



Vehicle Sales Code Audit - December 2022

Background information

The Motor Industry Code of Practice for New Cars is one of the most established Consumer Codes available to the public, having been launched in 1976 as the Motor Industry Code of Practice, and later endorsed by the Office of Fair Trading (OFT) in 2011.

The OFT brought in the new Consumer Codes Approval Scheme (CCAS) under the Enterprise Act 2002. Following the demise of the OFT, the CCAS is now administered by the Chartered Trading Standards Institute (CTSI).

The Vehicle Sales Code was approved by CTSI in 2017

The Motor Ombudsman (formally known as Motor Codes) has been approved by the Ombudsman Association (OA) to operate as an Ombudsman since November 2016. Their four Codes of Practice have since been adapted in line with Ombudsman processes with all accredited businesses migrated over from Motor Codes. These Codes have many similarities in the way in which they are managed, and the sanctions applied to accredited businesses who may breach a Code.

The four Codes are:

- The Motor Industry Code of Practice for New Cars
- The Motor Industry Code of Practice for Vehicle Sales
- The Motor Industry Code of Practice for Vehicle Warranty Products
- The Motor Industry Code of Practice for Service and Repair

Many businesses are accredited to more than one Code of Practice.

The audit was carried out following the restrictions of the Covid 19 pandemic, the pandemic placed many hurdles for the motor industry, which continued to operate remotely where possible with an associated increase in remote and online sales.

The Government announcements on the ban on conventional combustion engines will no doubt provide further challenges to the motor industry.

There are no planned changes to the Code in 2023 on the way in which it operates although the TMO is looking to continue its development and improvement of its internal processes.

Existing accredited business inspections/audit

The audit process was carried out through a combination of self-assessments and physical on-site audits. However, on site audits were suspended throughout the COVID pandemic. Audit is now achieved by a self-assessment process aligned with the member rene

TMO has developed e-based training modules for accredited businesses on key legislation such as the Consumer Rights Act and Alternative Dispute Resolution (ADR) regulations. These courses have proved to be a popular and effective way of educating staff on core legislation affecting the industry without the need for staff to physically attend a classroom. As the training has been developed directly with TMO (in partnership with CTSI), it is automotive specific, which only adds greater value to its content for users.

TMO has also developed a policy to help assist vulnerable customers. This has been discussed at Committee meetings and shared as an example of best practice to be adopted. If necessary, this can be tailored by businesses to assist staff in dealing with customer queries.

Away from fixed or planned training that TMO operates, their Information Line provides information to consumers and businesses alike on their legal rights or obligations. It is supported by Customer Service Advisors who have all undergone automotive specific legal training.

On a similar note, TMO Adjudicators and in-house Ombudsman regularly provide recommendations for training or amendments to existing policies within their rulings. This proves effective in highlighting how amendments to policy or further training can be beneficial to businesses as it comes at the end of a

standards through the operation of its Codes. This became more widespread on the back of further system developments that enhanced the ability to capture and allow for targeted communications to provide helpful guidance to businesses.

Consumer complaints process

The ADR function at TMO is managed 100% in-house and the complaints process is

The consumer journey is managed by TMO throughout. Consumers will first liaise with a customer service advisor by either post, telephone or email who will assess the dispute to see if it falls within TMO remit. If TMO cannot deal with the dispute, an

Customer satisfaction and feedback

Consumers can leave feedback about their car purchasing experience on the TMO website. They simply need to find the dealer they would like to review and complete a short survey. This has been operating since 2018 and TMO are exploring ways to obtain greater levels of customer feedback including prize draws for completed feedback.

A summary of all aggregated customer feedback is reported on, on a yearly basis, and is presented within ICAP and Annual Reports.

Conversations have been held between TMO and various manufacturers over obtaining copies of their own Customer Satisfaction Intelligence (CSI) data. Restrictions under the GDPR have slowed progress in this regard but TMO remains confident of obtaining this information in due course.

Conclusions

The Motor Ombudsman operates an impressive system to provide protection for consumers in the new car sector. It handles a large number of complaints, but this is inevitable having regard to the number of annual car sales. The Motor Ombudsman has a clear vision of improvements set out in their five-year business plan. This takes account of the trends in new car sales to online sales and fully electric vehicles. The move to self-assessment with targeted intervention is considered to be an effective way of monitoring the code.