House of Commons
Transport Committee

Vauxhall Zafira fires: Government Response to the Committee’s Tenth Report of Session 2016–17

First Special Report of Session 2017–19

Ordered by the House of Commons to be printed 30 October 2017
Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Transport and its associated public bodies.

Current membership

Lilian Greenwood MP (Labour, Nottingham South) (Chair)
Ronnie Cowan MP (Scottish National Party, Inverclyde)
Steve Double MP (Conservative, St Austell and Newquay)
Paul Girvan MP (Democratic Unionist Party, South Antrim)
Huw Merriman MP (Conservative, Bexhill and Battle)
Luke Pollard MP (Labour, Plymouth, Sutton and Devonport)
Laura Smith MP (Labour, Crewe and Nantwich)
Iain Stewart MP (Conservative, Milton Keynes South)
Graham Stringer MP (Labour, Blackley and Broughton)
Martin Vickers MP (Conservative, Cleethorpes)
Daniel Zeichner MP (Labour, Cambridge)

Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/transcom and in print by Order of the House.

Evidence relating to this report is published on the inquiry publications page of the Committee's website.

Committee staff

The current staff of the Committee are Gordon Clarke (Committee Clerk), Nehal Bradley-Depani (Second Clerk), James Clarke (Committee Specialist), Andrew Haylen (Committee Specialist), Daniel Moeller (Senior Committee Assistant), Michelle Owens, (Committee Assistant) and Simon Horswell (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Transport Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 3266; the Committee’s email address is transcom@parliament.uk.
First Special Report

The Transport Committee published its Tenth Report of Session 2016–17, Vauxhall Zafira fires (HC 962), on 28 April 2017. The Government’s response was received on 17 October 2017 and is appended to this report.

In the Government response, the Committee’s recommendations appear in **bold italicised text** and the Government’s responses are in plain text.

Appendix: Government Response

The Government welcomes the Committee’s recommendations and acknowledges that there are areas in which more work can be done to strengthen existing processes and communication with manufacturers and the public.

Keeping people safe on Britain’s roads is the Driver and Vehicle Standards Agency’s (DVSA) top priority. DVSA also welcomes the recommendations as a platform to change the way safety recalls are reported and managed to increase consumer confidence and ensure public safety.

Investigations and recalls:

(Paragraph 21)

*The DVSA should seek assurance from Vauxhall that it has taken steps to learn lessons from its poor handling of this issue and must ensure that Vauxhall has put in place robust processes and systems to ensure that potential defects are properly investigated and the root cause properly identified.*

The Government welcomes the recommendation. DVSA’s priority is to keep all road users safe on Britain’s roads. That is why it is keeping this issue under close review and working with Vauxhall, other manufacturers and industry representatives to ensure the effective management of all recalls.

DVSA has instructed Vauxhall to review its recall processes. Vauxhall has assured DVSA it has carried out a review and implemented lessons learned, but the DVSA has now allocated specific account managers to every manufacturer to provide a greater level of control and oversight. The DVSA account manager is working closely with Vauxhall to provide it with advice and guidance, whilst at the same time ensuring appropriate practices and procedures are in place, and providing independent scrutiny of actions and outcomes.

The initial recall:

(Paragraph 23)

*We believe that the checks that were part of the initial recall and the amendment of the instruction to include a visual check on the blower motor clearly show that Vauxhall was concerned about corrosion in blower motors.*
We recommend that the DVSA ask Vauxhall to explain why:

- it amended its instructions to service engineers to include a visual check on the blower motor;
- its statements on the recall focused on manipulated resistors when it was clearly aware that corrosion of the blower motor was a necessary condition for vehicle fires; and
- it did not act sooner to take steps to deal with corrosion and replace blower motors (as it did in the second recall) if it knew corrosion was a necessary condition for a vehicle fire.

The Government welcomes the recommendation. DVSA is investigating Vauxhall’s management of the recall through its account management process, which includes seeking answers to these, and other, questions. This is part of an ongoing investigation and we will report back to the Committee once this has concluded.

**Fires in recalled vehicles and further investigation:**

(Paragraph 29)

There appears to be a two week period between Vauxhall knowing about the fires in recalled vehicles and it telling the DVSA about them. We can see no reasonable explanation for a delay of more than a couple of days in Vauxhall sharing this information with the DVSA. The first, and certainly the second, fire in a vehicle that had successfully been recalled should have started alarm bells ringing in Vauxhall and the DVSA. Vauxhall’s response to these fires appears pedestrian. It should have informed the DVSA sooner and both Vauxhall and the DVSA should have taken action more quickly.

The Government does not accept it should have taken action more quickly. DVSA first became aware of potential safety concerns (risk of fire) associated with Vauxhall’s Zafira B model on 20 August 2015, via a member of the public. DVSA raised its concerns with Vauxhall the same day and initiated a process that led to the ongoing series of safety recalls, the first of which was issued on 12 November 2015 for the Zafira B model.

After the first Transport Select Committee oral evidence session on 19 July 2016, DVSA obtained documentation from Vauxhall indicating that it [Vauxhall] had known of the potential fire risk associated with the heater and ventilation air conditioning system, and the heater motor resistor, as early as September 2014 but failed to notify DVSA, or consumers, and continued to distribute vehicles that posed a risk. This apparent lack of notification is one of a number of aspects of Vauxhall’s behaviour that DVSA is investigating.

DVSA has engaged in significant dialogue with manufacturers and has had initial trade meetings with both the Society of Motor Manufacturers and Traders (SMMT) and the manufacturers working group comprising representatives of many vehicle manufacturers and many classes of vehicle to improve the recall process. This includes emphasising the need for manufacturers to notify and engage DVSA early as soon as a potential risk to
consumers is identified. To ensure it is informed of safety defects at the earliest opportunity, DVSA has committed to continue these discussions by having regular meetings through which it will monitor compliance.

**Second recall:**

(Paragraph 34)

We are disappointed at the pace of Vauxhall’s response to the fires in successfully recalled vehicles. Vauxhall’s decision to continue to let people drive affected cars amounts to a reckless disregard for safety. This is particularly damning given its admission that it should have notified customers earlier. As soon as it became clear that all the causes of the fires affecting the heating and ventilation system had not been found Vauxhall should have acted; first to alert customers to the risk and offer them advice and second to get the vehicles fixed faster. In the absence of any explanation for its tardy response from the witnesses that appeared before us we can only conclude that commercial considerations and the need to avoid reputational damage were put ahead of safety; this is unacceptable and morally reprehensible.

As well as ensuring vehicles are safe to drive the Department has a role to play in ensuring the public can have confidence in any recall announced by a manufacturer. We recommend that, in its response to this Report, the Department for Transport set out the steps the DVSA has taken to ensure that the remedial action taken by Vauxhall has been effective in eliminating the risk of fires in the heating and ventilation system of Model B Zafiras.

The UK has a long established recalls process and the Department would like to reassure the committee that there is a dedicated team at DVSA to ensure that the public can easily report defects and that manufacturers adhere to their obligations.

The Government welcomes the recommendation. DVSA has taken robust steps to ensure Vauxhall has identified the primary cause of fires in the heating, ventilation and air conditioning system of the Zafira B model and has implemented appropriate actions to prevent similar failures in future.

Specifically, DVSA has:

- attended the forensic inspection of 5 Zafira B vehicles that caught fire as well as a number of other Vauxhall models and Zafira vehicles with the faults identified
- worked with Vauxhall engineers to ensure necessary investigative work was taken forward to establish the root cause of the fires and ensure there were no alternative factors involved
- ensured, where it identified concerns with other heater components, that Vauxhall carried out a thorough investigation and that any residual risk was minimised. DVSA has not been made aware, to date, by Vauxhall, other manufacturers or consumers themselves, of any fires relating to these components
- continued to engage with Vauxhall and consumers regarding concerns in relation to the electronic climate control heater system. This work is ongoing
• investigated actively 63 reports from members of the public about Vauxhall vehicles (21 about the Zafira B model), identified mainly through a the Facebook¹ group, to ensure all available evidence is collated, investigated and considered carefully

Encouraging defect reporting and sharing information:

(Paragraph 39)

The DVSA's understanding of vehicle safety defects is determined by information that comes predominantly from manufacturers. It is vital for public confidence that the DVSA is not perceived as being too close to or reliant on motor manufacturers. Other sources of data could help to corroborate and verify what manufacturers tell the DVSA and could act as an early warning allowing safety defects to be identified more quickly. The Department for Transport should do more to encourage the reporting of potential safety defects from drivers and from those with specialist knowledge, such as garages, recovery services, insurers and the emergency services. Defect reporting systems are used in other sectors and the DVSA should identify what lessons it can learn from systems like those used for reporting defects with medical devices.

The Department should convene a round table with interested parties with the aim of identifying what practical steps can be taken to share existing sources of information more effectively, raise awareness of under-reporting and to encourage more reporting of potential safety defects. The Department should submit a report on the steps it plans to take following the proposed round table to the Transport Committee by March 2018. The Government should ensure the Vehicle Safety Branch has the staff and resources it would need to cope with a higher number of defect reports.

The Government welcomes the recommendation. DVSA has undergone a structural transformation, through which it has established a new, standalone Enforcement Directorate (incorporating Vehicle Safety Branch) that no longer supports DVSA's testing activities as it used to in the past. This means there is more resource available exclusively for enforcement activities and that DVSA is now better placed to prioritise those activities where they are most needed.

DVSA will work with DfT to identify participants to take part in a round table discussion that will take place during January 2018. The discussion will identify practical steps to share existing sources of information more effectively, raise awareness of under-reporting and to encourage more reporting of potential safety defects. DVSA will report back to the Committee by 31 March 2018.

DVSA has already met wider industry twice [quarterly] to look at approaches to defect management and improvements to the recall process. The Society of Motor Manufacturers and Traders (SMMT) has been actively engaged with DVSA throughout this process and both parties are committed to a constructive and close working relationship.

¹ A group of people experiencing similar issues set up a group on the social media site Facebook to share their experiences and campaign for action
DVSA has met heavy goods vehicle (HGV) and public service vehicle (PSV) manufacturers to convene similar meetings for these industry segments. It is also working with the Traffic Commissioners to raise awareness of recalls within the HGV and PSV industries.

By working with the insurance industry, DVSA now has access to the Motor Insurance Anti-Fraud Theft Register data. This enables DVSA to interrogate data, allowing early identification of any trends in vehicle makes and model fires.

DVSA recognises and acknowledges it is important for the public to have the confidence to bring recall issues to its attention and not rely solely on motor manufacturers to do so. DVSA has made ‘recalls’ one of its main communication campaigns for 2017/18: Getting vehicle recalls dealt with quickly. Encouraging drivers to act on safety recalls, check for recalls that affect them and report safety defects to DVSA.

In its 2017/18 business plan, DVSA has made a commitment to improve the availability of online data for safety recalls to better meet motorists’ needs.

DVSA has taken steps to increase public awareness and make it simpler and easier for anyone to contact DVSA and report information. This work includes:

- releasing a monthly bulletin of vehicle recalls to attract widespread, national, regional and trade media coverage, helping inform motorists of potential mechanical problems with their vehicles.
- featuring recalls that are likely to have a widespread impact on the DVSA homepage – these will be posted when the recall is issued.
- monitoring social media, such as Facebook and Twitter, continually to pick up on trends with vehicle problems and issues with manufacturers not repairing vehicles. DVSA will take this information directly to the manufacturer to ensure action is taken.
- working to improve the vehicle recall finder service on GOV.UK, which will include non-code actions in the same finder and writing all recall information in clear English.
- exploring how it can work with Business, Energy and Industrial Strategy (BEIS) to support its ‘product recall’ campaign (https://productrecall.campaign.gov.uk/#check) and see how DVSA can use it to get its messages across to consumers.
Improving investigation of vehicle fires:

(Paragraph 44)

There will always be reasons why some vehicles cannot be examined after a fire. We believe that the guiding principle should be that the interest of the general public in ensuring vehicle safety comes before any narrow commercial interest in settling a specific claim. Vehicle manufacturers should work with insurers and owners of vehicles to ensure that as few vehicles with potential vehicle defects go un-investigated as possible, especially where the manufacturer is trying to establish the root cause of a potentially serious fault. We believe that where a manufacturer makes sufficient effort they can get access to a greater number of vehicles; Vauxhall has inspected 75% of the vehicles involved in Zafira fires since July 2016.

In seeking to increase the number of vehicles that are properly inspected after a fire, the Department for Transport should first ensure that manufacturers are making enough of an effort to get access to the vehicles. If problems remain the next step should be that the Department ensures the motor industry and the insurance industry work together to eliminate any barriers that prevent the full and proper investigation of any potential safety defect in a vehicle. If a way cannot be found to ensure that manufacturers have access to vehicles as part of an investigation, the Department should consider whether the DVSA should have greater powers to seize vehicles in order to carry out a proper forensic investigation where a manufacturer, insurer or owner was uncooperative. Such a scheme could be costly but this should not remove the manufacturer’s current responsibility for carrying out such investigations; the Department could consider how the costs of such investigations might be recovered from uncooperative motor manufacturers and insurers.

The Government welcomes the recommendation. DVSA and DfT will work with the SMMT and motor manufacturers and the motor insurance industry to assess whether manufacturers are making appropriate efforts to get access to vehicles after fires. It will raise this issue when it meets SMMT and motor insurance industry in December 2017. DVSA will report back to the Committee by 31 March 2018.

DVSA and DfT will work together to assess the appropriateness and effectiveness of the SMMT and motor insurance and manufacturer’s response. If DfT cannot be assured that manufacturers have access to vehicles as part of an investigation, it will work with DVSA to identify whether powers to seize vehicles to carry out its own forensic investigation would be an appropriate intervention, and if that were the case, how the cost of such a regime could be recovered. DVSA will report back to the Committee by 31 December 2018.

Following the Transport Select Committee hearings on 16 July 2016 and 6 February 2017, Vauxhall has confirmed that all recalled vehicles with reported fires that are still possible to inspect have been inspected; DVSA has accompanied Vauxhall engineers on a representative sample of these inspections. DVSA will continue to monitor the robustness of manufacturer inspections in all fire related recalls.
Managing recalls:

(Paragraph 46)

We are concerned that a small number of manufacturers have problems identifying the root cause of problems or require multiple recalls to resolve an issue. Clearly some defects are more complex than others to trace and solve but it is surprising to us that Vauxhall has five ongoing recalls relating to fire and that two issues have required more than one recall to resolve.

The DVSA should work with the small number of manufacturers who seem to have difficulty managing recalls to see if it can offer any advice.

The Government welcomes the recommendation. DVSA has increased and strengthened its engagement with manufacturers by introducing an account management approach. This means manufacturers now have a single point of contact providing professional support and advice. Account managers will work with any manufacturers who have difficulty managing recalls to identify and promote improvements in their recall and safety defect management processes.

DVSA has expanded its programme of full manufacturer audits and committed to a timetable of planned audits. This means DVSA will assess manufacturers’ response to recalls routinely to review and refine those responses (where necessary) to identify any areas for improvement. DVSA will share the timetable of planned audits with the Committee by 31 March 2018.

(Paragraph 54)

We welcome the launch of the MOT reminder service. The DVSA should pursue opportunities to extend this service, ensuring that vehicles with outstanding safety recalls are prevented from obtaining an MOT or being taxed. We recommend that the Department investigate how a motorist’s contact with its motoring agencies, through for example paying vehicle excise duty or obtaining an MOT, could be used to improve the overall rate of compliance with a safety recall.

The Government welcomes the recommendation. Motorists can now register for DVSA’s MOT Reminder service on GOV.UK (https://www.reminders.mot-testing.service.gov.uk); it already has approximately 80,000 registered users. The system sends a reminder email one month before the expiry of the vehicle’s MOT and then again two weeks before if the vehicle has still not been tested. The reminder email contains links to promote the checking of outstanding vehicle recalls.

DVSA is considering ways to extend this service and is in discussions with the Driver and Vehicle Licensing Agency (DVLA) and the insurance industry to identify opportunities for prompting safety recalls. It is also working with DfT to investigate the possibility of automatic fails, at MOT stage, for the severest unremediated defects.
Vauxhall Zafiras impacted by the recall had specific information included on the MOT database advising of the requirement to have the recall remedial work completed. The MOT History service is a digital enquiry service that enables motorists to check the details of their own car, or a car they are considering buying. The service is used by a vast number of users (current estimates indicate 50 million enquiries this year). DVSA is working with, and being supported by, the SMMT to add SMMT’s information on outstanding recalls to the MOT reminder service. The technical work to add the recall information is due to commence in October 2017 with the new improved service available in early 2018.

DVSA also highlights vehicle recalls through its MOT testing (digital) service, which is used by all DVSA authorised MOT testers enabling them to give up to date recall advise the motorist.

(Paragraph 55)

We recommend that the Department and the DVSA review the Code of Practice on Vehicle Safety Defects and Recalls to see if it needs to be strengthened in respect of the obligation placed on manufacturers to inform their suppliers. Ministers should satisfy themselves that the arrangements for dealing with parts suppliers that are in place would be capable of tracing a part with a safety related defect, which has been used in a number of different makes and models. It must be clear who is responsible for ensuring that other manufacturers are aware of the safety concerns associated with a particular component.

The Government welcomes the recommendation. DVSA is revising the Code of Practice following feedback and comment from the programme of trade meetings and lessons learned from Vauxhall enforcement processes. This will be complete by 31 August 2018. Initial meetings have taken place with the Independent Automotive Aftermarket Federation and Euro Car Parts (the largest distributor in UK of aftermarket parts) to identify how they can be more engaged within the safety recall process and ensure they have robust processes in place to manage recalls of parts. These meetings have been positive and a gap in the supply chain has been identified. As a result of DVSA’s engagement with aftermarket suppliers/retailers, it now has a process whereby there is a two-way notification of parts that cause concern to ensure they are removed from the market.

Action on dangerous repairs:

(Paragraphs 57 & 58)

Vauxhall was willing to attribute blame on incorrect repair by third parties but made no effort to find out where such dangerous practices were being carried out. We accept that it is not the company’s role to police the actions of independent garages but given that Vauxhall alleged the actions of these garages were putting drivers and other road users at risk, they should have done more. Vauxhall’s inaction calls into question the credibility of their claim. The DVSA cannot escape censure in this regard either; it was informed that improper repair of parts was a cause of the fires but as far as we can tell it made no efforts to trace those responsible for unsafe repair of the fuses.

The Department for Transport, working with Vauxhall, should examine each case of a Zafira fire where manipulation of the thermal fuse is known to have occurred in order to
identify where such allegedly dangerous repair took place. It should review information in the DVSA’s database of vehicle safety defects to identify what further information is already known about dangerous and improper repair of vehicles. The Department should discuss the scale of the dangerous repair of vehicles and its impact on vehicle safety with the Society of Motor Manufacturers and Traders, the Retail Motor Industry Federation and its associations, other relevant trade associations, and insurers. A key objective for the Department in such discussions should be to identify any systemic failings in the sector and the need for further proportionate action by industry and the Department to tackle the problem. The findings should be reported to the Transport Committee within 18 months.

The Government welcomes the recommendation. Vauxhall attributed blame for the fires on unauthorised third party repairs. Despite DVSA pressing Vauxhall on several occasions to verify this claim, Vauxhall was unable to do so. Following the non-code action (before the first safety recall) 1,000 random heating and ventilation units were assessed and evidence of obvious third party manipulation was found in 15 units.

DVSA is working with the Driver and Vehicle Licensing Agency and the Vehicle Certification Agency to report any instances of improper repair. Trading Standards (TS) is the body responsible for overseeing the motor repair sector. DVSA is continuing to work with TS using the intelligence framework to report and assist in identifying any repair providers with substandard or dangerous repair practices.

**Resources and powers of the DVSA:**

(Paragraph 63)

*Under a voluntary recall process the DVSA lacks the powers to compel a quicker response. The poor behaviour of Vauxhall clearly shows that the Department for Transport cannot rely on all manufacturers doing the right thing voluntarily. Other manufacturers may have lessons to learn and should take heed of the recommendations in this Report. The DVSA should have the tools it needs to take proportionate and effective enforcement action to ensure vehicle safety.*

*The current Code based approach should be backed up by a credible threat of prosecution for a failure to comply with an instruction from the DVSA. The powers and sanctions must be proportionate to the risk.*

*We recommend that the Department consider bringing forward legislative proposals to give the DVSA the enforcement powers it needs to compel manufacturers to act should it need to do so. Its proposals should be informed by a comparative analysis of the regulatory powers available to similar bodies in EU member states and to other regulatory bodies in the UK and be based on a period of consultation with stakeholders.*

The Government welcomes the recommendation. DfT and DVSA will review existing powers of enforcement to ensure they are being used effectively. It will map a framework of responsibilities from current processes to consider if there is a robust case and justification for extending them.
DVSA is setting up a Memorandum of Understanding with Trading Standards and similar bodies to tackle non-compliance. DVSA is already part of a working group with BEIS and TS looking at the market surveillance issues and consumer concerns.

(Paragraph 65)

We believe that the DVSA should have commissioned its own independent expert advice once fires in successfully recalled vehicles called into question Vauxhall’s claim to have found the root cause of the fires.

We recommend that the DVSA review its policy on the use of independent testing and consider making greater use of such testing than it has done previously.

The Government welcomes the recommendation. DVSA will review its policy on the use of third party, independent testing and keep it under review as progress is made with the transformation, which is expected to take around 18 months. During transformation DVSA will consider whether independent testing is appropriate on a case by case basis.