THE MOTOR OMBUDSMAN

The Motor Industry Code of Practice for Vehicle Sales

Audit – July 2026 updated September 2026

Background information

The Motor Industry Code of Practice for Vehicle Sales is one of the longest-established Consumer Codes available to the public. Originally launched in 1976 as the Motor Industry Code of Practice, it subsequently received approval by the Office of Fair Trading (OFT). It was endorsed by the Consumer Codes Approval Scheme (CCAS) in 2011.

The Consumer Codes Approval Scheme was introduced by the OFT under the Enterprise Act 2002. Following the closure of the OFT, responsibility for the scheme transferred to the Chartered Trading Standards Institute (CTSI), where it continues to operate as the Approved Code Scheme.

The Motor Industry Code of Practice for Vehicle Sales was approved by CTSI in 2017.

The Motor Ombudsman (TMO) has been recognised by the Ombudsman Association (OA) as an Ombudsman provider since November 2016. Since that time, its four Codes of Practice have been aligned with Ombudsman processes, with accredited businesses previously operating under Motor Codes migrated to the current scheme. Whilst each Code addresses a different area of the motor industry, they are administered using consistent governance arrangements, compliance processes and sanctions.

The four Codes of Practice 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 accredited businesses participate in more than one Code of Practice.

The UK Government's continued transition towards zero-emission vehicles, including the planned end to the sale of new petrol and diesel-only cars from 2030 and the requirement for all new cars and vans sold from 2035 to be zero-emission at the tailpipe, is expected to continue to present both challenges and opportunities for the motor industry. This evolving regulatory landscape is likely to influence vehicle sales practices, consumer expectations and the operation of the Code.

The Vehicle Sales Code has continued to evolve to reflect changes within the automotive retail sector. This includes the increasing prevalence of non-traditional purchasing models, such as online vehicle sales, finance and leasing arrangements, together with the growth in

alternatively fuelled vehicles and the introduction of advanced vehicle technologies, including driver assistance systems and emerging automated driving functions.

The revised CTSI Approved Code for Vehicle Sales was launched on **31 March 2025**.

Audit process

The audit was undertaken remotely by a qualified Chartered Trading Standards Practitioner on behalf of the Chartered Trading Standards Institute (CTSI). The assessment was conducted as a desktop audit based on a review of documentation submitted by The Motor Ombudsman (TMO), together with supporting evidence provided in response to the pre-audit questionnaire.

The audit considered the operation and effectiveness of the Vehicle Sales Code, with particular emphasis on the following areas:

- the accredited business application process, including due diligence and checks on prospective businesses;
- the auditing and compliance monitoring of accredited businesses;
- sanctions and disciplinary processes for non-compliant accredited businesses;
- customer service provision, including support for vulnerable consumers;
- the operation of the Alternative Dispute Resolution (ADR) process;
- customer satisfaction and feedback;
- training and guidance provided to accredited businesses to support compliance with the Code; and
- progress made in addressing any recommendations or observations arising from the previous audit.

Audit summary

Summary

The evidence reviewed during the audit indicates that The Motor Ombudsman (TMO) continues to operate an established and comprehensive Code of Practice that provides effective consumer protection within the vehicle sales sector. The Code is supported by structured accreditation, compliance monitoring and Alternative Dispute Resolution (ADR) processes, together with ongoing engagement and guidance for accredited businesses.

New accredited businesses

Prospective businesses seeking accreditation to the Vehicle Sales Code initially contact TMO's Business Services Department, where they are provided with an overview of the Code, the ADR service and the obligations and benefits associated with accreditation. Following this initial engagement, businesses that wish to proceed are invited to submit a formal application.

Applications are subject to an initial review by the Business Services Department, including preliminary due diligence checks on the applicant. Where no concerns are identified, the applicant is accepted as a provisional member and the application is progressed to the Compliance Team.

The Compliance Team supports applicants through an evidence-based self-assessment process designed to demonstrate compliance with the requirements of the Vehicle Sales

Code. Following successful completion of the assessment, businesses are granted full accreditation and issued with a Welcome Pack containing their Certificate of Accreditation, Code of Practice booklets, Consumer Guides and other materials to assist in promoting their commitment to the Code.

As part of the audit, examples of the application and assessment process were provided for review. These included completed pre-application questionnaires relating to Vehicle Sales and examples of completed self-assessments recorded within TMO's Salesforce system. The pre-application questionnaires demonstrated that information is obtained about the applicant's business activities and that businesses selling vehicles are directed towards the Vehicle Sales Code. For example, the applications reviewed recorded details of vehicle sales activity and subsequently provided information on the requirements and benefits of the Vehicle Sales Code.

The completed Salesforce self-assessment records reviewed were identified as comprehensive assessments and recorded a Pass status. They included responses against the relevant assessment questions, including Vehicle Sales and Code Compliance, together with details of supporting documentation held within the system.

The supporting evidence identified within the records included, amongst other things, vehicle provenance checks, handover documentation, quotations or estimates, complaints procedures, business insurance, pre-sales inspection records, invoices and staff training documentation. However, the documents themselves were accessible through links within TMO's password-protected Salesforce system and were not separately available to the auditor. It was therefore possible to verify that the self-assessment process had been completed and that supporting evidence was recorded as having been submitted, but not to independently review the content or adequacy of all of that underlying evidence as part of the desktop audit.

A minor inconsistency was noted within some of the pre-application outputs reviewed. Although the businesses had indicated that they sold vehicles rather than undertaking service and repair activities, the summary text referred to a recommendation to join the Service and Repair Code before subsequently providing the correct Vehicle Sales Code information. TMO may wish to review the wording generated by the pre-application system to ensure that the recommended Code is consistently and accurately identified.

Existing accredited business inspections/audit

Following the implementation of upgraded systems and processes during 2024, which were designed to improve the effectiveness and accessibility of the audit programme, onsite audits resumed during 2025.

The evidence reviewed demonstrated that accredited businesses are monitored through a risk-based compliance framework aligned with the requirements of the Codes of Practice. New applicants are subject to initial 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:** 3,303
- **Number of onsite audits completed:** 400
- **Percentage of Code membership audited onsite:** 12%

As part of the audit, five Salesforce self-assessment records were provided relating to businesses accredited to the Vehicle Sales and Service and Repair Codes. The records demonstrated completed assessment activity, including Pass outcomes, responses against assessment questions and details of supporting documents held within TMO's system. The records also included an "AA Inspection Report Completed Date".

However, the documents supplied to the auditor were themselves identified within Salesforce as "Self Assessment" records rather than copies of the associated onsite inspection reports. The supporting documents referred to within the records were also accessible only through TMO's password-protected Salesforce system and were not available for independent review. The Salesforce records therefore provide evidence that assessment and inspection activity had taken place, but did not enable the underlying inspection findings and supporting evidence to be examined in detail as part of this desktop audit.

One separate example of a renewal audit was available for detailed review. Consequently, whilst the evidence provided gives assurance that the wider assessment and inspection programme is operating, the documentation available to the auditor did not enable the consistency of completed onsite audits to be independently assessed across the full sample requested.

Accreditation withdrawal and sanctions for non-compliant accredited businesses

The evidence reviewed confirmed that The Motor Ombudsman maintains a formal compliance and disciplinary framework to address breaches of the Code of Practice and failures by accredited businesses to comply with their obligations. The framework provides for a range of proportionate sanctions, with more serious or persistent cases capable of escalation through the established governance arrangements, including referral to the Independent Compliance Assessment Panel (ICAP), where appropriate.

No accredited businesses were reported to have been subject to disciplinary or sanctions action during the 2025 reporting period, and no matters were referred to the Independent Compliance Assessment Panel.

The audit also established that, following the appointment of a new Compliance Manager towards the end of 2025, a review of the compliance framework is underway. This review includes consideration of the operation of the compliance process and existing compliance cases to ensure that future disciplinary matters continue to be managed in accordance with the Code's governance arrangements.

TMO advised that the review is intended to strengthen governance through improved audit trails, risk-based monitoring, clearer escalation processes and enhanced management information. Although no formal sanctions were applied during 2025, compliance activity continued, with the principal issues relating to business engagement and maintaining accurate contact details rather than deliberate non-compliance.

Marketing and advertising by accredited businesses

The evidence reviewed demonstrated that The Motor Ombudsman actively promotes awareness of the Code and its accredited businesses through a range of communication and engagement activities. Accredited businesses are encouraged to display the TMO and Approved Code branding on their websites and promotional material, with compliance monitored as part of TMO's ongoing oversight of accredited businesses.

To support this, TMO has developed a SmartBadge for use by accredited businesses. In addition to displaying the Approved Code branding, the SmartBadge provides consumers with the ability to verify directly that a business's accreditation remains current by linking to TMO's accreditation records. The SmartBadge also provides TMO with analytical information on its deployment and usage, enabling it to monitor adoption across the accredited business network and promote greater consistency in the display of Approved Code branding.

Compliance with branding requirements is monitored through regular reviews of accredited business websites. TMO also receives the quarterly Consumer Codes Approval Scheme logo audit reports, enabling businesses that are not correctly displaying the required branding to be identified and appropriate follow-up action to be taken. TMO continues to work with vehicle manufacturers to encourage the display of the TMO and Approved Code branding, including the SmartBadge, across franchised dealer networks.

Where accreditation ceases, businesses are instructed to remove references to the Code from their premises, websites and promotional material. The evidence reviewed indicated that where the continued use of TMO branding is identified following the expiry of accreditation, the matter is referred to the Compliance Team, which works with the business to ensure that references are removed or, where appropriate, that accreditation is reinstated.

Throughout the year, TMO also undertakes a programme of consumer and trade engagement through press releases, articles in trade publications and digital communications aimed at promoting awareness of the Code, consumer protection and industry best practice. The reach and effectiveness of these activities are monitored through website traffic, media coverage and social media engagement.

TMO also continues to promote its annual Customer Star Awards, which recognise individuals, teams and accredited businesses that have demonstrated exceptional customer service. The national winner is invited to receive their award at the CTSI Hero Awards held at the Houses of Parliament.

As part of the audit, five accredited business websites were reviewed to assess compliance with the branding requirements of the Vehicle Sales Code.

Of the five websites examined:

- one displayed the Vehicle Sales Code logo, although this was not presented using the SmartBadge;
- one displayed the TMO logo on its service and repair pages but did not display the Vehicle Sales Code logo on its vehicle sales pages; and
- the remaining three websites did not display either the TMO logo or the Vehicle Sales Code logo.

These findings indicate that there remains scope to increase the consistent use of the Approved Code branding, including the SmartBadge, across accredited businesses in order

to strengthen consumer awareness and enable consumers to verify accreditation more readily.

Customer service provisions

The evidence reviewed demonstrated that The Motor Ombudsman has established a range of measures to support accredited businesses and consumers, promote compliance with the Code and facilitate access to its Alternative Dispute Resolution (ADR) service. The documentation and procedures reviewed during the audit demonstrated that TMO has taken account of the requirements of the UK General Data Protection Regulation (UK GDPR) and the Consumer Rights Act 2015 within the operation of the Code and its supporting processes.

Newly accredited businesses receive a Welcome Pack containing a Getting Started Guide, together with copies of the Code of Practice and Consumer Guides to support staff training and consumer awareness. As part of the accreditation process, businesses are required to demonstrate that they have undertaken appropriate ADR training, either through TMO's own e-learning modules or equivalent external training.

TMO advised that businesses may evidence training through certificates, attendance records, competency frameworks, policies and training logs. Training is delivered through webinars, legal updates and specialist sessions, with further automotive-focused training under development. TMO is also aligning its approach to vulnerability with ISO 22458.

Accredited businesses are further supported through a programme of committee meetings, webinars, workshops and account management meetings. These provide updates on consumer legislation, ADR case trends, industry developments and emerging best practice. Guidance from relevant external organisations, including the Ombudsman Association and the Advertising Standards Authority (ASA), is incorporated where appropriate. Webinar topics include identifying and supporting vulnerable consumers, and TMO has developed guidance that accredited businesses may adopt or adapt to assist staff in supporting vulnerable customers.

In addition to scheduled training activities, TMO provides information and guidance to businesses and consumers through its Information Line and ADR service. Customer Service Advisors have received automotive-specific legal training to support enquiries relating to consumer rights and business obligations.

The audit also established that TMO's ADR team possesses the appropriate knowledge and experience to support the effective operation of the Code. Team members have received industry-specific legal training, and the majority of case-handling roles require either a legal qualification or significant ADR experience.

Where appropriate, Adjudicators and the Ombudsman include recommendations within their decisions to encourage improvements in business practices, staff training and internal procedures. These recommendations, together with enhanced data analysis and targeted communications arising from ongoing system developments, support TMO's objective of promoting continuous improvement and raising standards amongst accredited businesses.

TMO confirmed that recurring ADR themes and Ombudsman observations are used to inform revisions to the Code and supporting guidance. Recent changes include strengthened provisions covering agency sales, online vehicle sales, pre-sale transparency and consumer understanding of finance, warranties and ancillary products.

Consumer complaints process

The evidence reviewed confirmed that The Motor Ombudsman's Alternative Dispute Resolution (ADR) service is managed entirely in-house. Details of the complaints process, together with TMO's contact information, are included within the Code of Practice and supporting consumer information.

Consumers may submit a dispute by telephone, email, post or via an online webform. Upon receipt, the Contact Team undertakes an initial assessment to determine whether the complaint falls within TMO's jurisdiction. Where a complaint is outside the scope of the Code or ADR scheme, the enquiry is recorded and, where appropriate, the consumer is signposted to an alternative organisation. Where the complaint falls within TMO's remit, the Contact Team gathers the necessary information before referring the matter for case assessment.

Case Assessors review each complaint against the relevant jurisdictional requirements before requesting supporting evidence from the consumer and obtaining a response from the accredited business. The evidence reviewed demonstrated that TMO seeks, where appropriate, to resolve disputes at an early stage through Early Resolution or mediation, subject to the willingness of both parties to participate.

Where an early resolution cannot be achieved, the complaint progresses to formal adjudication. Adjudicators consider the evidence submitted by both parties and determine the complaint by reference to the Code of Practice, relevant legislation, recognised industry best practice and the individual circumstances of the case. Where new evidence or information is subsequently provided, the adjudication may be reviewed. Where appropriate, complaints may then be referred to an Ombudsman for further consideration.

The Ombudsman may undertake additional enquiries before issuing a Final Decision. Where the consumer accepts the Final Decision, it becomes binding on both parties and the accredited business is required to comply with any award and/or recommendation. Should the consumer decline the Final Decision, they remain free to pursue the matter through alternative legal channels if they wish.

The audit confirmed that TMO continues to be approved as an Alternative Dispute Resolution entity under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 and remains a member of the Ombudsman Association.

The audit also reviewed the measures implemented to manage increasing case volumes. Following a significant increase in referrals, TMO expanded its dispute resolution team during 2024 through the recruitment of an additional 13 members of staff. Further investment was approved during 2025, with an additional £1 million allocated to support continued recruitment and increase operational capacity.

In addition, TMO has implemented projects to improve the management of increasingly complex case documentation and is continuing to develop technological solutions, including the planned use of artificial intelligence to assist with the collation and summarisation of case information. These initiatives are intended to improve case handling efficiency while supporting the continued delivery of the ADR service.

Customer satisfaction and feedback

Information on how consumers may provide feedback or raise complaints about The Motor Ombudsman is published on TMO's website as part of its formal complaints procedure.

The audit established that TMO no longer publishes customer reviews of accredited businesses through its online Business Finder. This approach was adopted following the introduction of the strengthened consumer protection provisions contained within the Digital Markets, Competition and Consumers Act 2024 (DMCCA), which introduced enhanced legal requirements relating to the collection, verification, moderation and publication of consumer reviews. The evidence reviewed indicated that TMO considered the implications of the legislation during a review of its online feedback processes, resulting in the withdrawal of publicly displayed customer reviews.

TMO advised that reviews were withdrawn to ensure compliance with the Digital Markets, Competition and Consumers Act 2024 while a robust verification framework is considered. Consumer feedback continues to be collected for compliance monitoring, regulatory intelligence and service improvement but is no longer published.

TMO continues to monitor customer feedback and reports aggregated complaint and customer satisfaction data through its governance arrangements, including reports to the Independent Compliance Assessment Panel (ICAP) and within its Annual Report.

The 2024 Annual Report records that complaints represented **0.36%** of total customer contacts and **5.5%** of adjudication cases accepted. This compares with **0.32%** and **5.3%** respectively during 2023.

The audit also established that TMO has concluded that obtaining Customer Satisfaction Index (CSI) data from manufacturers is not currently practical in order to enhance its understanding of customer experience across the sector. Progress has been limited by data protection considerations, although discussions with manufacturers remain ongoing.

TMO considers that differences in data collection methods between manufacturers would make meaningful comparison unreliable. Instead, it analyses complaint data alongside ADR outcomes, vehicle parc, sales volumes and direct consumer feedback to identify emerging trends.

Conclusions

The evidence reviewed during the audit indicates that The Motor Ombudsman continues to operate the Motor Industry Code of Practice for Vehicle Sales in accordance with the principles of the CTSI Approved Code Scheme. The Code remains supported by established governance arrangements, structured accreditation procedures, compliance monitoring and an independent Alternative Dispute Resolution service.

The audit found that TMO continues to adapt its processes and resources in response to developments within both the automotive sector and the wider regulatory environment. During the period under review, this included the continued development of its audit and compliance arrangements, investment in additional ADR resource to respond to increasing case volumes, and ongoing enhancements to operational systems and case management processes.

The Code also continues to evolve to reflect changes in vehicle retailing, including the growth of online sales channels, alternative vehicle ownership models, alternatively fuelled vehicles and advancing vehicle technologies. Training, guidance and communication provided to accredited businesses support the consistent application of the Code and contribute to raising standards across the sector.

The audit identified opportunities for continued improvement, including the consistent display of Approved Code branding by accredited businesses and ensuring that sufficient underlying audit and supporting evidence is available for independent review during future assessments. These observations do not detract from the overall effectiveness of the Code but represent areas where continued attention would further strengthen assurance.

Overall, the evidence reviewed demonstrates that The Motor Ombudsman continues to operate an effective Code of Practice which provides consumers and accredited businesses with an established framework for consumer protection, dispute resolution and the promotion of good practice within the vehicle sales sector. TMO has also demonstrated a clear commitment to continuous improvement by using learning from ADR casework, compliance intelligence and governance reviews to inform ongoing development of the Code, supporting guidance and compliance arrangements.