

Vehicle Builders and Repairers Association–Audit July 2013

Background information

The Vehicle Builders and Repairers Association (VBRA) dates back to 1913, when the trade association represented vehicle builders. As road vehicles became more popular, the association extended its membership to vehicle repairers, whom now make up the majority of the approximately 500 members.

Audit Process

Two qualified trading standards professionals from the Trading Standards Institute (TSI) completed an onsite audit split over two days. The audit focused on the following areas:

1. Member application process including checks carried out on prospective businesses
2. Member auditing–content and process (including general compliance with the code, staff training and dealing with consumer complaints)
3. Sanctions for non complaint member businesses
4. Marketing and advertising by member businesses– Terms and conditions and pre contractual information (including cancellation rights, deposits, delivery times and guarantees and warranties)
5. Customer service provisions (including support for vulnerable consumers).
6. Consumer complaints process (including ADR)
7. Customer satisfaction, information/complaints from enforcement agencies–how this information is used to develop and improve the code?

Audit Summary

Membership Application Process

VBRA operate an MS Access based membership database, which appears to work well and contain all of the relevant information about the status of members. There is a membership request form on the VBRA website, which results in sending out a member information pack. It was noted that this pack only briefly referred to the TSI Approval and did not utilise the TSI Approved Code logo at all. The pack is followed up by a visit from an Area Manager (there are 3 for the UK) who completes two audit/inspection processes – one aimed at health and safety,

competency and technical matters and the other aimed at compliance with the VBRA Code of Practice.

The audit examined:

- The procedure for appointing new members
- The records of audit of existing members
- The process for completing inspections of members
- The process of membership withdrawal

Summary

The office filing system was found to be effective and all of the requested records were retrieved with ease. The member database was found to be up-to-date with no backlogs of data entry and no concerns were identified about missing records. VBRA appear to operate an effective archive system, but this was not examined in detail.

There were a significant number of outstanding inspections due, some dating back more than five years.

Action required:

VBRA must review the member inspection programme process to ensure any outstanding inspections at the end of the year are carried over to the following year's inspection programme. Any outstanding inspections more than two years overdue must be completed as a priority.

New Members

The application process was examined for three recent new members:

The code of practice audit form was properly completed for all three members; however, the other technical and compliance checklist (covering health & safety and standards, etc.) had not been completed, but just signed. That form is not within scope for the code of practice, but failure to check the individual records might indicate a lack of audit diligence.

Existing Member Inspections/Audit

The completed inspections paperwork for two recently completed audits were examined. The audits were complete.

A database report was produced showing those members who were due an inspection/audit, but where this had not been carried out.

Going back three years:

- 17 inspections/audits due to have been carried out in 2010 had not been completed
- 23 inspections/audits due to have been carried out in 2011 had not been completed
- 47 inspections/audits due to have been carried out in 2012 had not been completed

Two examples from the 2010 batch were selected at random and it was found that:

- One member had not had an inspection/audit since 12/03/2008. This coincided with their date of joining – in effect meaning that they have not been checked since joining.
- One member had not had an inspection/audit since 8/4/2008. They joined VBRA on 22/3/1999.

Paper records were checked to ensure that the audit had not been carried out and simply not entered on the database, but the database was up-to-date.

Membership Withdrawal

The withdrawal process was checked for three members.

All had been notified by post that their membership had terminated and that they were required to remove the OFT/TSI logo. None were still showing on the TSI Approved Code Members database.

There were no issues found and the process had been completed correctly.

Sanctions for Non Compliant Member Businesses

No businesses had been expelled from the VBRA scheme in the last year; however, one business did leave before they were reported to the Disciplinary Council by the conciliation manager. The relevant complaint file and business advice given by the conciliation manager was examined. The process in place for raising formal disciplinary procedures against members was explored, and it complies with the requirements of the consumer code approval scheme.

Marketing and advertising by member businesses

The brand guide and information pack sent to members includes marketing and advertising instructions and guidance for members. No issues were found. It was noted that there was not many references to the TSI Approved Code logo.

Recommendation:

The member branding guidance is updated to refer to the TSI logo branding guidance.

Terms and Conditions and other Pre-Contractual Information

VBRA provide standard terms and conditions for members to use, but it is not obligatory. The terms and conditions are produced in-house; they are not reviewed periodically. The terms and conditions were clear, reasonable and complied with the requirements of the core criteria.

Observation:

The new Consumer Rights Bill will affect consumer's rights, and terms and conditions that may be applied to consumer transactions. It would be beneficial for VBRA to review their standard terms and conditions once the Consumer Rights Bill becomes law.

Customer service provisions

VBRA look for 'ethical' traders as part of their application process, and 2/3 of those who apply to join VBRA are turned down. . The area managers provide ongoing advice and support to members to ensure they are delivering the level of customer service required. Any customer service issues are usually raised during the customer feedback or complaints process. These are either raised by the garage, who ask their area manager for advice, or the area manager raises the issues with the garage as a result of negative feedback or a complaint. Evidence was provided of advice given to help members improve their levels of customer service.

VBRA had previously offered to provide specific training for members on customer service, but there was a low take up by members.

An example was provided of a complaint where a consumer felt they could not cope with the stress of the conciliation process, and appeared 'vulnerable'. There was clear evidence that the complaints manager had provided additional support to that consumer, and had tried to persuade them to continue with the conciliation. There was also evidence that the member concerned had been instructed by the complaints manager on how to deal with the consumer, to minimise his stress.

Consumer Complaints Process

The audit examined:

- The complaints process
- Complaints questionnaire
- Referrals of complaints to VBRA
- Requests for independent vehicle examinations
- Correspondence between VBRA and their members and the complainant
- Complaints records and database

Summary

VBRA complaints procedure is set out within their code of practice. VBRA member have the freedom to resolve complaints informally themselves, as they see fit. If the complaint is escalated to VBRA it is dealt with in a more formal manner, via conciliation.

The three area managers provide support and guidance to their members on how best to deal with any complaints. One of the area managers is also the in-house complaints manager who deals with all complaints made to VBRA.

Members also have access to a free legal helpline for advice about all aspects of their business, including consumer complaints.

Complaints are referred to VBRA for escalation to conciliation if not resolved in-house by:

1. 1/3 of complaints are escalated to VBRA via members, who contact their area manager for advice. Consumers are sent a conciliation questionnaire, even if they haven't complained to VBRA themselves.
2. 2/3 of complaints contact VBRA themselves to request conciliation to resolve a dispute. Consumers email or telephone VBRA. They obtain VBRA's details either via their website or via the member business, who gives them VBRA's details.

The majority of VBRA's member's work is via insurance companies for crash repairs. It is often the insurance company that is the client not the end consumer. VBRA's member's will put issues right for the customer at their own expense, if the insurance company will not pay for the issue to be rectified to the standard required by the end consumer.

The area manager who is also the complaints manager is a very experienced engineer, so can take a stance and advise members on how best to resolve any complaints or disputes. Evidence was provided of instances where the member business had requested advice on how to deal with a complaint, and the complaints manager had intervened, and the issue was resolved to the consumer's satisfaction quickly.

The total number of complaints received each year was quite low. Three complaint files were examined in detail. The files were detailed and contained the consumer questionnaires and copies of all correspondence with both the consumer and the member businesses. The outcome and the obligation for remedy by the member was also clearly recorded.

VBRA will pay for an independent expert to examine a vehicle if necessary, to determine the outcome of complaints and any remedial work a VBRA member has to complete as a result. Evidence was provided of examples of the commissioning of, and reports produced relating to independent examinations and reports on vehicles. There was also evidence of VBRA instructing members to complete remedial work at their own cost to resolve the issues that generated the complaint.

The area managers followed up any concluded complaints with their members to ensure the member had rectified the issues that led to the complaint, and to offer advice and guidance on how to deal with any future disputes. There was some email evidence of the follow up activities with members completed by the area managers.

Although not included in the code, an example of a complex business to business complaint was examined, due to the low number of consumer complaints. Business to business complaints are also dealt with by VBRA following the same procedure as consumer complaints. VBRA had mediated to resolve the main points of the complaint, with the VBRA member business agreeing to provide considerable additional work to remedy the identified faults. The conciliation process was adhered to, and no issues were found.

Conciliation resolved 90%+ of complaints received by VBRA.

Comprehensive records were kept of the numbers and types of complaints per member, so that any trends could be identified. If one of the area managers suspected there may be an issue, they raise the issues informally with the member business, to try to establish the root cause, such as a lack of quality control or supervision in the workplace.

The process in place for ADR was examined during the audit; however, no complaints had progressed to ADR in the previous two years, so no real examples could be inspected.

VBRA only have a few enquiries from Trading Standards professionals, mainly asking for confirmation that a particular garage is a member of VBRA. VBRA do respond to any enquiries relating to their members.

Best practice:

VBRA's conciliation process is excellent. VBRA have demonstrated that they will provide additional support to consumers and will even approach them to ask if they want to make a complaint, if they feel that a member has not

provided the level of service and workmanship required by their code. VBRA also seek out and pay for independent experts to examine vehicles in order to resolve disputes. The very low number of disputes that reach arbitration (none in the last two years) is a reflection of the quality of the in-house conciliation service.

Customer Satisfaction and Feedback

VBRA use a customer feedback card system, which 10% of their members use. The remaining 90% use their own or main dealer/ insurance company standard feedback systems.

The VBRA feedback cards were examined. They have recently been amended and include questions relating to age and gender to see if this has any bearing on the profile of customer satisfaction. There is a space where consumers can raise issues or make a complaint.

Members are instructed to hand out feedback cards to every customer, and the card is completed with the job reference, customers name, company stamp and VBRA membership number. VBRA supplies the cards to the garages, so they can monitor the number reordered, which gives an indication of the number handed out by the garage. The cards are pre-paid and are returned to VBRA.

The feedback spreadsheet and individual completed customer feedback cards were examined. It records all returns and whether they contain positive or negative responses to each of the questions. General levels of customer satisfaction were high, with some very positive comments in the free text box. Any negative responses are classed as a 'fail' and are followed up by the area managers with the individual member.

VBRA staff look out for unusual trends, for example similar handwriting, or a pattern in the comments, to try to detect and falsifying of feedback. All the feedback cards are then sent back to the garages. Any complaints are sent to the garage with a covering letter, and the area managers pick these up on their next contact with the garage.

Any cards the have a specific complaint on them, the relevant area manager contacts the member and discusses the issue, to see if the member is aware of the complaint, and if its been resolved or not. If the member is unaware, they are instructed to contact the consumer to resolve their complaint. If it is not resolved, it is escalated to conciliation.

VBRA try to incentivise members by offering a 25% reduction on subscription fees and an award for the highest ranked member in the returned customer satisfaction survey per quarter. The winner each quarter receives a framed certificate and publicity in the VBRA newsletter.

The area managers follow up with any members that appear to have very low returns figures. Often the reason is that the member will have recently switched to another monitoring system, but this information has not been relayed to VBRA.

Of the 90% of VBRA members who use a different customer feedback scheme $\frac{3}{4}$ use insurance company or car manufacture schemes. Although positive feedback does not get fed back to VBRA, any negative feedback does, as the members let their area managers know, or the negative feedback triggers a complaint. The area managers pick negative feedback when they visit the members.

$\frac{1}{4}$ of the 90% who do not use the VBRA scheme use their own schemes. Members report back to VBRA on a quarterly basis, and evidence of this was provided.

The monitoring regime is adequate, but it would be preferable if more members used the VBRA scheme, of which they have more control.

Conclusions

VBRA are fulfilling their obligations as a code sponsor and ensure their members comply with the CCAS core criteria and their own code.

The in-house conciliation process is excellent and an example of best practice.

The one area that needs improving is audits, where there are some outstanding audits that need to be completed, prioritising those that are more than two years overdue.