The Motor Industry Code of Practice for **New Cars.**

THE MOTOR OMBUDSMAN

TheMotorOmbudsman.org

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The Motor Industry Code of Practice for **New Cars.**

The Motor Ombudsman provides a free and impartial service to assist consumers and businesses to resolve automotive related disputes and raise standards of service across the sector through its comprehensive Motor Industry Codes of Practice.

Another box ticked.

The Codes, which are approved by the Chartered Trading Standards Institute, enable The Motor Ombudsman to investigate and adjudicate on:

- The sale of new cars by manufacturers (via the New Car Code);
- The sale of new and used cars by garages and dealers (via the Vehicle Sales Code);
- Service and repair issues (via this Service and Repair Code);
- The sale of vehicle warranty products (via the Vehicle Warranty Products Code).

The Motor Ombudsman is a neutral arbiter and impartial. It will gather information from both parties and reach an outcome which it feels is fair and reasonable, taking into account the Codes and any relevant legislation.

This document sets out The Motor Industry Code of Practice for New Cars (the "**New Car Code**"), which confirms commitments made by vehicle manufacturers and businesses which are accredited to The Motor Ombudsman and the New Car Code regarding their obligations in the sale of new cars and the cover provided by the manufacturer's warranty. The New Car Code sets out standards that accredited businesses must comply with relating to:

Introduction (cont.)

Advertising

Commitment: 'All accredited business's advertising will honestly and accurately promote their new cars'

New Car Provisions

Commitment: 'Once you have ordered your new car, it is the accredited business's responsibility to ensure that the car supplied to the retailer is manufactured to a high quality standard which will meet your expectations'

New Car Manufacturer's Warranties

Commitment: 'The accredited business will supply a manufacturer's new car warranty with every new car purchased, which will provide you with cover in the event that you experience problems with your new car resulting from a manufacturing defect'

Availability of Replacement Parts

Commitment: 'To enable routine maintenance and warranty rectification work to be completed effectively, the accredited business will ensure that its spare parts are readily available to their authorised networks'

Complaints Handling

Commitment: 'The accredited business will handle complaints swiftly, following the guidance detailed in the Complaints Handling section of this document'

Accredited businesses are obliged to accept the New Car Code in its entirety and ensure that their staff are aware of their responsibilities under the New Car Code as well as their statutory legal and trading responsibilities.

Accredited businesses must inform consumers of the New Car Code and direct them to their complaints process and make them aware of The Motor Ombudsman.

If a consumer feels dissatisfied with an accredited business's performance under any item covered by the New Car Code and are unable to reach a resolution, they are able to contact The Motor Ombudsman. The Motor Ombudsman's experienced team will provide the best information available and escalate matters to dispute resolution where appropriate. Refer to the "Guidance on Handling Complaints" section in the Appendix.

The principles set out in the New Car Code are not intended to interpret, qualify or supplement the law, and are intended to be applied to business to consumer contracts only.

The New Car Code covers vehicle sales transacted over any medium and includes 'face-to-face' sales (i.e. those made at the accredited business's or other third party premises) and distance sales (e.g. sales made over the internet or via telephone).

The New Car Code covers vehicle sales and transactions which take place in the United Kingdom only.

A consumer information leaflet to accompany the New Car Code, the Consumer Guide to the Motor Industry Code of Practice for New Cars (the "**Consumer Guide**"), is available from accredited businesses or to download from: **www.TheMotorOmbudsman.org**

The New Car Code has been developed by The Motor Ombudsman Limited in conjunction with the motor industry to provide a self regulatory regime through which accredited businesses can demonstrate their intention to operate responsibly. Accredited businesses will also have in place a cost-effective and speedy dispute resolution service that consumers can readily access in the event of a disagreement.

Consumers equally have a responsibility to co-operate with accredited businesses who make, sell and maintain their vehicles and should familiarise themselves with their car's owner manual and ensure the car is maintained in accordance with the manufacturer's recommendations. Other helpful tips and guidance for consumers are set out in the New Car Code, under each section headed 'We would advise you to'.

Throughout the New Car Code:

Accredited business
The term accredited business describes a vehicle manufacturer or dealer that sells new cars and has been accredited to the New Car Code by The Motor Ombudsman and any references to 'they', 'them' or 'their' shall be deemed to be references to accredited business(es) unless the context otherwise requires.

Manufacturer
The term manufacturer is taken to include official importer.

Car and vehicle
The terms car and vehicle are taken to include light and medium commercial vehicles and derivatives (up to a maximum gross vehicle weight of 6 tonnes) in addition to passenger cars, provided that the vehicle is intended for the consumer's personal use only and not in connection with any business.

New car
The term new car describes a vehicle (as defined above) that has had no prior owners.

Consumer
The term consumer refers to the owner and/or end user of any vehicle (as defined above) and includes any vulnerable consumer, and any reference to 'you' or 'your' in the New Car Code shall be deemed to be addressed to the consumer.

Vulnerable consumer
The term vulnerable consumer describes any consumer whose circumstances put them at risk of making an incorrect or inappropriate decision, or of receiving inferior goods or services.

New car warranty/guarantee
The term new car warranty/guarantee means any manufacturer's warranty and any extension offered free of charge with the vehicle.

What their commitment means to you
The term "what their commitment means to you" refers to commitments made to the consumer by the accredited business in accordance with the New Car Code.

Advertising

What this commitment means to you

1.1 Any advertisements, promotions or any other publications or communications, whether in writing or otherwise, will not contain any content which is likely to mislead you or be misunderstood.

1.2 Any advertisements, promotions and other publications or communications will comply with the requirements of applicable legislation along with the codes, regulations and rulings of relevant organisations or associations.

1.3 Any comparison made within the accredited business's advertisements between their vehicle models and those offered by other vehicle manufacturers will not confuse or mislead you. Their advertisements will objectively compare models based upon relevant and verifiable features, including the purchase price.

1.4 Where the accredited business's advertisements quote the price of one model in any model range but depict another, the actual price of that other model will also be clearly shown.

1.5 The price quoted for a vehicle should be the 'on the road' price for which you can buy the vehicle.

1.6 The words 'guarantee' or 'warranty' within any of the accredited business's advertisements will not be used unless the full terms of that warranty are set out clearly within the advertisement or are available at the point of sale. Warranties/guarantees where purchased or provided are in addition to a consumer's statutory rights.

1.7 Where a rust/corrosion-proofing process is advertised, information about the process and its limitations will be made freely available to consumers.

1.8 In the unlikely event that any accredited business is found breaching any legislation, codes, regulations or rulings relating to advertising, or is convicted of an offence relating to advertisements for a new car, then that accredited business will be deemed to be in breach of the New Car Code.

The price quoted for a vehicle should be the **'on the road'** price for which you can buy the vehicle.

We would advise you to...

- Read accredited business' advertisements carefully and in full. If an advertisement is not clear to you, clarify it before you commit yourself to any transaction.
- Check that the specification and appearance of the car you are considering matches your requirements, since many features are often optional or substitutable extras.
- Check with your dealer that you have the latest sales information on the specific car you are considering.
- Ensure that the car you are considering suits your requirements and check any oral or written statements that conflict, or appear to conflict with your requirements.
- Inform your dealer of any special needs relating to the car you are considering, or your requirements, since they cannot advise as to the suitability of a car for any particular purpose if you do not explain that purpose.

For your information

Where applicable to the accredited business and/or the transaction, the accredited business will observe the requirements of all applicable legislation and regulatory requirements, including without limitation:

Consumer Rights Act 2015

Consumer Protection from Unfair Trading Regulations 2008

The UK Code of Non-Broadcast Advertising, Sales Promotion and Direct Marketing

The UK Code of Broadcast Advertising

Ofcom Broadcasting Code (TV/Advertising)

The Passenger Car (Fuel Consumption and CO_2 Emissions Information) Regulations 2001

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

Misrepresentation Act 1967

Consumer Credit Act 1974 (as amended by the Consumer Credit Act 2006)

Electronic Commerce (EC Directive) Regulations 2002

Road Traffic Act 1988

General Product Safety Regulations 2005 and the 'Vehicle Safety Defects and Recalls: Code of Practice' published by the DVSA

New Car Provisions

What their commitment means to you

2.1 When you take delivery of your new car you will be made aware of the after-sales services available to you.

2.2 You will receive a copy of the manufacturer's handbook with your new car, replacement copies of which will be available on request from the relevant accredited business for a reasonable period of time thereafter.

2.3 All of the accredited business's documents supplied for new cars purchased in the UK will be written in plain English.

We would advise you to...

- Be aware of who any deposit is being paid to and its security, along with the cancellation terms.
- Ensure that any order form used contains all charges additional to the car price in order to fully understand the total cost of your purchase.
- Check that the specification matches your order at the handover and the dealer has fulfilled its requirement to supply you with a car of satisfactory quality.
- Ensure that the accredited dealer provides you with a detailed handover of your new car which should form part of the delivery of a new car.

For your information

Where applicable to the accredited business and/or the transaction, the accredited business will observe the requirements of all applicable legislation and regulatory requirements, including without limitation:

Consumer Rights Act 2015

Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

Misrepresentation Act 1967

Consumer Protection from Unfair Trading Regulations 2008

Data Protection Act 1998

The Passenger Car (Fuel Consumption and CO_2 Emissions Information) Regulations 2001

The Road Traffic Act 1988

General Product Safety Regulations 2005 and the 'Vehicle Safety Defects and Recalls: Code of Practice' published by the DVSA

What their commitment means to you

3.1 You will continue to benefit from the manufacturer's new car warranty whilst the car is serviced to the manufacturer's recommendations, even if this service is carried out by an independent service/ repair outlet.

3.2 The manufacturer's new car warranty will be supplied to you on delivery of your new car.

3.3 The terms of the new car warranty will be written in plain English and will clearly list items specifically included or excluded from its scope and the geographical coverage of the warranty provided. The document will also cover claim procedures and contact information.

3.4 Where repair work is required under the new car warranty it may be carried out by any dealer in the manufacturer's network anywhere in Europe. The terms and conditions of the warranty may provide that a repairer who is not part of the manufacturer's network may not carry out repair work under the new car warranty, which may be invalidated if this happens.

3.5 You are permitted to transfer the unexpired portion of the first three years (or, possibly, longer than three years, depending on the terms and conditions of the warranty) of any new car warranty to a subsequent owner of the relevant car. Any further warranty period beyond the first three years provided with any new car will be subject to its terms, which should be clearly stated within your warranty documentation.

3.6 In the event that your car is off the road for an extended period for rectification of warranty faults, the accredited business will consider an extension of the new car warranty period.

3.7 If a loan car is made available to you while your car is off the road, this should be seen as an alternative mode of transport and you will be provided with a reasonable alternative to your car (although, depending on the terms and conditions of the warranty, this may not be an exact replacement). There is no automatic right to a loan car or contribution towards hiring charges while a car is undergoing warranty rectification work.

The manufacturer's **new car warranty** will be supplied to you on delivery of your new car.

3.8 If you (a) fail to have your car serviced in accordance with the manufacturer's servicing schedule or (b) modify the car, any failures that could be connected to vehicle servicing, modifications or external influences may not be covered by the warranty (but warranty cover will continue for claims unconnected with vehicle servicing, modification or other external influences, subject to the terms and conditions of the warranty).

Manufacturers' New Car Warranties (cont.)

We would advise you to...

- Remember a manufacturer's new car warranty is a simple and straightforward method of allowing any faults of manufacture to be corrected at no cost to the consumer, without the necessity of pursuing legal redress against the seller.
- Make sure you understand the terms of the new car warranty, including the servicing criteria, specifically the service intervals in terms of mileage and time periods.
- If your car has been serviced by an independent service/repair outlet, make sure you keep records of all work completed (including detailed invoices of the work and any parts used, plus the brand and specification of the oil and filters used) and ensure that the service and/or repair is completed according to the manufacturer's requirements.
- Remember that generally warranty repair work will only be covered at no cost to you if is undertaken by a franchised/authorised outlet.
- Understand that any warranty is in addition to and does not affect your statutory rights (the warranty should include a statement which makes this clear to you).
- Choose a garage that is accredited to the Motor Industry Code of Practice for Service and Repair for any service and/or repair work to ensure you are using a responsible business. Find your nearest accredited garage at: **www.TheMotorOmbudsman.org**

For your information

Where applicable to the accredited business and/or the transaction, the accredited business will observe the requirements of all applicable legislation and regulatory requirements, including without limitation:

Consumer Rights Act 2015

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

Financial Services and Markets Act 2000

Consumer Transactions (Restrictions on Statements) Order 1976

Data Protection Act 1998

Choose a garage that is accredited to the **Motor Industry Code of Practice** to ensure you are using a responsible business.

Replacement Parts and Accessories 11

What this commitment means to you

4.1 Where the accredited business's parts are supplied to their dealers they will be of a satisfactory quality and fit for the purpose for which parts of that type are normally used.

4.2 Where the accredited business offers promotions on parts and accessories, the terms of the promotion (in particular, any restrictions) will be clearly stated.

4.3 Spare parts will be made available from the time a new model is launched, throughout its production and for a reasonable period thereafter.

We would advise you to...

- Ensure the replacement parts and accessories fitted to your car meet with the vehicle manufacturer's specifications and requirements.

For your information

Where applicable to the accredited business and/or the transaction, the accredited business will observe the requirements of all applicable legislation and regulatory requirements, including without limitation:

Consumer Rights Act 2015

Sale of Goods Act 1979

Supply of Goods and Services Act 1982

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

Consumer Protection from Unfair Trading Regulations 2008

Complaints Handling

What their commitment means to you

5.1 The accredited business will take effective, immediate action in order to ensure that you receive a fair response to your complaint.

5.2 The accredited business will have in place an accessible arrangement for the handling of complaints and details of the complaints procedure will be made available to you on request. Where the complaints handling system is computer-based, the ability to provide a durable copy of the complaints record is required.

5.3 The accredited business will co-operate fully with any consumer advisor or any other intermediary you choose to consult in an effort to resolve your complaint.

5.4 In the event that your complaint remains unresolved, the accredited business will advise you of your right to refer your complaint to The Motor Ombudsman.

5.5 The Motor Ombudsman is responsible for the operation of an impartial alternative dispute resolution service. The Motor Ombudsman adjudicators will provide an appropriate outcome for the complaint.

5.6 The accredited business will give every assistance to The Motor Ombudsman adjudicators whilst they are investigating a complaint, and in reaching a conclusion.

5.7 If either party disagrees with The Motor Ombudsman adjudicator's conclusion, the accredited business will submit to a legally binding final decision of the Ombudsman.

5.8 The Motor Ombudsman will analyse complaints regarding the New Car Code or other matters referred to The Motor Ombudsman for adjudication. The results of this analysis will be published within The Motor Ombudsman's Annual Review.

We would advise you to...

- Make your complaint in writing where possible so you can keep a record of all discussions and correspondence.
- Allow the accredited business a reasonable opportunity (of no less than eight weeks) to resolve your complaint. If you and the accredited business mutually agree that a deadlock has been reached before eight weeks have passed, and the accredited business provides a letter or email to this effect, then you may bring your complaint to The Motor Ombudsman before the eight week deadline has passed.
- Refer to The Motor Ombudsman in the event the matter remains unresolved. Further information can be found in the "Guidance On Handling Complaints" section in the Appendix
- Whilst accredited businesses are required to engage with The Motor Ombudsman, you still reserve your option to pursue your case outside of this mechanism through other legislative channels such as the Small Claims or County Court process.

For your information

Where applicable to the accredited business and/or the transaction, the accredited business will observe the requirements of all applicable legislation and regulatory requirements, including without limitation:

Consumer Rights Act 2015

Alternative Dispute Resolution for Consumer Disputes (Amendment) Regulations 2015

Equality Act 2010

Guidance on Handling Complaints

Initial Complaint

A consumer or intermediary who has a complaint about an accredited business should, in the first instance, refer the matter to the accredited business and/or dealer network. A copy of the accredited business's complaint procedure should be made available to the consumer upon request.

If the complaint relates to a warranty or guarantee then the consumer should also contact the warranty provider (which in this case will be the Manufacturer) and notify them of the complaint.

The complaint, where possible, should be in writing and should be addressed to a senior customer service executive, customer service director, or the MD of the accredited business.

The accredited business will have up to 8 weeks in which to issue a final response, but should aim to acknowledge your complaint within 10 working days. A consumer can refer their complaint to The Motor Ombudsman once the accredited business has issued a final response, or if it has been more than 8 weeks since the consumer contacted the accredited business and no response has been received.

In the event that a complaint remains unresolved at both dealer and manufacturer level, the relevant accredited business shall make clear to the consumer their right to refer the complaint to The Motor Ombudsman.

The Motor Ombudsman

The Motor Ombudsman will look at complaints where a potential breach of the New Car Code has occurred. The service is free to consumers as an alternative to traditional avenues (such as a court).

Adjudication

The service will require both parties to submit their complaint and any supporting evidence and an adjudicator will be assigned to review and resolve the dispute.

In complex cases where it is not always possible to resolve a dispute quickly, the adjudicator may need more time to gather further facts and supporting evidence from each party in order to reach a decision.

Final Decision

If a case remains unresolved or there is a difference of opinion that cannot be satisfactorily addressed at the adjudication stage, then it may be referred to the Ombudsman to make a final decision.

If the consumer accepts the final decision of the Ombudsman, it becomes legally binding on all parties. This constitutes the last stage of The Motor Ombudsman's process.

Further Information

Complaints should be referred to The Motor Ombudsman within one year of the complaint being made to the accredited business or from the date of the final response letter, whichever is the later.

If it has been more than six years since the purchase of the vehicle, then The Motor Ombudsman may not be able to consider the complaint.

Any written correspondence from you will receive a response within 7 to 10 working days of receipt and investigations will be concluded within reasonable time scales (determined by the nature of the investigation).

Further details about the terms of the service are available upon request or can be found at: **www.TheMotorOmbudsman.org**

Appendix (cont.)

How to contact us

If all attempts to reach a satisfactory solution fail, consumers may refer the complaint to The Motor Ombudsman as set out above. Accredited businesses should ensure that they advise consumers of their right to refer the complaint.

Consumers can find more information, including answers to our frequently asked questions and submit a dispute online at:
www.TheMotorOmbudsman.org
Or write to: The Motor Ombudsman,
71 Great Peter Street, London SW1P 2BN
Information Line: **0345 241 3008**

Complaints Escalation Procedure

This diagram is intended to act as a visual aid to assist your understanding of the complaints escalation process that will be followed for any complaints made to or regarding an accredited business under the Service and Repair Code.
All references to 'TMO' are to:
'The Motor Ombudsman'.

Disciplinary Action

The Independent Compliance Assessment Panel (ICAP) is an independent panel which monitors the operation of the Service and Repair Code and accredited business compliance with the Service and Repair Code.

ICAP will also meet to review cases of persistent or serious breaches of the Service and Repair Code by accredited businesses.

ICAP is independent of the sector and its authority over accredited businesses reflects the serious nature with which The Motor Ombudsman views non-compliance. It is the responsibility of The Motor Ombudsman to acknowledge when an accredited business has breached the Service and Repair Code in a manner that requires more than adjudication and make a referral to ICAP.

Other Codes of Practice

If the complaint is not about a service or repair issue, then The Motor Ombudsman may still be able to assist if it is covered by another Code of Practice. For more information on all the other Codes, visit: **www.TheMotorOmbudsman.org**

The Chartered Trading Standards Institute Consumer Codes Approval Scheme (CCAS)

The Motor Industry Codes of Practice are approved by the Chartered Trading Standards Institute Consumer Codes Approval Scheme, which facilitates self-regulation and aims to bolster consumer protection and improve customer service standards.

ADR Certified

The Motor Ombudsman is also approved by the UK Government as a consumer ADR body under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015.

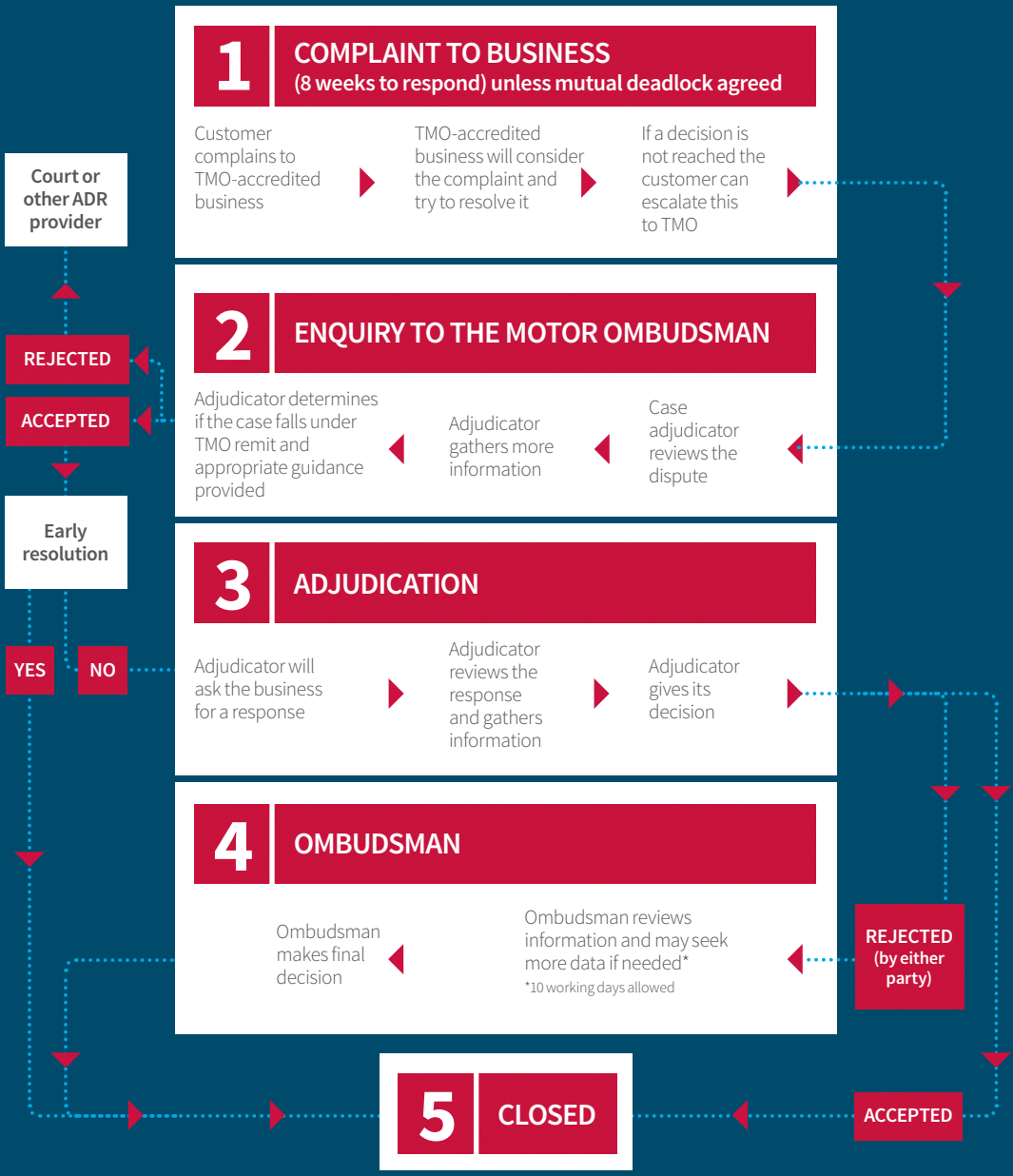
Customer Satisfaction Survey

The customer satisfaction survey is used to monitor accredited business' performance under the Service and Repair Code. The results of the survey will be published in The Motor Ombudsman Annual Report.

The customer satisfaction survey can be accessed at: **www.TheMotorOmbudsman.org**

Data

For the purpose of monitoring and resolving complaints, and monitoring compliance with the Service and Repair Code as well as assessing consumer satisfaction, accredited businesses may pass personal data to The Motor Ombudsman who may analyse that data and publish findings based on it. Accredited businesses and The Motor Ombudsman will process personal data at all times in accordance with the Data Protection Act 1998.



The Motor Ombudsman aims to have all cases resolved within 90 days. However, sometimes things can be a bit trickier and it may take longer to reach a decision. If that is the case, The Motor Ombudsman will keep both parties informed at every step of the way.

Further Information

Enquiries or complaints

The Motor Ombudsman telephone:

0345 241 3008

The Motor Ombudsman website:
www.TheMotorOmbudsman.org

Relevant web links

- The Chartered Trading Standards Institute: **www.tradingstandards.uk**
- Advertising Standards Authority: **www.asa.org.uk**
- Citizens Advice Bureau: **www.citizensadvice.org.uk**
- Financial Ombudsman Service: **www.financial-ombudsman.org.uk**
- Financial Conduct Authority: **www.fca.org.uk**
- Ofcom: **www.ofcom.org.uk**

Legislation web links

Information on the legislation referred to in the Vehicle Sales Code can be found on the website: **www.legislation.gov.uk**

Legislation referred to within the New Car Code

- Consumer Rights Act 2015
- Consumer Protection from Unfair Trading Regulations 2008
- The UK Code of Non-Broadcast Advertising, Sales Promotion and Direct Marketing
- The UK Code of Broadcast Advertising
- Ofcom Broadcasting Code (TV/Advertising)
- The Passenger Car (Fuel Consumption and CO_2 Emissions Information) Regulations 2001
- The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013
- Misrepresentation Act 1967
- Consumer Credit Act 1974 (as amended by the Consumer Credit Act 2006)
- Electronic Commerce (EC Directive) Regulations 2002
- The Road Traffic Act 1988
- General Product Safety Regulations 2005 and 'the Vehicle Safety Defects and Recalls: Code of Practice' published by the DVSA
- Data Protection Act 1998
- Financial Service and Markets Act 2000
- Consumer Transactions (Restrictions on Statements) Order 1976
- Sale of Goods Act 1979
- Supply of Goods and Services Act 1982
- Alternative Dispute Resolution for Consumer Disputes (Amendment) Regulations 2015
- Equality Act 2010

THE MOTOR OMBUDSMAN

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Motor Industry Code of Practice for **New Cars**

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