



**THE MOTOR
OMBUDSMAN**

**Service and Repair
Dispute Trends in Quarter 1 and
Sector Outlook for 2021**



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SECTION 1. Overview

After new and used vehicle sales, the service and repair sector is the second largest source of consumer disputes received by The Motor Ombudsman, making up 34% of cases considered by the Ombudsman for the automotive industry in 2020.

The following paper explores the:

- ▶ Most significant reasons behind the service and repair complaints raised by customers during the first quarter of 2021;
- ▶ How this compares to the same period in 2020;
- ▶ The remedies that are being sought by consumers to their disputes; and
- ▶ What the future may hold for the remainder of this year.

SECTION 2. Setting the scene: The service and repair sector in Q1 2021

During recent months, the service and repair sector has been fortunate that it has not been subject to the same degree of government restrictions as vehicle sales, where showrooms have had to temporarily close in response to the Coronavirus pandemic. With service and repair facilities classified as essential businesses, consumers have still been able to take their car to an independent garage or dealer workshop for an MOT, ad hoc repairs, or for routine maintenance, such as servicing.

However, despite a greater element of freedom to trade in the first quarter of the year, this has still presented challenges for vehicle repairers (refer to Fig.1). According to a snap poll of businesses accredited to The Motor Ombudsman's Service and Repair Code in April 2021, lower customer footfall, and increased demand for vehicle collection and delivery due to consumers shielding or preferring to stay at home, were cited as the most significant hurdles during the first quarter of 2021 by nearly a fifth of businesses.

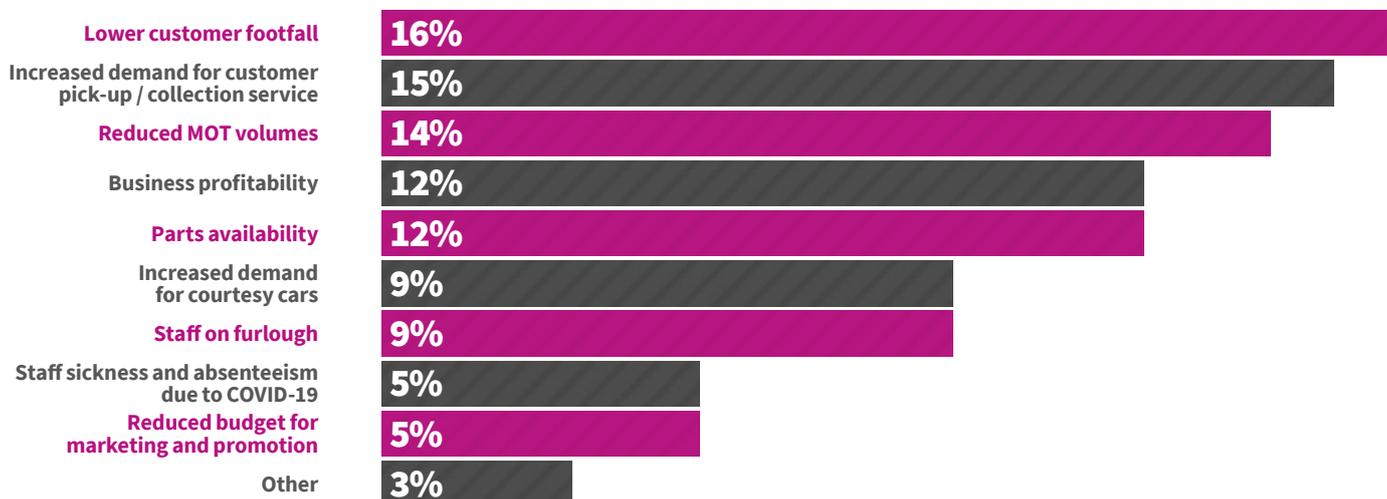
▶ Reduced MOT demand remains a significant challenge

Reduced MOT demand emerged as the third biggest challenge from the poll, with 14% of those surveyed saying that it was a concern. Business profitability, due to vehicles needing fewer spare parts as a result of a decrease in annual mileage, and getting hold of replacement components for vehicles were the fourth and fifth biggest issues for businesses (12%). The interruption in parts availability could be due to logistics issues caused by Brexit, or possibly the result of teams from aftermarket suppliers working from home or being on furlough, thereby leading to delays in payments and the processing of orders further up the supply chain¹.

From a dispute resolution point of view, a total of 1,208 cases were submitted to The Motor Ombudsman by consumers during the first quarter of this year. This was similar to the same period in 2020 (1,212). The most common breach of the Service and Repair Code related to the standard of work provided to the customer by the business, demonstrating that there is an inherent need for garages and vehicle repairers to improve their quality of work and service levels in line with the commitments that they have ultimately made from being accredited to the Code.

The concerns raised by consumers are also mirrored by Citizens Advice data, which showed that vehicle MOTs, servicing and repairs made up 77% of the consumer complaints about a service and repair business (which would not have necessarily been Motor Ombudsman-accredited), which were received by Citizens Advice between January and March 2021.

▶ Fig.1: The main challenges faced by service and repair businesses in Q1 2021²



¹ Source: Hayley Pells (Avia Sports Cars Ltd) – April 2021

² Source: Online Motor Ombudsman survey of 79 businesses accredited and previously accredited to the Motor Industry Code of Practice for Service and Repair, conducted between 19th April to 26th April 2021

SECTION 3. What were the principal causes of the service and disputes submitted by customers to The Motor Ombudsman in Q1?

With the complexity of today's motor vehicles, there are multiple mechanical issues that can result in a consumer submitting a dispute to The Motor Ombudsman.

Mechanical parts, which may suffer faults or failures for example, are categorised by The Motor Ombudsman under seven overall issue types (as seen in Table 1). In Tables 2a to 2d, these issue types are further broken down by the principal components which have caused a consumer to submit a dispute to The Motor Ombudsman. This is so as to provide a greater degree of insight into the individual parts that have given rise to complaints being logged against businesses accredited to the Service and Repair Code.

Looking at Table 1, drivetrain issues were reported as the cause of 58% of the disputes submitted by consumers during the first quarter of 2021, which was slightly down on the same three-month period in 2020 (59%), whilst problems relating to bodywork were reported in nearly a fifth (18%) of service and repair cases in Q1 2021, up marginally from 16% in Q1 2020. Mirroring the trend of Q1 2020, chassis issues were the third biggest cause of disputes, but on a positive note, these were down year-on-year by five percentage points, dropping from 16% to 11%. Security issues reported by customers equally fell from 4% to 1%, whilst interior concerns stayed static at 4%. Electrical issues were the subject of the biggest annual percentage point increase (namely 6%) when comparing Q1 2021 and Q1 2020, with vehicle accessories reporting the smallest year-on-year growth in issues at just 1%.

► **Table 1: The cause of disputes by overall issue type (Q1 2020 and Q1 2021)**

Type of issue reported by consumer	Q1 2020	Q1 2021	Difference (Q1 2021 v Q1 2020)
1. Drivetrain*	59%	58%	▼ -1%
2. Exterior (body)	16%	18%	▲ +2%
3. Chassis**	16%	11%	▼ -5%
4. Electrical	1%	7%	▲ +6%
5. Interior	4%	4%	No change
6. Security	4%	1%	▼ -3%
7. Vehicle accessories	0%	1%	▲ +1%

*The **drivetrain** is defined as the group of components that deliver power to the driving wheels of a vehicle. It includes the engine for the purpose of The Motor Ombudsman classifying the issues reported by consumers

The **chassis is defined as the supporting frame of the car. It includes the wheels for the purpose of classifying the issues reported by consumers

► **Tables 2a to 2d: Causes of consumer disputes broken down by component under each of the seven issue types**

► **Table 2a**

1. Principal causes of drivetrain issues by component as reported by consumers (%)		2. Principal causes of exterior (body) issues by component as reported by consumers (%)	
Q1 2020	Q1 2021	Q1 2020	Q1 2021
Timing chain (10%)	Intake manifold (18%)	Paintwork (41%)	Paintwork (27%)
Turbo (8%) Injectors (8%)	Battery (7%) Oil pump (7%) Turbo (7%)	Bumper (16%)	Bumper (14%)
Brake disc (5%) Engine block (5%) Head gasket (5%)	Foot pedals (4%) Auto transmission (4%) Diesel particulate filter (DPF) (4%)	Door (7%) Electric windows (7%)	Roof panel (10%)
Camshaft (4%) Pedal (4%)		Headlights (6%)	Headlights (5%)

► Drivetrain issues analysis

Problems relating to the intake manifold dominated the cause of drivetrain-related disputes that were brought by vehicle owners to The Motor Ombudsman in Q1 2021, accounting for nearly a fifth (18%) of complaints in this category. This was also higher as a percentage than the component (i.e. the timing chain) that led to the largest proportion of drivetrain issues during the same quarter last year at 10% of complaints. Failures and quality concerns for the battery, turbo and oil pump, each caused 7% of the drivetrain disputes to be submitted by consumers at the start of 2021. Foot pedals (4%), automatic transmission (4%) and the Diesel Particulate Filter (4%) were reported by a combined 12% of customers that had drivetrain induced problems in the first quarter of this year.

► Exterior (body) issues analysis

The quality of the paintwork emerged once again as the most significant exterior issue in the first quarter of the year, but encouragingly accounted for a smaller percentage of the concerns raised by consumers in this category, down from 41% to 27%. Accidental damage caused to the bumper of the vehicle whilst in the care of the business also resulted in consumers raising a dispute, with the appearance of this component and water leaks being other notable causes for submitting their complaint to The Motor Ombudsman. In fact, leaks associated with the roof panel helped drive 10% of body disputes in relation to this part, with the quality of the headlights and external issues impacting their performance, leading to 5% of the overall exterior complaints.

► Table 2b

3. Principal causes of chassis issues by component as reported by consumers (%)		4. Principal causes of electrical issues by component as reported by consumers (%)	
Q1 2020	Q1 2021	Q1 2020	Q1 2021
Tyres (69%)	Tyres (42%)	Bluetooth connectivity (33%) Wiring loom (33%)	Head unit / infotainment system (25%) Satellite navigation (25%) Wiring loom (25%)
Alloy wheels (16%)	Alloy wheels (23%)	Ultrasonic sensors*** (17%)	
Axle bushes (6%)	Power steering (10%)	Speakers (17%)	
Shock absorbers (4%)	Steering rack (6%) Steering wheel (6%)		

***Ultrasonic sensors are used for the calculation of distances to obstacles, and to monitor space when parking and manoeuvring (Source: Bosch Mobility)

► Chassis issues analysis

Tyres are the dominant cause when it comes to chassis issues, and on a positive note, they were responsible for a lower proportion of disputes in this category in Q1 2021, making up 42% of complaints versus 69% in the same quarter the year before. This is not surprising as vehicle mileage was significantly reduced with consumers in lockdown.

Tyre problems reported by motorists in 2020 included excessive wear and alignment issues, with failures and this component not being fit for purpose being prime examples of what led to consumers raising disputes with The Motor Ombudsman in 2021. Overall, for the quarter, tyres were responsible for causing 5% of the service and repair disputes, which echoes the 3% of service and repair complaints received by Citizens Advice during the same period in relation to new and part-worn tyres.

Conversely, concerns regarding alloy wheels made up a quarter of the problems in the chassis category in the first three months of 2021, up slightly from 16% in Q1 2020, with corrosion amongst the issues cited. Disputes relating to axle bushes and shock absorbers in Q1 2020 gave way to complaints about steering in 2021, making up a combined 22% of the chassis disputes at the start of this year.

► Electrical issues analysis

In the first quarter of 2020, issues around Bluetooth connectivity, and failures relating to wiring looms, were the most notable causes of disputes associated with electrical systems at 33% respectively. Fast forward 12 months, and for Q1 2021, complaints surrounding satellite navigation, which included the deactivation of the service, the failure of the head unit / infotainment system, and the wiring loom being at fault, led to 75% of electrical issue disputes submitted by customers during the opening months of 2021.

► Table 2c

5. Principal causes of interior issues by component as reported by consumers (%)		6. Principal causes of security issues by component as reported by consumers (%)	
Q1 2020	Q1 2021	Q1 2020	Q1 2021
Dashboard (29%)	Seats (35%)	Locks (44%)	Keys (43%)
Seats (18%) Heater (18%)	Heater (24%)	Central locking (22%)	Locks (29%)
Carpets (12%)	Car horn (12%)	Key fob (17%)	Key fob (14%) Immobiliser (14%)
		Immobiliser (11%) Keys (6%)	

► Interior issues analysis

For the first quarter of 2020, problems associated with the dashboard, namely software compatibility issues, as well as the occurrence of warning lights, caused the majority of interiors-related complaints (i.e. at just over a quarter). Seats, which made up around a fifth of issues in Q1 2020, were responsible for the biggest volume of complaints in this category at the start of this year (35%), with quality and the failure of this part of the vehicle being at fault. The heater and car horn were the next two major sources of the issues reported by motorists during the January to March 2021 period.

► Security issues analysis

Problems with car keys rose from 6% in Q1 2020 to 43% in the first quarter of this year, with lock failures and excessive wear being subject to less complaints year-on-year (down from 44% to 29%). The key fob and immobiliser components rounded off the top four causes of security issues for consumers in 2021.

► Table 2d

7. Principal causes of vehicle accessories issues by component as reported by consumers (%)	
Q1 2020	Q1 2021
Tow bar (100%)	Parking sensor (50%)
	Dashcam (25%) Tow bar (25%)

Seats were responsible for the biggest volume of interior complaints at the start of this year.

► Vehicle accessories issues analysis

During the first quarter of 2021, issues regarding a parking sensor made up the majority (50%) of customer disputes in the vehicle accessories category, with a dash cam and tow bar also causing consumers to raise a case with The Motor Ombudsman following the supply of these parts by a business accredited to the Service and Repair Code.

SECTION 4. What were the main breaches of the Service and Repair Code in the first quarter of 2021?

When looking at breaches of the Service and Repair Code during Q1 2021 (as seen in Table 3), work to the vehicle, which was pre-agreed with the customer, but was subsequently not completed by the business, made up the biggest proportion of breaches of the Service and Repair Code at 23% (up from 16% in Q1 2020). This commitment (3.0) was also breached the most times by businesses overall in 2020, as detailed in The Motor Ombudsman's Annual Reports.

Not carrying out the work to the customer's vehicle within the agreed timeframe, or with the due level of care and skill, accounted for just under a fifth (18%) of Code breaches (up from 12% in Q1 2020), whilst a garage or workshop not giving clear practical advice to a customer to help understand the work needed on a vehicle, and a business not confirming diagnostic work with the consumer during the booking process, caused 10% of Code breaches respectively. In fact, 5% of breaches were the result of an accredited business not responding to a consumer in a timely fashion once the repairs had been undertaken.

► **Table 3: The top five Code breaches applied by The Motor Ombudsman to disputes in Q1 2021**

Service and Repair Code commitment	Summary of breach	% of breaches applied to disputes in Q1 2021
3.0	The work was not completed by the accredited business as agreed with the customer	23%
3.10	The accredited business did not carry out the work within the agreed timescale or exercise the expected reasonable skill and care	18%
2.3	The accredited business did not fully explain and give clear practical advice to the consumer to help understand the work required	10%
2.4	The chargeable diagnostic or exploratory work was not confirmed and agreed during the booking process, and / or the cancellation policy was not made clear to the customer	10%
3.12	The accredited business did not promptly and effectively respond to the consumer's questions regarding the completed work and swiftly investigate any issues with the work.	5%

► **Table 4: The top five Code breaches applied by The Motor Ombudsman to disputes in Q1 2020 (for comparison with Q1 2021)**

Service and Repair Code breach reference	Summary of breach	% of breaches applied to disputes in Q1 2020
3.0	The work was not completed by the accredited business as agreed with the customer	16%
3.10	The accredited business did not carry out the work within the agreed timescale or exercise the expected reasonable skill and care	12%
2.3	The accredited business did not fully explain and give clear practical advice to the consumer to help understand the work required	7%
3.7	Servicing carried out in accordance with the requirements of a new vehicle warranty was not performed according to the vehicle manufacturer's service specification and documentation	5%
6.0	The accredited business did not handle complaints swiftly or follow the guidance detailed in the Complaints Handling section of the Service and Repair Code	5%

SECTION 5. What was the average claim value of disputes submitted by consumers by Code of Practice in Q1 2021 v Q1 2020?

Disputes submitted by consumers in the first quarter of 2021 in relation to the Service and Repair Code saw the largest year-on-year percentage increase in the average claim value at 28%, rising from £1,614 to £2,067 (when stated on their complaint form). However, claims pertaining to a Vehicle Sales dispute witnessed the biggest jump in the actual average claim value, with a difference of £867 between Q1 2020 and Q1 2021.

For consumers who stated the value of their claim when submitting a dispute to The Motor Ombudsman between January and March 2021, the average across the four Codes of Practice was £3,867, up 14% from £3,393 for the same period the year before.

Table 5: The average claim value specified by a consumer in Q1 2020 and Q1 2021 by Code of Practice

Code of Practice	Q1 2020	Q1 2021	Difference (Q1 2021 v Q1 2020)
 <p>SERVICE AND REPAIR</p>	£1,614	£2,067	▲ £453 (+28%)
 <p>NEW CARS</p>	£1,816	£2,144	▲ £328 (+18%)
 <p>VEHICLE SALES</p>	£7,880	£8,747	▲ £867 (+11%)
 <p>VEHICLE WARRANTIES</p>	£2,263	£2,508	▲ £245 (+11%)
Average claim value across all four Codes	£3,393	£3,867	▲ £474 (+14%)

SECTION 6. What resolutions were consumers looking for to conclude their service and repair disputes raised in the first quarter of 2021?

When there is a quantifiable sense of loss in the eyes of the consumer, which can, for example, be for stress or inconvenience caused by a business, or because an individual’s vehicle has suffered from a fault with a mechanical component or breakdown, they will often want some kind of “award” to make up for the perceived “deficiency” in a product or service that has been provided.

► Fig.2: The 10 most requested resolutions to disputes brought by consumers to The Motor Ombudsman in the first three months of 2021



*Where a preferred resolution was specified by the consumer when submitting their case to The Motor Ombudsman. Figures in brackets denote proportion of customers requesting that particular resolution in Q1 2021.

For those who submitted a service and repair dispute to The Motor Ombudsman during the first quarter of 2021, and where they specified what they were ideally looking for to resolve their issue, the most common requests were namely, a full refund (**37%**), a free-of-charge repair (**29%**), compensation (**8%**), a partial refund (**6%**) and goodwill (**4%**).

1. Where a **full refund** was cited as the preferred form of resolution, examples of the reasons reported by the consumer that were deemed worthy of a full refund were:

- The car was damaged by the garage during repairs;
 - The repair completed by the business failed shortly after the car was returned to the consumer; and
 - Having to pay for repairs when a vehicle has not been safe to drive and fit for purpose for a long period of time due to the failure of a component.
-

2. Where a **free-of-charge repair** was stated as the preferred method of resolution, examples of the issues that would warrant this in the consumer's view, were:

- An intermittent issue still being present after they were told it had been resolved;
 - A fault that appeared after the servicing of a vehicle; and
 - Having to pay for parts due to an incorrect diagnosis by the garage.
-

3. Where there was a request for **compensation** as the preferred resolution to the dispute, examples of reasons cited by customers, were:

- For a loss of time and distress caused to themselves and fellow family members due to a vehicle breakdown;
 - For being charged for fixing a fault with the vehicle after being told by the garage that the issue had been rectified; and
 - For being sold a faulty car and putting their family at risk.
-

4. Where a **partial refund** was seen by the customer as the optimum form of resolution to their dispute, this was because they:

- Had to pay for repairs that had subsequently failed to rectify the original issue;
 - Were pressured into paying for an additional service that was not required; and
 - Had been mis-sold a car due to it not meeting the vehicle manufacturer's Approved Used standards.
-

5. Where **goodwill** was specified as the preferred outcome, the customer thought this was an appropriate resolution because they:

- Had been informed that a car had a full service history prior to purchase, but were then told that a service had been missed after they bought the car, thereby devaluing it;
 - Did not deem the cost of a replacement of a component to be their full responsibility when the car was still relatively new and had not completed many miles; and
 - Had an intermittent issue that was not resolved.
-

It's important to note that, in some cases, the resolution that a consumer is seeking to bring a dispute to a close does not always have to be monetary, with an apology sufficient for some customers, although these were in a minority in the first three months of 2021 (seen in less than 2% of disputes).

When there is a quantifiable sense of loss in the eyes of the consumer, which can, for example, be for stress or inconvenience caused by a business, or because an individual's vehicle has suffered from a fault with a mechanical component or breakdown, they will often want some kind of "award" to make up for the perceived "deficiency" in a product or service that has been provided.

SECTION 7. Service and repair case studies: A look at the rationale behind some of the decisions reached in Q1 2021

The previous sections of this paper have highlighted the principal reasons for consumers bringing their service and repair disputes to The Motor Ombudsman, and the resolutions that they were ultimately seeking.

The purpose of the following individual case studies relating to different consumer disputes is to provide a snapshot of the range of service and repair case outcomes which have been delivered during the first quarter of 2021. This is to demonstrate the rationale and approach behind the impartial decisions reached by The Motor Ombudsman.

CASE STUDY 1 SYNOPSIS

A consumer paid for a service plan for their vehicle, which included one **interim** service and one **major** service. Nevertheless, the dealership that serviced the customer’s car in year 1 of the plan was supposed to have claimed the interim service, leaving the remaining major service. However, the business claimed year 2’s major service instead in error, meaning the interim service stayed on the plan.

► Case summary:

Consumer’s claim	The service plan purchased by the customer did not deliver the agreed services
Age of vehicle (years)	Seven
Type of vehicle	Hatchback
Preferred customer resolution	A free major service and a new service plan
Value of preferred resolution	£660
Adjudication outcome	Case upheld in the consumer’s favour with an award of a free major service

► What was the consumer’s complaint?

Ms A took her hatchback to Dealership 1 for an **interim** service. She was offered a two-year service plan that would cover the cost of the interim service and the vehicle’s next **major** service. She agreed to this, and paid £450 for the plan, as it represented a significant saving on the regular cost of servicing her vehicle. Ms A therefore proceeded with the servicing of her car, and had what she thought was the interim service in year 1.

A year later, Ms A called Dealership 2 to book her car in for its major service, which should have been covered under the service plan. She was informed that Dealership 1 had already claimed the major service, so the service plan would not cover the costs of the major service in year 2. Ms A was told that she could either pay for a major service herself, or receive a second interim service under the existing service plan.

After several calls and emails to Dealership 1, Dealership 2 and the vehicle manufacturer, Ms A was no further forward in resolving the problem, so she referred her dispute to The Motor Ombudsman.

► What evidence did the consumer provide to support their claim?

To support her complaint, Ms A provided:

- A copy of her service plan agreement;
- Proof of payment of the service plan;
- A chronology of events from her perspective;
- The original invoice from Dealership 1 showing an interim service was carried out;
- A reissued service invoice from the vehicle manufacturer showing a major service was conducted; and
- Email correspondence between Ms A and Dealership 1, as well as between Ms A and the vehicle manufacturer.

► How did the accredited business respond to the consumer's complaint?

The accredited business (i.e. Dealership 1) said that they sold Ms A a service plan that covered the next two services. They carried out a **major** service and invoiced it to the plan on the same day Ms A purchased it, leaving an **interim** service for Ms A the following year. They confirmed that they had only claimed one service against the plan, believing that Ms A was complaining that they had invoiced for two, meaning the plan had been cancelled.

► What approach did the adjudicator take to reviewing the evidence provided by both parties?

Because there seemed to be confusion over Ms A's complaint, it was first important for the adjudicator to clarify the issue at the core of her dispute. Having read through Ms A's submission, in his view, Ms A's main concern was not that Dealership 1 had claimed two services against the plan, it was that Dealership 1 had claimed a major service against the plan, not an interim service as Ms A believed. From Ms A's perspective, the evidence clearly demonstrated that a major service should be left on the plan and she should not be having to foot the bill for it. The adjudicator therefore reviewed the full file, including both Dealership 1's and Ms A's evidence, to identify any discrepancies and to determine whether Ms A was correct in her belief that the wrong service had been claimed.

► What outcome did the adjudicator reach and why?

Having reviewed the evidence from both parties, the adjudicator upheld Ms A's complaint. He found that the original invoice provided to Ms A by Dealership 1 said: "*Carried out interim service*", and the paperwork she received after purchasing the plan confirmed: "*This plan covers your next major service and oil change service*". As such, because Ms A was informed an **interim** service had been completed, she was entitled to believe the next service covered on the plan would be a major service.

He did note that a reissued service invoice, provided to Ms A by the vehicle manufacturer, said "*Carried out major service*". In his view, the evidence supplied by Ms A was more compelling because it was provided directly to her and dated back to the time of the service, whereas Dealership 1 was unable to prove that Ms A had ever seen the reissued invoice. They also had not provided any evidence, for example job cards or internal notes, showing Ms A had received the benefit of a major service.

The adjudicator noted that Section 2.3 of the Service and Repair Code places an obligation on businesses to give consumers sufficient information and advice prior to completing work, and that he felt this had not happened with Ms A, who evidently was misinformed as to what work had been carried out on her vehicle. He therefore upheld that this part of the Service and Repair Code had been breached and awarded Ms A a full major service at a dealership of her choosing.

► Did one or both parties agree with the outcome?

Ms A was happy to accept the outcome, but initially Dealership 1 challenged it. This is because they felt that insufficient information had been requested from them, and had the adjudicator seen the job card, they would have reached a different outcome. However, this evidence wasn't provided with their challenge, and therefore the adjudicator stood by their decision to uphold the complaint in Ms A's favour.

► Did the consumer receive their preferred resolution?

In this case, it was felt that Ms A's request of receiving a free-of-charge major service was reasonable, and this was awarded. However, the adjudicator did not think that the consumer should also be provided with a new service plan, so this request was refused.

► What are the key learnings that can be drawn from this case?

- **The importance of good customer service:** One of the key drivers of Ms A's complaint to The Motor Ombudsman was, not only that she felt misled, but also that her issue was not handled well by Dealership 1. Ms A could show that she had called and emailed several times and rarely received a response, which exacerbated an already frustrating situation. Had Dealership 1 responded promptly and provided a full explanation of what had happened, Ms A may have been more likely to accept their findings.
- **Supplying evidence reinforces a position:** Dealership 1 challenged the adjudicator's outcome on the basis that The Motor Ombudsman had not asked for evidence that would support their position. However, both consumers and accredited businesses are asked to provide all evidence that they would like to be considered during the complaints process, and there is some responsibility on them to prove their sides of the story. Had Dealership 1 provided this evidence to the adjudicator upfront, there may have been a different outcome.
- **Clarity for the consumer is essential:** Service and repair is a highly technical sector in which consumers can often feel out of their depth. It is therefore crucial for service and repair businesses to ensure their customers leave knowing the work that has been undertaken, whether there is a risk of further work being required, and with a clear understanding of what they have paid and why. Misunderstandings are common in service and repair cases. Therefore, with the right customer care processes, they can be avoided.

CASE STUDY 2 SYNOPSIS

The consumer took their car to a garage due to a clunking noise when steering. They were informed the front brake pads and discs needed replacing to solve the problem, but the customer was not convinced that this was required, so they visited a second garage where the business told him that the brake components only needed cleaning to resolve the concern.

► Case summary:

Consumer's claim	Having to pay for new front brake discs and pads on a relatively new vehicle with low mileage
Age of vehicle (years)	One and a half
Type of vehicle	Hatchback
Preferred customer resolution	Refund of diagnostic cost and an apology
Value of preferred resolution	£90
Early resolution outcome	Business agreed to settle consumer's complaint and reimburse the £90 being sought

► What was the consumer's complaint?

Mr B booked his car in at Garage 1 for an investigation into a clunking noise when steering. He was informed by Garage 1 that his front brakes were "slightly warped" and the pads and discs required replacement at cost of £370. Mr B said he could not afford this and, as his car was only 18 months old and had covered 9,000 miles, he was struggling to believe this to be true. He asked to remove his car from Garage 1 so he could have it inspected elsewhere, and paid the business £90 for the diagnostics charge upon the collection of his vehicle.

Mr B then took his hatchback to Garage 2, where they inspected the brakes and confirmed that any replacement parts were not required, and that the brakes just needed a clean. Mr B agreed to proceed with this and paid the sum of £62.

Mr B complained to Garage 1 that they had given him incorrect advice. According to Mr B, each time an explanation was provided, the reason for having to change the discs and pads varied. For example, on the phone he was told that the brakes were warped, whilst the online health check said they were slightly warped, and the final response letter said they were binding, which could lead to warping. Because Mr B was not getting the answers he was looking for, he brought his dispute to The Motor Ombudsman.

► What evidence did the consumer provide to support their claim?

To support his claim against Garage 1, Mr B provided:

- The invoice from Garage 2 showing that the brakes only required a clean;
- A copy of the online health check from Garage 1;
- Garage 1's final response; and
- The invoice from Garage 1 showing they advised the front brake pads and discs needed replacement.

► How did the accredited business respond to the consumer's complaint?

The accredited business, i.e. Garage 1, confirmed that, having reviewed the complaint again, they were willing to offer an apology in writing to Mr B for what had happened and reimburse him the £90 paid for diagnostics. This meant the complaint did not need to be reviewed by an adjudicator and The Motor Ombudsman could resolve the case amicably through the process of early resolution.

► Did the consumer agree with the proposed resolution?

As Garage 1 had offered Mr B what he was seeking, he was very happy to accept this and bring his complaint to a close.

► What are the key learnings that can be drawn from this case?

- **The need for a thorough complaint review:** Because Garage 1 agreed with the complaint without it needing further investigation, it is likely that, had they reviewed this more closely when Mr B complained directly to them, they could have resolved it without Mr B feeling frustrated by their service or having to contact The Motor Ombudsman.
- **Clear and consistent explanations are vital:** Part of Mr B's dissatisfaction was that Garage 1's explanation for why his brakes required replacing kept changing. Had Garage 1 been able to provide a credible reason for why this recommendation had been made, Mr B may not have left feeling like he had been intentionally misled.

CASE STUDY 3 SYNOPSIS

The consumers took their ten-year-old car to a dealership due to warning lights on the dashboard. This was initially rectified through the replacement of a diesel particulate filter (DPF), but the lights came back on shortly afterwards, leading to the vehicle owners requesting a full refund for the repair, which the dealership disagreed with.

► Case summary:

Consumer's claim	Misdiagnosis of the replacement of a component and a recommendation of unnecessary repairs
Age of vehicle (years)	Ten
Type of vehicle	Saloon
Preferred customer resolution	A refund for the replacement of the diesel particulate filter (DPF)
Value of preferred resolution	£2,500
Adjudication outcome	Case upheld in the business' favour
Ombudsman's final decision	Case upheld in the business' favour

► What was the consumer's complaint?

Mr and Mrs C took their saloon to a Dealership to diagnose the reason for warning lights illuminating on the dashboard. The car was 10 years old and had covered around 75,000 miles. Following a diagnostic check, Mr and Mrs C were told that the diesel particulate filter (DPF) required replacement, and that it would cost £2,500 to fit a new one. Mr and Mrs C authorised the repairs, which were completed.

900 miles later, the same warning lights illuminated, so Mr and Mrs C took their car back to the Dealership. They were informed that there was a new, unrelated fault with the car and it now needed a new turbo, resulting in a further £3,300 worth of repairs. Mr and Mrs C were unhappy with this, so they took their car to a Garage, where they replaced the engine gas recirculation (EGR) valve, resolving the fault. Because of this, Mr and Mrs C believed the Dealership had misdiagnosed the DPF as being needed to be replaced and they thought they should be refunded the £2,500 they had previously spent. The Dealership disagreed, and the complaint was referred to The Motor Ombudsman.

► What evidence did the consumer provide to support their claim?

To support their complaint, Mr and Mrs C supplied:

- A photograph of the warning lights on the dashboard;
- A written testimony about the repairs and why they felt they were unnecessary;
- Diagnostic information that had been provided to them by the Dealership;
- A technical product information (TPI) bulletin from the Dealership; and
- A copy of the vehicle health check report supplied by the Dealership.

► How did the accredited business respond to the consumer's complaint?

The Dealership said that there were no warning lights illuminated when they first saw the car, and that no current faults were found when running a diagnostic test. They had told Mr and Mrs C to monitor the car and then, a month later, they had brought their vehicle back with the engine management light on and a warning for the DPF. The Dealership carried out tests that suggested there was a fault with the DPF, which they cross-referenced with a technical product information (TPI) bulletin published by the manufacturer. When they removed the DPF, they found it had failed internally and the repair solved the issue at that time.

The Dealership maintained that the second problem, which they believed to be because of a faulty turbo, was unrelated to the initial repairs. Because of the car's age and mileage, it was unsurprising for there to be a problem with this component. They felt that they had exercised reasonable care and skill, and that there was no justification for reimbursing the cost of the DPF repairs, totalling £2,500, to Mr and Mrs C.

► What approach did the adjudicator and ombudsman take to reviewing the evidence provided by both parties?

In a complaint like this, the most important evidence was supporting technical evidence. This is because the adjudicator and ombudsman need to be confident that the claims made by both parties were backed up with the necessary facts and information.

► What outcome did the adjudicator and ombudsman reach and why?

For similar reasons, the adjudicator and ombudsman reached the same outcome i.e. that the consumer's complaint could not be upheld. The key issue with Mr and Mrs C's case was that they had no technical evidence to support their belief that the Dealership failed to adequately diagnose the cause of the faults on their vehicle and, consequently, recommended unnecessary repairs.

The Dealership had provided evidence showing that there were fault codes relating to the DPF and that there was a TPI applicable to Mr and Mrs C's car that correlated with the fault code they found. The adjudicator and ombudsman found this to be sufficient evidence to demonstrate that the Dealership had followed a reasonable diagnostic process and recommended a repair to the consumers that was necessary.

The adjudicator and ombudsman understood Mr and Mrs C's dissatisfaction, particularly because they had taken their car to the Garage, and it seemed the EGR valve replacement had cured the problem. However, Mr and Mrs C were informed that the EGR valve, turbo and DPF are all linked, so it was reasonable that the EGR valve failure could have caused a problem with the DPF and vice versa. They also noted that the engine management light can illuminate for several different reasons and be triggered by various components.

The adjudicator and ombudsman also explained that Mr and Mrs C's car was 10 years old with 75,000 miles on the clock, so it was not unusual for different components to be in a developed state of wear and to be nearing the end of their lifespan.

Based on the technical evidence from the Dealership showing their justification for replacing the DPF, and with no technical evidence from Mr and Mrs C proving the contrary, the adjudicator and ombudsman could find no breach of the Service and Repair Code and therefore did not uphold the complaint in the consumer's favour.

► Did one or both parties agree with the outcome?

An ombudsman considered the complaint because Mr and Mrs C initially disagreed with the adjudicator's findings, providing further testimony. On review however, the ombudsman agreed with the adjudicator in that there was insufficient technical evidence to demonstrate that the Dealership had done anything wrong. As a result, no award could be made to Mr and Mrs C.

► Did the consumer receive their preferred resolution?

Mr and Mrs C did not receive their preferred resolution, i.e. a refund of £2,500, because their complaint was not upheld by The Motor Ombudsman.

► What are the key learnings that can be drawn from this case?

- **The importance of technical evidence to support a claim:** Whilst The Motor Ombudsman understood why Mr and Mrs C were unhappy, considering the car broke down with the same symptoms shortly after a repair was carried out, they needed to see technical evidence, such as an independent report or a second opinion from the Garage that demonstrated that the Dealership had failed to properly diagnose the faults with the vehicle. This was particularly pertinent in this case because of the car's age and mileage, meaning it would not be unusual for parts to fail, and because of the complex nature of the diagnosis. Had Mr and Mrs C been able to provide a supporting technical report, which demonstrated that the Dealership had fallen below the standards expected of them, The Motor Ombudsman may have made a different decision.
- **Repairs should be proportionate to the age and usage of a vehicle:** When a car is older or has covered significant mileage, there is a risk that the cost of repairs will exceed the value of the vehicle. As such, it is very important dealerships and garages provide clear advice about what repairs are required, and the potential costs so that consumers can make informed choices about whether to go ahead with fixing or replacing their car.
- **Repairers should carefully manage customer expectations as to the prognosis for their vehicle:** Consumers often believe that if a repair is carried out, this will be the end of any problems with the vehicle and they can expect trouble-free motoring for some time to come.

Whilst that can be a reasonable expectation, there are also times where a repair might be the start of a process in finding the root cause of a problem. In fact, where the car is older or has a higher level of mileage on the clock, it may be more prone to further faults, or parts may be in the process of gradually wearing out. It is therefore important for dealerships and garages to be clear with their customers as to whether they think the problem is fully fixed, or whether they think they have repaired the problem, but with a chance something else could happen in the future.

SECTION 8. What is the outlook for the service and repair sector for the remainder of 2021?

► The Motor Ombudsman is expecting more service and repair cases

With car use set to increase across the country as restrictions ease, and more visits to garages are made for routine or ad hoc maintenance, this will no doubt impact the volume of service and repair disputes that will be submitted by consumers to The Motor Ombudsman. By the end of 2021, it is forecast that 2,750 cases will be accepted for resolution, a 24% increase versus last year (2,097), and a 53% increase compared to 2019 (1,799).

► The knock-on effect of the MOT extensions remains a primary concern for businesses in the shorter term

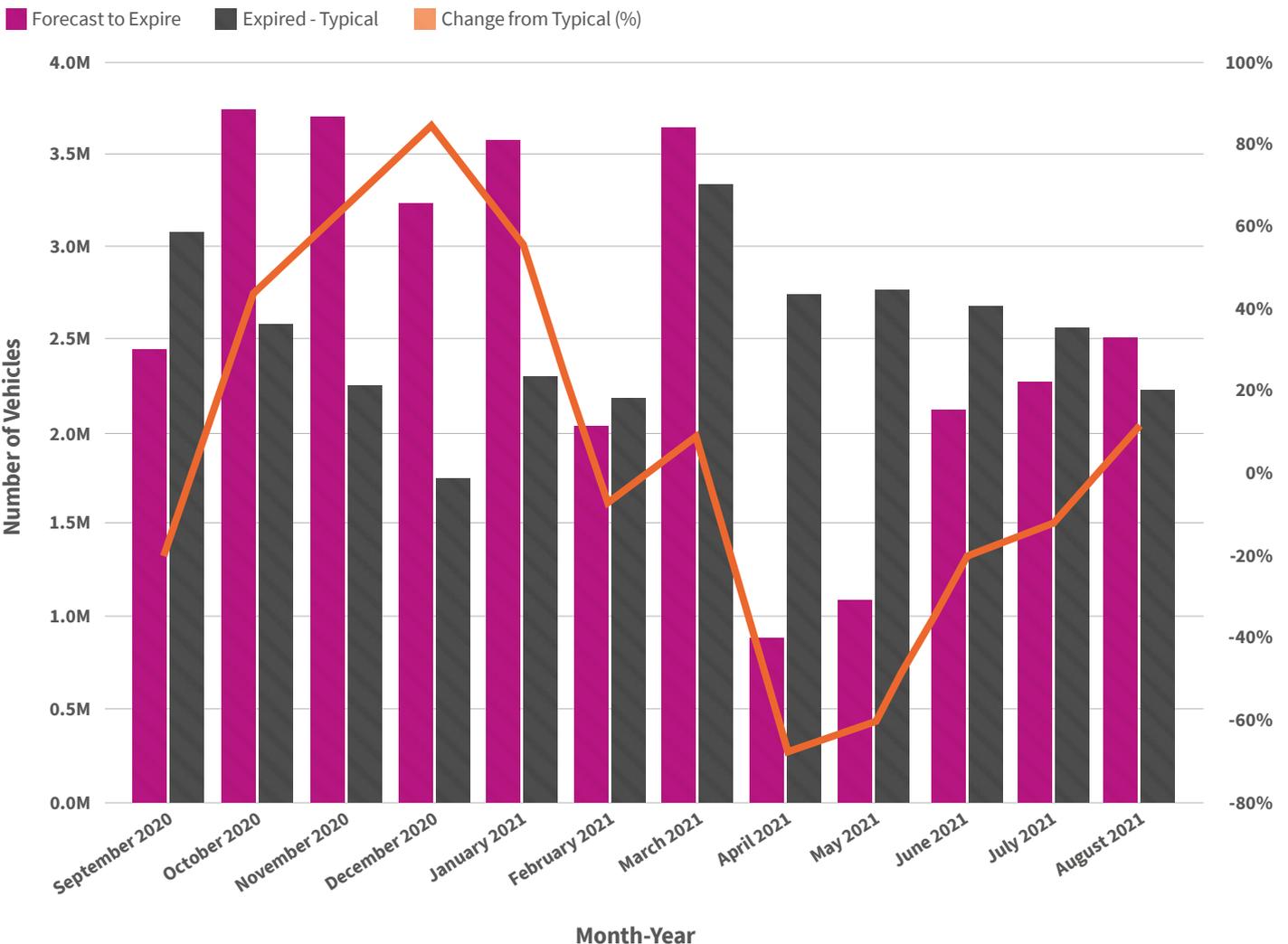
According to the Driver Vehicle Standards Agency (DVSA), 9.58 million six-month MOT exemptions were issued between 30th March and 31st July 2020, shifting the peaks and troughs in testing volumes in 2021 that would ordinarily be seen in a typical 12-month period. This has left service and repair businesses with a significant drop in MOT footfall in the shorter term. For example, for April and May 2021 combined, the DVSA forecast that there will only be 1,981,861 MOTs expiring versus the figure of 5.4 million which would “normally” come up for renewal during these two months.

This shortfall in MOT demand was echoed by comments made by service and repair businesses in The Motor Ombudsman’s snap poll in April 2021:

“MOTs have dropped off quite significantly. We need to draw customers to have their MOT.”

“We have now entered the one-year anniversary of the extension, and are now seeing a huge drop in MOTs.”

► Fig 3. Expiry profile of MOTs



Source: DVSA

From the DVSA forecast issued in March 2021 (refer to Fig.3), the volume of MOTs set to expire is expected to make a more pronounced recovery in the third quarter of this year, with those forecast to expire outpacing the typical MOT expiry volume in August. This is once again reflected by comments made in the poll of garages and repairers regarding their outlook for the coming months:

“The issue we are facing currently is that we are extremely quiet this month, but we expect it to pick up rapidly in June / July.”

“We don’t have the demand in April, May and June due to MOT exemptions, but this will balance out towards the end of the year.”

“MOT / service levels of are very low for Q2, but I expect to see Q3 coming back strong.”



It is worth noting that, although new car sales in the UK were slightly down overall in 2018 compared to the previous 12-month period, there will however, be another 2.4 million 18 and 68-plate vehicles³ which will be eligible for their first MOT in 2021. This is of course in addition to all the other vehicles aged three or more years that will need to be legally tested during the course of 2021, whether they have or have not been subject to last year’s government exemption.

Staying on the subject of MOTs, a survey of service and repair businesses conducted by The Motor Ombudsman in February 2021 revealed that the majority (58%) expected there to be more MOT failures this year compared to the volume seen in 2020, based on the fact that consumers may have been more hesitant to take their car to a garage for routine maintenance and repairs since the start of the pandemic. This of course has the potential to generate more work to rectify vehicles to return them to the required standard, but similarly, some Motor Ombudsman-accredited garages have expressed concern that the availability of replacement parts may continue to be an issue.

“Parts availability is the main issue. 65 to 70% of vehicles we repair are business vehicles, and those customers want a rapid turnaround.”

“There is delayed parts availability due to UK border restrictions and a worldwide shortage of components.”

Another garage has noted separately⁴ that, due to the pandemic, there has been a shift in consumer expectations in terms of the availability of spare parts, and that, a delay in the supply of these has become more acceptable, as opposed to what would have readily been a same day turnaround. The knock-on effect of not having immediate access to parts is that this creates the added challenge of customers leaving their vehicles with the business for a sustained period, thereby reducing the amount of space on site available for other incoming cars and hampering workflows.

► A drop in annual customer mileage also has an impact

In The Motor Ombudsman’s survey of around 600 service and repair businesses in February 2021⁵, the most popular view shared by respondents was that they estimated customer mileage between MOTs in 2020 and 2021 to be between three to five thousand miles due to COVID-19 lockdown measures and stay at home messaging by government, thereby discouraging vehicle usage. This was in contrast to the annual average of 7,200 miles in 2019 for private vehicles, according to the Department for Transport’s National Traffic Survey.

The impact of a fall in vehicle usage can manifest itself in different scenarios. The first is that cars standing still for sustained periods has an adverse impact on their condition, meaning that customers may visit a garage to replace some components e.g. tyres that may have cracked from lack of use. However, if vehicles are in fact not being used, fewer replacement parts may be required at the time of servicing or MOTs due to less wear, or there may be more resistance from individuals to bring a car to a garage for routine maintenance if it has hardly been used, as one business commented in The Motor Ombudsman’s April poll:

“Customers have not used their vehicles as much, and so will aim to put off servicing if they can.”

As well as the aforementioned trends in the immediate term, other challenges cited by garages that are foreseen between April and December 2021 include:

- Having to run a business with COVID-19 restrictions and social distancing rules;
- Longer term changes to consumer behaviour, where customers are more price-driven;
- Having to continue trading without reducing staff levels; and
- Customers venting their lockdown frustrations at garage personnel.

³Source: The Society of Motor Manufacturers and Traders (SMMT). 2,367,147 new vehicles were sold in 2018

⁴Source: Hayley Pells, owner of Avia Sports Cars Ltd.

⁵Source: The Motor Ombudsman - <https://www.themotorombudsman.org/useful-information/automotive-views/mot-demand-remains-unclear-for-march-and-september>

► In the face of adversity, there are of course positives for the remainder of 2021

Although there are still several challenges for service and repair businesses to overcome, there is cause for optimism. As the nation turns towards summer staycations as an alternative to international travel, with 49% of adults saying that they will holiday in the UK this year⁶, this has the potential to dramatically increase car use during the coming months as government restrictions loosen. This means that a greater number of motorists may turn to their garage for safety checks for peace of mind before going on holiday, and may require remedial work and repairs if cars have been standing still for prolonged periods. The same applies to consumers who are once again commuting to their place of work or are visiting friends and family for social purposes, which all has the potential to drive further footfall into garages as vehicle usage gradually increases.

Although there are still several challenges for service and repair businesses to overcome, there is cause for optimism.

Similarly, as car showrooms have once again reopened their doors to the public after being closed temporarily for several weeks due to the UK-wide lockdown, pent up demand for new and used cars has the potential to deliver additional custom to workshops for repairs or remedial work, thereby creating revenue-generating opportunities, as shown in the recent poll:

“There will be increased workshop work from our sales operation due to improved car sales.”

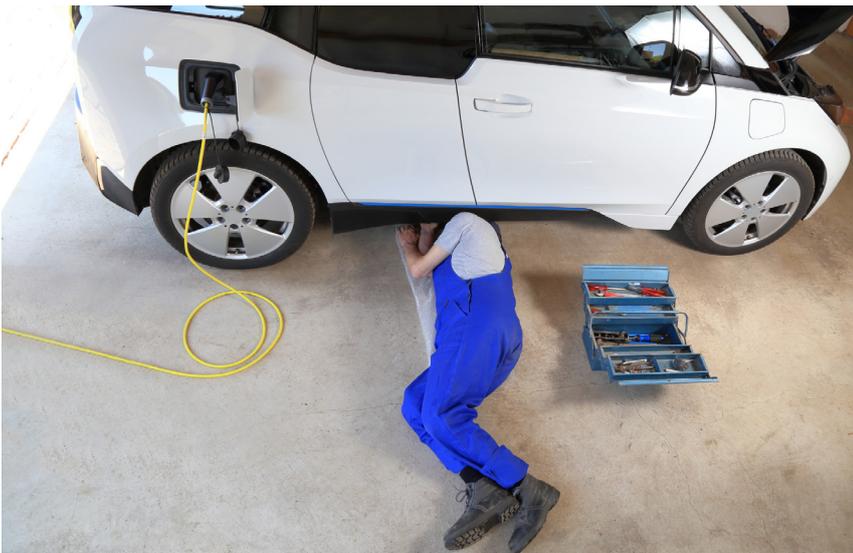
“Used vehicle sales present an aftersales opportunity.”

“There will be more people buying new cars. Therefore, there will be more work in our workshop.”

Other encouraging comments quoted by businesses in The Motor Ombudsman’s survey in April 2021 with regards to their outlook for the coming months, were:

- Being able to use a quieter trading environment to cleanse data and further develop internal processes;
- Motorists going digital and having cash-free transactions;
- A growing feeling of optimism and stability in the economy; and
- The opportunity to focus on their marketing activities and to be on point with the message they are trying to send to existing and future customers.

► An additional opportunity for the training and development of staff



Relatively subdued periods can give businesses the possibility to reboot and strengthen the learning and development of staff, as some service and repair businesses explained in the recent poll⁷:

“There is more time to train people and gear up for the future.”

“We have been able to look at taking on apprentices.”

With electric vehicle (EV) ownership increasing, there is the added “pressure” on garages to upskill mechanics to be able to diagnose issues and repair battery-powered cars, one area which led to EV owners raising disputes⁸ in 2020 due to qualified staff not being available to do this when customers had their vehicle on the ramp.

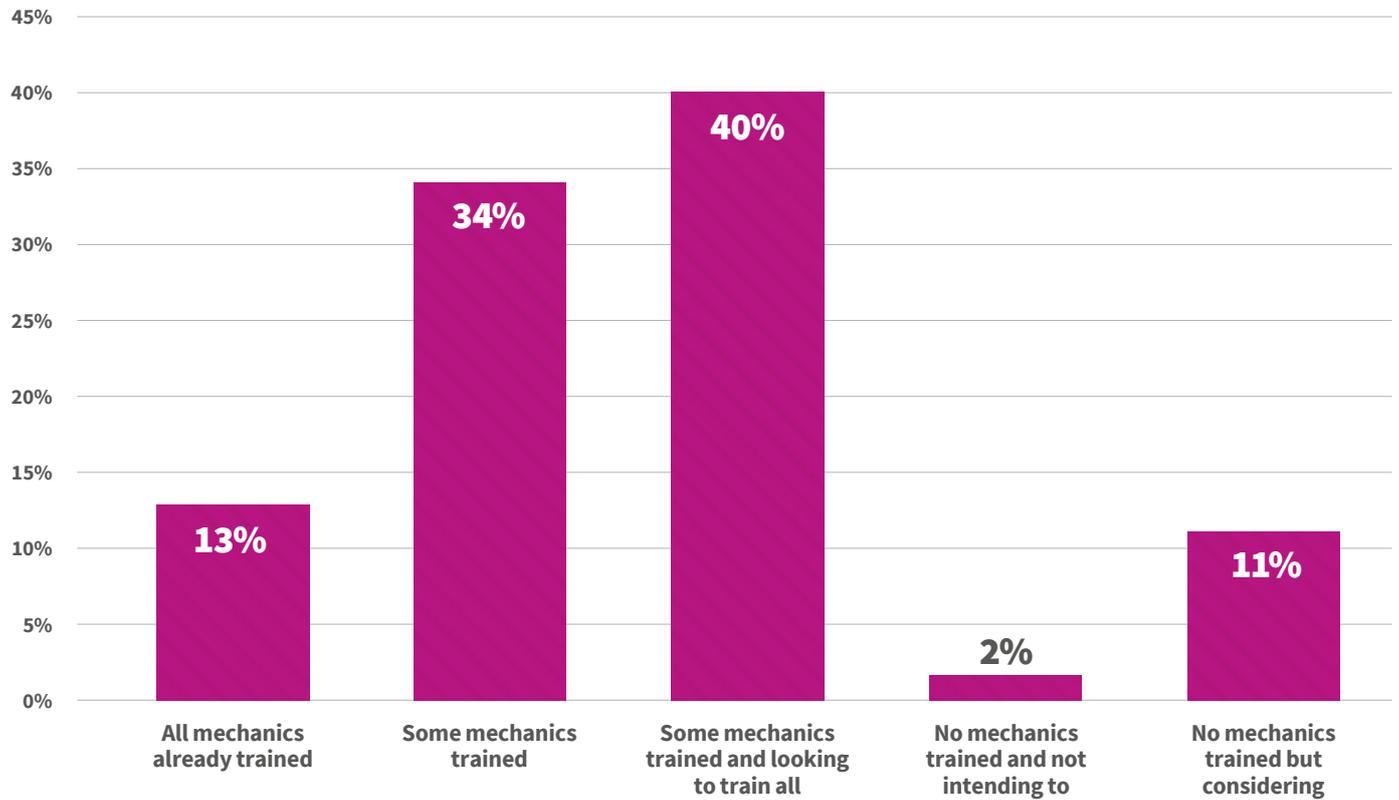
⁶ Source: The Sun - www.thesun.co.uk/travel/14666314/brits-planning-last-minute-holidays

⁷ Source: Online Motor Ombudsman survey of 79 businesses accredited and previously accredited to the Motor Industry Code of Practice for Service and Repair, conducted between 19th April to 26th April 2021

⁸ Source: “TMO highlights causes of EV disputes” (18/02/21) - www.themotorombudsman.org/useful-information/automotive-views/tmo-highlights-causes-of-ev-disputes

From the findings of The Motor Ombudsman’s recent survey in April (shown in Fig.4), it is encouraging to see the bulk of the results falling into the categories of all or some mechanics being trained to service and repair electric vehicles at 87% of respondents, which bodes well for the future of the sector in terms of meeting customer demand. Only a very small minority of the businesses surveyed fall into the camp of not having staff trained in this area (13% of participants), which is a trend that will likely be reversed in the longer term.

► Fig.4: Garages and workshops that have mechanics trained in the service and repair of EVs⁹



⁹Source: Online Motor Ombudsman survey of 79 businesses accredited and previously accredited to the Motor Industry Code of Practice for Service and Repair, conducted between 19th April to 23rd April 2021



SECTION 9. Conclusion

The outlook is undoubtedly brighter for the service and repair sector, but before it truly gets back on track to an environment which resembles “normality”, there are some obstacles on the next part of the journey. A lack of MOT demand due to the knock-on effect of the exemption is a clear short-term pain that will be felt by many, but with car showrooms re-opening, and more of the country on the move, especially as the summer holiday period approaches, this has the significant potential to drive increased footfall to workshops and garages.

As seen in the earlier analysis, further driving up the standard of work provided to consumers remains key, as does meeting the deadline of when it should be completed. As an action point for The Motor Ombudsman, this will form part of the key messaging in communications issued to businesses to demonstrate the importance of consistently providing the highest possible level of workmanship and service to today’s motorists.

The outlook is undoubtedly brighter for the service and repair sector, but before it truly gets back on track to an environment which resembles “normality”, there are some obstacles on the next part of the journey.

► A third wave before the end of the year could however, derail a more encouraging outlook for the service and repair sector

What is undoubtedly one of the big unknowns going forward is how the COVID-19 pandemic will continue to unfold, and the consequential impact it has on the service and repair sector, the economic climate of the UK as a whole, customer behaviour and vehicle usage. In April, Prime Minister Boris Johnson was quoted as saying that the “majority of science opinion” believed there would be a third wave in 2021, adding Britons must prepare themselves for it and “learn to live” with COVID¹⁰. This means that, although there are green shoots of recovery in the near term, there remains an added element of uncertainty for the longer-term prospects of 2021.

¹⁰Source: The Evening Standard - www.standard.co.uk/news/uk/boris-johnson-third-wave-covid-downing-street-press-conference-b930762.html

