

The Motor Ombudsman

Annual Report 2019



**THE MOTOR
OMBUDSMAN**

Contents

Foreword from the Chief Ombudsman and Managing Director	3
1. About us	4
2. Our Mission, Vision and Values	4
3. Our core roles within the automotive sector	4
4. How we remain impartial as an Ombudsman	5
5. Our four Motor Industry Codes of Practice	6
6. Our five key strategic imperatives	7
7. Our year in numbers	9
8. Activity highlights by month	10
9. Overview of our key activities in 2019	11
10. Consumer contact volumes by Code (2017 – 2019)	13
11. Adjudication case volumes by Code (2017 – 2019)	14
12. Ombudsman final decisions by Code (2017 – 2019)	20
13. Case outcome breakdown	21
14. Annual consumer survey highlights	22
15. Consumer complaints about The Motor Ombudsman	29
16. How complaints to The Motor Ombudsman are being addressed	32
17. Positive consumer testimonials about The Motor Ombudsman	33
18. Annual accredited business survey highlights	34
19. Accredited business compliance	35
20. Staff engagement, learning and development – key initiatives	38
21. The Motor Ombudsman Accounts: Finance Report	39
22. Our vision for 2020	41
Appendices	42
A1. The Motor Ombudsman’s Alternative Dispute Resolution process	43
A2. Benefits of The Motor Ombudsman for consumers and businesses	44
A3. Code of Practice performance summary	45
A4. Case studies - adjudication outcomes and final decisions	54
Contact	55

Foreword from the Chief Ombudsman and Managing Director



I am pleased to present the Annual Report and Accounts for The Motor Ombudsman, for the year ending 31st December 2019.

Our third full year as the Ombudsman dedicated solely to the automotive sector has been extremely busy. We responded to over 56,000 phone calls from consumers throughout 2019, and processed around 35,000 e-mails. To put this into some kind of perspective, this equates to a combined average of 250 contacts from motorists being handled every single day.

To continue to meet the needs of consumers and accredited businesses, we made a series of strategic changes to the way that we operated in 2019. We increased our recruitment programme within our customer service and dispute resolution teams, and introduced new job roles and responsibilities to ensure that we have the right calibre and volume of staff to meet the rising demand for our service. We also implemented further efficiencies in the way that we handle enquiries and cases, and upgraded our back office systems as part of our ongoing investment in our case management infrastructure.

Our staff are of course our most important asset and, during 2019, we improved our ability to recruit and nurture talent, and grew our learning and development capabilities with the appointment of a dedicated HR and employee engagement specialist. Having a highly diverse workforce is also of significant value to The Motor Ombudsman, as greater cultural awareness allows us to empathise more with the customers that come to us from a broad range of backgrounds.

Furthermore, in 2019, we marked 10 years of the Motor Industry Code of Practice for Vehicle Warranty Products, which was established under our predecessor Motor Codes. With circa 70% of vehicle warranty providers now accredited to the Code, it gives peace of mind to around two million policy holders, thereby giving them the reassurance that they have The Motor Ombudsman to call on should a dispute arise.

As we have evolved, so has the automotive industry, and with zero emission vehicles rising quickly to the top of the motoring agenda in the UK, we expanded our website to ensure that we provide the key information to the public on this fast growing sector. In addition, we enhanced our newly-introduced online Knowledge Base with a category dedicated to electric vehicles, and unveiled a new feature on our Garage Finder to allow customers to find a local business that can service electric or hybrid vehicles.

With our attention now turning to the start of a new decade, and with our workforce having tripled since our launch in 2016, next year will be an opportunity for us to ensure that our Mission, Vision and Values meet the fast-changing environment, both within our business, and across the automotive industry as a whole.

Bill Fennell

1. About us

The Motor Ombudsman is a fully impartial Ombudsman dedicated solely to the automotive sector. It self-regulates the UK’s motor industry through four comprehensive Chartered Trading Standards Institute (CTSI)-approved Motor Industry Codes of Practice , providing whole market support. The Codes are designed to drive improved standards of work and service, and give today’s consumers added protection, peace of mind and trust during the vehicle purchase and ownership experience.



2. Our Mission, Vision and Values

Our Mission, Vision and Values lie at the very heart of what we do and the way that we work internally and with others, including consumers, accredited businesses and our key stakeholders. These will be reviewed in 2020 in line with our forthcoming Culture and Engagement Programme, so that they remain relevant to the evolution of our organisation and to the services that we provide.

Our Mission	Our Vision	Our Values
<p>Provide the best dispute resolution service through engaged people driving excellence in customer service across the automotive sector</p>	<p>To be <i>the</i> Automotive Dispute Resolution Body</p>	<p>Professionalism Integrity Effectiveness Openness Accountability Independence</p>

3. Our core roles within the automotive sector

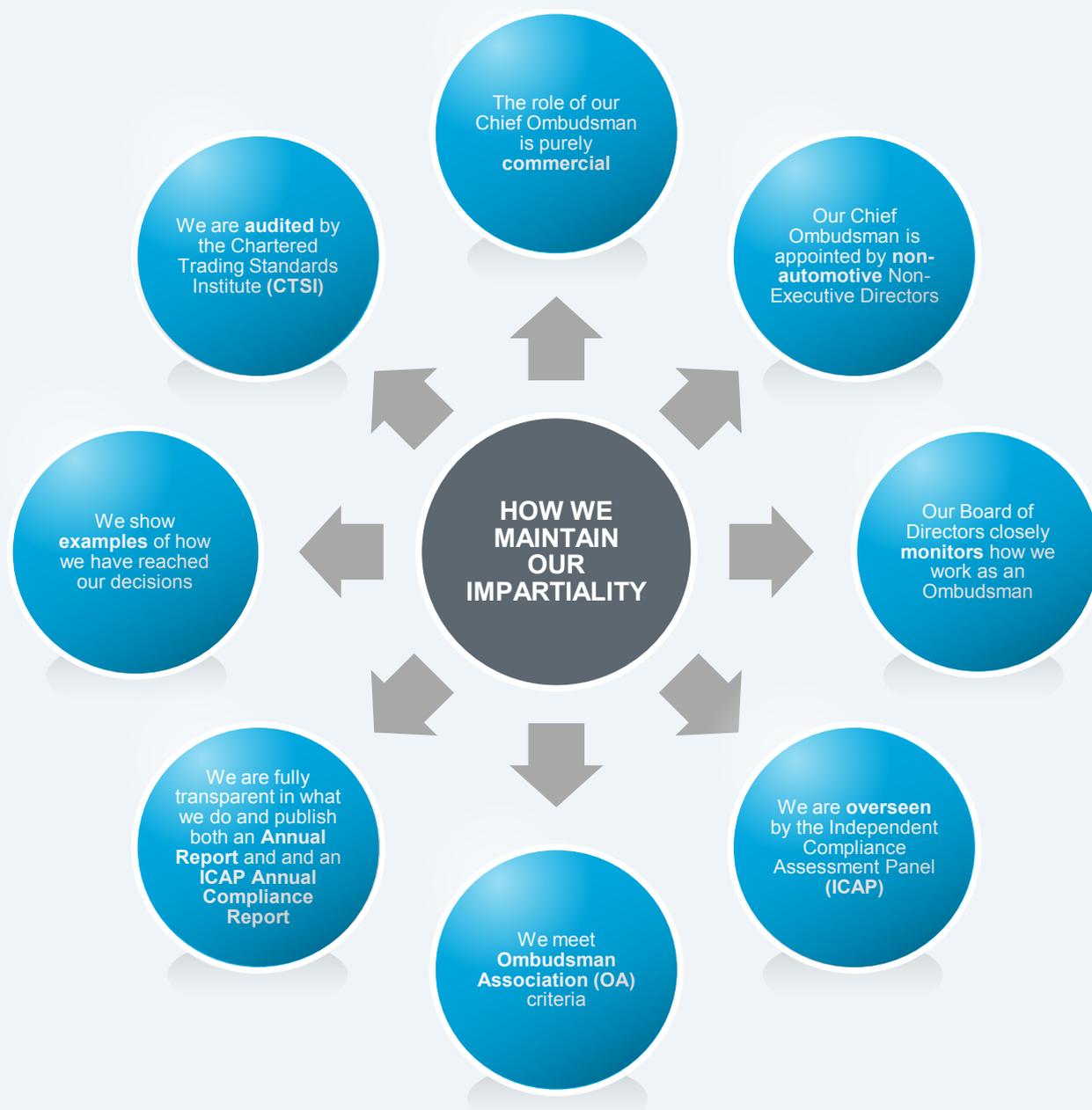
Whilst The Motor Ombudsman looks to resolve complaints between consumers and accredited businesses, this forms only part of our core responsibilities as an Ombudsman. We are tasked specifically with the self-regulation of the UK automotive industry, and to identify key issues to assist in driving even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



4. How we remain impartial as an Ombudsman

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

To help maintain our impartiality as *the* Ombudsman for the automotive sector, we are overseen by several independent entities to ensure that our work is fair at all times and based on all the facts presented to us. The graphic below illustrates the core areas of governance that drive our impartiality.²



² <https://www.themotorombudsman.org/motor-ombudsman/how-we-remain-impartial>

5. Our four Motor Industry Codes of Practice

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



MOTOR INDUSTRY CODE OF PRACTICE FOR NEW CARS

First launched in 1976, and endorsed by the Office of Fair Trading (OFT) in **2004**, the **Motor Industry Code of Practice for New Cars** ensures that vehicle manufacturers supply new cars and warranties to consumers responsibly.

The Code helps to safeguard new car buyers from misleading advertising, and ensures that documentation supplied to consumers is easy to understand, that the terms of a warranty will be respected, and that any complaints will be handled swiftly. In 2019, a total of 38 vehicle brands were accredited to the New Car Code, meaning that around 99% of all new vehicles sold across the UK were covered.



MOTOR INDUSTRY CODE OF PRACTICE FOR SERVICE AND REPAIR

The **Motor Industry Code of Practice for Service and Repair**, introduced in **2008**, ensures that consumers receive an honest and fair service when visiting an accredited business' premises for work or repairs on their car. It covers the use of clear advertising, open and transparent pricing, completing extra work only with prior agreement, and the use of competent and qualified staff.



MOTOR INDUSTRY CODE OF PRACTICE FOR VEHICLE WARRANTY PRODUCTS

Unveiled in **2009**, and celebrating its 10-year anniversary in 2019, the **Motor Industry Code of Practice for Vehicle Warranty Products** aims to provide guidelines for the supply of automotive warranties, including coverage of both insured and non-insured products. The Code currently represents about 70% of the industry's major providers that administer over two million products to consumers.



MOTOR INDUSTRY CODE OF PRACTICE FOR VEHICLE SALES

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

6. Our five key strategic imperatives

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

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

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

We looked to achieve this by:

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

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

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

We looked to achieve this by:

- ▶ Making our processes and working practices more streamlined and efficient to deliver faster case outcomes for consumers and businesses;
- ▶ Providing consistent and regular engagement with our accredited businesses;
- ▶ Supplying insight to the industry, best practice guidelines and marketing opportunities for businesses, as well as annual performance reports detailing our activities;
- ▶ Establishing a new Knowledge Base on our website to provide consumers with helpful information and advice when they need it;
- ▶ Continuing to source and increase the volume of testimonials on our website to illustrate how our service has been effective for businesses and consumers; and
- ▶ Delivering webinars to our accredited businesses to reinforce the value of the services provided by The Motor Ombudsman.

3. To deliver excellence as an organisation

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

We looked to achieve this by:

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

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

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

We looked to achieve this by:

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

5. To ensure the financial security of The Motor Ombudsman

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

We looked to achieve this by:

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

7. Our year in numbers



45%

of vehicle owners were aware of the Motor Ombudsman



6,114

cases handled



39,862

non-Code related contacts e.g. requests for information



50,856

contacts from consumers in relation to a Motor Ombudsman Code of Practice



53,133

consumer surveys submitted to The Motor Ombudsman



295,162

searches on the Garage Finder



358,519

unique website users



£823,580

worth of press coverage



25.7m

people reached through our PR programme

8. Activity highlights by month

January

-  TMO launched its new online **Knowledge Base** to help customers prior to raising a dispute.
-  TMO **recruited** a new case investigator, customer service team leader, adjudicator and ombudsman.

February

-  **DS Automobiles** joined the New Car Code.
-  Bill Fennell chaired his first **Code Sponsors Panel** meeting.
-  TMO launched a **Valentine's Day** campaign to encourage garage reviews.

March

-  TMO introduced its new "**TMO Talks To**" short interviews website feature on International Women's Day.
-  TMO ran a **YouGov** poll, which found that only 53% of car owners were aware they could extend a warranty.

April

-  Members of **ICAP** met with TMO.
-  Bill Fennell presented the 'Extra Mile' trophy at the **Servicesure** awards.
-  TMO met with **BEIS** to give input to their ADR White Paper.

May

-  TMO unveiled its "**Talk2Resolve**" campaign to encourage consumers to speak to businesses to try to solve their disputes.
-  Bill Fennell and Natasha Gasson went to the **OA's** annual conference in Belfast.

June

-  TMO's Consumer Contact team took over **100 calls in** one day, the busiest ever eight-hour period in the first six months of the year.
-  Bill Fennell judged the entries for the **2019 MotorTrader Awards**.

July

-  TMO celebrated the 10th anniversary of the public launch of the **VWP Code**.
-  TMO won the 2019 **TyreSafe** Online and Social Media award.
-  Members of **ICAP** met with The Motor Ombudsman.

August

-  TMO ran its "**Share your views this summer**" social media campaign.
-  TMO's adjudicators completed their 'Professional Award in Ombudsman and Complaint Handling Practice' from Queen Margaret University.

September

-  TMO added a new course on **distance sales** to its online training portfolio.
-  **Four new team members** joined the Dispute Resolution team. TMO also welcomed a new HR and Engagement Specialist.

October

-  The Knowledge Base recorded over **100,000 article views** in the first nine months of the year.
-  The **Constitution** for ICAP members was revised.

November

-  The Garage Finder was upgraded with a new **electric vehicle servicing** search function.
-  TMO launched its first staff intranet.
-  Members of **ICAP** met with The Motor Ombudsman.

December

-  TMO handled **90,718** contacts and **6,116** cases during the year.
-  TMO announced its **2020 vision**, the priorities for the next 12 months, in line with the strategy set out in its latest five-year plan.

9. Overview of our key activities in 2019

► A Knowledge Base was added to TheMotorOmbudsman.org



In **January**, we unveiled our new online Knowledge Base to help consumers access some of the most frequently asked questions in relation to vehicle servicing, maintenance and ownership. It has also been designed to provide the public with a better understanding of how they can resolve their dispute effectively, coupled with the recommended course of action to take prior to raising a case with The Motor Ombudsman. The new tool proved to be extremely popular during the course of the year, recording over 146,000 article views and nearly 48,000 searches.

► It's good to talk!

In **March**, to commemorate International Women's Day, we unveiled the new "TMO Talks To" interviews feature on our website, a series of short Q&As to give readers a unique insight into the roles of the people that work within The Motor Ombudsman's nationwide network of accredited businesses. Initially open to female staff members to mark the annual occasion, they touch on subjects, including why the interviewees, such as company owners and the UK's youngest MOT tester, enjoy working in the automotive industry, career highlights to date, the steps that their organisation is taking to encourage more women into the motor trade, as well as the benefits that they enjoy from being signed up to The Motor Ombudsman. Thanks to the success of the new page, it was quickly expanded to encompass male members of staff, and will continue to be updated in 2020 with new interviews.



TMO Talks To



Have a complaint against a business?



In **May**, we launched the **"#talk2resolve"** campaign on our Twitter page to emphasise the importance of consumers giving a business the opportunity to resolve a complaint directly with them, prior to involving an impartial alternative dispute resolution (ADR) provider, such as The Motor Ombudsman.

#talk2resolve

This social media initiative came in response to multiple instances where vehicle owners were seeking assistance from The Motor Ombudsman without following the internal complaints process of the business that provided a vehicle repair, car or warranty. The campaign received widespread press coverage, and the **"#talk2resolve"** graphic (pictured) has proven to be a key tool to explain the complaints process to consumers who approach The Motor Ombudsman on Facebook and Twitter.

► A month of celebration



In **July**, we commemorated the tenth anniversary of the launch of our Motor Industry Code of Practice for Vehicle Warranty Products. The former Office of fair Trading (OFT)-backed Code was unveiled to the public on 14 July 2009 under The Motor Ombudsman's predecessor, Motor Codes, for the purpose of driving up standards, beyond those required by law, during the provision of extended automotive warranty products to vehicle owners.



Later in the month, we were presented with Online and Social Media trophy at TyreSafe's annual awards ceremony in Warwickshire. The yearly accolades recognise businesses and individuals who have made a significant contribution to raising awareness about tyre safety-related issues. The award followed our campaign to drive awareness of the rules around winter tyres in the UK and abroad, an initiative launched in the run-up to the 2018 Christmas holiday getaway.

► A greater focus on electric vehicles (EVs)

In **November**, we upgraded our Garage Finder so that any accredited business can now voluntarily request for an EV servicing symbol to be placed on their profile page. With many having already done so, this will make it easier and quicker for drivers to search for and identify a nearby garage or dealership that is able to service and repair electric vehicles.

The introduction of the facility followed the results of a YouGov poll that we commissioned, which found that 84% of people in the UK would not know of a local independent garage or car dealership where they could take an electric car for its annual service if they were to own one.

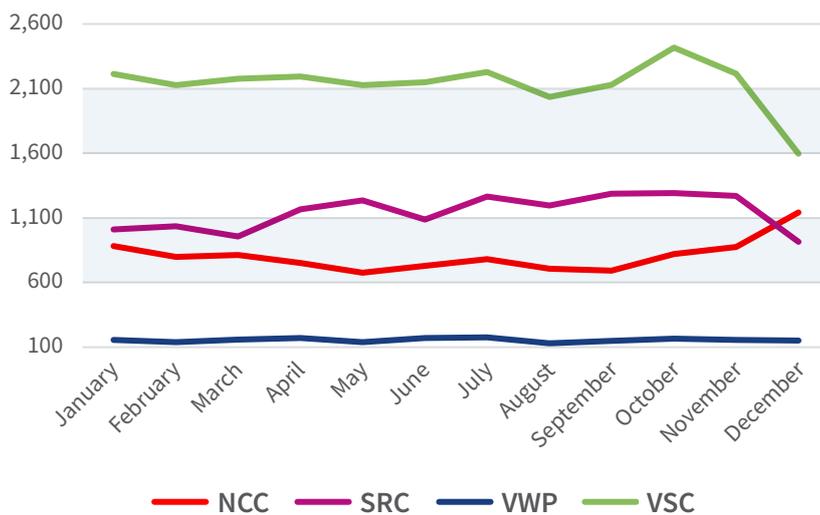


Furthermore, a guide on electric vehicle servicing, outlining some of the key differences between maintaining an EV and a car powered by a traditional internal combustion engine (ICE), was also published on our website, whilst the popular Knowledge Base was equally expanded to encompass a new category on servicing and purchasing electric vehicles. As EVs and alternatively fuelled vehicles (AFVs) gain even greater prominence, we will be looking to bring further additions to our website and Codes of Practice, to help consumers and businesses to stay up-to-date about the latest developments in this fast growing area of the motor industry.

10. Consumer contact volumes by Code (2017 – 2019)

	2017	2018	2019	2019 v 2018
Vehicle Sales Code	16,780	27,977	25,608	▼ 2,369 (-8%)
Service and Repair Code	10,863	13,859	13,714	▼ 145 (-1%)
New Car Code	9,806	11,335	9,671	▼ 1,664 (-14%)
Vehicle Warranty Code	1,294	1,502	1,863	▲ 361 (+24%)
TOTAL	38,743	54,673	50,856	▼ 3,817 (-7%)

Consumer contact volumes by code in 2019



Vehicle Sales Code:
8% decrease (-2,369) v 2018

Service and Repair Code:
1% decrease (-145) v 2018

New Car Code:
14% decrease (-1,664) v 2018

Vehicle Warranty Products Code:
24% increase (+361) v 2018

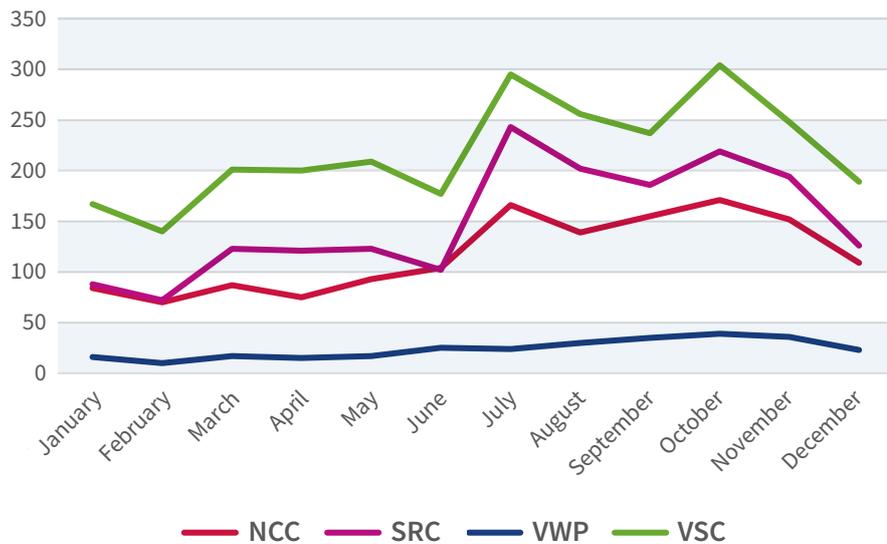
► Consumer contact volume analysis

- Total consumer contacts relating to The Motor Ombudsman's four Codes of Practice decreased slightly by 7% to **50,856** in 2019 compared to a year earlier, but was still a **31%** increase versus the figure seen in 2017
- In 2019, consumer contacts relating to the four Codes of Practice peaked in October, with **4,696** calls and e-mails received in a single month. November was the second busiest month with a total of **4,516** contacts, followed by July (**4,451**)
- The **Service and Repair Code** saw the smallest decline in contacts between 2019 and 2018, falling by only **1%** within a 12-month period to **13,714** enquiries
- The **Vehicle Warranty Products Code** recorded the largest yearly increase in contacts, rising by **24%** to 1,863 in 2019, from 1,502 in 2018 and 1,294 in 2017
- **Vehicle Sales Code** and **New Car Code** contacts witnessed a modest year-to-year decline (8% and 14% respectively) between 2018 and 2019
- During 2019, there were **39,862** contacts from businesses and consumers that were non-Code related (e.g. requests for information)

11. Adjudication case volumes by Code (2017 – 2019)

	2017	2018	2019	2019 v 2018
Vehicle Sales Code	944	1,993	2,623	▲ 630 (+32%)
Service and Repair Code	573	1,098	1,799	▲ 701 (+64%)
New Car Code	626	1,203	1,405	▲ 202 (+17%)
Vehicle Warranty Code	71	162	287	▲ 125 (+17%)
TOTAL	2,214	4,456	6,114	▲ 1,658 (+37%)

Adjudication case volume by Code in 2019



Vehicle Sales Code:
32% increase (+630) v 2018

Service and Repair Code:
64% increase (+701) v 2018

New Car Code:
17% increase (+199) v 2018

Vehicle Warranty Products Code:
17% increase (+125) v 2018

► Adjudication case volume analysis

- The volume of adjudication cases passed to the case investigation stage for review increased by **37%** to **6,114** in 2019 when compared to the year before (**4,456**)
- The **Service and Repair Code** saw the largest growth in the number of cases being referred to case investigators, rising by a significant **64%** to **1,799** cases
- The **Vehicle Sales Code** recorded a **32%** year-on-year rise in adjudication cases being passed to the case investigation stage, whereas the New Car Code and Vehicle Warranty Code both saw a smaller **17%** increase



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

	Total case volume in 2019	Cases as a percentage of new and used vehicle sales in 2019*	Cases as a percentage of new vehicle sales in 2019**	Cases as a percentage of total vehicle parc in 2019***
Vehicle Sales Code	2,623	0.023%	-	-
Service and Repair Code	1,799	-	-	0.005%
New Car Code	1,405	-	0.06%	-
Vehicle Warranty Code	287	0.003%	-	-

* Total new and used vehicle sales in the UK in 2019 (source: SMMT): 10,246,245

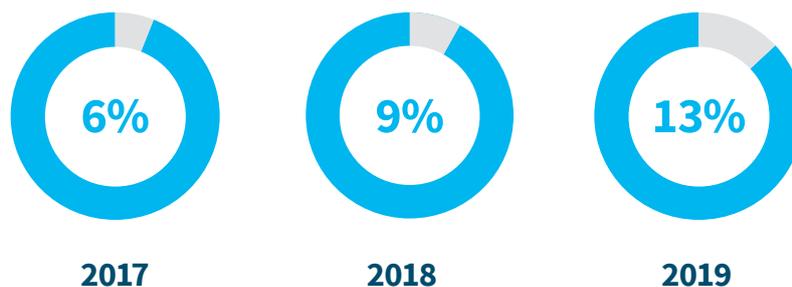
** Total new vehicle sales in the UK in 2019 (source: SMMT): 2,311,140

*** Total car parc in the UK in 2019 (source: SMMT): 35,168,259

- ▶ In 2019, **Vehicle Sales Code** cases represented a very small proportion of total new and used car sales (10,246,245), at just **0.023%**.
- ▶ **Service and Repair Code** cases made up just **0.005%** of the total UK car parc (35,168,259) in 2019.
- ▶ **New Car Code** cases accounted for only **0.06%** of all new car sales (2,311,140) in 2019.
- ▶ Cases in relation to the **Vehicle Warranty Products Code** equated to only 0.003% of total new and new used car sales (10,246,245) in 2019.

11.2 Contact to case escalation (2017 – 2019)

- ▶ In 2019, the average escalation ratio from a contact to a case across the four Codes of Practice increased to **13%**, its highest level in three years. This was more than double the rate seen in 2017 (6%), the first full year of operation for The Motor Ombudsman.
- ▶ A major contributor to this is that we now receive more referrals from accredited businesses that can escalate, thereby increasing the volume of contacts that will naturally turn into cases, as opposed to contacts from customers where the business is not accredited to us.
- ▶ Similarly, it's a reflection of increasing consumer awareness and the better provision of advice at the start of our process, meaning more customers are finding the help they need without the need for a formal case to be raised.



11.3 Percentage of cases handled by Code breach

The following tables outline the percentage of cases that were generated by the respective breaches of The Motor Ombudsman's four Codes of Practice between 2017 and 2019.

11.3.1 Vehicle Sales Code

Source of breach	2017	2018	2019	(2019 v 2018)
1.0 Advertising	6%	11%	7%	▼
2.0 Presentation of used cars for sale	5%	6%	9%	▲
3.0 Presentation of new cars for sale	2%	2%	2%	-
4.0 The vehicle sales process	11%	11%	7%	▼
5.0 Provision of warranty products	1%	0%	1%	▲
6.0 Provision of finance products	6%	2%	1%	▼
7.0 Quality of a vehicle at the point of purchase	64%	55%	48%	▼
8.0 Aftersales support	4%	12%	25%	▲
9.0 Complaints handling	1%	1%	1%	-

- ▶ The quality of a vehicle at the time of purchase was once again the subject of the largest proportion of Vehicle Sales Code cases in 2019, but resulted in fewer cases compared to the last two years, which is encouraging (49% in 2019, versus 55% in 2018 and 64% in 2017). Nevertheless, it remained the most **common** reason for getting in touch with The Motor Ombudsman during the year. With vehicles being complex products with various components that can fail at any given time, this is to be expected
- ▶ Code breaches relating to advertising, the vehicle sales process, and the provision of finance products, also witnessed year-on-year decreases
- ▶ Conversely, breaches concerning the presentation of used cars, the provision of warranty products, as well as aftersales support, saw very slight rises when comparing 2019 with 2018



11.3.2 New Car Code

Source of breach	2017	2018	2019	(2019 v 2018)
1.0 Advertising	33%	25%	19%	▼
2.0 New car provisions	15%	18%	3%	▼
3.0 Manufacturers' new car warranties	43%	49%	73%	▲
4.0 Availability of replacement parts and accessories	5%	4%	3%	▼
5.0 Complaints handling	4%	4%	1%	▼

- ▶ Disputes relating to manufacturer new car warranties remained the largest source of New Car Code cases in 2019, and accounted for the majority of breaches in 2019 at **73%**. This was a marked rise from the 49% of cases seen in 2018 and 43% in 2017
- ▶ New car advertising breaches saw a positive 6% year-on-year decrease, accounting for only **19%** of cases, after making up a quarter of the New Car Code case volume in 2018. It is also the lowest figure for this category since 2017
- ▶ Issues relating to new car provisions recorded a significant decrease from 18% of cases in 2018 to just **3%** in 2019
- ▶ The handling of customer complaints by a vehicle manufacturer remained the cause of the fewest number (**1%**) of New Car Code cases brought to The Motor Ombudsman during the 12-month period

11.3.3 Service and Repair Code

Source of breach	2017	2018	2019	(2019 v 2018)
1.0 Advertising	2%	1%	4%	▲
2.0 Booking in of a vehicle	20%	21%	32%	▲
3.0 Standard of work	54%	44%	37%	▼
4.0 Billing	2%	2%	3%	▲
5.0 Approach of staff	21%	28%	23%	▼
6.0 Complaint handling	2%	4%	1%	▼

- ▶ Breaches pertaining to the standard of work carried out on a customer's vehicle continued to be the source of the majority of cases in 2019, but encouragingly, they accounted for only **37%** of cases, down from 44% in 2018 and 54% in 2017
- ▶ Issues relating to the booking in of a vehicle increased from 2018 to 2019 by 11% to **32%** of overall Service and Repair Code cases. This was also up from 20% in 2017, and will be an area of focus in 2020, so we can try to understand what generated this growth
- ▶ The handling of complaints caused the lowest proportion of breaches at just **1%**, down from 4% in 2018 and 2% in 2017

11.3.4 Vehicle Warranty Products Code

Source of breach	2017	2018	2019	(2019 v 2018)
1.0 Advertising	5%	10%	3%	▼
2.0 Point of sale	44%	52%	30%	▼
3.0 Clarity of information	25%	11%	50%	▲
4.0 Claims handling	26%	27%	17%	▼

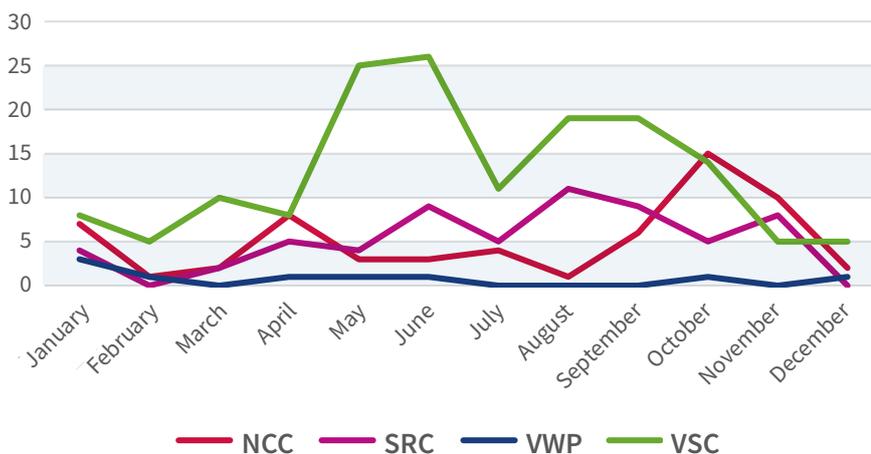
- ▶ Disputes resulting from businesses not providing accurate advice and information to customers at the time of purchase of a policy, made up **50%** of cases in relation to the Vehicle Warranty Products Code, up from 11% the previous year
- ▶ Point of sale breaches, on the other hand, decreased from 52% in 2018 to **30%** a year later. A similar trend was also seen for claims handling
- ▶ In 2019, the advertising of vehicle warranty products generated the lowest source of cases (**3%**), although the volume decreased by 7% compared to 2018



12. Ombudsman final decisions by Code (2017 – 2019)

	2017	2018	2019	2019 v 2018
Vehicle Sales Code	97	161	155	▼ 6 (-4%)
Service and Repair Code	59	89	62	▼ 27 (-30%)
New Car Code	61	101	62	▼ 39 (-39%)
Vehicle Warranty Code	4	16	9	▼ 7 (-44%)
TOTAL	221	367	288	▼ 79 (-22%)

Ombudsman final decisions by Code in 2019



Vehicle Sales Code:
4% decrease (-6) v 2018

Service and Repair Code:
30% decrease (-27) v 2018

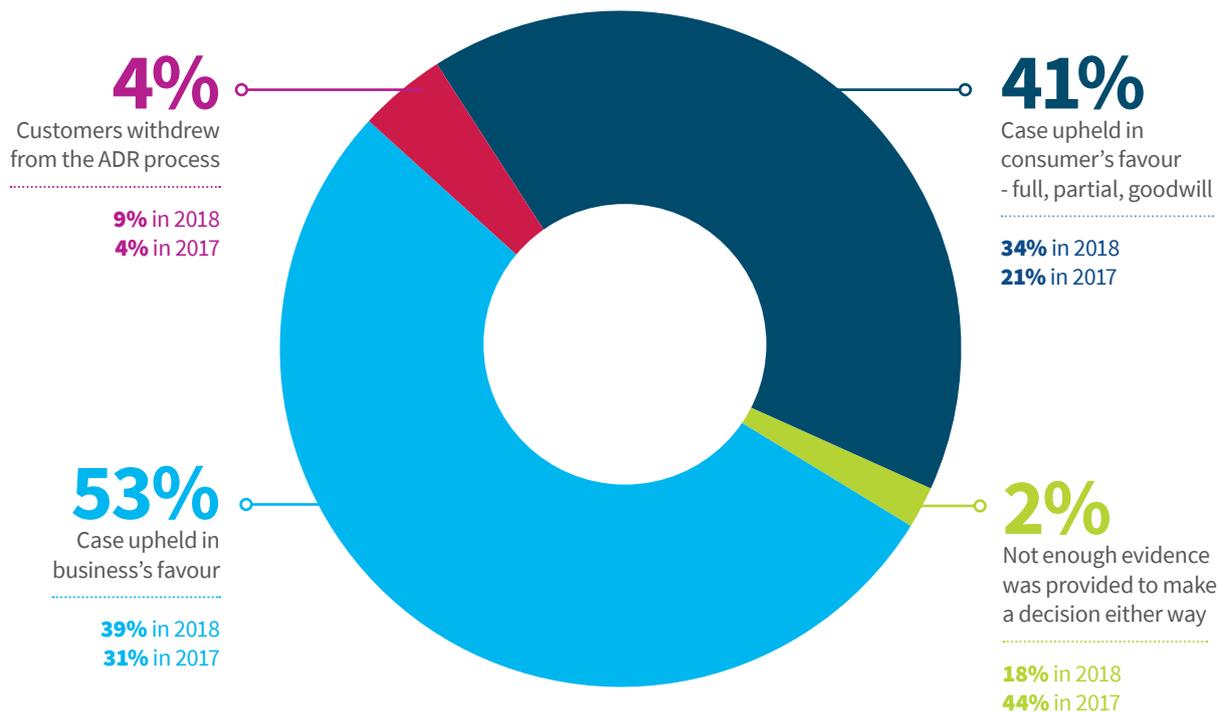
New Car Code:
39% decrease (-39) v 2018

Vehicle Warranty Products Code:
44% decrease (-7) v 2018

► Ombudsman final decisions analysis

- The number of final decisions made decreased by 22%, from 367 in 2018 to 288 in 2019. As our business has grown, the requirements of compliance has taken up more of the ombudsman's time. In 2019, we therefore appointed a senior ombudsman and expanded the size of this department
- Our comprehensive training programme meant that we saw a dip in final decisions, which will be reversed in 2020
- The Vehicle Warranty Products Code saw the highest proportional decrease in final decisions, falling by 44%, from 16 in 2018 to 9 a year later
- Final decisions around vehicle sales issues remained fairly steady, recording only a 4% year-on-year fall. This is unsurprising, given that disputes around vehicle sales are often our most complex, contentious and high value cases
- Final decisions relating to the Service and Repair and New Car Codes decreased by around a third when comparing 2019 to 2018

13. Case outcome breakdown



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

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

We are currently looking at the burden of proof and ensuring we are balanced in how we request evidence from businesses and consumers, to make sure our investigations remain proportionate, fair and reasonable.

Case outcome summary:

Where Motor Ombudsman cases were upheld in favour of the consumer, and where a value was attributed to the award given to them (e.g. a refund), we provided in excess of **£1.13 million** as redress during 2019 (compared to more than **£1.2 million** in 2017 and **£1.7 million** in 2018). The amount claimed by consumers, but not awarded, was **£8.24 million** (e.g. requests to reject a vehicle), compared to **£2.3 million** in 2017 and **£4 million** in 2018. This is usually due to rejection requests, which are the highest value disputes considered by The Motor Ombudsman, and are often where we are able to find alternative remedies that are more proportionate. This can include, for example, repairing the vehicle or a price reduction to take into account the issue that was experienced.



14. Annual consumer survey highlights

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

14.1 Consumer brand awareness survey highlights

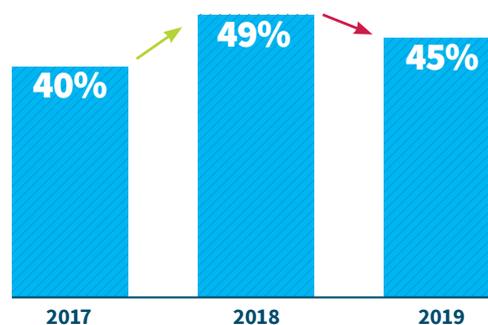
Background

2019 marked the third year that The Motor Ombudsman has carried out a consumer awareness study since the organisation launched in November 2016. This year's research was conducted online via a third party, using an independent panel of consumers in the UK. A total of 1,000 responses were received from a representative geographic sample, with an equal split of male and females across a range of ages above 18 years old.⁴ The sample required the respondent or their household to own a car, and 99% of participants stated that they had a driving licence.

Key findings

- ▶ **Consumer awareness decreased from 49% in 2018 to 45% in 2019, but was still higher than the figure recorded two years ago (the first full year of The Motor Ombudsman)**

Consumer awareness of The Motor Ombudsman (2017 - 2019)



In 2019, 45% of individuals surveyed were aware of The Motor Ombudsman, a decrease from the 49% figure seen in 2018. Although awareness was higher in 2019 compared to 2017, the most recent year-on-year fall in consumers knowing or having heard about The Motor Ombudsman was probably due to a reduced spend on social media and online advertising during the 12-month period. In addition, there was a higher number of consumers that had had a complaint in the 2018 sample than in 2019.

- ▶ **Versus previous years, awareness of The Motor Ombudsman was lower in 2019 amongst men, but higher amongst female consumers**

Awareness of The Motor Ombudsman amongst male and female consumers (2017 - 2019)



Overall awareness of The Motor Ombudsman amongst men and women was very similar in 2019, with only a 1% difference between the sexes. However, fewer male respondents were aware of The Motor Ombudsman in 2019 compared to 2018 (45% versus 58%), but this was still higher than in 2017 (41%). Conversely, more female consumers were aware of The Motor Ombudsman than during the previous two years (44% in 2019 compared to 42% in 2018 and 43% in 2017).

⁴Representative sample excludes individuals who do not have access to a computer or e-mail, or are not able to complete an online survey.

► Consumers in the 18 to 24 age bracket were the most aware of The Motor Ombudsman in 2019

Awareness of The Motor Ombudsman was highest amongst the 18 to 24 age group (58%). This is in contrast to 2018, where 64% of 25 to 34 year olds were the most familiar with the organisation. Those aged 45 years were the least likely to know about or to have heard of The Motor Ombudsman in 2019.

► More consumers in 2019 valued the added reassurance of using a Motor Ombudsman-accredited business

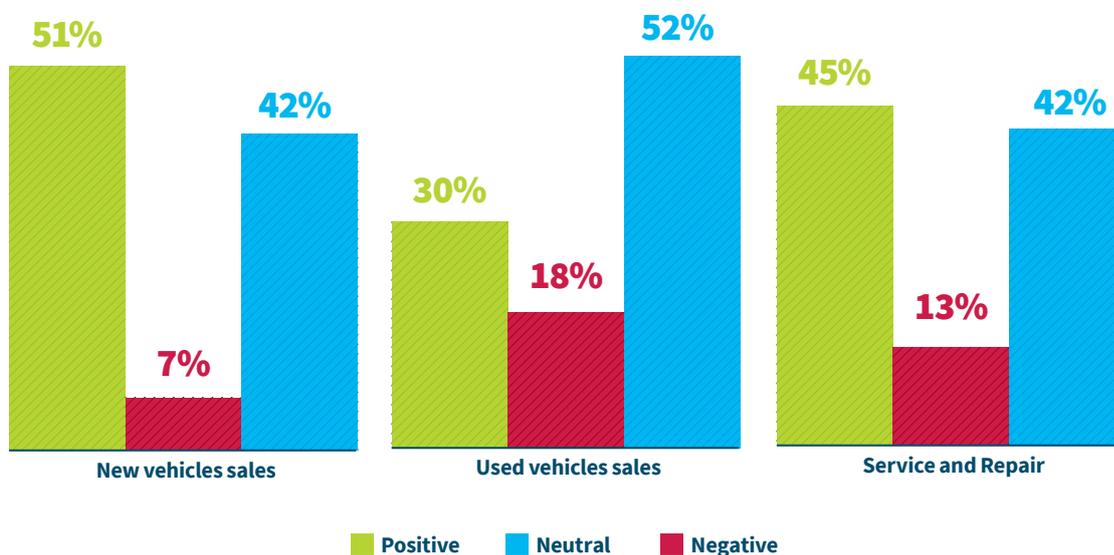


The Motor Ombudsman's study of 1,000 consumers revealed that just over four out of five people (82%) would feel more confident using a business that is accredited to The Motor Ombudsman for their vehicle purchase, service or repair in 2019. This is a very slight rise compared to last year's figure of 81%, and encouragingly, is only 2% down on the level recorded in 2017, the first full year of operation of The Motor Ombudsman.

► The new vehicle sales sector was viewed by consumers as the most positive area of the automotive industry

When questioned about how consumers viewed different areas of the automotive industry, the new vehicle sales sector received the highest proportion of responses in the 'positive' category compared to the used car and service and repair sectors.

View of the automotive industry by sector in 2019
(Percentage of consumers who answered in each category)



The new vehicle sales sector

2019 marked the first time that The Motor Ombudsman asked consumers for their view of the new car sales sector, and just over half (51%) of respondents considered the new vehicle sales sector to have a positive image.

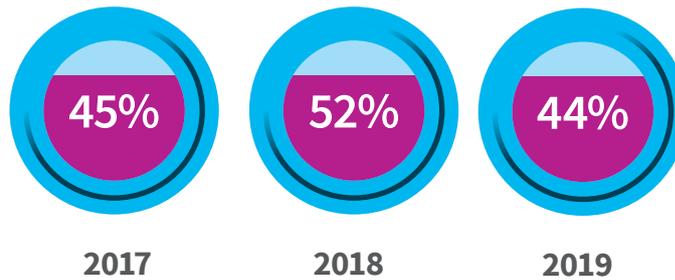
Women had a less positive opinion of the new car sector than men (48% of females versus 53% of males). When broken down by age, those in the 18 to 24 bracket were far more encouraged about this area of the motor industry, with 62% expressing a positive opinion, whilst only 7% of people in this age category had a negative view. Conversely, those in the 35 to 44 age bracket were the most negative, with 10% of individuals feeling discouraged. Reasons for the adverse ratings related to the high prices of new cars and the quick drop in value after purchase (i.e. the depreciation), as well as pushy sales techniques for customers to add extra cost options to their vehicle.

The used vehicle sales sector

The used vehicle sales sector was viewed far less positively year-on-year, with just 30% of respondents overall having a positive image, down from 41% in 2018. Women were more upbeat than men (34% versus 25% of respondents), and in terms of age, the younger generation of 18 to 24 year olds were the most positive age group (54%), with just 7% holding a negative view. Conversely, 35 to 44 year olds, and those in the 55+ age brackets, were the most discouraged, with around a fifth of respondents in these groups not feeling upbeat about the sector. Reasons for the negative ratings related to people feeling as though they were being misled about the history and condition of the car, not knowing whether they could trust the seller, pushy sales techniques, as well as stories of bad experiences from others.



The service and repair sector



In 2019, just under half of the respondents surveyed (44%) had a positive view of the service and repair sector, mirroring the statistic of 45% seen in 2017.

It is also a decrease from 52% in 2018, the highest figure of the last three years. On balance, male respondents were slightly more negative about this area of the automotive industry than their female counterparts (15% versus 11%). Reasons for this pessimistic view included consumers not understanding what needed to be repaired, and having a fear of being ripped off or being overcharged for unnecessary work.

In addition, 18 to 24 year olds were the most encouraged about the sector, with nearly three quarters (72%) of respondents in this age group feeling positive about the service and repair area of the industry. Nearly half of individuals (49%) in the 25 to 34 age bracket were also encouraged by what they had seen in the sector.

► Less consumers made a complaint in 2019 compared to the year before

In total, **43%** of respondents said they had made a complaint to a business, this was lower than the 49% recorded last year, but in line with the figure seen in 2017 (also 43%). For 22% of the individuals that had a complaint, it related to a service or repair issue, whereas 13%

had a problem about a new car under warranty. In addition, 13% had a concern with a used car purchase, and for 5% of survey participants, the complaint originated from buying a new vehicle.

► Fewer customers had their complaints resolved than in 2018

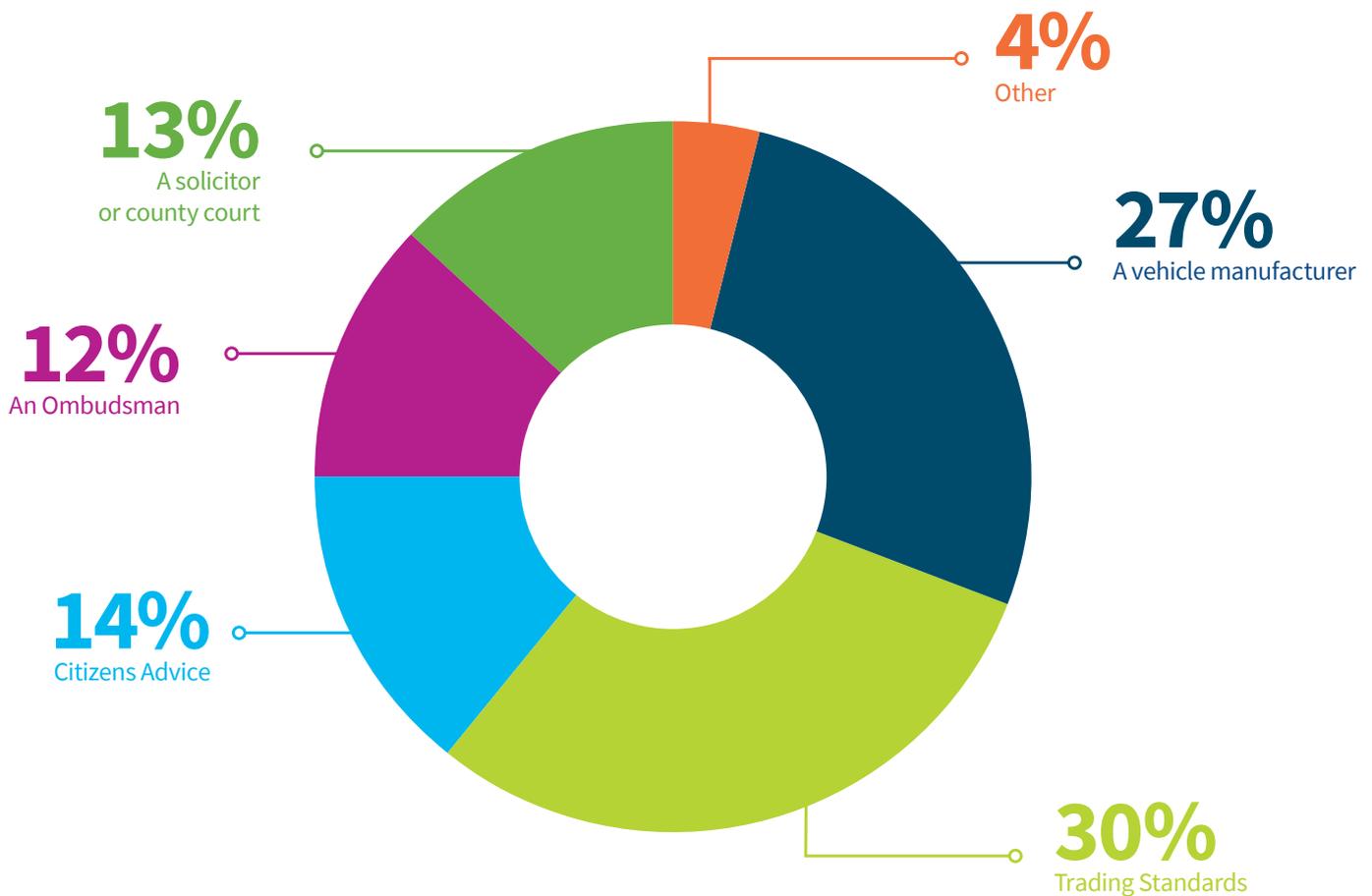
For the consumers who made a complaint in 2019, **12%** said that it had not been resolved, which is an increase on last year's figure of 7%. The majority had their problem concluded directly with the garage or dealership (69% compared to 75% in 2018). For 15%, the problem was resolved by the manufacturer (versus 16% in 2018), whereas 4% had their issue successfully concluded by a third party, an increase of 2% on last year.

► Individuals were more likely to escalate an unresolved issue to Trading Standards than any other body in 2019

The survey also found that the majority (30%) of consumers would take their unresolved complaint with a garage or car dealership to Trading Standards over any other organisation, including Citizens Advice (14%) and an Ombudsman (12%). This is in contrast to 2018, where a vehicle manufacturer (28% of participants) was considered to be the best port of call to sort out an issue.



Where consumers were most likely to take their unresolved dispute with a garage or car dealership in 2019



► Nearly half (41%) of consumers valued the existence of The Motor Ombudsman i.e. it provided someone to turn to if they could not resolve a dispute directly with a garage or car dealership

This figure is the same as that seen in 2018, but marginally lower than that witnessed in 2017 (52%). In addition, just over a quarter (27%) of respondents valued the peace of mind that the body helps to drive up standards across the industry (compared to 29% in 2018 and 24% in 2017). In addition, 14% felt that an Ombudsman for the motor industry was important because it is not a sector that is regulated, up from 12% last year and 9% in 2017.

Key conclusions drawn from the 2019 consumer awareness survey data:

- ✓ Awareness of The Motor Ombudsman fell very slightly from 49% to **45%**.
- ✓ Consumers in the **18 to 24** age bracket were the most aware of The Motor Ombudsman.
- ✓ In 2019, **more** people valued the added reassurance of using a Motor Ombudsman-accredited business than in 2018.
- ✓ The **new vehicle sales sector** was viewed by consumers as the most positive area of the automotive industry.
- ✓ **Fewer** customers had their complaints resolved at point of service than in 2018.

14.2 Consumer satisfaction survey highlights

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

Satisfaction data is collected from The Motor

Ombudsman's website-based survey tool, which asks customers that have used an accredited business to rate independent garages and franchised dealers on various aspects, such as the quality of the work and the booking process. The Motor Ombudsman also receives data from surveys that vehicle manufacturers and independent garage groups conduct with their customers in relation to their satisfaction of the work and

service provided, and the likelihood of them recommending the business.

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

Summary of results from vehicle manufacturer and independent garage group surveys

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

Category	Satisfaction levels			
	2017	2018	2019	Diff (2019 v 2018)
Overall satisfaction of the work and service provided by an accredited business	93%	92%	92%	—
Likelihood to recommend an accredited business	95%	90%	92%	▲
TOTAL NUMBER OF SURVEYS SUBMITTED	168,523	200,356	53,133	▼

The most notable difference between 2019 and 2018 has been the difficulty in obtaining satisfaction data from vehicle manufacturers about their service and repair networks. The reasons for the significant year-on-year drop in the number of surveys received (i.e. a reduction of nearly 150,000), may be mainly attributed to the impact of the General Data Protection Regulations (GDPR) and OEMs moving away from Net Promoter Score methodology to other means of measuring customer satisfaction with their dealers.

However, overall satisfaction with accredited businesses remained consistently high in 2019 at 92%, which is in line with what was achieved in 2018. The likelihood of recommending the garage to friends and family that serviced and / or repaired their vehicle was also 92%, up from 90% in 2018. This is positive to see, although it hasn't bounced back up to the score of 95% achieved in 2017. This therefore demonstrates that there is still work to be done in the service and repair sector to continue to both meet and exceed customer expectations.

Summary of results from surveys completed on The Motor Ombudsman website

The Motor Ombudsman asks a wider range of questions about the experience and the service received by consumers. They cover areas, such as the booking process, the quality of work, as well as the information and level of customer service provided. During 2019, The Motor Ombudsman received 861 survey submissions through its website, up from 747 the previous year, which is a positive development.

Category	Satisfaction levels			
	2017	2018	2019	Diff (2019 v 2018)
Overall quality of work carried out	98%	99%	98%	▼
Level of customer service	98%	99%	98%	▼
Booking process	98%	98%	98%	—
Information provided	98%	98%	98%	—
TOTAL SURVEYS SUBMITTED	644	747	861	▲

Overall customer satisfaction with the quality of work by accredited businesses (2017 - 2019)



The overall satisfaction with the quality of work carried out by the businesses has dropped by one percentage point from 99% in 2018 to 98% in 2019, and was in line with the result seen in 2017. Although this is still a high score, it demonstrates the importance that businesses need to continue to focus on providing the very best level of service, with procedures in place to ensure that servicing and repairs are carried out to the highest standard.

Satisfaction with the customer service offered has also seen a slight decrease from the very high score of 99% in 2018 to 98% in 2019. Again, although this continues to be a high satisfaction score, businesses need to continue to meet the high standards that consumers expect.

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

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

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

“From the first telephone call to the final drive away from the garage, Kinghams provided excellent customer service. I felt like a valued customer even in the short interactions I had with the team. It was so nice being looked after so well.”

Customer of Kinghams of Croydon

“I felt I had been mistaken for royalty from the moment I booked in my car in to the time I collected it. The icing on the cake was being offered the complimentary wash and vac. The car (and myself) felt completely refreshed from this experience. I can’t wait for the next service! Will definitely recommend and consider them for my next car.”

Customer of Bristol Street Motors

“A fantastic friendly family garage. Always prompt and give great information on work completed and anything else that may need looking at the future.”

Customer of Ferris Garage

15. Consumer complaints about The Motor Ombudsman

In 2019, The Motor Ombudsman received a total of **87** complaints from consumers. This was a small increase of 14% versus 2018 (76), but an 89% rise when compared to 2017 (46). However, as a percentage of total contacts received, the proportion of complaints was slightly lower at 0.10% relative to that in 2018 (0.13%) and 2017 (0.11%).

Conversely, as a percentage of total cases, complaints fell from 1.70% in 2018 to 1.42% in 2019, a difference of 0.65% when compared to 2017 (2.07%).

Contact, case and consumer complaint volumes

	Total contact volume handled by TMO	Total case volume handled by TMO	Total consumer complaints received
2019	90,718* (+ 51% v 2018)	6,114 (+ 37% v 2018)	87 (+ 14% v 2018)
2018	59,925* (+ 41% v 2017)	4,456 (+ 101% v 2017)	76 (+ 65% v 2017)
2017	42,553*	2,214	46

*Total contacts include requests for information from businesses

Consumer complaints as a proportion of total contacts and cases

	Complaints as a percentage of total contacts received	Complaints as a percentage of total cases handled
2019	0.10% (-0.03% v 2018)	1.42% (-0.28% v 2018)
2018	0.13% (+0.02% v 2017)	1.70% (-0.37% v 2017)
2017	0.11%	2.07%



Reason for consumer complaints by stage (2019 v 2018 and 2017)

Reason for the complaints about The Motor Ombudsman / stage	Year	Outcome	Process	Delay	Staff issue	Total
No. of complaints made at enquiry stage	2019	0	1	21	1	23
	2018	0	6	3	4	13
	2017	0	2	1	5	8
Total for all 3 years		0	9	25	10	44
No. of complaints made at early resolution stage	2019	0	0	0	0	0
	2018	0	0	0	0	0
	2017	0	0	0	0	0
Total for all 3 years		0	0	0	0	0
No. of complaints made at adjudication stage	2019	9	2	35	1	47
	2018	10	9	17	10	46
	2017	15	10	5	6	36
Total for all 3 years		46	25	58	19	129
No. of complaints made at final decision stage	2019	3	0	13	1	17
	2018	10	2	1	2	15
	2017	0	2	0	0	2
Total for all 3 years		13	4	13	1	34
Total no. of complaints about the service	2019	12	3	69	3	87
	2018	20	17	21	16	76
	2017	15	14	6	11	46
Total for all 3 years		47	34	96	30	207

For the 87 complaints received from consumers during 2019:



79% resulted from a delay in responding to consumers (up from 28% in 2018 and 13% in 2017)



54% of complaints arose at the adjudication stage (down from 83% in 2017 and 78% in 2018), 74% of which related to a delay



27% arose during the enquiry stage (up from 17% in 2018 and 2017)



20% of complaints occurred at the final decision stage (up from 4% in 2017)



3% related to the approach of staff (down from 21% in 2018 and 23% in 2017)

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

Consumer / Month review left on Trustpilot	Extract of complaint made by the consumer on Trustpilot	Reasons for the consumer's complaint about The Motor Ombudsman's service	Actions taken to address the consumer's concerns
Mr. B January 2019	<i>"Terrible email response time from TMO... if they respond at all. I have emailed numerous times with no response. In the latest email, I was told I would get a response as soon as the adjudicator got back from leave... this was over a month ago. Want this issue resolving ASAP as it has gone on far too long... I suspect at this rate it will be way past 12 months!!!!"</i>	<ul style="list-style-type: none"> The consumer was given an estimated timeframe for their decision which wasn't met The adjudicator failed to respond in a timely manner to e-mails requesting an updated timeframe for a decision The consumer was upset about the time taken to review the case, and the lack of responsiveness from The Motor Ombudsman 	<ul style="list-style-type: none"> The Motor Ombudsman responded promptly to the review and requested that the adjudicator responded to all outstanding e-mails from the consumer Following this, the case was passed to the senior adjudicator who successfully arranged a satisfactory resolution within the following month
Mr. H March 2019	<i>"My case has now been with the Ombudsman since July 2017. In May 2018, the adjudicator ruled in my favour and the dealership appealed, meaning that my case was referred to the ombudsman. Since then, I have asked several times for updates on my case as it was dragging on and on. I even received an email just before Christmas apologising for the delay and assuring me that my case would be a top priority in the New Year and still nothing"</i>	<ul style="list-style-type: none"> The consumer was unhappy with the time it took to reach a resolution to his case The adjudicator had partially upheld his complaint, but the business disagreed with the outcome The consumer felt the time taken from the initial adjudicator decision and appeal, to the issuing of a final decision by the ombudsman, was too long 	<ul style="list-style-type: none"> The Motor Ombudsman responded to the review, and the consumer's case had been scheduled for a final decision the following month The case was again partially upheld in the consumer's favour by the ombudsman
Mr. T April 2019	<i>"Terrible service. No response to complaint or answering the phone. Exceeding 90-day reply period by months. No reply to emails even though put on priority list? Pointless organisation. As pensioners, we will suffer a considerable financial loss if our complaint against major car manufacturer not addressed. TMO not fit for purpose and their marketing manager should be reading this"</i>	<ul style="list-style-type: none"> The consumer was unhappy with the time taken to issue an adjudication decision, as they had received this beyond the 90-day period from when a business response is received by The Motor Ombudsman The consumer had not sent any e-mails to The Motor Ombudsman chasing a response, but the failure to reply to the consumer's e-mails formed part of their complaint 	<ul style="list-style-type: none"> The Motor Ombudsman issued the decision to the consumer two weeks after the review being posted. At the time of being posted, the consumer's case was due to be assigned to an adjudicator to work on it
Ms. L August 2019	<i>"That's now 1 year and I STILL do not have a decision. ...unbelievable!!"</i>	<ul style="list-style-type: none"> The consumer was unhappy with the length of time taken by The Motor Ombudsman to issue a final decision They had waited longer than the allocated time for their case to be reviewed by an adjudicator, and this was prolonged due to the fact that the consumer appealed against the adjudicator's decision 	<ul style="list-style-type: none"> The consumer's case was assigned in July for an adjudicator's decision, which was issued a week later However, they disagreed with the this, and the case was escalated to an ombudsman for a final decision
Mr. G October 2019	<i>"This ombudsman service is not fit for purpose. It is advertised as somewhere a normal consumer can go to resolve motoring disputes, but I question whether there is anything more than a computer at the other end sending automated responses. It appears to be nothing more than a scheme, which garages pay to sign up to which then allows them to use the logo for credibility purposes. Where the money goes is anybody's guess"</i>	<ul style="list-style-type: none"> The consumer was unhappy with the quality of service they had received up to the date of the review being posted in Trustpilot They had been waiting for the assignment of their case to an adjudicator, and prior to this, had only received automated updates, which did not answer some of the specific questions asked about The Motor Ombudsman's service levels and timescales for providing a decision 	<ul style="list-style-type: none"> The Motor Ombudsman received the case in April 2019, but was not referred to a case investigator for six months, which prompted the Trustpilot review The Motor Ombudsman has since reviewed its automated emails following feedback from the consumer about the level of service the e-mails provided during the period they were waiting

16. How complaints to The Motor Ombudsman are being addressed

The Motor Ombudsman recognised that there had been an increase in the amount of complaints in 2018 versus the year before across all areas of the organisation. Therefore, key steps were taken in 2019 to help improve service levels so as to reduce consumer and accredited businesses waiting times for their issues to be resolved. These included:

- ✓ Introducing the new role of case investigator to help with obtaining information from the business quickly;
- ✓ Increasing the size of the consumer contact, adjudication and ombudsman teams;
- ✓ Improving and developing the case management system, including reporting, to enable The Motor Ombudsman to have a better oversight of cases at all stages and to introduce new functionality;
- ✓ Upgrading the telephone system, giving people information at the right time, and allowing The Motor Ombudsman to answer more calls;
- ✓ Developing the online enquiry form, as well as making the process of complaining easier for consumers, and reducing the amount of time it takes to handle an enquiry; and
- ✓ Responding to Trustpilot reviews to understand the reason for customer complaints about The Motor Ombudsman, and to ensure that any issues are resolved in a timely manner.

Implementing key changes contributed to reducing the rise in complaints and resulted in only a small year-on-year increase in consumer complaints of only 14% when comparing 2019 to 2018. Real improvements in the timescales for the resolution of cases were also made, and this will remain a core focus throughout 2020, with various projects planned to further develop The Motor Ombudsman's dispute resolution service.

Pleasingly, complaints in all other areas, namely staff, process and outcomes, fell considerably. This echoed the improvement in training for new starters and existing staff, The Motor Ombudsman's commitment to fair and reasonable decisions, as well as the evolution of the case management process.



17. Positive consumer testimonials about The Motor Ombudsman

The following is a sample of positive Trustpilot testimonials from consumers who used The Motor Ombudsman's Alternative Dispute Resolution (ADR) service during 2019.

"This is a fantastic service without which I would not have had a satisfactory outcome. The person that dealt with my case spent a great deal of time understanding and assessing the situation and could not have been more helpful or supportive."

(Ms. M, January 2019)

"I had a complaint regarding the performance of my car, and The Motor Ombudsman helped bring this to a satisfactory resolution. They were very thorough and kept me updated throughout the process."

(Mr. N, March 2019)

"I cannot fault The Motor Ombudsman service and I thank them very much for all their hard work, as without them we wouldn't have received the money in spite of buying the car from new from the same garage."

(Ms. W, May 2019)

"The Motor Ombudsman was extremely knowledgeable, helpful and efficient in handling the case, and reached a successful outcome. We highly recommend the service! Thank you very much!"

(Ms. C, July 2019)

"I received really clear guidance from every member of the team I spoke to at TMO, and had excellent support when submitting my case. The advice given was clear and impartial. Following the involvement of TMO, the issue was rapidly resolved. Involving TMO took all of the stress out of dealing with the dispute and it was handled in such a professional and sensitive way, that good relations have now been re-established between myself and the garage. An excellent result all round."

(Ms. C, August 2019)

19. Accredited business compliance

Business compliance monitoring remained a core focus in 2019. The Motor Ombudsman increased engagement with customers, businesses and regulatory bodies, such as the Chartered Trading Standards Institute (CTSI), to address and resolve non-compliance issues as and when they arose.

19.1 Online self-assessments and physical audits

19.1.1 Online self-assessments

Once an independent garage or franchised car dealership has expressed interest in joining The Motor Ombudsman, the completion of an online self-assessment is required when applying for accreditation to the Service and Repair, and/or Vehicle Sales Codes for the first time to demonstrate that they are compliant with the requirements of the Code(s). It asks businesses to complete information on subjects, amongst others, such as their staff training programme, their internal complaints process, as well as the advertising and sale of vehicles. The same self-assessment applies upon the renewal of the annual Code accreditation, and all businesses are asked to complete the assessment within 30 days of it being sent to them.

To November 2019, **655 online self-assessments** were completed for Service and Repair Code-accredited businesses (of which **123** businesses failed). In addition, **211 online self-assessments** for Vehicle Sales Code-accredited businesses were undertaken (of which **46** failed).

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

19.1.2 Physical on-site audits

Every year, physical on-site audits are carried out on a random sample of businesses within The Motor Ombudsman's nationwide

accredited business network to ensure that they continue to meet the necessary high standards for accreditation. To November 2019, The Motor Ombudsman completed a total of 211 physical on-site audits at Service and Repair Code-accredited businesses. Of these, three failed due to the lack of sufficient information provided, but they were subsequently contacted with the necessary remedial steps to meet the necessary standards.

A total of 77 physical assessments were carried out on businesses accredited to the Vehicle Sales Code, of which two failed.



19.2 Managing non-compliance

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

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

*Continued non-response and non-compliance

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

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

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

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

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

**Closer scrutiny

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

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

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

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

19.3 Accredited business suspensions in 2019

One accredited business was suspended in July 2019 pending review of the case by the Independent Compliance Assessment Panel (ICAP) in November 2019.

19.4 Accredited business expulsions in 2019

One accredited business was expelled by The Motor Ombudsman at a meeting of ICAP members in November 2019. This followed their earlier suspension in July 2019 and their subsequent failure to comply with an adjudication outcome in favour of the customer.

19.5 CTSI compliance



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

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

Emphasising the importance of featuring the Smart Badge to both new and existing accredited businesses, principally through targeted marketing communications, will be an ongoing focus during 2020. A record will be kept of which organisations are featuring the Approved Code logo, and which remain outstanding in order for The Motor Ombudsman to have a "live" picture of business compliance.



20. Staff engagement, learning and development – key initiatives

Staff engagement, learning and development continued to be a major focus in 2019, and the following was achieved during the twelve months to 31st December.

Engagement

- ▶ We recruited a dedicated **HR and employee engagement specialist** to develop our new staff culture and employee engagement programme

Learning and development

- ▶ Mirroring last year's participation in the Queen Margaret University course, further adjudicators successfully completed their '**Professional Award in Ombudsman and Complaint Handling Practice**' certification. They attended the tuition alongside adjudicators from other Ombudsmen, where they learnt about ways to improve their complaint handling, and effective working practices, amongst other subjects
- ▶ Members of our management team received **professional coaching** to enhance their learning of best practice in terms of managing the development and maximising the potential of their staff
- ▶ Staff from our business services, finance and dispute resolution teams completed Intermediate and Advanced **Microsoft Excel** training courses to assist with their proficiency in using the software

Events

- ▶ Our senior ombudsman was selected to attend the third year of the **Reach Women in Leadership Summit**, which took place at the Woburn Golf Club in Buckinghamshire ahead of the 2019 AIG Women's British Open. The event saw 70 individuals from across a number of industries exploring how women working together can help unlock their potential, thereby enabling them to fulfil their ambitions
- ▶ Our senior ombudsman and subscriber operations manager took part in a seminar on **data protection** organised by the Ombudsman Association (OA). The session covered topics, such as cyber security, data retention periods and how to protect the privacy of staff
- ▶ For the second year running, a number of our staff members gave up their spare time to help the local Westminster-based St. Andrews Youth Club, the oldest youth club in the world, to design and assemble an electric kit-car for the 2019 **Greenpower Education Trust** motorsport challenge. The idea of the race, which saw around 75 teams compete, is to complete the largest distance on a single charge. The ultimate aim of the initiative however, is to help young people learn about using hand tools and engineering processes



21. The Motor Ombudsman Accounts: Finance Report

Extract from the Accounts for The Motor Ombudsman Limited

Profit and Loss Account for the year ended 31 December 2019			
	Note	Year ended 31 December 2019	Year ended 31 December 2018
		£'000	£'000
Turnover	4	1,893	1,688
Operating costs:			
Other external expenses		(167)	(95)
Staff costs	5	(1,235)	(1,005)
Amortisation written off intangible fixed assets	8	(142)	(74)
Other operating expenses		(572)	(510)
Profit / (Loss) on ordinary activities before interest and taxation		(223)	4
Interest receivable and similar income	7	-	-
Profit / (Loss) before taxation	8	(223)	4
Tax on Profit / (Loss)	9	37	-
Profit / (Loss) for the financial year		(186)	4

All amounts relate to continuing operations.

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

Balance sheet as at 31 December 2019

Registered Number: 06517394	Note	2019	2018
		£'000	£'000
Fixed assets			
Intangible assets	10	400	487
Current assets			
Debtors	11	252	564
Cash at bank and in hand		17	71
		269	635
Creditors: amounts falling due within one year	12	(1,170)	(1,434)
Net current liabilities		(901)	(799)
Total assets less current liabilities		(501)	(312)
Deferred taxation	13	(12)	(15)
Net liabilities		(513)	(327)
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account		(513)	(327)
Total shareholders' deficit		(513)	(327)

Summary of accounts:

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

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

The financial statements were approved by the Board of Directors and authorised for issue in September 2020.

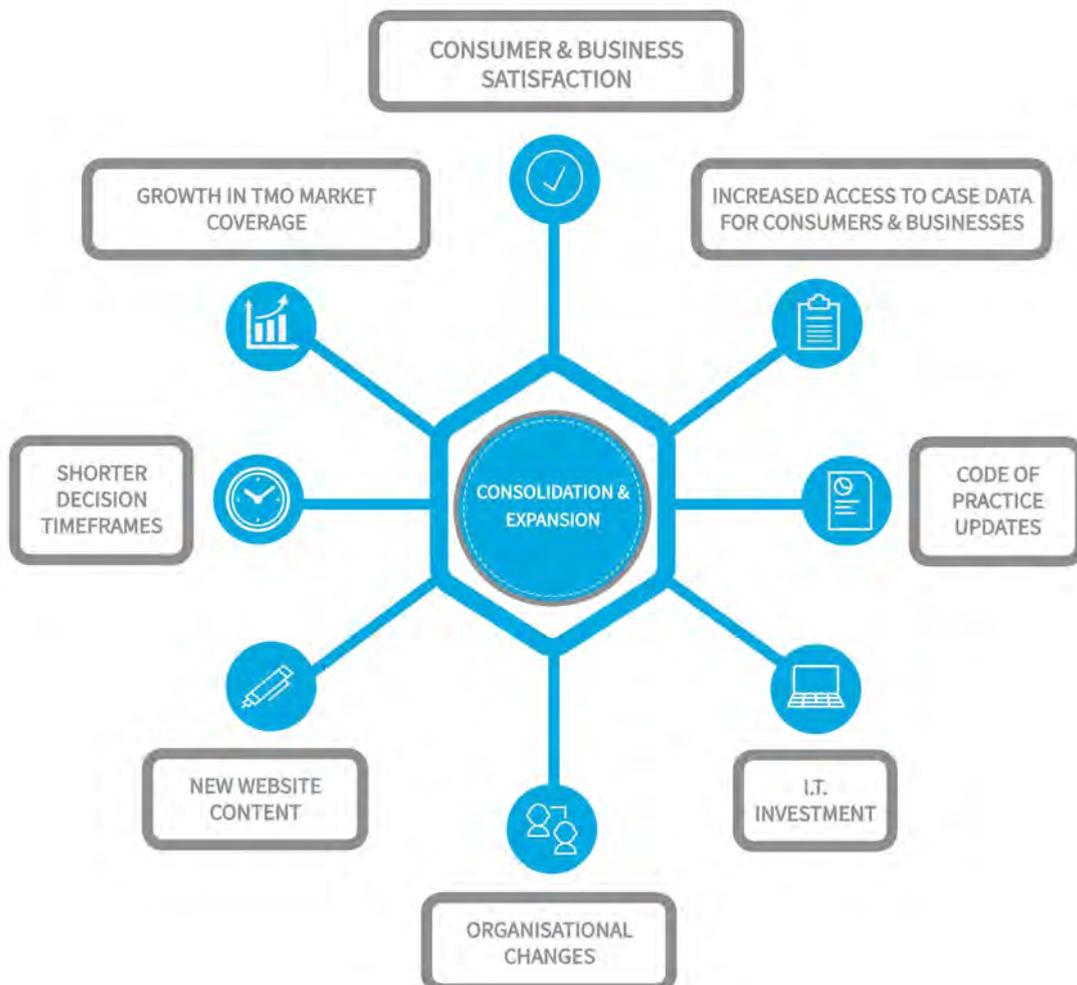
Company Registration No. 06517394

22. Our vision for 2020

Towards the end of 2019, we outlined our vision and priorities for the next 12 months. In line with embarking on the next stage of our current five-year business plan, we will be looking to expand and consolidate our position as the automotive dispute resolution provider, with the primary objective being to deliver even higher standards of service to our key stakeholders, particularly consumers and our growing nationwide accredited business network. To help achieve this goal in 2020, we will be looking to:

- ▶ **Grow** the consumer contact and dispute resolution teams, departments that have already seen a rise in headcount throughout 2019
- ▶ **Evolve** the organisational structure with the addition of newly created roles, in order to drive further efficiencies in the handling of contacts and cases, and to supply adjudication outcomes and ombudsman final decisions within shorter timeframes
- ▶ **Upgrade** our back office IT infrastructure to give businesses and consumers access to more comprehensive data and case status updates, thereby increasing the level of transparency as disputes are processed
- ▶ **Review** the scope and content of our four Chartered Trading Standards Institute (CTSI)-approved Codes of Practice to help ensure that we continue to address the needs of motorists and businesses, against a backdrop of a rapidly changing automotive landscape

Our core areas of focus in 2020



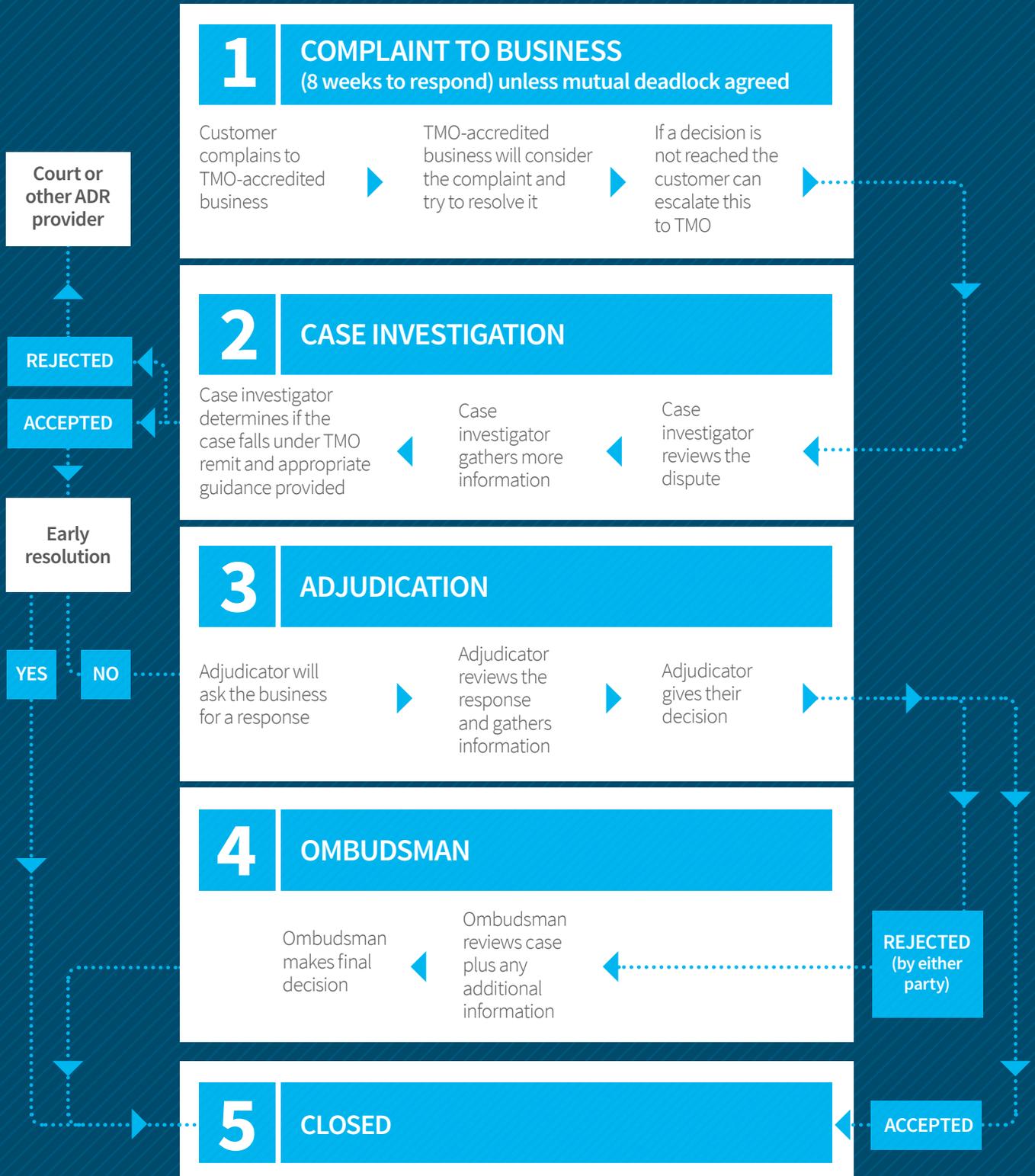


Appendices

These appendices are extracts from the full Motor Ombudsman's Independent Compliance Assessment Panel (ICAP) Annual Compliance Report 2019 which is available to view and download on [TheMotorOmbudsman.org](https://www.themotorombudsman.org).

A1. The Motor Ombudsman's Alternative Dispute Resolution process

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



A2. Benefits of The Motor Ombudsman for consumers and businesses

A2.1 Benefits of The Motor Ombudsman for consumers

The Motor Ombudsman offers consumers the following key benefits:

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



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

Accreditation to The Motor Ombudsman offers businesses the following key benefits³:

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

A3. 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 (TMO)'s four CTSI-approved 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.

The data reflected in the early resolution category is for the period 01st October to 31st December 2019. This is due to the introduction of more robust procedures in the last quarter of the year to speed up the resolution of less complex cases and to increase the percentage of disputes resolved at this initial stage of the ADR process.



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



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

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



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

A3.1 Service and Repair Code



The **Motor Industry Code of Practice for Service and Repair**, introduced in 2008, ensures that consumers receive a transparent and professional service when visiting an accredited business for servicing, maintenance or repairs to their vehicle. All businesses accredited to the Service and Repair Code can be found on The Motor Ombudsman's online Garage Finder.⁶

The Service and Repair Code covers the following principal areas:

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

No changes were made to the content of the Service and Repair Code in 2019.

A3.1.1 Service and Repair Code performance data

Accredited businesses	2017	2018	2019	Trend (2019 v 2018)
Consumer contacts	10,863	13,859	13,714	▼
Early resolutions*	7	4	10	▲
Adjudication cases**	566	1,098	1,799	▲
Ombudsman final decisions	59	89	62	▼
Escalation rate (Contacts to cases)	5%	8%	13%	▲

* For the period 01st October to 31st December 2019 only.

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

⁶ www.themotorombudsman.org/garage-finder

A3.1.2 Service and Repair Code performance analysis

Consumer contacts relating to the Service and Repair Code dipped very slightly year-on-year by only 1% when comparing 2019 to 2018. However, the escalation rate (from a consumer enquiry to the creation of a case) rose from 8% to **13%**, which equally resulted in a **64%** increase in the number of cases being passed for review by case investigators, from 1,098 in 2018 to 1,799 in 2019, the highest volume in the last three years.



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

Source of breach	2017	2018	2019	Trend (2019 v 2018)
1.0 Advertising	2%	1%	4%	▲
2.0 Booking in of a vehicle	20%	21%	32%	▲
3.0 Standard of work	54%	44%	37%	▼
4.0 Billing	2%	2%	3%	▲
5.0 Approach of staff	21%	28%	23%	▼
6.0 Complaint handling	2%	4%	1%	▼

Consumer complaints relating to the Service and Repair Code in 2019 resulted from the following principal breaches:

The standard of work (37% 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]⁷;
- The work was not completed according to the scope agreed with the customer [3.0]; and
- The repairer did not undertake to guarantee the work against failure or did not inform the consumer where parts are provided with a manufacturer's warranty [3.4].

The booking in of a vehicle (32%):

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

The approach of staff (23%):

- Work on a customer vehicle was not undertaken by supervised staff, and was not checked to ensure it was performed appropriately [5.4].
- Staff did not act in the customer's best interests to provide the best possible level of service [5.0]; and
- Staff did not complete the work accurately and efficiently, and were not attentive to the needs of customers, especially those that could be considered vulnerable [5.2].

⁷Numbers in brackets denote Code of Practice clause reference.

A3.2 New Car Code



First launched in 1976, and endorsed by the Office of Fair Trading (OFT) in 2004, the Motor Industry Code of Practice for New Cars ensures that vehicle manufacturers supply new cars and warranties to consumers responsibly.

The Code helps to safeguard new car buyers from being misled by adverts, and advises businesses that documentation supplied with a vehicle is easy to understand, that the terms of a warranty will be respected if the car is serviced according to the recommended guidelines, and that any complaints will be handled swiftly. In 2019, a total of **38** businesses were accredited to the New Car Code, meaning that around **99%** of all new vehicles sold across the UK were covered by it.

The New Car Code covers the following principal areas:

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

No changes were made to the New Car Code in 2019.

A3.2.1 New Car Code performance data

	2017	2018	2019	Trend (2019 v 2018)
Consumer contacts	9,806	11,335	9,671	▼
Early resolutions*	112	35	28	▼
Adjudication cases**	514	1,206	1,405	▲
Ombudsman final decisions	61	101	62	▼
Escalation rate (Contacts to cases)	7%	11%	15%	▲

* For the period 01st October to 31st December 2019 only.

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

A3.2.2 New Car Code performance analysis

Consumer enquiries relating to the New Car Code fell by 15% between 2018 and 2019 to 9,671, the lowest level for the last three years. However, the escalation rate rose from 11 to **15%**, which meant that The Motor Ombudsman handled nearly **200** more cases than the previous year (1,405 versus 1,206), and was triple the amount compared to 2017 (514).



A3.2.3 New Car Code cases by breach

Source of breach	2017	2018	2019	Trend (2019 v 2018)
1.0 Advertising	33%	25%	19%	▼
2.0 New car provisions	15%	18%	3%	▼
3.0 Manufacturers' new car warranties	43%	49%	73%	▲
4.0 Availability of replacement parts and accessories	5%	4%	3%	▼
5.0 Complaints handling	4%	4%	1%	▼

Consumer complaints relating to the New Car Code in 2019 resulted from the following principal breaches:

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

- The manufacturer's new car warranty was not supplied to the customer on the delivery of their vehicle [3.0]⁸.
- A repairer who was not part of the manufacturer's network carried out repair work under the new car warranty, causing it to be invalidated [3.4]; and
- The customer was unable to continue to benefit from the manufacturer's new car warranty whilst the car was serviced to the manufacturer's recommendations, even if it was carried out by an independent service garage [3.1].

Advertising (19%):

- The words 'guarantee' or 'warranty' were used by the accredited business in an advertisement without the full terms of the agreement being set out or being available to the customer at the point of sale [1.6];
- Where a rust/corrosion-proofing process was advertised, the limitations were not made available to consumers [1.7]; and
- Advertisements and promotional material contained misleading content, or that which was likely to be misunderstood [1.1].

New car provisions (3%):

- The car supplied to the retailer was not manufactured to a high quality standard, and did not meet customer expectations [2.0].

Availability of replacement parts and accessories (3%):

- Spare parts were not made available for the model at launch, during production or for a reasonable period thereafter [4.3]; and
- Parts supplied to dealers were not of a satisfactory quality or fit for the purpose [4.1].

⁸Numbers in brackets denote Code of Practice clause reference.

A3.3 Vehicle Warranty Products Code



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

The Vehicle Warranty Products Code covers the following principal areas:

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

No changes were made to the content of the Vehicle Warranty Products Code in 2019.

A3.3.1 Vehicle Warranty Products Code performance data

	2017	2018	2019	Trend (2019 v 2018)
Consumer contacts	1,294	1,502	1,863	▲
Early resolutions*	1	0	2	▲
Adjudication cases**	70	162	287	▲
Ombudsman final decisions	4	16	9	▼
Escalation rate (Contacts to cases)	6%	11%	15%	▲

* For the period 01st October to 31st December 2019 only.

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

A3.3.2 Vehicle Warranty Code performance analysis

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



A3.3.3 Vehicle Warranty Products Code cases by breach

Source of breach	2017	2018	2019	Trend (2019 v 2018)
1.0 Advertising	5%	10%	3%	▼
2.0 Point of sale	44%	52%	30%	▼
3.0 Clarity of information	25%	11%	50%	▲
4.0 Claims handling	26%	27%	17%	▼

Consumer complaints relating to the Vehicle Warranty Products Code in 2019 resulted from the following principal breaches:

Clarity of information (50% of breaches)

- Warranty terms and conditions were not written in plain English, and were ambiguous or difficult to understand [3.1]⁹;
- The consumer was not fully informed about which components were and were not covered by the warranty product [3.4]; and
- Product information was not written in plain English [3.0].

Point of sale (30%):

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

Claims handling (17%):

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

⁹Numbers in brackets denote Code of Practice clause reference.

A3.4 Vehicle Sales Code



Launched in 2016, **the Motor Industry Code of Practice for Vehicle Sales** provides guidelines on the sale of both new and used cars, as well as the supply of finance and warranties. Businesses accredited to the Vehicle Sales Code can be found on The Motor Ombudsman's Garage Finder.¹⁰

The Vehicle Sales Code covers the following principal areas:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Advertising; | <input checked="" type="checkbox"/> The provision of warranty products; |
| <input checked="" type="checkbox"/> The presentation of used cars for sale; | <input checked="" type="checkbox"/> The provision of finance products; |
| <input checked="" type="checkbox"/> The presentation of new cars for sale; | <input checked="" type="checkbox"/> Aftersales support; and |
| <input checked="" type="checkbox"/> The vehicle sales process; | <input checked="" type="checkbox"/> Complaints handling. |

No changes were made to the content of the Vehicle Sales Code in 2019.

A3.4.1 Vehicle Sales Code performance data

	2017	2018	2019	Trend (2019 v 2018)
Consumer contacts	16,780	27,977	25,608	▼
Early resolutions*	12	4	5	▲
Adjudication cases**	944	1,993	2,623	▲
Ombudsman final decisions	97	161	155	▼
Escalation rate (Contacts to cases)	6%	7%	10%	▲

* For the period 01st October to 31st December 2019 only.

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

¹⁰www.themotorombudsman.org/garage-finder

A3.4.2 Vehicle Sales Code performance analysis

Although the amount of consumer contacts decreased year-on-year by **8%** to just over 25,600, the volume of cases associated with potential breaches of the Vehicle Sales Code grew by nearly a third (**32%**) to 2,623, equating to a significant rise of 630 versus the number of cases seen in 2018.



A3.4.3 Vehicle Sales Code cases by breach

Source of breach	2017	2018	2019	Trend (2019 v 2018)
1.0 Advertising	6%	11%	7%	▼
2.0 Presentation of used cars for sale	5%	6%	9%	▲
3.0 Presentation of new cars for sale	2%	2%	2%	▬
4.0 The vehicle sales process	11%	11%	7%	▼
5.0 Provision of warranty products	1%	0%	1%	▲
6.0 Provision of finance products	6%	2%	1%	▼
7.0 Quality of a vehicle at the point of purchase	64%	55%	48%	▼
8.0 Aftersales support	4%	12%	25%	▲
9.0 Complaints handling	1%	1%	1%	▬

Consumer complaints relating to the Vehicle Sales Code in 2019 resulted from the following principal breaches:

Vehicle purchase quality (48% 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]¹¹; and
- The accredited business did not ensure that the vehicle supplied to the consumer was of a high-quality standard [7.0].

Aftersales support (25%):

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

Presentation of used cars for sale (9%):

- The accredited business withheld information which would have influenced the consumer's purchasing decision [2.11]; and
- The customer did not receive information that could affect have affected the transaction [2.13].

¹¹ Numbers in brackets denote Code of Practice clause reference.

A4. Case studies - adjudication outcomes and final decisions

For all case studies relating to The Motor Ombudsman's Codes of Practice in 2019, please refer to the 2019 ICAP Report, which can be found at:

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



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