

EU rule would cost drivers £100 each

By Oliver Gill

MOTORISTS face soaring repair costs from a Brussels crackdown on unbranded car parts, one of the world's biggest distributors has said.

Andy Hamilton, of Euro Car Parts, warned that drivers risk being forced to spend an extra £100 a year if the Government does not step in to overrule new the European Union legislation.

The EU is consulting on a

change to so-called block exemption rules that allow independent garages to use cheaper “aftermarket” parts rather than manufacturer-branded components. Britain will automatically follow these rules under a post-Brexit agreement unless UK regulators intervene.

Tens of thousands of mechanics could be forced into using branded products as a result – and Euro Car Parts estimates this would

land drivers with an additional £2.4bn annually as a result.

The Competition and Markets Authority, Britain's regulator, is in talks with the Government about the current rules ahead of their expiry in 2023. A final decision on what to do will be made by the Business Secretary.

Mr Hamilton said: “We urgently need to understand
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what the CMA's plans are, otherwise British drivers risk being driven into a monopoly that will cost them nearly £100 a year and much more in future.

“Ministers must intervene to expedite the issue. If not, Britons up and down the country will have to fork out £2.4bn in extra costs that go straight into the hands of car manufacturers – many of which charge a large premium for fixing their vehicles.”

He added that any change could pose a serious threat to the UK's 30,000 independent garages and their 350,000-strong workforce.

Euro Car Parts stocks 160,000 parts at its distribution centre in Tamworth and operates 330 branches. It was bought by LKQ Corporation, the largest provider of replacement parts in the US and Canada, in a £280m deal in 2011.

Mr Hamilton added: “Independent garages consistently rank higher for customer satisfaction than franchised dealers, offering a local ‘all-makes’ service at a competitive price – critically, which can be flexed depending on parts the driver is comfortable paying for.”

Motorists have already been hit by petrol prices reaching eight-year highs. Increases in oil prices and fears about inflation have pushed them to levels last seen in 2013.

News item in the Daily Telegraph on Tuesday 20th July 2021