

Audit Summary

The audit examined:

- The application process for new members
- The records of audit of existing members
- Complaint procedure including Alternative Dispute Resolution (ADR)

Member Application Process

AA Cars has a comprehensive member database, with all records kept electronically.

New Members

A total of 477 AA Cars Dealer members joined or transitioned to the revised code during 2022.

The application process involves a sales person meeting with a code new applicant business on site to complete an initial assessment.

AA Cars then completes a range of due diligence checks, including credit history checks and requires an image of the dealership to ensure it meets AA standards. AA Cars uses an online e-sign contract to sign-up dealerships. A Companies House check is completed for all Limited businesses, which validates the company is active and the registered name and address is correct.

The number of cars typically stocked must tally with the number declared on the member's contract. AA Cars accounts department will check the figure given on the application against the members website to verify.

All new applicants are subject to a full site audit and a call from the Customer Services Team (where the dealership typically stocks less than 50 cars) or a visit from a Field Account Manager (where the dealership typically stocks more than 50 vehicles) within a month of being admitted to the scheme.

There have been minor enhancements to the code and changes to the branding and point of sale information, and digital downloads. Compliance with premises and website is ongoing.

Existing Members Inspections/Audit

AA Cars stay in regular contact with all members. Either the Customer Services Team (where dealers

their membership commences to check if all branding material has been received and to provide advice and encouragement, if appropriate, for its use.

The CTSI approved code logo has been added to all relevant material.

Terms and Conditions and other Pre-Contractual Information

Terms and conditions (Ts&Cs) and other pre-Contractual information is required by the Code to be visible to a consumer prior to contract.

AA Cars provides guidance to dealers for creating a set of standard terms and conditions. Links to this guidance are available on the AA Cars Hub, which are provided to the member at the time of joining if they do not have suitable Ts&Cs.

Customer Service Provisions

A high level of customer service is fundamental to The AA and it places the same high expectation of customer service on its Code members. This is explained to potential members prior to joining the Code.

There are regular communications with members via email, generally once per quarter. However, if there is important information or updates to be communicated, additional emails will be sent out. AA Cars have an excellent read-rate of their dealer member emails and at times it has reached 80%. This communication channel was used during the coronavirus lockdown periods when the sales of cars online increased dramatically, and an email was sent to remind dealers of their obligations in relation to distance contracts under the Consumer Contracts (Information, Cancellation, and Additional Charges) Regulations 2013. Also, as a reaction to this change in consumer behaviour, the Support and Advice section on the AA Cars website was changed to provide assistance for consumers in this area, however, as previously reported consumers are still choosing to visit dealers'

AA Cars assess the complaints received to establish if training is required for dealer members in relation to complaint handling and their obligations to consumers. Any such training is provided by the Mediation Team, Customer Services Team or Account Managers and is recorded in the member's files.

If the AA receives any complaints about a member, this triggers an intervention. However, one single complaint that highlights issues about the customer care culture within the business can cause removal of the member from the AA Cars Code.

Customer Satisfaction and Feedback

AA Cars use the following key performance indicators to measure the code's effectiveness and to ensure that members remain compliant: -

- volume of complaints received
- types of complaints received
- amount of consumer rights training provided
- vehicle quality review

AA Cars actively encourage customers to provide reviews on Trustpilot. The current level of reports was 501 with an average score of 4.4 out of 5.

AA Cars place a lot of emphasis on the number of complaints received and how they are handled by the dealer.

AA Cars are continuing to look at differing ways to gather more customer feedback about operation of the code and dealer compliance including operating an NPS (Net Promoter Score) system.

Conclusions

The AA brand is a strong brand within the motoring industry. Dealers using the name gain instant credibility and consumer trust. The AA strives to protect its brand and