



**THE MOTOR
OMBUDSMAN**

Independent Compliance Assessment Panel (ICAP)

Annual Compliance
Report 2021



Contents

3

FOREWORD:

Managing Director and Chief Ombudsman

5

SECTION 1:

Introductions

28

SECTION 2:

Breakdown of case outcomes

30

SECTION 3:

Code of Practice performance summary

59

SECTION 4:

Business compliance monitoring

66

SECTION 5:

ICAP member comments

TheMotorOmbudsman.org

Managing Director and Chief Ombudsman's foreword



Bill Fennell
Managing Director

In last year's report, we highlighted how the COVID-19 pandemic had changed the way we worked here at The Motor Ombudsman and the impact it had on the motor industry as a whole.

It was reassuring to see that 2021 was a year with slightly less disruption, a result of the vaccination and booster programme gaining pace and the gradual loosening of restrictions, allowing the automotive sector to return to some kind of "normality". It was of course not all plain sailing, with the widely-publicised semiconductor chip shortage continuing to hamper new vehicle production, and the resulting lack of supply increasing order times for customers and driving up used car prices.

From a service and repair point of view, staff shortages were the main challenge that garages had to contend with, due to a difficulty in recruiting qualified technicians. This was further compounded by absences caused by positive Coronavirus tests, the arrival of the more transmissible Omicron variant, and the requirement for individuals to self-isolate away from the workplace in line with government advice.

However, as the economy regained momentum over the course of the year, and car showrooms re-opened fully to the public (i.e. not solely for "click and collect"), our dispute resolution service became notably busier. During 2021, our team accepted around 6,000 cases for adjudication, and handled more than 100,000 consumer contacts. In fact, contacts relating to our Vehicle Sales Code increased year-on-year by 120% alone to nearly 46,000, linked to the rise in sales transactions, as the sector looked to satisfy pent-up demand from motorists.

As the demands placed on our dispute resolution service grew, we continued to make investments in our back-office IT infrastructure to make it easier for consumers to get in touch with us. We also recruited additional team members and restructured the way we worked to drive further efficiencies and reduce the time taken for outcomes to be delivered. This included the introduction of an in-house mediation service – an extension of our early resolution process, to bring parties together around a "virtual" table in order to find an acceptable resolution to a complaint outside of the formal adjudication process. We also introduced a team of case administrators to collate the case files, enabling adjudicators to focus solely on adjudication outcomes.

In October, we saw the temporary lifting of the "work from home" restrictions. This allowed our

team to return to our Westminster office, and provided the opportunity for people to once again interact with one another face-to-face. This also gave rise to the introduction of our first hybrid working model, allowing staff to enjoy the benefits of being in both an office and home environment during the working week – an initiative that has so far proved very successful in terms of achieving increased all-round productivity and an improved work life balance.

2021 was also a significant year for our organisation – we appointed [Ron Gainsford OBE](#), a long-standing non-executive director of The Motor Ombudsman, as Chair of our Board, and celebrated two major anniversaries, the first being five years since launching as the first and only Ombudsman for the automotive sector. We marked this occasion with the launch of our refreshed website ([TheMotorOmbudsman.org](#)), and issued three thought leadership papers during the year in the run-up to the anniversary. These looked at the subjects of dispute trends in the [service and repair](#) and [vehicle sales](#) sectors, and [managing consumer vulnerability effectively in the age of social media](#). All were well received, and we will be looking to release further papers in 2022.

Secondly, we marked five years of our [Vehicle Sales Code](#), which remains the most comprehensive and only Code of Practice of its kind in the motor industry to cover the customer purchase of a new or used car. Between 2016 and 2021, over 100,000 consumer contacts were received in relation to the Code, with more than 11,000 cases being worked on by our team during the same period.

Turning our attention to the future, the growth in electric vehicles registrations will of course continue, with battery electric (BEV) and hybrid electric (PHEV) vehicles forecast to account for close to 25% of vehicle registrations in 2022. While cases relating to EVs have up to this point been low, with 140 EV models already available and more than 50 new models planned for launch in 2022, we expect to see EV related cases increasing year-on-year.

Another significant development in 2022 involves the future of Alternative Dispute Resolution (ADR) in the automotive sector. This follows on from our inputs to the Department for Business, Energy & Industrial Strategy (BEIS) [consultation paper](#) during 2021. Should ministers agree that it should be mandatory for all garages and dealerships to be accredited to an ADR body, 2022 will be a significant year for both The Motor Ombudsman and the industry as a whole.

ICAP Chairman's foreword



Tim Milsom
ICAP Chairperson

A stylized, handwritten signature in black ink, appearing to read 'Tim Milsom', enclosed within a large, loopy oval shape.

My role as Chairperson of the Panel has continued to be focused on ensuring that the decisions made by The Motor Ombudsman are timely, fair and impartial, and adhere to our rules of transparency, fairness, professionalism and communication contained in our quality assessment framework.

Given the varying Coronavirus restrictions during 2021, we once again held virtual meetings to carry out our duties. I would like to take this opportunity to thank my fellow ICAP members and The Motor Ombudsman team for their time and commitment during the year.

In 2021, we started the process of streamlining our meeting agendas to become more focused, and we also chose pertinent key performance indicators to make it easier for us to monitor, review and comment on The Motor Ombudsman operation, including complaints about the service. I would like to express my appreciation once again to The Motor Ombudsman team for their hard work in collating and visualising this Key Performance Indicator (KPI) data dashboard.

I am also pleased to report that further work has been carried out to make The Motor Ombudsman's service more accessible to vulnerable consumers. The year equally saw a process of ongoing Code of Practice reviews to accommodate industry changes, such as electric and autonomous vehicles, and the increase in consumer distance sale transactions.

Furthermore, I am delighted to report that The Motor Ombudsman has continued to develop a number of initiatives to support the industry. As in previous years, our work as a monitoring panel is supported by business and consumer satisfaction surveys, the results of which can be found in this report.

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

There were no membership changes to the Panel in 2021.



SECTION 1:

Introductions

- 1.1 The Independent Compliance Assessment Panel (ICAP)
- 1.2 The Motor Ombudsman
- 1.3 Annual consumer and business survey results



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

1.1 The Independent Compliance Assessment Panel (ICAP)

ICAP remit

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

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

Panel Members

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

The Panel consists of the following members:



Tim Milsom
ICAP Chairperson

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

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

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



Paul Swindon
Vice Chairperson

Paul Swindon is the Head of Governance & Compliance at the Bingo Association and its group of companies, which represents 100% of all licenced land-based Bingo operators in Great Britain. Forming part of the senior management team, Paul is responsible for ensuring that the Association and its Members continue to remain fully compliant within one of the most highly regulated industries in the UK, and consumer protection is at the very heart of that. He sits on a number of external stakeholder groups, including a committee at The Bank of England, and regularly liaises with The Gambling

Commission, the Department for Digital, Culture Media & Sports (DCMS) and other influential Government departments.

Paul has a wealth of experience within the consumer landscape, having previously been responsible for an industry-wide ADR scheme and a Consumer Code of Practice, both approved by CTSI.

Paul has been a committee member of ICAP since 2015, and is proud to hold the position of Vice Chairperson.



Frances Harrison

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

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

**Kate Hobson**

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

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

**Duncan MacRae**

Duncan MacRae is a registered consultant, as well as continuing to work within the motor industry at a senior management level within the vehicle movement and inspection sector.

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

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

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

**Tim Roberson**

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

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

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

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

**Sarah Terrey**

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

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

1.2 The Motor Ombudsman

1.2.1 Overview

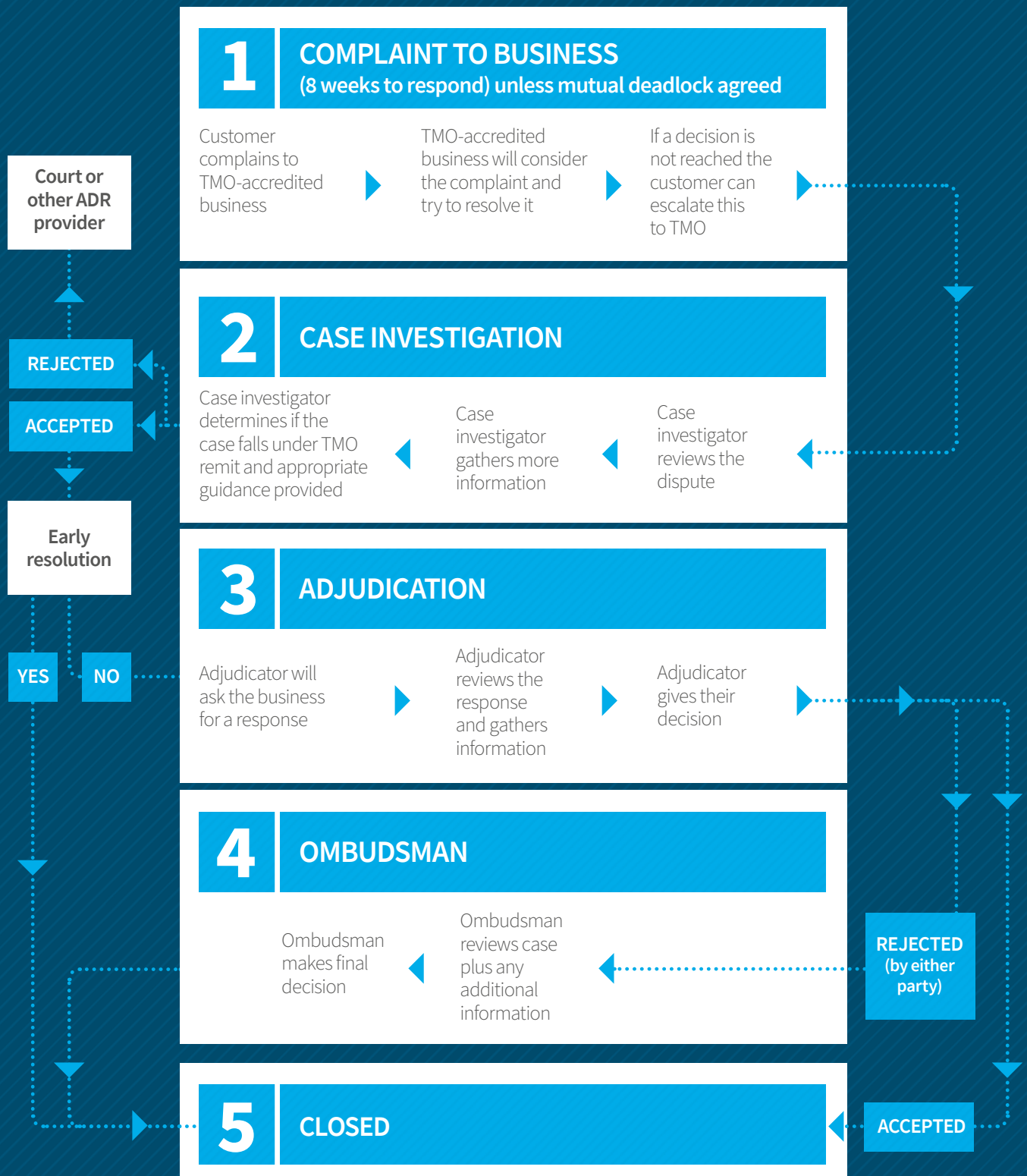
Established in 2016, The Motor Ombudsman is the independent and impartial Ombudsman dedicated solely to the automotive sector, and self-regulates the UK's motor industry through its comprehensive Chartered Trading Standards Institute (CTSI)-approved Codes of Practice. Thousands of businesses, including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

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



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

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





1.2.3 Benefits of The Motor Ombudsman for consumers

The Motor Ombudsman offers consumers the following key benefits:

- ✓ A clear channel and single point of contact for all motoring-related disputes
- ✓ Free access to the alternative dispute resolution (ADR) and ombudsman service, which is in-house from start to finish
- ✓ Guidance through the entire dispute resolution process to get a fair and impartial outcome
- ✓ Avoids the need for increased detriment through costly legal and court appearance fees
- ✓ Increased confidence and peace of mind when buying or servicing a new or used car that the accredited business is meeting high standards of service and workmanship
- ✓ A Code of Practice portfolio that covers the entire customer purchase and vehicle ownership experience
- ✓ The ability to search for a local garage / dealership or bodyshop that is accredited to the Service and Repair and / or Vehicle Sales Codes
- ✓ First-hand customer reviews and ratings on the online [Garage Finder](#) to make an educated decision when choosing a garage
- ✓ The Motor Ombudsman website provides a valuable resource for motoring-related information on topics, such as vehicle maintenance and 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 180 informative articles across 10 different categories on The Motor Ombudsman's [Knowledge Base](#) relating to its four Motor Industry Codes of Practice, car ownership, distance sales, dispute resolution, mediation, and electric vehicles prior to submitting a case

1.2.4 Benefits of accreditation to The Motor Ombudsman for businesses

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

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

1.2.5 2021 activity highlights by month

January

- ▶ **Ron Gainsford OBE** was appointed Chair of TMO's Board of Directors.
- ▶ **Fix Auto UK** joined the Service and Repair Code.
- ▶ TMO met with **BEIS** regarding their white paper on consumer protection.

February

- ▶ Bill Fennell chaired the **CTSI Consumer Code Approval Scheme** Code Sponsors Panel meeting.
- ▶ TMO passed their Code of Practice **audits** by the Consumer Code Approval Scheme.

March

- ▶ TMO met with the **EV Energy Taskforce** to discuss the dispute resolution process for EV owners.
- ▶ TMO hosted a webinar on the outlook for **MOT demand** in 2021.

April

- ▶ TMO launched its in-house **mediation** service.
- ▶ Members of **ICAP** met with TMO.
- ▶ TMO launched its new online case submission form to increase **consumer accessibility**.

May

- ▶ TMO published its first thought leadership paper on the **service and repair sector**.
- ▶ TMO issued its 2020 **ICAP** Report.
- ▶ TMO introduced new Knowledge Base categories on mediation / dispute resolution.

June

- ▶ TMO launched its **#havetherighttyre** summer staycation safety campaign.
- ▶ The Knowledge Base recorded over **200,000** article views in the first half of 2021.
- ▶ TMO hosted a **webinar** on service and repair trends.

July

- ▶ TMO published its thought leadership paper on **consumer vulnerability** and social media.
- ▶ **Genesis** joined the New Car Code.
- ▶ Members of **ICAP** met with TMO.

August

- ▶ TMO's Senior Ombudsman attended the meeting of the Vehicle Safe Trading Advisory Group (**VSTAG**).
- ▶ TMO published an article about the projected increase in **Garage Finder** usage due to rising demand for MOTs.

September

- ▶ The 2021 **Garage Star Awards** were launched.
- ▶ TMO marked **five** years of the **Vehicle Sales Code**.
- ▶ TMO published its thought leadership paper on the **vehicle sales sector**.

October

- ▶ TMO spoke at the in-person CTSI Symposium.
- ▶ TMO published research about EV purchase intentions of motorists in 2022.
- ▶ TMO presented a Customer Service award to MM Auto Services.

November

- ▶ TMO celebrated its **fifth** anniversary.
- ▶ TMO launched a **newly-refreshed website**.
- ▶ TMO announced the winners of its **Garage Star and inaugural Customer Service Star Awards**.

December

- ▶ TMO hosted a webinar on the **vehicle sales sector**.
- ▶ Members of **ICAP** met with TMO.
- ▶ TMO handled over **100,000** contacts and accepted **6,141** cases for adjudication during 2021.

1.3 Annual consumer and business survey results

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

1.3.1 Consumer brand awareness survey highlights

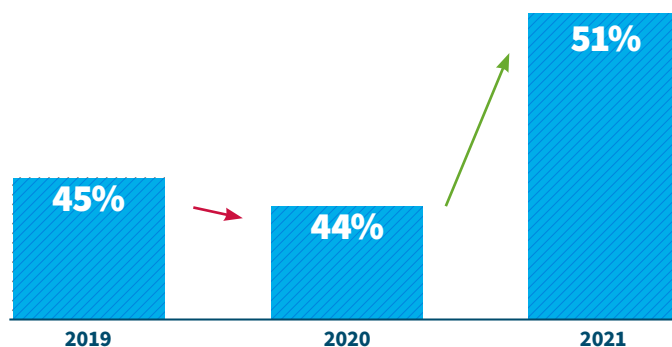
Background

2021 marked the fifth consecutive year that The Motor Ombudsman has carried out a consumer awareness study since launching in November 2016. A total of 1,027 individuals from across a representative sample of UK driving licence holders were surveyed in October 2021 for the study.

Key findings

- Overall consumer awareness of The Motor Ombudsman increased by seven percentage points from 44% to 51% between 2020 and 2021. For those consumers that had a dispute in 2021, awareness of The Motor Ombudsman increased to 62% from 57% in 2020.

Overall consumer awareness of The Motor Ombudsman
(2019 - 2021)



In 2021, over half of individuals surveyed (51%) said that they were aware of The Motor Ombudsman. This is the highest percentage seen in three years, up from 45% in 2019 and 44% in 2020, whilst it is also back to a similar level seen in 2018 (52%).

For those who had previously had a motor-related dispute, awareness equally increased in 2021 by five percentage points to 62%, up from 57% in 2020 and 56% in 2019.

For those who had not had a dispute relating to a vehicle, consumer awareness of The Motor Ombudsman rose to 41% in 2021, up from 33% in 2020 and 36% in 2019. This increase is likely due to the rise in online and print advertising spend, as well as the renewed focus on consumer PR activity as part of The Motor Ombudsman's marketing initiatives.

- Awareness of The Motor Ombudsman saw a higher growth amongst males than females in 2021 versus year before

Awareness of The Motor Ombudsman amongst
male and female consumers (2019 - 2021)



Familiarity with The Motor Ombudsman grew most significantly in 2021 amongst men, rising by 10 percentage points within a 12-month period to its highest level in three years (53%). In contrast, there was a very slight year-on-year rise in awareness of the organisation amongst female respondents, up from 44% to 45%.

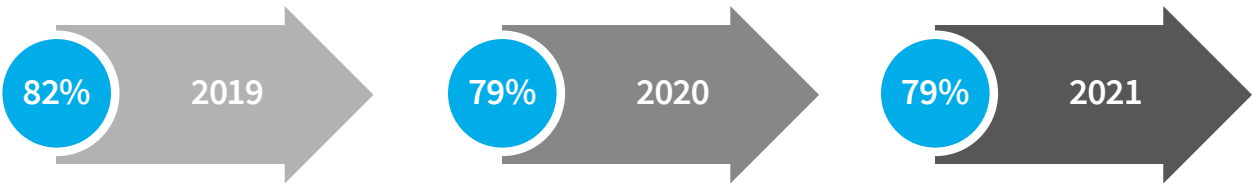
► **18 to 24-year-olds were the most likely to have heard of The Motor Ombudsman in 2021, when compared to individuals in other age groups**

Awareness of The Motor Ombudsman by age group

| Age group | Percentage of age group who are aware of The Motor Ombudsman | | |
|-----------|--|------|-------------|
| | 2020 | 2021 | 2021 v 2020 |
| 18 to 24 | 59% | 72% | ▲ |
| 25 to 34 | 51% | 68% | ▲ |
| 35 to 44 | 50% | 50% | — |
| 45 to 54 | 39% | 35% | ▼ |
| 55+ | 33% | 41% | ▲ |

Continuing the trend witnessed in 2020, awareness of The Motor Ombudsman was highest in the 18 to 24 age group, at **72%** of people in this bracket, up from 59% the previous year. The survey revealed that 25 to 34-year-olds are the next most conversant with the organisation at 68% of this age group, which is also up on the statistic recorded last year (51%). According to the findings of the study, consumers within the 45 to 54 category are the least likely to know about the Ombudsman for the automotive sector – at just 35% of people within this age group, which is also a slight drop when compared to the awareness figure of 39% seen in the 2020 study.

► **Nearly 80% of consumers said that they would feel more confident using a Motor Ombudsman-accredited business for a vehicle purchase or repair**

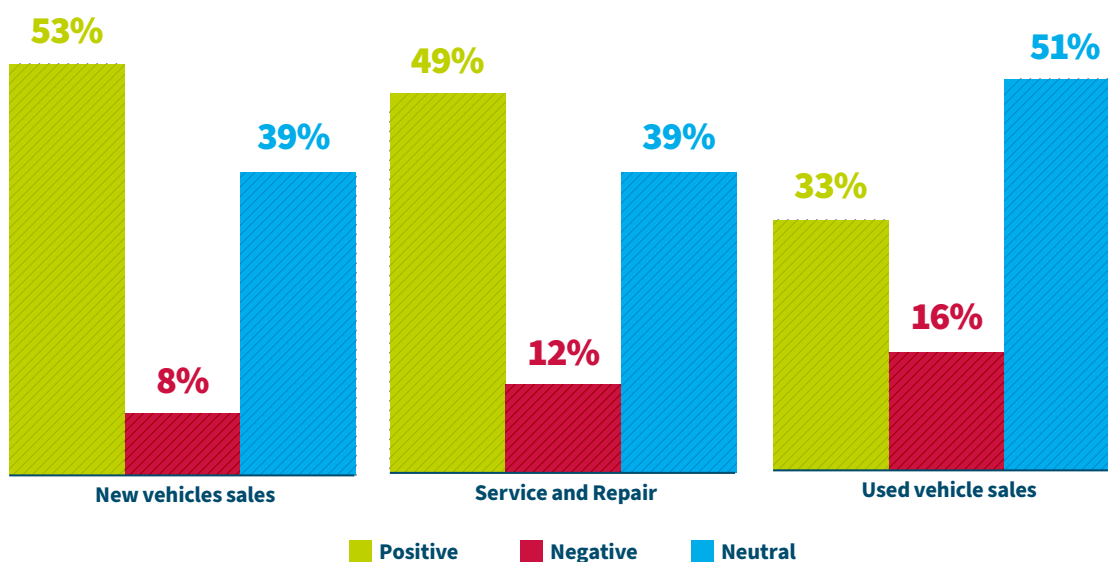
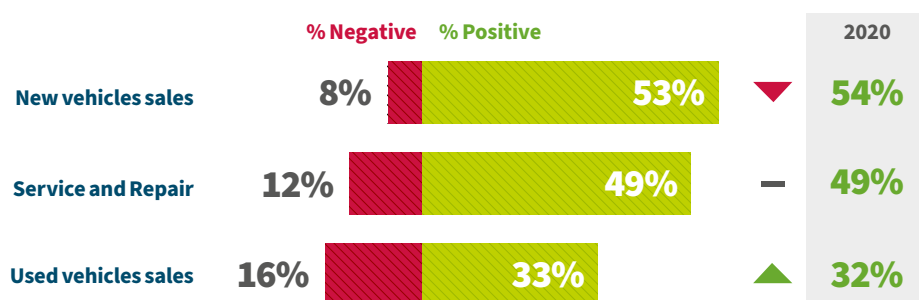


Mirroring the statistic of 2020, the research revealed that **79%** (nearly four out of five) people would feel more confident using a business that is accredited to The Motor Ombudsman for their vehicle purchase, service or repair in 2021. This continues to remain slightly lower than the sentiment figure of 82% recorded two years ago in 2019.

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

Mirroring the trend seen in the previous two years i.e. 2020 and 2019, the new vehicle sales sector was once again the area that was viewed most positively by consumers in 2021, although the proportion of positive responses received (53%) was very slightly down on that recorded in 2020 (54%). In comparison, the proportion of responses received in the “positive” category for the service and repair sector stayed static at 49%, with the used vehicle sector reporting the only rise in consumer perception - positive responses rose from 32% to 33% year-on-year.

View of the automotive industry by sector in 2021
(Percentage of consumers who answered negatively and positively)



Analysis by sector

The new vehicle sales sector in 2021

According to the latest study, a slightly lower proportion of consumers viewed the new vehicle sales sector in a positive light in 2021 (53%) versus the previous year (54%), but the level of positive sentiment remained however, above the level recorded in 2019 (51%).

As in 2019 and 2020, female respondents were once again less encouraging about the new car sector compared to their male counterparts, with only 48% of females holding a positive view (down from 51% in 2020) versus 58% of males (marginally up from 57% in 2020).

When viewing sentiment by age group, the 25 to 34-year-olds emerged as the most positive about the new vehicle sector (58%), which was in contrast to the over 55s last year and the 18 to 24s in 2019.

For this area of the automotive industry, 8% of respondents held a negative view overall, a very slight increase of two percentage points in comparison to last year's score of 6%. Reasons for the adverse sentiment related to the perceived high price of new cars, the loss of value after purchasing a vehicle, pushy salesmen and the emphasis on extras.

The used vehicle sales sector in 2021

The used vehicle sales sector was once again viewed a little more positively in 2021 (by 33% of respondents), up from 32% in 2020 and 30% in 2019. However, this figure is still significantly down on that seen in 2018, where 41% of respondents had a positive image of this area of the automotive sector.

In terms of the perception held by each of the sexes, males and females are pretty much on a par when looking at the proportion of respondents having a positive view, namely 33% of males and 34% of females. For males, this is a rise of 3% compared to last year, but for females, this is a slight drop from the higher 35% score recorded in 2020.

The 25 to 34s were the most positive about the used vehicle sector at 56% of respondents in this age group, in comparison to last year when it was the 18 to 24-year-olds taking top spot. Coming a close second were the 18 to 25-year-olds, where 53% of individuals in this group held the sector in high esteem.

When looking at the proportion of respondents discouraged by used vehicle sales, 16% of respondents held a negative view of this part of the automotive sector, which is encouragingly an improvement from the 17% figure for the same metric in 2020. Females were slightly more downbeat than males about used vehicle sales, with 34% expressing a negative opinion about this sector versus 33% for males.

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

The service and repair sector in 2021

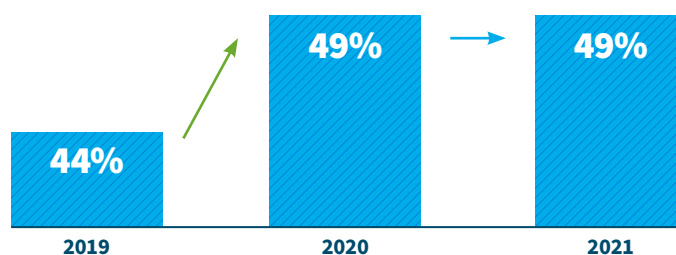
The proportion of respondents holding the service and repair sector in high regard stayed static year-on-year at (49%), which continues to remain up from the lower figure of 44% recorded in 2019.

A higher percentage of male survey participants expressed a positive opinion of the service and repair area relative to their female counterparts (54% versus 45% accordingly). Compared to 2020, this was an improvement for male respondents (51%), but females were less encouraged year-on-year (47%).

When looking at sentiment by age group, in relation to the service and repair area of the industry, 25 to 34-year-olds were the most encouraged, with 61% of respondents feeling positive. They were followed by the 18 to 24s, where 58% in this age group shared the same view.

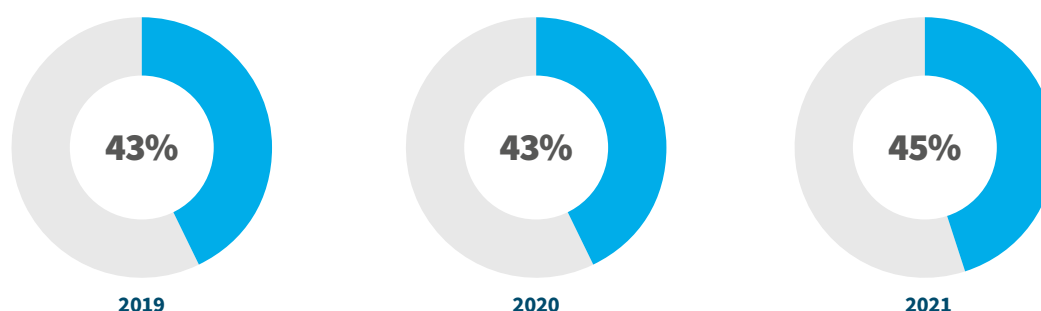
Mirroring the trend seen last year, the proportion of the sexes expressing a negative view of the sector was very similar (i.e. 13% for males versus 12% for females). Overall, 12% of respondents had a negative perception of the service and repair area, up from 11% in 2020. Reasons for the negative view of the industry related to respondents feeling as though they were being taken advantage of, high prices, being overcharged, being told that unnecessary work was needed, as well as not knowing whether they could trust the business.

► Percentage of respondents holding a positive view of the service and repair sector (2019 – 2021)



Vehicle complaints made by survey respondents in 2021

- **The proportion of individuals who made a complaint about a vehicle in 2021 rose slightly from the figure seen in the preceding two years**



In 2021, nearly half (**45%**) of survey respondents stated they had made a complaint either about a new or used car that they had bought at a garage, a vehicle warranty, or a service and repair. This is very slightly up on the figure of 43% recorded in the study during the last two years. A total of 55% of individuals explained that they had not raised a concern with their vehicle in these areas.

For those that had a motoring-related complaint during 2021:

- Just over a fifth (**22%**) were about a service or repair (up from 21% in 2020);
- **14%** were in relation to a new car warranty (staying static compared to 2020);
- **12%** were about a used car purchase (down from 13% the year before); and
- **5%** were in conjunction with a new car purchase (staying static once again in comparison to 2020).

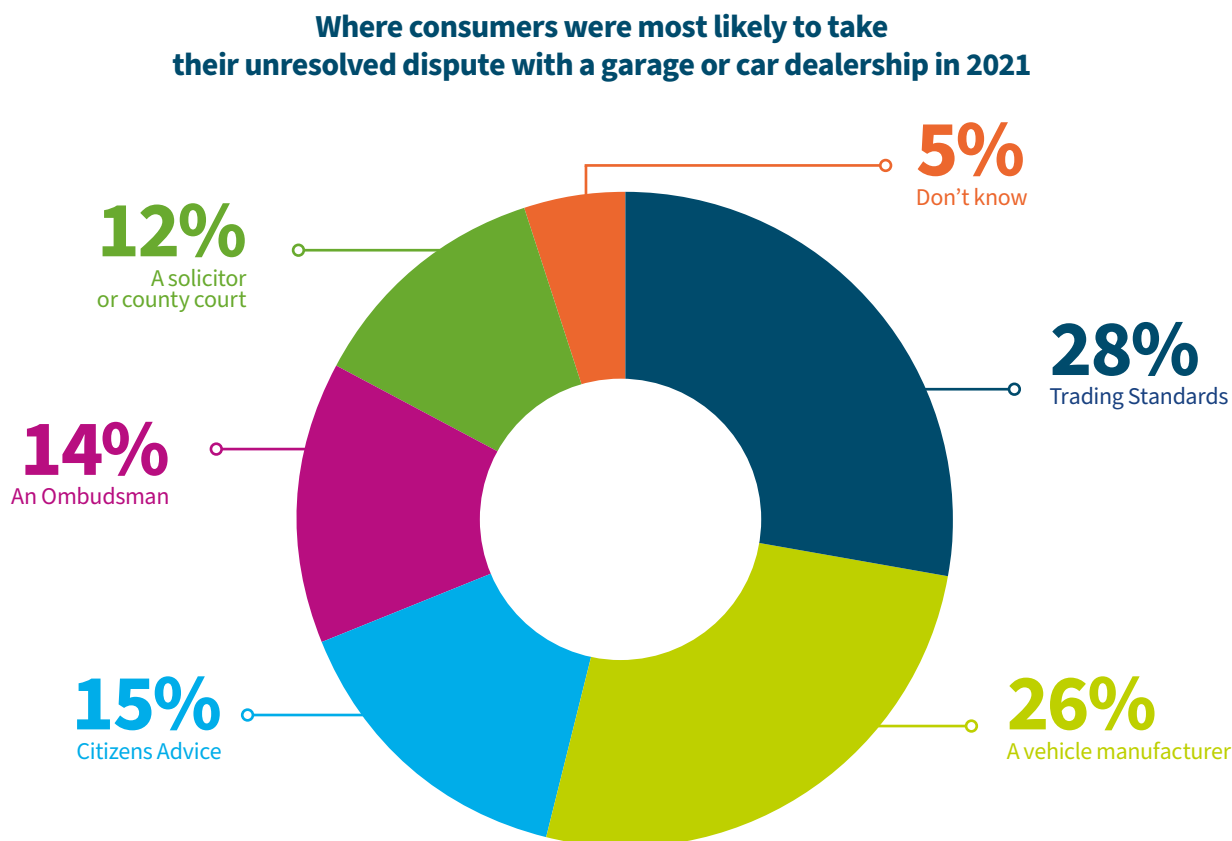
- **Around two-thirds of people with a complaint about their vehicle resolved it directly with a garage, service centre or dealership in 2021**

| How a respondent's motoring complaint was resolved | Percentage resolved | | |
|--|---------------------|------|------|
| | 2019 | 2020 | 2021 |
| By the garage / service centre / dealership | 69% | 69% | 67% |
| By the vehicle manufacturer | 15% | 16% | 18% |
| Via a third party | 4% | 6% | 5% |
| | | | |
| The complaint was not resolved | 12% | 9% | 10% |

For those respondents that did have a complaint in 2021, around two-thirds (67%) had their problem concluded directly by the garage, service centre or dealership, a similar proportion to that seen during the last two years.

Reversing the decline in the volume of unresolved complaints seen between 2019 and 2020, 2021 saw a small one percentage point rise when compared to the previous year.

- In 2021, individuals were more likely to escalate an unresolved issue with a garage or car dealership to Trading Standards or a vehicle manufacturer than to any other organisation



The 2021 consumer awareness survey showed that nearly a third of consumers would either consult Trading Standards (**28%**) or the vehicle manufacturer (**26%**) as the next port of call, in the event that their complaint with a garage or car dealership remained unresolved. This differs slightly from the respective figures of 31% and 23% seen in 2020.

The study indicated that **15%** of respondents said that they would take their unresolved dispute to Citizens Advice, with **14%** opting for an Ombudsman, whilst **12%** would resort to legal action i.e. consulting a solicitor, the county court or a legal representative to help bring their complaint to a close. Only **5%** of respondents were unsure as to where they would take their dispute to be concluded once they had exhausted the internal complaints process of a garage or dealership.

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

This figure is the same as that seen in 2020, but remains down on that which was recorded in the 2019 and 2018 surveys (41%).

- More than a quarter (27%) of respondents explained that it's important for the motor industry to have an Ombudsman to help drive up standards

This is down on the 2020 score of 29%, but mirrors the figure recorded in 2019.

► **Just under a fifth (15%) of survey participants explained that it's important for the motor industry to have an Ombudsman, as it is not regulated**

Once again, 15% of respondents held the view that it was important for the motor industry to have an Ombudsman because the sector is not regulated, the same result as last year, and up marginally from the result recorded in 2019 (14%).

Key conclusions drawn from the 2021 consumer awareness survey data:

- Overall awareness of The Motor Ombudsman increased year-on-year from 44% to **51%**;
- Awareness rose amongst consumers who had a dispute (i.e. 62% in 2021 versus 57% in 2020 and 56% in 2019);
- Consumers in the **18 to 24** age bracket, and **male** respondents were the most aware of The Motor Ombudsman in 2021;
- Individuals were most likely to contact **Trading Standards** or a **vehicle manufacturer** if they had an unresolved dispute with a garage or car dealership;
- Slightly fewer consumers had their dispute **resolved** in 2021 (10%) than in 2020 (9%);
- The majority (**67%**) of consumers concluded their complaint directly with a garage service centre or dealership in 2021, a decrease from the 69% figure recorded in 2019 and 2020;
- More consumers were able to conclude their dispute with a manufacturer in 2021 (**18%**) compared to the year before (16%).

1.3.2 Consumer satisfaction survey highlights

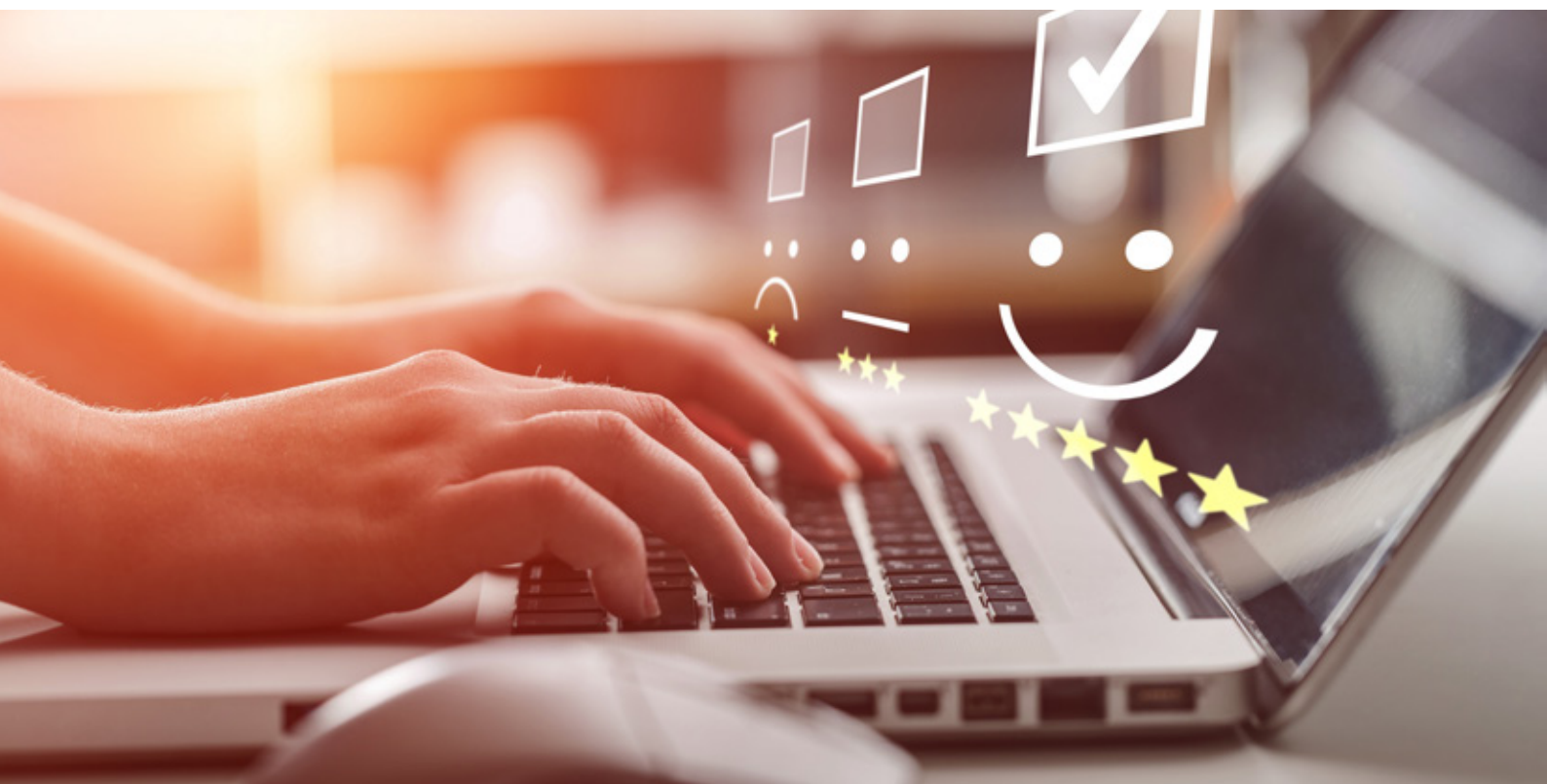
Every year, The Motor Ombudsman conducts an analysis of the customer satisfaction data it receives about its accredited businesses. This information provides an effective annual barometer to understand the sentiment of motorists in relation to their experience of the service and repair sector.

Satisfaction data is collected from The Motor Ombudsman's website-based

survey tool, which asks customers that have used an accredited business to rate independent garages and franchised dealers on various aspects, such as the quality of the work 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 one 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 | | | |
|---|---------------------|----------------|---------------|--------------------|
| | 2019 | 2020 | 2021 | Diff (2021 v 2020) |
| Overall satisfaction of the work and service provided by an accredited business | 92% | 95% | 90% | ▼ |
| Likelihood to recommend an accredited business | 92% | 93% | 93% | ■ |
| TOTAL NUMBER OF SURVEYS SUBMITTED | 53,133 | 103,458 | 36,888 | ▼ |

Between 2020 and 2021, there has been a decrease in the number of surveys received from vehicle manufacturers and garage networks. This has been due to the difficulty with receiving data, mainly attributed to the impact of the General Data Protection Regulation (GDPR), and vehicle manufacturers and dealer groups moving away from Net Promoter Score methodology to other means of measuring customer satisfaction and obtaining reviews about their networks.

Overall satisfaction with accredited businesses remained high. However, it has dropped to 90%, a 5% decrease on the 95% achieved in 2020, and is 2% lower than the score of 92% achieved in 2019.

The likelihood of recommending a garage to friends and family that serviced and / or repaired their vehicle has remained consistent over the two years at 93%, up from 92% in 2019. This is positive to see, although it hasn't returned to the score of 95% achieved in 2017. This therefore demonstrates that there is still work to be done in the service and repair sector to continue to both meet and exceed customer expectations.

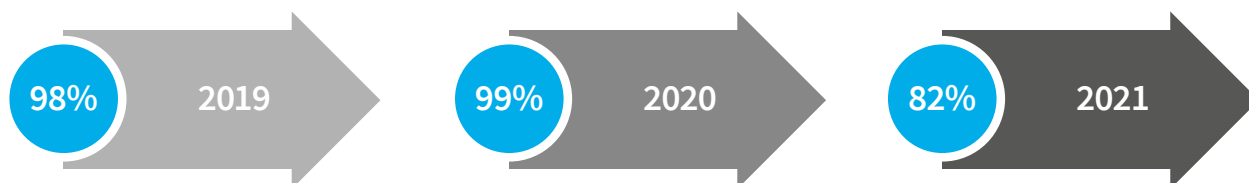
► Summary of results from surveys completed on The Motor Ombudsman website

The Motor Ombudsman asks a wider range of questions about the experience and the service received by consumers. They cover areas, such as the booking process, the quality of work, as well as the information and level of customer service provided.

During 2021, The Motor Ombudsman received 717 survey submissions through its website, down on the 956 it received the previous year. Reasons for this may be to do with businesses using other means of gaining customer feedback via other platforms, namely Trustpilot, Feefo and Google Reviews. Therefore, there is less emphasis on promoting The Motor Ombudsman's survey to consumers.

| Category | Satisfaction levels | | | |
|-------------------------------------|---------------------|------------|------------|--------------------|
| | 2019 | 2020 | 2021 | Diff (2021 v 2020) |
| Overall quality of work carried out | 98% | 99% | 82% | ▼ |
| Level of customer service | 98% | 99% | 91% | ▼ |
| Booking process | 98% | 98% | 87% | ▼ |
| Information provided | 98% | 98% | 81% | ▼ |
| TOTAL SURVEYS SUBMITTED | 861 | 956 | 717 | ▼ |

Overall customer satisfaction with the quality of work by accredited businesses (2019 - 2021)



The 2021 scores for individual customer experience factors are all lower than in previous years. This is mainly due to changes with how the ratings are collated, as consumers who were highly dissatisfied with their garage experience, and may have had cases logged with The Motor Ombudsman's dispute resolution service, have now been included – they were excluded in previous years. This wider sample therefore gives a more realistic baseline for analysis going forwards.

Given the 17% drop in the level of customer satisfaction relating to overall quality of work, i.e. from 99% to 82%, may be attributed to the change in survey methodology, the Panel is keen to see improvements from the new baseline.

The other findings were reported as follows:

- Satisfaction with customer service was scored at **91%** in 2021, which was lower than the figure seen last year (98%).
- The vast majority of customers have continued to score the process used by a garage to book in their vehicle for routine maintenance and ad hoc repair work relatively highly. This is illustrated by a figure of **87%**, although this is down on the 98% score achieved in 2021.
- The overall satisfaction with the quality of work carried out by the businesses was put at **82%**, which is significantly down on the 99% that was achieved last year, highlighting the number of consumers visiting TheMotorOmbudsman.org with an issue in relation to their garage.
- Furthermore, **81%** of respondents were satisfied with the level of information that the business provided them with, compared with 98% in the previous two years.

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

The following is a snapshot of the positive consumer reviews that have been left during 2021:

“Every experience at Anderson Clark has been fantastic. Very friendly staff, nothing is too much trouble. Will always recommend them to friends and family.”

*Customer of
Anderson Clark Motor Repairs*

“Very pleased with service and kept informed all the way with what’s needed. Would recommend.”

*Customer of
Avco Motors Ltd*

“Excellent service from a first-class company. Dealt with them for 20 years or more and always been excellent.”

*Customer of
Crown Honda Bushey Heath*

1.3.3 Consumer complaints about The Motor Ombudsman

Previously, The Motor Ombudsman had only recorded formal complaints about its service, which were escalated to the senior ombudsman or the head of customer service and dispute resolution for investigation. Whilst this provided useful information about what was driving consumer dissatisfaction and the changes needed to improve, it also meant some feedback was not being included in this data.

The Motor Ombudsman therefore took the decision to change its service complaints process in 2021, dividing it into **Informal** and **Formal** complaints, to ultimately make the handling of service complaints clearer and more effective.

- **Informal** complaints are described as informal expressions of dissatisfaction and are handled by team leaders. The Motor Ombudsman finds that the vast majority of issues can be resolved at this stage.
- **Formal** complaints are those that then escalate to the senior ombudsman or the head of customer service and dispute resolution, and require a formal response. They also added 'Communication' as a reason for complaint, based on previous feedback that had been received.

Because of this change, 2021's figures show a significant increase in terms of the complaints received about the service compared to the previous year (refer to the table below). However, this is a far more open and transparent way of recording complaints, and is also providing more information for The Motor Ombudsman to use in its drive for continuous improvement.

Informal and Formal consumer complaints as a proportion of total contacts and cases

| | Total complaints as a percentage of total contacts received | Total complaints as a percentage of total cases handled |
|-------------|---|---|
| 2021 | 0.25* (+0.20% v 2020) | 4%* (+3.4% v 2020) |
| 2020 | 0.05%* (-0.05% v 2019) | 0.60%** (-0.82% v 2019) |
| 2019 | 0.10%*** | 1.42%*** |

Based on **both Informal (217) and Formal (29) complaints - a total of **246**.

Based on **Formal complaints only - a total of **36**.

***Based on **Formal complaints only** - a total of **87**.

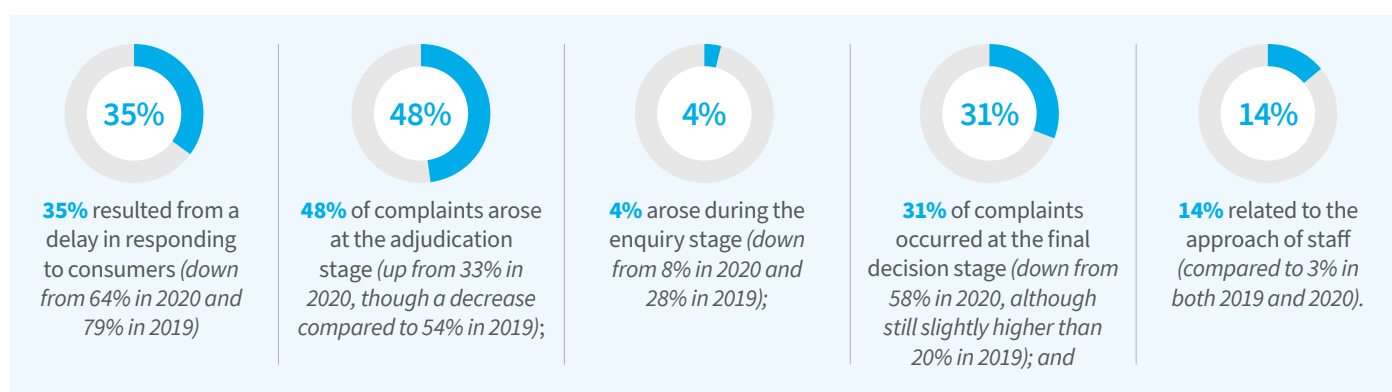
The number of Formal complaints recorded against The Motor Ombudsman fell from 36 in 2020 to 29 in 2021 (i.e. a 19% decrease), demonstrating the continued improvement in the level of service offered to consumers.

This is equally testament to The Motor Ombudsman's new service complaints process, and its effectiveness in handling issues with its service appropriately at the earliest opportunity.

► Informal and Formal consumer complaints by reason and stage of The Motor Ombudsman's dispute resolution process

| Complaints | Case stage | Process | Delay | Outcome | Staff | Communication | Total |
|------------------------------------|----------------|-----------|------------|-----------|-----------|---------------|------------|
| Informal complaints (2021 only) | Enquiry | 2 | 4 | 1 | 11 | 3 | 21 |
| | Investigation | 4 | 29 | 4 | 8 | 14 | 59 |
| | Adjudication | 4 | 37 | 5 | 11 | 22 | 79 |
| | Final decision | 7 | 31 | 10 | 4 | 6 | 58 |
| | Total | 17 | 101 | 20 | 34 | 45 | 217 |
| Formal complaints (2019 - 2021) | Enquiry | | | | | | |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 1 | 0 | 2 | 0 | N/A | 3 |
| | 2019 | 1 | 21 | 0 | 1 | N/A | 23 |
| | Investigation | | | | | | |
| | 2021 | 1 | 2 | 0 | 1 | 1 | 5 |
| | 2020 | N/A | N/A | N/A | N/A | N/A | N/A |
| | 2019 | N/A | N/A | N/A | N/A | N/A | N/A |
| | Adjudication | | | | | | |
| | 2021 | 2 | 6 | 2 | 2 | 2 | 14 |
| | 2020 | 4 | 5 | 2 | 1 | - | 12 |
| | 2019 | 2 | 35 | 9 | 1 | - | 47 |
| | Final decision | | | | | | |
| | 2021 | 2 | 2 | 3 | 1 | 1 | 9 |
| | 2020 | 2 | 18 | 1 | 0 | - | 21 |
| | 2019 | 0 | 13 | 3 | 1 | - | 17 |

► For the 29 Formal complaints received from consumers during 2021:



1.3.4 Negative consumer testimonials about The Motor Ombudsman

The following is a sample of negative testimonials from consumers who used The Motor Ombudsman's ADR service during the course of 2021, 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 their concerns.

| Consumer / Month review left on Trustpilot | Extract of complaint made by the consumer on Trustpilot | Reasons for the consumer's complaint about The Motor Ombudsman's service | Actions taken to address the consumer's concerns |
|--|---|---|---|
| Ms. B February 2021 | <i>"Frustratingly long wait for a final decision from the Ombudsman regarding my case, after receiving a decision in my favour from the adjudicator on the 3rd of April 2020. Just wondering how much longer it is going to take to resolve this long running issue.</i> <i>Phone calls to the Ombudsman asking for an update or to speak with someone further up the chain have received no response whatsoever."</i> | <ul style="list-style-type: none"> Ms. B was initially frustrated at the delay in the business requesting additional time to respond to the adjudication outcome due to the COVID-19 lockdown The consumer was also unhappy that a final decision took just under a year to be delivered following the adjudication outcome that was in her favour, but which the business disagreed with | <ul style="list-style-type: none"> The adjudicator reassured Ms. B that The Motor Ombudsman allowed extensions for replies from both the business and the person making the complaint to ensure that each party was given a fair chance to present their case The adjudicator explained that they were seeing a number of businesses working from home without access to certain files in their offices, meaning extensions were needed to accommodate something which was out of the control of the business A final decision was issued to Ms. B in February 2021, which they accepted and a refund for the vehicle was provided by the business |
| Mr. C April 2021 | <i>"The Motor Ombudsman is a scam. They are financed by the motor trade and are, therefore, biased. I have just wasted 3 months of my life. The process was very slow and their impartiality was missing. Why do Trading Standards not intervene?"</i> | <ul style="list-style-type: none"> Mr. C was unhappy that their case was not upheld on the basis that the terms of their extended warranty product excluded wear and tear and only covered the sudden mechanical failure of a component They felt that the adjudicator was biased in their decision on the basis of the fact that the warranty provider pays an accreditation fee to The Motor Ombudsman to be part of a Code of Practice | <ul style="list-style-type: none"> The adjudicator explained that a fully impartial decision was based on the evidence provided and the terms of the warranty agreement It was also highlighted that The Motor Ombudsman is funded by accreditations, which has no bearing on the outcome provided to businesses and consumers Mr. C was given the opportunity to provide additional evidence for consideration by the adjudicator, but none was received |
| Mr. M July 2021 | <i>"One year four months to consider a simple case is ridiculous...and it still goes on even today. This is not a service. It is just a further burden. Their formal written excuse? - computer problems. I do not think so; there is something fundamentally wrong. I have taken this up with my MP."</i> | <ul style="list-style-type: none"> Mr. M was unhappy in what they perceived to be a relatively simple case in law, had taken over a year to resolve They also felt that they had to log a number of service complaints to progress their case and receive a faster response | <ul style="list-style-type: none"> The head of customer service and dispute resolution acknowledged the consumer's concerns about the time taken to resolve the case and it was noted that the case was submitted during a period when all dealerships were closed due to an ongoing lockdown, thereby causing the delay Whilst the expected resolution timescales were not met on this occasion, The Motor Ombudsman apologised for the delay and explained the reasoning for this The consumer received a refund from the business as soon as was possible once the business re-opened following the lockdown |

| | | | |
|-------------------------------|---|--|--|
| Ms. A October 2021 | <p><i>"I found the whole experience a waste of time. I was complaining about a major car manufacturer and I feel the TMO was biased on their side. I expected a fuller investigation of my complaint by independent experts in the field concerned. This did not happen and I am left to foot the bill for re spraying the bumper of my new car to try to get it looking nearer to the colour of the main body of the car. Shocking!!!"</i></p> | <ul style="list-style-type: none"> • Ms. A was unhappy that their case was not upheld on the basis that the paintwork issue with their vehicle was not found to be a manufacturing defect covered under their warranty • They felt that the adjudicator was biased in their decision due to it not being upheld in their favour | <ul style="list-style-type: none"> • The adjudicator advised that Ms. A could provide further evidence and pursue a more persuasive case against the retailer based on their consumer rights, but this avenue was not taken by them • It was also highlighted that a vehicle manufacturer being accredited to The Motor Ombudsmen has no bearing on an adjudication outcome |
| Mr. B November 2021 | <p><i>"I have found the service unhelpful and has failed to take account of all the facts in the case. The adjudicator has also failed to follow up on information and points of reference provided, including certain experts. I believe this to be a paper based exercise, lacking depth and also failing to properly take into account my testimony and views. All-in-all, very disappointing."</i></p> | <ul style="list-style-type: none"> • The consumer did not perceive the adjudication outcome to be fair and of a satisfactory standard. He also stated that he had lost faith in the dispute resolution process provided by The Motor Ombudsman, based on the fact their warranty claim was not upheld in their favour | <ul style="list-style-type: none"> • The complaint received from Mr. B regarding the decision supplied by the adjudicator was addressed, and the consumer was also provided with the options available to him following the adjudication outcome (i.e. to formally accept it, to request a final decision, or to withdraw from the process) • The consumer was reminded that The Motor Ombudsman's decisions are based on evidence provided by the parties involved in the dispute, and so are fully impartial. As the burden of proof sat with the consumer, it was down to them to prove a breach of the Code had occurred |
| Mr. W December 2021 | <p><i>"Took over a year to get a response and they gave me 5 days to respond or they would close the claim! One of their responses made sense but most were not even relatable or did not make sense to the claim. Very impersonal experience where they badly interpreted my claim and the response from the dealer. Overall wish I had not wasted my time."</i></p> | <ul style="list-style-type: none"> • Mr. W was not satisfied that, after their appeal of their decision was rejected, they were only given five days to accept, pursue a final decision or withdraw from the dispute resolution process • The consumer was also unhappy that his claim that the garage's workmanship caused the failure of a second component in a short space of time following a repair of another part was not considered worthy of his case being upheld in his favour | <ul style="list-style-type: none"> • It was explained adjudicator that a consumer and business have 10 days to lodge an appeal to adjudication outcome, and five days following receiving a response to their appeal to consider next steps • Whilst the sequence of events was noted as being a relatively short period, given there was no correlation between the repair of the initial part that was repair and the failure of the second, the adjudicator required further evidence from the consumer to support a causal link. However, none was supplied in the appeal, nor in the ensuing period |

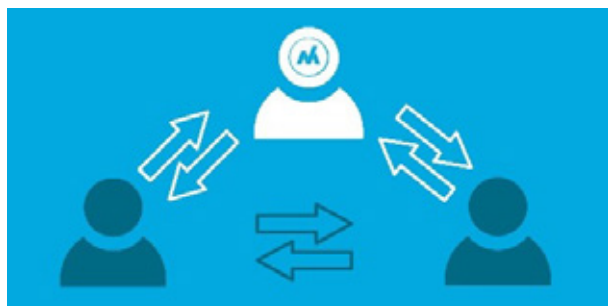


1.3.5 How consumer complaints about The Motor Ombudsman's service are being addressed

The Motor Ombudsman, in line with its commitment to continuous improvement, has continued to build upon the enhancements commenced in 2020. This has started with ensuring that The Motor Ombudsman is able to truly listen to its customers. For example, in 2021, The Motor Ombudsman refreshed its consumer surveys – making responding more straightforward, as well as amending the questions to ensure the data is comparable across all areas of the service. Alongside this, The Motor Ombudsman made the previously-mentioned changes to its service complaints process. This now means that all expressions of dissatisfaction are recorded and monitored, providing more information into the drivers of frustration – which The Motor Ombudsman can then translate into practical action.

Technological innovation continues to be a priority for The Motor Ombudsman: for instance, 2021 saw the release of version two of its webform. This streamlined the complaint-logging process for consumers, significantly reducing the time it takes to raise an enquiry with The Motor Ombudsman, and provided functionality to enable better analysis of complaints – helping to identify as quickly as possible whether The Motor Ombudsman can assist, whilst aiding high quality data capture.

Furthermore, 2021 witnessed a focus on early resolution and enhanced communication at the early stages of the process. Now, case administrators, are tasked with investigating complaints and compiling case files, and will speak with each party, instead of just conducting everything in writing. This not only makes things quicker, but adds a personal touch, thereby enabling case administrators to get to the heart of the complaint and, in some instances, find a resolution that suits both sides without the need for a formal decision. 2021 saw a steep increase in the number of early resolutions, largely because of this change in process.



Alongside this, The Motor Ombudsman made the decision to introduce mediation to its suite of dispute resolution techniques. Mediation is a process that allows both parties to explore the emotion of the conflict, rather than solely concentrating on the facts and evidence. Because vehicles are such a high-value purchase, and the inconvenience caused by a breakdown can be significant, mediation can be an invaluable tool in looking not just at the dispute, but its impact as well. The Motor Ombudsman has already seen success through its mediation pilot and is looking forward to exploring this further in 2022.



1.3.6 Positive consumer testimonials about The Motor Ombudsman

The following is a sample of positive Trustpilot testimonials from consumers who used The Motor Ombudsman's ADR service during 2021.

"I had a very good experience with The Motor Ombudsman the first time I contacted them. I was delighted because someone listened to me. I felt extremely confident that my complaint has been heard and I will get help. Keep up the good work."

(Mr.B, May 2021)

"The guy I talked to on the phone was great, gave me all the facts in a calm and friendly manner. He came across warm and kind on the phone, which was helpful as I felt really upset. Great job!"

(Ms.W, June 2021)

"I was impressed with the quick response to my claim submission and the regular emails to update me."

(Mr.B, July 2021)

"They do great work and consult both parties. They phoned me to explain what was happening. I have also received emails from them. 5 stars."

(Mr.W, August 2021)

"A good independent service to review motor trade issues."

(Mr.H, December 2021)

1.3.7 Annual accredited business survey highlights

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

The research was conducted via an e-mail survey, which was sent to Motor Ombudsman-accredited franchised car dealers and independent garages¹ between October and December 2021. Highlights of the findings are as follows.

► How businesses would describe The Motor Ombudsman in one word:

Following a similar trend to last year, **“fair”**, **“helpful”**, **“professional”**, **“trustworthy”**, **“reliable”** and **“reassurance”**, were the most common words used to describe The Motor Ombudsman in 2021.



Overall, of the words used by respondents in 2021, **91%** were positive, which is an increase on last year's score of 89%, whilst it also represents a notable increase on the 78% and 79% figures achieved in 2019 and 2018 respectively.

The words used by franchise dealers were 90% positive in 2021, down slightly on 92% in 2020, but up from 79% in 2019 and 82% in 2018. For independent garages, the positive score was higher at 94%, significantly up from 82% in 2020, 78% in 2019, and 76% in 2018.

► The main benefits of accreditation stated by businesses were:

1. Being able to demonstrate that they are committed to the standards of an approved Code of Practice (stated by 82% of participants overall);
2. The credibility and reassurance provided for customers (90%);
3. Having access to The Motor Ombudsman's Information Line and dispute resolution service (87%);
4. Having use of The Motor Ombudsman logo (86%), which was of increased importance to them this year than the use of the CTSI-approved Code logo; and
5. Being able to display Chartered Trading Standards Institute (CTSI)-approved branding (84%).

► The value of The Motor Ombudsman for businesses:

Out of the businesses surveyed, **88%** of respondents agreed that The Motor Ombudsman is valuable for businesses, which was up on last year's score of **82%**. In addition, 83% of respondents were satisfied with the overall value of Motor Ombudsman accreditation, compared to 80% in 2020, 82% in 2019 and 72% in 2018. The results also revealed that **77%** of businesses stated that Motor Ombudsman accreditation gave them the edge over the competition, an increase on last year's score of 70%, and the 74% figure recorded in 2019.

► Satisfaction with the dispute resolution service is good:

For businesses that had used The Motor Ombudsman's dispute resolution service in 2020, **83%** agreed that the process was easy to follow, a rise from 81% last year. Furthermore, 80% felt as though the case outcome was fair and reasonable, (up from 79% last year, but down on the score of 85% achieved in 2019). The research also revealed that 58% of businesses were satisfied with the time taken to resolve the dispute, which was less than the 68% figure seen in 2020, but in line with the statistic recorded in 2018.

► Key areas identified for improvement in 2022:

The main areas identified for improvement, and that need to continue be addressed in 2022 are:

- ✓ Decreasing the length of time it takes for The Motor Ombudsman to provide an outcome on a case;
- ✓ Ensuring that all business enquiries regarding cases, or their accreditation, are correctly routed and dealt with swiftly;
- ✓ Providing more information about the benefits and the value that Motor Ombudsman accreditation provides for businesses; and
- ✓ Undertaking a greater level of marketing to promote the high standards of The Motor Ombudsman's network of accredited businesses.

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

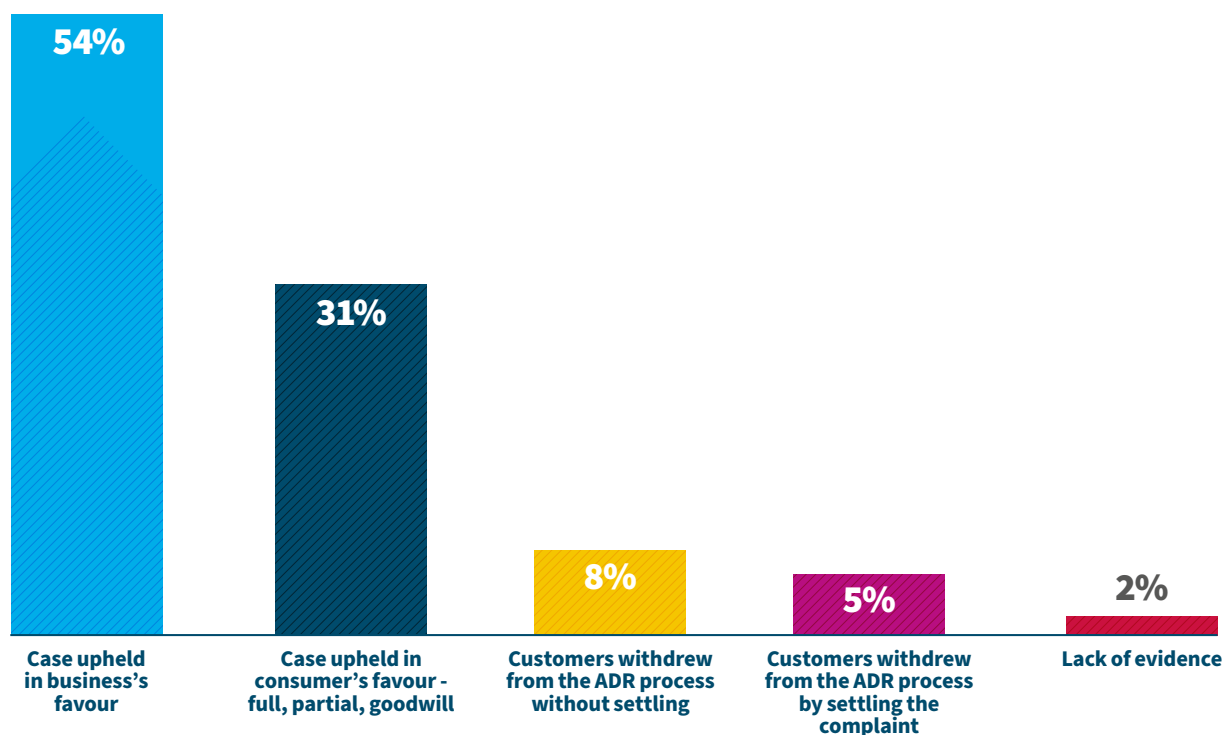
¹Sample size of 215 respondents (independent garages and franchise dealers).

SECTION 2:

Breakdown of case outcomes in 2021



SECTION 2: Breakdown of case outcomes in 2021



NB: There are a variety of reasons for why The Motor Ombudsman does not uphold complaints across its 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.

The number of withdrawn complaints has settled back to pre-pandemic levels, demonstrating that 2020's high withdrawal rate was likely related to the pandemic and its impact on day-to-day life. The Motor Ombudsman's new way of recording withdrawn complaints also shows that 5% of consumers are settling their complaints directly with the business alongside engaging with The Motor Ombudsman's ADR process.

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), consumers received almost **£2.5 million** in redress. This is a significant increase compared to 2019 and 2020, where £1.13 and £1.14 million were awarded respectively. This is most likely due to the majority of cases being about the Vehicle Sales Code, which tends to have the highest claim value as a result of the nature of the dispute.

The amount claimed by consumers, but not awarded, was **£15.5 million** (e.g. requests to reject a vehicle), compared to **£8.40 million** in 2020 and **£8.24 million** in 2019. Similarly, this increase is most likely due to rejection requests being denied, which are the highest value disputes considered by The Motor Ombudsman, and are often where alternative remedies can be found that are more proportionate. This can include, for example, repairing the vehicle or a price reduction to take into account the issue that was experienced.

SECTION 3:

Code of Practice performance summary

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



SECTION 3: Code of Practice performance summary



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

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



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



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



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



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

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



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

3.1 Service and Repair Code



The **Motor Industry Code of Practice for Service and Repair**, introduced in 2008, ensures that consumers receive an honest and fair service when visiting an accredited business's premises for work or repairs on their vehicle. It covers the use of clear advertising, open and transparent pricing, completing extra work only with prior agreement, and the use of competent and qualified staff. All businesses accredited to the Service and Repair Code can be found on The Motor Ombudsman's online Garage Finder.²

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

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

No changes were made to the content of the Service and Repair Code in 2021.

3.1.1 Service and Repair Code performance data

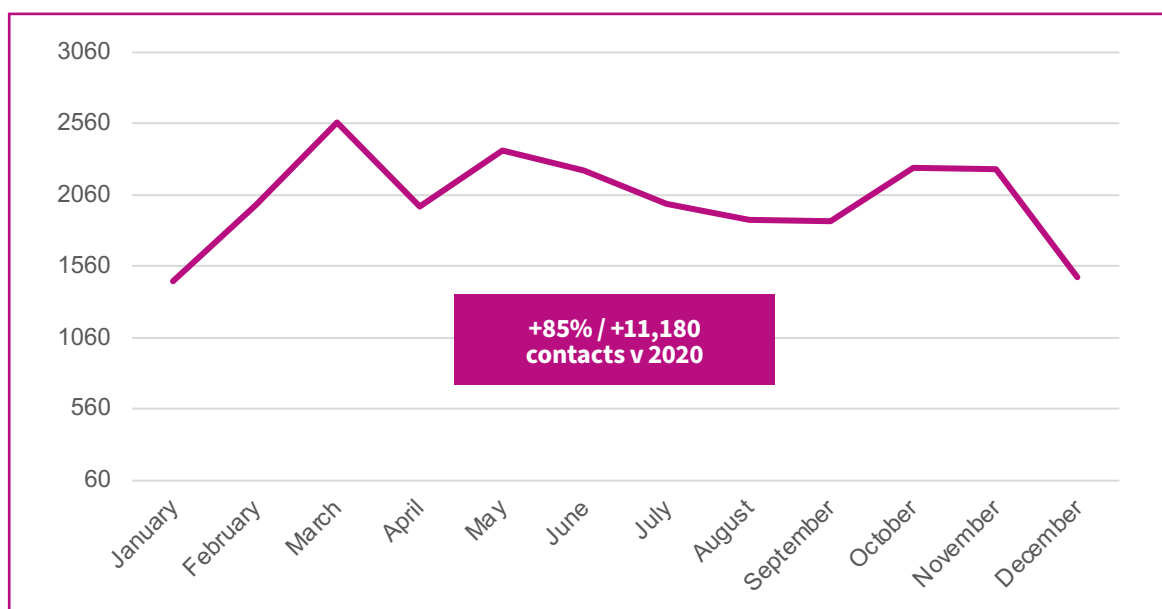
| Accredited businesses | 2019 | 2020 | 2021 | Trend (2021 v 2020) |
|-------------------------------------|--------|--------|--------|------------------------|
| Consumer contacts | 13,714 | 13,136 | 24,316 | ▲ |
| Early resolutions | 10 | 85 | 171 | ▲ |
| Adjudication cases* | 1,799 | 2,087 | 1,693 | ▼ |
| Ombudsman final decisions | 62 | 124 | 99 | ▼ |
| Escalation rate (Contacts to cases) | 13% | 16% | 7% | ▼ |

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

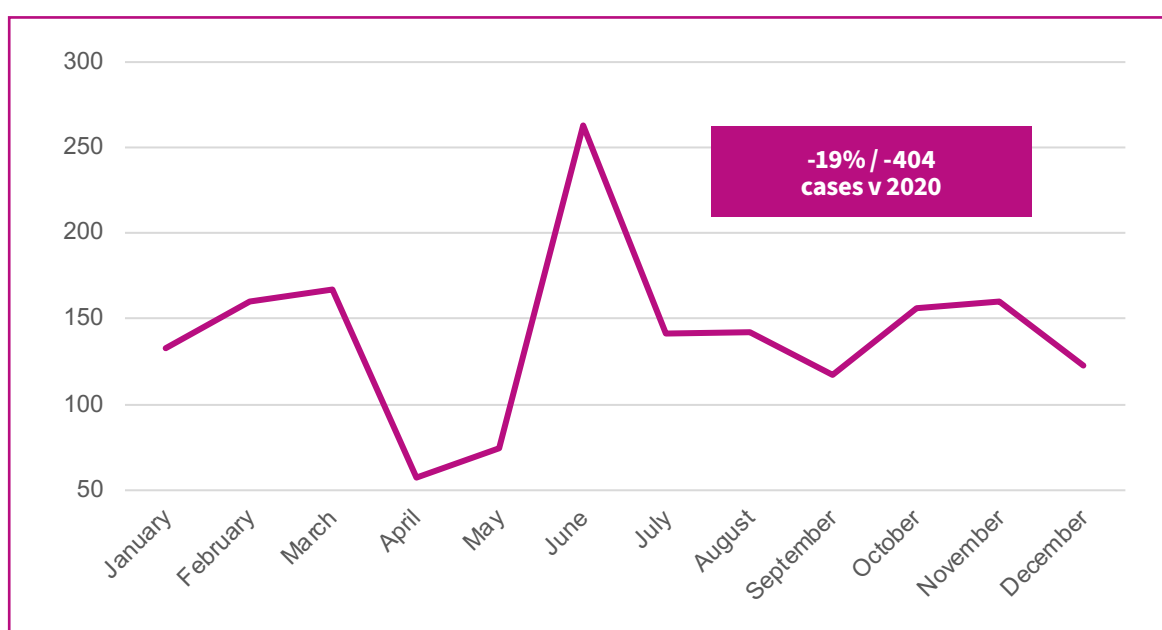
² www.TheMotorOmbudsman.org/garage-finder

3.1.2 Service and Repair Code performance charts

Service and Repair Code contact volumes by month (Jan - Dec 2021)



Service and Repair Code case volumes by month (Jan - Dec 2021)



3.1.3 Service and Repair Code performance analysis

Consumer contacts relating to the Service and Repair Code nearly doubled (**85%**) year-on-year from 13,136 in 2020 to **24,316** in 2021. This sharp rise is likely due to motorists being subject to fewer COVID-19 lockdown restrictions and being able to use their vehicle more in 2021 versus the previous 12 months, thereby resulting in more service and repair-related queries.

In addition, with the restructuring of The Motor Ombudsman's customer service team and changes to systems and processes, more outbound calls were made to consumers than previous years, thereby prompting a significantly higher volume to be returned – this can equally apply to the other Codes of Practice.

The volume of cases being accepted for adjudicators to deliver an outcome for review experienced a decline for the first time in three years (a fall of **20%** compared to the number seen in 2020). This was mainly because of an increased number of disputes logged by consumers not being in relation to businesses accredited to the Service and Repair Code.

Mirroring the decrease in case volume, the number of final decisions made for service and repair cases declined by 25 to a total of **99** for 2021, which was in contrast to the other three Codes, which all experienced a rise in ombudsman decisions during 2021.

The number of early resolutions increased significantly year-on-year, with double the amount of cases concluded without the need for formal adjudication in 2021 (**171**) when compared to the previous year (**85**). This is likely due to The Motor Ombudsman focussing heavily on resolving complaints as quickly and amicably as possible, without always having to resort to a formal investigation and decision.

3.1.4 Percentage of Service and Repair Code cases by Code breach

| Source of breach | 2019 | 2020 | 2021 | Trend (2021 v 2020) |
|-----------------------------|------|------|------|---------------------|
| 1.0 Advertising | 4% | 3% | 3% | — |
| 2.0 Booking in of a vehicle | 32% | 22% | 11% | ▼ |
| 3.0 Standard of work | 37% | 47% | 68% | ▲ |
| 4.0 Billing | 3% | 9% | 4% | ▼ |
| 5.0 Approach of staff | 23% | 9% | 4% | ▼ |
| 6.0 Complaints handling | 1% | 10% | 10% | — |

Consumer complaints relating to the Service and Repair Code in 2021 resulted from the following principal breaches:

3.0 The standard of work (68% of breaches):

- The accredited business did not carry out the work within the agreed timescale or exercise the expected reasonable skill and care [3.10]³.
- The accredited business did not act promptly and effectively in the response to consumer questions regarding the work completed, and swiftly investigate issues with the work [3.12]; and
- Servicing carried out in accordance with the requirements of a new vehicle warranty was not performed according to the vehicle manufacturer's service specification and documentation [3.7].

2.0 The booking in of a vehicle (11%):

- 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
- The accredited business did not confirm whether any additional or special requirements the consumer had were included, or required additional work, time and / or cost prior to the agreement of a completion date and time [2.1].

6.0 Complaints handling (10%):

- The accredited business did not take effective immediate action in order to ensure that the customer received a fair response to their complaint [6.1];
- The accredited business did not have in place an accessible arrangement for the handling of complaints, or details of the complaints procedure were not made available to the customer on request [6.2]; and
- The accredited business did not advise the consumer of their right to refer their unresolved complaint to The Motor Ombudsman [6.4].

³Numbers in brackets denote Code of Practice clause reference

3.1.5 Service and Repair Code case studies reviewed by ICAP

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

Note:

- **This is a sample of the Service and Repair Code cases reviewed by members of ICAP during 2021.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

Consumer's claim

| | |
|-----------------|---------------|
| Vehicle age | 4.5 years old |
| Vehicle mileage | 44,000 |
| Outcome | Not upheld |
| Award | None |

Mr A purchased a two-year-old 15-plate MPV in January 2017, and in June 2019, the stereo developed a fault, only turning on 80% of the time. For the remaining occasions, the system rebooted itself, which led the consumer to believe that there was a cable or electrics-related issue, rather than there being a fault with the actual unit.

Mr A therefore took his vehicle to a franchise dealership to have the problem diagnosed at a cost of £79. However, the results of the investigation did not reveal anything new or what had gone wrong. The consumer was informed by the business that the entire stereo unit would cost £3,700 to replace.

Because no answer had been found to the problem, Mr A was looking for the dealership to cover the cost of the diagnostics and the repair of the existing unit, or to replace the stereo system at no charge to himself.

Response of accredited business

The business explained they believed they had not acted in error, and that £79 was the standard charge for a one-hour diagnostic test, a standard price advertised on the manufacturer's website.

The dealership added that, as Mr A's vehicle had not been purchased from them, they could not be held responsible for the cost of any repairs or the replacement of components. As a result, they were unable to assist him further.

Adjudication outcome

The adjudicator explained that Mr A had the evidential burden of demonstrating that the workmanship of the dealership was sub-standard. After authorising the business to carry out the diagnostic test, they fulfilled this service, and Mr A had not provided any evidence to show that the dealership had not met the required industry standards for such an investigation (an automated computerised test).

The adjudicator also explained that a business is required to be open and transparent about potential repair costs. Prior to commencing with any repair, they must provide a consumer with a quote for the work and seek authorisation to proceed. They stated that, to take apart a component and carry out a more in-depth analysis, is more than a diagnostic process, which would incur further cost to the consumer. The business would also require authority to proceed to this stage.

The adjudicator concluded the business had not acted in breach of the Service Repair Code or had failed to provide a diagnostic test which did not meet industry standards. As a result, Mr A's complaint could not be upheld in his favour. The consumer did not respond to the outcome within the required timeframe, so the case was closed.



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

Consumer's claim

| | |
|-----------------|--------------|
| Vehicle age | 11 years old |
| Vehicle mileage | 89,000 |
| Outcome | Not upheld |
| Award | None |

Mr B purchased a used 58-plate saloon in September 2012. In December 2019, he took his car to his local dealership, as he was experiencing several issues with the vehicle. The investigation did not reveal any faults, and was told to put fuel in the car and to continue driving. However, the problems persisted, and Mr B returned to the business in January 2020 where he was informed that new injectors would be needed.

The consumer made a claim on the manufacturer's extended warranty policy to cover the cost of the repair, but this request was turned down due to the problem being classed as an existing fault. Mr B explained that the business had not informed him of an existing problem, and therefore felt that this should be covered by his policy and to not be liable for having to pay for the work to his vehicle to put things right.

Response of accredited business

The business confirmed that Mr B's vehicle had been booked in for an investigation in December 2019 because of an engine issue. Due to a fault being logged for very low fuel, the dealership advised Mr B that they had reset the system and asked the consumer to come back if the problem re-occurred. No charge was made for this visit.

A couple of weeks passed, and Mr B returned to the business, where a fault was found with the fuel injectors. A claim was made by the business on the warranty to cover the cost of the repairs, but this was declined due to the part being excluded from the policy, meaning they could not assist Mr B with the charge for the work.

Adjudication outcome

The adjudicator noted that Mr B was looking for the repair to be carried out under the terms of the warranty, and concluded that the dealership had taken the correct steps in making a claim that was subsequently declined due to fuel injectors being an excluded item.

This meant that the business had no influence over the decision to decline the claim, meaning there was no evidence that the Service and Repair Code had been breached. As a result, Mr B's complaint was not upheld in his favour.

Mirroring the recommendation made by the dealership to the consumer, the adjudicator encouraged Mr B to approach the warranty provider for further clarity and assistance if he believed that the repair of the fuel injectors should have been covered under the warranty agreement.

The consumer did not respond to the adjudication outcome, and the case was closed.



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

Consumer's claim

| | |
|-----------------|---------------|
| Vehicle age | 5.5 years old |
| Vehicle mileage | 84,000 |
| Outcome | Goodwill |
| Award | £250 |

Ms C purchased a 64-plate high-performance coupé in September 2015. Just before the first COVID-19 lockdown in March 2020, the car developed a screeching noise, so she took it to a local dealership to have the issue investigated. After the car was at the business for two hours, Ms C was informed that the problem, a spillage on the cambelt, had been fixed at a cost of £400. However, when starting the vehicle on collection, the noise was still there, so the technician suggested that the consumer drove the car to run it in, to dry off the oil, and to return if there was still an issue.

The following day, Ms C drove the vehicle with the continued screeching noise, which got worse, and she noticed smoke coming from the bonnet. The consumer

therefore contacted the dealership to explain what had happened and was told by the technician that nothing could be done until after the lockdown period.

As a result, Ms C was unable to use her car until the beginning of May 2020 when she could take her vehicle into another dealership that was open. This time, the consumer paid £6,000 to have the problem rectified, which Ms C felt was totally unnecessary, because this cost, which was in addition to the £400 paid earlier, could have been avoided had the issue been diagnosed and fixed correctly at the first time of asking.

In light of this, Ms C logged a complaint with the original repairer, and was offered £250 in compensation. However, as a resolution to her dispute, Ms C was looking for the business to refund the full sum of £6,000.

Response of accredited business

The first dealership explained that they quoted £198 to investigate the noise issue which happened after a third party had serviced the car, and they informed Ms C that oil was dripping down the engine, but were unable to determine where the leak was coming from. They therefore did not want to replace parts unnecessarily, and agreed with Ms C that an additional hour would be spent to make sure that the engine bay was as clean as possible before the consumer got her car back (bringing the invoice value up to £400), and that Ms C would then return the vehicle after 100 miles for further investigation.

After the work was carried out, the noise had gone, but the business explained that Ms C called them a week later to let them know that the problem had returned, and they agreed to book the car into the workshop. However, due to the lockdown, they advised the consumer to call back in a month's time to find out if they were open in order to re-investigate the leak.

The second dealership, which was open to key workers, found that the rocker cover gasket had been leaking, which is where oil remained after the bay had been cleaned by the first business, so the source of the problem was more evident. The flywheel was also replaced at the same time.

Based on the events that had occurred, the first dealer remained satisfied that they had acted with due diligence at all times, and stood by their original goodwill offer of £250 as a resolution to Ms C's complaint.

Adjudication outcome

The adjudicator stated that it was Ms C's responsibility to provide evidence, that not only proved the vehicle suffered from the faults that had occurred, but that they were also caused by the business, or were a direct consequence of the repairer's inability to exercise reasonable skill and care.

Ms C explained that the cost she had incurred as part of the repairs were unnecessarily high, and that they would have been lower had the business resolved the issue at the first attempt. Nevertheless, they did highlight a fault related to an oil leakage, and the documentation presented showed that work was carried out to the correct standard, that the issue had not been misdiagnosed, or that the business was responsible for the subsequent smoke or issues encountered by Ms C.

On the subject of cost, the adjudicator indicated that the problems would have arisen with the vehicle regardless of whether it had been taken or not to the first dealership before the first lockdown. As a result, Ms C would have been liable to pay for the repairs, and this cost could therefore not be attributed to the actions of the repairer.

This meant that that consumer's complaint could not be upheld by the adjudicator in terms of the consumer receiving the financial award they were seeking, and encouraged Ms C to accept the goodwill offer of £250, as it was considered fair and reasonable in the circumstances.

The consumer did not respond to the adjudication outcome, and did not request an ombudsman's final decision. The case was therefore closed.

3.2 New Car Code



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

In 2021, a total of **41** businesses, including new joiners Genesis Motor UK and CUPRA, were accredited to the New Car Code, meaning that around **99%** of all new vehicles sold across the UK were covered by it.

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

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

No changes were made to the New Car Code in 2021.

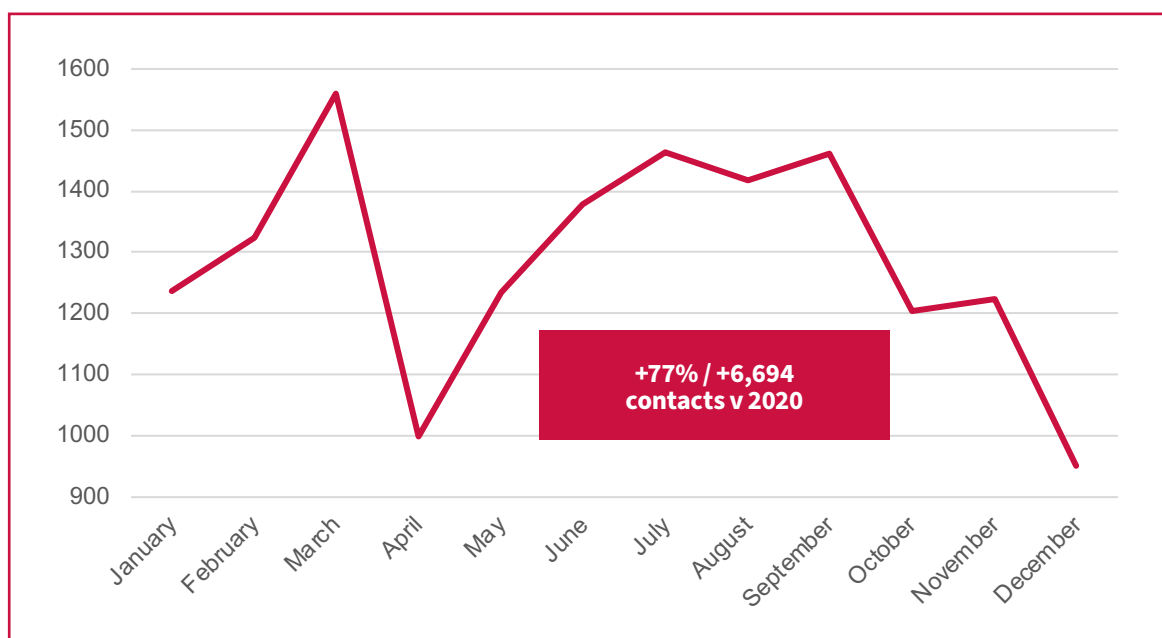
3.2.1 New Car Code performance data

| | 2019 | 2020 | 2021 | Trend (2021 v 2020) |
|-------------------------------------|-------|-------|--------|------------------------|
| Consumer contacts | 9,671 | 8,729 | 15,423 | ▲ |
| Early resolutions | 28 | 147 | 152 | ▲ |
| Adjudication cases* | 1,405 | 1,008 | 1,164 | ▲ |
| Ombudsman final decisions | 62 | 104 | 141 | ▲ |
| Escalation rate (Contacts to cases) | 15% | 12% | 8% | ▼ |

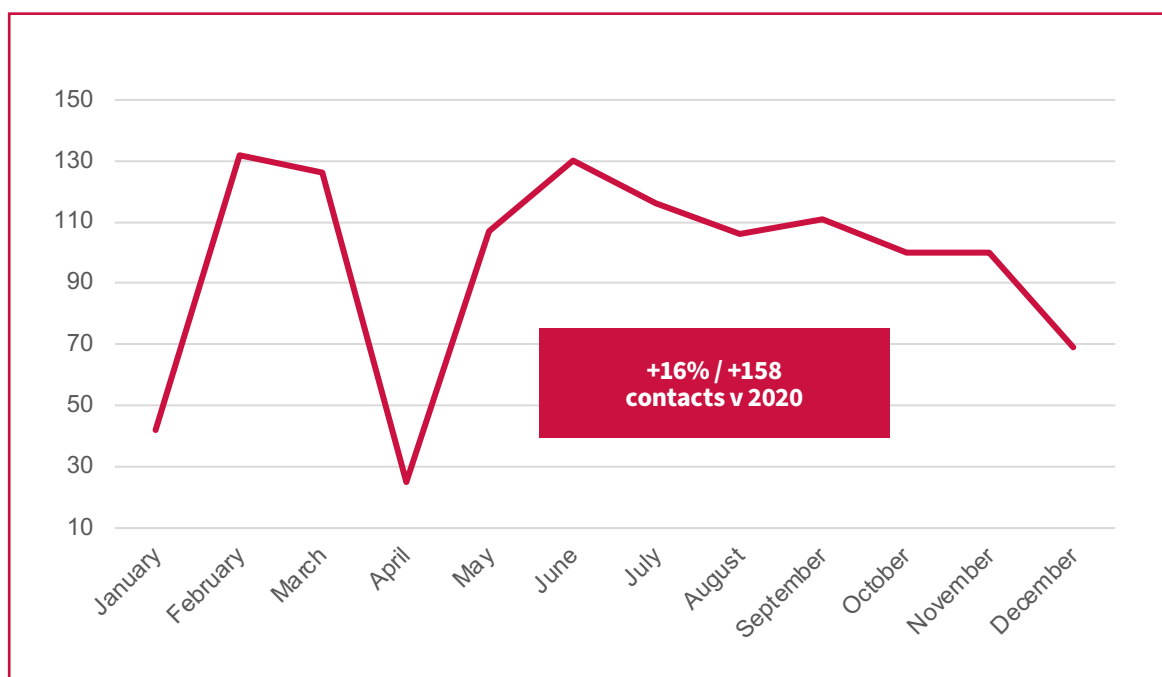
* The adjudication cases figure relates to the volume of cases passed to adjudicators for review.

3.2.2 New Car Code performance charts

New Car Code contact volumes by month (Jan - Dec 2021)



New Car Code case volumes by month (Jan - Dec 2021)



3.2.3 New Car Code performance analysis

Bucking the trend seen between 2019 and 2020, consumer contacts relating to the New Car Code rose by **77%** on an annual basis to their highest level in three years (**15,423**). Similarly, the volume of cases accepted for adjudication increased slightly by **16%** to 1,164, in tandem with the slightly higher level of new car registrations in the UK during 2021 compared to the year before, although the overall volume was lower than expected, which was largely due to the continued delays in the delivery of new vehicles due to a microchip shortage and ongoing issues caused by the pandemic.

Furthermore, the volume of ombudsman final decisions issued to consumers rose to **141** in 2021 from 104 in 2020, whilst early resolutions continued on an upward trajectory from 147 in 2020 to **152** in 2021.

However, the escalation rate from a consumer contact to a dispute being reviewed by an adjudicator continued to fall, decreasing marginally from 12% to **8%**, which is almost half the figure seen in 2019 (15%).

3.2.4 New Car Code cases by breach

| Source of breach | 2019 | 2020 | 2021 | Trend (2021 v 2020) |
|---|------|------|------|---------------------|
| 1.0 Advertising | 19% | 16% | 8% | ▼ |
| 2.0 New car provisions | 3% | 7% | 2% | ▼ |
| 3.0 Manufacturers' new car warranties | 73% | 70% | 72% | ▲ |
| 4.0 Availability of replacement parts and accessories | 3% | 4% | 8% | ▲ |
| 5.0 Complaints handling | 1% | 4% | 10% | ▲ |

Consumer complaints relating to the New Car Code in 2021 resulted from the following principal breaches:

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

- The customer's warranty claim was incorrectly dismissed [3.8]⁴;
- A repairer that 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 terms of a new car warranty were not written in plain English, and did not clearly list items specifically included or excluded from its scope and the geographical coverage of the warranty provided [3.3].

5.0 Complaints handling (10%):

- The accredited business did not take effective, immediate action in order to ensure that the consumer received a fair response to their complaint. [5.1];
- The accredited business did not have in place an accessible arrangement for the handling of complaints, and details of the complaints procedure were not made available to the consumer on request [5.2]; and
- The accredited business did not give every assistance to The Motor Ombudsman whilst they were investigating a complaint, and when reaching a conclusion [5.6].

1.0 Advertising (8%):

- 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 made available to the consumer 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, promotions or any other publications or communications, whether in writing or otherwise, contained content which was likely to have misled or be misunderstood by a consumer [1.1].

4.0 Availability of replacement parts and accessories (8%):

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

⁴Numbers in brackets denote Code of Practice clause reference.

3.2.5 New Car Code case studies reviewed by ICAP

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

Note:

- **This is a sample of the New Car Code cases reviewed by members of ICAP during 2021.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

Consumer's claim

| | |
|-----------------|-------------|
| Vehicle age | 3 years old |
| Vehicle mileage | 11,000 |
| Outcome | Not upheld |
| Award | None |

Mr D purchased a brand-new SUV in March 2018 for around £40,000. Shortly after buying the car, the lacquer started to peel from two of the alloy wheels, and the plastic trim had also faded badly across the circumference of the vehicle.

In December 2019, he found that the lacquer was also coming away from the other two alloys. He therefore got in touch with the dealership in February 2020, and all four wheels were subsequently replaced under warranty. However, Mr D claimed that the new alloys were of the wrong shade and were darker than the original set, and explained that he was not informed in advance that this would be the case.

Mr D therefore asked the vehicle manufacturer to cover the cost of them being resprayed back to their original colour, and for the trim to also be resprayed, a total claim value of around £1,000.

Response of accredited business

The vehicle manufacturer responded to Mr D's complaint, explaining that all four alloy wheels were replaced correctly under warranty at no charge to the consumer. They added that, due to the age of the car, the shades used on the alloys had changed since 2018, hence the new shade was darker than the original.

In terms of Mr D's request to have the alloys resprayed, this was not possible due to the fact that the supplier no longer had the original colour available. Furthermore, the vehicle manufacturer advised that, in their view, the discolouration of the trim was caused by outside influences, and was not covered under the terms of the new car warranty.

Adjudication outcome

The adjudicator looked at the two elements of the complaint, and concluded the following.

1. The incorrect shade of alloy wheel

Whilst the adjudicator acknowledged that it was frustrating for Mr D that the perfect colour was unavailable for the alloys, this was not deemed to be a breach of The Motor Ombudsman's New Car Code. The evidence presented confirmed that the wheels were replaced under warranty. This meant that, in terms of their contractual obligation to Mr D to repair manufacturing defects, the vehicle manufacturer fulfilled this requirement. Therefore, this element of Mr D's complaint could not be upheld.

2. Discolouration of the vehicle trim

The adjudicator acknowledged that the trim on the vehicle did appear to have faded, but the evidence submitted did not demonstrate that this was the result of poor workmanship or materials used during the manufacturing process, so did not fall under the terms of the manufacturer's warranty. Therefore, this element of Mr D's complaint could not be upheld.

Mr D disagreed with the adjudication outcomes, and requested an ombudsman's final decision. No further documentary evidence had been supplied at this stage by the consumer in support of his complaint, after being advised that he could source an independent technical report.

Ombudsman's final decision

The ombudsman reviewed the evidence, and came to the following conclusions.

1. The incorrect shade of alloy wheel

The ombudsman remarked that what Mr D wanted to have put right was not possible, because to have the alloys in their original colour was not feasible due to the shade being no longer available. This meant that the car had to be fitted with darker alloys, as there were no alternatives. As a result, the ombudsman could not ask the vehicle manufacturer to action a solution that was not within their control.

The ombudsman appreciated that Mr D was upset at not being told about the darker shade prior to the repair, and it would have been unlikely that he would not have carried on with this work. The ombudsman explained that it would have been courteous by the vehicle manufacturer to have made Mr D aware of this, to allow the consumer to have made an informed choice. That way he could have decided whether to keep the wheels with peeling lacquer in the colour he liked or take the new ones in the colour he did not.

2. Discolouration of the vehicle trim

Whilst the photographs provided showed that there was some discolouration, this was not sufficient on its own for Mr D to make a successful claim under the new car warranty. The burden was therefore on the consumer to prove that the car was suffering from a manufacturer's defect which led to the trim fading. However, there was no evidence, such as a technical report commissioned by the consumer, which refuted that the cause of the discolouration was indeed due to external reasons.

The ombudsman agreed with the adjudicator on all counts, and did not uphold the case in Mr D's favour. Therefore, no award was made. No response was received from the consumer following the issuing of the final decision, and the case was closed.



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

Consumer's claim

| | |
|-----------------|--------------------------------|
| Vehicle age | 3 years old |
| Vehicle mileage | 44,000 |
| Outcome | Goodwill |
| Award | 80% of the repair cost covered |

Mr E bought a two-year-old SUV in April 2019, and in March 2020, he noticed that the roof rails were rusting on the leading edges. Because of COVID-19 and the lockdown, he could not make contact with the vehicle manufacturer, as they were closed.

In June 2020, by which time the new car warranty had expired, Mr E booked his car into a dealership, and asked for it to be checked. However, as the warranty agreement was no longer live, the dealership offered an 80% contribution towards the costs of the repair.

However, the consumer did not think that this award was fair, as he was unable to raise the issue earlier when the car was still under warranty, due to the vehicle manufacturer's offices being shut. Therefore, as a resolution to his complaint, Mr E was looking for the full cost of the repair to be covered, which equated to around £1,300.

Response of accredited business

In response to the consumer's complaint, the vehicle manufacturer stated that the dealership had investigated Mr E's concerns and confirmed both of the rails needed to be replaced. Therefore, the business contacted the vehicle manufacturer to request a gesture of goodwill towards the cost of repair, of which an 80% contribution was granted due to this issue not being classed as a manufacturing defect. They equally explained that, with the consumer paying the remaining 20%, they would get a two-year parts warranty included with the new roof rails.

Adjudication outcome

After reviewing the evidence provided by both the vehicle manufacturer and Mr E, the adjudicator stated that it was unlikely that the cause of the damage to the roof rails was due to poor workmanship or materials used during the manufacturing process.

They also explained that a new car warranty covers faults which result from a manufacturing defect rather than those which have occurred because of external factors or wear and tear. In addition, the adjudicator said that a warranty also covers faults which are identified within the warranty period, and once this has expired, a business is no longer obliged to contribute towards the cost of repairs.

Due to there being no technical evidence to suggest that the occurrence of rust was because of a manufacturing defect, the adjudicator could not uphold Mr E's request for the full cost of the repairs to be covered, and deemed that the goodwill contribution offered was fair and reasonable in the circumstances.

The consumer did not respond to the outcome within the required timeframe, and the case was closed.



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

Consumer's claim

| | |
|-----------------|--------------|
| Vehicle age | 3 months old |
| Vehicle mileage | 2,300 |
| Outcome | Goodwill |
| Award | £1,000 |

Ms F purchased a brand-new luxury SUV in March 2021. A few days' later, the vehicle broke down with three young children in the car, and she was left with no assistance for 11 hours after the incident, complaining that the service she had received from the manufacturer was very poor. The issue was diagnosed as a faulty fuse box, with wires not connected correctly.

The vehicle manufacturer offered a goodwill gesture of £500 and a free service in light of what had happened. However, Ms F was not satisfied with this, and requested for this amount to be increased to £2,000 due to the stress and anxiety suffered.

The vehicle manufacturer did not deem a goodwill gesture of £2,000 to be reflective of what had happened, but increased their offer from £500 to £1,000.

Response of accredited business

The business acknowledged that the service levels provided did fall below the standards that would be expected in terms of how long it took for their roadside assistance team to be attend the vehicle, and that the retailer also failed to keep in contact with the consumer to update them on the repairs.

The manufacturer explained that £1,000 was an appropriate award to Ms F, and was unable to increase their offer any further to the £2,000 requested by the consumer.

Adjudication outcome

The adjudicator explained that they would not address whether there was a build defect, as this had already been acknowledged by the vehicle manufacturer. Therefore, the focus was on the standard of service provided to Ms F, and she had the evidential burden of proving that it was poor compared to what she should have received.

The adjudicator acknowledged that the vehicle manufacturer had not provided Ms F with a good enough level of roadside assistance and customer care following the vehicle breakdown. Similarly, he equally explained that The Motor Ombudsman could not award compensation for unquantifiable losses, such as inconvenience and stress.

Under their legal obligations, the vehicle manufacturer would only be required to provide the repair of the defective part (under warranty) and an apology. Therefore, the adjudicator recommended that Ms F accepted the vehicle manufacturer's goodwill offer of £1,000, as it went above and beyond what they needed to do for the consumer.

Ms F accepted the outcome, and was paid the amount of £1,000 by the vehicle manufacturer. The case was then closed.

3.3 Vehicle Warranty Products Code



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

The Vehicle Warranty Products Code covers the following principal areas:

- ✓ 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 2021.

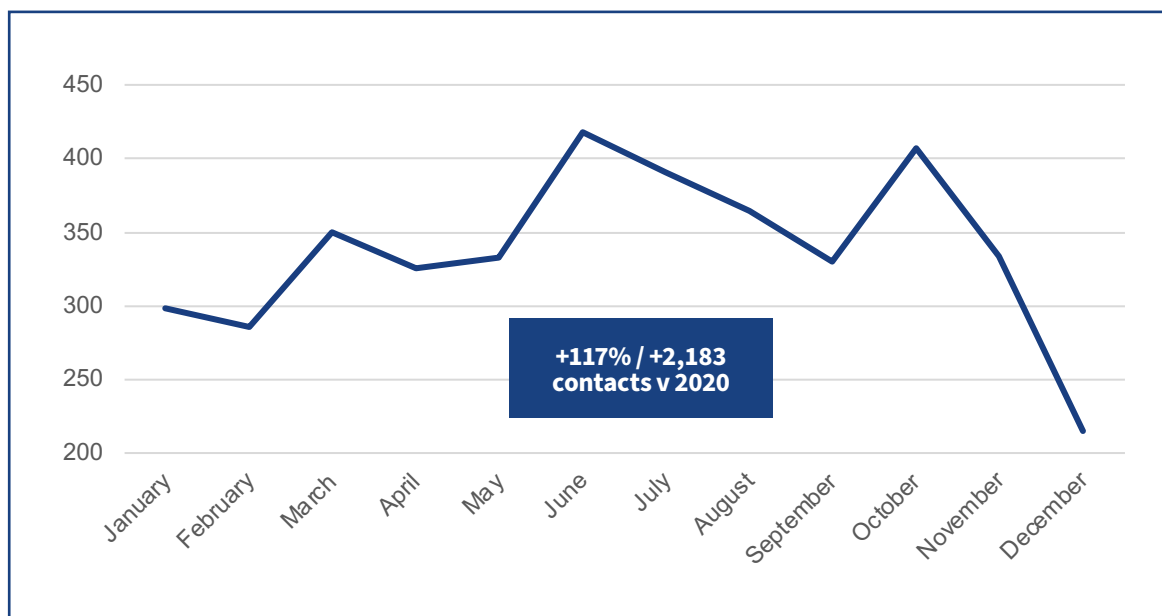
3.3.1 Vehicle Warranty Products Code performance data

| | 2019 | 2020 | 2021 | Trend (2021 v 2020) |
|-------------------------------------|-------|-------|-------|------------------------|
| Consumer contacts | 1,863 | 1,871 | 4,054 | ▲ |
| Early resolutions | 2 | 15 | 16 | ▲ |
| Adjudication cases* | 287 | 364 | 321 | ▼ |
| Ombudsman final decisions | 9 | 30 | 32 | ▲ |
| Escalation rate (Contacts to cases) | 15% | 19% | 8% | ▼ |

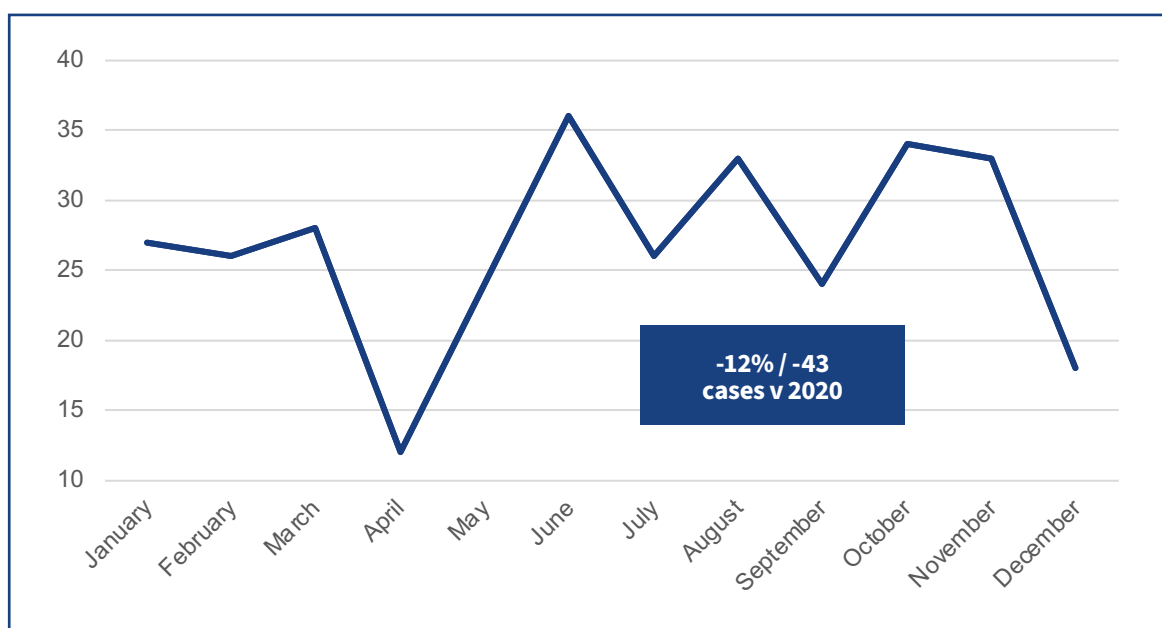
*The adjudication cases figure relates to the volume of cases passed to adjudicators for review.

3.3.2 Vehicle Warranty Products Code performance charts

Vehicle Warranty Code contact volumes by month (Jan - Dec 2021)



Vehicle Warranty Code case volumes by month (Jan - Dec 2021)



3.3.3 Vehicle Warranty Code performance analysis

Consumer contacts in relation to the Vehicle Warranty Code rose by 117% between 2020 and 2021 from 1,871 to **4,054**, its highest volume in the last three years, which is likely due to awareness of The Motor Ombudsman's dispute resolution service continuing to grow. This is reflected by the recent survey findings highlighted in Section 1.3.1 of this report.

In contrast, the number of disputes being accepted for adjudication fell slightly year-on-year by 12% to **321**, down from 364 in 2020. This was due to more of the complaints submitted by consumers being outside of remit. This could be for a number of reasons: for example, the business may not be accredited or the complaint could be about a product that is not currently covered by the Code, such as roadside assistance.

The contact to case escalation rate dropped by 11 percentage points between 2020 and 2021, hitting a three-year low of **8%**. The number of final decisions made during 2021 remained little changed compared to the previous months at **32**.

3.3.4 Vehicle Warranty Products Code cases by breach

| Source of breach | 2019 | 2020 | 2021 | Trend (2021 v 2020) |
|----------------------------|------|------|------|---------------------|
| 1.0 Advertising | 3% | 2% | 4% | ▲ |
| 2.0 Point of sale | 30% | 33% | 10% | ▼ |
| 3.0 Clarity of information | 50% | 43% | 36% | ▼ |
| 4.0 Claims handling | 17% | 21% | 40% | ▲ |
| 5.0 Clarity of information | 0% | 0% | 2% | ▲ |
| 6.0 Claims handling | 0% | 0% | 8% | ▲ |

Consumer complaints relating to the Vehicle Warranty Products Code in 2021 resulted from the following principal breaches:

4.0 Claims handling (40% of breaches):

- The product cover did not continue for mechanical breakdowns and part failures unconnected with vehicle servicing [4.9]⁵;
- 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]; and
- The warranty provider took too long to make a decision on the claim [4.2].

3.0 Clarity of information (36%)

- The consumer was not fully informed about which components were and were not covered by the warranty product [3.4];
- Warranty terms and conditions were not written in plain English, and were ambiguous or difficult to understand [3.1]; and
- The accredited business did not clearly set out their policy on the reimbursement of expenses in the event of a breakdown and advise whether the consumer's vehicle was covered whilst abroad [3.8].

2.0 Point of sale (10%):

- The consumer was not provided with appropriate information regarding key terms of the product(s) and cover prior to them signing a contract [2.2];
- The accredited business did not ensure that the retailer provided the consumer with sufficient and accurate product information to enable them to make an informed decision [2.9]; and
- The information provided to the consumer did not detail their obligations to maintain the vehicle and the consequences of not doing so and / or when they may be liable to pay diagnostic costs in the event that a repair was not covered by their chosen product [2.4].

⁵ Numbers in brackets denote Code of Practice clause reference

3.3.5 Vehicle Warranty Products Code case studies reviewed by ICAP

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

Note:

- **This is a sample of the Vehicle Warranty Products Code cases reviewed by members of ICAP during 2021.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

Consumer's claim

| | |
|-----------------|-------------|
| Vehicle age | 5 years old |
| Vehicle mileage | 39,000 |
| Outcome | Not upheld |
| Award | None |

Ms G bought a 65-plate pick-up in truck in November 2019, and purchased an extended warranty agreement to cover the sudden and unexpected failure of major mechanical and electrical components.

In July 2020, Ms G's vehicle broke down, and an investigation was organised by the warranty provider. The problem was diagnosed as a gearbox failure, but the consumer's claim to have the costs covered under warranty was declined because the vehicle was still deemed to be driveable.

Ms G explained that she had an investigation carried out by a third party, which found the vehicle to not be in a useable condition, and said that the rear differential had failed too.

In light of the failure, the consumer was looking for the warranty provider to honour the full cost of the repair (estimated to be £8,000), and for the business to cover loss of earnings, legal fees and hire car costs.

Response of accredited business

The warranty provider said that, on 8th July 2020, Ms G called them to report the fact that her pick-up truck was going into limp mode and was losing power. She therefore requested that her vehicle was booked in to diagnose the problem.

Just over a week later, the nominated independent garage inspected the pick-up truck, and they concluded that the issue appeared to be with the transmission control system failing to communicate with the ABS unit.

The repairer therefore advised that the vehicle should be taken to a gearbox specialist. Their investigation found that the vehicle was shuddering badly during an on-road test and several fault codes were present in the gearbox relating to the mechatronic unit.

They believed that the torque converter was breaking up inside the gearbox and caused metal contamination throughout the transmission. The warranty provider's claims engineers assessed the findings, but did not find any evidence of a "sudden and unexpected breakdown" of the gearbox, but was an issue that got worse over time, thereby declining Ms G's claim.

They added that the vehicle was seen by two different workshops for a fault diagnosis, and on both occasions, the pick-up truck was driven to the garage and home again, meaning the vehicle was not deemed to be undriveable.

Adjudication outcome

The adjudicator stated that the warranty agreement explains that: "A 'breakdown' is 'the sudden and unexpected failure (given the car's age and mileage) of a component arising from any permanent mechanical or electronic fault, which causes the component to stop working, and means that it needs repairing or replacing'".

The evidence from the business showed that the fault with the gearbox did not occur as result of a sudden breakdown. This is because, the issues were reported over a period of time, which pointed to the fact that the failure of the gearbox was not likely to have been a sudden breakdown. Furthermore, the adjudicator said that if the gearbox had suddenly failed, the vehicle would not have been drivable by Ms G.

Based on the evidence provided, the case was therefore not upheld in Ms G's favour due to the fact that the cause of the gearbox failure was not covered by the terms of the policy. As a result, the warranty provider was not contractually obliged to cover the consumer's repair costs.

Ms G did not respond to the adjudication outcome within the required timeframe, and the case was closed.

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

Consumer's claim

| | |
|-----------------|--------------|
| Vehicle age | 14 years old |
| Vehicle mileage | 79,500 |
| Outcome | Not upheld |
| Award | None |

Mr H purchased a 56-plate saloon in August 2017 when it was nearly 11 years of age. The consumer took out a one-year extended warranty agreement in the event of a sudden and unexpected failure of one of the major mechanical or electrical components of his car. After a short break, he renewed the agreement for another year in October 2018.

At the beginning of 2019, Mr H was experiencing problems with the vehicle's turbocharger, which had developed a fault. Therefore, the consumer had the issue diagnosed and made a claim on the policy to have the turbo repaired (estimated to cost £1,500). However, it was declined, which Mr H did not deem to be correct in the circumstances after the diagnostics were carried out on his vehicle.

Response of accredited business

The warranty provider explained that, in January 2019, Mr H made contact with the business as a result of the vehicle going into limp mode, and that an amber warning light had appeared on the dashboard. A few days later, the car was booked into one of their network-approved workshops for a diagnosis. However, the investigation did not reveal the cause of the problem.

Unhappy with the situation, Mr H took the car to his local dealership on the basis that the warranty provider would receive a diagnosis and estimate for the cost of the repairs in order to be able to assess the consumer's claim. This was carried out, and they reported that the turbo had a lack of power and was not boosting to the correct levels, but did not state that it had suffered a failure or was not working.

The warranty provider explained that they could not approve Mr H's claim, as the policy did not cover wear and tear faults. The consumer disagreed with the decision and the claim was reviewed, but the same conclusion stood. Mr H therefore terminated his policy early, and the case was closed in February 2019 before the consumer took his case to The Motor Ombudsman in November 2020.

Adjudication outcome

The adjudicator remarked that the burden was on Mr H to show that the fault with the turbo was covered by the terms of the policy, which obliges the warranty provider to cover repair costs when a listed component suffers a "breakdown". This is defined by the agreement as the sudden and unexpected failure (given the car's age and mileage) of a component arising from any permanent mechanical or electronic fault, which causes the component to stop working, and means that it needs repairing or replacing.

The adjudicator stated that current evidence did not demonstrate that the cause of the faulty turbo was the result of a sudden and unexpected failure because the turbo had not stopped working. This was clear because the turbo was still performing, but not to the levels required or expected resulting in the lack of power.

As such, the adjudicator found that the faulty turbo was not covered by the terms of the warranty agreement, meaning the provider was not required to pay for the costs of repair. Therefore, Mr H's complaint was not upheld.

The consumer did not respond to the outcome, and the case was closed.



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

Consumer's claim

| | |
|-----------------|------------|
| Vehicle age | 10.5 years |
| Vehicle mileage | 80,000 |
| Outcome | Not upheld |
| Award | None |

Ms I bought a used 59-plate city car with 73,000 miles on the clock in May 2019, and took out a mechanical breakdown policy, as the vehicle's new car warranty expired in 2012. In January 2020, the consumer experienced mechanical problems with her vehicle, namely a crack in the thermostat housing, a stretched timing chain, and a rocker cover gasket leaking oil. The warranty provider agreed to cover the cost of the replacement thermostat housing, but did not approve the claim in relation to the timing chain or rocker cover gasket. However, Ms I believed that the work to replace all components should have been covered under the policy she took out when buying the car, and that she should not be made liable to pay for any of the repairs.

Response of accredited business

The business explained that Ms I's claim was declined, as there was no evidence of a sudden mechanical failure. The consumer also confirmed to the claims handler that her vehicle had been repaired, and that the work was carried out before the warranty provider had been given the opportunity to assess whether a claim would have been accepted. Therefore, they were unable to uphold Ms I's complaint.

Adjudication outcome

The adjudicator explained that Ms I had the evidential burden of showing that the fault with the components were covered by the warranty agreement, which was only required to cover repair costs when a covered component suffered a mechanical breakdown, i.e. *"A sudden stoppage of function, for a reason other than wear and tear, deterioration or negligence."*

The current evidence did not demonstrate the cause of the failure for the components detailed were the result of a mechanical breakdown. This meant that the warranty provider was not liable for covering the costs of repair, and Ms I's claim was not upheld by the adjudicator.

The consumer did not respond to the outcome, and the case was closed.



3.4 Vehicle Sales Code



Launched in 2016, and celebrating its five-year anniversary in 2021, **the Motor Industry Code of Practice for Vehicle Sales** focuses on the sale of both new and used cars at an accredited garage, dealership or used car outlet, as well as the supply of finance and warranties. It covers areas, such as the use of transparent wording of advertising and pricing, clear and transparent invoicing, and that the sale of a used car is supported by a vehicle provenance check to ensure that it has not been stolen, written-off and is free of any outstanding finance payments. Businesses accredited to the Vehicle Sales Code can be found on The Motor Ombudsman's Garage Finder.⁶

The Vehicle Sales Code covers the following principal areas:



Advertising;



The provision of warranty products;



The presentation of used cars for sale;



The provision of finance products;



The presentation of new cars for sale;



Aftersales support; and



The vehicle sales process;



Complaints handling.

No changes were made to the content of the [Vehicle Sales Code](#) in 2021.

3.4.1 Vehicle Sales Code performance data

| | 2019 | 2020 | 2021 | Trend (2021 v 2020) |
|-------------------------------------|--------|--------|--------|------------------------|
| Consumer contacts | 25,608 | 20,822 | 45,821 | ▲ |
| Early resolutions | 5 | 142 | 289 | ▲ |
| Adjudication cases* | 2,623 | 2,753 | 2,652 | ▼ |
| Ombudsman final decisions | 155 | 222 | 228 | ▲ |
| Escalation rate (Contacts to cases) | 10% | 13% | 6% | ▼ |

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

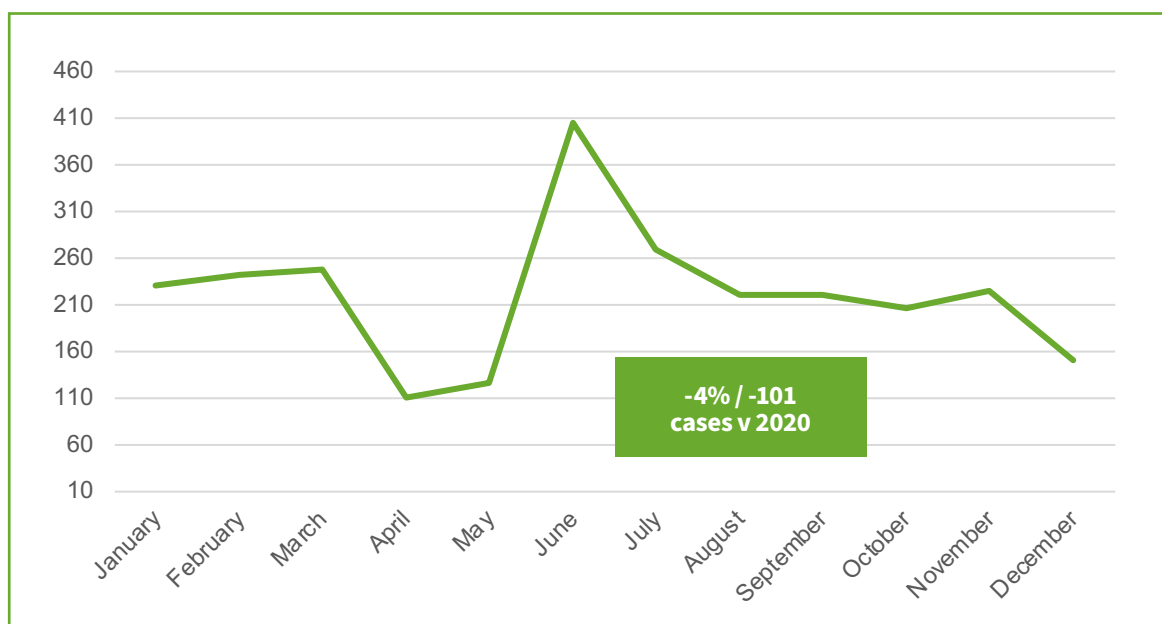
⁶ www.TheMotorOmbudsman.org/garage-finder

3.4.2 Vehicle Sales Code performance charts

Vehicle Sales Code contact volumes by month (Jan - Dec 2021)



Vehicle Sales Code case volumes by month (Jan - Dec 2021)



3.4.3 Vehicle Sales Code performance analysis

Consumer contacts received by The Motor Ombudsman in relation to a new or used vehicle purchase rose by 120% to their highest level in three years (**45,821**), mirroring the increased sales activity as car showrooms re-opened to the public in April 2021 following the lifting of COVID-19 restrictions.

With new car registrations staging a recovery in May, equivalent to eight times the volume seen in the same month in 2020 when purchases were heavily restricted to “click and collect” services and home delivery, contacts to The Motor Ombudsman also started to climb significantly during the same period, peaking at 4,572 in July.

In comparison, the number of cases accepted for adjudication fell very slightly year-on-year by just 4% to 2,652 (from a peak of 2,753 in 2020), with the contact to case escalation rate halving on an annual basis, from 13% to **6%**. This, similar to other Codes, is largely because a number of vehicle sales outlets, that were the subject of a dispute, were not accredited to the Vehicle Sales Code – particularly in the used car sector, which tends to drive the highest volume of consumer complaints in the motor industry.

The number of ombudsman final decisions rose slightly in 2021 versus 2020, from 222 to **228**.

3.4.4 Vehicle Sales Code cases by breach

| Source of breach | 2019 | 2020 | 2021 | Trend (2021 v 2020) |
|--|------|------|------|---------------------|
| 1.0 Advertising | 7% | 6% | 5% | ▼ |
| 2.0 Presentation of used cars for sale | 9% | 6% | 9% | ▲ |
| 3.0 Presentation of new cars for sale | 2% | 1% | 1% | – |
| 4.0 The vehicle sales process | 7% | 6% | 6% | – |
| 5.0 Provision of warranty products | 1% | 6% | 2% | – |
| 6.0 Provision of finance products | 1% | 1% | 0% | ▼ |
| 7.0 Quality of a vehicle at the point of purchase | 48% | 58% | 34% | ▼ |
| 8.0 Aftersales support | 25% | 9% | 36% | ▲ |
| 9.0 Complaints handling | 1% | 7% | 7% | – |

Consumer complaints relating to the Vehicle Sales Code in 2021 resulted from the following principal breaches:

8.0 Aftersales support (36% of breaches):

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

7.0 Vehicle purchase quality (34%):

- 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];
- When the consumer took delivery of their vehicle, they were not made aware of the aftersales service provisions available, including details of the accredited business’s complaints handling procedure [7.1]; and
- The consumer did not receive a full documented handover regarding the operation of the vehicle and associated documentation made available to the accredited business [7.2].

2.0 Presentation of used cars for sale (9%):

- The accredited business did not provide the consumer with any other information that could affect their transactional decision [2.13];
- The accredited business withheld information about a vehicle’s history or usage that may have affected their decision to purchase the vehicle [2.11]; and
- Faults identified during the pre-sales inspection were not recorded and rectified prior to the sale of the vehicle to ensure that it was in a safe and roadworthy condition [2.10].

⁷ Numbers in brackets denote Code of Practice clause reference.

3.4.5 Vehicle Sales Code case studies reviewed by ICAP

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

Note:

- **This is a sample of the Vehicle Sales Code cases reviewed by members of ICAP during 2021.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

Consumer's claim

| | |
|-----------------|-------------|
| Vehicle age | 4 years old |
| Vehicle mileage | 32,000 |
| Outcome | Not upheld |
| Award | None |

In March 2016, Mr J bought a new saloon from a dealership on a personal contract purchase (PCP) agreement. He was told by the salesperson at the time that, should he buy the vehicle when the plan came to an end, he would be entitled to an additional year's warranty.

However, when it came to purchasing the vehicle at the end of the term, Mr J was unable to contact the dealership due to it being closed, as a nationwide lockdown was in force at the time. He therefore got in touch with the vehicle manufacturer's finance arm to fill out the relevant forms, but was unable to return them online. As a result,

finance payments continued to be taken from Mr J's account, and he did not receive the additional year of warranty as previously advised.

Mr J also claimed that the problems with his vehicle's lights were a manufacturing defect and of poor quality (according to three independent mechanics) due to cracks appearing on the rear clusters, and because the lens on the passenger headlight was also falling off as a result of faulty glue. Mr J was quoted £2,500 for the repair, which he found to be too expensive and said that he could source cheaper components elsewhere.

To resolve his complaint, Mr J was looking for the additional year's warranty to be honoured, and for the full cost of the repair to be covered by the selling dealership.

Response of accredited business

The selling dealership explained that, Mr J not being able to make contact with them was inaccurate, as the business remained open during the lockdown period and was adequately staffed. This meant that the consumer would have been able to get hold of the dealership without any issues.

The business also explained that Mr J should take up his complaint about the warranty not being honoured with the finance arm of the vehicle manufacturer, and therefore did not accept liability for this. They also added that Mr J had not signed and returned the paperwork to the finance arm, hence the warranty was not honoured.

Adjudication outcome

The adjudicator reviewed the evidence in conjunction with the different elements of Mr J's complaint and remarked on the following:

1. Being entitled to an additional year's warranty

With regards to Mr J being unable to redeem the additional one-year warranty, the adjudicator stated that it was unclear as to whether the offer was one which was a manufacturer-wide offer, or was simply provided by the dealership.

This lack of clarity was brought to the fore, as Mr J did not approach the dealership to complete the vehicle purchase, but contacted the manufacturer's finance arm instead. Following the e-mail correspondence provided by Mr J, it was noted that his attempt to finalise the transaction was halted due to his inability to send the electronic documents to the vehicle manufacturer's finance arm.

However, an e-mail received from the vehicle manufacturer's finance arm three days later showed that Mr J was then able to view the relevant documents in regard to his vehicle purchase, implying that the financial agreement had been approved. As no reference was made to the dealership, it could be reasonably assumed that the transaction had taken place without their involvement or input.

Therefore, the adjudicator concluded that any difficulty in Mr J's ability to redeem the one-year warranty should be resolved with the vehicle manufacturer's finance arm rather than with the dealership. Therefore, this element of the consumer's complaint could not be upheld.

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

2. Being unable to contact the dealership during lockdown

Despite saying he had attempted to contact the dealership to purchase the vehicle at the end of his agreement, Mr J provided no evidence to show any form of attempted communication with the business, which meant that the consumer's claim could only be considered as hearsay, and could not be pursued any further by the adjudicator.

3. Faults with the vehicle's lights

The adjudicator stated that the photographs provided by Mr J showed that there was a fault with both the rear lamps and the headlights. However, the evidence did not demonstrate that the vehicle suffered from an inherent fault at the point of sale. As the complaint had been reported four years after the consumer had purchased it, the burden was on Mr J to not only provide evidence that showed the vehicle suffered from the aforementioned faults, but also that they existed at the time of purchase in March 2016. Therefore, this element of the complaint was not upheld.

4. The quote for the repair being too expensive

With regards to the quote that Mr J received for the repair, the adjudicator explained that the dealership's obligation was to provide a clear breakdown of costs including parts and VAT. There was no requirement for the business to complete the work at a preferred price, and likewise, Mr J did not have to have the work completed by the business if he did not approve of the cost quoted. Therefore, this element of the complaint was not upheld.

After considering all four elements of the complaint, Mr J's case was not upheld in his favour and no award was made to him. No response was received to the adjudication outcome by the consumer, and the case was closed. As a result, the case could not be upheld in Mr J's favour, mirroring the adjudication outcome. The consumer rejected the ombudsman's final decision and the case was closed.



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

Consumer's claim

| | |
|-----------------|---------------|
| Vehicle age | 4.5 years old |
| Vehicle mileage | 72,000 |
| Outcome | Goodwill |
| Award | £1,604.10 |

Ms K bought a 64-plate hatchback with 55,000 miles on the clock for just under £8,000 in March 2019, after being persuaded by the dealership to buy a different car to the one she saw advertised. The salesperson explained that it was an ex-demonstrator vehicle owned by an employee of the dealership, and was therefore in “perfect condition”.

Less than two weeks after purchasing the vehicle, she noticed an intermittent noise. The consumer took the car back to the business, but the service and sales managers refused to look at the issue and Ms K's claim about having been mis-sold a different vehicle to the one she originally wanted.

In April 2020, Ms K contacted the business again because, 13 months after buying the car and driving more than 16,000 miles, there were ongoing problems with acceleration, plus the same intermittent noise had returned.

As the dealership was once again dismissive of the problems with Ms K's vehicle, she contacted the head office of the dealership group, but received no response. The consumer therefore had the vehicle looked at by a third party, and they informed her that the car had been involved in an accident before she bought it and that a replacement bonnet and a reconditioned gearbox, which was not compatible with the vehicle, had been fitted. The dealership once again refused to look at these faults and disputed the consumer's claims, according to Ms K.

As a result, due to the ongoing problems with the car, Ms K, who is disabled, had to purchase another automatic vehicle to ensure she could take her children to school and go to work. Unfortunately, the customer was stopped by the police as the vehicle was not roadworthy and had to be scrapped.

As a resolution to her complaint, Ms K was looking to be provided with a replacement vehicle of an equivalent value to the hatchback she purchased (costing nearly £8,000) and to be reimbursed for the price paid for the second vehicle and associated costs, such as the road tax and MOT.

Response of accredited business

The dealership explained that the Ms K had claimed that their sales manager had pressured her into purchasing the hatchback, but that this was not accurate, because the one that was advertised online had been sold, and that this was the only equivalent model available at the time.

The business also said that Ms K had contacted them after buying the car, requesting that the vehicle was checked over due to a noise coming from the exhaust. However, the technicians could not find any faults with the vehicle. In April 2020, after which she had completed over 16,000 miles, the dealership said Ms K had been back in touch to say that the same issue had re-occurred, and they also stated that they had no record of the vehicle being involved in any accident or having a faulty gearbox.

To resolve Ms K's complaint, the business tried to look for a replacement vehicle for the consumer, but was unable to find a like-for-like model. As a result, the dealership offered to buy the vehicle back from her for the full purchase price, minus a mileage deduction of 22p per mile to reflect the usage - a total deduction of £3,603.60. They also put forward a goodwill compensation payment of £1,164.60 for the inconvenience caused to the consumer.

In addition to this, the business offered Ms K £439.50, which was 50% of the cost to tax and MOT the new vehicle that she had purchased. However, this was not to Ms K's satisfaction, and she turned down the dealership's offer.

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

Adjudication outcome

The adjudicator addressed the issues raised in Ms K's complaint, and made the following conclusions.

1. Fault with the vehicle

The adjudicator noted that, within the first two weeks after buying the car, Ms K reported that there was a noise coming from the exhaust, but the first investigation by the dealership found no faults.

The same issue also re-occurred around 12 months later, when the vehicle was looked at by the business for a second time after having covered another 16,380 miles. However, neither party provided a copy of the diagnosis at this stage, meaning the adjudicator could not conclude whether a fault existed.

E-mail correspondence from June 2019 confirmed that Ms K had contacted the dealership regarding a fault with the gearbox, and that she subsequently had the vehicle look at by an independent garage. However, the adjudicator was not provided with a copy of the report or diagnosis supplied directly by the business.

As a result, the adjudicator was unable to confirm whether the gearbox suffered from a fault or that one was present on the consumer's first visit to the dealership, approximately two weeks after buying the car. As the information presented did not demonstrate that the vehicle suffered from an inherent fault at the point of sale, this element of Ms K's complaint could not be upheld.

2. Being mis-sold the ex-demonstrator vehicle

In the absence of any documented evidence, the adjudicator could not comment on what Ms K was told at the point of sale, which meant that there was no information to substantiate her position that she was mis-sold the ex-demonstrator vehicle. Therefore, this element of Ms K's complaint could not be upheld.

The adjudicator reviewed the offer made by the business to resolve Ms K's complaint to buy back the vehicle with a preferential mileage rate for the deduction for usage as they could not find a like-for-like replacement. Due to the consumer having to buy a second vehicle, the business raised its award, offering £1,164.60 compensation for the distress and inconvenience caused, plus an additional £439.50 which was 50% of the extra costs to tax and MOT the vehicle. This was considered fair and reasonable by the adjudicator in the circumstances.

Following the adjudication outcome, Ms K accepted the offer from the business and received the goodwill gesture of £1,604.10. She also handed her vehicle back to the dealership, receiving £4,335.40 based on the deduction of £3,603.60 for mileage from the £7,939 paid initially for her car. The case was then closed, as the payments had been successfully made to Ms K.



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

Consumer's claim

| | |
|-----------------|-------------|
| Vehicle age | 6 years old |
| Vehicle mileage | 45,000 |
| Outcome | Upheld |
| Award | £124 |

Ms L purchased a used 62-plate SUV in March 2018 with a free extended warranty from a dealership, and in July 2018, after covering around 3,500 miles, the car stalled twice. The consumer took the vehicle to an independent garage to investigate the problem, but the diagnostic check did not reveal any faults. However, there was a strong smell of diesel coming from the engine, so the mechanic suggested it could be an issue with the fuel filter.

As the seller of the car was over 100 miles away, Ms L took her SUV to a local franchise dealer, and they found the problem to be a damaged O-ring in the fuel filter. As the replacement part was not covered under the warranty, due to it being classed as a wear

and tear item, the consumer had to personally pay the sum of £124. The business that carried out the repair also explained that the original components had been damaged when being fitted.

To resolve her complaint, Ms L was looking for a refund of the £124 repair bill from the seller, as she did not believe that she should be liable for this cost after owning the car for such little time.

Response of accredited business

The selling dealership explained that Ms L's SUV had been serviced 100 miles prior to her buying it, after being part exchanged.

The business also stated that their pre-sale checks did not show any signs of a fuel leak or a smell of diesel, meaning there would have not been any reason to examine the fuel filter. They said that Ms L took the SUV to her local dealer, and was advised that, if the fuel filter needed to be replaced, it would not be covered under warranty due to it being a wear and tear item.

They appreciated that this was an unwelcomed expense for Ms L, but it was a cost that went with running a vehicle of this age. As a result, the seller did not feel that they should be liable for reimbursing Ms L the sum of £124, which she had to pay for repairs.

Adjudication outcome

The adjudicator explained that, should any faults arise within the first six months of purchasing a vehicle, then the selling business must be given an opportunity to investigate any issues and put things right.

The adjudicator remarked that Ms L had never given the seller the opportunity to rectify the fault, because she wanted her vehicle to be fixed immediately, regardless of the terms of the warranty.

As the consumer chose to go to a local dealership, the adjudicator thought that it was unfair to make the seller accountable for the refund if they had not had the chance to conduct any repairs. As a result, the complaint was not upheld in Ms L's favour. The consumer disagreed with the outcome and requested an ombudsman's final decision.

Ombudsman's final decision

The ombudsman disagreed with the adjudicator because they had applied the rules set out for rejecting a vehicle if it was not of satisfactory quality. However, Ms L was merely asking for the cost of the repairs to be covered.

The ombudsman deemed it not to be fatal that the consumer did not take her car to the seller for the work in the first instance, plus she was told she could take her vehicle to a local franchise dealership due to there being a considerable distance between Ms L and the retailer. Therefore, this should not have been a reason to invalidate the consumer's complaint.

Furthermore, the ombudsman did not feel it would have made a difference visiting the selling dealership because they would have only looked at whether parts were covered by the warranty. It was likely that Ms L would still have had a bill to pay, as the seller deemed the car to be in the correct condition at the point of sale.

However, the burden was in fact on the seller to prove that there were no issues when Ms L bought the SUV, as the evidence showed that they had conducted some work on the car, but this did not demonstrate that there was no wear on the components at the time of purchase. As a result, the ombudsman thought it was an unlikely coincidence that the problem occurred so closely after the sale, and deemed there to be an underlying cause that was already present.

Supporting this, Ms L emailed the dealership saying the car was great, but that there was a rattling noise she could not track down. Also, certain components in the car were not working. While there was no proven technical connection between the O-ring, filters, and these issues, the ombudsman was of the opinion that this indicated that there were problems with the car at the point of sale.

SECTION 4:

Business compliance monitoring

- 4.1 Online self-assessments and physical audits
- 4.2 Managing non-compliance
- 4.3 Accredited business suspensions in 2021
- 4.4 Accredited business expulsions in 2021
- 4.5 The 2022 enhanced compliance process
- 4.6 CTSI compliance
- 4.7 Compliance with the Ombudsman Association's Service Standards Framework
- 4.8 Delivery of bespoke webinars



SECTION 4: Business compliance monitoring

Business compliance monitoring remained a core focus in 2021. The Motor Ombudsman increased engagement with customers, businesses and regulatory bodies, such as the Chartered Trading Standards Institute (CTSI), to address and resolve non-compliance issues as and when they arose.

4.1 Online self-assessments and physical audits

4.1.1 Online self-assessments

Once an independent garage or franchise car dealership has expressed interest in joining The Motor Ombudsman, the completion of an online self-assessment is required when applying for accreditation to the Service and Repair, and / or Vehicle Sales Codes to demonstrate that they are compliant with the requirements of the Code(s). The section below excludes any assessments in relation to Vehicle Warranty and New Car Code-accredited businesses.

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.

For 2021:

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

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

4.1.2 Physical on-site audits

Every year, physical on-site audits are carried out on a random sample of businesses within The Motor Ombudsman's nationwide accredited business network to ensure that they continue to meet the necessary high standards for accreditation. However, due to COVID-19, and in agreement with CTSI, no physical on-site audits were carried out during 2021.



4.2 Managing non-compliance

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

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

*Continued non-response and non-compliance

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

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

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

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

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

**Closer scrutiny

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

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

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

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

4.3 Accredited business suspensions in 2021

Following a review of cases by the Independent Compliance Assessment Panel (ICAP), there were no business suspensions in 2021.

4.4 Accredited business expulsions in 2021

Following a review of cases by the Independent Compliance Assessment Panel (ICAP), there were no business expulsions in 2021.

4.5 The 2022 enhanced compliance process

The Motor Ombudsman carried out a review of the compliance process in 2020, and identified key enhancements that were developed in 2021.

The various compliance processes were harmonised into one, a new reporting system was launched, and the process was redefined to provide for greater accountability and efficiency among the various teams involved in The Motor Ombudsman's compliance process. This has been very successful in significantly reducing escalations of cases to the Panel and the case resolution time period, whilst it has also improved engagement with both customers and businesses.

The focus for 2022 will be to make further system enhancements, such as the creation of a bespoke compliance monitoring dashboard, a redefined case resolution process, and the reduction of the backlog of compliance escalations to allow for "real time" case resolutions.

4.6 CTSI compliance



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

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

Emphasising the importance of featuring the Smart Badge to both new and existing accredited businesses, principally through targeted marketing communications, will be an ongoing focus during 2022.

4.7 Compliance with the Ombudsman Association's Service Standards Framework

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

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

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



In 2021, The Motor Ombudsman undertook the following actions in-line with the five measures detailed within the Service Standards Framework:

| | |
|----------------------------|---|
| 1.0 Accessibility | <p>TMO:</p> <ul style="list-style-type: none">  Revamped its online webform, reducing the time it takes for consumers to complete the form;  Introduced a new vulnerability framework, enabling The Motor Ombudsman to better identify and practically assist consumers in difficult circumstances; and  Delivered bespoke training to The Motor Ombudsman team, ensuring all TMO staff are aware of the steps to take to adapt communication for those who have specific needs. |
| 2.0 Communication | <p>TMO:</p> <ul style="list-style-type: none">  Increased the use outbound telephone call to consumers, particularly during the investigation stage of its process;  Further updated its Interactive Voice Response (IVR) system to provide clear information to consumers without always needing to speak with an adviser, which has helped ensure that those people who do need to talk with someone can access the information required quickly and effectively; and  Increased the number of emails sent at various stages of the process, keeping consumers better updated with relevant information. |
| 3.0 Professionalism | <p>TMO:</p> <ul style="list-style-type: none">  Updated the information on its service complaints process on the website, keeping customers informed of the changes made;  Looked again at its recruitment and new starter training to ensure the organisation is hiring the right people and giving them the guidance they need to excel; and  Further improved their consumer surveys so that feedback is straightforward to provide, encouraging more responses, and that the data received is more meaningful. |
| 4.0 Fairness | <p>TMO:</p> <ul style="list-style-type: none">  Started using mediation to resolve disputes, so that consumers and businesses can explore all aspects of the dispute, and flexible resolutions can be found without the need for a formal decision;  Looked again at its quality assurance frameworks so that TMO can be confident that outcomes reached are fair, reasonable and proportionate; and  Continued to look at its approaches to certain aspects of case-handling, for example how to calculate a deduction for use when a vehicle is being rejected. |
| 5.0 Transparency | <p>TMO:</p> <ul style="list-style-type: none">  Added another 96 case studies to its website, giving even greater insight into its decisions and approaches;  Started recording all complaints made about its service, not just those that escalate to a formal investigation; and  Published thought leadership papers on the Vehicle Sales and Service and Repair Codes, allowing deeper insight into complaints trends and the actions taken to address them. |

4.8 Delivery of bespoke webinars

During the course of 2021, The Motor Ombudsman continued its delivery of online webinars for accredited and non-accredited businesses, touching on key subjects affecting the automotive sector. They were as follows:

- **March 2021:** Expected MOT demand in 2021 (in collaboration with the DVSA).
- **June 2021:** Service and repair consumer dispute trends.
- ◉ This followed the publishing of the thought leadership paper on *Service and Repair Dispute Trends in Quarter 1 and Sector Outlook for 2021*.
- **September 2021:** Identifying and managing consumer vulnerability.
- ◉ This followed the publishing of the thought leadership paper on *Identifying and managing consumer vulnerability effectively in the age of social media*.
- **October 2021:** The future of consumer protection in the automotive industry.
- **December 2021:** Vehicle sales complaint trends.
- ◉ This followed the publishing of the thought leadership paper on *Vehicle Sales Dispute Trends (January to June 2021)*.



SECTION 5:

ICAP member comments



SECTION 5: ICAP member comments

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

After reviewing this report, the Panel remarked that:

- ✓ The Motor Ombudsman achieved compliance with the service standards compliance stipulated by both the [Ombudsman Association \(OA\)](#) and the [Chartered Trading Standards Institute \(CTSI\)](#);
- ✓ The Motor Ombudsman should be commended for its openness and transparency in publishing consumer complaints and negative consumer testimonials. This provides a rounded perspective of service levels;
- ✓ There had been good use of technical innovation by The Motor Ombudsman to open up new channels of communication and accessibility for customers;
- ✓ It is encouraging to see consumer awareness of The Motor Ombudsman increasing to more than half of the people surveyed, and that 88% of businesses polled agreed that The Motor Ombudsman is valuable to them;
- ✓ Improvements to The Motor Ombudsman's [online form](#) has made submitting a complaint for consumers clear and simple, and guides users through the process. 24/7 availability also means consumers can initiate their complaint when it suits them, and are not restricted to The Motor Ombudsman opening hours;
- ✓ They were pleased to see the use of The Motor Ombudsman's Smart Badge, allowing consumers to verify a business's accreditation status, and the delivery of five webinars, especially the session in September on managing consumer vulnerability;
- ✓ Given the 17% drop in the level of customer satisfaction relating to overall quality of work, i.e. from 99% to 82%, which may be attributed to the change in survey methodology, the Panel is keen to see improvements from the new baseline;
- ✓ They were pleased to see the year-on-year increase in overall consumer awareness of The Motor Ombudsman from 44% to 51%, and the rise in awareness from 57% to 62% for those individuals that had a dispute;
- ✓ They welcomed the broader way of defining complaints about The Motor Ombudsman's service to include informal expressions of dissatisfaction;
- ✓ They welcomed the improved investigation processes, with both parties kept better informed;
- ✓ The [thought leadership papers](#) published during the year positioned The Motor Ombudsman as the authoritative voice of motor disputes. In particular, it was pleasing to see that the paper on [consumer vulnerability](#) was shared and discussed with both staff at BEIS and other organisations belonging to the Ombudsman Association;
- ✓ Keeping abreast of new products and customer service is essential for The Motor Ombudsman, so the Panel welcomed the comprehensive reviews of the four Codes of Practice to bring them up-to-date and close gaps in coverage;
- ✓ One key improvement area raised by businesses in relation to The Motor Ombudsman's service was quicker case resolution;
- ✓ Upheld cases in favour of the consumer equated in fiscal terms to £2.5m, this being significantly up on the figures recorded in 2020 and 2019 (around £1.1m);
- ✓ The amount claimed by consumers (i.e. requests to reject a vehicle etc) was £15.5m compared with just over £8m in 2019/20;
- ✓ In 2021, individuals were more likely to escalate an unresolved issue with a garage or car dealership to Trading Standards or a vehicle manufacturer, than to any other organisation. It is important to continue promoting the value of using The Motor Ombudsman as a no-cost alternative to legal action and / or referral via the Chartered Trading Standards Institute (CTSI) / [Citizens Advice](#);
- ✓ No physical on-site audits were carried out during 2021, but 1,065 online self-assessments were undertaken for Service and Repair and Vehicle Sales Code-accredited businesses; and
- ✓ There were no suspensions or expulsions during 2021 in relation to managing non-compliance.

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



- Consumer contacts almost doubled (85%) in 2021, supporting the increase in early resolutions
- Final decisions were down versus 2020, but this was a result of disputes raised with non-accredited businesses
- The volume of early resolutions increased year-on-year from 85 to 171
- The year-on-year rise in breaches from 47% to 68% in relation to the standard of work is of concern
- Code breaches pertaining to complaints handling remained at 10% in 2021 - a 'quick win' improvement is for accredited businesses to tell consumers about their right to refer their unresolved complaint to The Motor Ombudsman
- The thought leadership paper on the [service and repair sector](#) gave an authoritative overview of the problems and issues encountered by consumers, and was shared with businesses through a webinar



- The New Car Code provides consumers with superb coverage i.e. 99% of all new vehicles sold across the UK were covered by it
- The number of consumer contacts almost doubled (77%) versus 2020, reaching their highest level for three years
- Final decisions rose year-on-year from 104 to 141
- At 72% of Code breaches, manufacturers' new car warranties continue to remain a concern, suggesting more education or clarity is needed to help consumers set expectations. The Panel also noted that more training and education was needed in relation to warranties in last year's ICAP Report
- Accounting for 10% of breaches relating to this Code, complaints handling was in second place



- The number of consumer contacts almost doubled versus 2020, reinforcing The Motor Ombudsman's raised awareness. However, adjudications were down slightly
- There has been a very marginal increase in early resolutions compared to the volume seen in 2020
- Clarity of information has improved (36% of breaches – down from 43% in 2020), which is encouraging. However, claims handling has increased to become the main Code breach at 40% in 2021
- Wear and tear not being covered by warranties has been an issue that ICAP members have repeatedly flagged, and thus the clarity of what cover a consumer is buying or is given is brought into question - indeed 36% of Code breaches related to clarity of information in 2021



- Consumer contacts rose year-on-year by 120% to 45,000, reflecting the recovery of vehicle sales as pandemic restrictions lifted. However, cases taken on by The Motor Ombudsman were down from 2,753 to 2,652, highlighting the urgent need for businesses to be signed up to an Alternative Dispute Resolution (ADR) provider to meet consumer demand for this pathway
- The number of early resolutions increased from 142 to 289, highlighting The Motor Ombudsman's improved processes during the early stages of case investigation
- Aftersales support accounted for the biggest percentage of breaches at 36%, up from 9% in 2020, which is interesting to note
- Vehicle Sales Code cases by breach remained fairly static, although the quality of vehicles at the point of sale appears to have improved significantly (34% of breaches in 2021 versus 58% in 2020), which is good to see
- The thought leadership paper on the [vehicle sales sector](#) and subsequent webinar highlighted the issues which gave rise to consumer complaints during the first half of 2021



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