



# **Independent Compliance Assessment Panel (ICAP)**

Annual Compliance  
Report 2022



# Contents

3

**FOREWORD:**

Managing Director and Chief Ombudsman

---

5

**SECTION 1:**

Introductions and annual survey results

---

29

**SECTION 2:**

Breakdown of case outcomes

---

32

**SECTION 3:**

Code of Practice performance summary

---

62

**SECTION 4:**

Business compliance monitoring

---

69

**SECTION 5:**

ICAP member comments

[TheMotorOmbudsman.org](http://TheMotorOmbudsman.org)

## Managing Director and Chief Ombudsman's foreword



**Bill Fennell**  
Managing Director

After a couple of challenging years brought about by the COVID-19 pandemic, many of us were hoping that 2022 would bring a fresh start, as well as a new wave of optimism, growth, and certainty to our lives. However, as time progressed, it was clear that this was not going to be the case.

The marked rise in the cost of living for consumers, which has put an increased strain on household finances, dominated news headlines throughout the year. Spearheaded by the 54% rise in the energy price cap in April, inflation then soared to double digits, interest rates increased to their highest level since the 2008 financial crisis, and fuel prices reached nearly £2-a-litre. This was compounded by the much talked-about “mini-budget”, and an unprecedented period of political instability, which saw three different prime ministers and four chancellors take the helm in Downing Street.

An increased pressure on the wallets of motorists was also revealed by our own research in the first quarter, which showed that 56% of car owners who said that they did not have a service plan in place, were planning to miss or delay this crucial piece of routine maintenance. Similarly, for car buyers, the picture showed a challenging situation here too, with supply chain issues and semi-conductor chip shortages causing new car delivery delays to persist, thereby fuelling regular increases in used car prices on forecourts, as greater demand shifted to second hand models.

Nevertheless, during 2022, there were some glimmers of positive news for the UK's motor industry. Although car production remained below pre-Covid levels, manufacturing volumes staged a small recovery, and new car registrations also turned a corner, posting a 1.2% rise in August, thereby ending a run of five consecutive months of declines. What was also very noticeable, was the growing preference amongst motorists to switch to battery power, shown by the one millionth new battery electric vehicle registration being reached in September – a milestone for the UK motor industry.

From a Motor Ombudsman perspective, and against this backdrop of economic and political uncertainty, 2022 marked the second busiest year since we launched – a reflection in part of increased consumer activity in a year that was free of Covid-19 restrictions. Contacts received by our dispute resolution service reached more than 104,000, with the number of cases created sitting at circa 20,000, and around 6,400 of these being accepted into the service for a decision. These statistics once again reinforced our standing as the leading ADR provider in the automotive sector.

Thanks to continued improvements and efficiencies in the way we work, the time taken to adjudicate on a dispute, from the point when we have gathered the required evidence from both the consumer and business, decreased to 54 days – the second consecutive year this figure has fallen. This has contributed to our highest ever customer satisfaction score of 4.1 (out of a possible 5.0), and an improved Trustpilot rating that reached 2.8 in 2022 – putting us in the top quartile for Ombudsman and ADR services on the platform.

In other positive developments across our organisation during 2022, we took the step to formalise our hybrid working policy towards the beginning of the year, following the success of this home and office working arrangement during the pandemic. This has been very well received by our team, and has seen productivity continuing to increase across all departments. Our focus on company culture and values is reinforcing our already-high staff engagement scores of 94%. In addition, we were pleased to retain our Investors in People Silver accreditation for the second consecutive year, and we will be looking to work towards achieving Gold status in 2023.

In 2022, we equally expanded our Business Services team and completed the largest ever number of business compliance assessments. Furthermore, following the decision by government towards the start of the year to not make accreditation to an ADR body mandatory for the motor industry, we took the proactive decision to recruit our first New Business Manager. Bringing a comprehensive network of contacts and experience of the automotive sector, his remit is the expansion of our accredited business network across our Codes of Practice, with the aim of further increasing the availability of our services to both consumers and businesses.

### Looking ahead to 2023

Overall, 2022 has been a very positive year, where we have seen improved performance in terms of our case delivery times, customer satisfaction levels, and staff productivity and engagement. This in turn, has given us a solid foundation to action our 2023 business plan, which will once again be supported by our team of dedicated specialists.

Another core focus for our organisation in 2023 will be to keep improving our service delivery to consumers and businesses, to assist vulnerable consumers, and to reduce the stress and anxiety that business owners can face when dealing with consumer complaints. This is so that they can focus on growing their business, and improving the levels of service they provide to customers.



## ICAP Chairman's foreword



**Tim Milsom**  
ICAP Chairperson



My role this year as ICAP Chairperson has once again been to oversee that the case decisions made by The Motor Ombudsman have been in line with our quality assessment framework, were timely, fair and impartial, and adhered to our rules of transparency, fairness, professionalism and communication. I am pleased to report that these requirements have been fulfilled through regular reviews of case outcomes by the Panel, and by monitoring progress against our pre-defined Key Performance Indicators (KPIs) for 2022.

With our Panel moving to hybrid and in-person meetings during 2022, following the loosening of Covid-19 restrictions, we also looked at The Motor Ombudsman's four Codes of Practice, to ensure that they stay ahead of the curve, and evolve in line with key changes to the automotive landscape. These include, the growing prominence of electric vehicles (EVs), and the online sales and subscription platforms available to consumers when buying a car.

Looking ahead, we will continue to work closely with other industry bodies and consumer and

business-facing organisations on best practice in the sphere of dispute resolution, enhance our quality framework protocol, and build on our existing processes to assist vulnerable consumers effectively with the resolution of their motoring-related disputes.

In what can be summed up as a positive year for The Motor Ombudsman, I would like to take this opportunity to thank all ICAP members for their time, effort, and hard work throughout 2022. Similarly, I would like to express my appreciation to Paul Swindon, our retiring Vice Chair, for his valuable and extensive input to the Panel over a number of years.

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



# SECTION 1:

## Introductions

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



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

## 1.1 The Independent Compliance Assessment Panel (ICAP)

### ICAP remit

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

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

### Panel Members

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

The Panel consists of the following members:



**Tim Milsom**  
ICAP 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 Vice Chair of Brighton and Hove Citizens Advice, a trustee for the homeless charity Emmaus Sussex, and a member of the British Standards Institution Consumer Forum.

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



**Kate Hobson**

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

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

**Duncan MacRae**

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

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

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

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

**Tim Roberson**

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

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

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

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

**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

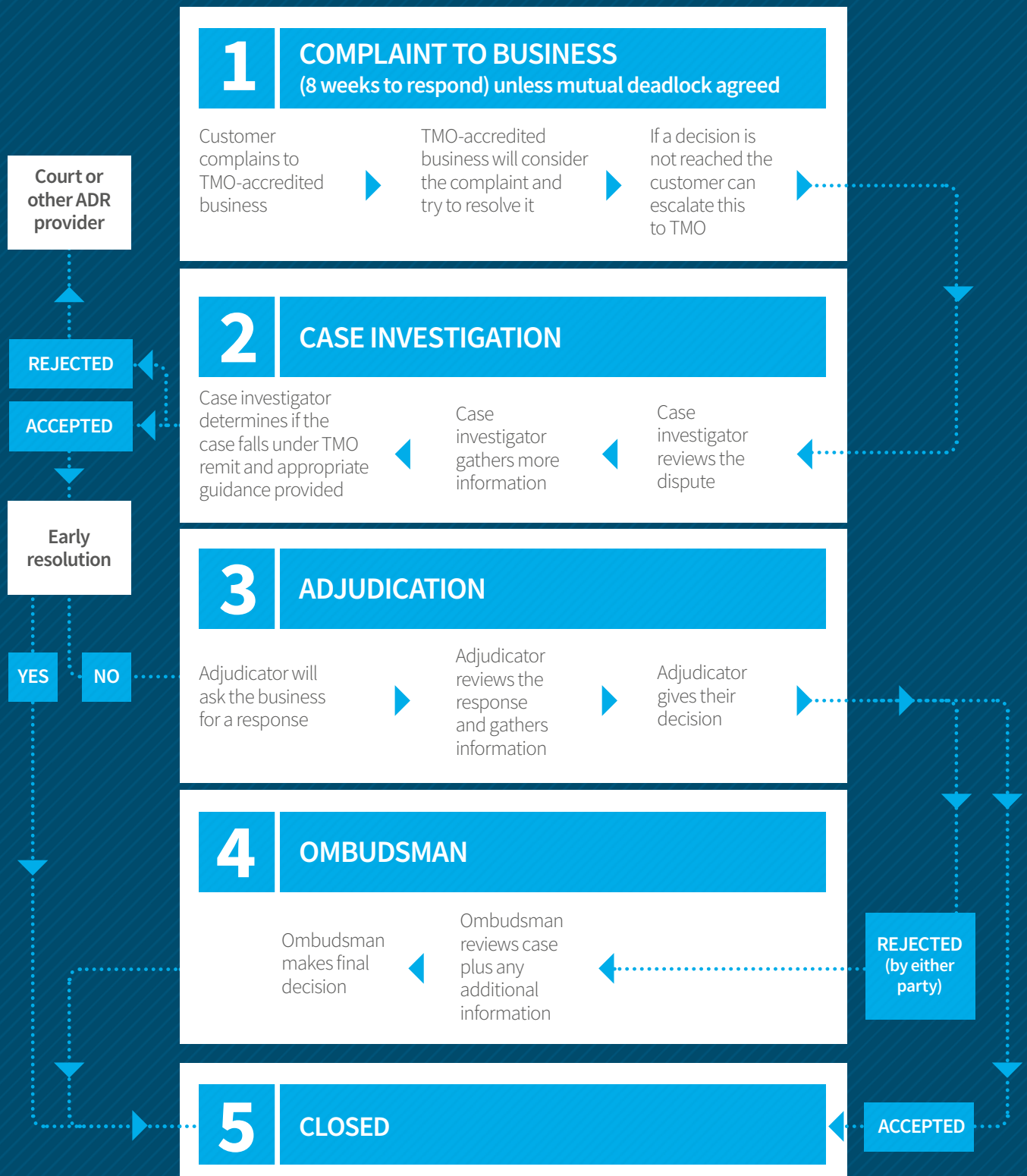
manufacturers, warranty product providers, franchised dealers and independent garages, are accredited to one or more of the Codes, which drive even higher standards of work and service, and give consumers added protection, peace of mind and trust during the vehicle purchase and ownership experience.





### 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

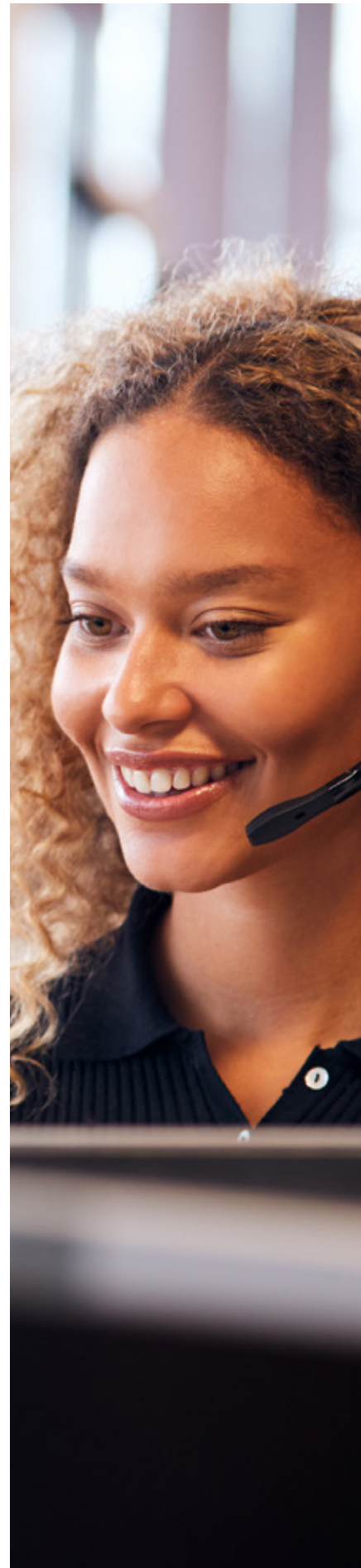
The Motor Ombudsman offers consumers the following key benefits:

- ✓ 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 [electric vehicles](#)
- ✓ Access to an [online recalls database](#) on The Motor Ombudsman website to check whether a specific vehicle (by VIN) has been recalled
- ✓ Access to a library of online [case studies](#) to view previous adjudication outcomes and final decisions taken by The Motor Ombudsman
- ✓ The ability to consult over **200** informative articles across 10 different categories on The Motor Ombudsman's [Knowledge Base](#) which look at subjects such as, car ownership, distance sales, dispute resolution, mediation, and electric vehicles prior to submitting a case

### 1.2.4 Benefits of accreditation to The Motor Ombudsman for businesses

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

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



## 1.2.5 2022 activity highlights by month

## January

- Warranty Solutions Group joined the Vehicle Warranty Products Code.
- TMO released results of its [survey of service and repair businesses](#) revealing that staff shortages were the main challenge in 2021.

## February

- TMO's Knowledge Base hit **one million** views since launching in 2019.
- TMO passed Code of Practice audits by **CCAS**.
- TMO published the main causes of [EV consumer disputes](#) in 2021.

## March

- Care by Volvo, and The Motoring Organisation gained accreditation to TMO's Codes of Practice.
- TMO hosted a webinar on **EV** consumer complaints.
- Members of **ICAP** met with TMO.

## April

- TMO ran a **broadcast** campaign to highlight the importance of [vehicle servicing](#).
- TMO published its 2021 [ICAP Report](#).
- TMO welcomed its first **New Business Manager**.

## May

- TMO released the Second Edition of its [#JustPassed](#) guide for new drivers.
- TMO attended the BSI launch of **the International Standard on Consumer Vulnerability** (ISO 224558:2022).

## June

- TMO launched its online [EV Resource Hub](#).
- TMO's Knowledge Base recorded over **416,000** article views in the first half of 2022.
- TMO exhibited at the first **UK Garage & Bodyshop Event** in Birmingham.

## July

- A new Knowledge Base category on The Motor Ombudsman was published.
- TMO hosted a webinar with **Auto Trader** on the **used car** market.
- Members of **ICAP** met with TMO.

## August

- TMO ran a summer social media competition.
- TMO published [tips](#) on new car purchases ahead of the **'72 registration** series.
- TMO met with the CMA as part of a review of the **Block Exemption Regulation**.

## September

- TMO's enhanced 2022 [Star Awards](#) were launched.
- TMO attended the **CCAS Code Sponsors Forum**.
- TMO was awarded **Investors in People Silver Status** for the second consecutive year.

## October

- TMO launched a campaign to urge consumers to read [warranty terms](#).
- TMO held its first **case** clinic-style webinar.
- TMO marked **OmbudsDay** on [social media](#) with a series of ombudsman Q&As.

## November

- TMO updated its Vulnerability framework.
- TMO presented the Customer Service trophy to MotorServ UK at the [Servicesure Awards](#).
- TMO announced the 2022 [Star Award](#) winners.

## December

- TTMO hosted a webinar on **consumer complaints**.
- Members of **ICAP** met with TMO.
- TMO handled more than **104,000** contacts and accepted nearly **6,400** cases for adjudication in 2022.



## 1.3 Annual consumer survey results

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

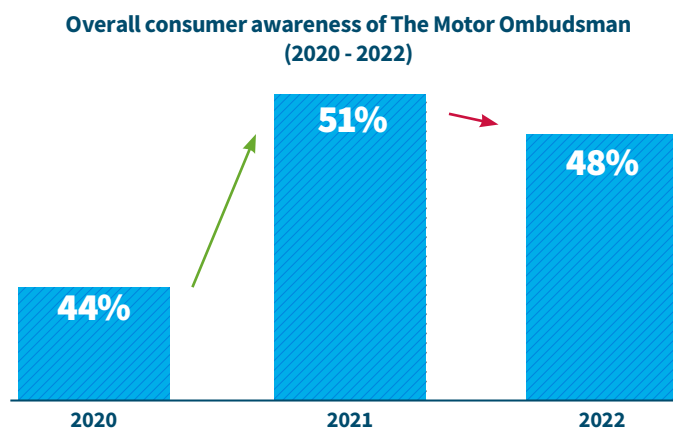
### 1.3.1 Consumer brand awareness survey highlights

#### Background

2022 was the sixth consecutive year that The Motor Ombudsman has carried out a consumer awareness study. A total of **1,004** individuals from across a representative sample of UK driving licence holders were surveyed for the study between July and August 2022.

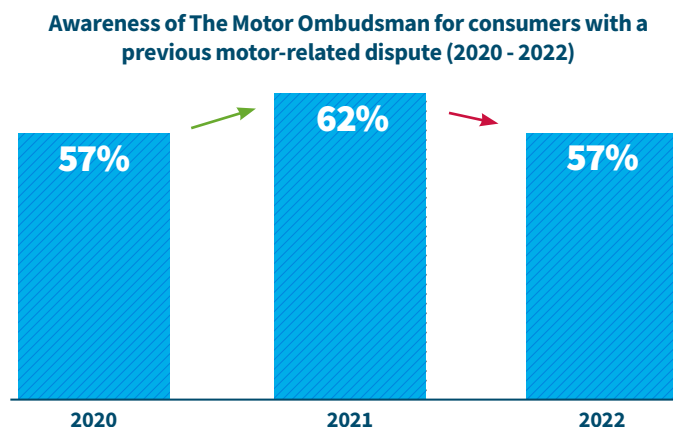
#### Key findings

- ▶ **Overall consumer awareness of The Motor Ombudsman decreased by three percentage points from 51% to 48% between 2021 and 2022**



In 2022, nearly half of individuals surveyed (**48%**) said that they were aware of The Motor Ombudsman. This is slightly lower than the figure recorded the year before (**51%**), but is nevertheless an increase in awareness versus that which was seen in 2020.

- ▶ **Awareness of The Motor Ombudsman for consumers who had previously had a motor-related dispute decreased by five percentage points to the level seen in 2020**

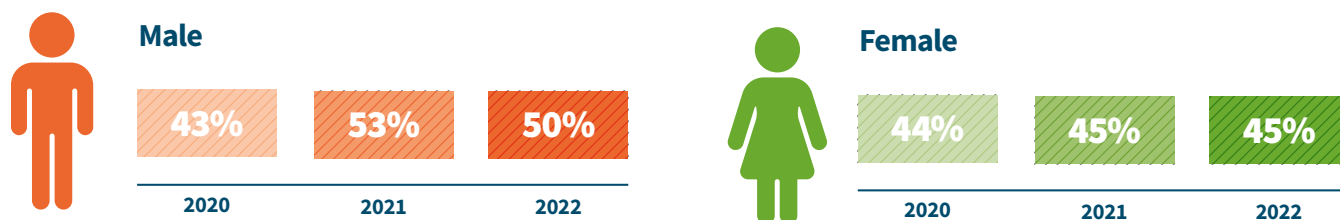


For those consumers who had previously had a motor-related dispute, awareness decreased from the level of 62% seen in 2021, back to the score of **57%** last seen in 2020, despite the number of cases being accepted into The Motor Ombudsman's dispute resolution service rising, and the volume of media coverage and website traffic increasing in 2022 versus the previous year.

For those who had not had a dispute relating to a vehicle, consumer awareness of The Motor Ombudsman decreased slightly from 41% in 2021, to **39%** in 2022, which was still higher than the figure of 33% recorded in 2020.

## ► Consumer awareness of The Motor Ombudsman amongst male and female consumers saw little change in 2022 versus the year before

## Awareness of The Motor Ombudsman amongst male and female consumers (2020 - 2022)



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

Familiarity with The Motor Ombudsman decreased slightly amongst men in 2022, with awareness falling by just three percentage points to **50%** from a previous three-year high of **53%**. In contrast, awareness of the organisation amongst female respondents remained at the same level as that seen in 2021 (at **45%**).

## ► Echoing the trend seen in 2020 and 2021, 18 to 24-year-olds were the most likely to have heard of The Motor Ombudsman in 2022, when compared to individuals in other age groups

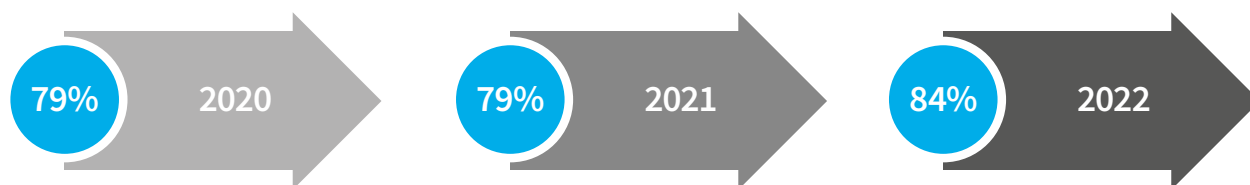
## Awareness of The Motor Ombudsman by age group (2022 v 2021)

Age group	Percentage of age group who were aware of The Motor Ombudsman		
	2021	2022	2022 v 2021
18 to 24	72%	64%	▼
25 to 34	68%	58%	▼
35 to 44	50%	52%	▲
45 to 54	35%	38%	▲
55+	41%	40%	▼

Continuing the trend witnessed in both 2020 and 2021, the research revealed that awareness of The Motor Ombudsman was once again highest in the 18 to 24 age group during 2022, although familiarity amongst these individuals fell to **64%** from 72% in 2021.

The survey showed that 25 to 34-year-olds were the next most conversant with the organisation at **58%** of this age group, although this is a 10% difference versus the statistic recorded in 2021. 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 **38%** of people within this age group, although this is an improvement on the degree of familiarity seen in the 2021 study (35%).

- **In 2022, 84% of consumers said that they would feel more confident using a Motor Ombudsman-accredited business for a vehicle purchase or repair – the highest score in three years**

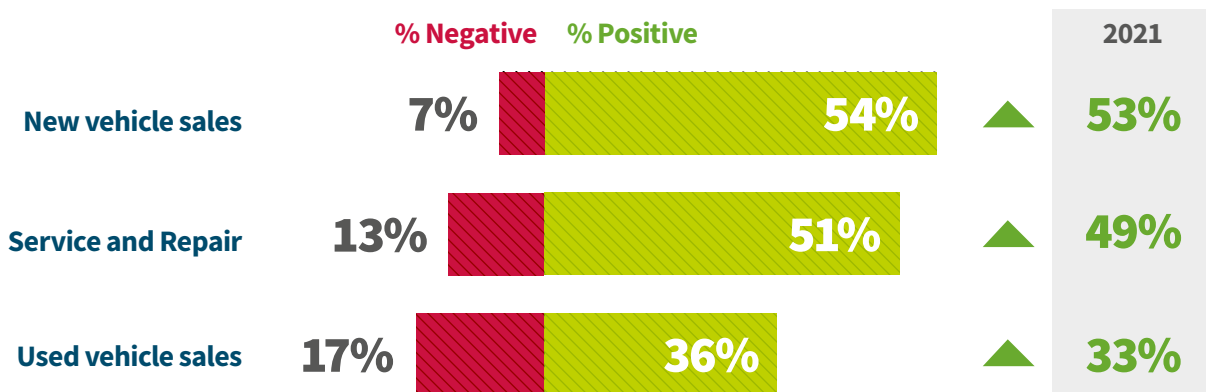


The 2022 research revealed that over eight in 10 consumers (**84%**) would feel more confident using a business that is accredited to The Motor Ombudsman for their vehicle purchase, service or repair. This is an encouraging five percentage point increase on the sentiment figure of 79% seen in 2020 and 2021, and also surpasses the survey finding of 82% recorded in 2019 for this survey metric.

- **For the fourth year running, the new vehicle sales sector was seen by consumers as the most positive area of the automotive industry**

Reflecting the trend seen since 2019, the new vehicle sales sector once again emerged as the most positively viewed area of the automotive sector in 2022, with **54%** of the consumers surveyed having a favourable opinion. This surpassed the proportion of positive responses received for both the service and repair (**51%**) and used car sectors (**36%**) in 2022.

**View of the automotive industry by sector in 2022**  
(Percentage of consumers who answered negatively and positively)





## Analysis by sector

### The new vehicle sales sector in 2022

According to the 2022 study, a near-similar proportion of consumers viewed the new vehicle sales sector in a positive light in 2022 compared to the previous year. The metric recorded a mere 1% rise from 53% to **54%**, highlighting the recovery in the new vehicle sales market following the COVID-19 pandemic.

When looking at the perception of the new vehicle sales sector by gender, male and female respondents shared a similar view, with 52% of females holding a positive view (up from 48% in 2021) versus 56% of males.

When viewing sentiment by age group, 18 to 24-year-olds emerged as the most positive about the new vehicle sector (at **62%** of respondents in this category), in contrast to those in the 45 to 54 age group, where only **50%** of the respondents held this part of the automotive sector in high esteem.

For new vehicle sales, **7%** of respondents held a negative view overall – a very slight decrease of one percentage point in comparison to last year's result of 8%. Reasons for the adverse sentiment related to the perceived high price of new cars, new vehicles being slow to arrive, depreciation after making a purchase, and pressured sales techniques.

### The used vehicle sales sector in 2022

Positive sentiment in relation to the used vehicle sector rose to 36% in 2022, maintaining the trend of gradual increases in this score after reaching 30% in 2019. Whilst the latest result surpasses that seen in 2021 (33%), it is still down on the high of 41% witnessed in 2018.

In terms of the perception held by each of the sexes, males (35%) and females (38%) were more encouraged by the used vehicle sector in 2022 than in the previous year (33% and 34% respectively), which was positive to see.

In contrast to 56% of the 25 to 34s surveyed in 2021, 18 to 24 year-olds emerged as being the most upbeat about the used vehicle sector at 59% of respondents in this age group. At the other end of the scale, the 45 to 54s were the most negative of all the age groups surveyed, at 24% of individuals.

When looking at the proportion of respondents discouraged by used vehicle sales, **18%** of respondents held a negative view of this part of the automotive sector (up from 16% for the same metric in 2021. Compared to the result seen in 2021, males (20%) were slightly more downbeat than females in 2022 about used vehicle sales (15%).

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

### The service and repair sector in 2022

It was encouraging to see that the positive perception of the service and repair sector climbed two percentage points between 2021 and 2022, from 49% to 51% respectively. This also represents an increase of 7% versus the lower score of 44% recorded in 2019.

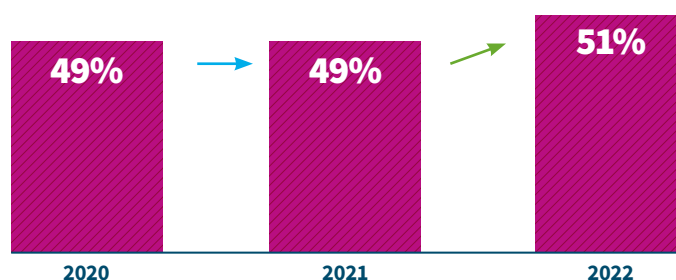
When looking at the breakdown of sentiment about the service and repair sector by gender in 2022, male respondents were once again more upbeat about this area of the automotive industry when compared to their female counterparts (56% versus 47%). This also represents a slight rise for both sexes versus that seen in the 2021 study (54% and 45%).

When looking at how individuals feel by age group, in relation to the service and repair area of the industry, over two-thirds (67%) of 18 to 24-year-olds felt optimistic about the sector – the highest proportion

of any age group surveyed in 2022. They were followed by the 25 to 34s, where 59% of individuals in this category shared the same buoyant view. In contrast, the survey showed that only around a third (36%) of 45 to 54-year-olds shared a positive view about the service and repair sector.

The research equally revealed the same proportion of males and females expressing a negative view of the sector, at 11%, which was in contrast to 13% for males and 12% for females in 2021. Overall, **13%** of respondents had a negative perception of the service and repair area, up slightly from 12% in 2021, and 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 (2020 – 2022)**



## Vehicle complaints made by survey respondents in 2022

For those that had a motoring-related complaint during 2022 (50% of the survey sample), the study revealed that:

- ▶ A quarter (**25%**) were about a service or repair (up from 22% in 2021, and 21% in 2020);
- ▶ **14%** were in relation to a new car warranty (staying static compared to 2021 and 2020);
- ▶ **15%** were about a used car purchase (up from 12% in 2021 and 13% in 2020); and
- ▶ **6%** were in conjunction with a new car purchase (up from 5% in 2021 and 2020).

### ▶ Around two-thirds of people with a complaint about their vehicle resolved it directly with a garage, service centre or dealership in 2022

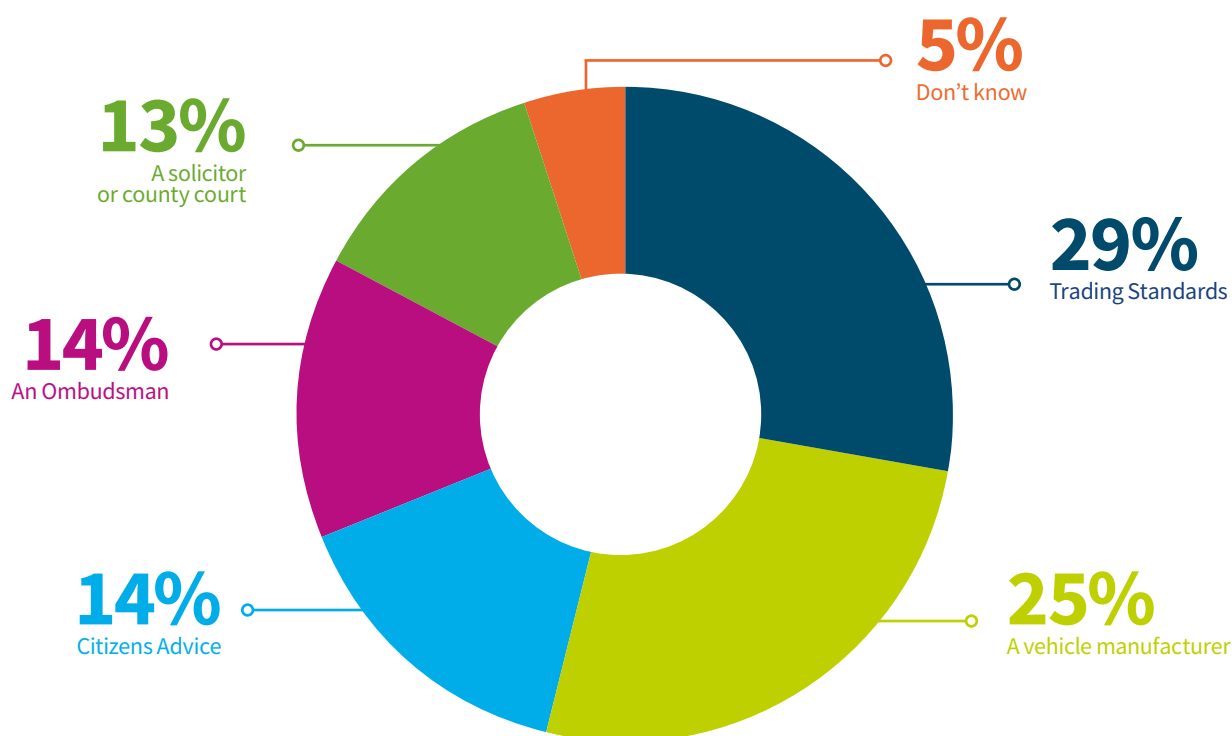
How a respondent's motoring complaint was resolved	Percentage resolved		
	2020	2021	2022
By the garage / service centre / dealership	69%	67%	72%
By the vehicle manufacturer	16%	16%	13%
Via a third party	6%	5%	4%
The complaint was not resolved	9%	10%	11%

For those respondents that did have a motoring complaint in 2022, nearly two-thirds (**72%**) had their issue resolved directly by the garage, service centre or dealership, a higher proportion to that seen during the last two years.

After a decline in the volume of unresolved complaints seen between 2019 and 2020, and a minor increase in 2021, 2022 once again witnessed a small one percentage point rise for this metric.

- In 2022, individuals were more likely to escalate an unresolved issue with a garage or car dealership to Trading Standards or a vehicle manufacturer than to any other organisation

### Where consumers were most likely to take their unresolved dispute with a garage or car dealership in 2022



In the event that a complaint with a garage or car dealership remained unresolved, the 2022 study revealed that over a quarter (**29%**) of consumers would refer their complaint to Trading Standards (up from 28% in 2021), whilst **25%** would consult a vehicle manufacturer as the next point of call (down from 26% in 2021).

The research also showed that **14%** of respondents would take their unresolved dispute to Citizens Advice or an Ombudsman, whilst **13%** would resort to legal action i.e. consulting a solicitor, the county court or a legal representative to help bring their complaint to a close (up from 12% in 2021). Mirroring the statistic seen in 2021, 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 franchise dealership.

- In 2022, 40% 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 up on the statistic of 38% recorded in 2021 and 2020, but remains down on that which was recorded in the 2019 and 2018 surveys (41%).

- Just over a quarter (26%) of respondents deemed it important for the motor industry to have an Ombudsman to help drive up standards

This is down on the result of 27% seen in 2021, and on the score of 29% recorded in 2020 and 2019.



► **14% of survey participants explained that it's important for the motor industry to have an Ombudsman, as it is not regulated**

Mirroring the survey result seen for this question in 2019, 14% of consumers were of the opinion that it is important for the motor industry to have an Ombudsman because the sector is not regulated. This is very slightly lower than the score of 15% seen in 2021.

**Key conclusions that may be drawn from the 2022 consumer awareness survey data, are as follows:**

- Overall awareness of The Motor Ombudsman showed a decreased to **48%** from 51% in 2021, but in contrast, all marketing activities undertaken in 2022 showed raised awareness, thanks to increased website traffic to The Motor Ombudsman and a record amount of media coverage. This demonstrates the need to continue raising awareness amongst consumers through ongoing marketing and PR campaigns and initiatives;
- Awareness of The Motor Ombudsman amongst consumers who had a dispute fell back to the level of **57%** last seen in 2020, from 62% in 2021;
- Consumers in the **18 to 24** age bracket, and **male** respondents, emerged as being the most aware of The Motor Ombudsman in 2022, mirroring the result seen the year before;
- Individuals were most likely to contact **Trading Standards** or a **vehicle manufacturer** if they had an unresolved dispute with a garage or car dealership;
- Slightly fewer consumers had their complaint **resolved** in 2022 (11%) than in 2021 (10%) and 2020 (9%);
- Nearly three-quarters of consumers (**72%**) said that they were able to conclude their complaint directly with a garage service centre or dealership in 2021 – an increase from the 67% figure recorded in 2021; and
- A smaller proportion of consumers were able to conclude their dispute with a manufacturer or via a third party in 2022 (**13%** and **4%** respectively) compared to the year before (16% and 5%).

### 1.3.2 Consumer satisfaction survey highlights

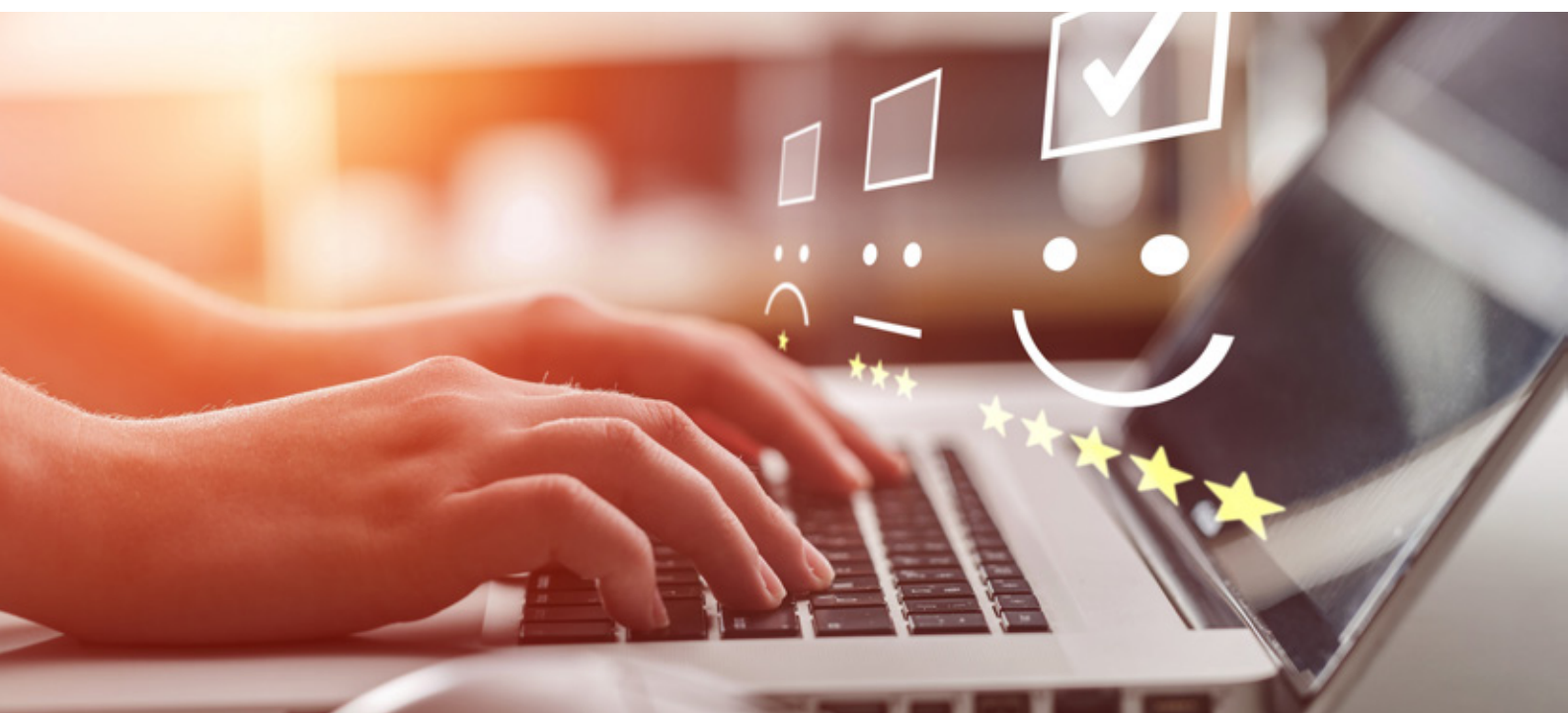
Every year, The Motor Ombudsman conducts an analysis of the customer satisfaction data it receives about its accredited businesses. This information provides an effective annual barometer to understand the sentiment of motorists in relation to their experience of the service and repair sector.

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

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

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

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



### ▶ Summary of overall customer satisfaction and likelihood to recommend

The results from the questions about a consumer's overall satisfaction with the business, and their likelihood to recommend it, come from surveys conducted by vehicle manufacturers, independent groups, as well as from surveys which are left on The Motor Ombudsman's online survey on the Garage Finder.

Category	Satisfaction levels			
	2020	2021	2022	Diff (2022 v 2021)
Overall satisfaction of the work and service provided by an accredited business	95%	90%	92%	▲
Likelihood to recommend an accredited business	93%	93%	92%	▼
<b>TOTAL NUMBER OF SURVEYS SUBMITTED</b>	<b>103,458</b>	<b>36,888</b>	<b>67,325</b>	▲

Between 2021 and 2022, there has been an encouraging increase in the number of surveys received from vehicle manufacturers and garage networks (up **83%** from 36,888 to **67,325**). This has been due to a greater level of communication with accredited manufacturers about the benefits of providing survey data.

However, ongoing difficulties with receiving data from more carmakers remain, which can principally be attributed to the continued impact of the General Data Protection Regulation (GDPR), and vehicle manufacturers and dealer groups moving away from Net Promoter Score (NPS) methodology to other means of measuring customer satisfaction and obtaining reviews about their networks.

The latest study showed that overall satisfaction with accredited businesses remained high, with a score of 92%, up by two points from 90% in 2021. This is slightly lower than the figure of 95% achieved in 2020, but remains in line with the result of 92% achieved in 2019.

The likelihood of recommending a garage to friends and family that serviced and / or repaired their vehicle dropped by one point to a recommendation score of 92%, just slightly lower than the 93% statistic achieved in 2021 and 2020. This was once again consistent with the figure of 92% last seen in 2019. This is positive to see, although it has not returned to the score of 95% witnessed in 2017. This demonstrates that there is still work to be done by businesses in the service and repair sector to continue to both meet and exceed customer expectations.

### ▶ Summary of results from surveys completed on The Motor Ombudsman website

The Motor Ombudsman asks a 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 2022, The Motor Ombudsman received 320 survey submissions through its website, down on the 717 it recorded the previous year. Reasons for this may be due to businesses using other platforms to gain customer feedback, namely Trustpilot, Feefo and Google Reviews. As a result, there is less emphasis by businesses on promoting The Motor Ombudsman's survey to consumers.

Category	Satisfaction levels			
	2020	2021	2022	Diff (2022 v 2021)
Overall quality of work carried out	99%	82%	99%	▲
Level of customer service	99%	91%	99%	▲
Booking process	98%	87%	99%	▲
Information provided	98%	81%	98%	▲
<b>TOTAL SURVEYS SUBMITTED</b>	<b>956</b>	<b>717</b>	<b>320</b>	▲

Other findings revealed by the 2022 study are as follows:

- Satisfaction with customer service was scored at **99%** in 2022, which was higher than the previous year (91%), and mirrors the score achieved in 2020;
- The vast majority of customers have continued to score the process used by a garage to book in their vehicle for routine maintenance and ad hoc repair work highly. This is illustrated by a figure of **99%**, up from the score achieved in 2021 (87%) and the 98% figure achieved in 2020;
- The overall satisfaction with the quality of work carried out by the businesses was put at **99%**, which is also up from last year (82%) and in line with what was achieved in 2020 (99%); and
- **98%** of respondents were satisfied with the level of information that the business provided them with, up from 81% last year, and consistent with the figure of 98% recorded in the 2020 survey.

***“In 2022, 99% of consumers surveyed were happy with the overall quality of work provided by Motor Ombudsman-accredited businesses.”***

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

As well as being able to rate a garage or dealership that is accredited to the Service and Repair and/or the Vehicle Sales Code, customers are also invited to leave a written review about their experience, which is published on the online [Garage Finder](#) profile of the business if they have provided consent to do so.

The following is a snapshot of the positive consumer reviews that have been left for Motor Ombudsman-accredited businesses during 2022:

***“They are not the cheapest but the work done is of a very high standard. Always friendly and helpful, courtesy cars available which is so very useful.”***

*Customer of  
Autocare Centre*

***“I wouldn't take our cars anywhere else! Superb service.”***

*Customer of  
Clarkes4Landys*

***“High standard of work and always very professional. Lovely receptionist who will always try to fit you in as soon as possible.”***

*Customer of  
Willow Motor Works*



## 1.4 Consumer complaints about The Motor Ombudsman

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

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

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

	Total complaints as a percentage of total contacts received	Total complaints as a percentage of total adjudication cases accepted
2022	0.28* (+0.08% v 2021)	4.7%* (+0.70% v 2021)
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)

- In 2022, The Motor Ombudsman handled **104,564** contacts and accepted **6,393** cases.

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

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

\*\*\*2020: Based on **Tier 2 Formal complaints only** - a total of **36**.

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

Complaint Tier	Case stage	Process	Delay	Outcome	Staff	Communication	Total
Tier 1 Informal complaints (2021 - 2022)	Enquiry						
	2022	8	0	2	4	3	17
	2021	2	4	1	11	3	21
	Early resolution						
	2022	0	0	0	1	1	2
	2021	0	0	0	0	0	0
	Mediation						
	2022	0	1	0	1	0	2
	2021	0	0	0	0	0	0
	Investigation						
	2022	4	29	2	7	11	53
	2021	4	29	4	8	14	59
	Adjudication						
	2022	4	25	25	10	20	84
	2021	4	37	5	11	22	79
	Final decision						
	2022	7	60	22	8	7	103
	2021	7	31	10	4	6	58

Complaint Tier	Case stage	Process	Delay	Outcome	Staff	Communication	Total
Tier 2 Formal complaints (2020 - 2022)	Enquiry						
	2022	0	0	0	3	0	3
	2021	1	0	0	0	0	1
	2020	1	0	2	0	N/A	3
	Investigation						
	2022	0	1	0	2	1	4
	2021	1	2	0	1	1	5
	2020	N/A	N/A	N/A	N/A	N/A	N/A
	Adjudication						
	2022	1	3	2	2	1	9
	2021	2	6	2	2	2	14
	2020	4	5	2	1	-	12
	Final decision						
	2022	3	6	10	4	2	25
	2021	2	2	3	1	1	9
	2020	2	18	1	0	-	21

Of the **262 Tier 1 Formal** complaints received from consumers during 2022:

- ▶ **12%** resulted from the approach of staff (*down from 16% in 2021*);
- ▶ **16%** related from the communication to consumers (*compared to 21% in 2021*);
- ▶ **32%** arose during the adjudication stage (*down from 36% in 2021*);
- ▶ **39%** of complaints occurred at the final decision stage (*up from 27% in 2021*); and
- ▶ **44%** resulted from a delay in responding to consumers (*down from 47% in 2021*).

Of the **41 Tier 2 Formal** complaints received from consumers during 2022:

- ▶ **7%** arose during the enquiry stage (*up from 4% in 2021 and down from 8% in 2020*);
- ▶ **12%** resulted from a delay in responding to consumers (*down from 35% in 2021 and 64% in 2020*);
- ▶ **22%** of complaints arose at the adjudication stage (*down from 48% in 2021 and 33% in 2020*);
- ▶ **27%** related to the approach of staff (*compared to 14% in 2021 and 3% in 2020*)\*;
- ▶ **29%** resulted from the outcome delivered to consumers (*up from 17% in 2021 and 14% in 2020*); and
- ▶ **61%** of complaints occurred at the final decision stage (*up from 31% in 2021 and 58% in 2020*).

\* Although Tier 2 complaints relating to staff have seen a 13 percentage point increase versus 2021, this is only a rise of seven complaints versus the previous year, so is relatively negligible. However, it is important to note that there have been significant decreases in other areas which The Motor Ombudsman has focused on, such as delays, which will remain a core priority for the senior management team.

### 1.4.1 Negative consumer testimonials about The Motor Ombudsman

The following is a sample of negative testimonials from consumers who used The Motor Ombudsman's ADR service during the course of 2022, and logged a complaint about the handling of their case on [Trustpilot](#). The table below also highlights the cause of the consumer's comments, as well as the response by The Motor Ombudsman in relation to their concerns.

Consumer / Month review left on Trustpilot	Extract of complaint made by the consumer on Trustpilot	Reasons for the consumer's complaint about The Motor Ombudsman's service	Response by The Motor Ombudsman
<b>Mr. R</b> January 2022	<i>"I would not use offensive words. I found that I may as well not have referred it to you as you sided with the car company even though they mis sold the extended warranty and they continued to claim off that warranty even after I sold the car back to them? I'm sorry I feel totally let down."</i>	<ul style="list-style-type: none"> <li>Mr. R questioned the impartiality of The Motor Ombudsman, as he did not agree with the outcome of his case</li> <li>The consumer also felt let down that The Motor Ombudsman did not agree with his submissions to support his dispute</li> </ul>	<ul style="list-style-type: none"> <li>The adjudicator explained that all information from both Mr. R and the business had been taken into consideration when delivering their outcome, and that a business being accredited to The Motor Ombudsmen has no bearing on a decision</li> <li>They also explained that there was no evidence that the policy had been mis-sold, as the consumer had benefited from the agreement for two years before selling the vehicle, at which point they did not cancel or transfer the policy to the new owner</li> <li>The adjudicator also stated that their claim could be brought against the warranty provider, as it had been unsuccessful against the seller, as there was no evidence to show that the policy had been mis-sold. The consumer disagreed with this outcome, and the case was then closed</li> </ul>
<b>Mr. C</b> March 2022	<i>"Horrendous service. They're funded by the motor industry to 'regulate' the motor industry. I have waited over 12 months and my case still hasn't even been looked at by an adjudicator. Please don't waste the energy I have putting your case forward, thinking this is an impartial, fair service. It is not in the slightest."</i>	<ul style="list-style-type: none"> <li>Mr. C was frustrated about the time taken to receive a decision, as he was left without a vehicle for a significant period whilst the case was being reviewed</li> <li>The consumer also did not feel that the service was impartial due to The Motor Ombudsman being funded by businesses within the automotive sector</li> </ul>	<ul style="list-style-type: none"> <li>The adjudicator clarified that the case against the warranty provider received a decision quickly by The Motor Ombudsman, and recommended that Mr. C pursued his dispute against the seller</li> <li>The adjudicator also apologised to Mr. C, and acknowledged a delay in the subsequent case against the dealership being allocated to an ombudsman for a final decision due to its complexity – a dispute which was upheld in Mr. C's favour</li> </ul>



<b>Ms. M</b> August 2022	<p><i>“The Motor Ombudsman is not fit for purpose. Took over two years. None of my points were addressed. Don’t waste your time, they are not objective.”</i></p>	<ul style="list-style-type: none"> <li>• Ms. M was frustrated at the time taken by The Motor Ombudsman to review the dispute and to issue a decision, which she felt was incorrect and did not consider her arguments</li> <li>• The consumer questioned The Motor Ombudsman’s impartiality as a result of reading reviews on Trustpilot</li> </ul>	<ul style="list-style-type: none"> <li>• With the dispute submitted during the Covid-19 lockdown period, The Motor Ombudsman explained that the delay, in part, was caused by the business Ms. M had a dispute with being closed, meaning The Motor Ombudsman could not obtain their response for a period of time</li> <li>• The ombudsman in their final decision explained that, as a fully independent and impartial body, they had taken into account the arguments submitted by both parties and all the technical evidence from the experts which had been called on</li> <li>• It was also clarified to Ms. M that the manufacturer’s authorised bodyshop report was preferred due to its technical detail and explanation of the issue that had occurred</li> </ul>
<b>Ms. P</b> October 2022	<p><i>“Took a very long and protracted time to deal with the case. Poor communication. No response for requests to be updated. Wish I had just taken the business to court, as we lost thousands by going through the Ombudsman, even though we finally won our case.”</i></p>	<ul style="list-style-type: none"> <li>• Ms. P was concerned about the length of time it had taken to receive a decision on her case</li> <li>• The consumer was frustrated at not receiving replies for a significant period to correspondence submitted to The Motor Ombudsman</li> </ul>	<ul style="list-style-type: none"> <li>• The Motor Ombudsman apologised for the time taken to respond to Ms. P’s communications, which was due to internal resource issues combined with an increased workload at the final decision stage of the dispute resolution process</li> <li>• The Motor Ombudsman acknowledged a delay between Ms. P receiving an adjudication outcome and the case subsequently being allocated to an ombudsman for a final decision. An apology was also issued to the consumer in response to the service she received</li> <li>• With regards to the claim that a significant sum had been lost by Ms. P during the dispute resolution process, the ombudsman explained that their award factored in the usage of the vehicle Ms. P had enjoyed whilst the case was running, which we she would have been ordinarily subject to as part of the ownership of the vehicle</li> </ul>
<b>Ms. L</b> December 2022	<p><i>“If I had known how long this would take, I would have never pursued it. In fact it was the dealership who suggested it and I am sure they knew what would happen. Totally dismayed by the outcome and feel that nothing I said was listened to.”</i></p>	<ul style="list-style-type: none"> <li>• Ms. L was frustrated at the time taken to receive a final decision from the ombudsman</li> <li>• The consumer was also unhappy with the outcome to her case, as she did not feel that her submissions had been taken into consideration</li> </ul>	<ul style="list-style-type: none"> <li>• The Motor Ombudsman apologised for the time taken to deliver an outcome to Ms. L’s case, which was due to the high workload at the final decision stage of the process</li> <li>• In terms of Ms. L being discontent about the fact that her arguments had not been given due consideration, The Motor Ombudsman explained to the consumer that it was not possible to rely on verbal and undocumented conversations as evidence to support a case, which made up the majority of the arguments in this case</li> </ul>



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

The total number of complaints brought by consumers to The Motor Ombudsman about its level of service, increased from 246 in 2021 to 303 in 2021, equating to a rise of 23%. This was predominantly due to the continued backlog of cases awaiting an ombudsman's final decision.

To address these concerns, The Motor Ombudsman enhanced its consumer survey and satisfaction processes to gather more information about the reasons driving consumer dissatisfaction, at what stage this occurred in the dispute resolution process, and the service level that was delivered in those specific cases. Having data against these metrics helps identify the principal causes of dissatisfaction. This enables The Motor Ombudsman to make improvements for users of its service, focused where they are most needed.

New IT solutions have continued to play a key role in allowing The Motor Ombudsman to heighten standards at its identified pinch points. Examples of initiatives in this area have included the introduction of new webforms, helping to both refine post-decision processes and reduce any administrative burdens earlier in the system. Similarly, new dashboards have been created to aggregate data into more insightful information packs for the management teams, therefore allowing it to be used more intuitively.

To reduce the backlog and dissatisfaction for consumers who have cases requiring an ombudsman's final decision, The Motor Ombudsman has invested in increasing the headcount of this team to enhance capacity in this area, and introduced technological solutions, so as to provide a more communicative service whilst these consumers await a decision.

Furthermore, The Motor Ombudsman reworked its Quality Assurance programme. This was driven by data showing that, when some cases had reached the final decision stage, one or more parties were of the opinion that they had not been supported by The Motor Ombudsman in forming and making their arguments. Whilst The Motor Ombudsman is an impartial service, so cannot act for either party, the organisation took on board this sentiment and reworked its Quality Assurance programme to alleviate this sentiment without The Motor Ombudsman compromising its impartiality.



## 1.5 Positive consumer testimonials about The Motor Ombudsman

The following is a sample of positive Trustpilot testimonials from consumers who used The Motor Ombudsman's ADR service during 2022.

***"Excellent customer service, very efficient and as a consumer I felt protected by this company! Thank for looking after me and I have faith on everything you do."***

*(Mr.S, January 2022)*

***"The Motor Ombudsman listened to me, took my complaint seriously and supported me. They managed my expectations, kept me up to date and achieved a great outcome. Thank you!"***

*(Ms.L, April 2022)*

***"After months of arguing followed by silence from the garage and refusal to settle the finances of the dispute, the intervention of TMO triggered an immediate resolution of the dispute. It wouldn't have happened without their involvement!"***

*(Ms. W, July 22)*

***"The adjudicator who dealt with my complaint, was professional and customer-focused personified. He was patient and explained everything in great detail about the process. I thoroughly recommend availing yourself to engaging with TMO if you encounter any difficulties with vehicle disputes. It was the best decision I made."***

*(Ms. M, July 22)*

***"An easy organisation to access starting with speedy call answering followed by a polite, clear, professional and patient conversation on what they did, what my situation was, and how they could help."***

*(Mr. C, October 22)*

## 1.6 Annual accredited business survey highlights

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

The research was conducted via an e-mail survey, which was sent to Motor Ombudsman-accredited franchised car dealers and independent garages<sup>1</sup> between September and November 2022. Highlights of the findings are as follows.

### ▶ How businesses would describe The Motor Ombudsman in one word:

Following a similar trend to last year, **professional**, **"trusted"**, **"fair"**, **"excellent"**, **"impartial"**, and **"supportive"**, were the most common words used to describe The Motor Ombudsman in 2022.



Overall, of the words used by respondents in 2022, **86%** were positive, which is a drop on last year's score of 91% and 2020's lower figure of 89%. However, on the flip side, it does represent a notable increase on the 78% and 79% figures achieved in 2019 and 2018 respectively, which is encouraging to see.

### ▶ 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 88% of participants overall);
2. The credibility and reassurance provided for customers (86%);
3. Being able to display Chartered Trading Standards Institute (CTSI)-approved branding (84%);
4. Having use of The Motor Ombudsman logo (81%); and
5. Having access to The Motor Ombudsman's Information Line and dispute resolution service (79%).

### ▶ The value of The Motor Ombudsman for businesses:

Out of the businesses surveyed, **80%** of respondents agreed that The Motor Ombudsman is valuable for businesses, which is slightly down on last year's score of **88%**. This year, 75% of respondents were satisfied with the overall value of Motor Ombudsman accreditation, compared to 83% in 2021, 80% in 2020, and 82% in 2019. The 2022 survey results also revealed that **66%** of businesses stated that Motor Ombudsman accreditation gave them the edge over the competition – the lowest score in the last three years, and a decrease on the 2021 figure of 77%.

### ▶ Satisfaction with the dispute resolution service is good:

For businesses that had used The Motor Ombudsman's dispute resolution service in 2022, **79%** agreed that the process was easy to follow, versus 83% last year. Furthermore, 75% felt as though the case outcome was fair and reasonable, down from 80% in 2021, and 79% in 2020. The research also revealed that 53% of businesses were satisfied with the time taken to resolve the dispute, which was less than the 58% figure seen in 2021, and the statistic of 68% seen previously in 2020.

### ▶ Key areas identified for improvement in 2023:

The main areas identified for improvement by The Motor Ombudsman, and that need to continue be addressed in 2023 are:



Greater awareness of The Motor Ombudsman amongst consumers through ongoing Marketing and PR initiatives;



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



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



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

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

<sup>1</sup>Sample size of 242 respondents (independent garages and franchise dealers).

## SECTION 2:

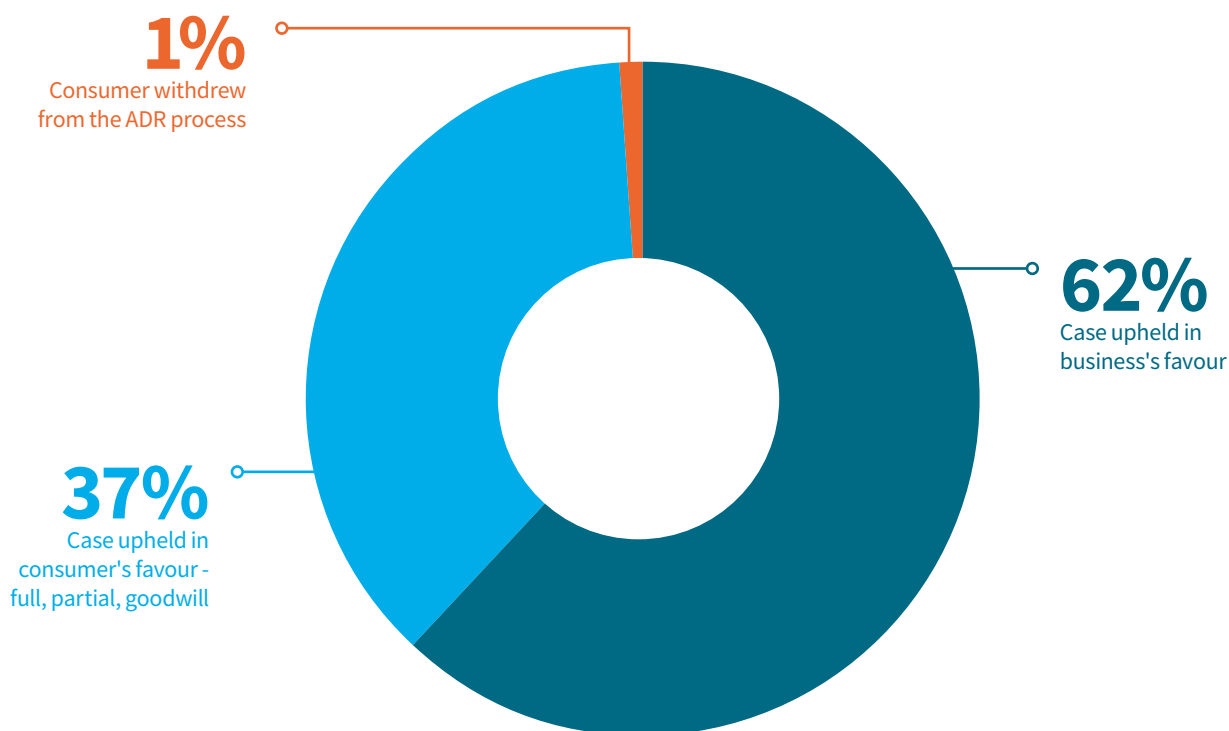
### Breakdown of case outcomes in 2022





## SECTION 2: Breakdown of case outcomes in 2022

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



After reviewing the case outcome categories seen in previous years, lack of evidence (2% in 2021) was considered to fall into the same category as a case being upheld in the business's favour as an outcome, and has therefore been incorporated into this data due to it being a marginal number on its own merits.

Similarly, following the end of Covid-19 lockdown periods in 2021, 2022 saw a significant increase in the demand for The Motor Ombudsman's service, and speed of response, thereby significantly reducing the volume of cases withdrawn by consumers to circa 1% (from 14% 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 unsatisfactory quality or unfit for purpose; and
- Faults being due to normal wear and tear or caused by other external influences.

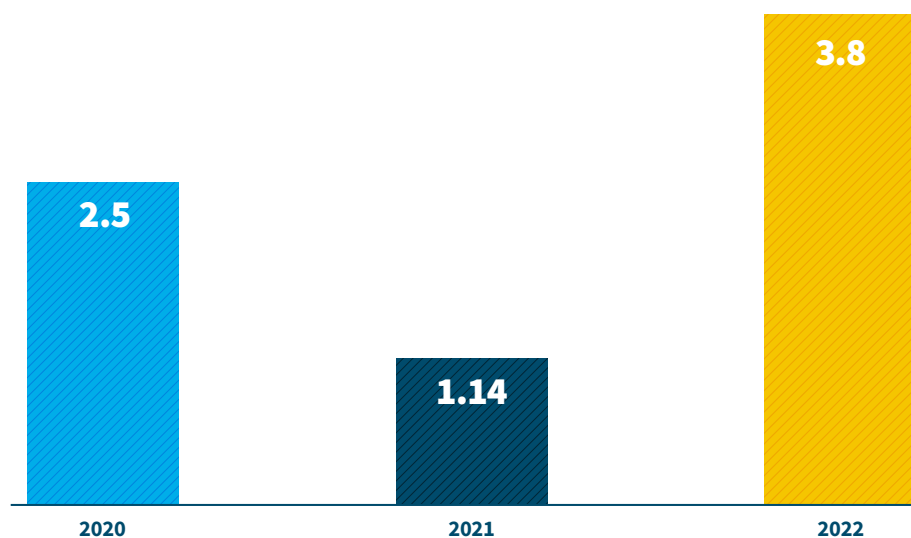


### Case outcome summary:

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 **£3.8 million** in redress. This is a significant increase compared to the two preceding years, where £1.14 million and £2.5 million were awarded in 2020 and 2021 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.

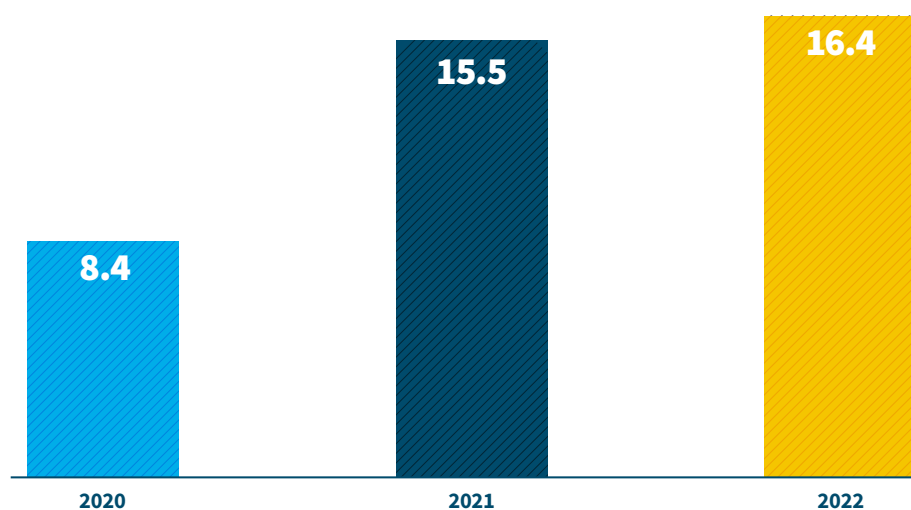
The notable fall in the value of awards attributed to consumers in 2021, was likely due to the large number of cases withdrawn, as businesses settled them in the first instance, due to the pandemic.

#### ► The total value of awards (£ million) attributed to consumers (2020 – 2022)



The amount claimed by consumers, but not awarded, was **£16.4 million** (e.g. requests to reject a vehicle, which has become more prominent in the cost of living crisis), compared to **£15.5 million** in 2021 and **£8.40 million** in 2020. 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.

#### ► The total value of awards (£ million) attributed to businesses (2020 – 2022)



# 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.<sup>2</sup>

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 2022.

### 3.1.1 Service and Repair Code performance data

Accredited businesses	2020	2021	2022	Trend (2022 v 2021)
Consumer contacts	13,136	24,316	15,690	▼
Early resolutions	85	171	81	▼
Adjudication cases*	2,087	1,693	1,821	▲
Ombudsman final decisions	124	99	207	▲
Escalation rate (Contacts to cases)	16%	7%	12%	▲

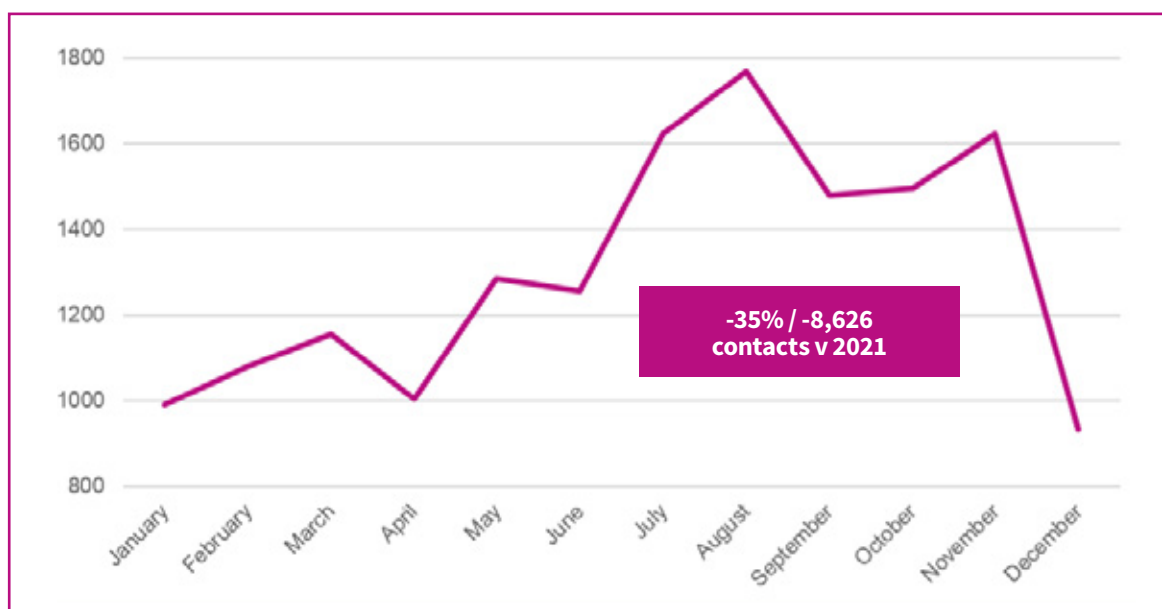
\* The adjudication cases figure relates to the volume of cases passed to adjudicators for review.

<sup>2</sup> [www.TheMotorOmbudsman.org/garage-finder](https://www.TheMotorOmbudsman.org/garage-finder)

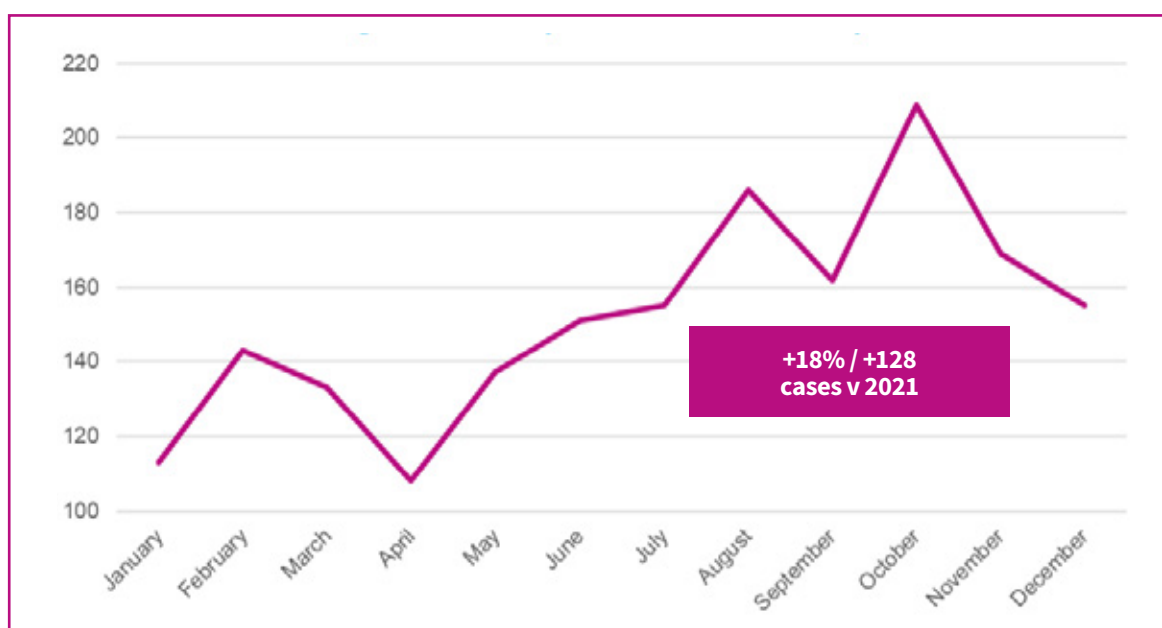


### 3.1.2 Service and Repair Code performance charts

Service and Repair Code contact volumes by month (Jan - Dec 2022)



Service and Repair Code case volumes by month (Jan - Dec 2022)



### 3.1.3 Service and Repair Code performance analysis

in 2022, consumer contacts relating to the Service and Repair Code decreased by just over 8,500 compared to the year before, falling **35%** from 24,216 in 2021 to **15,690**. This was in contrast to the sharp spike seen in enquiries in 2021, when vehicle usage increased as Covid-19 restrictions became fewer in number.

The volume of cases being accepted for adjudicators to deliver an outcome, rose year-on-year by 8% to a total of **1,821**, reversing the decline seen between 2020 and 2021. This was driven by more cases falling within the remit of The Motor Ombudsman compared to those processed in 2021.

The number of final decisions made for service and repair cases rose significantly in 2022 when compared to the volume seen in 2021, up from 99 to **207**, and representing a jump of 110%. This is the result of a recruitment drive at the beginning of the year and performance-driven changes to internal processes.

In contrast to the increase in volume reported between 2021 and 2022, the number of early resolutions decreased year-on-year by 53%, from 171 to **81**, as a greater proportion of service and repair cases were passed over to adjudicators for a decision during the year.

### 3.1.4 Percentage of Service and Repair Code cases by Code breach

Source of breach	2020	2021	2022	Trend (2022 v 2021)
1.0 Advertising	3%	3%	1%	▼
2.0 Booking in of a vehicle	22%	11%	9%	▼
3.0 Standard of work	47%	68%	76%	▲
4.0 Billing	9%	4%	4%	—
5.0 Approach of staff	9%	4%	6%	▲
6.0 Complaints handling	10%	10%	4%	▼

Consumer complaints relating to the Service and Repair Code in 2022 resulted from the following principal breaches:

#### 3.0 The standard of work (76% 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]<sup>3</sup>.
- 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 (9%):

- 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 consumer [2.4]; and
- Quotations were not given and agreed with the consumer before work was carried out [2.9].

#### 5.0 Approach of staff (6%):

- Staff were not trained in, and did not abide by the Service and Repair Code, comply with applicable legislation, or be professional and polite to the customer at all times [5.1];
- Staff were not competent to carry out the work within their responsibilities [5.3]; and
- Staff were not committed to completing work accurately and efficiently, and were not attentive, especially to the needs of vulnerable consumers [5.2].

<sup>3</sup> Numbers in brackets denote Code of Practice clause reference

### 3.1.5 Service and Repair Code case studies reviewed by ICAP

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

#### Note:

- **This is a sample of the Service and Repair Code cases reviewed by members of ICAP during 2022.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

#### Case 1: Consumer's claim

Vehicle age	5 years old
Vehicle mileage	Not known
Outcome	Not upheld
Award	None

Mr A bought a used 64-plate hatchback (registered in January 2015) in December 2016. In July 2019, the consumer purchased a pair of 19-inch sport tyres for his vehicle, and paid £185 inclusive of fitting at a franchise dealership and a warranty. A few months later, in February 2020, Mr A was advised by a local garage that two of the tyres were cracking, even though the tread depth was still around six or seven millimetres. The consumer also stated that, with the car having a tyre pressure monitoring system, he confirmed that the tyres had never been under or over-inflated, and therefore put the premature failure down to a manufacturing defect.

Mr A complained to the business, but no remedy was provided, and he was advised that he would need to purchase two new tyres at a higher cost of £235, which Mr A considered to be unacceptable in the circumstances. He believed that the business should cover the full cost of the new tyres in response to his complaint. Mr A also said that a similar case which he had before with The Motor Ombudsman, was upheld in his favour.

#### Response of accredited business

The dealership said that the tyre supplier suspected the tyres had been run at a low pressure. However they couldn't confirm this for definite, as this assumption was made on pictures the consumer had supplied, rather than seeing the tyres in person, due to Mr A having disposed of them.

The business explained that, in the event that the tyres had been faulty, the dealership could have sent them back to the manufacturer for inspection, as the warranty would have still been valid.

In summary, from the business's perspective, there was no evidence to substantiate Mr A's claim.

#### Adjudication outcome

The adjudicator explained that Mr A had the evidential burden of demonstrating that the issues suffered with the tyres were directly related to the workmanship of the dealership. Based on the documentation provided by both parties, including the photographs of the tyres, which do show cracking, the evidence did not point to the fact that the tyres Mr A had bought were either faulty at the point of sale or that the tyres had been fitted incorrectly, thereby causing the premature failure. The adjudicator also noted that the business requested to inspect the tyres, but were no longer available.

Therefore, the adjudicator concluded that the dealership had not breached the Service and Repair Code, and could not uphold the complaint in Mr A's favour, or make any recommendations to the business.

Mr A disagreed with the adjudication outcome, and requested a final decision from the ombudsman on the basis that the business refused to inspect the tyres when he still had them, and he did not agree with the claim that the tyres had been run at a low pressure.

#### Ombudsman's final decision

The ombudsman acknowledged that there was a general obligation on the dealership, both under the law, and the Service and Repair Code, to supply goods that are of satisfactory quality, fit for purpose, and as described.

The ombudsman could see from Mr A's complaint that the tyres on his vehicle failed 18 months after they were fitted. She also stated that she had not been able to locate the vehicle on the MOT database, so it was unclear what mileage had been covered during the 18-month period. The ombudsman also stated that Mr A had not supplied any diagnostic checks or invoices to show that the tyres were replaced, and the associated cost. Therefore, the ombudsman's decision was down to the testimony of both parties, and the two photographs of the tyres which Mr A supplied.

To uphold the consumer's complaint, the ombudsman also said that she needed to be satisfied that the tyres were inherently faulty, and they failed prematurely due to a manufacturing defect. However, due to the lack of evidence on file, she was unable to come to this conclusion.

The ombudsman also noted that the consumer had only contacted the dealership once, and there was no indication they refused to help. In terms of a similar issue with tyres which The Motor Ombudsman had previously investigated under a separate complaint by Mr A, she said the facts were different, and the tyre manufacturer on the other case had an opportunity to inspect the tyres. The ombudsman therefore questioned why the consumer had failed to retain the tyres when Mr A was aware of the process involved to claim any expense incurred.

In conclusion, whilst the ombudsman empathised with Mr A's situation, she was unable to conclude that the tyres failed due to a manufacturing defect. Therefore, like the adjudicator, the complaint was not upheld in Mr A's favour, so she couldn't ask the dealership to refund the cost associated with the two new tyres.

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

#### Conclusion

Mr A rejected the ombudsman's final decision and, as this was the last stage of The Motor Ombudsman's dispute resolution process, the case was closed.

#### Case2: Consumer's claim

Vehicle age	6.5 years old
Vehicle mileage	35,000
Outcome	Goodwill
Award	£191

Mr B bought a brand new hatchback in March 2015, and had the car serviced regularly at the selling dealership, which included servicing the air conditioning system. However, in 2018, the air conditioning stopped working, but the consumer was advised to wait until the next service in February 2019 to have this looked at. The air conditioning was repaired at a cost of £400, but it then stopped working. The system was re-gassed in 2020 at a further cost of £89, but this did not rectify the fault.

After yet another repair costing £191, which then failed, and meant a return visit to the dealership in May 2021, the problem was diagnosed as being with the compressor. On this occasion, Mr B was quoted £1,300, but as he had already paid nearly £700 over three years to rectify the air conditioning system, he simply wanted the dealership to get to the bottom of the issue without incurring any further expense in relation to fixing the vehicle.

#### Response of accredited business

As the business had changed ownership at the time of Mr B's complaint, the dealership could only respond to events from July 2019 onwards.

The dealership explained that the car had been brought into them in June 2020 because of an issue with the air conditioning, but on that occasion, no faults were showing. They therefore recommended an air conditioning re-gas, as this was due on the vehicle as part of the servicing schedule.

The business then saw the vehicle again in July 2020, as Mr B said that the air conditioning wasn't blowing powerfully. At this time, the dealership replaced the pressure sensor and the recirculating flap motor. However, the consumer returned the vehicle in May 2021, where it was found that a new air conditioning compressor costing £1,300 was needed. The dealership therefore contacted the manufacturer, and they agreed as a gesture of goodwill that they will pay for half this amount, with Mr B liable for the remaining sum. The dealership explained that the consumer refused this offer, and took his complaint direct to the manufacturer, but they were unable to provide any further assistance to Mr B, as the vehicle was over six years of age at this point. However, the dealership offered to refund the sum of £191 to Mr B as their own gesture of goodwill if he felt that this work was not previously required.

#### Adjudication outcome

The adjudicator explained that the evidential burden sat with Mr B to prove that the business failed to use reasonable skill and care when carrying out the previous workmanship, which then resulted in further faults to the air conditioning. However,

owing to a lack of sufficient technical evidence, this burden had not been met in the eyes of the adjudicator. This is because the available invoices and job cards clearly showed that there were different faults with the air conditioning each time it was inspected in 2019, 2020 and 2021. In addition, there were no independent reports or any third-party technical evidence demonstrating that the business failed to correctly diagnose and repair the actual fault with the system.

Therefore, based on the facts of the case, the adjudicator concluded that the actions taken by the business did not result in the faults suffered by Mr B's car, and could therefore not uphold the complaint in the consumer's favour. This meant that the dealership was not obliged to cover Mr B's costs in relation to diagnosing and fixing his vehicle.

Nevertheless, the business did make a goodwill offer of £191, and the adjudicator recommended that Mr B accepted this, as it went above the dealership's legal obligations.

#### Conclusion

Following the issuing of the adjudication outcome, the consumer requested time to seek a second opinion on his complaint, which was granted by the adjudicator. Mr B then contacted The Motor Ombudsman advising that he would be accepting the goodwill recommendation from the dealership. The case was then closed.



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

#### Case 3: Consumer's claim

Vehicle age	11 years old
Vehicle mileage	107,500
Outcome	Upheld
Award	£575

Ms C purchased a 10-plate city car (registered in March 2010) in February 2020. In October 2020, the consumer took her vehicle, which had 106,000 miles on the clock, to an independent garage for its annual MOT (a pass was recorded), and the clutch was stiff at the time she visited the garage. The business therefore replaced this component whilst the car was in their care.

Upon the collection of the vehicle, Ms C noticed that the clutch was a lot heavier than before, so she called the garage to complain, and was told in response, that the part needed to be bed in. However, 55 days after the clutch was fitted, it broke, which meant that the car had to be towed to another garage to be fixed.

It was discovered that the first garage had fitted a clutch cable that was too short, thereby leaving the vehicle in a dangerous state. To resolve her dispute, Ms C was looking for an apology, the cost of the labour and parts to be refunded by the initial garage (totalling £575), compensation for loss of earnings when she was without transport (£150), and a refund of the cost of the clutch and clutch cable replacement carried out by the second garage (£373) – a claim of nearly £1,100.

#### Response of accredited business

In response to Ms C explaining that the clutch was stiffer than before once it had been replaced, the independent garage explained that they had advised the consumer to allow up to a month, and to inform them whether it was still heavy. However, they did not receive a response from Ms C within this time frame.

The business said that they only became aware that Ms C's car had broken down, was when the second repairer contacted them to ask them about their previous work on the vehicle. The garage also offered for Ms C's car to be returned to them from the other business to inspect and repair the vehicle, but this was declined.

In relation to the consumer's request for a full refund, the business deemed the clutch that was fitted to Ms C's car to be of acceptable quality, plus they offered the consumer a two-year warranty on the work. They also explained that the only reason Ms C opted to have the gearbox replaced at the second garage was because they were questioning the clutch that was fitted. The first business equally mentioned that they replaced the clutch, but not the clutch cable, so the latter was not applicable to her claim. In terms of seeking compensation for loss of earnings, the consumer stated to the garage that she had a second vehicle, and would therefore not have been out of pocket.

#### Adjudication outcome

The Motor Ombudsman adjudicator stated that Ms C had the evidential burden of demonstrating that the issues that she encountered with her vehicle were directly related to the workmanship of the first repairer, given cars develop faults for a wide range of reasons.

According to Ms C, the vehicle's clutch broke, and needed to be replaced. After reviewing the evidence presented, it was clear from the vehicle health check at the first garage, that there was a fault with the clutch operation, and therefore needed replacing. Additionally, the e-mail correspondence made it evident, that when inspected by the second business, that the clutch was still faulty.

Correspondence sent by the second business to Ms C showed that core components, such as the gearbox, were not removed during the investigation into the clutch's fault, indicating reasonable skill was not used during the vehicle's diagnosis and repair. However, it was noted that the initial repairer had replaced the main oil seal, therefore suggesting the gearbox had been removed as they had claimed in their submission.

However, the second garage also explained that the clutch cabling was damaged, and that the first garage had not submitted any evidence to counter this, thereby suggesting that this component was not properly examined during the clutch investigation work.

Therefore, whilst it could be assumed that the first garage had taken reasonable measures to replace the clutch, it did appear likely it was not adequately examined, and faults such as the clutch cable, which should have been picked up at the investigation stage, were missed. As a result, it would appear more likely than not that the garage had failed to use reasonable skill and care during the clutch replacement.

In addition, the adjudicator remarked in their outcome that, the fact a two-year warranty was offered on the work provided to Ms C, should not be used to excuse the business from carrying out the repair to the expected standard. In summary, based on the facts of the case, the adjudicator upheld the complaint in Ms C's favour. The award was a refund that was proportionate to the work that was completed on the consumer's vehicle to an unsatisfactory standard. This equated to a refund on the clutch kit, as well as the diagnostic fee to investigate the clutch's initial faults – a total sum of £575.

The adjudicator also stated that The Motor Ombudsman is unable to award compensation for loss of earnings, and therefore no further action was taken regarding this.

#### Conclusion

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

## 3.2 New Car Code



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

In 2022, a total of **40** 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 2022.

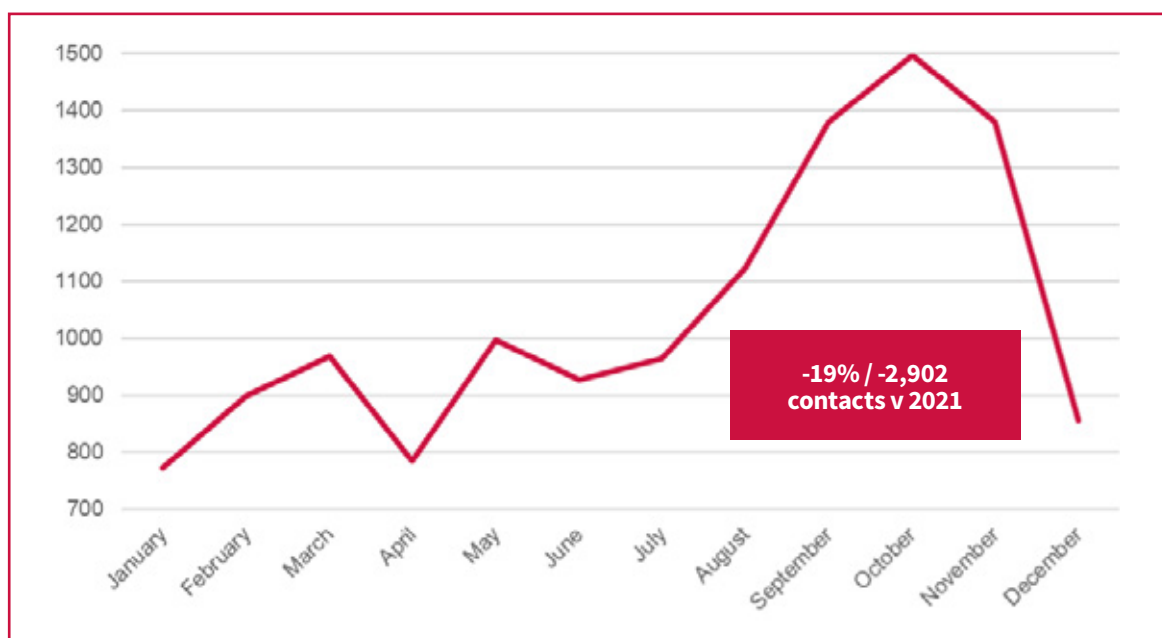
### 3.2.1 New Car Code performance data

	2020	2021	2022	Trend (2022 v 2021)
Consumer contacts	8,729	15,423	12,551	▼
Early resolutions	147	152	141	▼
Adjudication cases*	1,006	1,164	1,226	▲
Ombudsman final decisions	104	141	129	▼
Escalation rate (Contacts to cases)	12%	8%	10%	▲

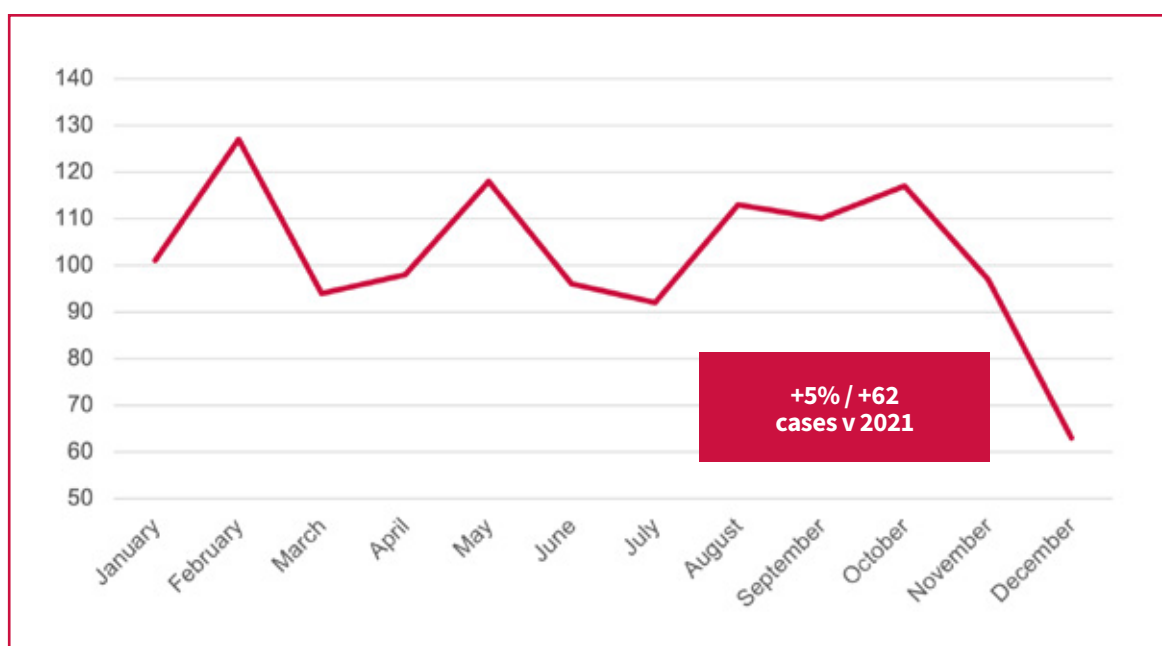
\* The adjudication cases figure relates to the volume of cases passed to adjudicators for review.

### 3.2.2 New Car Code performance charts

New Car Code contact volumes by month (Jan - Dec 2022)



New Car Code case volumes by month (Jan - Dec 2022)



### 3.2.3 New Car Code performance analysis

Consumer contacts in relation to the New Car Code fell in 2022 to 12,551, from the higher figure of **15,453** recorded the year before. This was most likely to be influenced by the decrease in new car registrations in 2022, compared to that seen in the previous year, as supply chain and semiconductor chip issues persisted.

Mirroring the positive rise seen between 2020 and 2021, the volume of cases accepted for adjudication increased by **5%** to 1,226 – the highest level in three years. This was due to more disputes falling within the remit of this Code.

The volume of ombudsman final decisions and early resolutions made during 2022 both fell by 8.5% and 7% respectively.

### 3.2.4 New Car Code cases by breach

Source of breach	2020	2021	2022	Trend (2022 v 2021)
1.0 Advertising	16%	8%	5%	▼
2.0 New car provisions	7%	2%	0%	▼
3.0 Manufacturers' new car warranties	70%	72%	84%	▲
4.0 Availability of replacement parts and accessories	4%	8%	7%	▼
5.0 Complaints handling	4%	10%	5%	▼

Consumer complaints relating to the New Car Code in 2022 resulted from the following principal breaches:

#### 3.0 Manufacturers' new car warranties (84% of breaches):

- The customer's warranty claim was incorrectly dismissed [\[3.8\]](#)<sup>4</sup>;
- 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 [\[3.3\]](#); and
- The consumer did not continue to benefit from the manufacturer's new car warranty whilst the car was serviced to the manufacturer's recommendations [\[3.1\]](#).

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

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

#### 1.0 Advertising (5%):

- 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 [\[1.1\]](#); and
- Where a rust / corrosion-proofing process was advertised, the limitations were not made available to consumers [\[1.7\]](#).

#### 5.0 Complaints handling (5%):

- 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 advise the consumer of their right to refer their complaint to The Motor Ombudsman [\[5.4\]](#).

<sup>4</sup>Numbers 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 2022.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

#### Case 1: Consumer's claim

Vehicle age	5.5 years old
Vehicle mileage	24,000
Outcome	Partially upheld
Award	None

Mr D bought a used 16-plate electric MPV (registered in June 2016) in March 2021 from a franchise dealership. In August that year, the consumer's vehicle experienced a fault with the high voltage battery – a part covered under the manufacturer's warranty, so he took it back to the dealership for repairs. Mr D was informed that, due to the delay in getting hold of replacement components, it would take until January 2022 to fix the car, which the consumer felt was far too long.

Mr D was also not able to have access to a courtesy car from the dealership at the time of his complaint, so had to initially pay for a petrol-powered hire car, which he estimated at being £200 per month more expensive to run than his electric model, due

to the rising cost of fuel at the time. He was also concerned that with his own car sitting stationary for a prolonged period, this would cause the degradation of both the vehicle's moving parts and 12V battery.

To resolve his complaint, Mr D was looking for a reduction in the wait to repair his MPV to be reduced, and for the cost of the hire car to be fully reimbursed, so that he was not left out of pocket because of the parts delay.

#### Response of accredited business

The vehicle manufacturer responded to Mr D's complaint by explaining that the replacement battery was unavailable, and that the consumer's concerns had been escalated to the highest level so that the component could be sourced as soon as possible.

They also explained that they understood that their franchise dealership had provided Mr D with a diesel courtesy car after initially having a hire car, and was then supplied with an all-electric model at no cost to the consumer when one became available. The manufacturer also explained that they were unable to reimburse the cost of the fuel used for the first courtesy car to Mr D, and were doing everything they could to speed up the delivery process.

In terms of the consumer's concerns about the car worsening in condition whilst it awaited repairs, the manufacturer explained that its dealership would complete a full visual health check once the repairs were completed to address any issues if they were to arise. The manufacturer also pointed out that there was no charge to Mr D for the wear and tear incurred during the use of the dealership's courtesy cars. As it stood, there was nothing else that the business could do to help the consumer, apart from chasing the part supplier, leaving Mr D's complaint unresolved at this juncture.

#### Adjudication outcome

The adjudicator remarked that it was not disputed by the manufacturer that the consumer's car suffered from a defect whilst still in the warranty period, and acknowledged that it had agreed to undertake repairs to Mr D's car, although these were subject to a delay.

The adjudicator highlighted that, at the time of Mr D's complaint, there were significant waits sourcing replacement parts due to global shortages, and that delays were therefore unavoidable. However, it was noted that Mr D was kept mobile with a courtesy vehicle, which was swapped over with an electric model that the consumer was accustomed to.

In his decision, the adjudicator remarked that, under The Motor Ombudsman's Code of Practice for New Cars, the dealership did not have an obligation to provide a courtesy car, nor did it have a legal duty to contribute towards any costs incurred for a hire car. Therefore, it was determined that the vehicles provided to Mr D should be viewed as a gesture of goodwill.

#### Conclusion

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



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

#### Case 2: Consumer's claim

Vehicle age	7 years old
Vehicle mileage	44,000
Outcome	Partially upheld
Award	Free MOT / a £75 voucher

Mr E purchased a 64-plate city car (registered in September 2014) in January 2017. In August 2021, the airbag warning light came on, so he took his car to a franchise dealership for the problem to be investigated. Due to supply chain difficulties and the replacement part being unavailable until December 2021 to rectify the issue, the consumer was informed by the business that the car was still safe to drive until the component arrived. However, Mr E didn't think this was right, as he was of the opinion that the airbag would not deploy in the event of an accident should one occur. It was only when his vehicle had its MOT in October 2021 that a hire car was provided to Mr E.

As Mr E deemed his safety and that of his family to have been put at risk, from being allowed to continue driving the car with the warning light on, he lodged a complaint with the manufacturer, as he thought this was negligent on their part. Mr E was also unhappy, as he received no offer to rectify the situation, or an apology for the advice that he had previously been given.

To resolve his dispute, Mr E was looking for a comprehensive explanation from the manufacturer as to the actions that had been taken thus far, in addition to compensation for putting his safety and other occupants in danger.

#### Response of accredited business

The manufacturer advised that the delay in repairing Mr E's vehicle was due to the Covid-19 pandemic, and components taking longer than expected to arrive. The business said that, under their new car warranty, they were only liable for the repair or replacement of original parts by a franchise dealer that were defective in material or workmanship. They also explained that they were not responsible for consumer expenses in terms of getting to a dealership, a replacement car, or in fact, being without a vehicle during warranty repairs. However, to help Mr E, the manufacturer stated that they authorised car hire to help reduce any inconvenience caused by the delayed part, costing them £1,700.

At the time of their response, the manufacturer understood that the part had been fitted to Mr E's vehicle in December 2021 as planned. In light of what had happened, the manufacturer offered a goodwill gesture in the form of covering the cost of the consumer's MOT, in addition to a £75 voucher to spend at any of the brand's franchise dealers.

#### Adjudication outcome

The adjudicator explained that it is understandable that the delay caused due to the replacement parts being unavailable caused Mr E significant inconvenience, but at the same time, he highlighted that there was a global shortage of semiconductors and manufacturing materials causing some components to take longer than expected to arrive.

The adjudicator equally pointed out that, under the New Car Code, the business did not have any obligation to provide a courtesy vehicle, or to contribute towards any cost of hiring a vehicle. However, to help keep Mr E mobile whilst waiting for the part to arrive, the adjudicator acknowledged that, as a gesture of goodwill, the business did authorise car hire, and offered to cover the cost of the MOT, alongside a redeemable voucher.

After considering the facts of the case, the adjudicator concluded that the vehicle manufacturer had not breached the Motor Industry Code of Practice of New Cars, but stated that the response to Mr E's complaint could have been handled more carefully by the business. As a result, she was able to partially uphold the dispute in the consumer's favour.

The adjudicator also highlighted in their decision, that The Motor Ombudsman is unable to award compensation for losses which are not easily quantifiable, such as those in relation to time, inconvenience or stress.

#### Conclusion

Mr E acknowledged the offer from the business, and also requested an apology from the manufacturer. They confirmed they had actioned this, and the case was closed.

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

#### Case 3: Consumer's claim

Vehicle age	2 years old
Vehicle mileage	4,500
Outcome	Not upheld
Award	None

Ms F bought a brand new 70-plate city car in September 2020 for £12,500. Two years' later, the vehicle had a problem with one of the wheels, so the consumer took the car to a local independent garage for the fault to be investigated. They identified a problem with the rear offside wheel bearing, and advised Ms F to claim for the repair under the manufacturer's new car warranty, as they said that this should not have happened to a two-year-old car with less than 5,000 miles on the clock.

Ms F contacted the manufacturer to look to get the issue resolved, but they explained that the consumer would have to pay around £125 for a diagnostic test to find the fault, to be able to then determine whether it should be covered under warranty, and if Ms F would be reimbursed for this fee. Ms F therefore felt that her own money was at stake, as she was unsure at this point as to the outcome of the test when making the decision to proceed.

As a resolution to his complaint, Ms F was looking for any diagnostic and investigative tests to be covered by the manufacturer at no cost to herself, rather than taking a 'gamble' as to whether the rectification of the fault would or would not be covered by the warranty.

#### Response of accredited business

The manufacturer advised that, regardless of a vehicle being under warranty or not, it was a standard procedure to charge a diagnostic fee for every repair, and that the customer would be reimbursed if the fault came back as a manufacturing defect or was one that was covered under the warranty.

Whilst the manufacturer appreciated that the customer would not expect any wear and tear to be present on the vehicle after 4,500 miles, they could not solely go off what Ms F would or would not expect in terms of the diagnostic fees, as the nature of the fault needed to be confirmed by a technician.

The business also said that the consumer understood that, in the terms and conditions of the warranty, the component in question was covered. However, the manufacturer reiterated that their technicians need to establish the cause of the fault to determine whether it was a chargeable repair.

#### Adjudication outcome

The Motor Ombudsman adjudicator pointed out that Ms F had the evidential burden of showing that the faulty wheel bearing was due to a manufacturing defect. He also noted that, in Ms F's complaint, he stated that he wanted the business to cover the cost of diagnostic and investigative tests, and for the repair to be covered under warranty.

The adjudicator remarked that, in response to Ms F's complaint, the business stated that they had not yet had an opportunity to investigate the matter, and would not waive the diagnostic. Therefore, at the time of the issue with the wheel bearing being raised by the manufacturer, there was insufficient documentary evidence to show that the vehicle suffered from a fault. This meant that the adjudicator was unable to determine whether the cause of the problem with Ms F's car was due to a manufacturing defect or external influence, meaning the manufacturer had no obligation to cover diagnostic or investigation costs.

After considering the circumstances of the matter, and having read through the version of events provide by both parties involved in the dispute, the adjudicator was unable to uphold the complaint or hold the manufacturer liable for covering any investigative costs on behalf of Ms F.

#### Conclusion

Ms F did not respond to the adjudication outcome within the allotted time, and the case was closed.

### 3.3 Vehicle Warranty Products Code



Unveiled in 2009, the **Motor Industry Code of Practice for Vehicle Warranty Products** aims to provide guidelines for the supply of automotive warranties, including coverage of both insured and non-insured products. The Code 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:

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Advertising;                                      | <input checked="" type="checkbox"/> Service contracts, guarantees and non-insured products; |
| <input checked="" type="checkbox"/> Point of sale obligations;                        | <input checked="" type="checkbox"/> Insured products; and                                   |
| <input checked="" type="checkbox"/> The clarity of information provided to customers; | <input checked="" type="checkbox"/> Complaints handling.                                    |
| <input checked="" type="checkbox"/> The handling of claims;                           |   |

No changes were made to the content of the [Vehicle Warranty Products Code](#) in 2022.

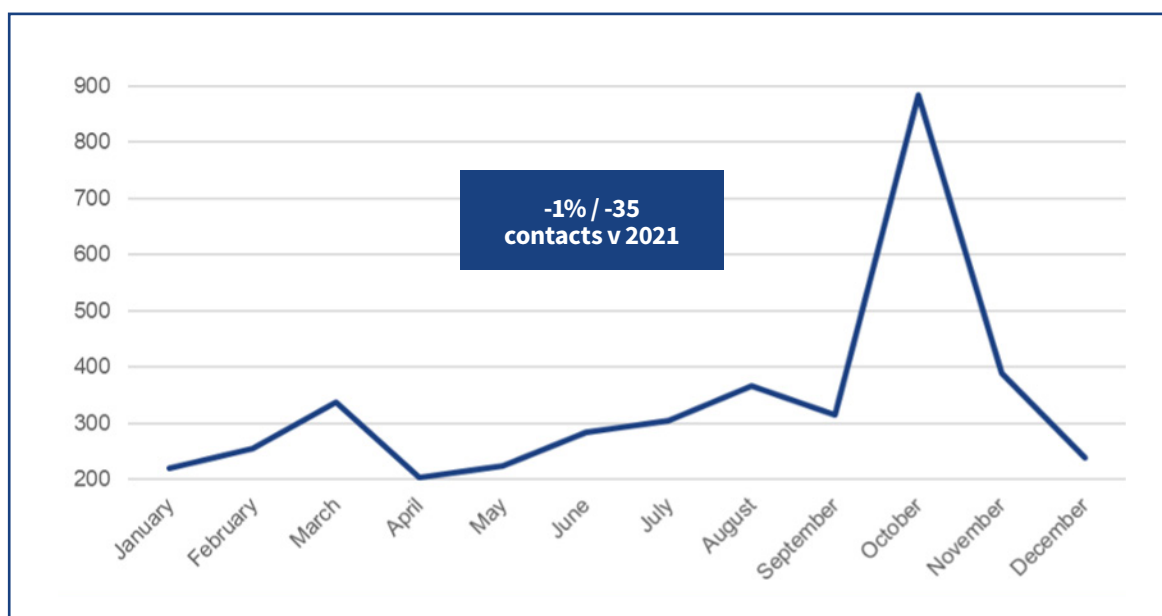
#### 3.3.1 Vehicle Warranty Products Code performance data

	2020	2021	2022	Trend (2022 v 2021)
Consumer contacts	1,871	4,054	4,019	▼
Early resolutions	15	16	14	▼
Adjudication cases*	364	321	388	▲
Ombudsman final decisions	30	32	46	▲
Escalation rate (Contacts to cases)	19%	8%	10%	▲

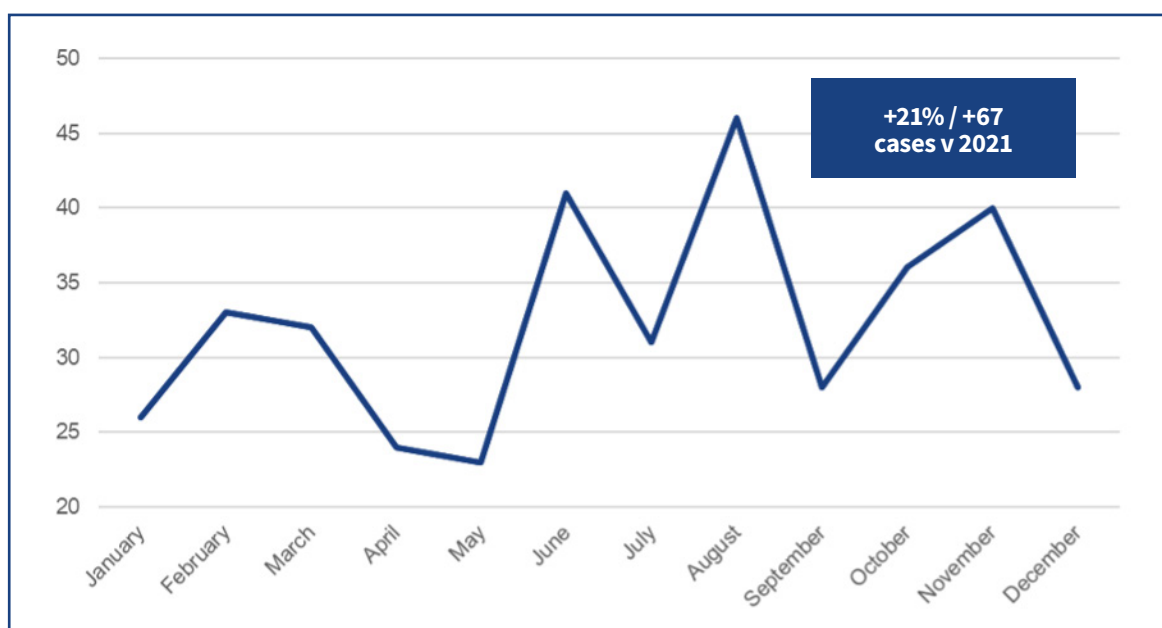
\*The adjudication cases figure relates to the volume of cases passed to adjudicators for review.

### 3.3.2 Vehicle Warranty Products Code performance charts

Vehicle Warranty Code contact volumes by month (Jan - Dec 2022)



Vehicle Warranty Code case volumes by month (Jan - Dec 2022)



### 3.3.3 Vehicle Warranty Code performance analysis

Consumer contacts in relation to the Vehicle Warranty Products Code in 2022 remained at a very similar level compared to 2021, dropping by only 1% year-on-year, from 4,054 to **4,019** due to fewer disputes reaching The Motor Ombudsman.

However, a greater proportion of the contacts that were received during the 12-month period, were escalated to a case for adjudication (**10%** in 2022 compared to 8% in 2021), which was echoed by **388** cases being passed for formal adjudication in 2022, versus 321 in 2021, and early resolutions dropping very slightly to 14 in 2022 (from 16 the previous year).

Ombudsman final decisions equally saw a positive rise in the volume issued to consumers and businesses, reaching a three-year-high of **46** in 2022, and surpassing the previous totals of 32 set in 2021, and 30 in 2020.

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	2020	2021	2022	Trend (2022 v 2021)
1.0 Advertising	2%	4%	2%	▼
2.0 Point of sale	33%	10%	8%	▼
3.0 Clarity of information	43%	36%	70%	▲
4.0 Claims handling	21%	40%	13%	▼
5.0 Service Contracts, Guarantees and Non-insured Products	0%	2%	1%	▼
6.0 Insured Products	0%	8%	0%	—
7.0 Complaints handling	0%	8%	6%	▼

Consumer complaints relating to the Vehicle Warranty Products Code in 2022 resulted from the following principal breaches:

#### 3.0 Clarity of information (70%)

- 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];
- The warranty provider did not clearly set out the consumer's cancellation rights and state its policy on premature cancellation of the contract after the expiry of the initial cancellation period [3.6]; 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].

#### 4.0 Claims handling (13% of breaches):

- The product cover did not continue for mechanical breakdowns and part failures unconnected with vehicle servicing [4.9]<sup>5</sup>;
- The warranty provider took too long to make a decision on the claim [4.2]; and
- The warranty provider refused the consumer's claim without giving consideration to the circumstances of the case [4.8].

#### 2.0 Point of sale (8%):

- 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].

<sup>5</sup> 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 2022.
- The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.

#### Case 1: Consumer's claim

Vehicle age	5 years old
Vehicle mileage	63,000
Outcome	Not upheld
Award	None

Ms G purchased a used 66-plate luxury coupé (registered in December 2016) from a dealership in April 2020 when the car was around three and half years old, and had less than 50,000 miles on the clock.

In October 2021, the serpentine pulley on the end of the crankshaft failed suddenly. The consumer explained that she was sat in traffic, and heard a loud bang from the engine. Ms G took her car to an independent garage, as directed by the warranty provider, and they found that the crankshaft pulley rubbers had collapsed.

The business contacted the warranty provider to make a claim to cover the cost of the repair. However, this was declined on the basis that the rubber would have deteriorated over a period of time, meaning a sudden mechanical failure had not occurred.

This left Ms G having to pay for the repair at a cost of nearly £800 to get her car back on the road. However, she believed that she was not liable for the work, as the pulley was located in a non-accessible area of the engine, was not a wear and tear item, and was not mentioned in the section of the policy detailing items not covered. Therefore, to bring her dispute to a close, Ms G was seeking a full refund for the sum she had paid to the garage.

#### Response of accredited business

The warranty provider reviewed all the evidence, including the findings of the garage, and explained that Ms G's claim was declined based on the fact that her warranty agreement covered all mechanical and electrical parts of the vehicle against mechanical breakdown, which was the failure of a listed item that caused a sudden stoppage of function, for a reason other than wear and tear, deterioration or negligence.

As they believed that they had acted correctly, in accordance with the terms and conditions of the policy, and supported their reasoning with photographic evidence, the business was unable to uphold Ms G's complaint in her favour.

#### Adjudication outcome

The adjudicator noted that, under the Motor Industry Code of Practice for Vehicle Warranty Products, the warranty provider had an obligation to act in accordance with the terms of their warranty agreement, and that Ms G had the evidential burden of showing that the fault with the crankshaft pulley rubber was covered by her policy.

Under the warranty agreement, the adjudicator remarked that the provider was only obliged to pay for the repair costs when a sudden stoppage of a listed item had occurred for a reason other than wear and tear, deterioration, or negligence. From the documentation provided, the technical evidence did not demonstrate that this was the case for Ms G. Whilst she had noticed that the failure had happened suddenly, this was not sufficient to say that the issue with the crankshaft pulley rubber had fulfilled the terms of the warranty.

#### Conclusion

As such, the adjudicator concluded that the warranty provider did not have a contractual obligation to refund either the repair costs or any warranty policy payments to Ms G. The case was closed following no further appeal from the consumer to the decision within the allocated period of time.

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

#### Case 2: Consumer's claim

Vehicle age	8.5 years old
Vehicle mileage	105,000
Outcome	Partially upheld
Award	£240 in refunded premiums

Mr H bought a used 63-plate saloon in September 2019 (registered in October 2013), and before taking out the extended warranty policy for the vehicle in November 2021, he asked the salesperson whether the agreement would cover certain components in the event of noise or breakage, one of them being the timing chain. As a result of the positive responses given by the business, the consumer went ahead and purchased the policy.

In February 2022, Mr H was experiencing noise from the timing chain, and proceeded to make a claim on the policy for the repair of the component. However, the warranty provider turned down his claim on the basis that the timing chain had not broken. As a result, Mr H stopped driving the car, causing him to lose money as he couldn't get to work.

Mr H deemed the warranty provider to have mis-sold the policy, and was unhappy with the way he had been treated. To resolve his complaint, Mr H was seeking a refund of the monthly payments he had made to date to the warranty provider, which totalled around £240. The consumer also requested compensation for the time taken off work to resolve the matter with his vehicle.

#### Response of accredited business

Mr H called the warranty provider's sales team at the beginning of November 2021 to enquire about the possibility of taking out a policy, and was transferred to a specialist to answer any specific questions, and to find the best quotation based on the age and mileage of the vehicle. Before Mr H was passed over, he asked whether timing chains were covered by the policy, and then asked the same question again to the specialist.

The business confirmed that the component would be included if there was a noise or breakage, and also asked Mr H at the time whether there was an issue with the timing chain, to which he replied that there wasn't, but felt it could go within the next 20,000 miles. The warranty provider also offered the consumer a free health check, and Mr H once again alerted them about the vehicle's timing chain.

Mr H was satisfied that the quoted policy was right for him, and proceeded to take out the agreement, which he could cancel at any time if he was not happy with it. The consumer was then invited to inspect the policy terms and call back if he had any questions.

In February 2022, the warranty provider explained that Mr H had logged on to their website to accept the terms and conditions of the policy, and a few days later, called their repairs team to request the replacement of the timing chain under warranty, as it was noisy, but had not broken. In response, the business explained to the consumer that they could only cover parts that had failed, as per the terms.

However, Mr H disagreed with this, and said that this contradicted what he had been told at the time of taking out the plan, so did not make a repair booking, meaning no formal claim was opened in his name. As Mr H deemed to have been mis-sold the policy, he lodged an appeal with the business, but after the business listened again to the calls between the two parties, they believed that the customer had been told everything correctly, and were not able to assist Mr H further with the resolution of his complaint.

#### Adjudication outcome

In terms of the adjudication, there were two aspects to consider. The first was in relation to whether the timing chain was a covered component, whilst the second element at play was whether the warranty provider had mis-sold the policy to Mr H.

##### Cover of the timing chain

After reviewing the evidence presented by both parties, the adjudicator agreed that the timing chain was listed as a covered component on the policy, but at the same time, there was insufficient documentary evidence to demonstrate that the part suffered a sudden and unexpected breakdown as defined by the warranty agreement, which is the only instance when coverage would be provided. Therefore, this aspect of the consumer's complaint was not upheld.

### **The warranty policy being mis-sold**

Following confirmation by the salesperson about coverage being granted in instances when the timing chain makes a noise, the adjudicator explained that it would be reasonable to expect that this would lead a consumer to believe that coverage would be provided in the event of a claim. He said that clarification of the two separate situations should have been given by the warranty provider to Mr H i.e. one where the timing chain breaks, and the other where the timing chain is noisy without confirmation of it failing.

The adjudicator equally noted that both parties agreed on the fact that, before the warranty was purchased and registered to Mr H, he enquired about the timing chain. This suggests that he was aware of the component being faulty before the warranty had been purchased – a policy which did not cover vehicles with pre-existing faults, which should also have been made clear to the consumer.

### **Conclusion**

In conclusion, based on the evidence provided, the adjudicator upheld the mis-selling aspect of the consumer's complaint, as he deemed the policy to have been mis-sold to Mr H. The adjudicator directed the warranty provider to refund the four monthly policy premiums paid between November 2021 and February 2022 by Mr H (around £240), which they duly proceeded to do.

With regards to Mr H's request for compensation, the adjudicator explained that The Motor Ombudsman was not able to award compensation for losses which are not easily quantifiable, such as those relating to earnings, inconvenience or stress. The case was then closed.



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

#### Case 3: Consumer's claim

Vehicle age	5.5 years
Vehicle mileage	90,000
Outcome	Goodwill
Award	50% contribution towards engine

Ms I purchased a used 66-plate SUV (registered in September 2016) for £24,000 in October 2020, and took out an extended warranty in February 2021 to cover her in the event of a sudden and unexpected failure of major mechanical and electrical components.

In February 2022, the consumer noticed that the vehicle needed to be topped up with oil more frequently than usual, and therefore suspected that her SUV had an oil leak. Ms I proceeded to contact the warranty provider, and they subsequently arranged for the car to be booked into an independent garage. As it was not a manufacturer-approved repairer, they did not have a specialist diagnostic machine to investigate the issue. No oil leak was found by the garage, but they did clean away some excess oil from the engine.

Ms I logged a claim under her policy to have the vehicle repaired, but it was declined due to the vehicle being driven to the garage, as opposed to being recovered, with the latter stipulated in the coverage requirements.

However, a month later, in March 2022, and with no signs of any oil leaks, Ms I's vehicle suffered a breakdown on the motorway due to an engine seizure, and instantly reported the issue to the warranty provider. The consumer requested for the vehicle to be booked back in with the previous independent garage, but after the car was recovered to them, it was rejected by the business as there was no booking, which was contrary to what the warranty provider had told her, and therefore Ms I had to pay £250 for the car to be brought back to her house.

After the vehicle was recovered to another garage on the third attempt at the beginning of April 2022, the consumer followed up with the warranty provider to find out about the status of her vehicle, as she was also paying for a hire car at the time. Ms I was advised that the claims engineer had completed their inspection, and that her claim for repair had been declined, due to finding old oil around the engine. This suggested that a leak had occurred for some time, and would therefore not be covered by Ms I's policy.

The consumer explained that she was unhappy with how this matter had been handled, as Ms I had previously explained that she had been topping up the oil for some time, indicating that there had been an ongoing fault. In addition to the oil issues, the consumer also had concerns with the AdBlue system and rear door handle, and therefore requested that the warranty provider covered the total cost of the repairs equating to £12,000 to bring her dispute to a close.

#### Response of accredited business

The warranty provider stated that they were not in a position to assist Ms I, as she did not comply with the terms of the warranty policy that she had purchased. Ms I's vehicle had also not been serviced in line with the manufacturer's guidelines, plus there was no evidence of a sudden failure as per the warranty terms.

The business explained that, on the first occasion, the car was driven to a garage, meaning it had not broken down, which went against their policy conditions. On the third occasion, when the engine seized, which was the result of a failure of the oil pump, both the warranty provider and Ms I obtained quotes for a replacement power unit, ranging from between £4,000 to £7,200.

Even though the warranty provider felt that they were not liable for Ms I's claim based on the evidence presented, they did nevertheless offer a 50% goodwill contribution towards the cost of a replacement engine, but were not able to provide any other remedies in this case. The goodwill gesture recognised that the first garage where the car was initially booked in for an investigation, did not find an oil leak.

#### Adjudication outcome

In terms of being able to deliver the adjudication outcome, there were three elements for consideration. These were namely the oil leak, the level of customer care Ms I had received, and the claim for the repair of the faulty rear door handle and the AdBlue system.

##### The oil leak

With regards to the oil leak, the adjudicator said that it was important to note that an oil leak was not a fault, but an indication that there was a component in the vehicle that was faulty and was currently leaking oil. With no clear indication of what the cause of the oil leak was, the adjudicator was unable to agree with Ms I that the warranty provider was obliged to cover the cost of the repair. This is because there was insufficient documentary evidence to demonstrate that the component leaking oil was a covered part, or that it suffered a sudden and expected breakdown as defined by the warranty agreement.



### The level of customer care provided to Ms I

Based on the facts of the case, the adjudicator was unable to agree with Ms I's version of events in relation to the customer care provided, and said that there was insufficient evidence available to demonstrate there had been a breach of the Vehicle Warranty Products Code. As a result, the adjudicator was unable to uphold this aspect of the complaint.

### The faulty AdBlue system and door handle

In terms of the faulty AdBlue system and rear door handle that Ms I made reference to in her complaint, the adjudicator noted that these were not listed on the warranty agreement as covered components, so no further action could be taken on this point.

The adjudicator remarked that, even if they did happen to be listed components, Ms I had not provided sufficient documentary evidence to demonstrate that they had suffered a sudden and unexpected breakdown as defined by the consumer's warranty agreement.

### Conclusion

Based on the evidence presented, the adjudicator recommended that Ms I accepted the offer of goodwill from the business and, as it went beyond their obligations, this was considered a fair outcome for the consumer.

Ms I did not respond to the adjudication outcome within the allotted time frame, 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.<sup>6</sup>

### 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 2022.

### 3.4.1 Vehicle Sales Code performance data

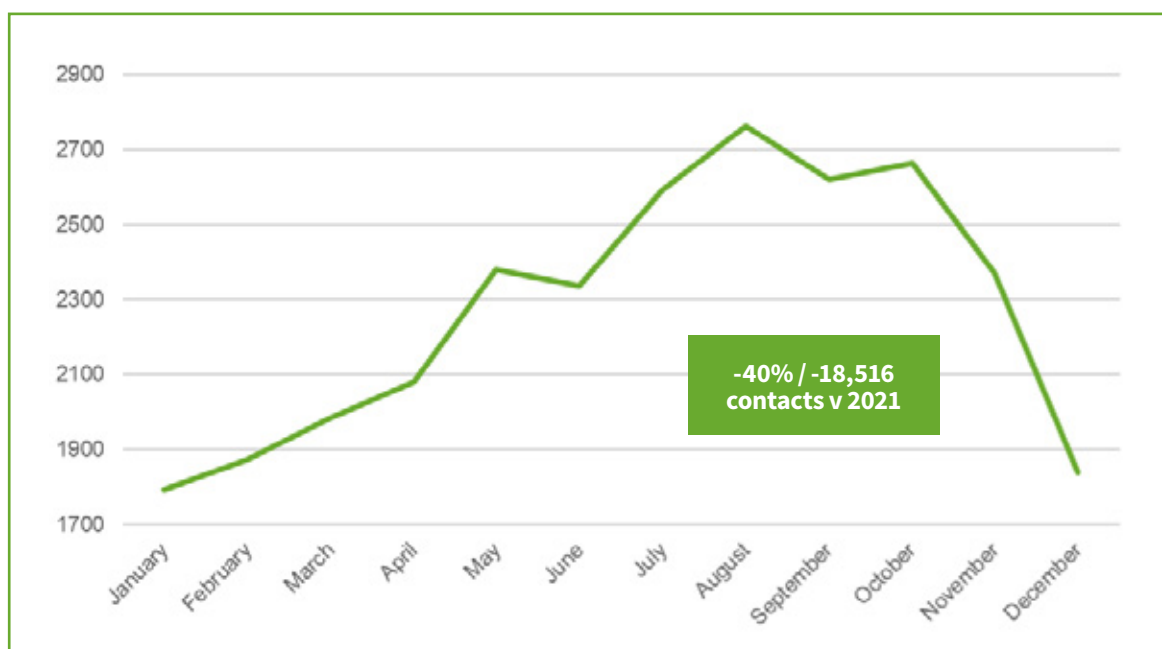
	2020	2021	2022	Trend (2022 v 2021)
Consumer contacts	20,822	45,821	27,305	▼
Early resolutions	142	289	181	▼
Adjudication cases*	2,753	2,652	2,958	▲
Ombudsman final decisions	222	228	316	▲
Escalation rate (Contacts to cases)	13%	6%	11%	▲

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

<sup>6</sup> [www.TheMotorOmbudsman.org/garage-finder](http://www.TheMotorOmbudsman.org/garage-finder)

### 3.4.2 Vehicle Sales Code performance charts

Vehicle Sales Code contact volumes by month (Jan - Dec 2022)



Vehicle Sales Code case volumes by month (Jan - Dec 2022)



### 3.4.3 Vehicle Sales Code performance analysis

Consumer contacts received by The Motor Ombudsman in relation to a new or used vehicle purchase decreased by 40% in 2022 to **27,305** (compared to 45,821 in 2021), in a year that saw production issues hamper the new car market, which in turn caused shortages on used car forecourts and rising prices, due to there being less stock available to sellers. Monthly contacts peaked most notably in March and August/September – the two busiest times for UK car sales when the new vehicle registrations are introduced.

In contrast, the number of cases accepted for adjudication increased by **12%** from 2,652 to **2,958**, as a greater proportion fell within The Motor Ombudsman's remit compared to 2021.

Buoyed by a greater level of resource and increased efficiencies brought about by process changes, the number of ombudsman final decisions, for what is The Motor Ombudsman's busiest Code of Practice, rose to a three-year high of 316 – an increase of 39% and 42% relative to the volumes seen in 2021 and 2020 respectively.

### 3.4.4 Vehicle Sales Code cases by breach

Source of breach	2020	2021	2022	Trend (2022 v 2021)
<b>1.0 Advertising</b>	6%	5%	5%	–
<b>2.0 Presentation of used cars for sale</b>	6%	9%	8%	▼
<b>3.0 Presentation of new cars for sale</b>	1%	1%	1%	–
<b>4.0 The vehicle sales process</b>	6%	6%	5%	▼
<b>5.0 Provision of warranty products</b>	6%	2%	2%	–
<b>6.0 Provision of finance products</b>	1%	0%	0%	–
<b>7.0 Quality of a vehicle at the point of purchase</b>	58%	34%	32%	▼
<b>8.0 Aftersales support</b>	9%	36%	44%	▲
<b>9.0 Complaints handling</b>	7%	7%	3%	▼

Consumer complaints relating to the Vehicle Sales Code in 2022 resulted from the following principal breaches:

#### 8.0 Aftersales support (44% of breaches):

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

#### 7.0 Vehicle purchase quality (32%):

- The seller of the vehicle did not meet its legal obligations to the consumer, and the car was not fit for purpose, of satisfactory quality, and as described [7.4];
- The consumer did not receive a full documented handover regarding the operation of the vehicle and associated documentation made available to the accredited business [7.2]; and
- 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].

#### 2.0 Presentation of used cars for sale (8%):

- 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].
- Used vehicles were not subject to a pre-sales inspection in accordance with an approved checklist [2.9]; and
- The accredited business did not provide the consumer with any other information that could affect their transactional decision [2.13].

<sup>7</sup> Numbers in brackets denote Code of Practice clause reference.

### 3.4.5 Vehicle Sales Code case studies reviewed by ICAP

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

#### Note:

- **This a sample of the Vehicle Sales Code cases reviewed by members of ICAP during 2022.**
- **The vehicle age and mileage apply at the point when the consumer submitted their complaint to The Motor Ombudsman.**

#### Case 1: Consumer's claim

Vehicle age	2 months old
Vehicle mileage	Not known
Outcome	Not upheld
Award	None

In September 2019, Mr J bought a brand new 69-plate luxury coupé from a franchise dealership for around £50,000 on a finance arrangement. Two days after the handover of the vehicle by the business, the consumer noticed a noise coming from the centre console. The coupé was booked into the workshop to investigate the issue, and he did a test drive with the technician, who also heard the noise that Mr J had highlighted. The vehicle was kept by the business to repairs, and they replaced the blower motor to fix the issue.

However, when Mr J collected the vehicle, he noticed that there was damage to an interior panel and to the chrome trim, where the technician had tried to remove it. Following the repair, he also experienced a 'throbbing' noise, but the business said that it was coming from the AdBlue injector, and this was normal for the vehicle. Nevertheless, with all the issues that had occurred, and losing faith in the coupé, the consumer asked to reject the car for a full refund, but this was denied by the business.

#### Response of accredited business

The business explained that there had been a number of efforts to identify the source of the noise originating from the centre console, but it concluded that the car was operating normally. The investigations included comparisons with vehicles of the same make, model and year that produced the same noise.

As the dealership said that they could not find fault with the vehicle, they suggested to Mr J that he organised an independent inspection of the car to understand if any further work would be necessary to conclude the matter. The business offered to reimburse the customer should their initial findings prove incorrect.

In terms of the panel that was scratched whilst Mr J's car had been in the workshop to look at the noise complaint, the business believed that this wasn't caused whilst the vehicle was in their care. However, the panel was replaced at no cost to the consumer as a gesture of goodwill.

#### Adjudication outcome

The adjudicator reviewed the evidence provided by both parties, and explained that, if a defect is discovered within the first six months of the consumer purchasing the vehicle, it was evidentially presumed that it was an inherent fault present at the point of sale, meaning the seller had the burden of providing proof to the contrary. As such, the dealership had the responsibility of proving that the vehicle did not already have an issue at the point of sale.

Within the documentation presented to the adjudicator, the dealership stated in their response that no fault with the vehicle could be found. However, this appeared to contradict an e-mail sent to Mr J by the business, which stated that they had heard the noise, and identified it was a noisy bearing in the blower motor behind the dashboard that cooled the media system and instrument cluster.

It was therefore clear to the adjudicator that they were unable to identify a defect present in the vehicle, but were able to advise where it originated from, thereby suggesting that there was a defect present at the point of sale. In addition, the adjudicator noted that the business had provided no other evidence to demonstrate that the vehicle did not suffer from the aforementioned faults when sold to Mr J.

The adjudicator explained that, based on the fact that the vehicle suffered from the faults highlighted, this was enough to consider it of unsatisfactory quality. As the dealership was found to be in breach of The Motor Ombudsman's Code of Practice for Vehicle Sales, the adjudicator upheld the complaint in the consumer's favour.

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

However, the business disagreed with the adjudication outcome and requested an ombudsman's final decision based on the premise that, because a noise had been identified with the vehicle, it did not equate to a fault with the car.

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.

#### Ombudsman's final decision

The ombudsman reviewed the evidence provided and the adjudication outcome, but contrary to the adjudicator's findings, her conclusion was that there was no evidence to show that what the noise from the centre console was, and whether it was actually a fault.

In terms of the 'throbbing' noise, Mr J provided no evidence to support his claim, and noted that the supplying dealership said there was no abnormal noise emanating from the car. The ombudsman explained that, to bolster his case, Mr J could have taken the car to an alternative dealership to confirm if there was indeed a noise present. Alternatively, he could have enlisted an independent third-party engineer to assess the car to determine if there was a fault. As a result, there was no evidence available to support his claim.

Based on the facts of the case, the ombudsman therefore did not uphold the complaint in the consumer's favour, and no award was made to Mr J.

#### Conclusion

Mr J disagreed with the final decision, and was advised that, as this was the last stage in The Motor Ombudsman's process, Mr J was able to pursue legal action at his own expense as necessary.





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

#### Case 2: Consumer's claim

Vehicle age	5.5 years old
Vehicle mileage	69,000
Outcome	Partially upheld
Award	£350

In August 2020, Ms K bought a used 15-plate saloon (registered in April 2015) with around 67,000 miles on the clock from a dealership. The consumer's first cause for complaint was that the carpet mats costing £42, which were specified on the order invoice, were not supplied at the time of delivery.

Secondly, in September 2020, shortly after purchase, the consumer encountered issues with her vehicle. These related to a leaking air condenser, clicking front CV (Constant Velocity) joints, corroded front discs and radiator, a fuel flap that was insecure, a brake caliper that required attention, and three different types of tyres on the car. Ms K also

explained that upon collection, the car was not clean – which was disappointing considering there was a pandemic.

The consumer spoke to the business to collect the car, and their health check, which Ms K had to pay for, confirmed the issues raised, but they refused to carry out any repairs to resolve the problems. Instead, to put the matters right, the dealership offered Ms K £200, which she felt was quite insulting given the poor condition of the vehicle, and the lack of service and professionalism she had received from the dealer.

To resolve her dispute, Ms K instead wanted the business to cover the full cost of the repairs (estimated by the consumer to be £2,000).

#### Response of accredited business

The dealership responded and confirmed that the car had been subject to the manufacturer standards required when selling a used car. They also explained that the offer of £200 was designed to cover the costs incurred by the consumer up until this point, but should not have been seen as a form of compensation.

In light of the consumer's discontent, the business offered Ms K a goodwill gesture of £350, even though this was £100 more than the value of the work that was needed on Ms K's vehicle, and also included the cost of the missing carpet mats and professional valeting to clean the vehicle.

The business also confirmed in their response that they had previously given Ms K the opportunity to have all monies refunded, and to not proceed with collection of the vehicle on handover as she was unhappy with it. However, Ms K went ahead with the purchase.

Based on the above, and although the dealership was unsure as to how the consumer reached their resolution figure of £2,000, the business deemed their goodwill gesture to be a fair and reasonable offer, and included the reimbursement of costs excluded from the vehicle's approved used warranty. The dealership also explained that brakes are a wear and tear item, which required replacement after the consumer drove 8,000 miles following the vehicle's handover to Ms K, so no further action would be taken regarding these.

#### Adjudication outcome

The adjudicator noted that the business had carried out pre-sale checks before Ms K took ownership of it. The pre and post-sale MOTs in March 2020 and April 2021 respectively, also showed that the car had passed both tests.

In terms of the three different brands of tyres fitted to the consumer's vehicle, there was no evidence showing that this posed any safety concerns, nor did it cause the vehicle to fail its MOT. Therefore, the adjudicator did not deem the business to be liable for replacing them.

The vehicle health check indicated the front and rear brake discs and pads as advisories soon after purchase, and were replaced by the customer within a few months of purchase. As brakes are wear and tear related components, and with a used vehicle of the age and mileage that Ms K purchased, it would be expected that these would need to be changed. Also, the brakes did not cause the vehicle to fail its MOT, meaning the adjudicator could not be held liable to absorb the cost of repair or replacement.

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

Paperwork from September 2020 supplied by the consumer (the car had completed 68,000 miles at this point) highlighted the radiator as being corroded, a CV boot split, a possible glow plug cylinder fault, and the fuel flap as being insecure. The adjudicator mentioned for a car of this age and mileage, that it would be unreasonable not to expect corrosion. However, as the issue was flagged so soon after purchase, she did agree the business should be held liable to repair the radiator corrosion, and these aforementioned parts.

For the issues with the air conditioning, an invoice from October 2020 indicated that the system was serviced. The adjudicator stated that this was a standard requirement related to the usage of a vehicle, and that the cost should be borne by the vehicle owner. Therefore, she did not agree the business should be held liable to cover the expense relating to the air conditioning service.

Based on the facts presented, the adjudicator partially upheld the case in the consumer's favour and endorsed the goodwill gesture of £350 offered to Ms K.

### Conclusion

Both parties accepted the adjudication outcome, and the outstanding repairs were completed to the customer's satisfaction. The case was then closed.



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

#### Case 3: Consumer's claim

Vehicle age	1.5 years old
Vehicle mileage	Not known
Outcome	Goodwill
Award	Discounted part and labour

Ms L purchased a used 67-plate city car (registered in January 2018) for £10,500 from a franchise dealership on 21st August 2019. The business rang the consumer a couple of days later to see if Ms L was happy with the car, to which she replied that she was.

However, when driving on 1st September 2019, the consumer noticed faint scratches on the windscreen, which were only visible in a certain light, and thought this was a strange occurrence. Ms L called the dealership to report the issue, and took the car back to their premises, and the salesperson tried to polish out the scratches, but this made them more visible. They also suggested that the marks could have been caused by falling tree leaves.

To resolve this issue, Ms L requested a brand new windscreen, and the business quoted the consumer £300 to fit one (a reduction of £24 off of the normal price). However, as the consumer had recently paid over £10,000 for the car, which was under two years of age, and had only driven it for a few days at this point, she thought the part should be supplied free of charge to resolve her complaint.

#### Response of accredited business

The business explained that Ms L insisted that the windscreen was changed, even though the dealership thought it was unnecessary. The consumer and business agreed that most used cars do have signs of wear and tear on the windscreens, which becomes evident in very rare occasions under direct sunlight, but do not pose any structural or visibility danger to occupants.

Nevertheless, the consumer remained unsatisfied with the windscreen, but acknowledged that the condition of it had not breached the conditions of sale. As a gesture of goodwill to help maintain a positive relationship, the dealership offered a discounted labour rate and money off the cost of the windscreen, but this was rejected by Ms L as she demanded a new windscreen at no cost – something that the business was not able to do. Despite the consumer explaining that they would source a cheaper windscreen elsewhere, the business was still willing to stand by their original offer of £300 to replace the windscreen to help resolve Ms L's concerns.

#### Adjudication outcome

The Motor Ombudsman adjudicator explained that, within the Vehicle Sales Code, it explains that the rights under the Consumer Rights Act 2015 will not include wear and tear items where applicable. Considering this, and the fact that Ms L's car was used, the adjudicator deemed it to be reasonable for a used vehicle, like the one Ms L purchased, to show some signs of general wear and tear.

As such, the adjudicator was satisfied that there had not been a breach of the Vehicle Sales Code, and was therefore unable to uphold Ms L's complaint in her favour. As the business did not have an obligation to cover any repair costs, the adjudicator recommended that Ms L accepted the goodwill offered by the business because it went above the obligations of the dealership.

The business accepted the adjudication outcome, but Ms L rejected it, and requested a final decision from the ombudsman.

#### Ombudsman's final decision

The ombudsman came to the same conclusion as the adjudicator, and therefore did not uphold Ms L's complaint in her favour. This is because she said that no evidence had been submitted to support Ms L's claim that the scratches existed at the point of sale, despite the complaint being raised within the first 10 days of ownership.

The ombudsman remarked that she had not seen any evidence pointing to the fact that the scratches were anything more than a cosmetic concern, and said that, as the car was used, it would be reasonable to expect that Ms L's car would have some aesthetic imperfections. She also added that, the presence of these imperfections did not equate to a breach of the Vehicle Sales Code, or give Ms L the right to a remedy under existing legislation.

The ombudsman acknowledged that the business had made an offer of goodwill, which Ms L chose not to accept, but she still hoped that the business would still honour it if the offer had not been rescinded in the event that Ms L changed her mind.

#### Conclusion

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

# SECTION 4:

## Business compliance monitoring

- 4.1 Online self-assessments and physical audits
- 4.2 Managing non-compliance
- 4.3 Accredited business suspensions in 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 2022. During the year, The Motor Ombudsman increased engagement with customers, businesses and regulatory bodies, such as the Chartered Trading Standards Institute (CTSI), to address and resolve non-compliance issues as and when they arose.

### 4.1 Online self-assessments and physical audits

#### 4.1.1 Online self-assessments

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

The assessment asks businesses to complete information on subjects, amongst others, such as their staff training programme, their internal complaints process, as well as the advertising and sale of vehicles. The same self-assessment applies upon the renewal of the annual Code accreditation, and all businesses are asked to complete the assessment within 30 days of it being sent to them.

For 2022:

- ▶ **1,426** online self-assessments were completed for Service and Repair Code-accredited businesses.
- ▶ **972** online self-assessments for Vehicle Sales Code-accredited businesses were undertaken.

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

#### 4.1.2 Physical on-site audits

Every year, physical on-site audits are carried out on a random sample of businesses within The Motor Ombudsman's nationwide accredited business network to ensure that they continue to meet the necessary high standards for accreditation. In agreement with CTSI, no physical on-site audits were carried out during 2022.





## 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 2022

Following a review of cases by the Independent Compliance Assessment Panel (ICAP), there were **no business suspensions** in 2022.

## 4.4 Accredited business expulsions in 2022

Following a review of cases by the Independent Compliance Assessment Panel (ICAP), there were **no business expulsions** in 2022.

## 4.5 The enhanced compliance process

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

The overall objective of this was to reduce the number of 'touchpoints' wherever possible, throughout the compliance process, and to cut the average time to resolve compliance escalations. Whilst only resulting in slight changes to the way these escalations are managed, the greater use of The Motor Ombudsman's specialised contact team earlier in the process, has seen tremendous results. This has equally helped prevent the need for referrals to The Motor Ombudsman's compliance department, and resulted in a clear increase in business engagement throughout the ADR process. In addition, disputes can be closed sooner, thereby allowing the compliance department to focus greater resource on a fewer number of escalations, and to turn their efforts to further enhancing The Motor Ombudsman's reporting and closer scrutiny protocols.

Early examples of the positive steps being taken by the team include, the development of data dashboards for members of ICAP to view and interrogate compliance escalations, and the completion of business audits and self-assessments from across all four Motor Industry Codes of Practice. This work will remain ongoing in 2023.

## 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 2023.

## 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 2022, The Motor Ombudsman (TMO) undertook the following actions in-line with the five measures detailed within the Service Standards Framework.

<b>1.0 Accessibility</b>	<p>TMO:</p> <ul style="list-style-type: none"> <li>Updated its Vulnerability Framework, taking account of the new ISO 22458:2022 on consumer vulnerability, which TMO will look to align itself with in future years;</li> <li>Revamped its <a href="#">Accessibility</a> section on TheMotorOmbudsman.org, with the addition of related Knowledge Base articles to help customers who need this service, to find information more easily; and</li> <li>Started to review internal service level agreements (SLAs) of cases where accessibility or vulnerability plays a factor, so TMO can see what improvements can be made in future years.</li> </ul>
<b>2.0 Communication</b>	<p>TMO:</p> <ul style="list-style-type: none"> <li>Reviewed and launched an updated investigative stage process with a focus on communicativeness;</li> <li>Launched an internal review of pinch points within its current service, and where self-service access could improve communication and drive efficiencies; and</li> <li>Sourced a new telephony provider with a view to extending its communication methods with new technologies.</li> </ul>
<b>3.0 Professionalism</b>	<p>TMO:</p> <ul style="list-style-type: none"> <li>Aligned its Quality Assurance programme to its company values, thereby encouraging best practice and improved outcomes; and</li> <li>Aggregated data from its new and improved customer satisfaction surveys to target areas in its service where satisfaction is lower, in order to identify where further improvements can be made.</li> </ul>
<b>4.0 Fairness</b>	<p>TMO:</p> <ul style="list-style-type: none"> <li>Rolled out its new Quality Assurance framework to all staff and stages of the dispute resolution process, with a focus on the service given, and ensuring the outcomes align with TMO's values; and</li> <li>Implemented improved onboarding and training suites to ensure staff are best prepared to deliver outcomes that are fair, proportionate, and reasonable.</li> </ul>
<b>5.0 Transparency</b>	<p>TMO:</p> <ul style="list-style-type: none"> <li>Added another 98 Code of Practice case studies to its website, giving even greater insight into its adjudication outcomes and final decisions, and approaches; and</li> <li>Shared data from its casework with the industry in a number of webinars, which were designed to feed back trends and issues, and improve the customer journey within its accredited business network.</li> </ul>

#### 4.8 Delivery of online webinars and seminars

During the course of 2022, The Motor Ombudsman hosted free online webinars and seminars for accredited and non-accredited businesses, touching on key subjects affecting the automotive sector. They were as follows:

- ▶ **March 2022:** The biggest areas of consumer complaints relating to electric vehicles.
- ▶ **May 2022:** Annual Automotive Law Update (in partnership with Radius Law).
- ▶ **July 2022:** The latest on the used car market and the biggest areas of consumer complaints (in partnership with Auto Trader).
- ▶ **October 2022:** The first case clinic-style webinar, which explored examples of complaints experienced first-hand by businesses.
- ▶ **December 2022:** The latest trends in consumer complaints, with a focus on the impact of the cost of living crisis, working with vulnerable customers, and real life case studies.





## 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:

- ✓ It noted a slight drop in consumer awareness of The Motor Ombudsman, including amongst individuals who had previously had a motoring dispute. In contrast, the Panel observed that awareness was highest in the 18 to 24 age group;
- ✓ 84% of survey respondents felt more confident using a Motor Ombudsman-accredited business;
- ✓ The panel noted that nearly three-quarters (72%) of consumers were able to resolve their dispute directly with the garage concerned, up from 67% in 2021.
- ✓ A score of 99% was achieved in The Motor Ombudsman's consumer satisfaction survey for the service received from accredited businesses;
- ✓ It is always interested in complaints about The Motor Ombudsman's service, as this provides valuable learning, and improvements can be made;
- ✓ As in previous years, the most complained about aspect of The Motor Ombudsman's service was in regards to delays, with complaints up 23% on the figure seen in 2021.
- ✓ In response to service complaints, The Motor Ombudsman has carried out various initiatives to address these, including IT enhancements, higher staffing levels, and has also reworked its Quality Assurance processes.
- ✓ It is pleased that the rise in service complaints about the approach of staff to consumers is being specifically addressed;
- ✓ Further enhancement of accessibility and quality assurance was carried out along with both consumer and business education initiatives;
- ✓ Online information resources have been embellished with a specific section on electric vehicles (EVs);
- ✓ It is pleased that EVs and autonomous driving innovations are being specifically addressed within The Motor Ombudsman's Codes of Practice, and are staying abreast of ever-changing technology in the automotive sector;
- ✓ The Motor Ombudsman website has specific help and a Knowledge Base for both businesses and consumers; and
- ✓ Consumers can also be signposted to accredited businesses via The Motor Ombudsman's online Garage Finder.

### Accredited business auditing

- ✓ As in the previous year, no on-site audits were carried out. However, 1,426 online assessments were carried out for the Service and Repair Code, and 972 online assessments for the Vehicle Sales Code.

### Non-compliance

- ✓ It is aware of The Motor Ombudsman's penalty points system in order to manage non-compliance. As indicated by this report, there were no business suspensions or expulsions in 2022.

### Compliance with CTSI and OA Service Standards

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

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



- While consumer contacts dropped significantly (35%), the number of adjudication and final decisions increased (+110% versus 2022), in effect giving The Motor Ombudsman more work with fewer cases
- As in previous years, the standard of work was by far and away the most complained about issue, with numbers steadily increasing year-on-year (47% in 2020, 68% in 2021, and 76% in 2022)



- 99% of all new vehicles sold were covered by an accredited business
- The most complained about issue was the manufacturer's warranty – 84% in 2022, with claims being dismissed and non-plain English policy wording being cited
- Fewer new car registrations was reflected in reduced contact numbers, resulting in nearly 3,000 fewer contacts compared to 2021, albeit the case volume increased by 5%
- It was reassuring to see complaints against manufacturer advertising reduce from 16% in 2020 to only 6% in 2022



- Consumer contacts were in line with those seen in 2021, as were early resolutions, albeit adjudication and ombudsman final decisions increased
- Contact volumes were understandably at their highest in October
- Again, the most complained about issue was clarity of what is covered by a warranty and what constitutes a component breakdown, as opposed to wear and tear (70%)



- Consumer contacts reduced significantly on 2021 levels - down by 40% or 18,500
- This was probably due to sales and supply of new vehicles faltering in 2022 for a number of factors, including the semi-conductor shortages
- However, even with these reduced volumes, adjudication numbers increased by 12%, and ombudsman decisions reached a three-year high
- The most complained about issues were the quality of the vehicle (32%), and aftersales support (44%)
- These numbers can facilitate a learning opportunity for car sellers in improving their service and reducing complaints



**THE MOTOR  
OMBUDSMAN**

[TheMotorOmbudsman.org](http://TheMotorOmbudsman.org)