

THE MOTOR OMBUDSMAN

Service and Repair Code

Audit November 2019

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. All Codes of Practice have since been adapted in line with Ombudsman processes with all accredited businesses migrated over from Motor Codes.

The Motor Ombudsman operates four Codes which 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.

Audit process

A qualified Chartered Trading Standards Practitioner from the Chartered Trading Standards Institute carried out a desktop audit. The audit was based on a detailed pre-audit questionnaire with a large volume 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 2018 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 make contact with The Motor Ombudsman by e-mail or phone where 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 applicants via the 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 has returned or submitted their completed 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 doesn't flag up any concerns, the application will be processed with the business marked as a provisional member (new applicant). The application will be passed to the Compliance team who will work with the business in completing an evidence-based self-assessment.

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 2019 there were 447 new members to the Code.

Existing accredited business inspections/audit

The audit process is carried out through a combination of self-assessments and physical onsite audits.

Businesses accredited to the Code are asked to sign compliance documents and 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.

It was reported in the 2017 audit that there was a backlog of self-assessments and on-site audits, more resource has been put into audits and in 2019 so far TMO conducted 655 online self-assessments and 211 physical (on-site) audits. This equates to 4% on-site audits and 13% self-assessment (remote audits). This is an increase on previous years.

On-site audits are targeted if the number of complaints becomes significant.

A number of completed self-assessments and physical audit forms were examined.

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.

For continued instances of non-compliance, business will continue to receive penalty until they reach 42. At this point, the matter will be handed over to The Motor Ombudsman's Compliance team who will investigate the cause of the non-compliance directly and add the business to the Closer Scrutiny log.

In 2019, there were 116 businesses in the disciplinary process, 107 of these are for failure to complete the online self-assessment within the specified 30-day requirement. The TMO's dedicated assessment co-ordinator is engaging with these businesses to secure compliance.

Should instances of non-compliance continue, 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, suspension or expulsion.

There have been no instances of escalation (expulsion/referral to ICAP) in 2019 to date.

Marketing and advertising by accredited businesses

All new businesses accredited to the Service and Repair Code and / or Vehicle Sales 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.

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) directive 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.

During 2020 TMO is planning to introduce a committee of independent accredited businesses to fill the gap created by manufacturers who attend the Consumer Service Committee (CSC) where best practice is discussed and disseminated, CSC covers emerging case law, ASA rulings and significant Ombudsman adjudications.

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 Code/s. Whilst this has not been as effective as TMO would have hoped, they are looking to push for this in 2019 to increase logo usage and tackle misuse of logos.

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 the body's customer service advisors who have all undergone automotive specific legal training and their experienced team of adjudicators who all possess a legal degree as a minimum standard.

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. This became more widespread in 2019 on the back of further system developments that enhanced TMO's data capturing abilities and allows for targeted communications to businesses that promote guidance which could prove helpful to them.

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 has been since the Regulations came into force in 2015. TMO submitted its annual and biennial reports to CTSI in compliance with the regulations, and is due an on-site audit in 2020.

TMO is also validated through the Ombudsman Association through to 2021 when TMO will go through the Ombudsman Association's revalidation procedure.

During 2019 relevant to the Service & Repair Code there were 13,480 consumer contacts leading to 1,799 cases.

In total in 2019 TMO received 90,718 contacts of which 40,727 contacts related to other motoring information and 6,114 cases across all its Codes of Practice

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 will, in turn, 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 encourage consumer feedback, TMO offers the chance to be entered into a quarterly prize draw to win £500 in Lifestyle Vouchers.

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.

During 2018, TMO launched a new booking enquiry service, where consumers could 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 2019.

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

Conclusions

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. There is ongoing recruitment to cope with consumer demand with law graduates being the preferred candidates.