

Clocking A growing concern

by
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**220
million+**

220410

mileage readings



1 in 20
vehicles have
a mileage
discrepancy

1 in 3 vehicles
have a hidden history



£2000 - £4000
typically added to
an average family car*



It is estimated that
clocking could
potentially
cost the public

**£750m
p.a.**



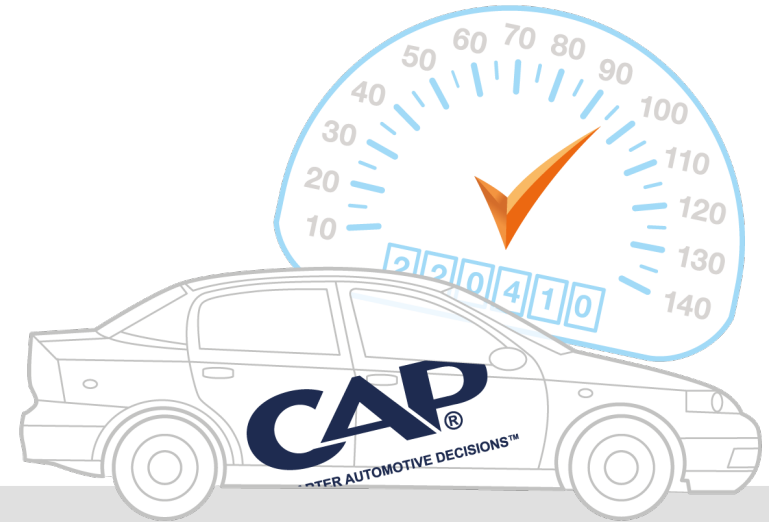
*Source: CAP

**Source: OFT. In 2010 it was estimated that clocking costs the economy £580m, based on 1/20 cars being discrepant)

Clocking Today

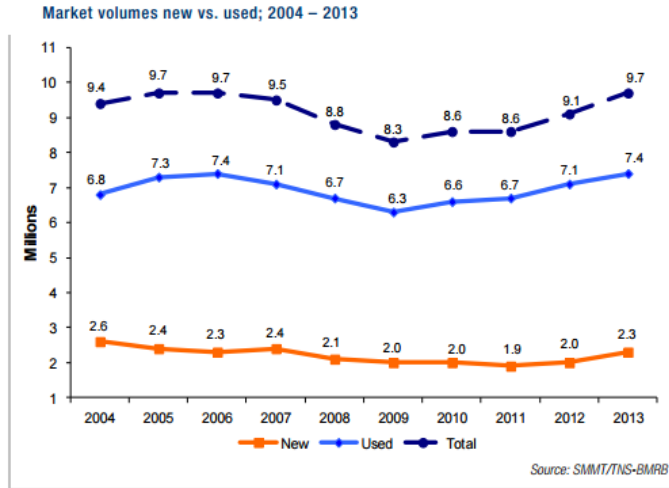
- ☑ Over 70% are concerned about damaging their reputation by selling on a clocked car
- ☑ Almost half of dealers say their customer are not aware of the dangers of buying a clocked car
- ☑ 41% of dealers had part exchanged a car which they later discovered to have a discrepant mileage

Source: HPI Dealer Survey, May 2015

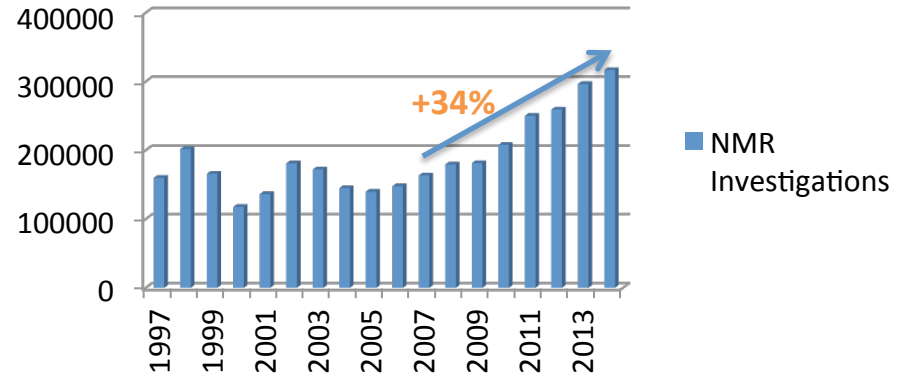


Statistics - Dealer Perceptions

The used car market is **growing**, as are the number of National Mileage Register (NMR) Checks and Investigations – up **34%** over 5 years.



Source: SMMT /TNS-BMRB 2014



Source: HPI Ltd, 2015

Market Trends



EU GETS BACKING FROM UK DEALERS TO OUTLAW MILEAGE CORRECTION FIRMS

POSTED BY: [HPI CHECK](#) | [AUGUST 24TH, 2015](#) | [IN INDUSTRY NEWS, PRESS RELEASES](#)

HPI survey reveals that 71% of dealers support EU decision

Automotive technology solutions provider, HPI, reports that dealers firmly back proposals by the EU to introduce legislation to outlaw mileage correction firms by May 2018. The findings of a survey to HPI's dealer community reported that 71% support the EU decision.

A further 92% of those surveyed went on to declare that dealers, who are actively adjusting odometers without declaring the act to buyers, should be sought out and prosecuted. The rising support by used car traders to address the issue of clocking follows industry calls to the Government to regulate the registering of mileages adjustments, as well as introducing more mandated occurrences of when mileage information should be collected and recorded.

The issue of clocking is growing in concern. What was perceived to be a 'thing of the past', is now firmly back on the national agenda.



SUNDAY EXPRESS

DAILY EXPRESS



Scotsauto scene

DAILY EXPRESS



Clocking – a national growing concern ...



- ✓ Whilst there are very few legitimate reasons to adjust a vehicle's mileage reading, there remain a significant number of 'Mileage Correction Firms' across the country. A brief Google search indicated over 50 companies in England alone
- ✓ The typical cost of having the mileage adjusted: between £40 - £180
- ✓ The tools to adjust the mileage are readily available on the internet and are being taken advantage of by the unscrupulous

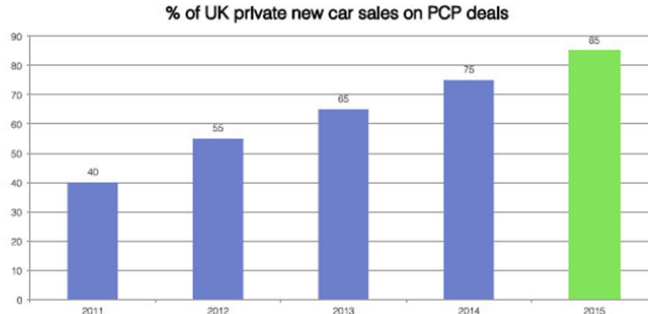
Clocking – Seemingly as easy as 1...2...3



Clocking – Seemingly as easy as 1...2...3



- ✓ What's more, consumers who obtain a car on PCP or on a lease may well have cottoned on to the fact that adjusting their mileage is a handy way of keeping within the mileage allowance terms of their PCP / lease agreement and avoiding hefty excess penalties
- ✓ Cost of additional mileage: up to **20p** per mile
- ✓ 5k miles more on the odometer = £1,000 additional costs to the customer
- ✓ Or, invest £100 to 'clock' the odometer to the "right" mileage



Source: Automotive World,
May 2015

Clocking and PCPs

The potential **risks** of clocking cars are many-fold:

It is advisable to conduct a thorough vehicle history check and mileage investigation to spot a mileage discrepancy before you buy, providing you with a sound legal defence

- ✓ **Safety:** The safety of a vehicle and more importantly the driver and passengers cannot be guaranteed and may be uninsured if found out to be 'clocked'
- ✓ **Reputation:** Individual dealers and the industry as a whole have much to lose if the practice of clocking continues unchecked
- ✓ **Price:** Over-payment for vehicles – reducing the mileage on a car can add thousands. An average family vehicle can easily increase by **£2k - £4k** in value (if 60k miles are removed)

£2000 - £4000
typically added to
an average family car*



The Issues of Clocking

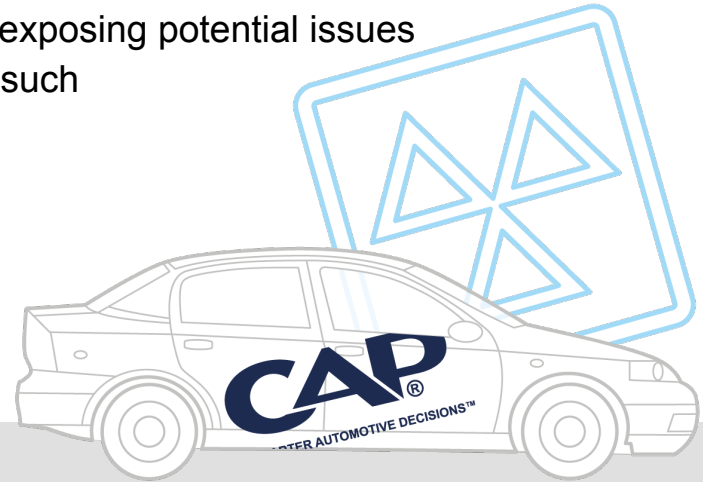
Manufacturer	Model	Retail value at 30k	Retail value at 60k	Retail value at 90k	Impact of reduction by 60k
Ford	Fiesta	£6,595	£5,595	£4,895	£1,700
Volkswagen	Golf 1.6 TDI	£9,295	£7,875	£8,225	£2,470
Nissan	Qashqai	£13,750	£12,095	£10,550	£3,200
Audi	A3 1.6 TDI	£16,250	£14,095	£12,295	£3,955
Land Rover	Range Rover Evoque	£24,500	£22,500	£20,500	£4,000
Mazda	MX-5 convertible	£11,295	£9,825	£8,375	£2,920



Source: CAP Automotive 2015

The Effect of Clocking on Values

- ✓ The evolution of technology continues to make clocking
 - Cheap
 - Easy
 - Accessible
- ✓ Whether you choose to buy / lease or use personal contract plans, the potential gains to be made by clocking are significant
- ✓ Robust provenance checking remains a key weapon
- ✓ HPI, the automotive data experts, can assist with exposing potential issues
- ✓ By working continually together with trade bodies such as the NFDA, we can:
 - Develop robust best practice
 - Raise awareness of the safety and financial risks of buying a clocked car
 - Make life more difficult for those currently engaged in the practice



Summary

Appendix

Due diligence



HPI's Recommended Steps

- ✓ Take **all reasonable steps** to establish the accuracy of the stated mileage.
 - ✓ Conduct a mileage check with an independent and reliable company (NMR Check).
 - ✓ Check the mileage with all previous registered keepers (NMR Investigation).
 - ✓ A full mileage investigation has been shown to provide a sound legal defence in clocking cases.
 - ✓ Ensure the vehicle's condition is comparable with the described age and mileage.
 - ✓ Check previous service records.
 - ✓ Check previous MOT mileages – but beware...
 - ✓ ... clockers may try to legitimise false mileages on www.gov.uk.
- ✓ Do not rely on mileage readings from a single source.
- ✓ Do not rely on mileage disclaimers as a substitute for carrying out proper checks.
- ✓ What's more, an NMR Certificate can be an extremely helpful sales tool, offering your customers proof that a mileage check/investigation has been carried out.



What is Due Diligence?