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David Pope
FOLR Division
Department for Transport
3/24 GMH, Great Minster House
33 Horseferry Road,
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Dear David,

Odometer fraud consultation

Thank you for the opportunity to respond to this consultation. SCOTSS also contributed to the earlier consultation on Directive 2014/45, and we look forward to continued engagement with DfT on these matters.

We would make the following comments on the specific questions asked:

Q1, Understanding industry view of the scale of the issue:

- a. Do you believe odometer fraud is a significant issue for consumers?
- b. If so, do you view it as predominantly a financial, or safety issue?

Yes, we believe odometer fraud is a significant issue for the consumer, and although there may be safety issues arising from vehicles having travelled far in excess of indicated mileages, the primary issue for consumers is financial.

- c. Do you believe the incidence of odometer fraud is increasing or decreasing, and for what reason(s)?

Industry representatives and commentators are clearly of the view that odometer fraud is on the increase, driven primarily by the growth in fixed mileage Personal Contract Purchase (PCP) style hire purchase agreements. The growth in use of these financial arrangements overall suggests the problem of mileage adjustment is likely to be real but goes largely undetected.

Some consumers wishing to avoid end of agreement penalties for travelling over the agreed mileage appear to be utilising mileage adjustment services to alter

the mileage at the end and perhaps throughout the term of these agreements. If this practice is widespread then it will inevitably lead to the growing 'normalisation' of this practice. If some car owners are part of the problem then we need to put overt barriers in the way such as full-life odometer recording.

d. Do you believe the current regulatory and legislative system is sufficient to deal with odometer fraud?

The Consumer Protection from Unfair Trading Regulations 2008 deal with misleading actions and omissions, and should be adequate to deal with this type of offence, we would also refer to Chapter 4 of our guide for second-hand motor dealers: www.scotss.org/cars/SCOTSScarsalesguide.pdf which provides more detail.

We believe the legislation is sufficient and reflects the full harmonisation provisions of the Unfair Commercial Practices Directive 2005/29/EC.

Q2. At present, it is illegal to misrepresent a vehicle's mileage at point of sale fraudulently but not to adjust the mileage shown by an odometer. Some respondents to previous consultations were keen for the act itself of adjusting an odometer to be made illegal, to ban the sale of odometer adjustment equipment to the public, or for a ban on advertising odometer adjustment services.

a. Would you support a ban on odometer adjustment?

We would not object to an outright ban, however allowing odometers to be adjusted in very limited circumstances by licensed businesses may be more appropriate.

b. Would you support a ban on sale of odometer adjustment equipment? If so, to all or just the public?

A ban on sales to the public would be extremely difficult to enforce given much of this trade would take place online, and given the likelihood of advances in technology it should be easier to ban 'use' than 'sales'.

c. Would you support a ban on advertising of odometer adjustment services and/or equipment?

Yes, but again some thought needs to be given to how this could be enforced.

3. Previous consultations suggest there are some circumstances in which mileage adjustment is legitimate. The most significant is where a damaged or defective odometer is replaced.

a. Do you accept there are circumstances in which mileage adjustment is legitimate?

b. If so, in which circumstances?

Yes, we accept the suggestion from the legitimate motor trade that replacement odometers will require to be adjusted to match the current mileage when the original (or linked components) have failed. We are not aware of hard data to back this up but this claim seems probable. This is likely to be a relatively rare event however and we feel it could be dealt with by the manufacturers' approved service agents.

Q4. Some consultees favoured regulation of companies offering odometer adjustment, rather than an outright ban, to ensure that it is carried out only in specific circumstances and by suitably qualified and trustworthy vendors.

- a. Would you support regulation to tackle odometer fraud?
- b. If so, would you prefer an industry-led (e.g. overseen by an industry body) or Government-led (e.g. overseen by DVSA) regulatory system?

YES, very much so. If an outright ban were not the preferred option, then Government-led oversight would be preferred, in a similar way to number plate suppliers www.gov.uk/register-as-number-plate-supplier/dvla under we understand the Vehicles Crime (Registration of Registration Plate Suppliers) Regulations 2008.

Q5. It is illegal to misrepresent a vehicle's mileage at point of sale fraudulently, but this is not always detected. Are there any means by which detection of odometer adjustment at point of sale can be improved?

Yes, we believe that improving overall mileage data collection and transparency will act as a deterrent.

Q6. Vehicle mileage is recorded at MOT and is made publicly available.

- a. Do you believe this has helped to address odometer fraud?

Yes.

- b. Would expanding data collection, for example by collecting data at taxing, servicing, or other points in a vehicle's life, be useful in tackling odometer fraud?

Yes.

- c. Are there other improvements which could be made to the current system of mileage recording?

Yes, we believe so, for example the Belgium <https://www.car-pass.be/en> system appears to a model scheme for a holistic approach taken to mileage fraud. The scheme requires by law that "Garages, body shops, fast-fitters, tyre companies, technical inspections, etc. [MUST] After each intervention on a car or light van, every car professional has to forward the current odometer reading."

A Government backed mileage recording system could be introduced in the UK, whereby every interaction with a motor trade professional would require a mileage data input into a national database. The data would have no personal details just vehicles. In most cases the data is collected already, it would be a case of developing simple ICT systems to transfer the mileage data to a central point. A smartphone App could be developed for the trade to carry out this process.

Approved organisations such as HPI and Experian would have access to the mileage data in a similar way to MOT mileage data:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/578011/v995-mileage-data-document-2016.pdf#page=3

Q7. Although there is some information provided to consumers by Government regarding odometer fraud, one option to tackle odometer fraud could be to improve/expand on this. Are there improvements we could make to information given to consumers?

Yes, we would suggest that it is compulsory that the V5C has the current mileage data added at disposal, as provided for in the Road Safety Act 2006

<https://www.legislation.gov.uk/ukpga/2006/49/notes/division/2/7>

Q8. Vehicle type approval standards are agreed internationally and there are unlikely to be significant unilateral steps which the UK could take with respect to odometer standards. However, some consultees highlighted odometers as being particularly easy to tamper with.

Q9. The emphasis on odometer fraud has largely concentrated on private cars. It has been suggested that any measures should also apply to heavy goods vehicles. a. Are there steps which could be taken by vehicle manufacturers to reduce odometer fraud?

We have no comments on the situation in respect of type approval standards nor odometers on heavy goods vehicles.

I hope our comments are helpful. If you have any queries in regard to our response please do not hesitate to contact me.

Yours sincerely

Sandra Harkness
Chair SCOTSS

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