

Report of the Motorists' Forum Sub-Group

on

**Improving Garage Customer
Experience**

Presented for discussion to

The Motorists' Forum

4 July 2012

Executive Summary

Early on in the work of the sub-group it became apparent that there was extensive “best practice” already in place within the retail automotive industry. Far from starting from scratch therefore, the sub-group identified that what was needed was for this best practice be adopted universally across the whole industry.

Specifically:

- i. Garages should sign up to a high quality Codes of practice with strong enforcement backed by an independent and trusted organisation.
- ii. It must be made easier for Customers to find the best garages - and Codes do indeed make it easier provided there is not a proliferation of Codes.
- iii. Many companies are already training technicians to a nationally recognised standard. To further encourage this, the assessment of technician competence through accreditation schemes such as “ATA” needs to be more widely adopted and ultimately to become a requirement imposed by recognised Codes of Practice.

The wider adoption of a Code “with teeth”

There are a number of Codes of Practice in operation as identified in this report. The Trading Standards Institute (TSI) points out that a proliferation of codes can only lead to confusion for the customer. The primary distinction is that some codes are backed by an independent trusted organisation and others police themselves. It is essential that a trusted independent monitor is involved and controls standards and behaviour. The Office of Fair Trading (OFT) backs and monitors codes and in fact the most widely used code – Motor Codes – has OFT approval. The regulatory landscape for codes is changing and the responsibility formerly discharged by the OFT will in future be carried out by TSI

It is recommended that all garages should be strongly encouraged to operate an OFT(TSI) backed code.

Making it easier for customers to find the best garages

Customers must be able to see more easily which garages are performing the best so that an informed choice can be made. Garages subscribing to OFT backed codes are obliged and want to provide this information and it is a second compelling reason for the wider use of such a code. The website below is such an example where the Motor Codes Garage Rating is generated through the collated data provided by customers completing the Motor Codes online survey.

<http://www.motorcodes.co.uk>

This is a further reason why all garages should be strongly encouraged to operate an OFT (TSI) backed code.

The wider adoption of a recognised, high quality training standard

In recent years the industry has invested more in its people and in their training and competence. It is entirely reasonable that customers having their cars serviced expect to have that work carried out by people trained and competent to an appropriate standard. There is also a view from the employers' standpoint that investing in training delivers nationally recognised qualifications and staff feel more valued and look at their employment not just as a job but, indeed, as a career, resulting in greater loyalty and less staff churn.

The retail industry has its own Sector Skills Council in the form of the Institute of the Motor Industry and its brand Automotive Technician Accreditation (ATA) is well respected. The website below has further information:

<http://www.automotivetechnician.org.uk>

It is accepted that good quality training delivers better results and it is therefore essential that it becomes universal and not just the preserve of the more enlightened garage.

It is recommended that all garages should be strongly encouraged to have all technicians competent to this or an equivalent standard and that training should be verifiable through the Code audit process. VOSA supports all initiatives that improve the standard of MOT testing and ATA is recognised by them.

Summary of all the sub-group's 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 data on consumer detriment and act on it as necessary.

Introduction

Why is this work needed?

There has been a fairly widespread perception for some years that customers have not been getting a fair deal from the garage service and repair sector. In 2001 the Department for Trade and Industry published a report called “Jacking up standards in car servicing”¹ estimating the consumer detriment at £4 billion a year. In 2005 the National Consumer Council (NCC) published its report “At a crossroads”². According to the NCC, information asymmetries – or imbalances of information that typically occur when the trader has better or more information than the buyer - meant that consumers were ill equipped to choose a reliable garage, or to spot mistakes or dishonesty. The industry was threatened with an OFT super-complaint and possible government regulation if it did not address the issues through self-regulation.

Since that time some progress has been made on self-regulation. A number of industry Codes have received accreditation through OFT’s Codes approval scheme. The largest, Motor Codes, has in excess of 6,500 garages. A number of other codes and schemes exist (see Annex F for more information).

Recent research by the AA (see Annex E) suggests that current levels of consumer satisfaction may have shown some improvement. For example:

- 81% believe that their chosen garage tries to treat them as a valued customer
- 78% always use the same garage

¹ See <http://hdl.handle.net/10068/541120> for more information.

² See website below for more information.

http://collections.europarchive.org/tna/20080520143211/http://www.ncc.org.uk/nccpdf/poldocs/NCC085_crossroads.pdf

- Only 1 in 20 respondents have had a problem related to a car service or repair where they felt they needed intervention via an industry conciliation/arbitration system in the last 5 years.

Nevertheless, the same research also shows that customers remain concerned about the quality and cost of service received. For example:

- 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.

Terms of reference for this work

The report responds to the Secretary of State's written statement of February 1st 2012 (see Annex A) and covers the findings of the sub-group of the Motorists' Forum which she called to be established in that statement.

The Motorists Forum appointed Christopher Macgowan OBE to establish and chair a sub-group in accordance with the Motorists Forum terms of reference (see Annex B). Christopher Macgowan has extensive experience of the automotive industry (see Annex C for his biography). Members of the sub-group were selected by Christopher Macgowan with the agreement of Motorists Forum in order to represent a wide cross-section of interests. These include:

- Organisations representing consumer interests
- Independent garages and franchise dealers
- Key players in training and regulatory fields

A full list of member organisations and representatives is available at Annex D.

Minutes of the sub-group meetings can be found on the Department for Transport's website:

<http://www.dft.gov.uk/publications/motorists-forum>

As set out in the Motorists Forum terms of reference, this is the report of the sub-group which will be discussed by the full Motorists Forum at their meeting on 4 July 2012 before they report back to ministers.

This report has the agreement of the following sub-group members:

- David Bizley (RAC)
- Paul Everitt (SMMT)
- Ron Gainsford (TSI)
- Edmund King (AA)
- John Lewis (BVRLA)
- Theresa Perchard (Citizens Advice)
- Sue Robinson (NFDA)
- Steve Scofield (IMI)

This report has **not** been agreed by the following sub-group members:

- Bill Duffy (Halfords Autocentres)
- David Innes (SMTA)
- Stuart James (IGA)

How we arrived at this report

At an early stage the sub-group sought to look at best practice in the industry which was already having a favourable impact on the customer experience or had the potential to do so. This was because there are, for instance, some 27-30 million MOTs taking place at some 21,000 authorised premises in addition to millions of other transactions for car servicing and although improvements need to be made. Many of these transactions are seen by the customers as satisfactory. Despite that, the garage service and repair industry still attracts criticism and appears unfavourably when customers are questioned to make comparisons with other consumer experiences.

Additionally, the sub-group was seeking to make real change without necessarily calling for the heavy burden of increased regulation at a time when the coalition is keen to reduce regulation where appropriate to do so.

Secretary of State's Commitments

The Secretary of State made a number of commitments within her statement of 1 February 2012 and the sub-group has sought to review these commitments individually. In some cases, we have made specific recommendations to aid the Secretary of State in delivering her commitments.

1. Publication of VOSA MCS compliance survey. Review the MOT data gathered by VOSA and – informed by the surveys below – further improve transparency.

The sub-group welcomes the publication of VOSA's MCS compliance survey. The sub-group has noted the quality of VOSA's monitoring and enforcement activity, for example in relation to mystery shopping (see Recommendation 3 below), and considers that consumer confidence would be raised if VOSA did more to publicise the compliance work it undertakes.

Recommendation 1

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

The sub-group has noted the importance of customers being empowered to make informed choices when considering MOT testing and garage services more broadly. VOSA collects a vast amount of garage performance data, some of which may help inform customers when making choices about which garage to use. This data should be freely available to intermediaries (e.g. Codes or Citizens Advice websites).

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.

2. Engage motoring organisations in surveying their members.

Members of the sub-group are keen to help the Secretary of State with this commitment. The AA volunteered to survey its members via its monthly Populus panel. The AA receives around 20 000 responses to each survey which are broken down by age, geographic location etc. The survey is conducted by Populus, a professional polling organisation.

The AA has carried out two recent Populus polls (see Annex E). Motor Codes also routinely surveys its members and has offered a summary of the main issues reported to them (see Annex E).

3. Identify and work with organisations able to carry out mystery shopping exercises

The sub-group recognises the value of mystery shopping in driving up standards. It is a tool routinely used by some organisation members of the sub-group such as Halfords Autocentres, which uses it as a business improvement tool, and Motor Codes, which use it as a compliance tool.

The sub-group considers that it is important to act on the results of mystery shopping to drive improvement and in order to get the most value out of what is a costly exercise. There can, however, be disbenefits to mystery shopping which need to be taken into account. For example, where mystery shopping exercises are carried out as a headline grabbing tool, this can undermine consumer confidence. If the results are not followed through, opportunities are lost for business improvement. Where mystery shopping is undertaken, it needs to be comprehensive to provide representative results, it needs to be fair (i.e. not trying to trick garages) and carried out by qualified assessors who adhere to recognised technical standards. Examples of reputable organisations who are able to carry out mystery shopping to the necessary standards and follow through on results are VOSA, Trading Standards, and OFT approved Code sponsors. More value can be gained from existing resources if organisations work together, and as the consumer landscape evolves there may be new opportunities for organisations to work together.

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.

4. Work with Motorists Forum to establish a sub-group bringing together a broad range of stakeholders to deliver the package that follows.

The sub-group met on three occasions and the chair reported on their work to a full meeting of the Motorists Forum on 4 July 2012. Sub-group members were pleased to help the Secretary of State with this important work.

5. Work with industry and stakeholders to encourage the wider adoption of Codes.

The sub-group considers that Codes have a valuable role to play in driving up standards. Effective Codes incorporate many aspects to improve performance which have been noted for their effectiveness within this report and elsewhere, for example:

- Consumer feedback websites
- Mystery shopping
- Surveying of members
- Alternative dispute resolution

There are a number of Codes and schemes available (see Annex F for a list of Codes which sub-group members are aware of). Some of these Codes (eg Motor Codes, Bosch, Vehicle Builders and Repairers Association Ltd) have government approval via the OFT approval process (see Annex G for further information about OFT Code criteria). This is a rigorous process with requirements from inception of the scheme through to monitoring and publicity, and the performance of Codes sponsors is scrutinised by OFT. Others have alternative assurance processes (eg BSI PAS 125, and the Trading Standards

backed “Buy with Confidence scheme”). These give consumers extra quality assurance and transparency. Others have no formal endorsement, but are nevertheless popular with garages (eg Good Garage Scheme).

Whilst it is clear that best practice Codes are available, adoption by the industry remains patchy. For example, around 6,500 garages have signed up to Motor Codes (the most popular OFT approved Code) and 2,800 have signed up to the Good Garage Scheme. Whilst the sub-group does not have access to a reliable estimate of the total number of garages, there are around 21,000 MOT garages in Great Britain.

TSI points out that a proliferation of codes can only lead to confusion for the customer. The regulatory landscape for codes is changing and the Codes approval responsibility formerly discharged by the OFT will in future be carried out by TSI. Further information on the consumer landscape changes is available below:

<http://www.bis.gov.uk/Consultations/empowering-and-protecting-consumers>

Under the new consumer landscape, there will also be a greater role for Citizens Advice to educate and empower customers. There will be new opportunities for Citizens Advice to act as a trusted intermediary helping to drive business towards garages which have adopted OFT(TSI) backed Codes.

The sub-group considers that the cost to a garage of adopting a Code (e.g. around £150 per year for Motor Codes) is outweighed by the potential business benefits generated (such as increased business) to those garages willing to comply with the requirements of the Code.

Recommendation 4

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

There is evidence to show that aside from the potential business benefits to individual garages, other effective levers can be found to

increase the adoption of Codes. For example, insurance companies have become increasingly demanding on quality of body shop repairs and have brought pressure to bear on body shop garages, resulting in increased numbers of garages signing up to standards such as OFT backed Vehicle Builders and Repairers Association Ltd and BSI backed PAS 125.

The sub-group has considered a range of options where government might use the levers at its disposal to encourage or require increased numbers of garages to sign up to Codes as follows:

- **Option 1:** All garages to be licensed
- **Option 2:** All garages required to sign up to a Code
- **Option 3:** All garages who do MOT testing required to sign up to a Code
- **Option 4:** Garages signed up to a Code to gain “earned recognition” from VOSA

The sub-group is mindful of government’s deregulatory agenda and of minimising the burdens of regulation on businesses. Therefore, options 3 and option 4 were most favoured by members of the sub-group. In relation to option 3, the sub-group recognises that immediately imposing the requirement to sign up to an OFT backed Code may place a burden on smaller MOT testing stations. VOSA might consider how to introduce this measure gradually, for example by requiring all new MOT garages to sign up to an OFT backed Code and a phased approach existing MOT garages.

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 is practically possible.

VOSA already targets its enforcement activities on those MOT garages which it considers to be most “risky”. The sub-group considers that

garages which have signed up to an OFT backed Code pose less risk to consumers, and should therefore benefit from “earned recognition” within VOSA’s risk assessment regime. This would not affect the technical standards VOSA uses to assess garages, but would influence the level of trust VOSA has in a garage.

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.

Currently where an MOT garage has signed up to a Code, the MOT test itself falls outside the scope of the provisions of the Code. So customers who may have a service and MOT for their car at the same time may find that they have to deal with VOSA for any issues in relation to the MOT test but can deal with the provisions of the Code for any aspect of the service. The sub-group considers that this is not in the best interests of the consumer, and that the scope of OFT(TSI) backed Codes should be expanded to incorporate the MOT test. This should not replace or undermine the high quality MOT enforcement work already undertaken by VOSA, but should enhance it, for example, by extending access to alternative dispute resolution provided by Codes to the MOT test. VOSA should also have access to reports of complaints and their outcomes where they relate to the MOT test.

Recommendation 7

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

In recent years the industry has invested more in its people and in their training and competence. It is entirely reasonable that customers having their cars serviced expect to have that work carried out by people trained and competent to an appropriate standard. There is also a view from the employers’ standpoint that investing in training delivers nationally

recognised qualifications and staff feel more valued and look at their employment not just as a job but, indeed, as a career, resulting in greater loyalty and less staff churn. It is accepted that good quality training delivers better results and it is therefore essential that it becomes universal and not just the preserve of the more enlightened garage.

The retail industry has its own Sector Skills Council in the form of the Institute of the Motor Industry and its brand Automotive Technician Accreditation (ATA) is well respected. VOSA supports all initiatives that improve the standard of MOT testing and ATA is recognised by them.

The website below has further information:

<http://www.automotivetechician.org.uk>

More information about ATA is available in Annex H.

The sub-group recommends that all garages who wish to deliver high quality services to the public should have technicians competent to this or an equivalent standard. Whilst the sub-group is not in favour of enforcement via regulation, we are in favour of encouragement. MOT testers must already be accredited as competent by VOSA. Where garages are delivering MOT testing, we consider that it is reasonable for customers to expect they deliver all services to a competent standard, not just the MOT test. Therefore, we recommend that all MOT garages should be required to demonstrate they have competent staff to deliver all their services, and that competence should be verifiable through the Code audit process.

We recognise that ATA is not the only suitable accreditation standard available, and we do not wish to be overly prescriptive. We suggest evidence of current competence can include the following:

- a current ATA accreditation
- an industry recognised competency based qualification which includes National Vocational Qualification (NVQ), Scottish Vocational Qualifications (SVQ), Vocational Competency Qualification held for 3 years or less which is relevant to the activities undertaken

- a relevant qualification and measured Continued Professional Development evidenced by professional registration
- a relevant apprenticeship certificate held for three years or less

The sub-group recommends that sponsors of OFT(TSI) approved Codes work with IMI on incorporating a check on demonstration of competence into their regular audits. It should be possible to provide a professional register online linking individuals to their qualifications, making the audit process quick and efficient.

The sub-group recognises that it may be unrealistic to assume that garages can ensure competence of all its staff to this level immediately. Therefore, we recommend a phased approach - the garage should achieve a minimum of 25% competent staff in year one, 50% in year two and 75% in year three.

The sub-group recognises that there are costs involved with this recommendation. The cost of having a technician accredited with ATA is around £350. The cost of qualifications achievement is more difficult to estimate as it is dependant on the delivery and assessment methods and the level of skill already attained by the individual.

Apprenticeship and the other listed qualifications could fall under government funded provision for those in the 16 to 19 year age bracket, so the cost could be minimal for these individuals and their employers.

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.

6. Measures to make it easier for consumers to give feedback in a transparent way that others can view

The sub-group considers that there is an appetite among consumers for feedback from other consumers, and that garage choices are often made on the basis of word of mouth recommendations. We also consider that feedback websites have the potential to enable consumers to make informed choices and therefore to drive improvements within the garage industry.

Current systems vary greatly in usefulness and take-up. Certain sectors of the industry such as franchised dealers may have their own mechanisms but these are not consistent or always transparent.

Consumer feedback suggests that a Tripadvisor approach might be helpful as long as it gathers critical mass by heavy PR and marketing. If such a site could be endorsed and promoted by Government on behalf of the consumer then take-up is likely to be improved.

The sub-group notes that OFT backed Codes such as Motor Codes include consumer feedback websites. Motor Codes has ensured that returns are genuine garage customers by “baking in” 7 levels of protection against fraudulent returns:

- customer name
- email
- telephone number
- vehicle registration
- date of transaction
- invoice number
- subscribing garage.

The sub-group notes that if Codes are more widely adopted, then take-up of associated consumer feedback websites is likely to be increased.

We note that responsibility for Codes approval is shortly to be transferred from OFT to TSI as part of government changes to the consumer landscape. In addition, we note that the changing consumer landscape will provide opportunities for Citizens Advice to promote suitable consumer feedback websites and to promote consumer education campaigns. We recommend that TSI recognises the importance of reliable consumer feedback websites when considering

any future Code approval process. This will maximise the impact of suitable consumer feedback websites.

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.

7. MOT certificates to show mileage for the last 3 years and encourage motorists to view VOSA's online database.

The sub-group welcomes this measure as a useful contribution to fighting the problem of mileage fraud or "clocking".

8. Consider adjusting technical standards for wear and tear items such as tyres and brakes.

The sub-group has sought advice from the MOT Trade Forum about adjusting technical standards for wear and tear items such as tyres and brakes. A submission has been made by the MOT Trade Forum to DfT which DfT is now considering. The sub-group has not considered these technical items in any detail as technical expertise lies with the MOT Trade Forum. We are grateful to the MOT Trade Forum for their assistance.

Recommendation 10

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

9. Develop with Motorists Forum Sub-Group a means of measuring consumer confidence over time across all garage services.

The sub-group notes that consumer confidence in the garage industry has been an issue for many years. We note that Citizens Advice reports that garage servicing and repair problems are amongst the top five most common calls made to their national consumer helpline, which replaced Consumer Direct from April 2012. The sub-group is willing to help

government in ongoing measurement of consumer confidence. The RAC has offered to track consumer confidence as part of their Report on Motoring. The RAC Report on Motoring is an annual publication first launched in 1988 and has become widely regarded as the voice of Britain's motorists. The Report is based on the views of around 1,000 drivers in Britain and provides a snapshot of motorists' attitudes and behaviour with regard to their vehicles, the road network, Government transport policy, and other drivers. One of the strengths of the report for this purpose is the opportunity to track trends over long time periods.

As already stated, the AA has surveyed its members via the Populus panel and is willing to continue to do so. This avenue offers effective snapshots into different aspects of consumer confidence.

By combining these methods, we are confident that we can support government to maintain an overview of consumer confidence in the garage industry over time.

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.

These methods do not, however, give an indication of consumer confidence relative to other industries. As part of the changing consumer landscape Citizens Advice has been given the responsibility to deliver consumer detriment monitoring across the whole economy. The sub-group recommends that DfT and other government stakeholders should review the Citizens Advice data on consumer detriment and act on it as necessary.

Recommendation 12

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

Annex A - Secretary of State for Transport (Justine Greening) Statement

1 February 2012

1. Maintaining vehicle road worthiness and servicing is one of the most important costs of running a car for most motorists. I am today announcing the Government's intention to work with industry and motoring organisations to improve the motorist's confidence and experience when they have to take their car, motorcycle or other private vehicle to a garage.
2. Motorists are generally not experts in the mechanics, electronics or component parts of their vehicles — what matters to them is that the vehicle is safe to be on the road, that they are paying a reasonable price and that what they are paying for is necessary work carried out to a good standard. Motorists want reliable servicing and MOTs from garages they trust and it is in the interests of reputable garages to deliver to a high quality.
3. Almost every motorist has to visit a garage or other authorised testing station at least once a year for their vehicle to undergo an MOT test — and for many people, that minimum statutory spot check of a vehicle's roadworthiness is either combined with an annual service or leads to repairs and further work. Each year in Great Britain some 35 million MOTs take place at some 21,000 authorised premises — the annual cost to motorists of the test alone is in the region of £1.5 billion. The UK car service and repair sector is worth around £9 billion per year to the GB economy.
4. The garage sector is regulated in several ways. The sector has to comply with business laws and consumer protection legislation. The MOT scheme is regulated by the Vehicle and Operator Services Agency (VOSA) of the Department for Transport. Self-regulation has an important role to play also. For example, around 6500 garages self-regulate their customer service through the Motor Codes Ltd Code on Service and Repair which has full approval status under the OFT Approved Codes System. And nearly 1000 garages have been accredited with the BSI Kitemark scheme for automotive services.
5. The package of measures I am announcing today does not duplicate these existing controls and arrangements. But they

will add value for the motorist and enhance their experience when having to deal with garages whether for an MOT test or more generally.

6. I am taking two immediate steps today. Firstly, having listened closely to the very many views put forward and considered the available evidence, I have decided that I am not going to carry out further work in relation to relaxing the first test date or the frequency of testing.
7. Secondly, I am publishing for the first time today information gathered by VOSA about the standards of MOT testing. VOSA's MOT compliance survey 2010/11 showed that, despite large parts of the MOT test being subjective, 88% of testers were applying correct and consistent standards. There were 12% of testers who had their overall assessment of the vehicle's roadworthiness challenged by VOSA, suggesting there is still room for improvement. Publication of this data represents a considerable increase in transparency on the accuracy of MOT tests.
8. VOSA already carries out targeted work to improve this figure. However, I want to go further and make it easier for consumers to take action if they have not received the service they need from MOT testers. Further short term steps I am therefore taking are to:
 - o engage the key motoring organisations in surveying their members over the next few months to determine the most significant and frequent problems they encounter at garages, how transparent and consistent charging and service standards are and what examples of best practice customer service they have experienced – and to publish their results.
 - o Identify and work with organisations able to carry out mystery shopper exercises that could supplement those which VOSA already carry out as part of their targeted supervision of the scheme.
 - o work with the Motorists' Forum to establish a sub-group to bring together a broad range of relevant motoring and industry organisations, such as the MOT Trade Forum, to help deliver the package that follows;
9. Over the next six months my Department will carry out the following actions:

- so that consumers can be confident that the garage they choose has signed up to deliver to the highest standards, we will work with the industry and stakeholders to encourage much wider adoption of existing Codes (such as that provided through the SMMT and Motor Codes Ltd) and to develop those Codes to include MOT testing services. Our ambition is that it should be the norm for garages to comply with such Codes.
 - in order to make more information available to help motorists know how the scheme is supervised, which garages perform well and which less well, we will review the MOT data gathered by VOSA and – informed by the surveys above – further improve transparency.
 - we will also work with industry, motoring organisations and others to make it easier for consumers to give feedback on their experiences of garages in a transparent way that others can view, and to boost awareness of existing consumer feedback tools.
 - we will help motorists to spot clocked vehicles by arranging for MOT test certificates to show mileage information for the last three years, and encouraging car buyers to check the full MOT history of vehicles by accessing online the authoritative MOT database.
 - to help motorists know how long wear and tear items such as brakes and tyres are likely to last after an MOT test, we will work with the MOT trade initially to consider whether to adjust the MOT technical test standard.
 - The Government intends to develop with the Motorists' Forum sub-group a robust means by which we can measure consumer confidence over time across all garage services.
10. I see the above package of measures as an important element in our overall road safety policy, alongside delivering increased confidence and value for money for motorists having their vehicles MOT tested or serviced. I expect more ideas and measures to develop once the Motorists' Forum subgroup is established, and there will be opportunities for all interested parties to contribute to the debate.

Annex B – Motorists Forum Terms of Reference

Background & aims

It is important for Ministers to understand and take full account of the views of those who use and manage roads to inform work on both longer term strategies and short term interventions affecting road users and/or aimed at improving the performance of roads.

The Motorists Forum is intended to be the primary regular channel through which road users and other key stakeholders from the roads and motoring sector contribute to government thinking on priorities for and performance of roads. The Forum will both have a role in helping to shape topics of current interest, and setting a longer term strategic direction for roads and motoring policies.

Terms of reference

The Motorists Forum will:

- a) Represent motoring interests in developing and promoting strategies and policies relating to English roads. The Forum will:
 - (i) Suggest and seek to shape strategic direction;
 - (ii) Provide expertise and private commentary on developing policies on motoring or roads issues, including DfT business plan commitments;
 - (iii) Where appropriate, support the Department in delivering and explaining individual initiatives on roads issues.
- b) Support the creation of high quality government policy on motoring issues by:
 - (i) Examining policy interventions that can assist the Department in meeting its business plan commitments;
 - (ii) Examining policy interventions that can assist the Department more generally in supporting the motorist;
 - (iii) Respecting the organisational limits and political constraints under which the Department operates;
- c) Share the conclusions of its work with Ministers.

The Forum will not have an independent research capability, but will be able to suggest areas to Ministers where it believes research is necessary to meet a policy or strategic need.

Duration

The Forum is empowered for a twelve-month period, coterminous with the chair's period of office. At the end of this period, Ministers will decide

whether they wish to continue to use the Forum as a channel of engagement.

Membership

Membership of the Panel reflects individual expertise as well as seeking to achieve a balanced representation of motoring interests. The appointed membership is expected to be as follows: EXTERNAL	
David Quarmby CBE	RAC Foundation
Edmund King	AA
CC Phil Gormley	ACPO
Christopher Macgowan OBE	Centre for Automotive Management
Stephen Joseph	CBT
Garrett Emmerson	TfL (for local authorities)
Nick Starling	ABI
Theo de Pencier	FTA
John Lewis	BVRLA
Robert Gifford	FACTS
Paul Everitt	SMMT
INTERNAL	
Tricia Hayes	Roads
Graham Dalton	Highways Agency
Miriam Lea	Communications
Michael Dnes (Secretariat)	Roads Policy

The Chair is entitled to appoint subject specific experts as invited members ahead of a meeting of the Forum, or to take part in specific sub-groups. The views of invited members should be reflected in any feedback to Ministers.

Chair

The chair shall be appointed by the DfT, and shall serve for a period of twelve months. David Quarmby, chair of the RAC Foundation, has accepted the DfT's invitation to chair the Forum for the first year. The duties of the chair shall include:

- Chairing each session of the Forum

- Reporting the Forum's proceedings to the Minister, with the assistance of the Secretariat.
- Appointing temporary members of the Forum ahead of specific meetings or on specific sub-groups.

When reporting to the Minister, the Chair is expected to reflect the views expressed by members of the Forum.

Subgroups

The chair is entitled to set up sub-groups to consider particular topics in detail. These may be constituted of full members of the Forum (appointed or invited), or of individuals appointed by the chair solely to sit in the sub-group.

Before any findings of a sub-group are included in the chair's report to Ministers, they should first be considered by a meeting of a full Forum.

Frequency of meetings

The DfT will provide a secretariat for service for the Forum. The Secretariat will aim to ensure a minimum of three meetings over the course of the year. In between formal meetings, Forum members will be invited to participate in the policy development process as and when opportunities arise. At least once a year Forum members will be able to suggest topics for a more strategic engagement with Ministers (including the Secretary of State) on the future direction of policies on roads and motoring.

Annex C - Christopher Macgowan OBE

BIOGRAPHY

Christopher Macgowan is Visiting Professor at the University of Buckingham's Business School's Centre for Automotive Management. He is a member of the Royal Automobile Club Foundation Public Policy Committee.

Christopher Macgowan is the former Chief Executive of both The Society of Motor Manufacturers and Traders (SMMT) and The Retail Motor Industry Federation (RMIF).

Christopher is a Freeman of the City of London; a vice president of the Automotive Fellowship International and the former Interim Chief Executive of BEN – the automotive industry charity. He is a trustee of the National Motor Museum at Beaulieu; a member of the Worshipful Company of Coachmakers and a member of the Executive Committee of The Caravan Club and its Club Treasurer. He remains a trustee of BEN. He is an external assessor at Loughborough University. He is a member of the Department for Transport's Motorists' Forum.

In 2008 he was appointed Officer to The Most Excellent Order of the British Empire (OBE) in the Queen's Birthday Honours list.

Christopher worked for British Leyland early in his career and lived in Canada for a number of years after joining Massey Ferguson in 1973.

Annex D – List of sub-group members

Name	Organisation
Christopher Macgowan OBE	Chair
David Innes	Scottish Motor Trade Association
Edmund King	AA
David Bizley	RAC
John Lewis	British Vehicle Rental and Leasing Association (BVRLA)
Paul Everitt	Society of Motor Manufacturers and Traders (SMMT)
Stuart James	Retail Motor Industry (RMI) Independent Garage Association (IGA)
Sue Robinson	Retail Motor Industry (RMI) National Franchised Dealer Association (NFDA)
Bill Duffy	Halfords Autocentres
Steve Scofield	Institute of Motor Industry (IMI)
Theresa Perchard	Citizens Advice
Ron Gainsford OBE	Trading Standards Institute

Annex E – Surveys of members of motoring organisations

AA/Populus Poll conducted 22-30 May 2012 - Car Service Repair Summary – Responses from 19,284 AA members/drivers

Questions	Outcomes of the survey
<p>1. What are the most significant and frequent problems they encounter at garages?</p>	<ul style="list-style-type: none"> • 44% believe the cost of service and repairs is often higher than expected (22% neither agree nor disagree and 33% disagree). This belief is higher amongst users of franchised main dealer (52%), the younger age groups (18-24 and 25-34, 52% and 54% respectively), and is the highest in London (51%). • 22% do not believe that the items fitted are necessary (24% neither agree nor disagree and 53% disagree). This belief is higher amongst users of franchised main dealer (28%), the younger age groups (18-24 and 25-34, 29% and 31% respectively). • 22% feel that the work often takes longer than garage predict (20% neither agree nor disagree and 58% disagree). This belief is higher amongst users of large independent garage or servicing specialists (25%), the younger age groups (18-24 and 25-34, 27% and 26% respectively).
<p>2. How transparent and consistent do they think charging and service standards are?</p>	<ul style="list-style-type: none"> • 33% believe that the hourly labour rates and costs of parts are not transparent (20% neither agree nor disagree and 47% disagree). This belief is higher amongst users of franchised main dealer (38%) and the younger age groups (18-24 and 25-34, 41% each).
<p>3. What examples of best practice customer service have they experienced?</p>	<ul style="list-style-type: none"> • 81% believe that their chosen garage tries to treat them as a valued customer (11% neither agree nor disagree and 7% disagree). This belief is higher amongst users of small general repair garage (85%), the older age groups (55-64 and 65+, 84% and 87% respectively), and is the highest in Wales (84%).

<p>4. What are the factors that result in them choosing their current provider?</p>	<ul style="list-style-type: none"> • 33% go to their chosen garage because it belongs to a recognised approval scheme (33% neither agree nor disagree and 33% disagree). This is the highest given reason amongst users of franchised main dealer (52%), higher amongst the youngest and the oldest age groups (18-24, 55-64 and 65+, 31%, 35% and 41% respectively). • 21% go to their chosen garage because their vehicle is under warranty (19% neither agree nor disagree and 59% disagree). This is the highest given reason amongst users of franchised main dealer (50%), higher amongst men (23% compared to 18% of women) and older age groups (55-64 and 65+, 24% and 26% respectively). • 78% always use the same garage (11% neither agree nor disagree and 11% disagree). This is the highest given reason amongst users of small general repair garage (81%) and those 65+ (82%). It is also the highest in Wales.
<p>5. What factors or additional information would help them make a more informed choice that they have more confidence in next time?</p>	<p>Although this information was not available in the outcome of the survey, the conclusion from findings above suggest:</p> <ul style="list-style-type: none"> • A price comparison for service, repairs and parts may help – particularly the younger age group • Greater information about why an item was fitted in the car during repairs may help • It may help if the repair trade avoid consistently over running on work, or perhaps provide a breakdown of labour by each work carried out.

AA/Populus Online Poll conducted 23-27 April 2012 - Service & Repair Codes – Responses from 21,202 AA members

Questions	Outcomes of the survey
1. In the last 5 years have you had a problem related to car service or repair where you felt you needed intervention via an industry conciliation / arbitration system?	1 in 20 respondents have had a problem related to a car service or repair where they felt they needed intervention via an industry conciliation/arbitration system in the last 5 years.
2. Are you aware of the Motor Industry Code of Practice for service and repair?	Overall, two-thirds of panellists are unaware of the Motor Industry Code of Practice (66%) – rising to three-quarters of females (74%) and four-fifths of those aged 18-24 (81%).

Motor Codes Top Issues conducted 1 Jan - 31 Dec 2011 - Car Service & Repair Concerns – 979 cases

Top 5 vehicle issues in 2011 for service and repair disputes relate to:	<ul style="list-style-type: none"> • Head Gaskets (13%) • ECU (13%) • Timing Chain (11%) • Oil leaks (10%) • Injectors (10%)
Main causes of complaint in 2011 (Categorised by Code Breach):	<ul style="list-style-type: none"> • 3.4 guarantee work against failure (21%) • 5.2 Treat property with respect and care (9%) • 6.1 Immediate action to resolve complaints quickly and efficiently (9%) • 5.3 Staff competent to carry out work (5%) • 3.8 Subscribers will remain responsible for subcontracted works (3%)
Pricing	In terms of pricing many garages have set pricing on Service and MOT's so it's fairly consistent in that respect. With regards to repairs however, both diagnostics and repair work can escalate out with a given estimate or quote if additional works are

	<p>identified but during 2011 only 3% of complaints were related to pricing and or billing.</p>
<p>Motor Codes top tips for customer care:</p>	<ul style="list-style-type: none"> • Agree work required with the customer and check before starting additional jobs. • Set a price and payment method, don't change these without customer authorisation. • Encourage technicians to talk to customers to build personal relationships. • Don't charge for small/easy jobs to generate goodwill and trust. • Contact every customer after a few days to ensure maximum satisfaction. • Monitor customer feedback and act on it to make improvements. • Offer a loyalty bonus to encourage repeat business and develop relationships. • Continually improve your business by discussing operational issues with staff and customers. • Turn any complaint into a positive result to retain customers.

Annex F – List of major Codes and schemes available

Name	Sponsoring organisation	OFT approval	Other approval
Bosch Car Service	Bosch	Yes	
Motor Codes Ltd (Service and repair)	Motor Codes	Yes	
Vehicle Builders and Repairers Association (VBRA) Ltd	VBRA	Yes	
BSI PAS 125 (Vehicle damage and repair)	BSI	No	BSI
Good Garage Scheme	Forté	No	
Buy with Confidence	Trading Standards	No	Trading Standards
Trust my Garage	RMI	No	
Trusted Dealer	Dealer Network	No	
Unipart Care Care Centre	Partco	No	
Autosafe (My Favourite Garage)	Independent Factors Association	No	

Annex G - OFT Code Criteria

Consumer Code Approval scheme criteria

The OFT publishes core criteria on their website (see below).

http://www.offt.gov.uk/shared_offt/Approvedcodesofpractice/oft390.pdf

The table below provides a summary of the OFT Code approval requirements.

Area	Ref	Criteria
Organisation	1a	Code sponsors should have a significant influence on the sector.
	1b	Codes shall include a provision that compliance with the code is mandatory. Code sponsors must be able to demonstrate that members are prepared to observe the code's provisions.
	1c	Code sponsors shall have adequate resources and funding to ensure the objectives of the code are not compromised.
Preparation	2a	Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services have been adequately consulted throughout the preparation of the code.
	2b	Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services are being adequately consulted throughout the operation and monitoring of the code.
Content	3a	The code shall include measures directed at the removal or easing of consumer concerns and undesirable trade practices arising within the particular sector.
	3b	The code shall require that code members ensure that their relevant staff know about and meet the terms of the code as well as their legal responsibilities. Appropriate training is to be provided.
	3c	The code shall address clear and truthful marketing and

		advertising as appropriate to the sector.
	3d	The code shall address clear and accessible pre-contractual information as appropriate to the sector.
	3e	The code shall address high-pressure selling as appropriate to the sector.
	3f	The code shall address clear terms and conditions of supply and fair contracts as appropriate to the sector.
	3g	The code shall address delivery and completion dates as appropriate to the sector.
	3h	The code shall address cancellation rights as appropriate to the sector.
	3i	The code shall address guarantees and warranties as appropriate to the sector.
	3j	The code shall address protection of deposit or prepayments as appropriate to the sector
	3k	The code shall address customer service provisions as appropriate to the sector.
	3l	The code shall address the additional effort/help to be provided to vulnerable consumers as appropriate to the sector.
Complaints	4a	The code shall include a requirement that code members shall have in place speedy, responsive, accessible and user friendly procedures for dealing with consumer complaints. A specific reasonable time limit for responding to complaints shall be prescribed.
	4b	The code shall include a requirement that code members will offer the same level of cooperation with local consumer advisers or any other intermediary acting on behalf of a consumer when making a complaint as they would to the complainant.
	4c	The code shall include procedures for dealing with complaints including the availability of conciliation services directed at arranging a decision acceptable to both parties.
	4d	The code shall include the availability of a low-cost,

		<p>speedy, responsive, accessible and user-friendly independent redress scheme to act as an alternative to seeking court action in the first instance.</p> <p>The scheme shall be binding in respect of code members who shall not be able to refuse to allow a complaint to go before the scheme if a customer so chooses.</p> <p>The code member shall be bound to accept a decision made under the scheme. Any such scheme shall be able to take into account possible breaches of the code where relevant to the complaint.</p>
Monitoring	5a	The code sponsor shall develop performance indicators, e.g. mystery shopping exercises and independent compliance audits, to measure the effectiveness of the code.
	5b	The code sponsor shall implement the performance indicators and make available the results of their monitoring procedures and satisfaction surveys to demonstrate the effectiveness of the code.
	5c	<p>The code sponsor shall provide a written report annually to the OFT on the operation of the code to include:</p> <ul style="list-style-type: none"> • changes to the code agreed with the OFT and implemented • numbers and types of complaints including information on outcomes from the conciliation process and the independent redress scheme • results from monitoring, satisfaction surveys and the disciplinary process. <p>It would be preferable if the report were compiled by an independent person or body with powers to recommend actions</p>
	5d	The code sponsor shall provide copies of the annual reports to the OFT.
	5e	The code sponsor shall regularly review the code and update its provisions in the light of changing circumstances and expectations

	5f	Consumer satisfaction shall be regularly assessed.
Enforcement	6a	Code sponsors shall establish a procedure for handling non-compliance by members with the code. The procedure shall include independent disciplinary procedures and reasonable timescales for action.
	6b	The code sponsor shall also set out a range of sanctions, e.g. warning letters, fines, termination of membership, for dealing with non-compliance.
Publicity	7a	Code sponsors and members shall ensure that their customers are aware of the code.
	7b	Code members are to make clear, e.g. in advertising, point of sale, their adherence to a code of practice.
	7c	Copies of codes shall be available without charge to customers, to members, to local consumer advisers and to others with a legitimate interest.
	7d	Copies of any code related publicity generated by the code sponsor shall be provided to the OFT in advance of publication.
	7e	Code sponsors and members shall publicise the fact that the OFT has approved the code by using the CCAS logo in the prescribed manner.
	7f	Code sponsors shall comply with the terms of the standard copyright licence, disseminate the terms to their members and monitor their members use of the CCAS logo. Appropriate action shall be taken by the code sponsor against a member for non-compliance with the copyright licence.

Annex H

The Institute of the Motor Industry Automotive Technician Accreditation (ATA) Scheme

Automotive Technician Accreditation (ATA) scheme was launched in June 2005 by The Institute of the Motor Industry (IMI) to develop competent technicians needed to reflect the increasing complexity and sophistication of vehicles.

ATA registered technicians sign and are bound by a special Code of Conduct. They are issued with a photo identity card and their details are included on the ATA web site. ATA is a voluntary scheme that proves a technician's competence, giving reassurance to customers as well as raising the professional status and credibility of skilled individuals and their businesses. It is open to franchised and independent garage technicians and the scheme is backed by all major vehicle manufacturers and independent service and repair organisations, as well as consumer groups. Projects in the ATA scheme are also partly funded by The UK Commission for Employment and Skills (UKCES), a non-departmental public body (NDPB) accountable to the Secretaries of State for BIS and DWP and Ministers in HMT, DfE and the Devolved Administrations.

The Government is of the view that the skills and capabilities of people across the UK are ultimately the basis for the UK's long term competitiveness. To support sustainable growth, improvement in skill levels must be matched with the right conditions for these skills to be absorbed and used effectively by employers. Business, with encouragement from government, is best placed to effect that change. Ministers across the UK are committed to UKCES leading this change and raising employer ambition for investment in skills.

The purpose of the UKCES is to drive up employer investment in and better use of skills at all levels across the UK to help drive enterprise, sustainable growth and job creation, in line with the priorities of each of the 4 nations of the UK. The Government have agreed three new strategic objectives of the UKCES:

- To provide understanding labour market intelligence which helps businesses and people make the best choices for them.

- To work with businesses to develop best market solutions which leverage greater investment in, and better use of, skills.
- To maximise the impact of employment and skills policies and employer behaviour to support jobs growth and secure an internationally competitive skills base.

Under the Cabinet Office Review of Public Bodies in 2010, agreement was reached by the Minister for the Cabinet and the Secretary of State for BIS that the UKCES would be retained as a NDPB of BIS for the duration of the spending review – up to 2014-15.