



Transport Committee

Oral evidence: [Vauxhall Zafira B fires](#), HC 318

Tuesday 19 July 2016

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Members present: Mrs Louise Ellman (Chair); Robert Flello; Stewart Malcolm McDonald; Huw Merriman; Will Quince; Iain Stewart; Martin Vickers.

Questions 1-126

Witnesses: **Peter Hope**, Customer Experience Director, Vauxhall, and **Charles J Klein**, Engineering Executive Director Global CO₂ Strategy and Energy Center (recently Vice President of Vehicle Engineering in Europe), General Motors; **Gareth Llewellyn**, Chief Executive, **Peter Hearn**, Acting Operations Director, and **Andy King**, Head of Customer and Business Operations, Driver and Vehicle Standards Agency, gave evidence.

Q1 Chair: Welcome to the Transport Select Committee. Could you give us your name and position, please?

Peter Hope: My name is Peter Hope and I am the customer experience director at Vauxhall responsible for the UK and Ireland.

Charles J Klein: I am Charlie Klein. I am the executive director for Global CO₂ for General Motors. Until 1 April, I was the vice president, vehicle engineering for General Motors Europe.

Chair: Thank you.

Robert Flello: I declare that I am an owner and driver of a Vauxhall Zafira.

Iain Stewart: I declare that I was an owner and driver of a Zafira until April this year.

Q2 Chair: Vauxhall Zafiras are family cars. We have heard extremely disturbing reports of at least 300 cars on fire, some of them with driver and passengers, including children, in them. On other occasions there have been cars on fire and houses have been damaged. Over 235,000 cars have been involved in recalls. There is now a second recall and we have reports that the first recall did not solve the problem. We hear too that there is ongoing dispute about the reason for the problem and how it might be resolved. All of this is deeply disturbing. I hope that we can try to get to the bottom of what is happening and what you are going to do to try to solve an extremely disturbing situation. In December 2015, writing to this Committee, your managing director said that Vauxhall first became aware of

the potential for fire in September 2014, but we have reports of fires occurring earlier. Do you have records of any car fires occurring before that date—September 2014?

Peter Hope: Absolutely. We have gone back through all our records of contacts with our customer contact centre. We have the first recorded case of a fire in a Zafira B that can clearly be attributed to the heating and ventilation system fire that we are talking about on 11 February 2009. That is the earliest recorded date in our system of a heating and ventilation fire in a Zafira B. Just to add a bit of extra information, looking at the period between 11 February 2009 and early October, when we became aware, particularly through the Facebook group, of the scale of the issue, there were 19 cases that we can look back on and recognise are related to this.

The comment regarding the awareness of cases in September 2014 relates to the first time we aggregated a number of cases and reported them internally to identify them as characteristic of a certain type of fire. Just to clarify that, it was identified by one of our field fire investigators. He saw a number of cases that gave a very characteristic pattern of fire. On that basis, he raised an internal report for our engineering team to respond to. That recognised seven of the original 19 cases. On the back of that, we subsequently added another nine cases. That was the purpose of our initial investigation.

Q3 Chair: What system do you have for monitoring defects and complaints?

Peter Hope: There are a number of different systems. We have a warranty system, which picks up and analyses through some of the global tools that we have the frequency of failures in the warranty period of vehicles. We have an internal process called G-plane, which I think we documented in the submission to the Transport Select Committee. Essentially, whenever there is a potential liability such as a fire, we document clearly all aspects of that case and they get fed through to a process called SFI, a safety and field investigation process. Those two processes operate, but the third, which in this instance was the one that identified the issue, was the role of the technical field team. They raised it, as I say, in September 2014 through a process we call FPR—field product report.

Q4 Chair: Are you satisfied that you have a system that identifies issues to do with safety and that they would be flagged up to you at the right time?

Peter Hope: Absolutely, yes. There is a challenge with the nature of some aspects of a fire, when it is not always clear exactly what has happened. If a vehicle has been involved in a fire, quite often the vehicle has either been totally destroyed or the cause of the fire is hard to determine. Certainly the process, not just for fire but for all aspects of vehicle safety, is a rigorous one and a global process.

Q5 Chair: Mr Klein, did you want to contribute?

Charles J Klein: Yes. If I may add to what Peter has just communicated, we also use other, let us say, non-formal sources of data because they lead us to clues of problems. A good example is social media and blogs. We have data analysts who try to mine that data to see if we can identify problems early. Although we have formal systems, we look outside those because early detection is to everyone's advantage.

Q6 Robert Flello: I have a few questions, if I may, just to get things into context so that I have a better understanding. In terms of the model type affected, obviously one fire is a disaster for the family concerned, let alone several. How many models of that particular type have been sold, and where does that fit in the overall scheme of vehicle sales?

Peter Hope: The Zafira was one of our more popular models and we sold, as was mentioned, about 234,000 related vehicles over a period from 2005 to 2014. It is not our best seller. Obviously, we sell more than that a year, but it was one of our key selling models over that period.

Q7 Robert Flello: One of the things I am hearing from the vehicle recovery industry is that car fires, sadly, are all too common, and they are not as rare as you might think. Do you have any data in terms of where Zafira fires fit into the overall problem of cars that go up in smoke?

Peter Hope: We looked into this, related obviously to our internal inquiry. There is not a lot of data. We looked at some statistics from the London fire brigade under the Freedom of Information Act and analysed that data. As you rightly say, fires happen in cars. One of the challenges is to understand the cause. Some fires happen through a safety issue like a Zafira B situation, but there are other fires that can be down to mis-fuelling or other aspects of the vehicle which, from a statistics point of view, make it somewhat hard to discern which fires really matter. Certainly more information in the industry about the number of fires and their frequency would have been valuable in this instance.

Q8 Robert Flello: You are saying that you do not really have that data. Is that the bottom line?

Peter Hope: As an industry we do not really have a lot of data on fire reporting that we can look at to see how our models compare.

Q9 Robert Flello: That seems strange to me, because the impression I get is that there have always been car fires but it is very hard to know whether they are more prevalent now than they were 40 or 50 years ago. Forty or 50 years is a long time for somebody not to have said, "Perhaps we should be getting some data."

Peter Hope: I can concur with that. Certainly if there was learning from this process, certainly from Vauxhall's perspective, it would be that the industry was able to identify a better way of getting data on fires, so that we can see the incidence rate. To give a bit of extra colour to that answer, while we identified 19 fires in the period to early October, subsequent to the Facebook campaign and the awareness that brought, we had 110 cases of Zafira B fires. We cannot be assured that all of those were exactly the same issue, but there were 110 cases brought to our attention, so we were aware of only 10% of the cases potentially out there in the industry.

Q10 Robert Flello: What are Vauxhall now doing to try to get that data so that in 40 or 50 years' time, when perhaps we are sitting here talking about autonomous Vauxhalls, we will not be asking the same question: "Why do you not mine the data and look at issues around fires?"

Peter Hope: It is definitely an action we are looking at. At the moment, our primary focus is obviously to make sure we conduct the safety recall and make customers of Zafira B—

Q11 Robert Flello: It is not an either/or; you could do both.

Peter Hope: Absolutely, but it is an action we will definitely take.

Q12 Robert Flello: In terms of the wider GM family, is this something that does not happen anywhere else either?

Charles J Klein: No. We have events like this, as a global company, in many regions. We have tracking systems that vary by country and region. To comment on what Peter said, because not all the data is available or made visible to us, and social media helped us identify vehicles that we could ultimately root-cause, we are mining data outside the traditional areas where you would look. Social media are a great example of where we can find what we call buds of problems more quickly and earlier. Your point is well taken about whether we can establish more formally the visibility of these fire cases.

Q13 Chair: You are giving the impression that you are not too worried about this. You sound very relaxed about it. You knew about the problem in 2009, you told us, yet it was August 2015 before you did a full investigation. Why all that time?

Peter Hope: First, apologies if that is the impression I have given. This is an incredibly serious issue and obviously any fire for any customer, as I think has already been said, can be a traumatic experience. Please don't take—

Q14 Chair: But why that time from 2009, when you knew there was a problem, to 2014?

Peter Hope: Often when fires are reported it is not clear, either because the vehicles themselves are totally destroyed or because we do not have access to the vehicle to inspect it. For vehicles prior to 2014, we did not have enough evidence from the reporting system we had to identify this as an issue that we could take action on. From 2014 onwards, there was recognition of a pattern and that was then extensively investigated with our engineering team.

Q15 Huw Merriman: I find it really surprising that if a car goes up in flames, particularly a family car, there is not a process whereby General Motors would take that car away and go through it on a forensic basis to find what the cause was. I had wrongly assumed that that would occur because it was so serious. What is your procedure in those instances? Do you take the car away or do you just leave it to the customer to sort their insurance out?

Peter Hope: Our process is that we talk to the customer, if the customer or the insurer is open to us conducting a forensic investigation. We always need the insurer to give permission for that forensic investigation, because it is by its nature intrusive, and we take parts of the vehicle away for further investigation. Providing the insurer is supportive of an investigation, we send a forensic team to do that, sometimes in association with the insurer.

We will look back at this like any manufacturer and say, “What learning can we take?” One learning we definitely need to take is that we need to be more assertive and determined in making sure that those inspections happen. Sometimes, for a number of reasons, the vehicle has been disposed of or destroyed and the insurance company has chosen to settle. We have not been as relentless in pursuing those investigations as perhaps we should have been. Certainly that has been one of the lessons we have taken into our organisation.

Q16 Huw Merriman: Is there a chance now that you will change your procedure, so that if a car goes up in flames you will contact the owner and say, “Can we please take your car away and we will compensate you the excess”? I understand it is almost a question of, “Leave it for the insurers.” Will you be much more proactive, investigate top to bottom and compensate in full?

Peter Hope: In the case of the Zafira B fires, we have conducted 89 physical inspections. Pretty much every car that we have had access to and had permission to inspect since the issue blew up in October 2015, we have inspected. As you correctly say, if a customer has had a fire in a Zafira B that is related to the heating and ventilation system, we have approached them and their insurers to settle appropriately the insured loss of the vehicle and the uninsured losses that the customer incurred.

Q17 Huw Merriman: Have you refused to investigate any cars? There is quite a large group that is tracking your behaviour.

Peter Hope: No. Certainly with the awareness and the scale of this issue, there has been a focus on getting any vehicle that we can to inspect. As I say, there are some situations where the fire, maybe from the photographs that have been available either from the insurer or the customer, clearly indicates a different source. It may have been in the back of the vehicle. In that instance, if there is clearly another third-party source, we would have a discussion around that first before we sent out the forensic team.

Q18 Will Quince: In some respects, I am gobsmacked by what I am hearing. How can it possibly have taken so many years before you launched a full investigation? That is the first thing. The second point is that surely there is a higher duty of care, given the fact that it is a very popular family car. You know that in a case of a fire it is more difficult for parents. It can be difficult for adults, but where children are strapped into car seats, which I imagine most of your cars probably have as they are popular family cars, do you not consider that you have a higher duty of care to investigate in incidents in relation to fire, especially when you have family cars and you know that children are going to be in the back of those cars?

Charles J Klein: We take each of them very seriously.

Q19 Will Quince: Clearly not in this case.

Charles J Klein: The fact that it is a family vehicle reinforces that the safety of our customers is paramount. What is difficult about fires is that they are destructive. As we looked at the early cases, and even the cases in September 2014, and investigated the parts that were made available to us, it was difficult to identify the root cause and whether it was consistent. The benefit was that we gained access to more and more vehicles, but the

destructive nature of fire makes the forensics even more difficult. I certainly understand the concern for an owner and a family member of these vehicles.

Q20 Will Quince: Do you consider the company lucky that there has not been a very serious incident involving this vehicle?

Charles J Klein: Absolutely. The fact that there have not been serious injuries is very fortunate and we are appreciative of that.

Q21 Will Quince: It is not really good enough, is it? What is the answer to how long it took to investigate this properly? It is a fire in a vehicle, and you must have known from the outset that it was a fault with the vehicle.

Charles J Klein: There is a variety of causes for vehicle fires. We have to understand the root cause to be able to solve it.

Q22 Chair: There were 300 cars of this model on fire. Doesn't that suggest not 300 individual reasons but some overriding reason for it?

Charles J Klein: Yes. As Peter noted, when we were able to see a pattern for where the source of the fire came from, it was apparent to us. In September 2014, our field manager introduced the issue and said we needed to look and pay greater attention there. We analysed the limited parts that we got back but were unable to understand it. We continued our investigation up to and until August 2015, when additional cases were entered, and we also analysed those vehicles as available to us.

Q23 Will Quince: At the point at which you identified a pattern, did you immediately cease trading that vehicle?

Peter Hope: The vehicle was no longer on sale by the time we were aware of that pattern.

Q24 Will Quince: But you were aware of the pattern and the vehicles were continually sold, even in the second-hand market, without any notification, which could have been done by the DVLA.

Peter Hope: Just to be clear, the awareness of the issue and subsequently understanding what the cause of the fire was and then taking action on it was the next step. Our investigation—

Q25 Will Quince: I am sorry to interrupt, but there must have been a point at which you realised there was a serious fault with your vehicle. You did not know what it was yet but you knew there were families driving that car up and down this country and they were at risk. You did not notify them. That is a fact, isn't it?

Peter Hope: At that stage we were still investigating what the cause of the fire was.

Q26 Will Quince: But you knew the cause was down to the vehicle and a fault with the vehicle.

Peter Hope: At that stage we did not know what the cause of the fire was.

Q27 Will Quince: You did not know the cause, but you knew that it was a fault with the vehicle because the pattern was clearly there. You were looking for the individual fault, but you knew there was a fault with the vehicle.

Charles J Klein: At the time we did not know, but we had a responsibility to understand. When we see those patterns—

Q28 Chair: Understand what? What Mr Quince is saying is entirely correct. You might not have identified the reason for the fires, but you knew there was a fire in that model. You knew that was the case, so why didn't you react to that? No reason?

Peter Hope: Certainly from my understanding, until we had really understood what the nature of that fire was—

Q29 Chair: But wouldn't you think it is responsible, if a manufacturer becomes aware that there is a pattern of fires in one of their models, to require investigation? You do not wait to find out the reason for it; you know there is a phenomenon called a fire in a car with families in it. Isn't that enough to investigate?

Peter Hope: I certainly understand the point you make, and I concur that, if we had notified customers, that would have been ideal. Our stance at that stage was that we did not know what we were dealing with. We investigated the nature of that fire to make sure that whatever advice we were given and whatever steps we were taking were appropriate. That is the decision we took at that time, but I understand your point.

Q30 Chair: You said something earlier about there being some circumstances when you would not send out a forensic team to investigate. I think you said if the fires were elsewhere. Could you clarify what that meant?

Peter Hope: To clarify that, in some instances it may not be that we are able to inspect a vehicle because sometimes the vehicle has either been destroyed or we have not been able to get permission for that investigation. If the customer or insurer is willing, we will investigate that vehicle. My point—I probably misspoke, so apologies—is that a Zafira B fire may not always be related to the heating and ventilation system. That was the point I was trying to make.

Q31 Stewart Malcolm McDonald: After this story broke, if you could go back and do it again what would you change in terms of your response?

Peter Hope: I certainly think earlier notification for customers of how to keep themselves—

Q32 Stewart Malcolm McDonald: You had plenty of notification before you bothered to do anything. I am asking what you would change, not what you would like your customers to do differently.

Peter Hope: I was hopefully trying to answer the question. That is what I would change. Ideally, we would have given earlier notification to customers that there was a potential issue. There is one aspect in terms of the original root cause that we determined. When we investigated we found an issue with the Zafira B around the area of resistor manipulation

or mis-repair. While we fully acknowledge that there is, as we have subsequently found, that second root cause and another way in which fires were occurring, I would not change the action we took on the first issue we found. The nature of that issue was severe and serious. From our investigations to taking issue and getting customers to bring their vehicles back, we focused and worked hard to try to deliver—

Q33 Stewart Malcolm McDonald: How would you describe a typical Vauxhall customer? They are pretty loyal to the brand, I would have thought.

Peter Hope: Yes.

Q34 Stewart Malcolm McDonald: You have just said that you would not change anything about the way you handled this. How do you think the people sitting behind you feel about that?

Peter Hope: I didn't say that. I said that—

Q35 Stewart Malcolm McDonald: Do you accept that you have handled it badly, though?

Peter Hope: I certainly would have wished that we had given customers early advice based on the awareness of the fires. Our issue was that we were not aware of what the issue was and, therefore, potentially what the best advice was to give at that stage. I absolutely accept that the original root cause was not the only root cause.

Q36 Stewart Malcolm McDonald: But you knew the car was not safe. This is not good enough. You knew the car was not safe and you sat on your hands for so long. The responses we have had this morning are wholly inadequate. I am sure you have been following our work in this Committee with a close eye. We have had the Volkswagen scandal in front of this Committee. Now we have another manufacturer in front of this Committee. What is it with the car industry? It seems to treat its customers with complete contempt, because you know that people will keep on buying cars because they need them. Your response to this has been wholly inadequate and contemptuous to people you have just said are loyal to your brand. Why is that?

Peter Hope: Speaking as customer experience director and somebody who has worked at Vauxhall for a long period, I do not ever treat my customers with contempt. They are the lifeblood of our business.

Q37 Stewart Malcolm McDonald: I wish you could see what I can see behind you right now.

Peter Hope: I can only answer the question you have asked me. There has never been a stage within this investigation when there has been any casualness, contempt or lack of concern in the investigation we have been part of. In retrospect, I would absolutely say that there are always areas of any manufacturer's actions where you think, "I would have loved to either known that earlier, or taken action earlier," but we did not at that stage. Is that acceptable? Is that something that I feel happy with? No, but what I am really trying to assure you of is that that is never about casualness, contempt or a lack of taking this seriously. That is not the way we think or anybody associated with my company thinks.

Charles J Klein: Mr McDonald, if I could add something, we took this very seriously inside our company, because the safety of our customers is critically important. We assigned the best and most talented people that we could to understand the issue. Once we understood the issue, we acted quickly both to address the first root cause and then to continue our investigation to make sure that we understood it in its fullness. Like you, we would have liked to understand it sooner so that we could have given better advice to protect our customers sooner. I can tell you that we dedicated very talented and motivated people to try to understand this because we understand the importance that it has to our customers.

Q38 Stewart Malcolm McDonald: I just want to ask Mr Hope one final question. This is perhaps a more general question, as opposed to specifically relating to the Zafira models. General Motors spends almost €1 million every year lobbying Brussels on things such as environmental and safety regulations. You said earlier in response to Mr Merriman that safety is paramount at General Motors. Can you tell me of a single time when an EU directive has come out on vehicle safety and you thought it was too weak and tried to make it more stringent in order for the industry to meet those standards?

Peter Hope: In my role, I am not able to answer that question. I would certainly propose that we take it away and I will give you a proper answer.

Q39 Stewart Malcolm McDonald: I would love to hear the answer to that question.

Peter Hope: I will certainly make sure you get it.

Q40 Chair: There is still dispute, isn't there, about the cause of the fires? Vauxhall say the fires are caused by the resistor fuse not operating correctly. The GBB report concludes that fires have occurred in vehicles where the circuit has already opened and the root cause is the corroded blower motor. What can you tell us about the current position on your assessment of what the problem is?

Charles J Klein: I would like to answer that sequentially. Based on the visibility and the vehicles made available to us by the information through social media and access to the vehicles, we identified where the thermal fuse had been manipulated in a way that could present a fire risk. We conducted extensive testing of those very same conditions, and in fact we have here components that might help to explain because it is a technical item. We could hand them around if you think it would be helpful to understand. That component had been manipulated because it is a protective device for the blower motor, much like the fuse in your house. When the blower motor began to have a higher load, the fuse failed and in some cases would be repaired and not replaced. When repaired, the fuse would not function as intentionally designed and therefore presented a fire risk. We conducted testing on the blower motor itself; we stalled it and added current to see if we could raise the temperature and assign the cause to the blower motor. We were unable to do that. We were unable even to get temperatures upwards of 100 degrees centigrade. We then tested the wire harnesses in a variety of components, but in the testing of the manipulated fuse we were able to create this and to see it very clearly.

To answer your question sequentially, there is a second cause. What caused us real concern was that we had fires that occurred after the first recall action. We had repaired

the car and fires occurred subsequent to that, so we knew that there was a second cause. We engaged with the Fraunhofer Institute and asked for their technical assistance to bore into this more deeply to understand if there was a second cause. Based on a very complex set of conditions, we have identified where there is a second root cause, and that is exactly what we are addressing in the second field action.

Q41 Chair: How confident are you that the vehicle fires only relate to the Zafira B right-hand drive with manual or no air-conditioning, and that no other model is affected?

Charles J Klein: There are essentially three models of the right-hand drive. There is a heater version, a manual air-conditioning version and an automatic air-conditioning one that sets the temperature for you automatically. The ECC, or electronic climate control, version has a controller that does not use the same fuse; it is wired completely differently. The power module that is used to run the controls has a protective device. We have looked at the data. It had no incidents related to the ECC or the automatic climate control models.

Q42 Iain Stewart: The vehicle I owned was the electronic climate control model. When the story was in the news, I had no communication whatsoever from Vauxhall to say whether my car was affected or not. I had to do my own research on the BBC website and elsewhere. The story was that only the manual cars were affected, so I continued to drive it and sold it in good faith, yet we have heard evidence that there have been fires in the ECC models. What are you doing to investigate this further? There clearly is a problem.

Charles J Klein: We have not had access to vehicles that have demonstrated that, to be honest. We do not have conditions that we can work on. In all our test conditions we try to aggravate or create the condition, let's say, so that we can see if it exists. In the case of ECC, sir, I am sorry but we have not.

Q43 Iain Stewart: That is not good enough. You know there is a fault with the model. You have already identified two causes. If there is evidence of other cars such as the ECC model catching fire, surely it is your duty to take that car apart and do a thorough investigation, and communicate to all owners that this is the situation.

Peter Hope: Just to be clear on that, absolutely, in any vehicle fire in a Zafira B we have asked to forensically investigate it. We have had a couple of ECC cars that I know have come in for investigation. If there are other cases that have been presented to you in the Committee I would welcome hearing about them. On those cases the investigations have concluded and they do not relate to the heating and ventilation system.

Q44 Iain Stewart: Have you communicated with owners of ECC cars?

Peter Hope: The conclusion of that investigation was fed back to the insurer and to the customer.

Q45 Iain Stewart: I sold the car in April. Have you sent a letter to all owners of that model?

Peter Hope: We have not sent a letter to ECC customers, first and foremost because the focus of the safety recall has been for customers with air-con or non air-con models. The

ECC models, from everything we have seen and from all the cars we have investigated, do not have fires related to the heating and ventilation system.

Q46 Iain Stewart: I actually have evidence that you—Vauxhall—investigated a fire in an ECC model.

Peter Hope: I agree that we have investigated fires. The conclusion of those investigations was that it was not related to a heating and ventilation system.

Charles J Klein: In other words, the cause was due to some other reason.

Iain Stewart: There is still a problem with the vehicle. This is my basic point. There is a fault with the vehicle, and people are driving on the roads today with a car that is potentially unsafe. That is a serious problem.

Q47 Chair: Doesn't that concern you?

Peter Hope: It does, but I want to be clear. If we are talking about the same case, and again maybe we will use that as a follow-up action, my understanding in the case I am aware of is that it was not related to heating and ventilation. We will be able to supply the Committee with the details of that investigation, provided that the insurer and the customer is happy with that.

Charles J Klein: Or provide us with a specific case so we can understand it better. To be honest, it is in our best interests to understand it as well as the customer's.

Chair: It would have been in your best interests to act in a different way from the beginning. Just stating that does not appear to link up with what you are actually doing.

Q48 Stewart Malcolm McDonald: Has anybody lost their job over this? Setting the response to one side, in terms of the actual problem itself, has anybody lost their job over it? Is there any internal staffing investigation? Mr Klein, you mentioned the device being manipulated. Who was doing the manipulating? Talk me through that, and perhaps Mr Hope could tell me who is being investigated for a situation arising whereby hundreds of cars in Britain are exploding.

Charles J Klein: Let me take the first part of the answer. As I mentioned, it is important to note that there are two root causes of this. It is not pointing solely at manipulated fuses. That is a source, and then there is a second source that we have recently identified. I want to be clear that I am not assigning it to a single cause.

The manipulated fuses themselves were likely conducted on the outside in the automotive service industry based on the original fuse failing. I would say that, unintentionally, someone attempted to repair the fuse and not replace it. It is intended to be replaced and in fact in the first field action we placed a label over the replacement part indicating that it must be replaced. No one would intentionally modify or repair a part that they knowingly believed would cause a fire, so there is no active intent, but unknowingly the act of repair can create a situation where fires can occur. I hope that was clear. I also want to be clear that there is a second root cause that we are acting on and following up on currently. I do not want to assign it just to one; I want to make sure—

Q49 Stewart Malcolm McDonald: I take your point and that was very helpful. Who is being hauled up?

Peter Hope: In terms of the manipulation of the resistor?

Q50 Stewart Malcolm McDonald: Just in general. Set the response to one side; we have talked about that. How has General Motors allowed a situation to arise where a thing like this could happen, whether it is external forces or not? Somebody must be responsible.

Peter Hope: The vehicle, as it came out of the factory, may have been safe at that stage. There was a vulnerability in terms of the way that vehicle could be serviced. The windscreen scuttle could be misaligned on service, which could lead to a series of events that could lead to a fire, particularly around the area of blower motor corrosion that led to the resistor coming into play, if you like. Throughout that, as Charlie referred to, there is no malicious intent in terms of who managed the—

Q51 Stewart Malcolm McDonald: I am not suggesting that. People will want somebody to take responsibility for this. It strikes me that what I am hearing is that it is somebody else's fault, from the sound of it.

Charles J Klein: Let me see if I can tell you what does, and will, happen. We have processes in our company when cases like this or others occur so that we learn from them and do not have them occur in other cases. The first step is called a preventive action letter. That is a formal letter that documents the case and the specific learnings, and what we can do organisationally, behaviourally and technically—all of those aspects. That is evaluated and signed at a very high level inside our company so that we do not repeat the issues, whether it is new learning or otherwise.

Q52 Chair: Why didn't you do more when you found there was a second fire in recalled vehicles, if all that procedure was there? We do not want to hear about procedures; we want to know about action. If the procedure is there, why haven't you done better in dealing with the fires in recalled vehicles?

Charles J Klein: The case here was different and unique from any we have seen in the past. To be honest, we did not anticipate the series of events that would lead to this or the behaviour of the system that we expected—

Q53 Chair: You are not reacting properly to events that are occurring now.

Charles J Klein: I talked about this in two phases. We continued investigation even though we identified what we believed to be a known and actual cause. In fact, the parts we have demonstrate that that type of modification can result in a thermal event. We continued the analysis because we wanted to know whether there were other causes. It is not acceptable to be passive. You have to continue until you have high confidence that you know the full solution. That is what we did. Even though we knew and had identified a cause, we continued our work and engaged two third parties, two external parties, to see if they saw things that we did not, and to see if we had a blind spot. That is what we did to continue the investigation and understand it on behalf of our customers.

Q54 Martin Vickers: You have spoken a lot about how you use social media and so on. To get things clear in my mind, and putting aside recalls, is it your normal practice to have a number of vehicles recalled—brought back to the company—after they have done 20,000, 50,000 or 100,000 miles, or whatever, to analyse them and give them a thorough diagnostic, in order to improve future models?

Charles J Klein: Yes. One of our methods is to conduct durability testing. We call it long-term durability testing, and we do it on an accelerated basis so we can see it earlier than a customer would otherwise get to that high mileage condition. We evaluate cars and track the data to the degree we can, to understand what occurs late and later in the life of our vehicles. I think it is an area where we can also improve. The visibility into those cars as they age can be improved.

Q55 Martin Vickers: That process did not reveal any of the faults that have subsequently been highlighted.

Charles J Klein: It did in some cases, but not the full magnitude. As we noted, not all fire cases get reported to us. Some cases end up with the insurance company and we are not notified of them. That is an area we can also improve. We want to know the data. Those are triggers and important clues for us, so that is an area that we can certainly improve.

Q56 Martin Vickers: What is your estimate of how much all of this has cost the company?

Charles J Klein: We know exactly. It is €40 million, but I would add that, as we go through these evaluations, financial considerations are not a part of the decision. In fact, the formal decision bodies we use do not include a member of finance. We make these decisions on the quality, the safety and the technical understanding we have.

Q57 Chair: Are you seriously telling us that nobody in your company is assessing the financial implications—

Charles J Klein: No; I am sorry if I misspoke. What I meant by that is that, as we make these decisions, financial considerations are not part of what guides our decision. Of course, as a publicly traded company we have to recognise and accrue for appropriate future expenses.

Q58 Chair: Will you be giving compensation to all the Zafira owners who have been so distressed by what has happened and is happening?

Peter Hope: First off, we are working with customers who have experienced a fire. We have been working through the customers who experienced a post-recall fire and customers whose vehicles we have inspected, and we are offering to cover their insured loss and appropriate uninsured loss. We are also working with all the customers who have recorded a Zafira fire, whether or not we have investigated it, to address in a similar way the loss for the insurer, first off, but, secondly, for the customer. As I say, our 100% focus is first and foremost getting these vehicles back as part of the second recall and made safe. That is our primary focus in all action.

Q59 Martin Vickers: Following on from the Chair's question, you are saying that no one from the financial arm of the company is involved in this. You must have an allowance. Somebody must be involved in saying, "How much is this going to cost us over the next five years?" or whatever.

Charles J Klein: We advise them of the decision and the direction that we are taking. I guess my point is that we do not take the financial implications into consideration in the decision; we look at it on its merit.

Q60 Martin Vickers: But there must be an estimate in the company's finances of how much to allow over the next few years for recalls.

Charles J Klein: Yes. Obviously the company has established budgets based on historical—

Q61 Chair: What provision has the company made for recalls and compensation?

Charles J Klein: I will be honest, I do not know the answer to that. I know the cost estimate related to the specific case, but I do not have that information.

Q62 Huw Merriman: I assume that this part is not absolutely exclusive to General Motors. If that is the case, have you contacted all other motor manufacturers to share your findings?

Charles J Klein: We have not. This part, and what we see in our case, is unique in the application that we have. It is the system in total that is the issue we have with this fire. We have not made contact. In fact, what we have done is focus on resolving it on our behalf. We do not have insight into other manufacturers' experience, design or how it fits. It would be presumptive, and I guess I would not have the right information to be able to guide them.

Q63 Huw Merriman: I am not expecting you to go and sort their cars out, but I am expecting you to at least let them know, "This is the issue; this is what we found. You might have the same component, so your cars might not be safe." The reason I ask is that you seemed to be a bit behind the curve in terms of taking this seriously to start with. Then you had a recall and then you had another recall. Now you still have not contacted other manufacturers. To us in this Committee that would be a common-sense thing to do; yet you are just not at the races as far as that is concerned. That worries me greatly.

Charles J Klein: That is a fair comment. We should consider how we best do that. As I said, this is a systems problem. The information that we have in our field action is publicly available. Your comment is that we should be more proactive.

Q64 Huw Merriman: Perhaps I could ask you this afternoon to think about that.

Charles J Klein: We will take that under advice. I appreciate your comment, Mr Merriman.

Q65 Robert Flello: I have a couple of quick points. Picking up on that last point, is the manufacturer of the blower unit a GM-owned company?

Charles J Klein: It is not.

Q66 Robert Flello: Do you know if they are contacting their other customers, picking up on Mr Merriman's point? The manufacturer may well be selling exactly the same unit to another manufacturer.

Charles J Klein: I cannot answer that question. I do not know what conversations—

Q67 Robert Flello: You have not been in touch with the manufacturer to warn them that this is a potential problem.

Charles J Klein: We have focused solely on implementing the changes that protect our customers quickly.

Q68 Robert Flello: Following on from Mr Merriman, I think you probably need to be making some very frank phone calls after this meeting. The other point is in relation to Mr Vickers's point. On the manipulation or modification—you have used various phrases—if I understand you correctly, what you mean is that either non-Vauxhall servicing agents, or indeed people doing their own servicing, have caused the modification, manipulation or alteration, whatever word you want to use, to the fuse. Is that what you are really saying?

Charles J Klein: Yes, that is true. They have been modified in a way not consistent with the original design. They are designed to be replaced. We have a part that we can show you. It will become clear that things like bolts and screws are placed through where the fuse was to occur. Similar to your house, it is like putting a nail across a fuse after it blows three or four times.

Q69 Robert Flello: I appreciate that. The next question has to be: what has happened in terms of identifying whether they are stand-alone garages or the home DIY servicing market? What have you done to go out to those garages, or better still go out to trading standards or a chain of garages to say, "Your technicians and servicing mechanics are putting people's lives at risk by doing these modifications"? What have you done?

Charles J Klein: On the parts that we are replacing we have a label that covers—

Q70 Robert Flello: There are lots of labels across things, but what have you done in terms of identifying the garages?

Chair: Have you gone out to identify the garages?

Peter Hope: In all the parts we have had back, we have not been able to identify where the manipulation was done.

Q71 Chair: Have you tried to?

Peter Hope: Partly because of the parts returned and the way in which we have aggregated and inspected them, we have not been able to identify where an individual vehicle has been serviced.

Q72 Chair: It all seems a bit odd. You are so convinced that this is the cause of 300 fires, yet you have not gone out to the individuals that you are blaming for this, any of them.

Peter Hope: First and foremost, we have to be clear that we are not in any way blaming people, as Charlie said. Nobody would deliberately manipulate something—

Q73 Chair: There are people responsible for 300 fires, yet you have not identified any of them.

Peter Hope: First and foremost, on a point of clarification, we are not saying that all 300 fires are down to manipulation; absolutely not. It was a phenomenon that we found when we did our first investigations into the fires in Zafira B and that is what we acted on with our first recall. The second recall is addressing another root cause, which is around the area where the resistor itself, even an original resistor part, may not operate correctly under certain conditions. It may degrade over time. I do not want everybody to focus on the fact that we are just talking about manipulated resistors. There are two root causes for this.

Robert Ffello: Again, I find it incredulous. If we were talking, heaven forbid, about an aeroplane that came down, in those sorts of circumstances everything is picked over, analysed and looked at carefully. I find it incredulous that you cannot say, “Right, here is one where a nail has been put across instead of a fuse. Who is the person that did that?” A quick phone call to the family who owned the car would tell you who did the service. If they are doing that on a fuse, what are they doing when they come to fix brakes or whatever else? There is a huge problem that a quick phone call to the family concerned would have resolved quickly. It would be dealt with and you would be able to get to the heart of it. I find it incredulous.

It points to a wider problem. It is not just Vauxhall; the whole of the car industry seems to want to keep things quiet. I am aware of other manufacturers that do not do any of this. If they are aware of a problem they get the car brought in, seemingly for a routine free service, and change it. It is about time the industry woke up and actually realised that they cannot do these things quietly, or do things and hope the problem goes away. You have to get a grip on this. Quite frankly, Vauxhall need to be showing some leadership. If they cannot, they perhaps need to think about manufacturing widgets or something.

Q74 Stewart Malcolm McDonald: Have Vauxhall or General Motors set aside any cash in anticipation of legal action or fines from the Secretary of State?

Charles J Klein: I cannot answer that. It is outside my area of responsibility. I do not know.

Peter Hope: I am not aware of any, no.

Q75 Stewart Malcolm McDonald: Is it just the two of you who have come to today’s session from your company?

Peter Hope: To represent it at the evidence session.

Q76 Stewart Malcolm McDonald: Is there anyone else in the gallery who is with you?

Peter Hope: There are other people.

Q77 Stewart Malcolm McDonald: Who are they and what are their titles?

Peter Hope: To be honest, we have Denis Chick, who is our PR director, Helen Foord, who works in Government relations, and Dexter Moseley, who works in our legal department.

Q78 Stewart Malcolm McDonald: Have you sought any external legal advice?

Peter Hope: We have sought some external legal advice, but I would not be able to take you through the guidance they have given.

Q79 Stewart Malcolm McDonald: Which company have you gone to for legal advice?

Peter Hope: To be honest, that has not been an area of my responsibility so I could not give you—

Q80 Stewart Malcolm McDonald: Could you inform the Committee of that afterwards?

Peter Hope: I certainly will, yes.

Q81 Will Quince: I feel as though we have gone on a bit of a merry dance on this. I am trying to get to the bottom of exactly where the fault lies. You said originally that there were potentially up to 300 rogue mechanics who would have replaced these parts; whether knowingly or unknowingly is all rather irrelevant at this point. Then, when pushed by the Committee, you said, “Oh no, no, there may also have been a fault with the vehicle.” Which one is it? Looking at the statement you made to your customers, you make no reference to a fault with the vehicle. I can read it to you if you like: “Our investigations have found evidence of improper repair of the blower motor resistor and its thermal fuse, which is designed to protect the blower motor system.” There is no reference to a fault within the vehicle itself.

Charles J Klein: I believe that specific letter continues, “and our investigation is ongoing.” At that time, we did not have confidence that we fully understood it. Let me see if I can explain the two parts of this. We identified the manipulated fuses, again based on access made through social media, in the cars that aided us to understand the root cause. The components we have will demonstrate that, even in cars that had not caught fire, those that we had inspected and removed the manipulated component from, there were indications of fire already beginning. It just so happened that the car did not catch fire. In fact, we prevented cases that could otherwise have turned into a fire. We continued our investigation. What was important—we are very open about it—is that we had a post-recall fire on 2 February. That told us that we did not fully understand it, despite our very best efforts. The fact is that we did not fully understand it.

Q82 Will Quince: I hear you. At that point why did it take you two and a half months to notify the DVSA and investigate it? That is a long period of time when you know that there is still a fault, there are still fires and there are still families in this country at risk.

Charles J Klein: There was communication with DVSA, I think, in the third week of February, if I remember correctly.

Q83 Will Quince: Two and a half months.

Charles J Klein: The first post-recall fire was 2 February. I do not have the exact date—Peter may have to provide it—but it was the third week of February when we notified DVSA that we had had subsequent incidents.

Q84 Will Quince: But you only met with the DVSA in May 2016, after identifying in February that there were still fires within the vehicles.

Charles J Klein: On 5 May. We arranged the meeting at the end of April. The timespan in between is comprised of a couple of components. It just is where we were. We had to gain access to the vehicles to inspect them, understand and see if we could determine the root cause. It generally takes us five days and in some cases up to three weeks just to access the vehicle, to understand and root-cause it. Within one week of that subsequent fire, we hired the Fraunhofer Institute, which is a very highly recognised technical institute, to aid us in understanding a complex issue. A series of very complex conditions and tasks were conducted over a period of about six weeks to try to recreate the condition that we believe, and now know, is the root cause of the fuse behaving in the way it does. It was a lengthy and complex problem-solving process. We would have liked it to be much quicker, but the complexity of the issue made it more difficult.

I would answer your question by saying that there are two components. One is to gain access, which unfortunately takes time, and we would like to see that shortened. The second is the complexity of the issue as we work through the technical understanding. Then of course we made our plan and communicated to DVSA.

Q85 Will Quince: I have two quick questions. The first one is in relation to faith. Say I am a dad driving a Zafira at the moment. I see there have been car fires and I am worried. You recall the car. There are more car fires and I am worried. I see you have recalled the car. How can I, as a Zafira driver, have faith that you have now fixed the problem?

Charles J Klein: What I can say is that we have conducted extensive analysis.

Q86 Will Quince: You said that the first time, though.

Charles J Klein: And we have engaged third-party technical expertise to verify, confirm or help us identify the root cause. We were not solely dependent on us; we elected to look at an outside perspective to see if we had a blind spot, or to help us identify it. As soon as we understood what the cause was, we advised our customers of the conditions where they could drive the vehicle safely. The fan position happens to be what we advised them of, because in those specific positions either there is no current or another protective device that we have tested and verified is in fact functioning. That is the way we approached it.

To answer your question, we engaged a third party to make sure and confirm what our test results demonstrated and showed, but also to aid us in identifying the root cause.

Q87 Will Quince: This is my final question. I believe you and I now have faith in my Zafira, but as a Zafira driver I have gone through stress, uncertainty and inconvenience. What compensation are you going to give those Zafira owners?

Peter Hope: At this stage, as mentioned earlier, we have agreed an approach to compensate customers who have experienced a fire, but our focus first and foremost with all our resources is on getting the safety recall completed so that we can make sure customers have confidence again in their Zafira and they can use it fully as intended. We do not have current plans for compensating customers for the inconvenience and the worry that they have gone through in that process.

Q88 Will Quince: Do you think that is right?

Peter Hope: I absolutely think it is right that our focus has to be on making these cars safe first. That is our primary focus. As I say, we will address further steps in the action we need to take subsequently, but at this stage all our focus is on making sure that the safety recall is completed effectively.

Q89 Chair: Would you like to apologise to your customers for the way you have handled this, and indeed for what has happened?

Peter Hope: I certainly would. In my role as customer experience director, to those customers who have experienced a fire, which is enormously traumatic and worrying for them and their family, and customers who have had the inconvenience, Vauxhall and I personally are truly sorry. We fully understand the gravity of the situation with Zafira B. We have really focused a lot of resource on addressing this issue. Certainly, between now and the second recall, huge efforts are being made to bring this forward as fast as we can, and to complete it as quickly as we can. I absolutely apologise to our customers and to the people who have been inconvenienced.

Q90 Chair: Do you accept the findings of the GBB report?

Charles J Klein: First, like Peter, I also apologise about the concern and risk that we placed our customers under. To comment on your question on the GBB report, we looked at the GBB report that was provided to us in two phases, in fact, very openly. Seeking third-party or external views is always valuable. As we analysed the report, to see if we had a blind spot or there was something we could learn or perform better on, we found that the findings of GBB in several cases were inconsistent with the testing that we had conducted.

As an example, we conducted testing on the blower motors where we stalled the motor and created the condition; we added power or current to it in an attempt to create that condition and we were unable to do it. It was the same with the wire harness and connector. We tried to exacerbate the issue. Our test findings, as well as those of the third parties that we engaged, were inconsistent with what GBB found.

Chair: We note the apology that you have given. I hope that you will engage with your customers in a more constructive manner sooner rather than later. Thank you both very much.

Examination of Witnesses

Witnesses: **Gareth Llewellyn**, Chief Executive, Driver and Vehicle Standards Agency, **Peter Hearn**, Acting Operations Director, Driver and Vehicle Standards Agency, and **Andy King**, Head of Customer and Business Operations, Driver and Vehicle Standards Agency, gave evidence.

Q91 Chair: Good afternoon and welcome to the Transport Select Committee. Could you give your name and organisation, please?

Andy King: My name is Andy King. I am the head of customer and business operations in the DVSA.

Gareth Llewellyn: I am Gareth Llewellyn. I am the new chief executive of DVSA.

Peter Hearn: I am Peter Hearn, acting operations director.

Q92 Chair: What process does the DVSA have to monitor potential safety risks in vehicles?

Gareth Llewellyn: As you probably know, under the general product safety regulations we operate a non-statutory voluntary code of practice. That practice is set out in the public domain for people to understand. Our role is to have general market intelligence of safety defects in the market and to feed those through to manufacturers, which we have done on a number of occasions in this particular incident, and then to ensure that the manufacturer takes up its responsibility to investigate those incidents. All the way along that line, we monitor the progress made by the manufacturers, both in terms of the investigation and the follow-up when they launch safety recalls.

Q93 Chair: Is there any requirement for manufacturers to alert you to any problems they find?

Gareth Llewellyn: Yes, indeed. In fact, about 80% of all the safety defects we find come in from manufacturers; 20% come in from other sources such as social media, owners and the media more generally. We welcome all of that information, because the more we have coming in from all sources, the better able we are to start the conversation with the manufacturers in the first place.

Q94 Chair: Were you aware of the Zafira fires before you received the report from Vauxhall in October 2015?

Gareth Llewellyn: The first time we knew about the fires was on 20 August. We had a number of emails from the Zafira owners club at that point. There were no details as to what the fires involved, where they were, and so on. We passed those emails on to

Vauxhall on 21 August and then we responded on 25 August, having being given information from Vauxhall, to the people who had sent us emails at that point. Those were the fires that we did not have many details on. We had safety defect forms though, returned by various members of the public on 12, 13 and 14 October, and we fed those defect forms through to Vauxhall, looking for their views at that time.

Q95 Chair: Are consumers who are concerned about something they have bought aware that they can approach you about safety concerns?

Gareth Llewellyn: They are. That is part of our remit.

Q96 Chair: Do you think they know enough about that? It does not seem to have happened in this case, does it?

Gareth Llewellyn: I think it is true to say that we have not been as visible to the public in some areas as we could be, not just in this area but more generally. We are obviously heavily reliant on gov.uk. We do not have our own website, so the visibility of what we do is embedded within the overall Government mechanism, but I accept that we could do more in that space.

Q97 Chair: Are you planning to do more?

Gareth Llewellyn: Yes, indeed. We are looking at the moment at the feasibility of including recall information when you apply for your car tax. That is important because the vast majority of recalls take place in the first three years, before you get to MOT. When you are checking up your MOT status, we can include recall information at that point too, and we are looking at a variety of other mechanisms at the moment.

Q98 Robert Flello: What about protocols around engagement with the fire service and insurance companies? If they are reporting to you regularly or annually to say, “We have had 100 Zafira Bs that have gone up in flames and as an insurance company we have paid out,” is that information coming to you, or is that something you think should be coming to you?

Gareth Llewellyn: As I say, it is part of the 20% that comes in outside the manufacturers. To be honest, you never really know whether you are getting all the information, and more information in that space would be extremely helpful for us.

Q99 Robert Flello: There is no formal protocol in place to get that information.

Gareth Llewellyn: Not at the moment.

Q100 Robert Flello: Would you welcome that sort of formal protocol?

Gareth Llewellyn: I would welcome information from all sources, whether it is formal or informal, to be honest. The entire role of the DVSA is to secure the safety of the travelling public, so any information we get that helps us do that is to be valued.

Q101 Robert Ffello: On that particular point about the safety of the public, it has been suggested to us—I am sure you listened to some of the responses earlier—that potentially somebody is getting their car serviced by somebody who really should not be doing the servicing, either because they do not know what they are doing or because they are taking short cuts. What role do you have at the moment—I think I know the answer to this question—and what role do you think you should have in terms of protecting the travelling public in relation to what is happening on servicing those vehicles?

Gareth Llewellyn: As you know, we run the MOT system across more than 22,000 garages. We have vehicle examiners out checking that the quality of MOT work done in those garages is of the standard we expect. Last week, we launched a new qualification scheme to upskill people who undertake maintenance on vehicles through an MOT garage. You never ever know whether all 22,000 of those garages are maintaining vehicles to exactly the same standard.

Q102 Robert Ffello: And if they do not do MOTs at a particular garage.

Gareth Llewellyn: That is a good question. The general knowledge of our vehicle examiners going into those garages would be good, but we would not necessarily get that back in a formal sense.

Q103 Robert Ffello: In other words, if you have your car serviced by a garage that does MOTs, you have some chance of an overall view of the safety or otherwise of what is being done, but if you get your car serviced somewhere that does not do MOTs, it is pot luck.

Gareth Llewellyn: It is; we would not know the quality of that garage.

Peter Hearn: We would have to look to work with the trade and the trade associations to see if we could access a much wider market than the DVSA has surveillance on at the moment.

Q104 Robert Ffello: In terms of surveillance—this was a question that Vauxhall could not answer—if you have a vehicle that has caught fire and it turns out that the vehicle was serviced in a way that perhaps led to the cause of that fire, there is no tracing back to the garage or person that did the servicing. At the moment, there is no oversight of that at all.

Peter Hearn: There is no way of tracing that back at the moment, no.

Q105 Robert Ffello: Well, there is a way but it is not happening.

Peter Hearn: There is nothing in place at the moment.

Q106 Chair: Your remit is seeking to co-operate with manufacturers. Does that stop you challenging manufacturers when you should, particularly in relation to their explanation of why something is wrong?

Gareth Llewellyn: We do indeed challenge. If we go back to this particular incident, the results of the non-code action, which was launched on 5 November, were reported back to us on 4 December. There was quite a good and robust conversation with Vauxhall about whether we had got to the true root cause and whether there was a single failure mode or not. We encouraged them to continue looking. At that point there was a discussion about

whether it should continue as a non-code action or be elevated to a safety recall. The safety recall notice that came through about five days later on 9 December had a very clear line in it: “At the request of DVSA this has now been elevated to a safety recall.” It is a voluntary code of practice but we try to exercise as much influence as we can to make sure things get done properly.

Q107 Chair: There is still some dispute about the cause of the problem. You accepted Vauxhall’s conclusions rather than GBB’s conclusions. Why is that?

Andy King: At the time we met with Vauxhall to discuss the necessity for a safety recall in December, the weight of the evidence that they presented before us at that stage indicated that they had established the root cause. Therefore, as Gareth mentioned, it was appropriate and necessary to move to a full safety recall. We welcomed the GBB report, in so far as it gave us another third-party view of the issue. The evidence that GBB considered included fires in vehicles that had been rectified under the first activity—the first safety recall—so clearly that was different from our decision making in December.

Q108 Chair: Do you think there needs to be a change in the codes of practice or resources you have to enable you to challenge manufacturers more robustly?

Gareth Llewellyn: We are a pretty effective enforcement agency in other areas. We put 46 people in prison last year and gave out 26,000 fixed penalties, so where we have the powers we exercise them extremely well.

Q109 Chair: But do you have sufficient powers in matters like this one?

Gareth Llewellyn: In this area we do not have the ability under the GPSR to prosecute. There is no doubt that processes like this, particularly across the scale of issues that we are dealing with—we handled 330 safety recalls last year, and we had another three this morning, covering 2.4 million vehicles—are a big issue for us. We rely on good co-operation with the industry, but you can only rely on the carrot so often. There is no stick for us.

Q110 Chair: What powers would you like to have for situations like this one, so that you could be more effective?

Gareth Llewellyn: There are a few things. Within the code of practice there are no prescribed timescales. There are some areas within the process that should be speeded up. Equally, there are some that should be slowed down. My experience of working in investigations on safety issues in other safety critical industries is that the last thing you want to do is rush to a conclusion about the root cause. If you get that wrong, you could end up going down a number of rabbit holes. There are some areas where it is better to take your time and understand exactly what the root cause is, and indeed whether there are two, which is certainly true in this case. If you look through the entire code of practice though, there is no recourse for an organisation such as ourselves if we believe that the pace is too slow in remediating the safety issue. The connection between the code of practice and the regulations is a little opaque for us. Clearly, as a result of that, we have to rely on good co-operation with the industry.

Q111 Chair: You would like some changes there.

Gareth Llewellyn: Yes, we would.

Q112 Chair: Do you think it is acceptable that owners have to wait until August before their cars are going to be called back for repairs?

Gareth Llewellyn: I have spent most of my life in the private sector, and it is amazing what you can do with your supply chain when there is enough impetus. I am a little surprised that that time lag is in there.

Q113 Chair: Do you have powers to do anything about that?

Gareth Llewellyn: We do not under the code of practice. As I said, most of this is around working with the industry constructively and trying to persuade them to make sure that the risk to the safety of the public is mitigated.

Q114 Chair: Do you think you have enough staffing and other resources to be able to monitor safety defects and recalls?

Gareth Llewellyn: That is a very interesting question. The DVSA is a trading fund, so in general we are independent from funding from Government, with the exception of enforcement. This is the area that is funded by the strategic¹ enforcement budget. We are reliant on DFT for funding that budget. It is decreasing over the next few years. Having come new into this organisation, I think that enforcement is a poor cousin of our organisation and I need to do more to strengthen that part of our business.

Q115 Chair: Is that something that you are going to be addressing?

Gareth Llewellyn: Absolutely.

Q116 Chair: Looking at your involvement with the Zafiras and what is happening there, is there anything you think should have been done differently by the agency?

Gareth Llewellyn: If we go back to the December discussion with Vauxhall, where we expressed some concerns that we might not have necessarily got all the information on the root cause, we could have pushed more strongly to ensure that we identified whether there were other root causes of that particular problem. Clearly, by the time we understood what was in the Fraunhofer Institute report, we knew that there were actually two separate failure modes. The repairs need to tackle both of them because you never know across the fleet where those particular issues might manifest themselves. There are areas where we could have done more. There is also more around communication, which we discussed earlier.

Q117 Robert Ffello: Just to pick up on that last point before I ask my main question, what ability do you have to push back? If a manufacturer comes forward and says, “It is a problem caused by improper repairs,” do you have any ability at all, any powers or any

¹ Witness misspoke and intended to say “single” instead of “strategic”

resources to go back and say, “Actually we do not think that is the case and we think it might be this or this”?

Peter Hearn: We would challenge that information if we did not feel it was valid and if it was not validated by, in this case, third-party advice. We would continue to challenge that, and continue to ask the manufacturer to reinvestigate if necessary.

Q118 Robert Flello: But, ultimately, there is a stand-off between yourselves and the manufacturer. If the manufacturer says, “No, no, it is definitely this problem,” you are in a stand-off and there is nothing more you can do.

Peter Hearn: Ultimately, there are some powers that we would like, and probably could have in future, which might give us that further leverage.

Q119 Robert Flello: There is definitely a request there for some ability to push back. The main question I wanted to ask was this. Anecdotally, I am hearing different responses from different manufacturers. A manufacturer, particularly a high-profile and well-known German manufacturer for example, might have the approach that, “We don’t want to tell the public that we’ve got a problem, but when a vehicle comes in for servicing or when we have a special deal saying, ‘Come and have your vehicle serviced for 20 quid,’ we will make sure that the proper repair is done or replacement part is fitted.” How privy are you to those sorts of things, and what ability do you have to say, “Now listen, major manufacturer, you really cannot do that and you need to tell your customers that there is a problem that you are putting right”?

Peter Hearn: Social media and other things are changing that environment.

Q120 Robert Flello: Absolutely. They are starting to.

Peter Hearn: There is an opportunity there. At the moment only 20% of recalls come from that direction, so there is an opportunity to look at that and enhance it to try to get a better feed of information. In a lot of cases this will be happening in an environment we are not in and we may not be aware of some of these things.

Q121 Robert Flello: The manufacturer or manufacturers in question would not necessarily have to tell you that there was a safety feature, or would they have to tell you but they do not necessarily do so?

Andy King: Under the code there is a duty for the manufacturer to tell us as soon as they know that there is a safety defect. Obviously, we are reliant on the manufacturer doing that.

Gareth Llewellyn: Just to clarify, it is also in the regulations. They have a legal obligation to tell us.

Q122 Robert Flello: The high-profile German manufacturer does this 20 quid deal and replaces the safety feature. You know about it, but you have no power necessarily to make it public to the buying public, who would be buying one of those vehicles, that that is how that particular company deals with its safety issues.

Gareth Llewellyn: If we go back to the code of practice, we have no powers to force a manufacturer into a safety recall. The advantage of the safety recall, which may answer one of your questions in the previous session, is that that information goes on to Rapex, which is the European system that disseminates the reasons for a safety recall to all manufacturers and all component suppliers, so that information is in the public domain.

Q123 Robert Flello: From your answer, would I be right or wrong in assuming that it might be quite helpful if every time a manufacturer had to make a safety change, even if not at a level that needed to be a formal recall, that information was on the Rapex system so that it could be widely known? If a small garage tucked away somewhere in a quiet corner of Westminster was doing non-MOT servicing and repairs, they would perhaps get the chance to know that there was a particular safety feature that needed to be changed.

Peter Hearn: More publicising of that information to as wide an audience as possible has to be encouraged. The other thing that is probably an important feature is the fact that DVSA closes the recall process. That is not the manufacturer's decision; that will be the DVSA's decision. We would have to be satisfied at the end of the whole process that it had concluded itself and that as many vehicles as were still in service and operating had been recalled and corrected.

Q124 Martin Vickers: Speaking generally, would you say that the manufacturers are open, honest and transparent in their dealings with you?

Gareth Llewellyn: Absolutely. As I said, we handled over 330 safety recalls last year. We are not in front of this Committee for 330 of them, so we have very good working relationships; the process generally seems to work. The carrot is always important if you have a stick at the end of it for the people who do not want to make it work.

Q125 Martin Vickers: But you do not have the stick.

Gareth Llewellyn: We do not, but we have managed to make the process work rather well. We have one of the safest road networks in the world, so the system works, but clearly there will be occasions when it does not.

Q126 Martin Vickers: Don't you think it would be helpful to the public if they knew your views on individual manufacturers—that so-and-so had five stars and someone else only had two stars, or whatever?

Gareth Llewellyn: We would probably need to take legal advice on how we would do that.

Chair: Thank you very much.