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## THE MOTOR OMBUDSMAN

### Service and Repair Code

### Audit December 2022

#### Background information

The Service and Repair Code was launched in 2008, 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).

The Motor Ombudsman (formally 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 with regard to the Covid 19 pandemic, the pandemic placed many hurdles on the motor industry, which continued to operate remotely where possible, but clearly this is not practical for service and repair.

There are particular planned changes to the code during 2023.

#### Audit process

A qualified Chartered Trading Standards Practitioner from the Chartered Trading Standards Institute carried out an onsite audit with interviews of relevant staff and examination of associated documents.

The audit looked at the following key areas:

- The accredited business application process, including checks on prospective businesses
- Accredited business auditing content and processes
- 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 Code members 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.

### **New accredited businesses**

In most cases, an applicant will initiate contact with The Motor Ombudsman by e-mail or phone. They will liaise with a member of The Businesses Services department who will answer any questions regarding the application process. Following this conversation, an application form is issued.

TMO now takes applications via their website so businesses can start the process outside of standard working hours – a development that is helping independent businesses (which tend to have smaller staffing levels) gain accreditation to the Code.

Once the business submitted their application form, a member of the Business Services department will review the information provided and conduct a pre-check to the business.

Assuming the assessment does not flag up any concerns, the application will be processed with the business marked as a provisional member (new applicant). The applicant submits an evidence-based self-assessment which confirms they meet the entry criteria of the Code.

Once the business has passed their online self-assessment, the business will be fully accredited to The Motor Ombudsman and they will receive their Welcome Pack.

During 2022, the total membership was 4,641, which included 75 new members and 140 members who left the Code.

### **Existing accredited business inspections/audit**

The audit process is now carried out by online self-assessments which has proved an effective and efficient method of monitoring the code.

Businesses accredited to the Code enter a compliance programme which requires a physical audit to be carried out on an accredited business at least once every five years. To make sure that this target is achieved, TMO has established systems in place to report on the audits once they are completed. This has now been changed to self-assessment aligned with the renewal date. It is not proposed to carry out onsite audits. If a code member is 'flagged' for any reason face to face intervention is carried out to ensure code compliance.

It was not been possible to carry out onsite audits in 2022 due to the covid pandemic, however, TMO conducted 1426 online remote audits.

### **Accreditation withdrawal and sanctions for non-compliant accredited businesses**

Accredited businesses receive penalty points for instances where they fail to comply with the adjudication process. Some of these points may be awarded to the business for a relatively minor infringement, for example failing to respond to an adjudicator within the allotted time period due to an absence from the business. In such instances, an adjudicator can opt to remove penalty points should they feel the mistake be genuine and a one off.

The system issues a written warning one for 30 points, written warning two for 60 points, at 90 points the business will be referred to TMO's Independent Compliance Assessment Panel (ICAP) who will consider the appropriate sanction which could be a further warning, extended-suspension or expulsion.

Suspensions can be applied at any time at the discretion of the TMO if the business refuses to co-operate and can result in automatic suspension.

There are currently 27 businesses in the disciplinary process, with a further 49 within the TMO's Closer Scrutiny protocols. Closer Scrutiny is a mechanism used by TMO for enhanced monitoring of accredited businesses where it is felt a compliance breach is probable to occur in the future, or where an accredited business has previously had penalty points awarded.

### **Marketing and advertising by accredited businesses**

All new businesses accredited to the Service and Repair Code receive a Welcome Pack, which includes the essential information they need to know about the Code of Practice as well as Motor Ombudsman documentation they need to be compliant.

E-Training is available to all code members. Subjects include ADR, Consumer Rights, Distance sales and GDPR. All modules are specifically tailored to the motor industry.

TMO sends out email newsletters (Engage) and tailored emails informing businesses about the latest news from The Motor Ombudsman, industry insights and developments. They also regularly include information about the importance of showing the TMO and Approved code logo as well as best practice.

The Motor Ombudsman regularly checks its accredited business websites to ensure they are displaying the Motor Ombudsman and Approved Code logo, and receive the quarterly audit results from the Consumer Codes Approval Scheme which are acted upon for those business found not to be displaying the logo.

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 Ombudsman's campaigns are measured through monitoring of website hits, social 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. Over the coming months, TMO plans to provide more webinars to its membership base, focusing on 'industry hot topics' as they arise.

### **Terms and conditions and other pre-contractual Information**

All Code members 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 the Motor Ombudsman's online Code Shop. 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 accredited businesses to 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 its ability to 'click to verify' a business's accreditation is still active. 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 from the Consumer Rights Act (CRA) 2015.

TMO has developed e-based training on key legislation such as the CRA, Distance Sales, Alternative Dispute Resolution (ADR) regulations available to accredited businesses. These modules have proved a popular and effective way of training staff on the core legislation affecting the industry without the need for staff having 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 TMO members.

As part of the self-assessment TMO checks that all businesses have undertaken some form of ADR training.

Within the self-assessment TMO asks businesses to provide a complaints log. This, like many questions, includes a reference as to why it is important for a business to comply, and the benefits of doing so. With the example of the complaints log, TMO actually provides a simple illustration for accredited businesses that can be downloaded directly from the assessment and be kept for best practice. TMO has recommended this to a majority of their businesses who might not necessarily yet have a robust complaints log.

Similarly, within the assessment, TMO asks the business to confirm that they have the logo referenced on the website and that the certificate is displayed on the premises. This not only helps to promote their accreditation to consumers, but also acts as a reminder to staff of their commitment to the Codes.

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

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

On a similar note, TMO adjudicators and the in-house Ombudsmen regularly provide recommendations for training or amendments to existing policies within their rulings. This has proved effective in highlighting how amendments to policy or further training can be beneficial to businesses as it comes at the end of a dispute and acts as the 'case in point'. This also helps TMO to meet one of its core ambitions of always driving industry standards through the operation of the Code.

TMO operates Garage Star Awards which allows customers to nominate individuals, teams and garages accredited to the Motor Industry Codes of Practice for service and repair and vehicle sales that have gone above and beyond. A record 1,086 nominations were received with winners announced in November 2022.

### **Consumer complaints process**

The ADR function at TMO is 100% in-house and the complaints process is included in the Code of Practice booklet, alongside TMO's contact details.

The consumer journey is managed by TMO throughout. Consumers will first liaise with a customer service advisor by either post telephone or e-mail who will assess the dispute to see if it falls within the TMO remit. If TMO cannot deal with the dispute, an enquiry is logged for monitoring purposes and the consumer is signposted to other organisations. If TMO can help, a case file is created and an enquiry form sent to the consumer. This form enables TMO to collect relevant details about the complaint – consumers will complete it and send it back with any documentation that they would like TMO to consider. Upon receipt, a Case Investigator will check that TMO has all of the information they need, as well as verifying the dispute falls within remit, and will then send the complaint to the business for their response.

Once both sides of the story have been received, the adjudicator will assess the complaint and either try and find an amicable resolution or deliver an outcome. If either party is unhappy with the outcome, the complaint will be referred to the ombudsman. Both parties can submit additional information if they wish, and the ombudsman may investigate the complaint further, before reaching a final decision. If the consumer accepts the final decision, it becomes binding on the accredited business.

TMO is certified as an approved ADR body under the ADR Regulations and is a certified Ombudsman.

### **Customer satisfaction and feedback**

Consumers can leave feedback about their garage experience on The Motor Ombudsman website. They simply need to find the garage they would like to review on the Garage Finder, and then click rate which autofill the garage's details. Alternatively, they can search for the garage on the review webpage.

Customer feedback is available for all to see on each business's profile page on the Garage Finder on the TMO website. The recommendation score and the overall satisfaction score is visible, as is any commentary.

To promote the survey, TMO gives three sheets of survey stickers to all new businesses in their Welcome Pack which mentions the prize draw. The idea is that they can place the sticker on customer invoices. Additionally, TMO sells posters promoting the survey and the prize draw in the TMO Code Shop.

On social media channels, namely Facebook and LinkedIn, TMO actively promotes a link to the survey to their followers, as well as sponsoring adverts to reach a wider audience. TMO also uses banner advertising on the Google Advert exchange with a link to the survey, to encourage consumers to leave a review. Whenever someone wins the prize, TMO announces this on their website and also shares the story on social media.

TMO has a booking enquiry service, where consumers can message garages through the TMO website to make a booking or enquiry. 30 days after the enquiry, the consumer is then emailed and invited to leave an online review. This service has continued to grow throughout 2022

A summary of all customer feedback is reported on in aggregate annually, and is presented within the ICAP and Annual Reports.

## **Conclusions**

Despite the constraints of the covid pandemic the Motor Ombudsman operates an impressive system to provide protection for consumers in the vehicle servicing and repair sector. It handles a large number of complaints, but this is inevitable given the nature of the vehicle service and repair sector. The Motor Ombudsman has a clear vision of improvements set out in their five-year business plan. The move to self-assessment with targeted intervention is considered to be an effective way of monitoring the code.