

GUERNSEY MOTOR TRADES ASSOCIATION

*An Affiliated Member of
Retail Motor Industry Federation*

Code of Practice for the Motor Industry in Guernsey

*A Code prepared by the
Guernsey Motor Trades Association
in consultation with the
Department of Consumer Affairs*

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Code of Practice for the Motor Industry in Guernsey

Introduction

The Code of Practice has been prepared by the Guernsey Motor Trades Association in consultation with the Trading Standards Service to govern the conduct of manufacturers and retailers in relation to the supply of new and used motor vehicles, petrol, parts and accessories and motor vehicle servicing and repair, and embodies principles which have been observed by the majority of the industry for many years. It will be brought up to date from time to time as the occasion demands.

The principles set out are not intended to interpret, qualify or supplement the law of the land, and are not intended to be applied to non-consumer sales.

The members of the Association are not only bound by this code of practice but also by the terms of the GMTA Constitution, and the annual GMTA Agreement regarding employment of staff, which is written and updated in conjunction with the Commerce and Employment Department.

The Association regards it as a duty laid on its members that they will accept the Code in its entirety. A customer who feels dissatisfied with the treatment he has received from a member will be able to submit his grievance to the conciliation and advisory service operated by the Association.

It should not be overlooked that the customer also has his part to play. It is only by co-operating fully with those who make, sell and service cars that the customer can get the maximum benefit from his purchase. In particular, by maintaining his car in accordance with the manufacturer's instructions and giving as much information as possible to anyone servicing it, he can ensure he gets the best possible use out of his car and his troubles reduced to a minimum.

The term MANUFACTURER is taken to include concessionaire or importer.

The term DEALER is taken to include retail dealer or distributor or supplier of goods or services.

The term CAR wherever mentioned is to cover Cars, Vans, Trucks and Motor Cycles.

1 New Car Sales

- 1.1 New cars are sold by franchised dealers subject to the terms and conditions of the franchise, as produced by the manufacturer from time to time.
- 1.2 Whilst the dealer is obligated to adhere to these terms and conditions they will not affect the rights of the consumer under common law.
- 1.3 Order forms are intended to help both parties to the contract by spelling out the terms and conditions on which business is being done. Such terms and conditions must be fair and reasonable and set out clearly, together with a statement of the circumstances under which the order can be cancelled.
- 1.5 All documents must be clearly legible.
- 1.6 Order forms must contain details of all charges additional to the car price so that the consumer may understand clearly the total price he has to pay to put the car on the road.
- 1.7 The terms of the manufacturer's warranties should be drawn to the attention of the customer, and any relevant document published by the manufacturer must be handed over to him.

2 Car Manufacturers' Warranties (or Guarantees hereafter called Warranties)

- 2.1 A manufacturer's warranty is a simple and straightforward way for the customer to have faults of manufacture appearing within certain times (or before the car has done a certain mileage) put right at little or no cost to the customer without the necessity of his pursuing legal rights against the seller. The warranty must not adversely affect the customer's remedies against the seller at common law or by statute, and must include a statement making this clear to the customer.

- 2.2.1 The terms and conditions of the warranty must be explained to the customer when the car is purchased. Manufacturers and dealers should also give advice to customer as to who is responsible and what to do if they have a problem regarding parts and accessories not covered by the manufacturer's warranty.
- 2.6 Manufacturers and dealers will take steps to ensure that warranty work is carried out rapidly and effectively.
- 2.4 There is no automatic right to a loan car or contribution towards hiring charges in circumstances where a customer's own car is off the road for repair under warranty. Whether there is any such right will depend on the normal legal rules relating to damages.
- 2.5 Manufacturers will have different rules on the availability of loan cars and clear information on the circumstances in which a loan car or contribution towards hiring charges should be provided, must be given to the customer on request. Such information should take full account of the legal position.
- 2.6 Where a loan car is made available, this will merely be as reasonable alternative transport rather than an exact replacement for the car that is off the road.

3 Used Car Sales

- 3.1 Used cars sold to customers must conform to legislation affecting the construction and use of cars at the time being in force.
- 3.2 If a dealer sells a used car subject to a printed guarantee or warranty, that guarantee or warranty should not purport to take away or diminish any rights, which the customer would otherwise enjoy in law. The warranty document should also include a statement advising the customer that the warranty is in addition to his statutory or common law rights.
- 3.3 If a printed guarantee or warranty is not used, then any specific promises which the dealer is willing to make in relation to the used car are to be set out in writing.
- 3.4 Used cars will be subject to a pre-sales inspection in accordance with an approved checklist. A copy of the checklist shall be given

to the customer for his retention. A vehicle not in full roadworthy condition must be declared and documented as such.

- 3.5 All descriptions, whether used in advertisements or in negotiations regarding the sale of used cars should be honest and truthful. Terms which are likely to be misunderstood by the customer and which are not capable of exact definition should be avoided.
- 3.6 Copies of relevant information provided by previous owners regarding the history of cars should be made available to prospective buyers and should be passed on to the final customer. This may include log book, service records, repair invoices, inspection reports, handbooks and a copy of the warranty, as applicable.
- 3.7 Reasonable steps should be taken to verify the recorded mileage of a used car and especially any imported used second-hand vehicle.
- 3.8 Unless the seller is satisfied that the quoted mileage of a used car is accurate, such mileage should not be quoted in advertisements, discussions or negotiations or in any documents related to the supply of the used car. Where the car's mileage cannot be verified any prospective customer must be informed.
- 3.9 All vehicles sold on behalf of clients will be clearly marked and advertised as such. Terms and conditions relating to the sale will be stated.

4 Replacement Parts, Accessories and Parts

- 4.1 Whenever goods are offered for sale a clear indication of cash price must be available to the customer. Customers should also be informed of any special charges or conditions in relation to the supply of any goods.
- 4.2 Terms must not be used in advertisements if they are likely to be misunderstood
- 4.3 A dealer must not display any notices or make any statement which might mislead a customer about his legal rights in relation to the purchase of faulty goods.

- 4.4 Discounts offered will be based on fair comparisons. Such discounts should be based on either the dealer's own previous price or manufacturer's recommended price. Misleading price offers relating for example "worth", "value", "up to £x off", "trade sale", must not be used.

5 Repairs and Servicing (excluding work carried out under a manufacturer's warranty)

- 5.1 Manufacturers accept a responsibility for ensuring the reasonable availability of spare parts throughout the distribution chain.
- 5.3 Dealers will provide at least an estimate of the cost of labour and materials for all major repairs and manufacturers' recommended servicing. A firm quotation should be offered wherever possible. It must be made clear to a customer whether an estimate or quotation is being made. Quotations should always be in writing identifying the dealer. If requested, estimates will be in writing. It should be remembered that an estimate is a considered approximation of the likely cost involved whereas a quotation constitutes a firm price for which the work will be done. If a charge is to be made for the estimate or quotation this must be made known to the customer before his instructions are accepted. Any dismantling costs which are necessary to arrive at such estimates or quotations should be notified to the customer in advance on the clear understanding whether or not dismantling costs are to be charged on an estimate or quotation which is refused. If, during the progress of any work, it appears that the estimate will be exceeded by a significant amount, then the customer should be notified and asked for permission to continue with the work.
- 5.4 Parts replaced during service or repair will be made available for return to the customer until the customer has taken delivery of the car unless a warranty claim is involved or unless the parts have to be submitted to the supplier because replacement parts are being supplied on an exchange basis. Dealers should notify customers, in

advance of work being done, what their arrangements are in regard to retention and disposal of parts replaced.

- 5.5 Invoices should be clearly written or typed and give full details of the work carried out and material used. Dates and recorded mileages should always be noted where applicable.
- 5.6 Dealers should exercise adequate care in protecting customers' cars and possessions while they are in their custody, and must not seek by disclaimers to avoid their legal liability for damage or loss. Dealers should carry adequate insurance; at least the minimum required by Guernsey law, to cover their legal liability and should strongly advise customers to remove any items of value not related to the car. All members will display their Public Liability insurance cover.
- 5.7 Repairs must be guaranteed against failure due to workmanship for a specific mileage or time period. Dealers are advised to ensure that they are adequately insured against consequential loss claims arising from any such failure.
- 5.8 A dealer's rules as to the method of payment he will require on completion of the work should always be notified to the customer before the work is accepted.
- 5.9 When it is necessary to sub-contract work the dealer will agree to be responsible for the quality of the sub-contractor's work. Any estimate given to the customer must include the sub-contracted work and in the event of any increase in charge for the work, the principles in para 5.3 must apply.
- 5.10 While a dealer's contractual responsibility is limited to the exact terms of the customer's instructions or, for standard services, the schedule prepared by the manufacturer or other body or person, he should make it a general rule to advise the customer of any defects which may become apparent while the work is being carried out.
- 5.11 Dealers must make it clear whether or not servicing will be carried out in accordance with the appropriate manufacturer's recommended service schedule.

6 Advertising

- 6.1 All advertising by dealers must comply with the codes and standard set by the Advertising Standards Authority and the Independent Broadcasting Authority. In particular, references to credit facilities must conform to the appropriate legal requirements current at the time.
- 6.2 Advertisements must not contain any references to guarantees or warranties which would take away or diminish any rights of a customer, nor should they be worded as to be understood by the customer as doing so.
- 6.3 Claims and descriptions in advertisements should not be misleading. In particular, any comparison with other models of different manufacturers should be based on a similar set of criteria and should not be presented in such a way as to confuse or mislead the customer.
- 6.4 If advertisements quote fuel consumption figures for a particular model of a car, the test method used to obtain these figures should be stated (the figures should be derived from internationally agreed test procedures when these have been established). Where any comparative claims for fuel consumption are made with models of the same or different manufacture, figures for the other model(s) and the test procedures used should be given.
- 6.5 In principle, a price quoted would be a price at which the customer can buy the goods. Manufacturers and dealers should therefore quote prices for new cars, whether in advertisements or in showrooms, inclusive of the price of any extras known to be fitted to the car. If the price excludes delivery charge or number plates, such exclusions must be clearly specified.
- 6.6 In the description of used cars, terms likely to be misunderstood by the customer or which are not capable of exact definition should be avoided. For example, if the word “reconditioned” is used, the nature of the reconditioning must be carefully explained. If advertising a Manufacturer’s Full Service History, then this must

be made available to any prospective customer; the term must not be used if the vehicle does not carry the relevant documentation.

- 6.7 In the description of used car, any year stated must be the year of first registration in any country. If the car was first registered somewhere other than Guernsey this must be pointed out to the customer before purchase.

The dealer will be diligent in ascertaining the true year of first registration if the car was imported, and not rely on information provided by the previous owner.

- 6.8 Where an advertisement quotes the price of one model in any model range but depicts another, the actual price of that other model should also be shown.
- 6.9 Where a manufacturer advertises a rust-proofing process, or any other form of bodywork, paintwork, or upholstery protection process information about the process and its limitations should be made freely available.
- 6.10 Discounts offered will be based on fair comparisons. Such discounts should be based on either the dealer's owner previous price or manufacturer's recommended prices. Misleading price offers relating for example to "worth", "value", "up to £x off", "trade sale" should not be used. Any offer to provide finance will quote the rates being charged either A.P.R. or flat rate. Where the flat rate is quoted then the A.P.R. should also be shown.

7 Handling Complaints

- 7.1 Dealers must ensure as appropriate that effective and immediate action is taken with a view to achieving a just settlement of a complaint. To this end, there will be, from the point of view of the customer, an easily identifiable and accessible arrangement for the reception and handling of complaints. In addition, manufacturers must give every assistance to their dealers in handling complaints under warranty, or those in which the manufacturer is otherwise involved.
- 7.2 When complaints are raised through a third party such as the Citizens Advice Bureau, willing guidance must be given to that

body and every attempt should be made to re-establish direct communication with the complaining customer and to reach a satisfactory settlement with him.

- 7.1.1 In the event of there being an inability to reach agreement, dealers must make it clear to a customer that he has a right to refer the complaint to the appropriate trade association or the vehicle manufacturer.
- 7.3 All complaints addressed to the Guernsey Motor Trades Association for investigation must be submitted in writing.

8 Monitoring

- 8.1 As subscribers to the Code of Practice, dealers should ensure that the symbols of their appropriate association(s) are clearly displayed for the information of customers, thus as indicating adherence to the industry's Code of Practice.
- 8.2 All dealers should maintain an analysis of justified complaints relating to any of the provisions of the Code of Practice, and should take action based on this information to improve their service to the customer.
- 8.3 The Association will analyse all complaints about the Code or matters referred to the association for conciliation. The results of such analyses will be published in the Annual Report of the relevant association.

Appendix 1: Complaints

- 1 A customer who has a complaint about the quality of the goods or service to his motor car should in the first place refer it to the dealer concerned.
- 2 The complaint should be addressed to a senior executive, a director, a partner or the proprietor. Some dealers will have a person specially appointed to deal with complaints.

- 3 If the complaint relates to warranty on a new car and the dealer is unable to resolve the matter, the customer should take his complaint direct to the manufacturer concerned.
- 4 If attempts to reach a satisfactory solution fail, the customer should be informed that he may refer his complaint to the Association without prejudice to his legal rights in the matter, that the Association will use its best endeavours to try and resolve the complaint and that should the Association fail to resolve the complaint satisfactorily the customer may then still refer the complaint to the Courts in the usual manner.