

Competition Commission

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By email only

Bob.Gibbons@cc.gsi.gov.uk

Katie.Passingham@cc.gsi.gov.uk

Dear Mr Witcomb

From: Tony Lowe RMI Board Member

15 October 2012

tony.lowe@rmif.co.uk

cc: graham.threlfall@rmif.co.uk

Private Motor Insurance: MARKET INVESTIGATION

Thank you for your letter dated the 1st of October outlining the procedure going forward. Enclosed (Annex 1) in italics is a copy of the latest letter we sent to the Oft for your reference and we reiterate the contents contained within. We feel there is still a considerable amount of work required to be undertaken before a fuller understanding of the way the market operates can be achieved. Once this has been completed informed outcomes will determine what can be done to make positive change within the sector that we would like to see bring benefits for all stakeholders.

I'm also enclosing the text of the press release that we issued following the Oft announcement to refer to the Competition Commission (Annex 2) for your reference as you may not have this on file.

We commit to supporting your team in any way shape or form that we can over the ensuing months so please don't hesitate to contact us at any time.

Meantime we will await hearing from you in due course.

Yours Sincerely

A.P Lowe

AMIMI MloD

RMI Board Member (representing the National Association of Bodyshops)

Annex 1

Contents of letter to Oft 3rd of July 2012

The National Association of Bodyshops (NAB) is a Division of the Retail Motor Industry (RMI) a not for profit trade association that has been providing guidance and support to its members since its formation in 1913.

NAB is extremely supportive of the findings contained within the report and formally commends the efforts of Oft staff who have demonstrated their desire to quickly embrace these immense and diverse market issues.

We are pleased that it has been identified that there is no “quick fix” to the sectors issues and are grateful that all have seen fit not to apply any knee jerk response that in our opinion could be more damaging without being fully thought through.

NAB has made various submissions to assist with the call for information and feel it’s imperative that further investigation by the Competition Commission is required as we feel that there are other influences and aspects that have not yet been fully researched at this stage.

NAB would like to commit our total support and assistance towards providing a solution to the concerns raised with the ultimate desire of an outcome that provides a sustainable service provision that will safeguard the ability to provide consumers with a safe quality accident repair to the ever more complex motor vehicles of today and the future.

Annex 2

RMI press release dated 28th September 2012

“The RMI’s National Association of Bodyshops (NAB) welcomes the OFT announcement that it is referring the private motor insurance market to the Competition Commission for investigation” said Tony Lowe, RMI Board Member and NAB Executive Member

The OFT has decided to refer the market to the Competition Commission after a market study gave it reasonable grounds for suspecting that there are features of the market that prevent, restrict or distort competition. The NAB were involved in this market study, providing evidence collated from their members which suggested many motor insurance companies take part in aggressive business and tax practices that ultimately lead to consumer detriment and a commercial advantage to that motor insurer.

Lowe continued “The NAB has long campaigned for the removal of business practices which have created a dysfunctional market for our members.

“The evidence we provided to the OFT included information on practices which restrict choice, the removal of which will increase the quality and value of our members’ services to the consumer, whilst correcting misconceptions in media comment relating to repairers businesses.

“Whilst the decision to review the market is positive it is important that steps are taken to ensure that there is a long term solution in place. We support the ideal of the sector looking to self-regulate overseen by a watchdog which we feel would have a longer term positive effect rather than the route of Government regulation.”

ENDS

NOTES TO EDITORS: Tony Lowe is available for interview. Please contact the press office to arrange.

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The Retail Motor Industry Federation represents the interests of operators in England, Wales, Northern Ireland and the Isle of Man providing sales and services to motorists and businesses. The RMI has a formal association with the independent Scottish Motor Trade Association which represents the retail motor industry in Scotland.