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

In the UK, operations are undertaken by Belron's subsidiary, Belron UK Limited which operates the Autoglass® brand, with over 2000 employees, serving over 900,000 customers across the UK each year. Customer service is a key focus of Belron & Autoglass®, which is exhibited by a strong NPS score of 78% in Q1 2023. Belron's purpose, shared by Autoglass, is *to make a difference by solving people's problems with real care.*

Belron (on behalf of itself and Belron UK Limited), welcomes the opportunity to comment on the consultation addressing the proposed guidelines (**Guidelines**) to accompany the draft Motor Vehicle Block Exemption (Order) (**MVBEO**).

In Part 1 of this submission Belron provides a brief overview of its overall position on MVBEO and the Guidelines, in part 2 Belron sets out some high-level commentary on some aspects of the Guidelines, and in part 3 Belron addresses concerns around enforcement.

Part 1: Introduction

Belron has previously shared its position to the CMA on the MVBEO as part of the six week consultation held during July/August 2022, and more recently provided comments on the draft wording of the MVBEO regulation by way of submission dated 1 March 2023 (**Belron MVBEO Submission**). The Belron MVBEO Submission was supportive of the proposed MVBEO, albeit with a recommendation for a minor change to part of the new definition of "Technical Information" which Belron considers will provide additional clarity.

At the outset, Belron notes the importance of the remarks of the CMA in paragraph 3.6 of the Draft Guidance to the Guidelines, namely that the purpose of the MVBEO and the Guidelines is addressing specific competition concerns to ensure there remains active competition in the space of repair and maintenance, which maintains price pressure. This is particularly important, for as the CMA itself notes, repair and maintenance of a vehicle represents a high proportion of total consumer expenditure on motor vehicles. Without active regulation in this area, competition would suffer which ultimately ends up negatively impacting consumers. The MVBEO and the Guidelines therefore play a crucial role in preserving a level playing field that ultimately benefits the consumer.

Belron considers the Guidelines to be of practical assistance in identifying specific examples of how the hardcore restrictions apply, and of identifying specific behaviour which will not otherwise be tolerated.

Part 2: High-Level Commentary on Guidelines

- Belron appreciates the clear examples of what constitutes Technical Information being set out in paragraph 5.25 of the Guidelines. Belron notes all the examples are particularly important – yet not all are provided today by VM’s:
 - By way of example, part code information enabling identification of correct VM branded spare parts is particularly important information which should be made available.
 - Without such information, aftermarket repairers remain at risk of ordering incorrect parts for a customer ahead of a customer’s appointment. When this happens, and the customer then shows up, the customer receives a poor experience – having to be rescheduled to allow the aftermarket provider to order the correct part, while the customer remains with a vehicle in need of repair.
 - This could easily be alleviated by VM’s providing standardised access to part numbers for specific VIN’s.
- New Motor Vehicle Information:
 - Belron welcomes confirmation of the principle, as set out in 5.26 of the Guidelines, that information about new motor vehicles should be made available to independent operators at the same time as it is made available to authorised repairers.
 - This is particularly important to ensure that independent aftermarket operators can properly compete in when it comes to repair and service of new vehicles.
 - It is worth noting that independent aftermarket operators do service and repair a large number of new vehicles. Additionally, it is worth noting that glass damage does not discriminate – an event leading to glass damage is just as likely to occur to a “new” vehicle as it is to an older vehicle.
- Warranty Restrictions
 - Belron notes the importance placed on the issue of VM’s not invalidating warranties or suggesting that warranties will be invalidated through the use of spare parts that are not VM supplied, or through servicing at independent aftermarket providers in the Guidelines (as set out in paragraphs 5.38, 5.39 and 5.42) as being critical in establishing a level playingfield.
 - Belron welcomes this commentary in the Guidelines. Belron considers this an ongoing concern – and provides some additional commentary on this issue below. Belron would be happy to work with the CMA on how this issue can be addressed more efficiently for the betterment of independent aftermarket operators and consumers.
- Cybersecurity & Principle of Proportionality
 - Belron notes the Guidelines reference to the principle of proportionality when it comes to VM’s obligation to provide Technical Information weighed against any security measures that a VM may seek to apply to such access.
 - Belron also notes the referenced to the relevant EU Type Approval Regulation as providing guidance on manner of method for access to certain categories of Technical Information, primarily vehicle data when connecting to the vehicle.
 - Belron would note that of particular relevance on the topic of proportionate security measures, there is a decision pending from the European Court of Justice (ECJ) that pertains to the issue of whether or not the imposition by VM’s of “secure gateways”¹ is in breach of a VM’s obligation to provide unrestricted, standardised and non-discriminatory access to a vehicle data stream. Belron’s affiliate, Carglass Germany® is a party to this litigation, and Belron would be happy to provide updates to the CMA on this litigation moving forward.
 - Belron notes regardless of the outcome, its view is that the measure mentioned above, the secure gateway, is a disproportionate measure when it comes to tackling the issue of security. Belron would be happy to meet with the CMA to discuss this topic in more detail.

¹ A secure gateway can be described as an electronic restriction, which prevents an aftermarket service provider from being able to connect directly to the vehicle’s data stream using a generic aftermarket tool without having to take a number of steps that are arbitrarily imposed by a VM. In the case before the ECJ, those steps include connecting to the VM’s website, thereby requiring a permanent internet connection, payment of a fee to “unlock” the secure gateway, and pre-registration of the technician performing the work on the vehicle itself.

Part 3: Enforcement of MVBEQ and Guidelines

A key issue which Belron would encourage the CMA to consider in more detail is the manner and method of enforcement for breaches of these areas by either VMs and/or their authorised repairers/dealerships. In this respect, Belron notes that for a number of other regulations within the UK, the preferred approach is often for the aggrieved party to raise the issue directly with the breaching party before a regulatory body will review the complaint and/or take any action (see for example complaints procedures for breaches of advertising codes).

Given the nature of the automotive industry (made up a thousands of smaller, independent aftermarket operators vs consolidate nature of VMs) and the key purpose of the MVBEQ and the Guidelines, which is to enable competition on a level footing between these smaller aftermarket operators and larger VM's and their dealerships, Belron considers that this approach is not necessarily appropriate for the automotive industry.

In this respect, Belron notes it can be time consuming and difficult to take action against authorised dealers and/or VM's when operators are faced with breaches by VM's and authorised dealers of the provisions. This position is only exasperated as the importance of access to Technical Information increases, and VM's methods of distributing such information (i.e. via subscription websites) make it difficult to lodge any formal complaints with the VM itself. Not to mention that in a service industry, it is often the case that access to Technical Information is required instantaneously – with delays in provision of same directly impacting the consumer who can be left waiting longer for a repair to be completed when such Technical Information is either not available, or not provided promptly.

Belron has set out below some additional comments on Warranty Issues, Access to Service & Repair Manuals, and also the issue of access to vehicle data below. This includes examples of current issues it faces when dealing with VMs. These are issues which Belron consider fall squarely within the remit of the MVBEQ and the Guidelines. Belron would anticipate that with an appropriate avenue to cater for enforcement, such issues can be avoided in the future.

Part 3A: Warranty Issues

The MVBEQ and Guidelines make it clear that VMs and their authorised dealers cannot make their warranties conditional upon repair or servicing of vehicles within their own network or on the use of branded parts.

Within Belron's businesses however, we see many examples of where VMs and/or their authorised dealers claim or infer that:

- parts used by Belron (and presumably other independent aftermarket service providers) are of inferior quality and/or cannot guarantee safety; and
- vehicle warranties will no longer be valid if any servicing is carried out by independent repairers or non-branded parts are used.

Often these claims are made verbally by dealership staff to customers. Belron continually experiences this and receives questions from customers and its partners to whom these claims are made (i.e. a customer will attend a VM dealership after having their windscreen replaced, only for the VM dealership to make disparaging remarks and/or insinuate that the fact non-VM glass has been used is the cause of the customers issues).

This has been directly experienced numerous times in the past 12-18 months within the UK. To provide two recent examples involving two different VM brands and their dealerships:

- In one case, a dealership orally expressed to a customer that "their warranty would be invalid as a result of having a non-VM windscreen fitted". This was followed up with a written response to the customer that implied that the glass fitted by Belron was of lower quality than the VM glass, and only by using the VM glass could the customer be confident that there would be no issues which would fall outside the warranty.
- In another case, a dealership refused to undertake work on a customers vehicle following a windscreen replacement on the basis that a non-VM windscreen had been fitted.

Belron would be willing to provide further details of both these instances to the CMA.

In all such case, Belron notes such behaviour is highly misleading, detrimental to consumer confidence and in breach of the MVBEQ and the Guidelines.

Aside from the misleading nature and the fact the claims are illegal, claims made in relation to quality issues are simply not true. Belron® operates with very high-quality standards which meet and exceed legal requirements. We invest heavily in quality control and innovation, together with our suppliers, to ensure the parts we source and place into consumers' vehicles are safe and of the highest quality. We also regularly carry out studies with organisations such as the Transport Research Laboratory (TRL).

Belron considers an enforcement regime on this issue to be of paramount importance, and would be happy to discuss with CMA options for such regime.

Part 3B: Access to Service & Repair Manuals (considered Technical Information)

Belron considers that granting access to repair and maintenance information (**RMI**) to be a critical part of the MVBE0 and the Guidelines. Belron notes the expansive definition of Technical Information incorporated as part of the MVBE0 and Guidelines, and supports this focus by the CMA, which clearly recognises the importance of Technical Information when it comes to being able to undertake service and repair of vehicles, and properly compete with VM's and their authorised repairers.

When repairing a vehicle or recalibrating vehicle safety systems, the correct spare parts must be identified and VM instructions followed as detailed in their RMI information, to ensure a vehicle is restored to safe and roadworthy status. It is therefore essential to have access to timely and accurate spare parts and RMI information on all vehicle models (and for all vehicles on an individual basis) as soon as the VM makes the information available to their own networks. This must include newly launched vehicle models.

It is a misconception that aftermarket businesses work predominantly on older vehicles. For example, Belron® provides vehicle services to numerous lease, fleet and rental operators across the UK (and indeed broadly across Europe) whose fleets generally have a high percentage of new models. Also, as soon as it goes on the road, a new vehicle is just as likely to require its vehicle glass to be repaired or replaced as a very old vehicle (e.g. because of a stone chip which can occur at any time).

When a new vehicle model is launched, we require access to technical repair manuals via the VM aftermarket portal. The manuals provide details of part replacement methods, location and type of safety system and recalibration instructions, when ADAS (advanced driver assistance systems) recalibration is required. This is critical for the development of training and reference material for our technicians. This type of RMI information is chargeable via the VM aftermarket portal, with daily rates varying from 3-250GBP.

Belron also notes the increasing importance of recalibration/resetting safety systems following a windscreen replacement. This needs to be done in accordance with the repair methods specified by the VM and as such it is critical to get access to access to repair methods as early as possible. However, it is not unusual for RMI for new models to take up to 9 months to be made available.

We regularly experience problems when accessing VM aftermarket sites, such as passwords expiring with no immediate replacement issued and delays in receiving or incomplete RMI.

Increasingly in the future, RMI data will also be available wirelessly from the vehicle which will allow for remote diagnostics and repair. A connected car will send an alert to the VM (remotely) if an error occurs in the engine, for example a fault associated with a camera and/or radar system. The VM will make immediate contact with the driver to highlight the problem and schedule a repair, thereby excluding the opportunity for any aftermarket business from offering the service, potentially at a more competitive rate and with an enhanced service. The driver has limited options, and are likely to take the only option that is offered. This type of over-the-air RMI will become more commonplace in the future with some functionality already in existence.

As more connected cars come onto the road, this issue will become increasingly important as consumers will be denied choice in the service provider they wish to use. This will in turn impact jobs, resulting in higher prices for the consumer, whether direct or through insurance premiums/excesses and stifle innovation

While Belron acknowledges the requirement for access to RMI and other data is specifically addressed in the MVBE0 and Guidelines (with the definition of Technical Information), Belron urges the CMA to put in place a manner whereby

independent aftermarket operators can easily report such issues to the CMA for action to be taken against the offending VMs.

Failure to provide access to Technical Information, either in a standardised manner, or through delays in the provision of RMI and access to diagnostic code information, ultimately results in an increased cost to consumer and can lead to service offerings from independent aftermarket providers becoming uncompetitive – leaving consumers with limited choices. This is because it forces multi-brand service providers into having to purchase multiple tools or hardware in order to service vehicles.