THE MOTOR OMBUDSMAN
The Motor Industry Code of Practice for Vehicle Warranty Products
Desktop Audit July 2026

Background Information

The Motor Industry Code of Practice for Vehicle Warranty Products was launched in 2009, and it was later endorsed by the Office of Fair Trading (OFT) in 2011.

The OFT brought in the new Consumer Codes Approval Scheme (CCAS) under the Enterprise Act 2002. Following the demise of the OFT the CCAS is administered by the Chartered Trading Standards Institute (CTSI). The scheme is now called the Approved Code Scheme.

Businesses accredited to this Code cover approximately 70-75% of the extended vehicle warranty market.

The Motor Ombudsman (TMO), formerly known as Motor Codes, has been approved by the Ombudsman Association (OA) to operate as an Ombudsman since November 2016. Their four Codes have since been adapted in line with Ombudsman processes with all accredited businesses migrated over from Motor Codes. These Codes have many similarities in the way in which they are managed and the sanctions applied to members who breach a Code.

The four Codes are:

- The Motor Industry Code of Practice for New Cars
- The Motor Industry Code of Practice for Vehicle Sales
- The Motor Industry Code of Practice for Vehicle Warranty Products
- The Motor Industry Code of Practice for Service and Repair

Many businesses are accredited to more than one Code.

The Code has been modernised and updated to reflect the ongoing non-traditional ways in which consumers purchase, own or contract lease cars as well as the growth in alternatively fuelled vehicles and new technologies such as driver assistance systems and self-driving features.

The latest version of the TMO Vehicle Warranty Products Code was launched on 1st June 2025.

Audit process

A qualified Chartered Trading Standards Practitioner from the Chartered Trading Standards Institute (CTSI) carried out a desktop audit, the audit was paper based.

The Audit looked at the following areas:

- The accredited business application process including checks on prospective businesses
- Accredited business auditing - content and process
- Terms and conditions
- Marketing and advertising by accredited businesses
- Sanctions for non-compliant accredited businesses
- Customer service provision (including support for vulnerable consumers)
- The consumer complaints process (ADR)
- Customer satisfaction
- Training provided to accredited businesses to meet their obligations
- Any outstanding issues from the 2025 audit

Audit summary

Summary

The Code continues to provide efficient and effective consumer protection in the automotive sector.

Accredited Business Application Process

Applications typically begin with an e-mail or phone call from the prospective business to TMO's Business Services Department. The prospective member will liaise with a member of the department who will answer any questions and explain the application process. Following the conversation, an application form is issued.

Once the business has returned their completed application form a member of the Business Services department will review the information provided and conduct a pre-check of the business. This includes looking at reviews and information available via the internet and checks on Endole (business information software), which collates Companies House information.

If the assessment does not flag up any concerns, the application will be processed with the organisation marked as a provisional accredited business (new applicant). The application will be passed to the Compliance Team who will work with the business to complete an evidence based self-assessment.

Once the business has passed their self-assessment, they will be fully accredited to The Motor Ombudsman and will receive their Welcome Pack.

Existing accredited business inspections/audit

Implementation of upgraded systems and processes during 2024, were designed to improve the effectiveness and accessibility of the audit programme.

New applicants are subject to a due diligence and an evidence-based self-assessment prior to accreditation. Thereafter, ongoing compliance is monitored through a combination of complaint handling, ADR casework, intelligence received, compliance monitoring and, where appropriate, targeted audit activity.

Where concerns are identified, or where enhanced scrutiny is considered appropriate based on a business's compliance history or risk profile, onsite audits may be undertaken. Audit outcomes are recorded and used to inform future compliance monitoring and any subsequent engagement with accredited businesses.

2025 Audit Activity

- Total number of Code members: 21
- Number of audits completed: 5
- Percentage of Code membership audited: 24%

Accreditation withdrawal and sanctions for non-compliant accredited businesses

Accredited businesses receive penalty points for instances where they fail to comply with the adjudication or compliance processes. Some of these points may be awarded to the business for a relatively minor infringement, for example, failing to respond to an adjudicator within the allotted time period due to an absence from the business. In such instances, an adjudicator can opt to remove penalty points should they feel the mistake to be genuine and a one-off.

The system issues a written warning for 30 points, a second written warning for 60 points, and at 80 points the business will be referred to TMO's Independent Compliance Assessment Panel (ICAP) who will consider the appropriate sanction which could be a further warning, extended-suspension or expulsion from the Code.

Suspension can be applied at any time at the discretion of the TMO if the business refuses to co-operate.

No members are currently in the disciplinary process.

Marketing and advertising by accredited businesses

All new businesses to the Vehicle Warranty Products Code receive a Welcome Pack, which includes a Getting Started Guide, copies of the Code and Consumer Guides for staff training and customer awareness. Members are provided with guidance leaflets to be placed in the glove box of new cars.

Training is available to all Code members. Subjects include the consumer law, data protection and mechanical training. All modules are specifically tailored to the motor industry.

TMO sends out email newsletters and emails informing businesses about the latest news from The Motor Ombudsman, industry insights and developments. They regularly include information about the importance of showing the TMO and Approved Code logo as well as other best practice.

The Motor Ombudsman regularly checks its accredited business websites to ensure they are displaying the Motor Ombudsman and Approved Code logo.

Throughout the year TMO issues several press releases to both consumer and trade media, and regularly provides guest articles for trade publications highlighting areas of best practice and industry insights. The success, reach and impact of The Motor Ombudsman's campaigns are measured through monitoring of website hits, social media reach and PR coverage generated.

TMO has developed seasonal campaigns to raise awareness amongst consumers and increase engagement and provide value for its accredited business.

TMO utilises webinars as a medium for providing direct and personalised training to businesses who are further afield.

For the audit five new applications were provided for review. All of these new members' websites display the logo.

Terms and conditions and other pre-contractual Information

All accredited business product literature must be written in plain English. This should include details of the warranty cancellation policy, including where the consumer terminates a contract prematurely after the initial cancellation period has expired.

TMO does not mandate the use of a specific set of Terms & Conditions. Businesses are responsible for maintaining documentation appropriate to their operations and legal obligations.

TMO provides guidance, consumer-facing materials, Code documentation, accreditation branding materials and examples of good practice. The existence and suitability of consumer-facing documentation may be reviewed through self-assessment, compliance monitoring and audit activities where relevant.

Customer service provisions

TMO has developed training modules for accredited businesses on consumer, data protection, advertising and marketing and mechanical training.

As part of the self-assessment, TMO asks that all businesses have undertaken some form of ADR training, either through TMO or an external party.

TMO has a policy to help assist vulnerable customers. This has been discussed at Committee meetings and shared as an example of best practice to be adopted. If necessary, this can be tailored by businesses to assist staff in dealing with customer queries.

The TMO Information Line provides information to consumers and businesses on their legal rights and obligations. The service is delivered by TMO's Customer Service Advisors who have all undergone automotive specific legal training.

TMO's Adjudicators and in-house Ombudsman regularly provide recommendations for training or amendments to existing policies within their rulings. This helps TMO to meet one of its core ambitions of driving industry standards through the operation of its Codes.

Consumer Complaint Process

The ADR function at TMO is 100% in-house and the complaints process is included in the Code of Practice booklet, alongside TMO's contact details.

Consumers will first liaise with a customer service advisor either by webform, post, telephone or e-mail, who will assess the dispute to see if it falls within the TMO remit. If TMO cannot deal with the dispute, an enquiry is logged for monitoring purposes and the consumer is signposted to other organisations. If TMO can help, a case file is created and an enquiry form sent to the consumer. Consumers complete the form and return it with any documentation they would like TMO to consider. Upon receipt, a Case Administrator will check that TMO has all the information they need, as well as verifying that it falls within the TMO's remit. The complaint is sent to the business for their response.

Once the evidence has been received from all parties involved in the case and the case file has been collated, the Adjudicator will assess the complaint and try and find an amicable resolution or deliver an outcome. If either party is unhappy with the outcome, the complaint may be referred to an Ombudsman. Both parties can submit additional information if they wish and the Ombudsman investigates the complaint further before reaching a final decision. If the consumer accepts the final decision, it becomes binding on the accredited business.

TMO is certified as an approved ADR body under the ADR Regulations and is a member of the Ombudsman Association.

Customer satisfaction and feedback

TMO will review their online survey system, in particular the requirement to outlaw fake reviews, to ensure businesses take reasonable steps to verify consumer reviews to ensure compliance with The Digital Markets, Competition and Consumers Act 2024 (DMCC)

Consumers can leave feedback about a vehicle warranty provider on the Vehicle Warranty Products Code section of The Motor Ombudsman website.

A summary of all aggregated customer feedback is reported on, on a yearly basis, and is presented within TMO's ICAP and Annual Reports.

Conclusion

The Motor Ombudsman operates an impressive system to provide protection for consumers in the car warranty sector. It handles a large number of complaints, but this is inevitable having regard to the number of annual car registrations. This takes account of the trends in car sales to online sales and fully electric and hybrid electric vehicles. The move to self-assessment with targeted intervention is considered to be an effective way of monitoring the Code. TMO has amended and modernised their Code to take account of the everchanging products offered by industry and the evolving consumer willingness to engage in non-traditional retail options such as online purchases and short-term ownership etc.