responsibility to show that, on balance, the vehicle was maintained in accordance with the manufacturer's recommendations.

Servicing of the vehicle

In regards to the rejection of the warranty claim on the grounds of the vehicle's servicing schedule, the adjudicator stated that the required interval was every 24,000 miles. As the second service was carried out in November 2021 at 30,870 miles, this was found to be in breach of the terms and conditions of the manufacturer's warranty, meaning it was not unreasonable for the claim to be rejected on these grounds. Therefore, this element of Mr E's dispute was not upheld.

The determination of a manufacturing defect

Although Mr E's warranty claim was rejected, it appeared to the adjudicator that there was no definitive cause of the fault from the diagnosis that was carried out to the vehicle. Having considered the response from the vehicle manufacturer, the adjudicator remarked that there may be a possibility that there may be some consideration of honouring the warranty if Mr E was able to demonstrate that the fault with the engine and the turbo was the result of a manufacturing defect.

Without such demonstrable evidence, and because no investigative report was commissioned by the consumer, neither the adjudicator nor the vehicle manufacturer were unable to uphold this element of Mr E's complaint. The adjudicator recommended that Mr E contacted the vehicle manufacturer to discuss any further options that could perhaps assist towards the repair or the cost of the work, and advised that they carried out further investigations to determine the cause of the component failures.

3.2.5 New Car Code case studies reviewed by ICAP (continued)

The provision of a loan / courtesy vehicle

The adjudicator stated that under the Code of Practice for New Cars, the vehicle manufacturer did not have a legal obligation to provide a loan / courtesy car. There was equally no requirement for them to contribute towards any costs Mr E may have incurred when hiring a vehicle.

Conclusion

In summary, considering the facts of the case, the adjudicator determined that there had been no breach of the New Car Code, and was unable to uphold any elements of Mr E's complaint in relation to his van.

The consumer was advised to contact the manufacturer to find out if they could assist with the cost of the repair, and recommended Mr E considered carrying out further investigations or an independent report into the cause of the issues that had occurred.

No response was received from the consumer following the receipt of the adjudication outcome, and the case was closed.

Case 3: Consumer's claim

Vehicle age	10 months old
Vehicle mileage	13,000
Outcome	Upheld
Award	Free of charge repair / replacement of the faulty seat

Ms F purchased a brand-new SUV, and after three months of ownership, a permanent indentation in the base of the leather driver's seat started to appear. Several appointments were made by the consumer for the car to be inspected at her local dealership, with the most recent one being the first annual service. Each time, Ms F was told by the service department that the fault was caused by wear and tear or external influence, and that nothing could be done about the seat, as it was not covered under warranty.

Ms F also raised a concern as to why the dealership had not contacted the vehicle manufacturer's warranty department to make a claim, and they

explained that it would be a waste of time, as they knew what the outcome would be. The service manager equally explained that if they were to replace the seat, it would cost thousands of pounds.

Not satisfied with the response, Ms F contacted the customer service department of the vehicle manufacturer, and after numerous phone calls and e-mails, she was told that the problem was down to wear and tear, and that leather stretches, even if a vehicle has only been owned for three months. Ms F explained in response that the leather had not stretched, but the seat had dipped, as demonstrated by the photos that she had taken. To resolve her complaint, the consumer was looking for the seat or cover to either be repaired or replaced under warranty, at no cost to herself.

Response of accredited business

The vehicle manufacturer advised that the issue with the leather seat was not a manufacturing defect, and was due to the natural positioning of the material used during production, and that pure leather is a flexible material which tends to extend by friction.

As a result, the manufacturer said that they would not be able to conduct any repairs or replacements under their new car warranty, and could not provide a financial contribution in the circumstances raised.

Adjudication outcome

The adjudicator reviewed the evidence submitted by both parties, and remarked that photographs of the leather seat showed that it was definitely suffering from indentation that was deemed by the adjudicator to be very unnatural. In addition, as the issue became apparent within only three months of the vehicle being owned by Ms F, the adjudicator did not find that the fault with the leather seat was a result of wear and tear, but was instead, more likely to be due to the occurrence of a manufacturing defect.

Considering the facts of the case, the adjudicator concluded that the vehicle manufacturer had breached the New Car Code, and therefore upheld the complaint in Ms F's favour. Therefore, the adjudicator explained that the consumer was entitled to a full repair or replacement of the faulty seat on her vehicle, at no charge.

Conclusion

Both parties agreed to the adjudication outcome, and the case was closed.

3.3 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 covers around 75% of the extended vehicle warranty products sold annually, providing consumers with additional protection when taking out a policy with an accredited business.

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 2023.

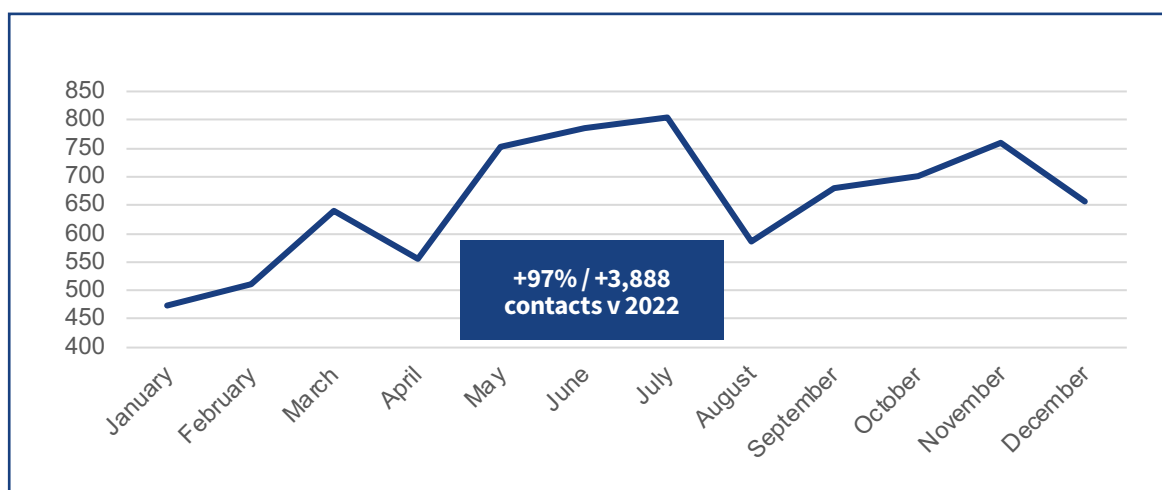
3.3.1 Vehicle Warranty Products Code performance data

	2021	2022	2023	Trend (2023 v 2022)
Consumer contacts	4,054	4,019	7,907	▲
Early resolutions	16	14	9	▼
Adjudication cases*	321	388	640	▲
Ombudsman final decisions	32	46	107	▲
Escalation rate (Contacts to cases)	8%	10%	8%	▼

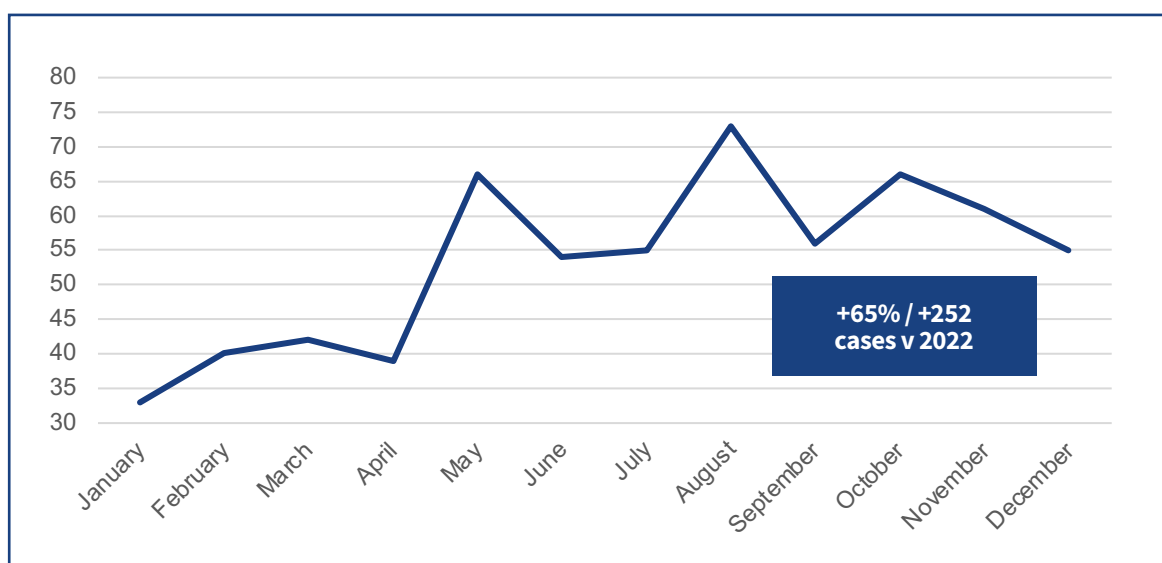
*The adjudication cases figure relates to the volume of cases passed to adjudicators for review.

3.3.2 Vehicle Warranty Products Code performance charts

Vehicle Warranty Code contact volumes by month (Jan - Dec 2023)



Vehicle Warranty Code case volumes by month (Jan - Dec 2023)



3.3.3 Vehicle Warranty Code performance analysis

Mirroring the trend seen across other Codes of Practice, consumer contacts in relation to an extended vehicle warranty policy nearly doubled (97%) in 2023 compared to the previous year (7,907 versus 4,019).

Warranty disputes that fell within the remit of The Motor Ombudsman for adjudication, also reported a 65% year-on-year rise, reaching their highest level in three years at 640. In contrast, the amount of cases suitable for early resolution declined slightly from 14 to 9.

Thanks to greater resource in the ombudsman team, and the streamlining of internal processes, a total of 107 final decisions were made in 2023 – a 132% rise compared to 2022, and was more than triple the volume recorded in 2021.

3.3.4 Vehicle Warranty Products Code cases by breach

Source of breach	2021	2022	2023	Trend (2023 v 2022)
1.0 Advertising	4%	2%	3%	▲
2.0 Point of sale	10%	8%	13%	▲
3.0 Clarity of information	36%	70%	59%	▼
4.0 Claims handling	40%	13%	16%	▲
5.0 Service Contracts, Guarantees and Non-insured Products	2%	1%	0%	▼
6.0 Insured Products	0%	0%	0%	—
7.0 Complaints handling	8%	6%	9%	▲

Consumer complaints relating to the Vehicle Warranty Products Code in 2023 resulted from the following principal breaches:

3.0 Clarity of information (59%)

- Warranty terms and conditions were not written in plain English, and were ambiguous or difficult to understand [3.1]⁵;
- The consumer was not fully informed about which components were and were not covered by the warranty product [3.4];
- The warranty provider did not require vehicles to be serviced in line with the manufacturer's recommendations [3.2]; and
- Where products specify the use of a manufacturer-approved repairer for regular servicing or for warranty work, this was not stated clearly [3.3].

4.0 Claims handling (16% of breaches):

- The warranty provider took too long to make a decision on the claim [4.2];
- The accredited business did not pay the costs, if covered by the warranty, either direct to the repairer or to the customer, if the repairer was outside of the accredited business's network [4.12]; and
- The accredited business did not clearly state whether its products covered the full labour rates of repairs carried out by manufacturer-authorised repairers for vehicles not purchased from a manufacturer-approved retailer or for vehicles purchased without a full retailer service history [4.4].

2.0 Point of sale (13%):

- If it appeared to the accredited business or retailers that the customer may not have understood a particular point, either prior to purchase or when making a claim, the accredited business (and the retailer) did not take reasonable steps to help the customer understand [2.10];
- The accredited business did not ensure that any complaint regarding the mis-selling of a product was investigated by the appropriate party [2.12]; and
- The consumer was not provided with appropriate information regarding key terms of the product(s) and cover prior to them signing a contract [2.2].

⁵ Numbers in brackets denote Code of Practice clause reference.

3.3.5 Vehicle Warranty Products Code case studies reviewed by ICAP

The following case studies in relation to The Motor Ombudsman's Motor Industry Code of Practice for Vehicle Warranty Products were reviewed by ICAP members to ensure that all adjudication outcomes and ombudsman final decisions were delivered correctly.

Note:

- This is a sample of the Vehicle Warranty Products Code cases reviewed by members of ICAP during 2023.
- The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.

Case 1: Consumer's claim

Vehicle age	8.5 years old
Vehicle mileage	61,000
Outcome	Not upheld
Award	None

Ms G purchased a used 14-plate hatchback with 59,000 miles on the clock from a dealership for £3,500 in November 2021, and took out a 12-month extended warranty for £195 at the same time, as she believed it covered the engine. The engine was running poorly after she had bought it, and the warning light went on and off on the dashboard after about three months, but never for more than a few seconds, so the consumer assumed it was more of an intermittent fault.

The vehicle was serviced by an independent garage in June 2022, where it was noted that the timing belt would need to be changed in two years' time. However, the engine

management light remained permanently on in October 2022, so Ms G contacted the warranty provider to make a claim to have the problem rectified under her policy that she bought the previous year. This was declined based on the fact that the problem was diagnosed as timing belt wear, and so was not covered under the terms of the warranty.

Ms G nevertheless disputed this, as she believed the timing belt was not due to be replaced until the car had reached 112,500 miles or 10 years of age, according to the vehicle manufacturer's manual. She also said that she deemed the part to be faulty, as she had only driven 2,000 miles in the first few months of owning the car.

The consumer accepted that she would be liable to cover 40% of the cost of repair totalling £4,500, but wanted the warranty provider to pay for the remaining portion, or that the vehicle manufacturer should issue a recall due to the timing belt only reaching half of its lifespan before being subject to a fault.

Response of accredited business

The warranty provider explained that they decided to commission an independent engineering inspector to provide them with as much information as possible in order for them to fully assess Ms G's claim. The report said, amongst other findings, that the engine was in a poor running condition, which was not uncommon with the unit found in the make and model concerned. The document also explained that there was no evidence of any physical component breakage, and that the fault was not considered to have been sudden in nature. This meant that the component, i.e. the timing belt, had been deteriorating over time, and so did not meet the breakdown terms of the customer's policy.

The business also pointed to the fact that, in her evidence submitted, "the engine management light went on and off after about three months, but never for more than a few seconds". Therefore, in addition to the evidence supplied by the inspection, it was deemed possible that the fault was pre-existing to the inception of the policy, and that Ms G continued to drive on a known fault for several months until, in the end, the wear on the timing belt resulted in a more expensive repair. On this point, the terms of the warranty stated that it did not cover pre-existing faults.

As a result, the warranty provider stated that it was justified in their decision to turn down the claim and not be liable for any of the repair costs.

Adjudication outcome

The adjudicator clarified that Ms G had the evidential burden of showing that the fault with the timing belt, and the engine in general, was covered by the terms of her warranty agreement that she took out when buying the hatchback.

Having considered the evidence, the adjudicator did not find that the evidence suggested that an unexpected or sudden failure of the timing belt had occurred. The consumer had stated that she had encountered the intermittent engine management light appearing on the dashboard, which may have been related to the eventual fault with the timing belt. This also suggests that on balance of probability, the issue might have existed before the inception of the policy, considering that the engine management light appeared so soon after the purchase of the vehicle.

The recommended course of action would have been for Ms G to have had the vehicle inspected immediately, which may have led to less costly repairs or eventual failure of the timing belt.

As such, the adjudicator found that the failure of the timing belt was not covered by the terms of the warranty, because it was likely to have been pre-existing, and was not a sudden or unexpected failure. This meant that Ms G's case was not upheld in her favour, and the warranty provider was not liable for covering the repair costs on behalf of the consumer.

3.3.5 Vehicle Warranty Products Code case studies reviewed by ICAP (continued)

Conclusion

Neither party disputed the outcome, and the case was closed.

Case 2: Consumer's claim

Vehicle age	6.5 years old
Vehicle mileage	98,000
Outcome	Partially upheld
Award	£313

Mr H bought a 16-plate compact executive coupé from a private individual for £9,000 in February 2022, and took out an extended warranty via a third party provider in April 2022, after being informed at the point of purchase that all mechanical failures would be covered by the policy.

In June 2022, the car broke down, and the warranty provider advised the consumer to have the vehicle recovered initially to his house for a cost of £120, as he was only six miles away, whilst the necessary investigation and repair bookings were made. Mr H then had to pay £120 again to have his car taken to a local garage, where he paid a further £72 for the diagnostics.

It was found that the wheel bearing had failed and required replacement, plus there was also a need for wheel alignment. Mr H put in a claim to the warranty provider, as this was a notable cost, but was declined shortly afterwards. He was also notified by friends and mechanics that the car was not safe to drive without being repaired, therefore meaning his vehicle was off the road.

As Mr H did not think his policy was fit for purpose, he was asking for a full refund for the warranty, for his expenses to date to be covered, plus compensation for loss of earnings for 30 days due to being unable to use the car. This equated to nearly £5,000, including the £241 cost of the new wheel bearing and wheel alignment, which Mr H also paid for.

Response of accredited business

After two separate calls from Mr H on 13th April 2022, The Motor Ombudsman-accredited warranty provider said that he then read and accepted the terms and conditions of the less expensive policy, which meant that vehicle recovery would be at the consumer's own cost.

A couple of months after taking out the warranty, the business said that Mr H called them on 21st June 2022 to let them know that he was taking his car in for a service, as it had started to make a noise. However, he was told by a mechanic not to drive the car, as it was unsafe. Despite the business offering to book the vehicle into one of their authorised repairers, Mr H then changed his mind, and enquired about the possibility of using a garage of his choice, and the business agreed with this, but stated that the cost of recovery and repairs would only be refunded to him in the event of a successful claim.

Nevertheless, Mr H decided not to do this, causing the first delay in getting his vehicle back on the road, and asked the warranty provider for assistance in booking his vehicle into one of their authorised repairers a week later. One day prior to the new appointment, the consumer cancelled it, to revert back to his original desire to take the car to Mr H's chosen garage. Therefore, the warranty provider requested a diagnostic report, and a cost estimate for the required repairs.

Another week went by, and Mr H contacted the warranty provider again to explain that his nominated garage could not look at his vehicle, and requested that the warranty provider's authorised repairer did this instead, which they duly did.

Eventually, on 12th July 2022, the vehicle was recovered to the garage, and was diagnosed as having a noisy wheel bearing, whilst four-wheel alignment would also be required. The total cost for this was £241 (including VAT).

Mr H proceeded with the repair, and asked the warranty provider to cover the cost, but they declined the claim on the basis that a breakdown must prevent the vehicle from continuing its journey, and that a noisy wheel bearing did not cause the vehicle to breakdown, and did not meet the terms of a sudden breakdown.

The consumer appealed this decision, but without any further evidence, the warranty provider was unable to come to a different conclusion. Therefore, the warranty provider said they were not liable for either covering the cost of the repair, or for compensating Mr H for any loss of income.

3.3.5 Vehicle Warranty Products Code case studies reviewed by ICAP (continued)

Adjudication outcome

The replacement of the wheel bearing

The adjudicator reviewed the evidence provided by both parties, and highlighted that Mr H had the responsibility of showing that the fault with the wheel bearing was covered under the terms of the warranty agreement.

The adjudicator ruled that Mr H's claim for the replacement of the wheel bearing was valid under the terms of the warranty agreement, because the vehicle had suffered a breakdown requiring recovery, and the component in question was covered under the policy, so upheld this element of the complaint. This meant that the warranty provider was obliged to cover the repair costs totalling £241, plus the cost of diagnostics (£72) – a total of £313.

Cancellation of the policy

The adjudicator stated that Mr H was beyond the 14-day cancellation period where a full refund could be offered. He also highlighted that, should the consumer still wish to cancel the policy, a refund would be subject to deductions and administrative charges upon requesting the termination of the policy. This element of the complaint was classified as not being upheld.

Compensation for loss of earnings and use of the vehicle

The adjudicator stated that The Motor Ombudsman does not award compensation for losses that are not easily quantifiable, such as time and stress. However, he also clarified that if there is a demonstrable financial loss due to the actions of an accredited business, this can be awarded back, but would not constitute compensation. As it stood, this element of the complaint was also not upheld.

Conclusion

Both parties agreed with the adjudication outcome of a partial uphold, and Mr H was refunded the monies due. The case was then closed.



3.3.5 Vehicle Warranty Products Code case studies reviewed by ICAP (continued)

Case 3: Consumer's claim

Vehicle age	6.5 years old
Vehicle mileage	87,000
Outcome	Partially upheld
Award	An apology

Ms I purchased a used 66-plate diesel compact SUV on 8th February 2018, and took out an extended warranty policy at the same time. In January 2023, when she was approximately 150 miles from home, the turbo on her vehicle failed without notice, and there were no warnings that had previously illuminated on the dashboard, or any noises to suggest something was wrong.

The car was recovered to her local dealership where a claim was made to have the cost of the repairs covered under the policy, estimated to be around £4,000. The warranty company sent an inspector to have a look at the car, and denied the claim on the basis that Ms I would have seen fault codes that should have provided ample warning of potential issues with her vehicle, and that there would have been noticeable increases in noise accompanying the failure.

The consumer appealed against this decision, as Ms I had not seen any fault codes or warning lights, or heard any sounds that were untoward prior to her car breaking down. She also explained that a diesel vehicle would inherently emit a certain level of noise, which combined with other external factors, prevented her from detecting any abnormal sounds originating from the turbocharger.

Ms I equally said that the dealership had informed her that, even if the two disputed error codes were present, they would not have contributed to the turbo's malfunction. Furthermore, they had not identified any issues with the diesel exhaust fluid, and their previous routine health check did not spot the specific fault codes that the warranty business had cited within their inspection report.

In summary, Ms I believed that the warranty provider had not fairly assessed her claim, and was looking for the business to honour the terms of the warranty Policy, as the circumstances surrounding the breakdown met all the policy's terms.

Response of accredited business

In response to the consumer's complaint, the warranty provider stated that an independent and qualified automotive engineer inspected the vehicle, and concluded that the initial cause of the turbo failure was low level or poor-quality diesel exhaust fluid. As a result, this caused the Diesel Particulate Filter (DPF) to be blocked and prevented the self-regeneration process, leading to subsequent damage to the turbocharger.

The engineer added that the fault with the turbo was likely to have been aggravated due to the vehicle being driven-on after the problem was more than likely to have been apparent to the driver. In this case, the warranty provider said that they would only be liable for the reasonable repair costs the engineer believed would have resulted from the vehicle being taken out of use at the earliest opportunity.

The business mentioned that Ms I had provided further evidence in the form of fault codes, and these were again passed to the independent engineer who responded that this was further evidence the vehicle had been driven in a failed state.

In view of the above, and noting the vehicle was inspected by a qualified engineer, the business was satisfied that the claim was declined in line with the terms and conditions of the warranty, and that there had been no breach of The Motor Ombudsman's Vehicle Warranty Products Code. Therefore, no further assistance could be provided to Ms I.

Adjudication outcome

The adjudicator pointed out that Ms I had the responsibility of showing that the failure of her vehicle was covered under the extended warranty. The adjudicator also noted that the warranty policy did not exclude consequential damage, even if the car suffered a breakdown of listed components due to wear and tear.

Application of unfair terms

The adjudicator also remarked that there was an unfair application of terms by the warranty provider, where an exclusion clause contained within the consumer's policy, gave the business unilateral authority to their appointed engineer to make determinations on all warranty claims, which was seen in practice when Ms I appealed the decision. At this time, the warranty provider had merely reiterated their appointed engineer's findings and did not address Ms I's valid arguments concerning how the faults would have been apparent to her.

It was equally apparent to the adjudicator that the contractual framework set up by the warranty provider, coupled with their subsequent handling of Ms I's appeal, had failed to meet the overarching principles of fairness, transparency, and consumer protection required by the Consumer Rights Act 2015.

As a result, the warranty provider was found to be in breach of the Vehicle Warranty Products Code, for not providing an effective response to Ms I's complaint.

3.3.5 Vehicle Warranty Products Code case studies reviewed by ICAP (continued)

The unsuccessful warranty claim

In regards to the declining of the coverage of the repairs to Ms I's vehicle by the warranty provider, the adjudicator found that the consumer did not have a valid claim in this instance, as the established fault code data reasonably suggested that there would have been warning lights present on the SUV's dashboard, alerting Ms I to potential issues with the diesel exhaust fluid that could have been addressed prior to the breakdown.

Based on the course of events that had occurred, the warranty company was asked to make a formal apology to Ms I, addressing the manner in which they responded to her appeal, and for the business to carry out a comprehensive review of their policy terms, particularly those related to the exclusion clause utilised in rejecting Ms I's claim, as it deviated from the principles outlined by the Consumer Rights Act.

Conclusion

Both parties accepted the adjudication outcome, and the case was closed.



3.4 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.⁶

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 2023.

3.4.1 Vehicle Sales Code performance data

	2021	2022	2023	Trend (2023 v 2022)
Consumer contacts	45,821	27,305	78,759	▲
Early resolutions	289	181	116	▼
Adjudication cases*	2,652	2,958	4,289	▲
Ombudsman final decisions	228	316	634	▲
Escalation rate (Contacts to cases)	6%	11%	5%	▼

* The adjudication cases figure relates to the volume of cases passed to adjudicators for review..

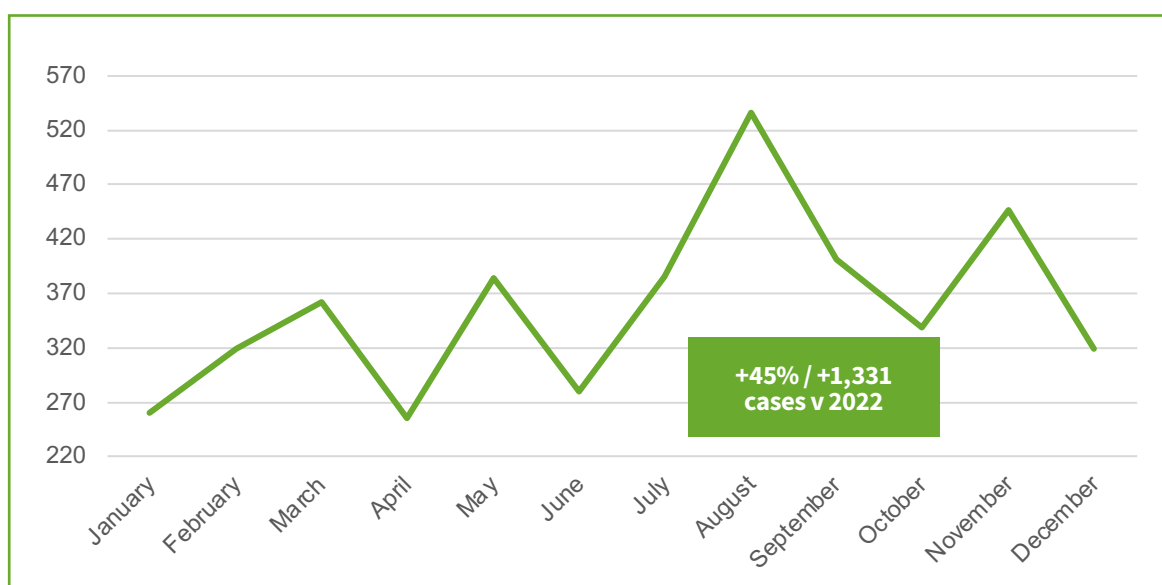
⁶ www.TheMotorOmbudsman.org/garage-finder

3.4.2 Vehicle Sales Code performance charts

Vehicle Sales Code contact volumes by month (Jan - Dec 2023)



Vehicle Sales Code case volumes by month (Jan - Dec 2023)



3.4.3 Vehicle Sales Code performance analysis

Consumer contacts received by The Motor Ombudsman in relation to a new or used vehicle purchase make up the highest proportion of contacts seen by the organisation on an annual basis. In fact, against the backdrop of the widely-reported financial pressures on households, 2023 saw a significant 188% increase in contacts coming into The Motor Ombudsman's dispute resolution service in 2023 (**78,759**) versus 2022 (27,305), with enquiries peaking at 8,940 for a single month in November.

In line with the trend witnessed for incoming contacts, the number of cases accepted for adjudication also saw a marked rise, accelerating from 2,958 in 2022, to 4,289 in 2023 – a jump of 45%. Early resolutions in comparison, saw a small year-on-year decline from 181 to **116**.

Ombudsman final decisions delivered to consumers and businesses doubled in 2023 (**634**) versus the number seen in 2022 (316).

3.4.4 Vehicle Sales Code cases by breach

Source of breach	2021	2022	2023	Trend (2023 v 2022)
1.0 Advertising	5%	5%	7%	▲
2.0 Presentation of used cars for sale	9%	8%	7%	▼
3.0 Presentation of new cars for sale	1%	1%	1%	–
4.0 The vehicle sales process	6%	5%	8%	▲
5.0 Provision of warranty products	2%	2%	1%	▼
6.0 Provision of finance products	0%	0%	0%	–
7.0 Quality of a vehicle at the point of purchase	34%	32%	33%	▲
8.0 Aftersales support	36%	44%	38%	▼
9.0 Complaints handling	7%	3%	5%	▲

Consumer complaints relating to the Vehicle Sales Code in 2023 resulted from the following principal breaches:

8.0 Aftersales support (38% of breaches):

- The consumer was not made aware of the aftersales support available by the vehicle retailer [8.1]⁷;
- The aftersales support and accredited business's facilities did not operate in line with The Motor Ombudsman's Motor Industry Code of Practice for Service and Repair [8.3]; and
- The accredited business did not meet its legal obligations to the consumer [8.5].

7.0 Vehicle purchase quality (33% of breaches):

- 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];
- The consumer did not receive a full documented handover regarding the operation of the vehicle and associated documentation made available to the accredited business [7.2]; and
- Documents supplied with vehicles, including invoices and sales literature, were not presented and written in plain English [7.3].

4.0 The vehicle sales process (8% of breaches):

- Staff were not clear on the specifics of their vehicles and sales processes, including the terms of any contractual documents [4.3];
- Staff did not use their knowledge and experience to help a customer make their purchase decision [4.2]; and
- The accredited business did not agree a mutually acceptable delivery date and time with the customer at the time of the sale [4.10].

⁷ Numbers in brackets denote Code of Practice clause reference.

3.4.5 Vehicle Sales Code case studies reviewed by ICAP

The following case studies in relation to The Motor Ombudsman's Motor Industry Code of Practice for Vehicle Sales were reviewed by ICAP members to ensure that all adjudication outcomes and ombudsman final decisions were delivered correctly.

Note:

- **This a sample of the Vehicle Sales Code cases reviewed by members of ICAP during 2023.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

Case 1: Consumer's claim

Vehicle age	7 years old
Vehicle mileage	88,000
Outcome	Not upheld
Award	None

Mr J bought a used diesel 65-plate estate in November 2019 from a franchise dealership. Three days before collecting the car, he received an e-mail from the salesperson confirming the purchase, and stated that the engine management light had illuminated on the dashboard, but assured the consumer that the workshop would look into this, and that it was not considered to be anything serious. On the day of handover, the sales representative reassured Mr J once again that the source of the error had been fixed, and that there were no further concerns.

Nevertheless, after driving off the forecourt, the engine management light came on that same evening. Mr J therefore contacted the business about the problem the following morning, and as the car was still under warranty, they explained they would fix it.

Mr J took his car back as directed, and after an investigation, he was told that it could be a sensor issue, but no faults were found, and the warning light was duly reset. The consumer therefore carried on driving, but the warning light reappeared in a matter of days, so on this occasion, the retailer gave Mr J a loan vehicle whilst the car was in the workshop. The diagnostics revealed no errors, but the business said the consumer could return if the issue persisted.

After picking the car up, it was not just the engine management warning light that came on, but this was joined by a braking malfunction, and a diesel particulate filter (DPF) error. Mr J returned to the dealership on another two occasions to have a sensor and hoses replaced at no cost under warranty. The warning lights unfortunately returned, and on this occasion, it was deemed that the turbo was at fault. Mr H was asked for a contribution towards the cost, but after appealing against this, the part was replaced at no charge, and he thought all issues were finally fixed.

Nevertheless, the warning lights came back on shortly afterwards, and at this point, the dealer was less willing to help according to Mr J, and was told that the car's warranty had also expired by this time. However, the DPF was cleaned and replaced as a gesture of goodwill, as it was deemed by the business that the issues stemmed from the DPF filter. The warnings lights were reset, but yet again, they came back on just a week later.

Mr J went back a number of times, and even paid £329 for a new shutter valve which failed to fix the problem. On the final visit, the consumer was informed that the issue was a known fault on his make and model of car, and the business explained that the heads of the pistons should be round in appearance, but in his case, some of them were becoming more crescent-shaped, because debris was getting into the engine. Due to it being estimated that it would cost thousands of pounds to repair, there was no possibility of goodwill, leaving Mr J with a car that he considered too dangerous to drive in its current state, and that he was continuing to make finance repayments on.

As a resolution to his complaint, Mr J was ideally looking to reject the car for a full refund of the sale price, as he believed he was knowingly sold a vehicle with a technical fault. In total, the consumer claimed he had made over 20 visits to the business since taking ownership of the car, along with 150 phone calls to get to the bottom of the issue.

Response of accredited business

The managing director of the dealership explained that this was the first time that he had seen the complaint from Mr J when he was contacted by The Motor Ombudsman about what had happened. He also said that over the course of three years since buying the car, Mr J had only paid for servicing, tyres and wiper blades, and had some warranty work undertaken with them during the three years of ownership, but had not incurred any costs in relation to this. As a result, he did not think that the consumer had any grounds for which to reject the vehicle, and was not able to provide any further assistance to the consumer.

3.4.5 Vehicle Sales Code case studies reviewed by ICAP (continued)

Adjudication outcome

The adjudicator stated that, in order for The Motor Ombudsman to review a complaint, the consumer must have given a business up to eight weeks to provide a final response to their dispute, and attempted to solve the issue directly in the first instance.

The adjudicator noted that Mr J stated that he had exhausted the business's complaint process, but in response, the dealership stated that they were unaware of it. When looking at the evidence and the correspondence provided by the consumer, it became apparent that he had actually raised the dispute with the vehicle manufacturer a year after last making contact with the dealership.

As this did not meet the requirements for this sales complaint to be considered for Alternative Dispute Resolution, the adjudicator could not uphold the dispute in Mr J's favour, and the case was closed with no further investigation.

Conclusion

Although Mr J was disappointed with the outcome, no further action was taken by either party.



3.4.5 Vehicle Sales Code case studies reviewed by ICAP (continued)

Case 2: Consumer's claim

Vehicle age	3 years and 9 months old
Vehicle mileage	23,700
Outcome	Partially upheld
Award	An apology

Ms K purchased a used 67-plate crossover SUV (registered in February 2018) from a franchise car dealership in May 2021 when the car was just over three years of age. At the time of sale, the consumer made the salesperson aware that the tyres were quite worn, and that the brake discs were rusty. They replied by saying that the tread depth was within legal limits, and the rust was due to the car not being driven for a while. The sales representative also mentioned that the vehicle had passed all the necessary multi-point checks specified by the manufacturer to be classed as an Approved Used car. Ms K therefore had no concerns about the vehicle based on what she had been told, and proceeded with the purchase.

After owning the car for around five months, and having driven about 1,000 miles, Ms K had to take it in for a service in October 2021. She used a local dealership rather than where she bought the car, and they replaced the turbocharger under warranty at this point, but the vehicle health check highlighted the tyres and front brakes as 'red', meaning they required replacement. This is because the tyres were worn with cracks from cold and had cords exposed, with the front brake discs corroded and heavily 'lipped' ('lipping' occurs naturally where the contact between the brake pads and brake discs is not even).

These components were not covered under warranty, and Ms K was quoted £1,000 to have these parts changed. When the consumer asked whether she could have been responsible for the degree of wear to these components in less than six months of driving, the business replied that it was not feasible. They stated that it was down to their pre-existing condition of the car, especially due to cracks in the tyres that can only happen with cold weather (i.e. not during the summer months when Ms K has taken ownership).

The consumer then asked if her car adhered to the stringent checks of the Approved Used programme, and the business explained that they would have never sold a car in the condition displayed by the consumer's vehicle. When the selling dealership was contacted to cover the cost of the repairs, they refused.

As Ms K felt disappointed in the dealership for selling her a car in poor condition, and the fact that the manufacturer could not guarantee the same quality of standards between retailers, she was looking to have the front brake discs and all four all-weather tyres replaced at no cost to herself as a fair resolution to her complaint.

Response of accredited business

In response to the receipt of the complaint, the selling dealership responded by saying that at the time that Ms K's vehicle was prepared for sale in April 2021 with 22,500 miles on the clock, a health check was conducted, and two of the tyres in question were marked as 'slightly perished' by a technician who was also an MOT tester. Similarly, the brake discs were noted as being slightly rusty, but were not deemed to require replacement.

The business added that the condition of the tyres and brake discs at the time of sale would not have been an advisory on an MOT, but would have been marked as an advisory to their sales department.

They added that there was a request in November 2021 from the repairing dealership to change the tyres and brakes on Ms K's car. However, given the few months that had passed, and the fact that Ms K had driven nearly 1,200 miles during this time, they were unable to approve the replacement of the parts at no charge.

The selling dealership added that the further perishing of the tyres and rusting of the brake discs since purchase, was in their opinion, caused by the minimal mileage that this vehicle had covered during Ms K's ownership – an average of 42 to 49 miles per week. The business also explained that, had the vehicle been driven more, then a build-up of rust and the additional deterioration of the tyres would have been avoided. On this basis, they were not able to provide any assistance to Ms K with respect to the repairs.

Adjudication outcome

The adjudicator reviewed the evidence provided, and pointed out that brake discs are essentially bare metal exposed to natural weather conditions, so they are subject to corrosion over time. He also stated that for low mileage users, corrosion can be more prominent and get worse, but that this tends to not be deemed a fault, but an accelerated part of the wear and tear process due to less usage.

At the point the faults were highlighted, Ms K's vehicle had a recorded mileage of 23,674 miles which was just 1,186 miles from the point of purchase. Over a 12-month period of ownership, this would equate to 2,846 miles, which the adjudicator said, fell below the expected mileage per year to keep a vehicle in good condition. The adjudicator added that the average annual car mileage in the UK in 2021 was 7,400 miles.

3.4.5 Vehicle Sales Code case studies reviewed by ICAP (continued)

Taking this into account, and the fact that there was insufficient evidence demonstrating that the faults reported by Ms K were inherent from the point of sale, the adjudicator concluded that the car met the standard a reasonable person would deem of satisfactory quality from the point of sale.

On the balance of probabilities, the adjudicator said that it was more likely that the issues Ms K encountered were down to wear and tear, which developed at an accelerated rate due to a lack of usage of the vehicle.

In summary, based on the evidence presented, the adjudicator was unable to uphold the consumer's complaint as no breach of the Vehicle Sales Code had been identified.

Ms K disagreed with the outcome, and requested a final decision from an ombudsman, from the perspective that the vehicle health check completed by the selling business, was inaccurate as the tread depth was around the same depth as the check by the repairing dealership. As such, the consumer believed that the seller underestimated the faults on the vehicle.

The consumer also argued that the level of rust present on the brake discs should not have accumulated in only a few months. She also said that she felt misled by the vehicle manufacturer's Approved Used programme, as the vehicle was only checked by franchise dealer technicians, rather than by those from the vehicle manufacturer themselves.

Ms K also disputed the adjudicator's conclusion that the vehicle was not driven enough. The consumer highlighted that she had requested confirmation about whether the vehicle should be driven further, or more frequently to prevent rusting on the brakes.

In addition, the consumer complained that, despite the selling dealership having evidence of the health check completed prior, to sale, they had not provided it to her, but was an excerpt instead.

Ombudsman's final decision

The ombudsman said that he was provided with evidence that showed that the vehicle was subject to a multi-point check by the selling dealership. Furthermore, from examining the MOT, the ombudsman deduced this check was more accurate than the health check conducted by the repairing dealership.

The ombudsman remarked that lipped and/or corroded brakes and perished tyres did not automatically indicate the vehicle was unroadworthy. In this instance, there appeared to have been no detriment to the consumer by the retailer selling the vehicle in this condition. Therefore, the ombudsman ruled that the vehicle was correctly sold in the expected 'approved used' standard, which meant that the repairs suggested by the repairing dealership were not deemed necessary, and could not be awarded at no cost to the consumer.

Ms K argued that it was unfair that the selling dealership had withheld the pre-sale checklist until she raised her complaint with The Motor Ombudsman, but the ombudsman did not find that this was likely have affect Ms K's transactional decision.

Similarly, with the lipping on the brakes, the ombudsman agreed that this should have been disclosed to Ms K at the point of sale, but as the vehicle was roadworthy, and following a similar theme to the corrosion of the brakes and condition of the tyres, Ms K would likely not have been in a position to secure a discount for this. able to barter for any discount. The ombudsman was therefore satisfied that, a failure to disclose this information did not affect her ability to make an educational transactional decision, or affect the overall presentation of the vehicle. Instead, this was classed as a 'misleading omission'.

Therefore, on this basis, the ombudsman partially upheld the consumer's complaint, and an awarded an apology from the seller for failing to notify Ms K about the lipping on the brakes, and failing to provide the pre-sale checklist prior to the consumer's purchase of the car.

Conclusion

The consumer accepted the final decision, and a formal apology addressing both of the points raised by the ombudsman, was issued. The case was then closed.

3.4.5 Vehicle Sales Code case studies reviewed by ICAP (continued)

Case 3: Consumer's claim

Vehicle age	1.5 years old
Vehicle mileage	11,000
Outcome	Partially upheld
Award	Free-of-charge repair and offer of £150 in goodwill

Ms L purchased a used 21-plate hybrid SUV in July 2022 for £45,000 from a franchise dealership. At the handover of the vehicle, the consumer noticed that it had a large chip in the front windscreen, even though the car had been subject to a full service before Ms L collected it.

She was then asked by the business to use her own car insurance to have the windscreen repaired, which she declined to do, as she didn't think it was her responsibility to rectify it. Ms L also subsequently found out that the windscreen had previously been repaired on another occasion prior to sale, but claimed she was never informed about this.

The dealership agreed to change the windscreen at no cost following Ms L's complaint, but the consumer said that she had not received any documentation in relation to the three-year warranty for the replacement part.

As a resolution to her complaint, Ms L was looking for the dealership to be accountable for the sub-standard level of service given, to provide £1,500 in financial compensation for the emotional distress caused and having to take a day of work as a self-employed person to sort out the issues, and for the business to offer an apology. She also wanted to ensure that the dealership provided the correct paperwork following the installation of the new windscreen.

Response of accredited business

Prior to receiving a formal complaint from Ms L, the business explained that they had already taken responsibility on numerous occasions for the poor level of service that the consumer felt that they received. They also apologised for not meeting Ms L's expectations.

The dealership said that they did not feel that Ms L had been inconvenienced in any way or suffered financial loss during the process of rectifying the issues with her vehicle, and at the time, the business offered a goodwill gesture of £150, which was declined by the consumer.

The business equally acknowledged that the crack in the windscreen was an oversight on their part, and they tried to solve the problem as quickly as possible, and on several occasions provided a courtesy vehicle for Ms L to use to keep any disruption to a minimum. The dealership said they had received the paperwork that the consumer required to send on to Ms L, and investigated internally why it took so long to provide this documentation.

Following the remedial actions taken, the business was not able to offer anything more than the assistance provided to Ms L.

Adjudication outcome

After reviewing the evidence, the adjudicator stated that it was not disputed by either party that there was damage to the windscreen of the car sold to Ms L in July 2022, that this damage ought to have been noted and rectified before the sale was completed, or that the failure to do so resulted in otherwise avoidable return journeys to the dealership and inconvenience to the consumer while the windscreen was replaced.

The adjudicator noted that the dealership took full responsibility for what had happened, including replacing the windscreen at no charge, and apologised for the shortcomings in their service.

The adjudicator was therefore satisfied with the actions the dealership had taken to put things right post-sale as per its obligations under the Vehicle Sales Code, and therefore recommended no further actions needed to be taken in this case.

Conclusion

No response was received from Ms L following the issuing of the final decision, and the case was closed.

SECTION 4:

Business compliance monitoring

- 4.1 Online self-assessments and physical audits
- 4.2 Managing non-compliance
- 4.3 Accredited business suspensions in 2023
- 4.4 Accredited business expulsions in 2023
- 4.5 The 2023 enhanced compliance process
- 4.6 CTSI compliance
- 4.7 Compliance with the Ombudsman Association's Service Standards Framework
- 4.8 Delivery of bespoke webinars



SECTION 4: Business compliance monitoring

Business compliance monitoring remained a core focus in 2023. During the year, 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.

4.1 Online self-assessments and physical audits

4.1.1 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 to demonstrate that they are compliant with the requirements of the Code(s). The section below excludes any assessments in relation to Vehicle Warranty and New Car Code-accredited businesses.

The assessment 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.

During 2023:

- ▶ **643** online self-assessments were completed for Service and Repair Code-accredited businesses.
- ▶ **271** online self-assessments for Vehicle Sales Code-accredited businesses were undertaken.

In the event of incomplete self-assessments, further guidance is provided by The Motor Ombudsman to resolve any outstanding requirements and queries, in order for the evaluation to be completed by businesses.

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. In agreement with CTSI, no physical on-site audits were carried out during 2023.



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 2023

Following a review of cases by the Independent Compliance Assessment Panel (ICAP), there were **no business suspensions** in 2023.

4.4 Accredited business expulsions in 2023

Following a review of cases by the Independent Compliance Assessment Panel (ICAP), there were **no business expulsions** in 2023.

4.5 The enhanced compliance process

Following an internal assessment of The Motor Ombudsman's compliance programmes in 2022, it was determined they continued to provide the required levels of oversight and intelligence. However, in an attempt to make these processes simpler to administer internally, and clearer for accredited business to follow, a cross-departmental working group was established in 2022, and its work continued in 2023.

The overall objective of this initiative was to reduce the number of 'touchpoints' throughout the compliance process, and to cut the average time to resolve compliance escalations.

Whilst only resulting in slight changes to the way these escalations are managed, the greater use of The Motor Ombudsman's specialised contact team earlier in the process, has continued to see positive results. This has equally helped prevent the need for referrals to The Motor Ombudsman's compliance department, and resulted in a clear increase in accredited business engagement throughout the ADR process.

In addition, disputes can be closed sooner, thereby allowing the compliance department to focus greater resource on a fewer number of escalations, and to turn their efforts to further improving The Motor Ombudsman's reporting and closer scrutiny protocols. This work will remain ongoing in 2024.

4.6 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. In addition, they are also 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 2024.

4.7 Compliance with the Ombudsman Association's Service Standards Framework

The OA's Service Standards Framework came into effect in May 2017. It provides 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 2023, The Motor Ombudsman (TMO) undertook the following actions in-line with the five measures detailed within the Service Standards Framework.

1 Accessibility	<p>TMO:</p> <ul style="list-style-type: none"> ✓ Introduced the vulnerability and accessibility dashboard ✓ Launched an internal vulnerability toolkit for staff ✓ Updated the Accessibility page on its website ✓ Starting to report on service-level agreements (SLAs) to members of the Panel
2 Communication	<p>TMO:</p> <ul style="list-style-type: none"> ✓ Continued work on identifying pinch points; ✓ Explored the amplification of effective communication methods with consumers via a third-party telephony provider, and; ✓ Investigated the funding and development of an Artificial Intelligence (AI)-based communication tool
3 Professionalism	<p>TMO:</p> <ul style="list-style-type: none"> ✓ Launched peer reviews in line with Quality Assurance metrics, and implemented new management dashboards to deliver feedback to staff for possible areas of improvement
4 Fairness	<p>TMO:</p> <ul style="list-style-type: none"> ✓ Delivered in-person mechanical training to upskill staff in new technologies, and to enhance the understanding of new starters in mechanical components and processes, to allow for more robust decision-making processes ✓ Updated policies, booklets and guidance notes for staff use
5 Transparency	<p>TMO:</p> <ul style="list-style-type: none"> ✓ Added another 24 Code of Practice case studies to its website, giving even greater insight into its adjudication outcomes and final decisions, and approaches; and ✓ Ran four consumer protection and law workshops with manufacturers, warranty providers, and franchise dealer groups to improve understanding of consumer law and the effective management of disputes ✓ Undertook a gap analysis to identify areas of improvement for Knowledge Base content, as well as writing new articles to assist consumers and businesses with additional information on key areas during the vehicle purchase and ownership experience

4.8 Delivery of online webinars and seminars

During the course of 2023, The Motor Ombudsman hosted free online webinars and seminars for accredited and non-accredited businesses, touching on key subjects impacting the automotive sector. They were as follows:

- ▶ **April:** The impact of the cost of living crisis on the automotive sector.
- ▶ **May:** Annual Automotive Law Update (in partnership with Radius Law).
- ▶ **July:** The most common complaints raised by consumers to The Motor Ombudsman.
- ▶ **September:** The latest trends in electric vehicle (EV) complaints.
- ▶ **November:** Automotive and Business Legal Review (in partnership with Radius Law and Grant Thornton).



SECTION 5:











ICAP member comments




SECTION 5: ICAP member comments

The Panel's remit includes reviewing annual performance, case handling and sanctions. It also looks at resources and guidance produced by The Motor Ombudsman to assist consumers and accredited businesses.

After reviewing this report, the Panel remarked that:

-  The offer of mediation to resolve disputes quickly and informally is a most welcome addition to The Motor Ombudsman, and aligns with new provisions where consumers take issues to court;
-  It is important that The Motor Ombudsman has agreements with other Ombudsmen or ADR providers where their coverage overlaps to ensure ease of access for consumers. In the case of The Motor Ombudsman, there would be a benefit to align mileage allowance deductions, whilst respecting the independence of each service;
-  They hope to see the impact of the consumer law and dispute handling training sessions that The Motor Ombudsman delivered to businesses in 2023, reflected in a reduction of reasons for complaint across the Codes;
-  The cause for complaints across the Codes of Practice may suggest that businesses might benefit from a session on the value of using plain English for consumers;
-  There was no increase in consumer awareness of The Motor Ombudsman (at 48%), and this remains lower than the 51% figure recorded in 2021 – 51%);
-  Age and gender play a key part in consumer awareness, as highlighted by the findings of the research. However, the number of consumers accessing The Motor Ombudsman's website increased year-on-year by nearly 20% (from 721,000 unique users in 2022 to 850,000 in 2023), suggesting there is growing awareness / usage of The Motor Ombudsman's ADR service;
-  More consumers said they feel more confident using a Motor Ombudsman-accredited business for a vehicle purchase or repair, at 85% – a 6% increase versus the figure seen in 2021;
-  Total complaints about The Motor Ombudsman's level of service were up by 170 year-on-year. Despite the rise in contacts, and the increase in Tier One complaints, the number of Tier Two complaints dropped from 41 in 2022 to 32 in 2023;
-  Noted areas for improvement in the service provided by The Motor Ombudsman in 2024 were quicker timescales for communications and dispute resolution; and
-  There was a change in case outcomes during 2023, as the percentage of cases upheld in favour of the consumer (51%) was greater than the proportion upheld in 2022 (37%), and was slightly larger than those in favour of the business in 2023 (47%).

Accredited business auditing

-  No physical on-site audits were carried out during 2023.

Non-compliance

-  There were no business expulsions or suspensions from The Motor Ombudsman's Codes of Practice during 2023.

Compliance with CTSI and OA Service Standards

-  Through a regular reporting and monitoring protocol, ICAP believes that The Motor Ombudsman is compliant with the aforementioned service standards, as stipulated.

Panel members also noted the following for each of The Motor Ombudsman's four Motor Industry Codes of Practice:



- It is encouraging to see a reduction in the percentage of disputes about complaints handling, and the standard of work provided by businesses
- There was a 114% increase in contacts in 2023, with peaks seen during the months of August and November
- Mirroring previous years, the quality of work was the most complained about aspect by consumers (at 66% of breaches), followed by the booking-in process at 19%, which included the explanation to customers of work required, and the potential repair options



- Manufacturer new car warranties continued to be the main reason for complaints, reflecting the value consumers put on these, and the expectations they have of new car warranties
- That the number of early resolutions had dropped from previous years. This could be due to factors, such as the cost of living crisis, or businesses / consumers being less likely to settle disputes prior to formal adjudication
- June attracted the most contacts, and 72% of breaches concerned the manufacturer's warranty, followed by the business's complaints handling process at 14%



- User research on the end-to-end consumer journey for a vehicle warranty product might help inform how to improve the main reasons for complaints e.g. clarity of information, claims handling, and the point of sale
- Consumer contacts significantly increased over 2022 figures, along with the number of adjudications and final decisions
- Although clarity of information was previously noted as the largest breach, it was down to 59%, from 2022's 70% figure
- Point of sale and claims handling were in second place, at 13% & 16% of breaches respectively



- A quick win to eliminate a reason for complaints, looks to be businesses making sure they provide a full documented vehicle handover to consumers
- The number of consumer contacts were up 188% on the 2022 volume, at 78,000 in 2023 versus 27,000 the previous year. It should be noted that at least 50% of these were related to businesses that were not accredited to The Motor Ombudsman
- Aftersales support was the most complained about aspect at 38% of breaches, followed by the condition of a vehicle at the point of sale (33%)



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