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The Motor Ombudsman marks 15 years of the Vehicle Warranty Products Code

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Author:

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For 15 years the Vehicle Warranty Products Code has been serving the automotive sector, says The Motor Ombudsman.

They tell us:



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(All words and images from The Motor Ombudsman).

- The Vehicle Warranty Products Code was launched to the public on 14th July 2009, with the primary objective of driving standards even higher in the management and administration of extended vehicle warranty policies to customers
- The Code is formed of 60 different guidelines which businesses adhere to as part of their accreditation, spanning point of sale obligations, to the effective handling of customer complaints
- A total of 18 organisations are currently committed to the Chartered Trading Standards Institute (CTSI)-approved Code – the largest number to do so at any one time
- Accreditation grants a suite of benefits to warranty providers, including all-important access to The Motor Ombudsman's in-house, impartial and automotive-specific Alternative Dispute Resolution (ADR) service

London, 15 July 2024 The Motor Ombudsman, the Ombudsman dedicated to the automotive sector, is commemorating 15 years since its Motor Industry Code of Practice for Vehicle Warranty Products was unveiled to the public in 2009. The Code was launched with the principal aim of driving standards even higher in the provision of extended vehicle warranty products to motorists, and evolved from the former Code of Practice for Mechanical Breakdown Insurance Schemes. Since its inception a decade and a half ago, the portfolio of businesses adhering to the Chartered Trading Standards Institute-approved Code has grown to a total of 18 organisations – the largest ever number to be accredited at any one time, covering around three-quarters of the industry's major providers. The scope of the Code of Practice spans both insurance and non-insurance backed extended warranties, but equally extends to service contracts, roadside assistance and insurance for items such as keys, alloy wheels and tyres.

The comprehensive Code, which is unrivalled in the sector, is comprised of 60 different guidelines, which organisations pledge their commitment to as part of their accreditation. These cover the publishing of clear, concise, jargon-free and accurate communications, including advertising and policy literature, offering tailored advice and information to vehicle owners according to their requirements, having an in-house complaints process which allows for the swift and fair resolution of customer complaints, and directing consumers to The Motor Ombudsman's independent and fully impartial automotive-specific Alternative Dispute Resolution (ADR) service should concerns not be resolved between the two parties in the first instance.



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In the full calendar years that followed The Motor Ombudsman's foundation in 2016, the motoring authority has received in excess of 22,500 contacts from consumers up until the end of 2023, in relation to an extended warranty product. During the same period, over 2,200 new cases were accepted for adjudication i.e. those which fall within the remit of the Code of Practice, and which relate to an accredited business. Common breaches of the Code by businesses have related to potentially unclear information being provided to policyholders, and customers not having a full understanding of the terms and conditions at the point of sale and making a claim, due to the standard of material provided.

In addition to being able to call on The Motor Ombudsman for assistance with bringing disputes to a close, accreditation brings a number of exclusive benefits and opportunities for warranty provider head offices.

These include the ability to attend The Motor Ombudsman's Code committee and industry round-tables, exclusive webinars and events, and to be profiled on The Motor Ombudsman's popular website (TheMotorOmbudsman.org). Warranty providers are equally eligible to be nominated by policyholders for one of the coveted Motor Ombudsman Customer Service Star Awards, which are now open for submissions until mid-October. The accolades have been geared to put businesses and individual team members in the spotlight, after going above and beyond the call of duty in the eyes of consumers.

Bill Fennell, Chief Ombudsman and Managing Director of The Motor Ombudsman, said: "We are delighted to be celebrating this notable milestone for our Vehicle Warranty Products Code across our organisation, and with businesses. The Code of Practice has served as an important cornerstone of the extended vehicle warranty market since it was first unveiled 15 years ago, and has been paramount in driving standards even higher in the provision and management of these popular policies for today's motorists."

Bill added: "To be approaching a portfolio of nearly 20 accredited businesses, highlights the great value that many of the industry's key players place in being a part of the Code, and we look forward to expanding this portfolio going forward, so that it provides even greater coverage for consumers taking out an extended warranty."

**MARKING 15 YEARS OF THE MOTOR OMBUDSMAN (TMO)'S
MOTOR INDUSTRY CODE OF PRACTICE FOR VEHICLE WARRANTY PRODUCTS**

14 Launched to the public on 14 July 2009 to drive up standards beyond those required by law in the provision of extended vehicle warranties

15 The Chartered Trading Standards Institute (CTSI)-approved Code has been serving businesses and motorists for 15 years since 2009

60 The Code of Practice features 60 different guidelines, spanning the use of accurate and honest advertising, to providing clear information about what is covered and excluded in a policy

75 The Code covers around 75% of the extended vehicle warranty products sold annually to motorists across the UK

18 Vehicle warranty providers are accredited to the Code of Practice - a record portfolio

The former Office of Fair Trading (OFT)'s-backed Vehicle Warranty Products Code replaced the Mechanical Breakdown Insurance (MBI) Code and extended the level of protection offered to motorists

The Vehicle Warranty Products Code covers a range of warranty and insurance products, such as:

- Mechanical breakdown insurance (MBI)
- Service contracts (guarantees/extended warranties)
- Roadside assistance
- Tyre and MOT insurance

>2,200 Cases accepted for adjudication since TMO was founded

Common breaches of the Code by businesses have related to:

- The clarity of information provided to customers
- Point of sale materials and processes
- Customers did not have full clarity during the purchase or claims process

>22,500 Consumer contacts since TMO was established

Key Code benefits for consumers:

- Peace of mind that an accredited business is committed to high standards in the provision of products and services
- Many of the UK's major providers are accredited
- Free of charge use of The Motor Ombudsman's independent and impartial automotive dispute resolution (ADR) service for unresolved complaints

Key Code benefits for businesses:

- Privileged use of the Approved Code and Motor Ombudsman logos to stand out from the crowd
- Access to The Motor Ombudsman's expert automotive dispute resolution service
- Participation in industry committee meetings and Forums
- Added exposure from Motor Ombudsman marketing initiatives, such as the Customer Service Star Awards

www.TheMotorOmbudsman.org



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To view The Motor Ombudsman's Vehicle Warranty Products Code, visit

www.TheMotorOmbudsman.org/consumers/our-codes-of-practice/vehicle-warranty-products-code.





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