



MOTOR INDUSTRY  
CODE OF PRACTICE

**New Cars**



*Peace of mind for motorists*



# The New Car Code

Applying to manufacturers governed by the  
Trading Standards Institute-approved guidelines

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## Introduction

The Motor Industry Code of Practice for New Cars (“the Code”) confirms promises made by vehicle manufacturers (“subscribers”) in the provision of new cars and the cover provided by the manufacturer’s warranty. This consumer code sets out standards that subscribers will comply with regarding:

- Advertising
- New Car Provisions
- Car Manufacturer’s Warranties
- Availability of Replacement Parts
- Complaints Handling

Subscribers are obliged to accept the Code in its entirety and ensure that their staffs are aware of their legal responsibilities as well as their responsibilities under this Code.

A consumer who feels dissatisfied with a subscriber’s performance under any item covered by this Code is able to submit their grievance to the Conciliation and Advisory Service. A detailed procedure explaining how to do this appears in the Appendix.

The principles set out in this Code are not intended to interpret, qualify or supplement the law, and are not intended to be applied to non-consumer sales.

A consumer information leaflet to accompany the Code, the Brief Guide to the Motor Industry Code of Practice for New Cars (“the Brief Guide”), is available from subscribers or to download from [www.motorcodes.co.uk](http://www.motorcodes.co.uk)

This Code has been developed by the motor industry to provide a self regulatory regime by which vehicle manufacturers can demonstrate their intention to operate as responsible businesses and have in place a cost-effective and speedy dispute resolution service that consumers can readily access in the event of a disagreement.

The Brief Guide contains information on the Code, the Consumer Advice Line, Conciliation and Arbitration, as well as a pre-contractual information check list and the Consumer Survey.

It must be remembered that the consumer also has a part to play, by co-operating fully with those who make, sell and maintain cars by familiarising themselves with their car’s owners manual and ensure the car is maintained in accordance with the manufacturer’s recommendations.

The Code also includes helpful tips and guidance for each section, headed ‘We would advise you to’.

# Definitions

## Throughout the Code:

The term **subscriber** describes vehicle manufacturers that have agreed to adhere to this Code.

The term **manufacturer** is taken to include official importer.

The term **dealer** describes only retailers of new cars and/or distributors of new parts and/or suppliers of car services who in each case are parties authorised by the relevant manufacturer.

The term **car** is taken to include light and medium commercial vehicles and derivatives.

The term **consumer** describes the owner/end user of any car as described above and includes the requirements of any vulnerable consumer; for which subscribers will have in place satisfactory provision for attending to their needs.

The term **new car warranty** is taken to include the manufacturers warranty and any extension offered free with the vehicle.

# Advertising

‘Our advertising will honestly promote our new cars’

## What our promise means to you

- 1.1 Our advertisements, promotion or any other publications, whether in writing or otherwise, will not contain any items which are likely to mislead you or be misunderstood.
- 1.2 Our advertisements (including comparative advertisements), promotions or any other publications will comply with the requirements of relevant legislation along with the codes, regulations and rulings of the relevant organisations or associations.
- 1.3 Any comparison made within our advertisements between our models and those offered by other vehicle manufacturers will not confuse or mislead you. Our advertisements will objectively compare models based upon relevant and verifiable features, which may include the price.
- 1.4 Where our advertisements quote the price of one model in any model range but depict another, the actual price of that other model will also be clearly shown.
- 1.5 In principle, a price quoted should be the ‘on the road’ price at which you can buy the vehicle, in accordance with the SMMT Guide on New Car Price Advertising (developed in consultation with the Office of Fair Trading).
- 1.6 The words ‘guarantee’ or ‘warranty’ within any of our advertisements will not be used unless the full terms of that warranty are set out clearly within the advertisement or are available at point of sale. Furthermore, any reference to a warranty or guarantee will not be made if they diminish your consumer rights, or appear to do so.
- 1.7 Where a rust/corrosion-proofing process is advertised, information about the process and its limitations will be made freely available.
- 1.8 In the unlikely event that any subscriber is convicted of an offence relating to advertisements for a new car, then that subscriber will be deemed to be in breach of this Code.
- 1.9 Any subscriber found breaching any legislation, codes, regulations or rulings relating to advertising, will be deemed to be in breach of this Code.



### **We would advise you to**

- Read our advertisements carefully and in full. If an advertisement is not clear to you, clarify it before you commit yourself to any transaction.
- Check the specification and appearance of the car you are ordering matches your requirements, as many features are often optional or substitutable extras.
- Check with your dealer that you have the latest sales brochure.
- Ensure that the car you are considering purchasing is fit for the purpose, or in other words, suits your requirements. Therefore, statements whether oral or written which conflict, or apparently conflict, with this principle should be questioned.
- Inform your dealer of any special needs relating to the car, as they cannot advise as to the suitability of a car for any particular purpose if you do not explain that purpose.

### **For your information**

Where applicable to the subscriber, we observe the requirements of all legislation and regulatory requirements, including:

**Sale and Supply of Goods to Consumer Regulations 2002**

**Business Protection from Misleading Marketing Regulations 2008**

**Consumer Protection from Unfair Trading Regulations 2008**

**The UK Code of Advertising, Sales Promotion and Direct Marketing**

**The UK Code of Broadcast Advertising**

**Ofcom Broadcasting Code (TV/Radio Advertising)**

**The Passenger Car (Fuel Consumption and CO<sub>2</sub> Emissions Information) Regulations 2001**

# New Car Provisions

‘Once you have ordered your new car, it is our responsibility to ensure that the car supplied to the retailer is manufactured to a high quality standard which will meet with your expectations’

## What our promise means to you

- 2.1 When you take delivery of your new car you will be made aware of the after-sales service provisions available.
- 2.2 You will receive a copy of the manufacturer’s handbook relating to your new car, replacement copies of which will be available for a reasonable period thereafter.
- 2.3 All of our documents supplied for new cars purchased in the UK will be written in plain and intelligible English.

## We would advise you to

- Be aware of who any deposit is being paid to and its security, along with the cancellation terms.
- Ensure that any order form used contains all charges additional to the car price in order to fully understand the total cost of your purchase.
- Check that the specification matches your order at the handover and the dealer has fulfilled its requirement to supply you with a car of satisfactory quality.
- Ensure that the dealer provides you with a detailed handover of your new car which should form part of the delivery of a new car.

## For your information

Where applicable to the subscriber, we observe the requirements of all legislation and regulatory requirements, including:

**Unfair Contract Terms Act 1977**

**Sale of Goods Act 1979**

**Supply of Goods and Services Act 1982**

**Unfair terms in Consumer Contracts Regulations 1999**

**Consumer Protection (Distance Selling) Regulations 2000**

**Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (in force from June 2014)**

**Sale and Supply of Goods to Consumer Regulations 2002**

**Business Protection from Misleading Marketing Regulations 2008**

**Consumer Protection from Unfair Trading Regulations 2008**

**Misrepresentation Act 1967**

Conformity with all legislation affecting a car’s construction and use

# Manufacturers' New Car Warranties

'We will supply a manufacturer's new car warranty with every new car purchased, which will provide you with cover in the event that you experience problems with your new car resulting from a manufacturing defect'

## What our promise means to you

- 3.1 You will continue to benefit from the manufacturer's new car warranty whilst the car is serviced to the manufacturer's recommendations, even if this service is carried out by an independent service/repair outlet.
- 3.2 The manufacturer's new car warranty document, which will be written clearly in plain and intelligible English, will be supplied to you on delivery of your new car. This document will also include claim procedures and contact information.
- 3.3 The terms of the new car warranty will be clear and written in plain and intelligible English, including items specifically included in or excluded from its provisions and the geographical coverage of the warranty provided.
- 3.4 Where repair work is required under the new car warranty it may be carried out by any dealer in the manufacturer's network anywhere in Europe. A repairer who is not part of the manufacturer's network may not carry out repair work under the new car warranty, which may be invalidated if this happens.
- 3.5 The transfer of the unexpired portion of the first three years of any new car warranty to a subsequent owner is permitted. Any further warranty period beyond the first three years provided with any new car may be subject to terms and will be clearly stated within your warranty documentation.
- 3.6 In the event that your car is off the road for an extended period for rectification of warranty faults, we will consider the extension of the new car warranty period.
- 3.7 Where a loan car is made available, this will be as reasonable alternative transport rather than an exact replacement of the car that is being repaired. There is no automatic right to a loan car or contribution towards hiring charges while a car is undergoing warranty rectification work.
- 3.8 If you fail to have your vehicle serviced in accordance with the manufacturer's servicing schedule or modify the vehicle, any failures that could be connected to vehicle servicing, modifications or any external influences will not be covered. However, warranty cover will continue for claims unconnected with vehicle servicing, modification or any other external influences and will remain subject to the terms and conditions of the warranty.





### We would advise you to

- Remember, a manufacturer's new car warranty is a simple and straightforward method allowing any faults of manufacture to be corrected at no cost to the consumer, without the necessity of pursuing legal remedies against the seller.
- Understand the terms of the new car warranty, including the servicing criteria, specifically the service intervals in terms of mileage and time periods.
- If your car has been serviced by an independent service/repair outlet make sure you keep records of work completed including detailed invoices of the work.
- Ensure that the service and/or repair is completed according to the manufacturer's requirements if you take your car to an independent service/repair outlet. In general terms warranty repair work will only be covered at no cost to you as long as it is undertaken by a franchised/authorised outlet.
- Choose a garage that is subscribed to the Motor Industry Code of Practice for Service and Repair for any service and/or repair work. Find your nearest subscribed garage at [www.motorcodes.co.uk](http://www.motorcodes.co.uk)

### For your information

The warranty is in addition to and does not affect the consumer's remedies against the seller under legislation listed in the previous section 'New Car Provisions'. It must include a statement which makes this clear to the consumer.

# Replacement Parts and Accessories

‘To enable routine maintenance and warranty rectification work to be completed effectively we will ensure that our spare parts are readily available to our authorised networks’

## **What our promise means to you**

- 4.1 Where our parts are supplied to our dealers they will be of a satisfactory quality and fit for the purpose for which parts of that type are normally used.
- 4.2 With offers of promotions, any restrictions which are attached to sales will be clearly stated.
- 4.3 We will ensure that spare parts are available from the time a new model is launched, throughout its production and for a reasonable period thereafter.

## **We would advise you to**

- Ensure the replacement parts and accessories fitted to your car meet with the vehicle manufacturer’s specifications and requirements.

## **For your information**

Where applicable to the subscriber, we observe the requirements of all legislation and regulatory requirements, including:

**Sale of Goods Act 1979**

**Supply of Goods and Services Act 1982**

**Consumer Protection (Distance Selling Regulations) 2000**

**Sale and Supply of Goods to Consumer Regulations 2002**

**Business Protection from Misleading Marketing Regulations 2008**

**Consumer Protection from Unfair Trading Regulations 2008**

Conformity with all legislation affecting a car’s construction and use

# Complaints Handling

‘We will handle complaints swiftly, following this agreed procedure’

## **What our promise means to you**

- 5.1 We will take effective, immediate action in order to ensure that you receive a just settlement of your complaint.
- 5.2 We will have in place an accessible arrangement for the handling of complaints.
- 5.3 We will co-operate fully with any consumer advisor or any other intermediary you chose to consult in an effort to resolve your complaint.
- 5.4 In the event that your complaint remains unresolved, we will advise you of your right to refer your complaint to the Code Advisory and Conciliation service.
- 5.5 The Code Advisory and Conciliation Service is responsible for the operation of the impartial conciliation service. The Code Conciliation Service will advise both subscriber and consumer on a remedy as appropriate.
- 5.6 We will give every assistance to the Code Conciliation Service whilst it is investigating a complaint, and in reaching a satisfactory conclusion.
- 5.7 If a satisfactory conclusion cannot be achieved through conciliation, an independent low cost arbitration service is available via IDRS Ltd, an experienced dispute resolution service operator. Details of the arbitration arrangements are set out in the Appendix.



“In the unlikely event that you feel we have failed on any of our promises, we refer you to the Code Advisory and Conciliation Service.

Their role is to ensure that we are acting responsibly and fulfilling our obligations under this Code. The following sections of this Code detail how this function operates.”

# Appendix

## Guidance on Handling Complaints

The information below and the flowchart opposite set out the Code's complaints escalation procedure.

### Initial Complaint

A consumer or intermediary who has a complaint about a subscriber should, in the first instance, refer the matter verbally to the subscriber's dealer network.

In the event that a complaint remains unresolved at both dealer and manufacturer level, it is the subscriber's obligation to make clear to the consumer their right to refer the complaint to the Code Advisory and Conciliation Service.

### Consumer Advice Line

The Consumer Advice Line will handle initial contacts into the Code Advisory and Conciliation Service and will provide consumers with appropriate advice and assistance.

### Conciliation

The Conciliation Service will investigate potential breaches of the Code and aim to quickly review and resolve any dispute with as little disruption to the consumer as possible.

Consumers will be kept informed of the progress and outcome of their conciliation case. However in certain complex cases it is not always possible to resolve a dispute quickly, as it can take some time to gather all the information necessary to reach a decision and a satisfactory outcome. The Code Advisory and Conciliation Service will advise both subscriber and consumer on a remedy as appropriate.

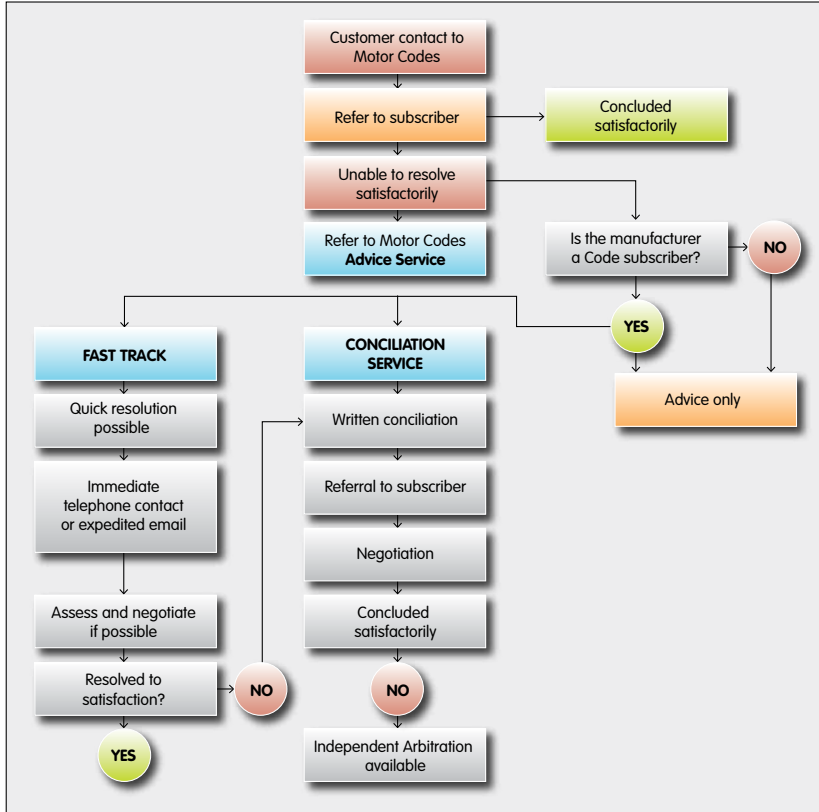
### Arbitration

If a case remains unresolved or there is a difference of opinion that cannot be satisfactorily addressed through conciliation, the case can be referred to independent arbitration. Arbitration is provided by IDRS Ltd, an experienced dispute resolution service operator and is independent of the Code Advisory and Conciliation Service or subscribers.

The decision of the Arbitrator is legally binding upon both parties and concludes the complaint. There are only limited circumstances where a case already considered under the terms of the Arbitration Act can then proceed to court.

Arbitration outcomes will be assessed to determine whether any Code compliance issues have been raised and if any amendments to the Code are required to address any specific issues raised by the case. Details on the cost of arbitration is available from [www.motorcodes.co.uk](http://www.motorcodes.co.uk)

## Complaints escalation procedure



This diagram is intended to act as a visual aid to assist your understanding of the complaints escalation process that will be followed for any complaints made to/or regarding a subscriber under the Code.

### Subscriber's agree to:

- Take effective and immediate action to achieve a just settlement to a consumer complaint.
- Have in place a easily identifiable and accessible written complaints procedure.
- Provide every assistance to their dealers in handling and resolving complaints
- Co-operate with local consumer advisors or intermediaries where necessary.
- Give every assistance to the Code Advisory and Conciliation Service.

### **Code Survey**

A consumer survey covering each section of the Code is contained within the Motor Industry Code for Practice for New Cars Brief Guide (“the brief guide”). The Brief Guide is available from subscribers upon request, or from Motor Industry Codes and consumer organisations.

The Brief Guide Survey is used to monitor subscribers’ performance under the Code. The results of the survey will be published in the Motor Industry Codes Annual Report.

### **How to make a complaint**

A consumer or intermediary who has a complaint about the quality of the vehicle or parts supplied should, in the first instance, refer the matter to the selling dealer.

The complaint, preferably in writing, should be addressed to a senior executive, director, or the proprietor of the selling dealer.

If the complaint relates to new car warranty and the dealer is unable to resolve the matter, a consumer should take the complaint directly to the customer relations department of the manufacturer. The claims procedure and the manufacturer’s (subscriber’s) contact details can be found in the new car warranty document.

Any letters will receive a reply from the subscriber within 10 working days of receipt.



### **Escalating a complaint to the Code Advisory and Conciliation Service**

If attempts to reach a satisfactory solution fail, refer the complaint to the Code Advisory and Conciliation Service. Consumers should in the first instance call the Code Advisory and Conciliation Service Consumer Advice Line.

**0800 692 0825**

Where invited to submit further information, the consumer should submit an enquiry or complaint via the Code website

**[www.motorcodes.co.uk](http://www.motorcodes.co.uk)**

Or write to:

**Motor Industry Code of Practice for New Cars  
PO Box 44755  
London  
SW1X 7WU**

All written enquiries referred to the Code Advisory and Conciliation Service within a reasonable time of the cause for complaint arising will be considered. A written response will be received by the consumer within 7 working days of receipt and within reasonable timescales, determined by the nature of the investigation, thereafter.



### **Escalating a complaint to Arbitration**

If conciliation does not resolve the complaint to the satisfaction of the consumer, subscribers will agree to independent arbitration if the consumer so wishes. The parties will be required to sign an application for arbitration and pay the arbitration fee.

The Code Advisory and Conciliation Service will submit the case file to the IDRS Ltd (“the Arbitrator”). The case file includes all documents submitted by the consumer and subscriber. The Arbitrator has the power to direct any party to provide any additional document or information considered relevant.

As the arbitration service is designed to be low cost to allow it to be accessible, any hearing will normally rely on documents only. None of the parties to the dispute may be present or be represented by another person, unless the Arbitrator decides to conduct an oral arbitration, in which case parties may attend to present their evidence. Legal representation may only be employed if the Arbitrator so directs.

The award of the Arbitrator will be published in writing to all parties involved in the dispute and is enforceable in the Courts by any party.



### **Disciplinary Action**

The Independent Compliance Assessment Panel (ICAP) is an independent panel which monitors the operation of the Code and subscriber compliance. ICAP will also meet to review cases of persistent or serious breaches of the Code by subscribers.

ICAP is independent of the sector and its authority over subscribers reflects the serious nature with which Motor Industry Codes views non-compliance. It is the responsibility of Motor Industry Codes to acknowledge when a subscriber has breached the Code in a manner that requires further intervention beyond opening a conciliation or arbitration case.

ICAP has the authority to instigate an independent investigation, with which the subscriber is required to assist fully. Depending on the outcome of any investigation, the Panel can impose a varied selection of sanctions upon a subscriber, ranging from education and monitoring, through to financial penalties and ultimately expulsion from the Code regime. If a financial penalty is imposed on a subscriber, the penalty sum is donated to the motor industry charity BEN.

It must be remembered that disciplinary action in this respect is different to any individual case that may be accepted through the conciliation service. However a number of similar conciliation cases regarding the same subscriber could instigate disciplinary action.

The outcome of any ICAP investigation will be published in the Motor Industry Codes Annual Review, which we are required to supply to the Trading Standards Institute for monitoring purposes.

### **Other Motor Industry Codes**

If the complaint is not about a new car warranty or a parts availability issue, the Code Advisory and Conciliation Service may still be able to assist if it is covered by another Motor Industry Code. For more information on all the motor industry codes visit [www.motorcodes.co.uk](http://www.motorcodes.co.uk)

### **Data**

For the purpose of monitoring and resolving complaints, and monitoring of compliance with the Code as well as assessing consumer satisfaction, subscribers may pass consumers' personal data to the Code Administrator and they may analyse that data and publish findings based on it. Subscribers and the Code Administrator will process personal data in accordance with the Data Protection Act 1998.

# Further Information

## Enquiries or complaints

Consumer Advice Line

**0800 692 0825**

Motor Codes website

**[www.motorcodes.co.uk](http://www.motorcodes.co.uk)**

## Relevant web links

Trading Standards Institute

**[www.tradingstandards.gov.uk](http://www.tradingstandards.gov.uk)**

Advertising Standards Authority

**[www.asa.org.uk](http://www.asa.org.uk)**

Citizens Advice Bureau

**[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)**

Department for Business,  
Innovation & Skills

**[www.bis.gov.uk/consumers](http://www.bis.gov.uk/consumers)**

Ofcom

**[www.ofcom.org.uk](http://www.ofcom.org.uk)**

## Legislation web links

Information on the legislation referred to in the Code can be found on the web sites listed below:

**[www.legislation.gov.uk](http://www.legislation.gov.uk)**

**[www.ofcom.gov.uk](http://www.ofcom.gov.uk)**

**[www.cap.org.uk/advertising-codes.aspx](http://www.cap.org.uk/advertising-codes.aspx)**

**[www.dft.gov.uk/vca/fcb](http://www.dft.gov.uk/vca/fcb)**

## Legislation referred to within the Code

Misrepresentation Act 1967

Unfair Contract Terms Act 1977

Sale of Goods Act 1979

Supply of Goods and Services Act 1982

Unfair Terms in Consumer Contracts Regulations 1999

Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013  
(in force from June 2014)

Sale and Supply of Goods to Consumers Regulations 2002

Business Protection from Misleading Marketing Regulations 2008

Consumer Protection from Unfair Trading Regulations 2008

The Passenger Car (Fuel Consumption and CO<sub>2</sub> Emissions Information) Regulations 2001

## Regulatory requirements referred to within Code

The UK Code of Advertising, Sales Promotion and Direct Marketing

The UK Code of Broadcast Advertising

Ofcom Broadcasting Code (TV/Radio Advertising)



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Vehicle Warranty Products Code  
at [www.motorcodes.co.uk](http://www.motorcodes.co.uk)