

Government Response
To
Motorists Forum Report
On
Garage Customer Experience

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1. Introduction and background

- 1.1 The Government welcomes the work carried out by the Motorists Forum on improving the garage customer experience. It is important that consumers feel confident in the quality and the value for money of the services they are receiving from garages and the Forum's report has offered some useful proposals for how this could be achieved more consistently.
- 1.2 The garage industry is important both to transport policy (especially road safety) and as part of a wider landscape of consumer affairs. The recommendations made by the Motorists Forum cut across the boundaries of several different government departments and organisations. This response therefore sets out the combined views of DfT, VOSA and BIS in response to the Motorists Forum recommendations (set out in Annex A).
- 1.3 In April 2012 BIS published a response to their consultation on Empowering and Protecting Customers. Further information can be found below:

<http://www.bis.gov.uk/assets/biscore/consumer-issues/docs/e/12-510-empowering-protecting-consumers-government-response.pdf>
- 1.4 Under the new consumer landscape, new roles have been given to the Citizens Advice Service to inform, educate and empower consumers. A Strategic Intelligence, Prevention and Enforcement Partnership (SIPEP) has also been established to bring together the new National Trading Standards Board, the new Competition and Markets Authority and the Citizens Advice Service.
- 1.5 In addition, the Trading Standards Institute (TSI) have been invited by the Government to establish a successor to the Consumer Codes Approval Scheme (CCAS) currently operated by the Office of Fair Trading (OFT). The TSI is consulting on proposed changes to the assessment criteria and are seeking views on the governance and funding of the successor scheme, which will go live on 1st April 2013. The new scheme will

maintain the rigour of the current scheme, but will streamline the approval process and make it self-funding. This will be ensuring both a streamlined yet robust set of criteria that meets the needs of business, whilst ensuring the right balance between reducing consumer detriment and extending the scope of the scheme.

<http://www.tradingstandards.gov.uk/policy/policy-pressitem.cfm/newsid/981>

- 1.6 The Office of Fair Trading have given notice to existing code sponsors that their scheme will end on 31 March 2013. This will allow sufficient time for sponsors and members to transfer to the new arrangements. In the meantime, the OFT is continuing to maintain the CCAS for the existing members and to progress well-advanced applications.
- 1.7 Where there are references in this report to Codes, the intention is that the references are to Codes which are currently backed by OFT, and any future Code which is backed by the TSI under their new scheme. As a shorthand, these Codes are referred to as OFT(TSI) backed Codes.
- 1.8 We are aware that some members the Motorists Forum and their sub-group were concerned about the transition of the Codes approval process from OFT and the impact this might have on their recommendations. We have taken this transition into account in considering their recommendations and producing the government response.

2. Overview of the Motorists Forum report

- 2.1 The Motorists Forum report set out a number of recommendations aimed at improving the quality of customer experience by building on existing best practice. Their intention has been to encourage universal adoption of this best practice rather than develop new ideas. The main areas of best practice identified are:
- Wider adoption of Codes of practice with strong enforcement backed by an independent and trusted organisation (eg OFT backed Codes)
 - Empowering customers with information to find the best garages
 - Requiring assessment of technician competence
- 2.2 A summary of the full list of Motorists Forum recommendations is available at Annex A.

3. Government response to Motorists Forum recommendations

- 3.1 We accept that encouraging universal adoption of best practice can significantly improve standards in the garage service and repair sector. We agree that Codes of practice have an important role to play in this industry. We support the idea that where customers are empowered with accurate information about the standard of individual garages, market forces can drive up quality.

Sub-group recommendation 1

The sub-group recommends that VOSA considers publicising the compliance work it undertakes.

Government Response

- 3.2 We accept this recommendation. One of VOSA's key compliance activities is the MOT Compliance Survey (MCS). This is an exercise conducted throughout the year involving the re-examination of a vehicle that has been recently tested at a randomly selected Vehicle Testing Station (VTS). A VOSA Vehicle Examiner uses the MOT facilities, at the site where the vehicle was tested, to establish if the correct test standards have been applied and correct test outcome achieved. To date the MCS and its subsequent report has been an internally-facing document for use within VOSA. However, from the financial year 2011/12 VOSA will publish its MCS data as part of the annual 'Effectiveness Report'. VOSA will tailor the presentation of the MCS data to meet the needs of external readers to make it more accessible and facilitate interpretation.
- 3.3 In addition, we think there is a case for going further in improving the way in which the overall management of the MOT system is communicated to those who use it. So by the end of March 2013, VOSA will:
- place a clearer explanation on gov.uk website of how it goes about supervising the MOT scheme
 - explain how consumers can challenge MOT test decisions and make formal complaints or appeals if necessary
 - publicise the range of disciplinary penalties (and their limitations) available to VOSA when dealing with MOT scheme irregularities
- 3.4 VOSA will also consult on publication of the results of disciplinary investigations into MOT garages when any appeal period has lapsed or the appeal has been determined (so-called 'name and shame'), so that consumers can know if the garages they are planning to use have been subject to disciplinary action. A firm decision on this point will be made by end of March 2013.

Recommendation 2

The sub-group recommends that VOSA makes more of its MOT data available to garage customers where it would help customers make informed choices.

Government Response

- 3.5 We accept this recommendation. VOSA holds large amounts of data relating to vehicle tests and MOT garage performance. The presumption will always be that data should be transparent unless there is a good and lawful reason to withhold it. While much of VOSA's data set is already published covering MOT garage location, contact details and types of vehicle catered for (e.g. motorcycles, 3 wheelers, larger vans etc) we agree that there is scope to do more. VOSA will explore by summer 2013 what further information can be published which will help consumers as part of the wider DfT transparency agenda.
- 3.6 Over the next three months VOSA will consult MOT service users on what additional data they would find it useful to see published with a view to publishing new data sets during the next financial year.

Recommendation 3

The sub-group considers that there should be more publicity of high quality value-adding mystery shopping which already exists (eg by VOSA, Trading Standards, OFT approved Code sponsors) as an aid to increasing consumer confidence and driving up standards.

Government Response

- 3.7 We partly accept this recommendation, although we support more effective communication of existing mystery shopping processes rather than creation of new ones.

- 3.8 Good quality mystery shopping can be a useful tool in driving up standards and in reassuring customers that quality of service is being assessed. For example, it is already used by VOSA as part of their enforcement activities. However, it can also be expensive and time consuming for organisations to undertake, and there can be drawbacks to increasing the amount of mystery shopping that is undertaken. For example, VOSA has encountered difficulties as staff and vehicles become more recognisable, reducing the mystery element. And various internet sites and MOT 'bloggers' have in the past published lists of VOSA mystery shopping vehicle registration marks making the task harder to accomplish.
- 3.9 VOSA mystery shopping exercises are targeted on those MOT garages suspected of being non-compliant. This is part of a wider suite of VOSA activities to identify non-compliance and to encourage better behaviour and better compliance with standards at MOT garages. Focusing on mystery shopping in isolation would give a distorted view of VOSA's monitoring and compliance activities. However, in line with our response to recommendation 1, we will work towards publishing the outcomes of mystery shopping exercises where disciplinary action has been the result.
- 3.10 Mystery shopping of garages is already carried out by organisations other than VOSA. Some Trading Standards organisations also carry out mystery shopping of garage services in their locality. Usually this is intelligence driven and often working in partnership with other organisations (eg AA/RAC). In addition, some OFT(TSI) backed Code sponsors, such as Motor Codes, also carry out mystery shopping. It is a requirement under the current OFT Code approval scheme that Code sponsors develop performance indicators (eg mystery shopping and independent compliance audits) to measure the effectiveness of the Code.
- 3.11 We believe that there may be scope for these different organisations to work together at a local level more effectively and efficiently by sharing intelligence and pooling resources.

This will work best where there are clear links to the core activities of the various organisations allowing for resources to be reasonably deployed. We will aim to support this kind of collaboration at national level via the work of the new National Trading Standards Board and the Strategic Intelligence, Prevention and Enforcement Partnership (SIPEP).

Recommendation 4

The sub-group recommends that it is in the interests of all garages to sign up to an OFT(TSI) backed Code.

Government Response

- 3.12 We agree with this conclusion. Our ambition is that it should be the norm for garages to sign up to an OFT(TSI) backed Code. Consumers need to be more aware than they are today that Code membership is an important marker of a good quality garage, with quality assurance and feedback processes in place. A key action which we want to take on the back of the advice from the Forum's report is to raise public awareness of the Codes system and to communicate the benefits of code membership more effectively.
- 3.13 We believe that the principal mechanism for widening the scope of code roll out should be the market. There is already evidence that signing up to an OFT(TSI) backed Code brings business benefits to a garage. For example, Motor Codes cites the results of a recent pilot¹ which showed that a garage which subscribes to Motor Codes generated in excess of £100,000 of extra business or over 100 calls per month during a five month

¹ <http://www.motorcodes.co.uk/motorist/press-releases/motor-codes-referrals-drive-business-for-bristol-street.html>

period. This extra business was measured by using a “call whispering” service which tracked customers who found the garage through the Motor Codes website and which can therefore be directly attributable to their online presence through Motor Codes.

3.14 There are a number of channels which can be used to communicate the benefits of code membership to motorists. These include:

- TSI – which is committed to developing an online portal helping consumers to find businesses which have signed up to an OFT(TSI) backed Codes, as well as considering the opportunity to use existing Trading Standards-backed consumer confidence schemes.
- Citizens Advice Service – which is taking on responsibility for informing, educating and empowering consumers under the changing consumer landscape. They have expressed an interest in using their website to direct consumers to OFT(TSI) backed Codes.
- VOSA – which will build on previous work to raise awareness of OFT backed codes.
- Motoring organisations - Government will work with the AA and RAC who can play a valuable role in informing and educating their members about the benefits of dealing with a garage which has signed up to an OFT(TSI) backed Code.

Recommendation 5

All new MOT garages should sign up to an OFT(TSI) backed Code as a condition of entry to the MOT scheme. Existing MOT garages not covered by an OFT(TSI) backed Code should be obliged to sign up as soon as it is practically possible.

Government Response

- 3.15 We do not accept this recommendation. While (as set out in our response to recommendation 4 above) we strongly support wider adoption of OFT(TSI) backed Codes we have a presumption in favour of market mechanisms and self regulation rather than prescription.
- 3.16 The potential benefits to the consumer of making Code subscription a condition of entry to the MOT scheme need to be weighed against the costs to businesses. The MOT regime is already heavily regulated and further regulation may not necessarily be in the interests of businesses. MOT businesses are typically small in scale and there is a specific strong presumption against introducing new regulatory burdens for such micro businesses which could create an additional barrier to market entry. The cost that we would be imposing would not just be the cost of code membership but the costs which would be incurred in putting into place the systems and processes in order to enable code compliance.
- 3.17 In addition to these arguments about cost there are also issues around equity. Making code membership a requirement for new garages only would create a clear and immediate market distortion if different criteria are applied to new garages compared with existing garages.
- 3.18 We remain committed to the importance of OFT(TSI) backed Codes in improving the quality of service for customers. Recommendations 4 and 6 provide good opportunities to incentivise the adoption of such Codes without turning to increased regulation. Working with delivery partners such as TSI, the Citizens Advice Service, and Codes sponsors, we will identify further opportunities to encourage and support garages to adopt Codes or other recognised consumer confidence schemes. VOSA will be communicating information about the OFT codes to garages seeking to become MOT test stations, to existing test stations and to the public as part of its routine communications. This communication will involve, for example, the use of official web sites and publications.

Recommendation 6

The sub-group considers that garages which have signed up to an OFT(TSI) backed Code pose less risk to consumers, and should therefore benefit from “earned recognition” within VOSA’s risk assessment regime.

Government Response

- 3.19 We agree with this recommendation. Government is committed to maintaining high standards in the MOT test with VOSA continuing in its role as sole authority to ensure garage compliance with the MOT test regime. Garages which have signed up to an OFT(TSI) backed Code are likely to pose less risk to consumers and should benefit from “earned recognition”. VOSA will publish by the end of 2012 a policy statement setting out the benefits of code membership in terms of earned autonomy, and how VOSA reflects code membership in the garage risk assessment regime to reflect the level of reduced risk. We believe that such a policy statement will offer an further incentive on garages to take up code membership.

Recommendation 7

The sub-group recommends that the scope of OFT(TSI) backed Codes should be expanded to incorporate the MOT test.

Government Response

- 3.20 We partly agree with this recommendation. We believe that including compliance with the MOT test requirements in Code criteria could offer additional benefits to consumers, provided that this is complementary to, rather than instead of, the existing regulation of garages carried out by VOSA, and that we avoid confusing consumers in the process. Government is committed

to VOSA continuing in its role as sole authority ensuring garage compliance with the MOT test regime.

- 3.21 VOSA already offers robust means for MOT test customers to raise concerns². Nevertheless, OFT(TSI) backed Codes offer customer services, such as alternative user feedback mechanisms, which are not available to MOT customers. Codes could also enhance customer service in other ways - for example by signposting different routes to dispute resolution.
- 3.22 In practice, Codes sponsors are stating that they already provide advice to MOT customers where, for example, a customer has had their vehicle serviced and MOT'd at the same time. VOSA will work with Code providers to consider how this approach can be developed within the code criteria in a way that is both voluntary, yet consistent with maintaining the integrity of their formal regulatory role.

Recommendation 8

Codes should require garages to demonstrate they deploy 'currently competent' people in the inspection, maintenance and repair of vehicles. The garage must produce evidence of current competence during the Code audits. The garage must achieve a minimum of 25% competent staff in year one, 50% in year two and 75% in year three.

Government Response

- 3.23 We agree in principle that it could be beneficial for Codes to include requirements on training, though this is ultimately a matter for Code operators and TSI, as the guardians of the Code approvals process.

² See http://www.direct.gov.uk/en/Motoring/OwningAVehicle/Mot/DG_4022113 for further information.

- 3.24 We recognise that it is important for people who carry out work on our vehicles to have appropriate and up to date training. However, requiring greater numbers of technicians across all garage services to demonstrate their technical competence is likely to increase costs to the garage industry. We would prefer to see training standards driven upwards through consumer pressure via the Code approval process rather than directly through regulation.
- 3.25 MOT testers are already required to be qualified to ATA level 3 or equivalent. The EU Commission has recently published proposals for Europe-wide roadworthiness tester competence requirements which require formal qualification as the route to entry and annual refresher training for all inspectors. If this were to go through unchanged to completion this will be significantly more demanding and in a similar timeframe to the recommendation, although it would only apply to MOT testers.
- 3.26 TSI has been charged with developing the future Codes approval process. TSI will consider the benefits to consumers of requiring evidence of current competence as part of the review of Codes criteria as well as the cost to garages. We recommend that TSI ensures that it takes into account any impacts of the proposed EU tester competence requirements.

Recommendation 9

The sub-group recommends that OFT(TSI) approved Codes should be required to provide consumer feedback websites with suitable assurances of veracity, validity and transparency.

Government Response

- 3.27 We accept this recommendation, which builds on existing practice. Current OFT(TSI) backed Codes already provide a facility for consumer feedback websites with assurances of veracity, validity and transparency. For example, both Motor

Codes and Bosch provide a garage finder service³ where customers can search for a garage by postcode. The Motor Codes service also allows people to check feedback from other customers. Feedback is linked to an individual, verifiable invoice.

- 3.28 TSI has already committed to developing an online portal providing simple access for the public. With a post-code check, the consumer will be able to see quickly and easily which traders have been approved in their area and check consumer feedback. TSI anticipates this will be available during 2013.

Recommendation 10

The sub-group recommends that DfT considers and responds to the technical recommendations made by the MOT Trade Forum.

Government Response

- 3.29 This recommendation is work in progress. DfT has received technical recommendations made by the MOT Trade Forum. DfT is now working with the industry to improve the status of the advice given to motorists where vehicles “only just pass” so they are aware of the likelihood of non-compliance in the near future. For example where tyres only just meet 1.6mm limit or brake pads can be seen to be at or below 1.5mm remaining lining thickness limit.
- 3.30 DfT routinely works in cooperation with representatives from the MOT trade and VOSA. Technical standards that apply to test items are a regular item for discussion. Discussions around DfT and VOSA support to test centres, including advice on wear and tear items, have been positive. We hope to establish suitable practices and guidelines that will ensure that such advice is correct and appropriate.

³ See <http://www.motorcodes.co.uk/> and <http://www.boschcarservice.co.uk/>

Recommendation 11

The sub-group recommends that the RAC and AA should track consumer confidence in the garage industry as part of their Report on Motoring and Populus panel respectively. DfT and other government stakeholders should review the results and act on them as necessary.

Government Response

- 3.31 We accept this recommendation. We are grateful to both the RAC and the AA for offering to track consumer confidence over time. We were interested to see the initial results from the AA Populus Poll which told us that:
- 78% of customers do not shop around
 - 44% think that cost of service is too high
 - 22% think that items fitted are not necessary
 - 22% feel that work takes longer than necessary
 - 33% think that hourly labour rates are not transparent.
- 3.32 These results indicate that measures to provide information to customers about how to find the best garages are likely to drive up standards in garage performance.
- 3.33 We will monitor the results of future similar surveys with interest.

Recommendation 12

The sub-group recommends that DfT and other government stakeholders should review the Citizens Advice Service data on consumer detriment and act on it as necessary.

Government Response

- 3.34 We accept this recommendation. As part of the changing consumer landscape, the Citizens Advice Service has been given responsibility for delivering consumer detriment monitoring across the whole economy. This will provide an opportunity to maintain an overview of the performance of the garage service and repair sector relative to other industries.
- 3.35 The new Strategic Intelligence, Prevention and Enforcement Partnership (SIPEP), which will bring together the new National Trading Standards Board, the new Competition and Markets Authority and the Citizens Advice Service, as well as other key consumer bodies, will be an important player in building understanding of consumer detriment in future, including in the garage sector. Part of their remit will be to share intelligence, identify future issues that could adversely affect consumers and agree priorities for enforcement. The SIPEP will review the outcomes of consumer detriment monitoring and consider whether further action needs to be taken.
- 3.36 As and when data on detriment on the garage sector emerges from these processes, the Department for Transport will consider whether further action needs to be taken in response.

Annex A

Summary of the Motorists Forum recommendations	
1	The sub-group recommends that VOSA considers publicising the compliance work it undertakes.
2	The sub-group recommends that VOSA makes more of its MOT data available to garage customers where it would help customers make informed choices.
3	The sub-group considers that there should be more publicity of high quality value-adding mystery shopping which already exists (eg by VOSA, Trading Standards, OFT approved Code sponsors) as an aid to increasing consumer confidence and driving up standards.
4	The sub-group recommends that it is in the interests of all garages to sign up to an OFT(TSI) backed Code.
5	All new MOT garages should sign up to an OFT(TSI) backed Code as a condition of entry to the MOT scheme. Existing MOT garages not covered by an OFT(TSI) backed Code should be obliged to sign up as soon as it is practically possible.
6	The sub-group considers that garages which have signed up to an OFT(TSI) backed Code pose less risk to consumers, and should therefore benefit from “earned recognition” within VOSA’s risk assessment regime.
7	The sub-group recommends that the scope of OFT(TSI) backed Codes should be expanded to incorporate the MOT test.
8	Codes should require garages to demonstrate they deploy ‘currently competent’ people in the inspection, maintenance and repair of vehicles. The garage must produce evidence of current competence during the Code audits. The garage must achieve a minimum of 25% competent staff in year one, 50% in year two and 75% in

	year three.
9	The sub-group recommends that OFT(TSI) approved Codes should be required to provide consumer feedback websites with suitable assurances of veracity, validity and transparency.
10	The sub-group recommends that DfT considers and responds to the technical recommendations made by the MOT Trade Forum.
11	The sub-group recommends that the RAC and AA should track consumer confidence in the garage industry as part of their Report on Motoring and Populus panel respectively. DfT and other government stakeholders should review the results and act on them as necessary.
12	The sub-group recommends that DfT and other government stakeholders should review the Citizens Advice Service data on consumer detriment and act on it as necessary.