



Ms Lilian Greenwood MP
Chair
Transport Select Committee
House of Commons
London
SW1A 0AA

Date June 29, 2018

Subject **ADDITIONAL INFORMATION REQUESTED BY THE TRANSPORT SELECT
COMMITTEE OF THE BMW GROUP**

Dear Ms Greenwood,

Following the Transport Select Committee hearing on 26 June, 2018 involving the BMW Group and the DVSA, we are pleased to provide you with the further information you requested regarding the B+ battery connector recall, lessons learned from this matter, process improvements we have already put in place and safety-related recommendations for the wider industry in the future.

The total number of B+ battery connector failure cases provided to DVSA

During the hearing, the BMW Group was asked for the total number of cases of power failure due to the B+ battery connector that were provided to the DVSA. At that time, we were not able to provide that information but can now confirm that we provided the DVSA with information concerning 619 warranty cases, 35 of which stated stalling while driving. The DVSA has provided us with a total of 38 vehicle safety defect cases. As of today's date, we are aware of a total of 106 cases of the vehicle stalling while driving in the UK.

Summary of lessons learned

We have taken a number of learnings from the experience of the B+ battery connector and blower regulator recalls, a summary of which is as follows:

- "Prior-warning" is not defined in the DVSA's Vehicle safety defects and recalls Code of Practice, which has resulted in different interpretations of what constitutes a prior warning. Our experience has led us to believe that it may not be interpreted by all customers in the way we had expected. As experts, we believed that issues such as the doors failing to unlock, or the car failing to start, would annoy the driver of the affected vehicle so much so, that he or she would present the vehicle to a garage where the issue would be detected professionally, addressed and resolved. In fact, this is what many owners did. But it is clear, that some did not. It is therefore important that we look at issues concerning prior warning from the perspective of car owners, not vehicle engineers.

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- A decision was made jointly with the DVSA to halt the 2016 investigation into the B+ battery connector as there were only a few new cases. At the time we believed that it was the right decision. But with the benefit of hindsight and having now issued a recall on affected vehicles, it is clear that it was not and in future we need to make sure that matters remain open, monitored and under ongoing consideration with the DVSA for a longer period of time.
- This experience has highlighted a clear lack of documentation regarding agreed minutes and actions arising from meetings and verbal dialogue between BMW UK and the DVSA. We recognise the requirement in the future to ensure proper records are produced and kept, in particular to have written confirmation of determinations and actions following all dialogue with the DVSA to ensure clarity.
- Prior to 2017, our data gathering and investigative processing of fire cases in the UK was reactive rather than proactive. We have worked hard to improve these processes with the aim of becoming actively involved in the investigations into the cause of a vehicle fire at the earliest opportunity.

Processes that have changed

We have already implemented a number of changes which we believe strengthen our internal processes:

- We have created a new team (as of August 2017), specifically responsible for evaluating DVSA safety defect reports and analysing issues taking into account warranty cases, customer service complaints, even social media posts, to enhance our issue identification process.
- Issues are now quickly escalated for review at Management Committee level where safety issues are now a standing agenda item.
- We carefully reviewed this Committee's recommendations following its inquiry into the fires in the Vauxhall Zafira. We set up a new team specifically to monitor and record such issues. We have also changed our investigation processes where incidents of fire are concerned and now make requests to insurers to conduct a secondary inspection in every case where fire affects a BMW vehicle. For obvious reasons an independent investigation needs to be carried out first by the insurance company, but we must be able to examine such vehicles too, in order to identify problems and patterns at the earliest opportunity.
- We are also working on a solution through our ConnectedDrive system and Connected App (these are IT systems which allow the exchange of information between BMW, the vehicle on-board computer system and/or an App installed on the Customer's smartphone) for new vehicles that would alert customers if their vehicle was subject to a service campaign or recall (roll-out 2019).



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Benefits of improved processes

We already see a number of benefits from the process improvements we have implemented. These include:

- Faster identification of issues as they arise and the ability to identify patterns of incidents more quickly through a dedicated team, drawing on a wider set of information sources.
- Increased visibility at a management level of safety-relevant issues and the ability to escalate sensitive topics for rapid decision-making where required.

Industry-wide recommendations for process improvements

In addition to the process improvements implemented within our own organisation as a result of this experience, we have identified a number of areas where we believe improvements could be made across the industry:

- We would see great value in an industry-wide platform for recalls, non-coded actions or technical campaigns. This would ensure that independent service garages could identify and diagnose such issues without the need to subscribe to a wide variety of different manufacturer diagnostic platforms.
- We would welcome improved processes for the quick transfer of digital customer data held by the DVLA (at present a disk must be downloaded and sent by post which can take up to two weeks to reach us).
- We would like to see improved access to customers via email through the collection of email addresses as part of the customer data held by the DVLA. This would give us the ability to make more effective use of the DVLA database and provide information to customers (for example, symptoms of prior-warming and helpful guidance on what customers should do if they experience an issue).
- As referred to above, in the Summary of Lessons Learned, we believe it is important for customers to have a clear understanding from their perspective of what constitutes a prior warning, therefore it would also be useful for the industry to work with the DVSA to clarify the definition of “prior warning” as it relates to the DVSA’s Code of Practice.



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Summary

We would welcome the opportunity to discuss further any of the above information and recommendations with the Transport Select Committee, the DVSA and other automotive industry partners with a view to ensuring the highest possible safety standards for our drivers and all road users.

Yours Sincerely

Graeme Grieve
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Company Secretary
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