
Motor Codes Limited Vehicle Warranty Products Audit

March 2016

Background information

The Motor Codes Limited Warranty Code was launched in 1990. This code is an updated version of that of the The Society of Motor Manufacturers and Traders which had been in place since 1990. The code was rewritten in 2011 to strengthen the financial checks on each subscriber to mitigate the possibility of business failure. The code was reissued following amendments approved by CTSI in June 2014.

There are currently 12 subscribers.

Motor Codes has applied to the Ombudsman Association for approval to trade as an Ombudsman. Initial approval has been granted and final approval is expected shortly. The plan is then to migrate all codes across to the ombudsman business with current subscribers subscribing to the ombudsman business. The physical garage inspection monitoring will be gradually replaced by an on line self assessment.

Audit Process

A qualified Chartered Trading Standards Practitioner from the Chartered Trading Standards Institute (CTSI) completed a desktop audit.

The audit focused on the following areas:

Advice to members including general compliance and staff training.

Marketing and advertising by member businesses- Terms and conditions and contracts including cancellation rights, deposits delivery times, guarantees and warranties.
Customer service provisions.

Consumer complaints process including ADR.

Customer satisfaction and how this information is used to develop and improve the code.

Sanctions against members for non-compliance with the code.

Audit Summary

New Members/Existing Member Inspections/Audit

Motor Codes subscriber services team will have telephone, face to face and e-mail discussions with any potential new subscribers. An application form is completed with all terms and conditions agreed between Motor Codes and the subscriber. There have been two new subscribers in the last 12 months.

Subscribers are required to complete a self certification questionnaire, 8 sites completed these in 2014. All subscribers will be required to complete a self assessment questionnaire during 2016.

5 recently completed self assessments were examined and were satisfactory.

The Independent Compliance Assessment panel carries out annual reports the full year report for 2014 dated February 2015 was examined. This showed that 5 compliance checks were carried out and that 29 cases went to conciliation from 462 consumer contacts. The report for 2015 was expected to be published in April 2016.

Membership Withdrawal and Sanctions for Non Compliant Member Businesses

There is also a penalty point system based on a failure to comply with response times in relation to the management of a complaint. The accumulation of penalty points over a 12 month period can result in a written warning up to suspension/expulsion and referral to the Independent Compliance Assessment Panel (ICAP).

There are various sanctions for non compliance ranging from the penalty points system for failures on timescales and closer scrutiny including review of complaint history. Sanctions range from warnings to expulsion. There is an automated email sent to members who fail to renew their subscription detailing what must be done in relation removal of logos etc and how to reinstate membership.

There are no members subject to the disciplinary process.

Marketing and Advertising by Member Businesses

Three members' websites were checked and were compliant and listed on the CTSI directory. Branding guidelines are issued to subscribers, marketing and advertising is checked as part of the self assessment.

Customer Service Provisions

Contact can be made by post, email or a 0843 phone number, call back was tested and made within 30 minutes. There are dedicated trained teams who are all experienced in complaint handling and they keep the complaints process moving to specified time scales. Failure to adhere to the timescales results in penalty points being applied to a member.

Consumer Complaints Process

The complaints process operated by Motor Codes has in effect been an ADR process complying with the free or nominal provisions of the ADR regulations. Motor Codes is now an authorised ADR provider by CTSI and now provides free “in house” ADR. The ADR is operated by an independent “in house” consumer team in compliance the ADR regulation requirements for independence of the ADR provider. There were 443 reported consumer contacts in 2014.

Customer Satisfaction and Feedback

The level of contacts concerning warranty products is very low and as such can be easily monitored and reviewed.

Conclusions

Motor Codes Ltd is fulfilling its obligations as a code sponsor and its member base is compliant with the CCAS core criteria and the Motor Code Ltd Code of practice for Vehicle Warranty Products.

Motor Codes Ltd is now an approved ADR provider and bringing this “in house” has further strengthened their consumer protection and redress provisions.