



Vehicle Warranty Products

Audit December 2023

Background information

The Vehicle Warranty Products Code was launched in 2009, and it was 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).

Businesses accredited to this Code cover approximately 70-75% of the extended warranty market.

The Motor Ombudsman (TMO), formerly known as Motor Codes, has been approved by the Ombudsman Association (OA) to operate as an Ombudsman since November 2016. Their four Codes 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 members who 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.

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

on a conversation with relevant staff and examining associated documents. The Audit looked at the following areas:

- The accredited business application process including checks on prospective businesses
- Accredited business auditing-content and process
- Terms and conditions
- Marketing and advertising by accredited businesses
- Sanctions for non-compliant accredited businesses
- Customer service provision (including support for vulnerable consumers)
- The consumer complaints process (ADR)
- Customer satisfaction
- Training provided by accredited businesses to meet their obligations
- Any outstanding Issues from the 2020 audit

Audit summary

Summary

The Code continues to provide efficient and effective consumer protection in this sector.

The compliance programme for the Code requires a physical audit to be carried out on an accredited business at least once every five years. To make sure this target is achieved, TMO has established systems in place to report on the audits once they are completed.

There are currently 18 members in the scheme, including 2 new members.

Due to Covid, no on-site physical audits were carried out in 2023. It is intended to maintain self-assessment with face-to-face intervention if areas of non-compliance are identified.

The annual self-assessment has now been aligned with the annual renewal documentation.

Accreditation withdrawn

Throughout the year TMO issues several press releases to both consumer and trade media, and regularly provides guest articles for trade publications highlighting areas of best practice and industry insights. The success, reach and impact of The Motor

media reach and PR coverage generated.

TMO also has found good success in developing seasonal campaigns to raise awareness amongst consumers and increase engagement and provide value for its accredited business.

TMO has also utilised webinars as a good medium for providing direct and personalised training to businesses who are further afield.

Terms and conditions and other pre-contractual Information

All accredited businesses must have copies of the Code of Practice and Consumer Guides on site, which they confirm as part of their self-assessment, as does ensuring that their certificate is publicly displayed within their reception area.

Additionally, all businesses must have terms and conditions. To assist businesses with ensuring that they have the required items, TMO has a range of products available to buy through TMO. They also have a range of signage and stickers available to purchase, which include the TMO and approved Code logo to allow businesses to promote their accreditation.

TMO requires that accredited businesses display its logo and contact information on their website, and has previously circulated (via their monthly newsletter) best practice for wording which also forms part of the Welcome Pack. To better monitor this coverage, TMO has developed a Smart Badge following guidance from CTSI that provides analytical data on how widely used it is. Another benefit of the Smart Badge is the ability for consumers

This provides consumers with instant peace of mind that they can turn to TMO should the need arise.

Customer service provisions

GDPR requirements have been addressed, as have changes needed by the Consumer Rights Act (CRA) 2015.

TMO has developed e008871 0 595.32 84.92 reW*nBT/F3 12 Tf1 0 0 1 372.3 02.79 Tm0 g8-3(l)12

