CMA - Mobile Ecosystems Market Study

Comments on Statement of Scope

The British Vehicle Rental and Leasing Association (BVRLA) represents the demand side of the automotive industry. Our members engage in vehicle rental, leasing and fleet management. BVRLA members own and operate more than four million cars, vans and trucks. They spend more than £30 billion upgrading their fleets each year and are responsible for buying around 50% of new vehicles sold annually in the UK, including 83% of vehicles manufactured in the UK for sale in the UK. The vehicle rental and leasing industry supports over 465,000 jobs, adds £7.6 billion in tax revenues and contributes £49 billion to the UK economy each year.

The BVRLA is supportive of the Competition and Markets Authorities work to look at mobile ecosystems and assess potential consumer harms. Vehicles are no longer straightforward tools for transportation but another connected and integrated device forming part of a consumer's digital portfolio. Currently, the operation of connected vehicles, what data they produce, how it is stored, shared or commercialised are not governed by any codes of practice or clearly defined in regulation. There are risks that unless fair access to data is guaranteed, technological advances will instead lead to reduced consumer choice, higher prices, hampered innovation and a significantly less competitive automotive value chain.

Given their role in the wider mobile ecosystem the BVRLA believes that the market study scope should include connected vehicles. These vehicles will enable innovative new services, which will benefit consumers. Rental and leasing companies, who own connected vehicles, must be enabled to play a key role in delivering these services to consumers. Enabling rental and leasing companies to use the data generated by the connected vehicles will maximise efficiency and quality of service for consumers.

In this document, the BVRLA will set out how the connected vehicle ecosystem currently functions, where there are issues, why it is part of the wider mobile ecosystem and how this integration is only going to increase over time.

Current data ecosystem of the connected car

What data does a connected vehicle produce?

A connected vehicle creates a huge array of data. Different manufacturers of vehicles are at different stages of the technology and as there is no transparency it is not always clear what data a vehicle is capturing. Generally, connected vehicles will monitor mileage, faults, service intervals, driver behaviour, trip data, incident data, driving style data. Electric vehicles offer a host of additional data points around how they are being charged, for example, the times and speeds of charging. It is opaque to both customers and leasing or rental companies, who own and manage vehicles, exactly what data is being collected and when.

How do connected vehicle platforms work?

There is no uniformity. Generally, each manufacture has taken its own unique approach and these are not always clear. While many manufacturers use bespoke operating platforms, some are integrating with established tech players, such as Google, and the car becomes an extension of a customer's Google ID. Connected vehicles are becoming ever more app-controlled and so a user's phone will play a central role in their relationship with their car. Apps are increasingly required to access integral features and services attached to the car. Everything from being able to pre-warm or de-ice an electric car in winter to schedule required maintenance.

Where the user of the vehicle is not the owner (in the case of leasing or rental) the relationship is between the manufacture and the user through the app with no scrutiny for the owner. This creates the potential for

apps to become barriers to consumers getting more competitive deals, steering them to specific service providers or limiting the ability of third parties to offer services directly to users.

What is the current approach to data sharing?

In BVRLA members' experience, there is currently a broad spectrum of approaches to data access across different motor vehicle manufacturers:

- Some manufacturers are willing to share data with rental and leasing companies when it suits them, for example providing vehicle-specific service data to enable leasing companies to identify required repairs, provided the work will be directed to the manufacturer's franchised repair shops.

- Some manufacturers have indicated a willingness to share data with rental and leasing companies in future, but only for a fee. This potentially significant cost may reduce the commercial incentive to develop new or existing use cases for such data.

- Some manufacturers flatly refuse to share any data with rental and leasing companies. Manufacturers sometimes argue that they are unable to share data because it is the property of the end user / driver. However, this is a false argument: the rental / leasing company is the owner of the vehicle in question, and therefore has a legitimate interest in data relating to its performance and condition.

- Some manufacturers may even restrict access to vehicle On-board Diagnostics (OBD) ports by preventing third party devices from connecting, thus restricting rental / leasing companies from accessing vehicle data directly from the vehicle.

What could connected car data be used for?

Given the current lack of access and knowledge of what is collected, there are very limited concrete use cases. However, there are many potential innovations offerings that could benefit consumers if vehicle data were more accessible:

- Mobility as a Service (i.e. flexible, on-demand mobility services)

- Security and vehicle tracking: BVRLA members are aware of instances where vehicle tracking technology has enabled leasing companies to recover stolen vehicles, thus reducing total loss risk and overall insurance cost.

- Proactive maintenance: using remote diagnostics, leasing companies could utilise Diagnostic Trouble Code (DTC) reporting to identify and address problems (e.g. brake pad wear, oil and fluid readings) before they become more serious. Again, this should result in fewer disruptions for drivers (e.g. lower breakdown risk), and potentially reduced maintenance costs due to the 'stitch in time' principle. Benefits may also accrue to leasing companies in the form of optimised vehicle residual values.

- Telematics-based insurance: the ability to offer telematics / usage-based insurance may reduce the cost for some consumers.

- Post-rental assessment: telematics data could help more accurately detect and identify the timing and cause of damage, and the precise amount of fuel used by rental customers.

- Permitted mileage: accurate mileage recordings can help ensure consumers do not exceed permitted mileage limits (for which there may be a charge).

- Accident analytics: data may assist with determining the causes and responsibility for contested road traffic incidents.

- Digital key access: customers able to unlock rental cars via a smart phone app or other electronic device allows greater flexibility, extended hours and increased rental locations - making it easier for consumers to access vehicles.

Why is in-vehicle data not more freely accessible in the market?

CConnected vehicles have been built as proprietary platforms. The technology has developed very rapidly and while data collection has been built into vehicles, most manufacturers do not yet have detailed plans for how they would like to use or monetise that data. The focus of the technology is the driver of the vehicle and not the wider automotive ecosystem. The capabilities to share data with other parts of the supply chain and the costs associated with this have not yet been fully developed.

Where the manufacturer is not willing or able to share it becomes extremely costly and complex for a third party to try and gain access. The huge variety of approaches taken by manufacturers, the complexities of the technology and regulatory challenges all are barriers to third party solutions. Telematics providers, where they are able, can provide a limited number of data points in a standardised format across different vehicles.

How much of the data is personal data?

This will depend upon what data they are collecting and how much can be associated with an individual in combination with other data. It could be a considerable amount of the data collected. Location data will be available and linked to an individual if they have signed into the vehicle app. Contacts and phone data will also have been linked from their phone onto the vehicle when users sync their phone with it.

Some fleet operators face challenges in ensuring that vehicles are "disconnected" and any personal data is deleted at the end of a usage cycle. Increased transparency, consistency and third party access could help ensure individuals are fully aware of what personal data is collected, how it is treated and be confident in its removal once they stop using the vehicle.

Is personal data a barrier to access?

Gernally personal data is not used as a reason for vehcile manufacturers not to share data. Many of the data areas that leasing and rental companies would like to access are not personal data vehicle fault codes, for example. In cases where data could be linked to an individual, anonymisation would be entirely acceptable. Without greater transparency around all the data that is being collected, firms are unable to quantify how much of a barrier the personal nature of data might be.

How might the market evolve?

Connectivity and the functionality of in-car data platforms will continue to grow and spread across all segments of the car, van and truck market. Most manufacturers, whilst connecting to Apple or Google devices at an in-vehicle infotainment level, will rely on their own proprietary operating system platforms for running their vehicles. They will use concerns over cyber security and IP-protection to justify limiting access to both in-car systems and the data they generate. Controlling access to the driver interface (dashboards and screens), vehicle interface (OBD Port), diagnostic equipment or software and any data generated by the vehicle will give vehicle manufacturers a huge competitive advantage when it comes to developing and offering additional services of the kind listed above.

About the BVRLA

The BVRLA represents over 970 companies engaged in vehicle rental, leasing and fleet management. Our membership is responsible for a combined fleet of four million cars, vans and trucks – one-in-ten of all vehicles on UK roads.

BVRLA members represent the demand-side of the automotive industry, buying around 50% of new vehicles, including over 80% of those manufactured and sold in the UK. In doing so, they support almost 500,000 jobs, add £7.6bn in tax revenues and contribute £49bn to the UK economy each year.

Together with our members, the association works with policymakers, public sector agencies, regulators, and other key stakeholders to ensure that road transport delivers environmental, social and economic benefits to everyone. BVRLA members are leading the charge to decarbonise road transport and are set to register 400,000 new battery electric cars and vans per year by 2025.

BVRLA membership provides customers with the reassurance that the company they are dealing with adheres to the highest standards of professionalism and fairness.

The association achieves this by reinforcing industry standards and regulatory compliance via its mandatory Codes of Conduct, inspection regime, government-approved Alternative Dispute Resolution service and an extensive range of learning and development programmes.