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Belron® is the world's leading vehicle glass repair, replacement, and recalibration service provider, operating in over 25 countries in Europe with brands such as Carglass®, Autoglass® and Safelite®.

In the UK, operations are undertaken by Belron's subsidiary, Belron UK Limited which operates the Autoglass® brand, with over 2000 employees, serving over 900,000 customers across the UK each year. Customer service is a key focus of Belron & Autoglass®, which is exhibited by a strong NPS score of 78% in 2021. Belron's purpose, shared by Autoglass, is *to make a difference by solving people's problems with real care.*

Belron, on behalf of Belron and Belron UK Limited, welcomes the opportunity to share its views on the retention and potential reform of the Motor Vehicle Block Exemption Regulation (EU Regulation 461/2010) (**MVBER**). Belron notes that it has separately participated in various consultations held by the European Commission in relation to the MVBER, which itself is currently under review.

Belron's high level view, similar to that which it has expressed in the European Commission consultations, is that the MVBER should be retained and embodied into UK law as the Motor Vehicle Block Exemption Order. Belron welcomes the CMA's focus on a number of the areas highlighted in the consultation, in particular around access to technical data, and the need to ensure spare parts are readily available to independent aftermarket service providers. Belron notes that with increased technology in vehicles, including advanced driver assistance systems, the ability and requirement to have proper access to vehicle data, as well as vehicle repair information, is a crucial pre-requisite to enable independent aftermarket operators in providing their services and competing on a level playing field with authorised dealers.

Belron has provided some detailed responses to the specific questions raised in the consultation below. Belron would welcome the opportunity to elaborate on any of the topics raised directly with the CMA if required.

## Belron Response to Consultation

**Question 1:** Do you agree with the CMA's proposed recommendation to the Secretary of State to make a Block Exemption Order to replace the retained MVBBER with a MVBE0, rather than letting it lapse without replacement or renewing without varying the retained MVBBER?

Belron agrees and supports this recommendation.

### **Impact Questions**

**Question 2:** Relative to current arrangements, if the retained MVBBER were allowed to expire, how would the absence of legal certainty and clarity affect your business or those that you represent? Please describe the scale of any legal or expert advice needed (eg time spent with consultants).

Belron considers this would result in substantial uncertainty.

Putting aside any comment on the scale of legal and/or expert advice, such a result could prove particularly problematic in the case of independent aftermarket operators. Over time, the MVBBER has played a critical role in safeguarding the access of independent aftermarket operators in areas of technical information and spare parts. Such regulation has been critical in ensuring that independent aftermarket operators are able to properly compete on a level footing with authorized dealer networks. The ultimate beneficiary of this competitiveness is end-consumers, who benefit from price pressure and having a wide choice of service providers when choosing to service/repair their vehicles.

Further, given the commonality of the car park that is shared across Europe and the UK, Belron considers there would be a significant disruption and complexity in having such contrasting regimes between Europe and UK.

**Question 3:** Relative to current arrangements, if the retained MVBBER were allowed to expire, how would the absence of legal certainty and clarity impact consumers?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

Belron further notes that in the consultation document, the CMA have explicitly noted the importance of the aftermarket in providing the required competitiveness to authorized dealers, and that it is this competitiveness that ensures price pressure. Therefore, if the MVBBER were allowed to expire, Belron would foresee potential issues in being able to obtain access to spare parts, issues around access to data and information, that would impact the ability of aftermarket providers to service their customers. This would ultimately deprive consumers of a choice of service repairer and inevitable drive prices up.

### **Changes to the scope or definitions in the retained MVBBER**

#### **Policy Questions**

**Question 4:** Do you agree with the CMA's position to limit the scope of the block exemption to three and four-wheeled vehicles? If not, what are the reasons and evidence that warrant an extension of the scope of the block exemption?

Belron generally agrees with the CMA's position.

**Question 5:** Do you agree with the CMA's proposed recommendation not to amend the definition of 'motor vehicle' unless it proposes to recommend a change to the material scope of the MVBEO?

Belron agrees with this recommendation.

**Question 6:** Do you agree with the CMA's position that the definition of 'spare parts' may need some updating to improve clarity and to reflect technological developments? If so, which aspects need modification? Are there any other changes that you consider should be made?

Potentially – Belron considers this to be dependent on the approach taken in relation to the topic of technical and vehicle information. In this respect, with increasing technology, there is increasing reliance on diagnostic tools, that need to have the ability to both “read” (i.e. diagnose faults in a vehicle based on vehicle information) and “write/reset” scripts within allowed parameters of a vehicle.

**Question 7:** Do you agree that there should be a definition of 'technical and vehicle information' may be needed either in the MVBEO or in the CMA MVBEO Guidance depending on what recommendation the CMA makes about access to such information?

Yes – Belron considers that access to technical and vehicle information is increasingly becoming critically important in the ability to properly service and repair vehicles. Accordingly, to ensure a continued level playing field between authorized dealer networks and independent aftermarket service providers, access to technical and vehicle information needs to be explicitly addressed as part of the MVBEO and/or the CMA MVBEO Guidance.

**Question 8:** Do you agree that the definitions of 'agency agreement' and 'subcontractor agreements' should be considered by the CMA in any future CMA MVBEO Guidance?

Yes – Belron would particularly support review of the issue of subcontractor agreements.

### **Impact Questions**

**Question 9:** How would the proposed changes recommended by the CMA with regards to the definitions included in any MVBEO impact your business's operations or the operations of those you represent? Please provide the reasoning behind your answer.

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

While Belron would await more detail on any proposed definition around technical and vehicle information, as Belron has noted above, this is becoming an area of increasing importance when it comes to being able to properly repair and service vehicles. Belron would therefore welcome additional definitions and obligations on vehicle manufacturers to provide such information/data.

**Question 10:** How would the proposed changes recommended by the CMA with regards to the definitions included in any MVBEO impact consumers? Please provide the reasoning behind your answer.

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

Belron refers to the reasoning set out in question 10 and notes the CMA itself has noted the importance of the aftermarket in terms of providing competitive pricing pressure on authorized dealers, thereby ensuring benefits for consumers through lower pricing. The ability of the aftermarket to compete relies on a level playing field which increasingly requires proper access to technical and vehicle data. Any definitions/regulations that make it clear this is to be provided will ultimately be beneficial to consumers, as it permits the aftermarket to continue to compete.

**Question 11:** How would retaining the current scope of the retained MVBER in the proposed MVBEO (as opposed to extending it to two-wheeled vehicles) impact your business's operations or the operations of those you represent? Please provide the reasoning behind your answer.

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

### ***Market definition and market share thresholds***

#### ***Policy Questions***

**Question 12:** Do you agree with the CMA's proposed recommendation to retain the current market share threshold in the proposed MVBEO? If not, what are the reasons and evidence that warrant a change to the market share threshold in the proposed MVBEO?

Belron broadly agrees with this recommendation.

#### ***Impact Questions***

**Question 13:** What would be the likely impact on your business's operations or the operations of those you represent if the market share threshold was increased?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

**Question 14:** What would be the likely impact on your business's operations or the operations of those you represent if the market share threshold was decreased?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

## **Hardcore restrictions**

### **Policy questions**

**Question 15:** Do you agree with the CMA's recommendation to retain the current hardcore restrictions in the retained MVBER in any MVBE0? If not, what are the reasons and evidence that would warrant a change to the current hardcore restrictions?

Belron agrees as they are generally understood and accepted.

**Question 16:** Do you agree with the CMA's recommendation to maintain the current hardcore restrictions relating to spare parts and consider, in due course, whether further guidance is needed to address residual and novel issues reported by some stakeholders? If not, what changes to the MVBE0 would be necessary in order to address the issues?

Belron agrees and very much considers that further guidance would be welcome to address residual and novel issues that have been reported. In this respect, Belron is aligned with the concerns outlined in paragraph 4.39 of the CMA's document in terms of access to certain spare parts, in particular those that relate to ADAS (such as sensors, camera brackets and other ancillary items). Aside from the "physical components" of such spare parts, Belron also notes the increasing importance of access to certain software systems within the vehicle to enable a reset/initiation of a replaced sensor/part, or a recalibration of an ADAS following a repair. Belron notes the issue of indirect restrictions placed on OES through so called "tooling arrangements" and considers this a topic which would benefit from further review and potentially guidance.

### **Impact questions**

**Question 17:** What would be the likely impact on your business's operations or the operations of those you represent if novel and residual relating to spare parts were addressed in any CMA MVBE0 Guidance, rather than in direct changes to the proposed MVBE0 itself?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

Without seeing an exact proposal, Belron is unable to comment. However, if these issues were addressed in Guidance as opposed to the MVBE0 itself, there may be less legal certainty associated with same, although Belron would support addressing such matters.

**Question 18:** What would be the likely impact on your business's operations or the operations of those you represent if the definition of spare parts were to be updated to reflect technological developments and to clearly capture all relevant goods necessary for the use of the motor vehicle?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

Belron considers that depending on the exact scope of the update, this could have a positive impact on the aftermarket industry by ensuring a level playing field remains in light of technological advancements.

**Question 19:** What would be the likely impact on your business's operations or the operations of those you represent if the current hardcore restrictions were retained in any MVBE0?

- a) Significant positive impact
- b) **Moderate positive impact**
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

**Question 20:** Please provide a short explanation highlighting your reasoning for your answer above.

**Belron considers that retaining the current framework, which is understood across the sector, would be positively received, and would continue to ensure a level playing field between authorized dealers and the aftermarket industry**

**Question 21:** How would retaining the current hardcore restrictions used in the retained MVBER in the proposed MVBE0 impact consumers?

- a) Significant positive impact
- b) **Moderate positive impact**
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

**Belron reiterates its reasoning above and notes that ultimately a competitive service and repair industry (comprising both aftermarket and authorized dealers) is of benefit to consumers. Anything which enables this is ultimately beneficial for consumers.**

### ***Excluded restrictions***

### ***Policy questions***

**Question 22:** Do you agree with the CMA's recommendation that the current list of excluded restrictions in Article 10(2) of the VABEO be maintained? If not, what are the reasons and evidence that would warrant a change to the current list of excluded restrictions?

**Belron broadly agrees – subject to comments on access vehicle and technical information as set out below.**

### ***Impact questions***

**Question 23:** What would be the likely impact on your business's operations or the operations of those you represent if the current excluded restrictions in Article 10(2) of the VABEO were retained? Please provide the evidence and reasoning behind your answer.

- a) Significant positive impact
- b) Moderate positive impact
- c) **Negligible impact**
- d) Moderate negative impact
- e) Significant negative impact

**Question 24:** Please provide a short explanation highlighting your reasoning for your answer above.

Belron considers the current excluded restrictions to be well understood and to have assisted in achieving the objective of a level playing field between authorized dealers and independent aftermarket operators.

**Question 25:** How would retaining the current excluded restrictions used in the retained MVBER in the proposed MVBEO impact consumers?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

### ***Restrictions on access to technical information and vehicle data***

#### ***Policy questions***

**Question 26:** Do you have any views on whether restrictions on access to technical information should be treated as excluded restrictions in the MVBEO or whether this issue is best addressed by way of guidance coupled with the mechanism for removal of the benefit of the block exemption in individual cases?

Belron firstly notes, and is aligned with, the comments made by the CMA in the consultation document when it comes to access to technical information and vehicle data. Belron is aligned with the feedback that is set out in paragraphs 4.63 onwards. Belron notes the importance of access to data in the following manners (non-exhaustive):

- Access to information about the vehicle – the systems on board, the services required, the methodology of repairs themselves; and
- Ability to access (and write to) a vehicles' systems during repair – i.e. being able to connect to vehicle's OBD port. Such access needs to be without restrictions being in place that either prevent or require an aftermarket repairer to satisfy arbitrary pre-conditions set by a vehicle manufacturer.

Besides these two categories, access to in-vehicle data is another category that is becoming increasingly important in the service and repair industry, and also needs to be catered for. Belron notes recent consultations at a European level on this topic, and while it may be discussed as a stand-alone topic, Belron considers that any vehicle information relevant to repair and servicing (for example, ability to provide remote diagnostics, ability to receive data from a connected car to verify services that have been provided are working properly) should fall within the remit of the access requirement. In this respect, Belron notes that while there are safety and cybersecurity concerns – these can be easily catered for without restricting access to aftermarket service providers.

Belron notes that VM's are in a unique position of market power when it comes to making such information/access available for their particular vehicles – effectively in market for repair and service of their vehicles, they control the market.

Given the importance of the above categories of data and the position of VM's in the market, Belron supports any regulation with the objective of making such data accessible to the independent aftermarket. Belron therefore supports treating this as excluded restrictions in the MVBEO.

**Question 27:** Are there any other mechanisms which the CMA should consider in order to address the issues identified?

Belron considers aside from anything contained in the MVBEO, a separate positive obligation (in similar manner to Type Approval Regulation) on ensuring that there is access to all technical/vehicle information may be considered too.

**Question 28:** Should the CMA define ‘technical and vehicle information’ by reference to the relevant definitions in the EU Supplementary Guidelines and in Regulations (EU) 2018/858 of 30 May 2018, (EC) No 715/2007 and (EC) No 595/2009? If not, how should this be defined in order to capture information and other inputs which amount to an essential input for independent providers?

Belron considers the definitions substantially broad-ranging in terms of capturing relevant information (i.e. vehicle and repair information defined in the Supplementary Guidelines effectively encompasses all types of data/information required for servicing/repairing a vehicle). Some consideration may need to be given to ensure that “newer” categories of data – i.e. data generated by the vehicle’s systems while in motion (as set out above) is captured within the definition.

**Question 29:** Do you agree that the treatment of access to technical and vehicle information as an essential input should extend to other essential inputs such as availability of tools and training to independent operators? Are there any other essential inputs which the CMA should consider?

Yes – Belron would agree with this. Belron also considers information needs to be made available to suppliers of multi-brand tools.

**Question 30:** Does the definition of ‘independent operator’ in the EU Supplementary Guidelines need to be updated to take account of new players who may require access to information as an essential input?

### **Impact Questions**

**Question 31:** What would be the likely impact on your business’s operations or the operations of those you represent if restrictions on access to technical information were treated as excluded restrictions in any MVBEO?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

**Question 32:** Please provide a short explanation highlighting your reasoning for your answer above.

Much would be dependent upon the specific definitions/wording, but Belron is already feeling adverse effects from vehicle manufacturers implementing restrictions on the ability to access vehicle data and information. Therefore, regulation that specifically addresses this will hopefully have a positive impact on the availability of such information to the aftermarket providers. While there is potentially some uncertainty given the option for vertical businesses to self-assess, if the guidance for such self-assessment was appropriate, Belron considers it would be beneficial.

**Question 33:** What would be the likely impact on your business’s operations or the operations of those you represent if restrictions on access to technical and vehicle information were addressed solely in any CMA MVBEO Guidance?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact



**Question 34:** Please provide a short explanation highlighting your reasoning for your answer above.

If the issue of access to technical and vehicle information were solely included in Guidance, while Belron considers there would remain legal uncertainty, again noting the importance of regulation in this space, Belron would see potential benefits as outlined above.

**Question 35:** Which types of vehicle collected data would offer the most benefits to your business operations if it were an excluded restriction in any UK MVBEQ?

Please provide reasoning for your answer.

Belron considers that any vehicle collected data that is accessible (whether or not it is used) to VM's should be made available/accessible to the aftermarket. This is because not only will different VM's/vehicles collect different data points, but it is likely that different data will be relevant for different vehicles.

By way of simple example, remote diagnostics data (provision of error codes remotely) and/or data collected that gives indication of ADAS performance would potentially be critical from a Belron perspective in the future.

### ***Vehicle warranties and repair/maintenance carried out by independent providers***

#### ***Policy questions***

**Question 36:** Do you agree with the CMA's proposed recommendation to provide updated guidance in any CMA MVBEQ Guidance on the issue of warranty restrictions?

Belron supports and endorses this approach. Belron, through its UK operations has faced issues as described in paragraphs 4.80-4.82 of the Consultation document and considers that updated guidance would be beneficial. Belron also considers a streamlined reporting system for instances when this is not complied with would prove valuable.

#### ***Impact questions***

**Question 37:** What would be the likely impact on your business's operations or the operations of those you represent if issues in this area were addressed in any CMA MVBEQ Guidance, rather than in direct changes to the proposed MVBEQ itself?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

As stated above, given Belron has faced these challenges itself, it is in favour of including updated guidance. While having this updated in the Guidance may not provide as much legal certainty, it would assist ensure the issue remains on the radar.

### ***Limits on the numbers of authorised repairers within a brand network***

#### ***Policy questions***

**Question 38:** Do you have any views on whether limits on the number of authorised repairers within a brand pose a competition issue in the UK? Do you agree with the CMA proposed recommendation of providing further guidance on this issue instead of introducing changes to the block exemption itself?

Belron does not have a view on this question.

## ***Impact questions***

**Question 39:** What would be the likely impact on your business's operations or the operations of those you represent if issues in this area were addressed in any CMA MVBE0 Guidance, rather than in direct changes to the proposed MVBE0 itself?

- a) Significant positive impact
- b) Moderate positive impact
- c) Negligible impact
- d) Moderate negative impact
- e) Significant negative impact

N/A

**Question 40:** Please provide a short explanation highlighting your reasoning for your answer above.

N/A

## ***Duration of MVBER***

### ***Policy question***

**Question 41:** The CMA invites views from interested stakeholders on the proposed six-year duration of the MVBE0.

Belron broadly supports the proposed duration, and notes that this mirrors the European recommendation in relation to the MVBER.

## ***Other Provisions***

### ***Policy question***

**Question 42:** The CMA invites views on the above proposed recommendations in respect of the other provisions in the MVBE0.

Belron simply re-iterates its comments around the increasing importance of availability of technical information and vehicle data, while noting the issue of spare parts (including spare parts associated with ADAS such as sensors, camera brackets etc) and ensuring availability for aftermarket is again becoming increasingly important to the aftermarket.