

Transport Committee

Oral evidence: Vauxhall Vehicle Fires, HC 962

Monday 6 February 2017

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[Watch the meeting](#)

Members present: Mrs Louise Ellman (Chair); Robert Flello; Karl McCartney; Stewart Malcolm McDonald; Huw Merriman; Iain Stewart; Graham Stringer; Martin Vickers.

Questions 1 - 144

Witnesses

I: Elvira Toelkes, Vice-President, GM Quality Europe, General Motors; Thomas Berenz, Director, Global Safety and Field Investigations, General Motors; and Helen Foord, Head of Government Relations and Public Policy, General Motors.

II: Gareth Llewellyn, Chief Executive, Driver and Vehicle Standards Agency; Peter Hearn, Director of Operations, Driver and Vehicle Standards Agency; and Andy King, Head of Enforcement, Driver and Vehicle Standards Agency.



Examination of witnesses

Witnesses: Elvira Toelkes, Thomas Berenz and Helen Foord.

Q1 **Chair:** Good afternoon and welcome to the Transport Select Committee. Would you give your name and organisation, please?

Thomas Berenz: My name is Thomas Berenz. I am Director for Global Safety and Field Investigations and Certification, General Motors Europe.

Elvira Toelkes: My name is Elvira Toelkes. I am the vice-president for GM quality in Europe.

Helen Foord: I am Helen Foord, the head of Government relations and public policy for General Motors in the UK.

Q2 **Chair:** How many fires in the Zafira model B are you aware of?

Thomas Berenz: Fires?

Chair: Yes.

Thomas Berenz: Let me check.

Elvira Toelkes: There are about 287 fires associated with the heating and ventilation systems in the Zafira B.

Q3 **Chair:** No, I am asking how many fires in total you are aware of.

Helen Foord: For Zafira B?

Q4 **Chair:** Yes. How many?

Helen Foord: I think Elvira was clarifying that point. We just wanted to confirm which model you were referring to.

Q5 **Chair:** It is a pretty obvious question to start with. This is the reason that you are here today. The first, simple question is, how many fires are you aware of in Zafira B?

Elvira Toelkes: We are aware of the 287 fires that have been brought to our attention.

Q6 **Chair:** Two hundred and eighty-seven fires?

Elvira Toelkes: Right.

Q7 **Chair:** How many of them were fully investigated by your engineers?

Elvira Toelkes: We have had a large number investigated by the engineers.

Q8 **Chair:** How many?

Elvira Toelkes: I will have to come back on that one.

Q9 **Chair:** It is a little odd. You have come here to talk about this subject.



HOUSE OF COMMONS

This is pretty straightforward information. How many fires? How many have been investigated by your engineers? You do not know?

Elvira Toelkes: There are 59 cases I know of that have been investigated.

Q10 **Chair:** Fifty-nine out of—what did you say?

Elvira Toelkes: Two hundred and eighty-seven.

Q11 **Chair:** It doesn't sound a lot. What happened to the others?

Thomas Berenz: Before the media attention we were informed about only a very few of those cases. After the media attention, within four to six weeks, we became aware of more than 100 additional cases that we had not had the chance to inspect.

Q12 **Chair:** The media attention was some time ago, wasn't it?

Thomas Berenz: Yes.

Q13 **Chair:** How many have you investigated? Can no one tell me how many have been investigated by your engineers?

Helen Foord: In a lot of cases, the vehicles were older and they had been scrapped before we could investigate them. The figure that Elvira referred to—the 59 vehicles we have investigated—we have been able to see ourselves.

Q14 **Chair:** What happened to all the others? You have been able to investigate 59 vehicles but there are over 200 that you have not investigated. What has happened to those?

Elvira Toelkes: First, we could not get access to several of those vehicles. A lot of vehicles were scrapped before we could even get there. For instance, I know of one case where we sent out our fire investigation team but the vehicle was scrapped before we could get access and do the detailed analysis.

Q15 **Chair:** When you say you could not get access to them, what does that mean exactly? In what way couldn't you get access to them?

Thomas Berenz: First of all, if there is a fire case, the customer needs to ask their insurance company for permission for us to do the inspection. Without that permission, we cannot do the inspection.

Q16 **Chair:** Did you seek permission?

Elvira Toelkes: Yes.

Thomas Berenz: Yes.

Q17 **Chair:** Was it refused?

Thomas Berenz: In some cases it was refused; that is right, yes.



HOUSE OF COMMONS

Q18 **Chair:** Who was it refused by?

Thomas Berenz: Sometimes by the customers. Sometimes when we approached the insurance companies, the vehicles were already scrapped. Especially in the Zafira cases, where a lot of old cases were brought to our attention later on, there could no longer be any physical inspection.

Q19 **Chair:** How big a problem was that? How many cars did you try to get access to?

Elvira Toelkes: We should really think about the cars we want to get access to in order—

Q20 **Chair:** Yes; how many?

Elvira Toelkes: In order to do the recall and do the repair, it is very important for us to truly reach out to our customers—

Q21 **Chair:** Yes. I am asking you, how many cars did you try to get access to?

Elvira Toelkes: Honestly, I cannot give you that figure.

Q22 **Chair:** This is very peculiar. You have come here to answer questions on this topic and you cannot tell me how many cars you tried to get access to.

Elvira Toelkes: I truly think it is very important, now that we have identified a final fix for our vehicles, that we reach out to the customers—

Q23 **Chair:** It's all right talking about reaching out, but I am asking you direct questions, not reaching out. I am asking what you have done, and you cannot tell me how many cars you tried to get access to after those fires occurred.

Elvira Toelkes: As soon as we are aware of fire cases, we reach out to the customers and ask them for permission to inspect the vehicles. A lot of those cases were historical ones that did not happen just in 2016. We sent out our team to inspect whenever we could get access to the vehicles.

Chair: But it is a bit odd that you cannot tell me how many you tried to get access to and failed.

Q24 **Huw Merriman:** You talked about 59 out of 287, and you said that you did not have access to all of those. How do you know that those 287 have indeed had fires related to the heating? I think you described some other fault. If you did not have access to the vehicles, how do you know there are 287 where you reference a specific reason why they went on fire?

Elvira Toelkes: There are descriptions that we get from our customer contact centres. They have been talking to our customers about how the fire evolved. I think we have a clear indication that it is a very strong part of the root cause.



HOUSE OF COMMONS

Q25 **Huw Merriman:** But to confirm, you have never seen those cars, with the exception of the 59? You are just going on someone else's say-so?

Thomas Berenz: What we are saying is that after the media response we got a lot of calls to our call centres informing us that they had had a vehicle fire but the vehicles were no longer physically available. That is where the number comes from.

Q26 **Huw Merriman:** Perhaps you can help me out. You said that in 287 there were fires caused in the heating, or something else.

Elvira Toelkes: Heating or ventilation system.

Q27 **Huw Merriman:** That is quite specific, but you yourself have not been able to ascertain that that is really where the fire started. How can you rely on that data? It is quite specific to the customers.

Thomas Berenz: That is exactly the problem with data reliability. This is what we are shooting for. We need better data for us and for the whole industry to rely on. Very often we are just not aware of it. If a vehicle fire occurs and the customer approaches his insurance company, and the insurance company pays out, in most cases we never get any information about that. Therefore, we need a better data source where all this information is collected. There is data collection in the fire services and in the insurance companies.

Q28 **Huw Merriman:** When you came before us last time, we went all the way through this. Have you had any fires since this Committee met the team you sent?

Thomas Berenz: After the second part of the recall, we did not have any additional fires in those vehicles.

Q29 **Huw Merriman:** Have you had any since we last met, which I think was last July? I would have thought that, after that, you would move heaven and earth to get hold of those vehicles to strip them apart and see what the issue was. Have you done that? The impression you are giving is that you just do not really know. It does not feel like anything has changed.

Elvira Toelkes: Actually, from the first recall we had parts sent back to us at the technical centre. We had about 1,000 parts from the first recall, which we then investigated. We have seen the first indication of the root cause, but we have also seen a second part of the root cause, which is the defective fuse, and that is why we initiated the second recall on 8 August 2016.

Q30 **Stewart Malcolm McDonald:** I want to ask a quick question, Chair. Would each of the panel members very quickly tell me how many of the 287 customers who have been affected by the fires they have met personally?

Helen Foord: I have not met with any of the customers affected. It is not the job that I am employed to do.



HOUSE OF COMMONS

Elvira Toelkes: There are colleagues who have personally met them. I personally have not had the chance to meet them.

Thomas Berenz: It is the same with me.

Q31 **Stewart Malcolm McDonald:** None of the panel has met any of the families whose cars caught fire?

Helen Foord: We have not had the opportunity to meet any families.

Q32 **Stewart Malcolm McDonald:** You have not had the opportunity?

Helen Foord: No.

Q33 **Stewart Malcolm McDonald:** It has been quite a while.

Helen Foord: Some of our colleagues in the customer care team have done so. It is their responsibility to meet those people.

Stewart Malcolm McDonald: I am just looking at your biographies. We have the vice-president of GM quality Europe, the director of global safety and field investigations and the head of Government relations and public policy. That makes up the panel before us, but none of you has thought to take half a day to meet any of the people who have been affected. It would take just a couple of hours.

Q34 **Iain Stewart:** Later in the session, we will probably come to suggestions about how to have better data management. At the minute, I am a little confused. Of the 200 or so fires that you are aware of, I understand that you wanted to investigate some of them but could not because the cars had already been scrapped and the insurer had written them off. If I was an insurance company and I started to see a pattern of fires in a particular model of car, I would want to ask some questions. In all the cases you are aware of, has the insurer just said, "It's been on fire and we're going to write it off and issue a cheque to the owner."? What steps did they take, that you are aware of, to ascertain the cause of the fire in the first place?

Elvira Toelkes: You bring up a very good point. First of all, there are multiple numbers of fire cases in the UK each year. The last time we came to see you, we had a figure of about 18,000. Now there is data that goes up to 100,000. Whatever data source we believe, it would be really beneficial if insurance companies and fire brigades shared their data with us. I totally agree that it would be much more beneficial for us to have that data, so that we could set our people to really investigate those cars at the point when the fire takes place and not maybe two or three years later when it comes to our attention. That is one of the key proposals that we would like to make—not just for our benefit, but for the benefit of the industry and ultimately the customer.

Q35 **Iain Stewart:** I appreciate that is what we might want to look at going forward, but I am still not clear in my mind. If I have a car and it has gone on fire, I report it to my insurance company. What steps do they



take to ascertain the cause? Let me put the question another way. How many other fires are you aware of in your vehicles that are not related to the particular heating control defect we are aware of?

Thomas Berenz: Do you mean in other cars?

Q36 **Iain Stewart:** I am just trying to get a picture in my mind. If I was an insurance company, how many fires in Vauxhall cars would I expect to see in a year?

Thomas Berenz: I think fires are involved in nearly all car lines from us and our competitors. Elvira just mentioned that one source, for example, says that there are 100,000 vehicle fires a year in the UK, and 65% of them are of criminal intent. A lot of other fires are because of poor maintenance. We do not play down our portion—the design defects—but it is really difficult for us to identify whether a fire is related to a design defect or whether it is for other reasons. Forensic investigation is difficult because the fire itself very often destroys traces of the origin of the fire. Therefore, it is very difficult for us, just from the number, to identify whether there is a root cause behind it or not. What would help us is a consolidated data source so that we can at least see a trend. That is what we do not have at the moment.

Q37 **Iain Stewart:** Forgive me for pressing, but do insurance companies make the effort to find out the cause of a fire or do they just record it as a fire? Is it a data release issue, or do the insurance companies themselves need to take additional steps to identify the source of a fire?

Elvira Toelkes: Typically, if a fire happens, the customer notifies the insurance company. They might choose to send a settlement agent to have a look at the car, but they are not typically forensic fire investigators. They have a look at the car, make a first assessment and then decide on the settlement of the case. Unfortunately, there is no direct link back to us. We would probably be able to go deeper in order to truly understand the nature of the fire.

Q38 **Robert Ffello:** I should have declared at the start that I own and drive a Zafira, but not one of the models affected. What happens in the rest of Europe? Is it only in the UK where Zafiras have had car fires? For example, have the Opel-badged ones had any problems in the rest of Europe? What do they have in terms of reporting mechanisms? Is there a way that another country has a system for reporting fires?

Thomas Berenz: This specific case is related to UK vehicles, or to right-hand drive vehicles. Of course, there are other countries affected, like Malta, where they drive on the same side. We do not see fire cases there, but of course we cover them in our recall activities as well.

Q39 **Robert Ffello:** Let me stop you there. Is there a different component in left-hand drive vehicles?



Thomas Berenz: The location is different. The water ingress is different if you drive on the other side of the road. The middle of the road in one country is on the left side, and in another it is the right side.

Q40 **Robert Ffello:** You are not seeing Zafira fires in other European countries, with the exception perhaps of Malta?

Thomas Berenz: No.

Elvira Toelkes: One aspect you touch on is whether we have a better system of data feedback in other countries. Probably the UK could really set Europe a standard in introducing such a system. Other European countries could absolutely learn from that.

Thomas Berenz: In addition, we are in close contact with the DVSA. We seek to get action in the field to get high fulfilment rates. For example, in other countries our system is that we write three times to customers, and after that customers get a notice from the authorities that if they do not react to the recall request their vehicles will be grounded. This helps to speed up all recall measurements for us and the industry. In addition, here in the UK you have a yearly MOT system. If there was a requirement to check any outstanding recall on vehicles, it would help us and the whole industry a lot.

Q41 **Chair:** How have you dealt with customers who have not responded? What efforts have you made to contact them?

Elvira Toelkes: Up to now we have written 1.2 million letters to customers. There are customers who have received up to seven letters inviting them to seek assistance and repair for their vehicle at our authorised dealers. In addition, where we have data from customers we have given them a call. We have sent emails and really reached out to strive for them to get in contact. Up to date we have managed to repair 165,000 Zafira Bs, in order to get the final fix implemented.

Our dealers have put in additional hours during the week and have devoted a lot of time at the weekend to execute the recall. People from our plants have been trained to support our dealers in doing that, so as to make the waiting time for each customer very short. We have now directed that two technicians work on one car, so that we can do the work rapidly and the customer does not have to wait very long. We have added resources at the customer contact centres—the centres that actually make the appointments. We try to make sure that we maximise opportunities for customers to come to seek the support of the dealers. As you have rightly stated, we really have to get access to our customers and convince them to come to get their car fixed.

Q42 **Chair:** There was a delay at the start of the second recall because you did not have parts. Why did that happen?

Elvira Toelkes: There was not really a delay in the recall. We rapidly worked with our suppliers in order to make sure that we had parts. I can



HOUSE OF COMMONS

state that today we have the capacity, as well as the parts, and we could theoretically finish that whole recall in the next month if customers came to see us and actually made an appointment with us.

Thomas Berenz: I have one additional comment. What is also missing is data accuracy. We have a lot of data from vehicles that may no longer be on the road. We are talking not about a few hundred but about 16,000 or something like that. We are not sure, together with the DVSA and the DVLA, if the vehicles are still on the road. If we got better help to understand which vehicles are out there and not scrapped, that would help as well.

Q43 **Chair:** You said that the problem was really unauthorised repairs. Why did you say that when you never identified who had been doing the alleged unauthorised repairs?

Thomas Berenz: When we became aware of the fire cases, we did a field survey. We asked our dealers to return more than 1,000 resistors to us. We did a check on those resistors and found 2.7% were manipulated.

Q44 **Chair:** Of what—2.7% of what?

Thomas Berenz: The resistors returned from the field.

Q45 **Chair:** Did you name the people who had done the unauthorised repairs?

Elvira Toelkes: No.

Q46 **Chair:** If you blamed the problem on unauthorised repairs, why didn't you take more trouble to identify who those people were?

Elvira Toelkes: It is very difficult to identify them. After a certain time, customers do not go to authorised repairers. Instead of blaming those who did unauthorised repairs, at the first indication that that was one of the two root causes, we took action and initiated the first recall. Although we did not do the false repairs, we have taken responsibility for them and taken action.

We continued the root cause analysis and identified a second path of root cause, which was not false repair but was due to the design of the affected fuse. Therefore, we initiated the second recall, which was not to bring the car back to the original stage—the first recall—but was to take a different technical path, using the so-called wax-based fuse, which is much more reliable and more resistant in that configuration versus potentially causing any problem.

Q47 **Chair:** How many cars caught fire after the first recall?

Thomas Berenz: Directly after the first recall, there was a vehicle that was repaired and caught fire. That was a trigger directly for us—

Q48 **Chair:** How many?

Thomas Berenz: How many? I do not have the figure here.



HOUSE OF COMMONS

Q49 **Chair:** No one knows. Why don't you know? You knew you were coming here today to answer these questions. That is another fairly basic question, isn't it? We are trying to establish the facts. Why don't you know?

Thomas Berenz: We did not get those questions before.

Q50 **Chair:** You just don't know?

Thomas Berenz: If you are asking for specific figures, of course we can deliver them.

Chair: I am asking for those figures, but I am also expressing surprise that you have come here to answer questions about this very unsatisfactory situation and you do not have basic information on it. It is very surprising and not very good.

Q51 **Stewart Malcolm McDonald:** In terms of those who drive the cars, it is traditionally a family car used for school trips, holidays, trips to hospital and all the rest of it. It is probably fair to say that your customers, in the UK at least, are very loyal to your brand and have been for many years. I hosted some of your customers who had been affected by this situation in Parliament just before Christmas—in this corridor actually. A group of them came in. They sent some notes to me about the recall process and how they felt your company had handled the whole process since it began. I want to read some of them to you.

The notes say that some customers were made to feel like a nuisance. When they went through the recall process, the attitude they met from dealerships was disgust. They say that vehicles were often returned to them with further problems in the heating and ventilation system. They said it could sometimes take up to two or three new motors to find one that worked. The end part of one note says that customers were made to feel like second-class citizens. Do you recognise any of that?

Helen Foord: We apologise to customers. The recall was to fix the problem, and our dealers were trying to make the process smooth and easy for our customers. We understand that that might not be the case the whole time, and we apologise for the additional inconvenience. If there are specific cases, please let us know and we can follow them up afterwards.

Q52 **Stewart Malcolm McDonald:** You must be aware of some of those cases.

Helen Foord: We are aware of some of the cases, and we have instructed our retailers. We have also given additional guidance to the retailers to remind them to check that the heating and ventilation system is in good working condition before the vehicle is passed back. We recognise that mistakes—

Q53 **Stewart Malcolm McDonald:** That is not happening in some cases?



Helen Foord: We recognise that in some cases there have been mistakes, and we have followed them up with our customers. If you have specific examples of any of that, please let us know and we can follow them up directly with the customers and with the retailers.

Q54 **Stewart Malcolm McDonald:** Would either of you like to add anything to that? Nothing to say? I think your customers have been treated pretty shoddily. They are being bandied around from pillar to post. I cannot think of another product in the United Kingdom at the moment where people have set up a campaign group and have come to Parliament to try to get MPs to resolve it. Some of them are sitting behind you in the audience right now, listening to you. I would have thought you would have something more to add about the experience they have been through. Some of these people's children, for example, do not want to go in a car again. Some people have had their homes damaged as a result of this.

Elvira Toelkes: I personally would like to say that I am very sorry for the frightening experience that our customers have gone through. There is probably nothing we can do to make it un-happen. As Ms Foord pointed out, we would really like to make any experience of coming to see us and getting their vehicles fixed as positive and straightforward as possible. That is where we have put a lot of effort.

In addition, customers who have gone through a fire have probably also had personal losses like personal belongings and things they felt importantly about that were not insured. We have been reaching out to those customers in order to make sure that we understand those cases and situations, so that we can find a settlement together with them and compensate them for the uninsured losses as well as the insured losses.

Q55 **Stewart Malcolm McDonald:** Of the 287 where people had losses, insured or otherwise, how many are outstanding in terms of reaching that settlement?

Elvira Toelkes: We have reached out to 160 so far, and we are currently in discussion and trying to seek a settlement. Of course, we will take a step-by-step approach on all outstanding cases.

Q56 **Huw Merriman:** I want to go back to Mr Stewart's points on insurers and your interaction with them. Have you contacted all of the main insurers in the market to make the point that you would like to see all the cars they have had claims registered against, particularly in the Zafira and Corsa classes, so that you can get better access to the cars?

Helen Foord: Where we work with the insurance company and we are aware of the fire and have permission from the customer, we have managed to work with the insurance company to inspect the vehicles that are still available to inspect. When we talk about having better access to data, it is an industry issue. With our trade body, the SMMT, we are working with the Association of British Insurers and Thatcham to look at an industry-to-industry solution to the problem.



Q57 **Huw Merriman:** Do you think the insurers are taking it seriously enough? On the one hand it is your reputation and your brand, but I also take the point that it is out of your control if you cannot get hold of the asset. It is also in the insurer's interest, because, if you can fix it, they are not paying out. Have they listened to your point? Have you seen an uptick in the number of cars being delivered back to you that have been involved in fire?

Helen Foord: The Zafira was a unique situation because it was an older vehicle. Some of the fires we are talking about happened years ago, so they were scrapped. We have a working relationship with the insurance industry and we know from early discussions we have had with them, and with the trade body SMMT, that it is an area where they are keen to work with us going forward.

Q58 **Huw Merriman:** Do you think it requires something compulsory? If a vehicle is damaged by a fire originating from its engine or any component, should there be a requirement for that car to be inspected before an insurer pays out so that the market knows what the issue is?

Helen Foord: Absolutely, but obviously with a fire the customer has compensation. What we would like to see is the ability for us to investigate the vehicle as soon as possible. We do not want to hold up the process of customers being reimbursed by insurance companies, for example. Certainly we believe that there can be a working process going forward, whereby we have better access to better data and better access to the vehicles.

Q59 **Huw Merriman:** I want to raise another strand that is stakeholder related. The fault could be common to other motor manufacturers. Did you contact other motor manufacturers to let them know that you were aware of something, and perhaps share information in case they had the same issue with their vehicles as well?

Thomas Berenz: Of course, we inform the authorities of that. There is the European RAPEX system—the rapid alert system—whereby all customers and other authorities are informed. If we have a supplier-caused issue, or a supplier part is in question, we do not get data from our competitors because of anti-trust law, but when we are in contact with the authorities, we name the supplier we are working with and they approach the supplier and ask which other manufacturers might be using the same component.

Q60 **Huw Merriman:** I remember six months ago, when your team came before us, I asked that question and the answer was no. We all thought that was a bit of a poor show. I received an assurance that afternoon that other manufacturers would be contacted. I did not expect it to be that afternoon, but I would have thought that GM would have put a call in to other motor manufacturers rather than leaving it to regulators and what have you, not least because you assured me that you would. It is also common sense, is it not?



HOUSE OF COMMONS

Elvira Toelkes: We have been working with our supplier. That supplier knows exactly who their other customers are. However, that specific part is most probably not being used in the very same configuration in any other system. We advised our suppliers about our findings and about risks that we see with regard to our very specific component. They know exactly who their customers are.

Q61 **Huw Merriman:** I find that answer a bit unsatisfactory. Six months ago we were assured that something would happen. That was at your team's suggestion. It struck me as common sense to do that, but it has not been done. I find that pretty extraordinary.

Helen Foord: As Thomas explained, we are prohibited by competition law. There are processes and procedures in place, which we explained to the Committee afterwards in a follow-up letter after our evidence in July.

Q62 **Huw Merriman:** I would be amazed if competition law stopped you from being able to contact other motor manufacturers from a health and safety perspective, in the most general of terms, to say, "We have an issue specific to these parts and you may want to check to see if you have those parts as well. We are putting you on notice."

Helen Foord: I understand your question. I was referring to the supplier. We notify the supplier and it is for them to reach out to their customers. We would not know under competition law the supplier's customers.

Thomas Berenz: In addition, it is always a question for the authorities as to whom they make the notification; which part is affected and which supplier? We give the name of the supplier to the authority and they approach the supplier to get the information from him.

Q63 **Chair:** It is not really very convincing. It is not clear whether you have not done anything or whether you just do not want to tell us about it.

Thomas Berenz: But that is the process.

Q64 **Martin Vickers:** Are Zafira owners and drivers still at risk?

Elvira Toelkes: We have advised our Zafira drivers to operate their vehicle under a blower motor condition of either zero or four. At that point, there is no risk for Zafira drivers, but I strongly recommend that Zafira drivers come to see us so that we can finalise the recall, and the vehicle can be operated under any conditions.

Q65 **Martin Vickers:** Are you absolutely satisfied that you, as a company, have done everything possible to eliminate the risk as best you can?

Elvira Toelkes: We have reached out several times, even before any recall was issued, so that we could advise our customers how they can avoid the risk—

Q66 **Chair:** But are you satisfied that they are safe? That is what Mr Vickers is asking you. We keep being told that you reach out, but Mr Vickers is asking whether the drivers and occupants of the cars are safe.



HOUSE OF COMMONS

Elvira Toelkes: Let me put it this way. Any safety recall is a serious situation. I personally cannot be satisfied by having a safety recall, but I am very confident that we have done what is right in order to mitigate the situation and offer the customer a quick fix for their vehicle so that we eliminate any risk.

Q67 **Chair:** But are they safe? Mr Vickers is asking you whether they are safe.

Thomas Berenz: If the last field fix on the vehicle has been done, we say that the vehicle is safe to drive—if that was the question. For the remaining ones, which were not in our garages for the field fix, we suggest they come in as soon as possible to get it done and operate their vehicles safely.

Q68 **Martin Vickers:** There are still vehicles out on the road where the drivers and owners are at risk. Following on from that, are you satisfied that your dealers have done everything through their network to contact drivers? You have written to 1.2 million people. Letters go astray or get put behind the clock on the mantelpiece and forgotten. What repeated actions have you taken as a company and as a dealer network to make contact with owners?

Helen Foord: Elvira explained that, where we have data and can validate it, we are using other data points like the phone and email to contact directly customers who have not yet come in to have their recall. Where we do not have that information for those customers, we have gone to the RAC and the AA to again validate information with them by using their contact details to address those customers.

There are still customers out there who have received a letter and have not had their recall work done. They are the registered owners, and in those circumstances we propose to ask the DVSA if we can do a joint letter with that customer's insurance company to remind the customers of the importance of having a completed safety recall. Without a completed safety recall it could invalidate the customer's insurance, so we have asked the DVSA for permission to undertake that step.

On some of the outstanding figures, as Thomas highlighted earlier, there are around 13,000 Zafiras that have no registered keeper. They are what is known as sold to trade. They have been sold to trade between six months and up to three years. We are working with the DVSA as to how we can validate that data because there is no registered keeper. We are required by the DVSA to notify the previous registered keeper where we have an address, but we are aware that they are not the owner of the vehicle because they have passed the vehicle on to trade. That is an area where we are keen to work with the DVSA going forward on how we can eliminate them.

Q69 **Robert Ffello:** I want to return to the point about insurance companies. What is the situation if a vehicle is found to have a faulty part and it burns to the ground? Does the insurance company bear the ultimate cost



HOUSE OF COMMONS

of paying out on that, or does it come back to the manufacturer?

Helen Foord: In cases we have seen, I could not say with any confidence exactly what has happened. My understanding is that the insurance companies have compensated the customers, and as part of our compensation we have then compensated the insurers.

Q70 **Robert Ffello:** If you are compensating the insurer—not just GM but any manufacturer who has a similar problem and is compensating the insurer—does that not almost give you an ownership right to the vehicle? If, heaven forbid, my Zafira goes up in flames and I go to my insurance company and they pay out, the insurance company presumably goes to GM and says, “It went up in flames because of this fault and therefore you need to put the insurance company back in funds so that the insurance company isn’t at a loss.” Surely, you then effectively own my Zafira.

Helen Foord: The insurance company would not necessarily do a forensic investigation to pinpoint where the root cause is. As we explained before, fires are very destructive by nature, so establishing a root cause is very difficult. The insurance company will do an initial assessment, as I understand it, and part of that initial assessment is pretty much to rule out criminal intent or activity. Then there is a settlement. Where we are aware of it, we are then able to inspect the vehicle afterwards. I know you are asking about whether we then own that vehicle. I do not have that information. We can come back to you on that.

Q71 **Robert Ffello:** On what basis do manufacturers like GM pay insurance companies? Do you just decide on a formula figure and say, “For every thousand GM cars that the insurer insures, we will pay out 10% if there is a claim on them”? How does it work?

Elvira Toelkes: We pay compensation in cases where we see, and understand, that we have a design or manufacturing-related issue and have issued a safety recall. It is not common practice. Common practice is that the insurers send an assessor to see the car and then they make a judgment on the settlement. That is how the insurer pays the customer. In this case, we said that because of the safety recall we will actually compensate the insurer for the same amount of settlement that he processed with the customer.

Q72 **Robert Ffello:** Thank you. I understand that, but in general run-of-the-mill terms, if someone has a problem with their Insignia and it is shown to be a manufacturing problem, do you not routinely compensate the insurance company concerned? Is that something that just does not happen?

Elvira Toelkes: It is very hard for the inspector at the insurance company to find out whether there is a manufacturing-related issue. That is why we would really seek to have a shortcut, for information to come to us, to get the opportunity to do a detailed investigation. However, as



HOUSE OF COMMONS

we have pointed out, data show that about 65% of all fire cases are due to arson. Often it is very obvious. The next piece is weak maintenance, and some of that can also be very obvious. The remainder is very difficult to find out, and a really detailed investigation is necessary. Sometimes evidence can never be found because the fire has destroyed key criteria of evidence.

Thomas Berenz: I have one comment in addition. If we get the chance to have very early notification of a fire, we get in contact with the insurance company to investigate the vehicle together. For us, that is the best situation.

Q73 **Robert Fello:** Do you not think it is strange, because the insurance companies have a vested interest in finding out who is responsible, that they do not bother? Presumably we will all pay premiums at an increased level, so there is quite an onus on the insurance company. They have an opportunity to hold accountable those who perhaps should be held accountable, but they are not bothering.

Elvira Toelkes: They have now started to react to our requests to see whether we can have a joint database—not just insurers but also fire brigades, who are often called in cases of fire. If all that data could come together in one place so that all manufacturers could have access to it—not just us—it would be very helpful. It would also increase the data points that we can use to see whether there is a trend and we can take action much faster.

Q74 **Chair:** There are now fires in Corsa D models, aren't there? What is the extent of that problem and what has caused the fires?

Thomas Berenz: This is about a safety recall we issued in April 2016 on the vacuum pump relay box supporting the brake system. We have about 4,000 vehicles affected in the UK—it is a 1.4 turbo engine—out of a fleet of 700,000 vehicles. We have already reworked 3,000 of them. We had one fire case when we started the investigation, and later a second one. Those are the two known cases we have. After the media response, there is a potential additional one, and those are the three cases we are aware of.

Q75 **Chair:** What is the reason for those fires?

Thomas Berenz: The reason for the fires is water ingress into the relay box, and then there can be a short circuit.

Q76 **Stewart Malcolm McDonald:** Has Vauxhall ever refused to investigate a fire when it has been reported by a customer? Go way back before the media attention and all the rest of it. Have you ever refused to investigate customer claims of a fire?

Helen Foord: I do not have that information available to me, but I can certainly go back to the team and look back through the data, if you are asking historically, and then we can get back to you.



HOUSE OF COMMONS

- Q77 **Stewart Malcolm McDonald:** Would you expect to have refused?
- Helen Foord:** We have fire inspectors who work with us and for us. We have the resource, and to my knowledge I could not see a reason why we would do that, but I cannot say with any certainty. We can take that back to the wider team in the office and get back to you.
- Q78 **Stewart Malcolm McDonald:** You would be interested to know of any cases brought to our attention where customers said they had reported fires and were essentially palmed off?
- Helen Foord:** If you have that information, please let us know and we can go through and trace it. We can then come back to you specifically.
- Q79 **Stewart Malcolm McDonald:** It just so happens that there are people with those exact cases here in Parliament this afternoon. Could I ask that each of you, or one of you, takes some time to have a chat with them at the end of the session?
- Helen Foord:** Certainly. I would be able to do that and then take the information away and get back to you.
- Q80 **Stewart Malcolm McDonald:** That would be very helpful. Going back to communications with customers, obviously you have been writing a lot of letters and sending a lot of emails. You set up a Facebook ad to raise awareness of the issue. How successful do you judge that to have been?
- Helen Foord:** I do not have those figures with me specifically today.
- Q81 **Stewart Malcolm McDonald:** You guys do not seem to have an awful lot with you today.
- Helen Foord:** Forgive me, but there is a wide variety of areas. There were certain themes that we were informed beforehand would be discussed, and we felt that the people here today were the right people to answer those questions. There is obviously a vast amount of work that goes on across the whole business, so I might not have all that information with me, but if I don't I can get back to you.
- Q82 **Stewart Malcolm McDonald:** There is a Facebook group that has about 16,500 people on it, who are owners of the models affected.
- Helen Foord:** We are aware of the existence of the group. It is a closed group.
- Q83 **Stewart Malcolm McDonald:** Yes. Have you had much engagement with them? Have you tried to reach out to them specifically?
- Helen Foord:** Yes. I believe our customer care director is in contact with the team. They are in discussions with them as we speak about a possible meeting soon.
- Q84 **Stewart Malcolm McDonald:** I want to ask a more general question. You have a problem with the Zafira model. As the Chair mentioned, you have a problem with Corsas. Thinking of the industry more widely, there



HOUSE OF COMMONS

is the Volkswagen emissions scandal and there are problems with just about every manufacturer at the minute, including Renault and Peugeot. You name it and there seem to be problems. I would go so far as to say that the reputation of the industry is probably at the lowest point it has ever been. How do you see the industry gaining back public trust, given all the scandals that exist in different manufacturers, including yourselves?

Chair: How are you going to get public trust back? Is that something that troubles you?

Elvira Toelkes: Every safety recall is a very severe issue. Giving it a lot of attention in order to get it fixed is a very important point. Unfortunately, we cannot turn the clock backwards. However, the question is really how we can learn quickly and make sure that any new project or car that we bring out will learn from history. We must make sure, if there is risk associated or where we get the first incidence of any risk, that we quickly take diligent action and investigate the situation. We must take action in order to correct things in case there is an issue. Of course, you might debate what “quickly” is and how much emphasis we put on it. I can assure you that safety is our absolute first priority in the company. We have put the safety of our customers and employees at the top, as well as the safety of our business partners. For instance, at the start of each board meeting we put safety at the top of our agenda. That gives us the opportunity to raise issues, take decisions quickly and really execute them.

Q85 **Chair:** Mr Berenz, do you have anything to add? What should you do differently now?

Thomas Berenz: What Elvira has said is absolutely right. In addition to our culture, we introduced a “Speak up for safety” programme, so that every employee can raise safety issues to a specific board. It is documented and will be followed up in the safety arena.

Q86 **Chair:** But what about the problem that you are now facing? You have two models with fires, where drivers and passengers are frightened. Should you be doing anything different now to restore confidence?

Thomas Berenz: We always try to drive that as fast as possible. When we are taking decisions on recalls, we do not necessarily wait until we have defined the final root cause. If we have measurements in place where we can minimise the risk to our customers, we go out and start the recall. Then we go back in the second wave to fix the problem finally. Of course, that causes inconvenience to the customers but we are doing it to protect our customers as much as possible.

Chair: We must close the session now. We will write to you for the further information we require. Thank you very much for coming.

Examination of witnesses



HOUSE OF COMMONS

Witnesses: Gareth Llewellyn, Peter Hearn and Andy King.

Q87 **Chair:** Good afternoon and welcome to the Transport Select Committee. Could you give your name and position, please?

Peter Hearn: I am Peter Hearn, operations director for DVSA.

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

Andy King: I am Andy King, head of enforcement at DVSA.

Q88 **Chair:** We were told last time that you were surprised at the length of time timetabled by Vauxhall for the Zafira recall. Have you done anything about making that quicker and more effective? What have you been doing about the problem?

Gareth Llewellyn: We went through about 75,000 vehicle identification numbers and matched them up against the MOT register for Vauxhall. We concluded that there were about 12,500 Zafiras outside MOT, so they do not have a valid MOT at the moment—some of them only just, but some by a very long way. We have also identified another 5,500 where they have no MOT history, maybe because they were taken abroad when they were first registered. We tried to slim down the number that we believe are active models on the road at the moment to enable Vauxhall to focus their marketing campaign.

We are a little concerned in that space, because a number of the letters that were originally sent out have been referred back to DVLA. DVLA was not part of the original process. What has come about as a result is, we believe, that the mail merge undertaken by Vauxhall was not done successfully on some occasions, and the letters did not end up with the right people. We are currently talking to them about how they might rectify that position to ensure that the right owners get the letters suggesting that their model should be recalled.

Q89 **Iain Stewart:** In the previous session, I tried to get some detail as to what an insurance company will examine when it gets a claim for a car that has gone on fire. I still do not have a proper answer as to what checks it would do to identify what is causing the fire and, if so, how it might then be relayed to yourselves or to the manufacturers that there is a pattern developing that needs to be investigated and rectified. What is your position on that?

Gareth Llewellyn: We have applied to the Association of British Insurers for access to the motor industry anti-fraud and theft register. We do not understand quite what is involved in that register at the moment. That may give us a better insight into the sorts of information that the insurance industry holds and the sorts of thing they are looking for. We can then map that on to where we think certain safety recalls are, to answer the question as to whether there should be some central register



of issues that affect vehicles. Until we have sight of that register, it is rather difficult to comment at the moment.

Q90 Iain Stewart: Is that investigatory work done at all, and the insurers are just not releasing it, or do they need to put in place a better system for following up? I find it strange that they would write cheques to their policyholders without properly investigating the cause. If there is a pattern developing, it should be translated to yourselves and the manufacturers. Are you aware that the work is being done and they are withholding it, or do they need to take additional steps to investigate?

Gareth Llewellyn: I cannot really comment on the level of investigation that insurers go to on these vehicles, but I would hope the information is on that particular register. That is why we have asked for a copy of it. Once we have evaluated it, I can probably answer the question in more detail.

Q91 Iain Stewart: Are the insurers giving you any reasons why they are not sharing that with you currently?

Gareth Llewellyn: No, not at all. In fact, our sister organisation, the DVLA, has access to that already. It is just a matter of process, I think.

Q92 Iain Stewart: Have you any indication when you might get access to that?

Gareth Llewellyn: I have not, no.

Q93 Iain Stewart: Do you think it is imminent?

Gareth Llewellyn: I imagine it is imminent. If you are asking whether there are any road blocks to it, I do not think there are.

Q94 Robert Ffello: I have a number of different points. Obviously that particular database will be useful. I understand that a number of the fire and rescue services use a fairly basic incident recording system that does not have the capacity to ask for additional information. A number of them use their own in-house systems. I understand that a number use 3tc software, which can get a lot more information about the reason for fires and whether they are arson attacks, whether there is a criminality element or indeed whether there seems to be some problem with the vehicle itself. Have you had any conversations with what is now, I guess, the Home Office about fire and rescue services being able to have a database that they use properly to record that information and that gets fed through to yourselves?

Gareth Llewellyn: To my knowledge, we have not had those conversations with the Home Office. What this highlights is that there is a number of databases around and general co-ordination of them would be a good thing in trying to identify the true root cause of those fires and to provide greater information to the public.



I stress that my slight worry about that is that we are not getting to the true root cause. The failure of a resistor is an initial cause. If you track back and understand why that resistor failed, you have to ask why somebody had to manipulate it in the first place. They had to manipulate it because the resistor was failing. It was failing because the blower motor was not blowing enough air across it. The blower motor was failing because it was being corroded, and the root cause is water ingress. It is having enough information about the systemic failures to work out what you should actually be solving in the first place.

Q95 Robert Ffello: Indeed, but if you do not actually see the start or the end of the process—depending on which way you look at it—in terms of the fire and work backwards to what caused it in the first place, and if you have no way into that problem, you have no way into the problem. Yet there are processes, at least in theory, already in place that could be brought together, and data that could be gathered, to ensure that no further families ever have to have the appalling situation of their car in flames around them. The data is either out there and not being captured, or out there and being captured but nobody is doing anything with it.

Gareth Llewellyn: I accept that there is probably more we can do to corral data from a variety of sources to give us a better picture as to where the initial causes are, at least.

Q96 Robert Ffello: Changing tack slightly, if the owner of a Zafira or a Corsa, or indeed any other model of car that has been subject to a recall, says, “It’s a safety recall but I’m not going to bother,” is it correct that there is nothing in place to require them to do that work? Even if it is a safety-critical issue that could either cause loss of life at one end of the scale or snarl up a motorway with a fire that causes the carriageway to be blocked for hours on end—unpleasant through to life ending—there is nothing to stop somebody doing that, is there? There is no process within the MOT system to say, “There has been a safety recall on this model of car. Have you had it done? No, you haven’t. You can’t have your MOT certificate.”

Gareth Llewellyn: You put your finger on a flaw in the system at the moment. It is something that we are going to solve in the very near future. By the end of this financial year we will be launching our MOT reminder service. All of you who have cars will be reminded when your MOT is due. Attached to that will be a reminder, “Please talk to your garage about whether there are outstanding safety recalls on your vehicle.” Hopefully, that will get to people where maybe the record has been lost in the system as to where they are located, transfer of ownership and so on. The second phase in the revamp of the MOT system is that, if you have not had the safety recall completed on something that is very safety critical, you will not be given an MOT.

Q97 Robert Ffello: Presumably it is simple to do that, apart from any possible legislative changes that might be required. You book in through a computerised system. I would have thought it was fairly



HOUSE OF COMMONS

straightforward to say, "These are the recalls that have been associated with this type of car."

Peter Hearn: You could link it to different databases. Obviously it would be an automatic process that would not allow intervention by an individual, so it would preclude a test certificate being issued.

Q98 **Robert Ffello:** Finally on that point, there is the issue of where a resistor, in this case, has been bypassed with a clip, a bolt, a screw or whatever it may be. Has the DVSA thought about a process whereby the owner of a vehicle is required to tell the MOT inspector that there has been a repair done on a part of the car? I put my hands up. I do not tend to use dealer networks because they are damn expensive, but I like to think the mechanic I go to is a very competent mechanic. If you have either done the work yourself or gone to a mechanic, should there be a requirement within the MOT system to say, "I have had some work done on the brakes, on the suspension or whatever"? As part of the MOT system, and perhaps as part of the review that you are doing, should there be a requirement to have that piece inspected, even if it is not normally part of the MOT certification process?

Gareth Llewellyn: The IT system we have at the moment is all based around the existing MOT process, as you know. There is much potential for it to be used for passing information back to customers about how to keep their vehicle safe, but also to collect more information from the garage network about things they find on cars that may indicate that there are unusual solutions or emerging safety recall issues as well. In the next phase of the MOT development, we are, effectively, trying to provide more information to customers, but also to gather more information on the overall safety of the network.

Q99 **Robert Ffello:** What is the timeframe for that piece of work? When could we expect to have an all-singing, all-dancing MOT system?

Gareth Llewellyn: We have just come out of what is called MOT phase B, which was for a couple of years. We are about to approve MOT phase C, which will be before the end of the financial year. It is a three-year programme of work across a whole variety of features.

Q100 **Robert Ffello:** By 2020 we might, hopefully, see a proper system?

Gareth Llewellyn: If it is prioritised last, yes. Hopefully, if it is prioritised early, it will be there early.

Q101 **Huw Merriman:** I have one brief point following on from Mr Ffello, before I ask my question. At the moment, the vehicle tax internet system works such that, if you do not have an MOT, you cannot get tax. Does that mean you will wrap in the concept Mr Ffello was talking about, and that, if you don't have your vehicle defects sorted out, on the same basis you will not get your tax either?

Peter Hearn: That is an opportunity. It is a database set that would link with what we do now, and it would automatically process that without



HOUSE OF COMMONS

any intervention from the test. It would not need the test to make a decision. It could all be automated, I would imagine.

Q102 Huw Merriman: It links to the question I want to ask. Listening to the previous panel, they seemed to suggest that the answer could perhaps lie with the insurers doing more. I have just read the insurers' letter to the Committee, which states that they could not see any circumstances where they would not give the manufacturers access to the vehicle if they asked. It seems to me that there is a bit of ball-passing. Do you work on the basis that, if there was more regulation involved, there could be some way of forcing the insurers to make sure that the vehicle is made available to the manufacturers, forcing the vehicle owner to take action if they are not on the recall list, as we have just discussed, and ultimately putting the matter back to the manufacturers? It seems that at the moment it is a bit lax. I would be interested in your views.

Gareth Llewellyn: It is true to say that at the moment our code of practice lacks teeth a little bit. The vast majority of manufacturers we deal with in safety recalls—we deal with about 330 a year—go under the radar and are managed extremely well by the manufacturers. The work gets done and the cars go back on the road safely.

There are a few outliers, some of which we are dealing with at the moment. There are plenty of opportunities for a level of regulation that encourages manufacturers to do a better job. If you compare us with some of our peers in Europe, in Germany, as was mentioned earlier, after three letters the regulator goes in, takes the registration number off the car and you cannot drive it. At our peer in the Netherlands, for administrative failures the fine is €800,000, a potential one-year cessation of trading or two years' imprisonment. We do not have any of that at the moment.

Q103 Huw Merriman: Do you think there is a role for giving the DVSA more teeth in this area? I note that Nissan Navaras are on the front page of the papers because they have recently, effectively, been splitting in two, which is incredibly dangerous. We have heard about Toyota Prius and Vauxhall. We seem to be hearing more and more about this. It is almost down to each manufacturer as to the action they wish to take. I understand that there is a requirement under the DVSA code of practice for manufacturers to contact you. Should you be in a position to invoke the recall on a reasonable suspicion?

Peter Hearn: We always welcome a voluntary approach with manufacturers, but clearly, as we have said, we are lacking some teeth and we may want to look at compulsion in the future when we do not get a response or when we are not satisfied. We would like to be able to take further action and expedite some of the road safety risk.

Q104 Huw Merriman: Has your view changed in light of the incidents I have just mentioned? It feels as if there is a bit of a space right now for somebody to take action, so that the ball cannot continuously be passed.



Gareth Llewellyn: I will deal with the Navara one specifically. The General Product Safety Regulations were designed around failures in the design and construction of a vehicle. We believe that is corrosion over a period of time and that those issues, particularly the chassis status, would be picked up in the MOT process. We would expect it to be picked up generally through that. There is a question as to whether those particular vehicles have had MOTs, but that is the space for that type of issue, unless we get evidence that it is a design failure, in which case it comes back to the code of practice.

In terms of what we could do next, there are probably three levels. We have learned a lot from the process over the last year, so the revision of the code of practice, with SMMT's involvement, is a good step forward. We have already proposed that, so we will be kicking it off fairly shortly. The second level is around what regulatory powers we have in the context of the code of practice. At the moment, we do not have any, and that needs to be improved to be able to chivvy along some of the manufacturers that are not getting to where we need to be. Ultimately our goal is making sure that there are no unsafe vehicles on the road. The final bit is that, while we are an enforcement authority in many areas, we are not an enforcement agency as far as the General Product Safety Regulations are concerned. The final ability to take an organisation to court is not there at the moment.

Q105 **Chair:** What are the most important powers you would like to have that you do not have now?

Gareth Llewellyn: At the moment, the code of practice is a bit silent on timescales. Our focus is on making sure that the safety remedy is expedited as fast as possible, so that people are not put at risk. Being able to ensure that manufacturers speed up the safety recall process is a pretty clear one, as well as making sure that the administration around that is as robust as possible so that it does not create the problems we have seen on this particular issue. Clearly, if there is a lack of willingness to solve the problem, we need to take it one step further. As I said, our colleagues in the Netherlands have far greater power in that regard than we do.

Q106 **Chair:** What powers do they have that you would like?

Gareth Llewellyn: They can cease trading; they can compel a manufacturer to cease trading for 12 months. There is a two-year prison sentence for some components. For administrative fines, it is up to €800,000, so they are quite stringent.

Peter Hearn: The process in Germany is about removal of the registration plates, so if you go down the avenue of trying to correct something and people do not take any notice, you remove the road safety risk by stopping the vehicle being licensed and registered.

Q107 **Chair:** Are you seeking all those powers?



HOUSE OF COMMONS

Gareth Llewellyn: They would certainly make the system more robust, bearing in mind that, as I said, the vast majority of safety recalls we deal with work perfectly well under the code of practice at the moment.

Q108 **Robert Ffello:** I suspect that almost everybody in this room will have come across some really good mechanics and some perhaps questionable ones. If you were able to identify mechanics who should not be touching cars or coming anywhere near them, would you like powers that would stop somebody trading in that way?

Gareth Llewellyn: We already have those powers. We already remove testers and examiners from garages under the MOT system and we publish that information on gov.uk.

Q109 **Robert Ffello:** But that is people doing the MOT test. I am talking about somebody in a lock-up garage tucked away somewhere in London fixing cars for a few quid, and what they are doing is dangerous. A member of the public might go to them and hand over money in good faith, thinking, "They're very cheap," but not ask why.

Peter Hearn: It is a challenging area, but if you look at other industries they have things in place. The gas industry is a good example. You have to be registered and have a certain level of education and understanding of what you are doing. You have to pass certain qualifications to get to that level. There is clearly a road safety risk in a mechanic not knowing what he is doing and not repairing a vehicle to a safe standard.

Q110 **Robert Ffello:** But at the moment it is just buyer beware really, isn't it?

Peter Hearn: We do not have that power.

Q111 **Robert Ffello:** Would that be something that might be useful in the future, once the database is working in a better way, to identify where problems arise?

Gareth Llewellyn: I sense that it would give the public more confidence if they knew that the mechanic working on their car had achieved a certain status and level of qualification within the industry, yes.

Q112 **Chair:** How many vehicle recalls are you handling at the moment?

Gareth Llewellyn: A lot. It was 333 in the last year, involving round about 1.7 million vehicles. On average, we get one or two a day, which is quite a considerable workload.

Q113 **Chair:** How many of those involve fires?

Gareth Llewellyn: Over the last 10 years, I think we have had about 1.1 million vehicles recalled because of fire issues more generally. That can be engine fires, electrical fires and unknown causes.

Q114 **Chair:** What about now? How many of the recalls you are involved with now relate to fires?



HOUSE OF COMMONS

Gareth Llewellyn: I do not know the details of the number across the fleet at the moment. In the context of Vauxhall, we are dealing with fires on five models at the moment.

Q115 **Chair:** Five models?

Gareth Llewellyn: Yes. Zafiras, Corsas, Mokka, Antaras and Movanos.

Q116 **Chair:** Is it unusual to have five models at the same time?

Gareth Llewellyn: It is a bit unusual from one manufacturer. Part of the feature is that we are having multiple recalls on the same model. Last year, we had seven recall recalls, if you see what I mean. Four were with Vauxhall. There are some unusual characteristics about the particular incident we are talking about.

Q117 **Chair:** Mr Hearn, did you want to add to that?

Peter Hearn: In both of the Vauxhall recalls we are talking about—the Corsa and the Zafira—they have been recalled twice for corrective action, and in some cases different corrective action was taken both times.

Q118 **Robert Ffello:** Can you clarify which other manufacturers have recall recalls going on?

Gareth Llewellyn: Volvo, Chrysler and, forgive me, the third one has disappeared from my mind.

Robert Ffello: When it pops back in, tell us.

Q119 **Iain Stewart:** I am quite alarmed by what you have just said about the volume of recalls. I appreciate that each individual recall will be down to a specific component or design, but is there a wider issue about the quality of design of cars that is leading to such a large increase in the volume of recalls? Are manufacturers cutting corners to keep costs down? Is there a wider issue that we should be looking at?

Gareth Llewellyn: I cannot give you a definitive answer. If you look at the code of practice, a big component of it is around early notification. We get a large number of manufacturers who tell us very early about things that are emerging and that they want to get on top of quickly and solve. That is one of the reasons why the vast majority of safety recalls go well underneath the radar. It is because a manufacturer has picked it up. Not every manufacturer looks at that early warning system and tells us early enough, and we end up having to chase for information when we hear it from third parties, and so on. I would not say that it was necessarily always down to worsening standards. Sometimes it is down to the fact that we are getting more information earlier on. Land Rover was the other manufacturer.

Q120 **Stewart Malcolm McDonald:** I am quite shocked by some of what you have just said. Thinking of the Zafira models at the minute, I understand that it was not the manufacturer who informed you, but instead it was customers themselves. That does not seem right. Do you have any power



HOUSE OF COMMONS

to stop manufacturers doing that? Surely they should have to tell you. You should not have to find out from customers.

Andy King: At the moment we are discussing with Vauxhall a number of reports they have come to us with, and flagged on 13 January, on the ECC Zafira model. They have a couple of reports and we have received a report from a member of the public. We are now pressing Vauxhall for further detail on their investigations into the reports of those fires. We press manufacturers for that information.

Q121 **Stewart Malcolm McDonald:** Am I right in saying that you found out about that from a member of the public first?

Gareth Llewellyn: With Zafiras, yes, we did.

Q122 **Stewart Malcolm McDonald:** How much time passed between that report coming from the member of the public and Vauxhall getting in touch with you? Have they told you why they did not contact you?

Gareth Llewellyn: I think it was about four or five days after we sent them the information that we had notification of four fires on Zafiras back in 2016. We have had conversations all the way through the process about when they knew about certain aspects. We are still trying to resolve some of those features. It is down to what is "early notification" in the minds of some manufacturers rather than others. On balance, about 80% of the safety recalls come directly from the manufacturer and 20% of the information comes from third parties and our market intelligence. Ideally, the sooner we know about it, the more we can solve it.

Q123 **Stewart Malcolm McDonald:** Do you judge that they did not come to you early enough in this case? Is it your interpretation that it was not early enough?

Gareth Llewellyn: Yes. To be honest, if we find out through a third party it is never early enough, is it? You would hope that the manufacturer would flag it up to us very quickly.

Stewart Malcolm McDonald: I agree.

Andy King: We continue to press Vauxhall on this particularly. One of the issues that is emerging is that some of the decision making, in terms of when Vauxhall classify an issue as a safety defect issue, comes from Opel in Germany. Vauxhall in the UK has said that that is a decision that sits elsewhere.

Q124 **Stewart Malcolm McDonald:** Is that unusual? Can you think of other manufacturers from around the world?

Andy King: The structure between the UK and Europe is not necessarily in itself unusual. What is potentially of concern is how quickly information comes to us from the manufacturer or the producer and distributor.



Gareth Llewellyn: It is very clear in the code of practice that if you have a parent company you are to tell them of the early notification system in the UK. It is very clear.

Peter Hearn: We welcome any dialogue at an early stage, even if it does not result in a recall.

Q125 **Stewart Malcolm McDonald:** Of course. You may have heard me earlier mentioning to the previous witnesses that there are examples of people telling Vauxhall about the issue, and they were, effectively, ignored and told, "It's not an issue; go away." What would you say in a case like that? Do you have any power to take that up with Vauxhall and impose anything on them?

Peter Hearn: On every occasion when that is reported to us, we would take it up with the manufacturer.

Q126 **Stewart Malcolm McDonald:** When that is proven to be the case, can you do anything or is there another agency that can do anything?

Gareth Llewellyn: In terms of ability to take enforcement action, as I mentioned earlier, we have very limited powers. We can provide information to trading standards bodies for them to take action. We pass all the information on with very strict guidance to the manufacturer about what they should do about it. A great example is that we had a report that a car had been sold at a particular garage after the recall had been launched. It was sold with an invoice that very clearly said there were no outstanding recalls, but that clearly was not true. Our staff visited the garage to understand that system, and then passed the information straight back to Vauxhall saying, "Make sure that change is made very quickly."

Q127 **Stewart Malcolm McDonald:** How would you say Vauxhall has handled this? From your point of view, what would be the top things you wanted it to take away, learn and never do again?

Gareth Llewellyn: The most important one for me is early notification. We are not going to take regulatory action or any enforcement action if an organisation comes to us and says, "We think we have a safety risk and we are trying to get on top of it as quickly as possible; work with us." We would be very collaborative in that regard. That has not happened. It does with most manufacturers. That is probably the first thing.

The second thing is just to be open. As understanding about why something has failed changes, tell us. Every time we have had a fix, it appears as though it is the final fix. If they had just come to us at the start and said, "We can't fix it permanently but we are going to introduce this fix to try to remove some of the risk while we build up a stock of parts to do the whole fix," that would have been a very different story from having fix on fix on fix.

Q128 **Stewart Malcolm McDonald:** There were some other examples



HOUSE OF COMMONS

mentioned by Mr Merriman—I mentioned some myself—about issues with different manufacturers having different safety problems. More generally, how can the DVSA help the industry salvage itself from what seems to be episode of crisis after episode of crisis? How can you help save the industry from itself? Essentially, that is my question. What is your role more widely?

Peter Hearn: Early dialogue is critical to get confidence back.

Q129 **Stewart Malcolm McDonald:** But you obviously need more teeth, don't you? I am not blaming you guys, to be clear, but you obviously need more teeth.

Peter Hearn: We said earlier that there are areas where we could put some teeth into this.

Q130 **Chair:** How important do you think it is that you get the extra powers you were talking about?

Gareth Llewellyn: The code of practice has not changed for a long time. We need to review that, but we are being more rigorous in the way we tackle some of the issues. I know that has been interpreted by certain parts of the industry as changing the code of practice, but we are not; we are just being more rigorous about the way we implement it. Beyond that, clearly for the outliers—as I said, most safety recalls get dealt with very easily—those powers will be essential to make sure it does not happen again.

Q131 **Martin Vickers:** Mr Llewellyn, a minute or two ago you said that most manufacturers are co-operative, shall we say. That implies that Vauxhall, not just in this case but more generally, is not so co-operative. Would that be fair criticism?

Gareth Llewellyn: There is no doubt that we have had to chase an awful lot of information that we believe exists to try to understand how big this safety risk is. For example, on the Zafiras with electronic climate control, we know that there were a number of fires. We have asked for information about what Vauxhall's understanding is of that fire. It is waiting until it has completed its formal investigation, but of course that means there is still risk out there. The earlier we have that information, the better. We are chasing on a number of fronts to try to understand what the total risk is, so that we can work with it to try to remove that risk from the public.

Q132 **Martin Vickers:** The fact that you have just said there is still risk out there answers the question I put to the previous panel. There are people driving Zafiras who are indeed still at risk. Are you wholly satisfied that the company is now co-operating and doing its very best to ensure that those vehicles are identified?

Gareth Llewellyn: The sheer fact that we are still asking questions shows that I am not entirely confident in that space. What we have heard over the last year or so has put us in that space, but we are constantly



HOUSE OF COMMONS

pushing them for answers to our questions, so that we can understand how big the remaining risk is.

Q133 Robert Ffello: A moment or two back, if I recall correctly, you said that most recalls went below the radar and nobody particularly noticed they were happening. Is that just because there were a very small number of vehicles affected, or is it because, as seems to be the case, although I have never seen evidence one way or the other, some manufacturers—perhaps the so-called premium manufacturers—offer things like a free service and when the car is in for its free service they do the recall so that nobody, particularly the customer, ever finds out that they were actually part of a safety recall? Is that what you had in mind, or is it something different? What is going on?

Gareth Llewellyn: There is a very long answer to that, but I will give you a rather short one. The vast majority of safety recalls take place within the warranty period, before a car gets to MOT. By nature you would take your car to a franchise dealer. That dealer would know, effectively, from its owner that it had a problem and would deal with that as part of the normal course of events. You would not see it because it would be dealt with very quickly. As we know, in the Zafira case the vast majority of those models were outside warranty and outside the period for which you do not have to have an MOT. The situation is somewhat different.

Q134 Robert Ffello: I take it from that answer that, yes, there are all sorts of ways that different manufacturers often get safety recalls done but the customer may never know that they have been subject to a safety recall.

Gareth Llewellyn: Yes.

Q135 Huw Merriman: The panel of GM representatives, in answer to a question I posed about whether they had contacted other manufacturers, seemed to be telling me that they had not. Is that a common issue? Do manufacturers tend to liaise with you but perhaps do not alert other manufacturers that there might be a potential issue? Is that something you think is acceptable?

Peter Hearn: I think they mentioned that we would use the RAPEX system. That is how we would make sure that it gets out so that as wide an audience as possible right across Europe understands what the recall is about. The various people involved in that recall process can obviously make a judgment as to whether anything in their area is affected as well.

Q136 Huw Merriman: Are they proactive enough? All manufacturers have an interest in making sure that there is confidence in the system. You would have thought they would find some way for their senior engineers, or for some body across the industry, to discuss these matters or have an open outlet for dialogue and information. Is there not that culture in the motor manufacturing industry? They just refer to a supplier or to you and all of a sudden they have done their job. It does not seem very collaborative.



HOUSE OF COMMONS

Peter Hearn: There seems to be a lot of concern about competitiveness and sharing secrets in each other's world. That seems to get in the way sometimes. It is obviously very difficult for us, not understanding who the component manufacturers are, to contact somebody if we do not even know they exist. You have to go through the manufacturer, and then speak through whatever channel is possible with whoever is making the components if that is the issue.

Q137 **Huw Merriman:** On the one hand I can see the issue about sharing intellectual property, but there is also another way you can look at it, which is bearing bad news. When it comes to something as fundamental as safety, I am taken aback that the industry does not seem more collaborative. Again, it does not give me much confidence that they can sort their own issues out if they are not willing to be open and discuss it with others to say, "We have found this issue and you might just want to have a check." They do not have to do anything more than that; they only have to deliver their part. I find it very worrying. I also find it worrying that we received assurances from them six months ago that they would do what I mentioned that afternoon. Then they came back and said that they were not doing it. They just seem to make it all up as they go along.

Peter Hearn: Our role is road safety, so the quicker we remove that road safety risk the better, and we would expect anybody to expedite that through whatever channels they possibly could. Ultimately, without that, there is still a road safety risk out there, and we do not want it to continue longer than necessary.

Q138 **Chair:** Do you share your concerns with the VCA—the Vehicle Certification Agency—so that faulty or dangerous design can be linked to vehicle certification?

Gareth Llewellyn: We do share our concerns. We have a very close working relationship with VCA. We are in the process of establishing what we call a market surveillance unit to tackle the Volkswagen issue. That is a joint initiative between us and VCA. The relationship is very good. We know that they value our information and feedback for type-testing for vehicles before they come on to the market.

Q139 **Stewart Malcolm McDonald:** We talked about the powers you guys do not have, rather than the ones you do have. Could you talk to us briefly about resources? There seemed to be some concern previously when you were at the Committee about the cash resources you have and what you could do with them. Could you give us an update?

Gareth Llewellyn: As you know, DVSA is a trading fund. The vast majority of our income does not come from the Government. This area is funded by what we call the single enforcement budget. It is probably one of the only areas that the Department for Transport funds in this space. We are about to publish our five-year strategy. Part of that strategy is to become self-financing. We are talking to the Department at the moment



HOUSE OF COMMONS

about how we do that, and therefore what changes need to be made to penalties, fees, charges and so on to enable us to do that.

I come from a world where the polluter pays—the environmental space. That is just as relevant here as well. We are trying to work through that with the Department at the moment. I do not have any worries about financial resources at the moment. People resources are always a challenge. I am immensely proud of the people who work for DVSA. They do some very difficult jobs in some very difficult circumstances.

Q140 Stewart Malcolm McDonald: How many people would be working on all the recalls you have?

Gareth Llewellyn: It is administered by a team of seven at the moment.

Q141 Stewart Malcolm McDonald: Seven?

Gareth Llewellyn: But they sit within our enforcement arm, which has 1,000 people. We have taken the enforcement arm out of core operations and it reports directly to me now.

Peter Hearn: Since we were last here the organisation has changed, and that gives it more resources if required and more opportunity to expand that if necessary.

Q142 Stewart Malcolm McDonald: Seven seems a tiny amount for all the recalls you mentioned earlier.

Andy King: We are currently evaluating that in terms of what more resource we may need to ensure that we drive compliance in the way we want to and that, as we look to deal with some of the issues emerging from this particular issue with Vauxhall, we have adequate resource to do both that and enforce—

Stewart Malcolm McDonald: Some MPs have more than seven members of staff.

Gareth Llewellyn: Perhaps you could lend me some.

Chair: I don't know who they are.

Stewart Malcolm McDonald: Not me.

Q143 Robert Ffello: As an observation on an earlier answer, I absolutely welcome the polluter pays type of approach, particularly with heavy goods vehicles, for example; there is a wholly inadequate fining system for somebody who has four brakes that do not work on a trailer and only gets a £100 fine. That is appalling, so good luck with that one. It would be nice to see the draft of your document at some stage.

My question is this. Types of vehicles are now changing and we are looking more and more at electric vehicles. I am already hearing of recovery operators going to repair or load an electric vehicle and being faced with a potential 50,000 volt shock. What work is being done looking



HOUSE OF COMMONS

at that, both now and for the future, in terms of the unique aspects of risk around electric vehicles? How is that likely to shape up?

Peter Hearn: We work with a variety of people across the Department for Transport and other colleagues, such as the VCA, to try to understand that. Obviously, every vehicle that comes on to the road will be MOT tested three years later, so we have to be ahead of that. We are constantly looking ahead. Only last week we were looking at autonomous vehicles. Things are going to change, and at some point we will remove the driver. How does that work and how will that interact in our world? We are constantly reviewing and constantly looking at it. Obviously, we have to plan ahead because we have a network of testing stations that will have to test those vehicles at some point. We need to integrate them in the test in due course.

Q144 **Robert Ffello:** It is early work in progress?

Peter Hearn: Yes.

Chair: Perhaps that is a topic for another inquiry. We will conclude. Thank you very much for coming.