



19 March, 2019
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Dear Sir,

Evaluation of Motor Vehicle Block Exemption Regulation

Thank you for the opportunity to contribute to this evaluation on behalf of the British vehicle rental and leasing sector.

The British vehicle rental and leasing sector (BVRLA) believes that the exemption has been most beneficial for the consumer and recommends that the regulation should be maintained but modernised because of technological advances. Without the exemption, there is a real risk that:

- consumer choice could be limited, and the market become anti-competitive if our members lost the 'end-user' status afforded them by the regulation, as their ability to negotiate competitive prices for consumers would be removed
- consumers could experience higher repair costs because main dealers charge significantly higher labour rates than their counterparts in the independent garage network
- consumers could find vehicle parts more expensive because manufacturers will have a monopoly
- consumers could experience severe vehicle downtimes as some main dealers have lengthy lead times

Below, we highlight areas where the exemption is working well and those where it could be improved.

What's working well

Lower cost of repairs for consumers

The choice provided by the exemption has enabled the consumer to enjoy lower repair costs because independent garages charge significantly lower hourly labour rates than their counterparts in the main dealer network. Without the exemption, repair costs could rise due to ever increasing main dealer labour rates, as could the pricing for parts since manufacturers will have the monopoly again.

Consumer access to genuine manufacturer parts

The exemption allows the consumer to access genuine OEMs parts supplied by dealers to independent garages, which helps to preserve warranties and ensure customer safety. Without the exemption, manufacturers may restrict access to their parts supply, warranty and goodwill if a vehicle is not serviced within their main dealer network. Potentially, manufacturers could withhold access to data required by our members, the independent network and third-party data sources such as Haynes Pro and Glasses.

Convenience and quick turnaround for consumers

The exemption has enabled consumers to access quick vehicle repairs. Currently, lead times through the main dealer networks are long due to a lack of capacity. Our members have reported cases of some manufacturers refusing breakdowns – add to this the ongoing difficulty main dealers are having with recruiting and training technicians. Having a choice to use independent garage networks has been helpful in reducing downtimes for consumers.

British Vehicle Rental and Leasing Association

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What's not working so well*Technological advances make the exemption less powerful*

Advances in technology have made some vehicles quite complex. Some manufacturers are always adding in further technology as a way of limiting repairs to their own main dealer network, thus making the market anti-competitive. There is also a grey area with Hybrids and EVs in relation to the battery warranty. Some manufacturers do not appear to recognise the servicing completed by independent repairers as being adequate to cover the warranty on these items.

Onerous requirements from manufacturers


Some manufacturers have made it rather complex for an independent garage to confidently service or repair a vehicle to the exact standards requested by a manufacturer, the result being that any potential saving to the consumer is outweighed by the risk of an invalidated warranty. The requirements from manufacturers seems to be getting more onerous with regards to the proof required in order for a warranty to be honoured (i.e. receipts for oil, service schedules etc.). A BVRLA member has reported cases where two manufacturers have refused goodwill due to non-dealer service history, even on items such as entertainment units which do not form part of the servicing.

Unwillingness of manufacturers to share data

Recent experience with the introduction of WLTP has shown manufacturers are at times unwilling to share vehicle CO₂ data, reinforcing the need for regulation such as the exemption. With technology advancing at such a rapid pace, unrestricted access to vehicle data is a necessity which could prove difficult in the absence of the exemption.

We hope our comments and observations are helpful to the European Commission. We would be happy to provide any additional information, if necessary.

Yours faithfully,



Jinmi Macaulay
Senior Policy Advisor

Bona-fides BVRLA, the industry and its members

- Established in 1967, the British Vehicle Rental & Leasing Association (BVRLA) is the UK trade body for companies engaged in vehicle rental and leasing.
- BVRLA membership provides customers with the reassurance that the company they are dealing with adheres to the highest standards of professionalism and fairness.
- The association achieves this by maintaining industry standards and regulatory compliance via its mandatory codes of conduct, inspection programme and conciliation service. To support this work, the BVRLA shares information and promotes best practice through its extensive range of training and events.
- On behalf of its 980+ members, the BVRLA works with governments, public sector agencies, industry associations and key business influencers across a wide range of road transport, environmental, taxation, technology and finance-related issues.
- BVRLA members are responsible for a combined fleet of over five million cars, vans and trucks, supporting around 465,000 jobs and contributing £49bn to the economy each year.