

MOTORISTS' FORUM SUB-GROUP – IMPROVING GARAGE CUSTOMER EXPERIENCE

Minutes of meeting 22 June 2012

Attendees:

Christopher Macgowan (chair)
Sue Robinson (NFDA)
Bill Duffy (Halfords Autocentres)
Stuart James (IGA)
Steve Scofield (IMI)
Edmund King (AA)
Ron Gainsford (Trading Standards)
Theresa Perchard (Citizens Advice)
David Innes (SMTA)
John Lewis (BVRLA)
David Bizley (RAC)
Paul Everitt (SMMT)
Vicky Waite (DfT secretariat)
Jeaur Rahman (DfT secretariat)

1. Welcome

Christopher Macgowan welcomed new members Ron Gainsford and Theresa Perchard to the sub-group.

2. Approval of minutes of the last meeting

The minutes of the last meeting were approved. Vicky Waite emphasised the importance of ensuring that minutes are accurate given that they are being published on the DfT website. The minutes of the current meeting would need to be approved by email as there are no further meetings planned.

3. Actions from last meeting

All the actions from the last meeting were complete.

4. Introduction to the draft report and initial comments

Christopher Macgowan was very grateful to sub-group members for providing their comments in advance of the meeting.

5. Detailed discussion

Each of the report's recommendations were considered individually.

Recommendation 1 - The sub-group recommends that VOSA considers publicising the compliance work it undertakes.

This recommendation was accepted by all the members of the sub-group.

Recommendation 2 - The sub-group recommends that VOSA makes more of its MOT data available to garage customers where it would help customers make informed choices.

It was thought this information, along with information from recommendation 1, could be shared with others for publication to improve the consumer offer. John Lewis said that once VOSA has a new IT system in place from 2015 it will be possible to generate more proactive data.

Recommendation 3 - The sub-group considers that there should be more publicity of high quality value-adding mystery shopping which already exists (e.g. by VOSA, Trading Standards, OFT approved Code sponsors) as an aid to increasing consumer confidence and driving up standards.

Overall the sub-group accepted this recommendation. Christopher Macgowan outlined for new members the reservations the sub-group has expressed on previous occasions about whether mystery shopping adds value if the results are not acted upon to drive business improvement. In other words, there is a need to “close the loop”. David Bizley said that context is very important. Ron Gainsford outlined how Trading Standards Institute (TSI) organisations use mystery shopping, usually intelligence driven and often working in partnership (e.g. with AA/RAC). He suggested that this recommendation will need to plug into existing mystery shopping activities and any future plans for combination of resources as the consumer landscape evolves.

Recommendation 5 - The sub-group recommends that VOSA should recognise that garages which have signed up to a suitably approved and enforced Code pose less risk and should therefore be subject to less scrutiny VOSA administers the MOT regime.

Christopher Macgowan thought that the feedback to this recommendation was that it was not unduly difficult. Some surprise was expressed about the recommendation as it had not been discussed in detail at previous meetings. In particular, a number of sub-group members queried the focus on the MOT given that the remit for the work is all garage services. Bill Duffy thought that technical standards should apply universally, and that VOSA’s red, amber, green system already captures risk elements. He thought that the recommendation as it stands might give some garages a “lighter ride” and this is in his view not advisable. His view was that VOSA should apply equal vigilance for all VTs and shouldn’t be more lenient on Code members as opposed to non Code members as VOSA was testing MOT scheme compliance not the things that Codes test. He also expressed the view that no evidence had been presented to the Sub Group that Code garages offer better compliance or service than non code garages. Edmund King thought that the choice of words could be improved upon. Rather than “subject to less scrutiny” he thought that “intelligence driven systems” captured the ideas more accurately. Paul Everitt thought that where a garage is part of a Code, it might score additional points in VOSA’s risk assessment system. However it would not change a technical assessment and would not be a separate regime. Ron Gainsford stressed this has to be looked at in the light of the Red Tape Challenge, and the idea of “earned recognition” is consistent with the Red Tape Challenge. The expectation from all parts of government is towards increased self-regulation, and if garages are working to standards over and above VOSA’s minimum standards, that should go some way towards earned recognition, and is consistent with an intelligence driven approach. John

Lewis thought that the brief for the report was customer experience which would overlay VOSA standards, yet this seems to have been lost in the recommendation as stated. Theresa Perchard thought the recommendation made sense as part of an overall package. She was wary of subjecting firms to what might effectively be double regulation. Most thought that the language needed to be improved to reflect the points discussed. David Innes said that VOSA should recognise MOT testing stations subscribing to a code but that this should not lead to a dilution of enforcement activity by VOSA

Recommendation 7 - The sub-group recommends that all garages should be obliged to have all technicians trained to Institute of the Motor Industry ATA or equivalent standard and that training certificates should be prominently displayed and current.

Christopher Macgowan said that he had taken note of feedback received regarding the wording of this recommendation. He noted that the word “obliged” was causing problems, and that sub-group members had raised issues about who would police the recommendation. Points were made about the recommendation needing to be inclusive of alternative routes to demonstrating competence. David Bizley stressed that the recommendation should be about demonstrating competence and not about prescribing a route for getting there. There was discussion around whether it would be compulsory, voluntary or whether incentives would be offered. It was suggested that instead of being “obliged” to have competent technicians, garages could be “actively encouraged”, although it was noted that it would be difficult increase take-up if training was voluntary. Ron Gainsford thought that competences are important in a self-regulated environment, and that in the future Codes may place more emphasis on competence. Paul Everitt thought that Codes can provide a mechanism to ensure competent people are employed by garages. There was also discussion around whether the aspiration should apply only to technicians or to other garage roles. Ron Gainsford said that TSI and IMI are working together on the rounded customer experience and including all garage employees in competence training, including customer services. John Lewis suggested that the “game changer” would be for the industry’s trade associations to be encouraged to require adherence to a suitable code, with a robust ADR, to be mandatory upon their members as a condition of membership thus using the Trade Association branding to provide customer confidence. David Innes said that not all garage staff (in both organisations with or without a Code) would need to be trained to an ATA. Bill Duffy echoed others comments about the drive here was for competent personnel not just training. He also made the point that there are many other skill types in garages as well as Technicians, including semi skilled people, apprentices and that almost a third of MOT testers have come through the well accepted NTTA route and that the recommendations should take account of these factors. Sue Robinson agreed that dealer staff need to be trained to ensure competence in their specific role. She added that competency is as important as formal qualification.

Recommendation 6 - The sub-group recommends that the scope of suitably approved and enforced Codes should be expanded to incorporate the MOT test.

Recommendation 8 - The sub-group recommends that OFT/TSI approved Codes are required to provide consumer feedback websites with suitable assurances of transparency.

Christopher Macgowan said that recommendations 6 and 8 are closely linked to recommendation 4 and therefore suggested discussing them together with recommendation 4.

Recommendation 11 - The sub-group recommends that government carries out research to evaluate the level of consumer confidence in the garage industry relative to other industries.

Edmund King queried whether this recommendation was necessary as the AA survey data seems to show that 78% of people feel their garage treats them as a valued customer and only one in 20 have had a problem which they felt needed intervention in the last 5 years. Ron Gainsford queried why this information was not already available. He said there was a question about how the changing consumer landscape would impact on consumer detriment, and said that the industry needed a starting point for monitoring, for example on perceived lack of best practice. Theresa Perchard said that as part of the changing consumer landscape Citizens Advice has taken on responsibility for Consumer Direct and will be commissioned by BIS to deliver consumer detriment monitoring across the whole of the economy. Paul Everitt thought the recommendation would be better if drafted to say that DfT & VOSA are recommended to review Citizens Advice data on consumer detriment and act where necessary.

Recommendation 4 - The sub-group recommends that all new MOT garages should sign up to a suitably approved and enforced Code as a condition of entry to the MOT scheme. Existing MOT garages not covered by a suitably approved and enforced Code should be obliged to sign up with such a code within one year of the publication of this report.

Christopher Macgowan recognised that some members of the sub-group would not be able to support this proposal, although feedback to date suggested that the majority would be in favour. He recognised that not everyone has to be a signatory to the report.

Bill Duffy made it clear that he was very keen as others to improve the customer experience in garages. He made the point that the sub group was effectively directing and mandating that garages could only go in reality to Motor Codes to get an OFT backed Code, Bosch was only open to Bosch garages and BSI was known to be too expensive and he questioned the group mandating this. He also stressed that he felt the most important things for customers that the group should be stressing was that they could know that all personnel working on their car and interacting with them were competent to a good appropriate standard and that there was clear route to follow to get any complaint or dispute resolved. He said he would be able to

support the recommendation if it also included other Codes and schemes in which many thousands of garages had already invested time, effort and money.

Steve Scofield said that consumers need a single point of contact and a multiplicity of various Codes and schemes would not help them.

Theresa Perchard said that she was in favour of self-regulation via Codes and that they were better and quicker than regulation. For example, Codes are easily updated whereas regulation is difficult to change. She said that Codes can vary in quality and that the OFT sets clear criteria for Codes. She thought that there needs to be a beacon for consumers and that multiple Codes can be difficult to explain to consumers. She pointed out that the AA data shows that 78% of customers do not shop around, yet 44% think that cost of service is too high, 22% think that items fitted are not necessary, 22% feel that work takes longer than necessary, 33% think that hourly labour rates are not transparent. She thought that people were not shopping around because they did not know where else to go. Whilst she thought that the recommendation is a bit more than voluntary and not quite compulsory, she thought that it would help to put the consumer in the driving seat. She recognised the problem of rogue traders, and also recognised that authorisation to carry out MOT tests also acts as a business driver. She thought that this proposal would be likely to target the rogue traders. She thought that there was a separate debate to be had about whether any particular Code should be recommended or whether it should be any OFT approved Code. OFT's capability to approve Codes has historically been slow, but that did not mean that the policy is wrong. She encouraged people to think about the lost opportunity from the dispersal of Codes and schemes. Clarity of message and a trusted intermediary can give opportunities for generating business. Under the new changes to the consumer landscape, Citizens Advice is being given responsibility to educate and empower consumers. Citizens Advice will be looking for a single link to put on their website.

Paul Everitt said that OFT approved Codes are different. They have clear criteria and a consistent and clear route of approval by consumer organisations. He pointed out that nothing would stop other organisations from developing a Code and getting OFT approval if they chose, and they could then compete with existing OFT approved Codes. He said that the MOT test gives garages a license to get further business, therefore MOT garages should offer greater consumer protection. He said that franchise dealers and independents are already signing up to Motor Codes and they are getting increased business as a result. He said that consumers want it and that it generates business. He thought that if DfT, VOSA, Citizens Advice and TSI were supporting garages due to the Codes they have signed up to, then this would be a powerful driver in the market place.

Stuart James pointed out that there are 3,500 members in the IGA, and that their garages are competing against the small independents who sometimes do not adhere to adequate standards and who have no intention of improving. He also pointed out that the number of IGA members who receive consumer

complaints to their conciliation department is extremely low. This was used as an example because the numbers can be easily quantified, however, he would assume this will be the same for other trade organisations and schemes that operate similar standards for the many thousands of garages that are trying hard to get it right and delivering a quality service for the consumer. His members are already audited and have access to customer arbitration. He wanted to see more options other than Codes explored, even if the work took longer.

Ron Gainsford said that this was a benchmark moment for the industry. He said that Parliament has made its view known via the Enterprise Act of 2002 and the current Enterprise and Regulatory Reform Bill. He said it is clear what government is expecting of consumer sectors. The recent BIS announcement has also made clear what government is expecting regarding the expert approval route for Codes. It is important that the sub-group is consistent with government direction of travel. Recommending the continuation of range of unvalidated Codes would be going against a clear, cross-party direction of travel. He agreed with the difficulty of dealing with rogue traders, but said that TSI were there to deal with them. He thought that the recommendation should not be about an individual Code, but about OFT approved Codes. However, eventually he would like the industry to have one Code. He recognised that the OFT Code scheme is not perfect, however, TSI will be taking over the Code approval process, and will be working with stakeholders to address any problems. There will be a transitional period which will give some breathing space. BIS ministers have requested a single consumer portal, and this will be based on approved Codes.

John Lewis said that his organisation (representing industry consumers) has developed a driver rating system of garages. Unlike other consumers, their drivers have somewhere to go when things go wrong. He added that they considered OFT approval for their mandatory code but the OFT Approval scheme could not take them on at the time and so they have continued to enhance their own code outside the scheme.

David Bizley said that this was the third time in recent years that he had been involved in discussions about Codes in the industry. All are agreed that full licensing of garages is not the answer, therefore Codes are the next obvious step on the journey.

David Innes was opposed to the principle of such organisations (collectively) and to individual businesses being forced to sign up to an OFT/TSICA approved Code.

Sue Robinson said that franchise dealers in her organisation have signed up to Codes. She thought that both consumers and dealers were more likely to understand TSI than to understand OFT. She thought that franchise dealers would welcome better customer education and increased awareness from Citizens Advice in order to promote their Codes. She added that feedback needs to be coordinated for franchised dealers to avoid consumer 'over survey' i.e. manufacturer/code.

Edmund King suggested that the report could spell out more clearly the extent of the problems experienced by consumers within the main body of the report rather than just including the results of AA surveys in the annex. He also asked if the report would indicate what the cost to the consumer would be if all the recommendations were implemented. Paul Everitt said that he could provide indications of the cost of the Codes regime and also on competences recommendation.

There was some discussion about clarifying the extent and strength of the recommendation. Christopher Macgowan said that the intention was not that garages would not be able to trade without signing up to a Code, but that the recommendation was that all garages (not just MOT garages) should adopt an OFT backed Code as soon as practically possible. There was also discussion about timescales for implementation. Currently the recommendation says “within 1 year”. It was thought that this was over ambitious. Ron Gainsford said that the wider consumer landscape journey was likely to take longer, but that there needed to be a clear path to “earned recognition”.

6. Next Steps

Christopher Macgowan said that the report would be modified in light of the discussion and would be re-circulated to the sub-group for their final approval towards the end of next week. He recognised the possibility that not all members of the sub-group would feel able to sign up to the report. After that the report will be forwarded to the Motorists Forum for discussion at their full meeting. Christopher Macgowan also has a meeting scheduled with the Secretary of State on Monday 9 July to discuss the sub-group’s findings.