



EU-wide study identifies mileage fraud as major threat to consumers *Belgian Car-Pass model seen as best practice*

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CAR-PASS welcomes the publication of the European Commission's "[Study](#) on the functioning of the market for second hand cars from a consumer perspective" in the European Union. This comprehensive EU-wide report was long overdue given that the second hand cars market has consistently scored the lowest in terms of consumer trust in the EU's annual Consumer Markets Scoreboard. And one key reason for this lack of trust is the widespread problem of mileage fraud.

The new study looks at various deficiencies of the second hand cars market: after-sales problems, unfair commercial practices, limited information provided, etc. **But mileage fraud was the second most commonly cited problem in the stakeholder survey** conducted as part of the report, particularly in Eastern European countries. This is reflected also in the findings of the consumer survey, where reported cases of mileage fraud were much more prevalent in the new EU Member States or EU13 (14%) than in the old EU15 members (4%). However, the percentages could be under-reported as it might be the case that respondents might not be aware that the odometer of their car was tampered with.

Major issue

Odometer fraud is identified as "*a major issue that the European Union is well placed to address*" in particular because of cross-border fraud, which is hard to trace without more international cooperation on preventive measures. The study recognizes the Roadworthiness Package adopted in 2014 as a first step to address this problem, as it "*enables provisions for the registration of mileage and odometer data and effective penalties when odometer fraud is detected*".

These concerns are echoed by **Tomáš ZDECHOVSKÝ**, Member of the European Parliament: "*This study is important as it provides comprehensive data across the EU and points out the different levels of existing fraud in each country. Belgium eradicated this problem, and all EU countries should be inspired by the success story of Car-Pass.*"

Belgian model for best practice

Throughout the report, the Belgian Car-Pass system is mentioned as an example for providing an official certificate of a vehicle's mileage history to the buyer. The study finally calls on Member States to more effectively enforce the existing consumer legislation. It concludes that "*the Car-Pass*

system has greatly reduced the problem of odometer fraud in Belgium and can be considered as a best practice for other member states to emulate”.

Michel Peelman, Managing Director of Car-Pass, said: *“The Commission’s study is another important step to tackle odometer fraud in the EU. It highlights the immense problems and presents Car-Pass as a possible role model for other Member States. Now that the problem has been clearly identified, we stand ready to work hand-in-hand with all stakeholders and EU policy-makers, to share Belgium’s experience and deliver concrete results for all European motorists and consumers”*

Call to Action

Already in 2014, Car-Pass signed a joint appeal to EU policy-makers together with other organisations. In light of the new data available from the Commission study, Car-Pass now calls on the European Parliament to draft an own-initiative report on the impact of odometer tampering on European consumers and for the functioning of the Single Market.

Note to the editors

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About CAR-PASS

[CAR-PASS](#) is a Belgian non-profit organisation set up to combat mileage fraud, the illegal practice of rolling back odometers to make it appear that vehicles have a lower mileage than they actually do. Odometer fraud occurs when the seller of a vehicle falsely represents the actual mileage of a vehicle to the buyer. Belgian legislation regarding fraudulent tampering with odometers is unique in the EU. The “CAR-PASS” is a compulsory document showing the mileage history of the car, given to the buyer when selling a car and without which (under Belgian legislation) the sale is invalid. This system has proved to be very effective and cost efficient since its entry into force in 2007. Indeed, thanks to CAR-PASS, less than 1% of all second-hand cars’ sells in Belgium are affected by mileage fraud.

Car-Pass in numbers

System staff: 8 persons

Cost of one certificate in 2015: EUR 7.00

Annual running costs: EUR 3m

Estimated savings: EUR 100m

Cost/benefit ratio: 0.03

Incidents of fraud in 2013: 1.085 cases (0,15%)