

Stewart McDonald MP
House of Commons
London
SW1A 0AA

From: Alex Chisholm
Chief Executive - CMA

Direct line: 020 3738 6100

Our ref: MP000208

Your ref:

1 March 2016

Dear Mr McDonald

Volkswagen

Thank you for your letter of 9 February 2016 concerning the allegations that VW used 'defeat device' software to switch car engines into a cleaner mode during vehicle testing. I understand that you are examining this matter in some detail as a member of the Transport Select Committee.

The Competition and Markets Authority (CMA) has been considering this issue very carefully since it first emerged, in liaison with other government departments and agencies nationally and internationally.

We have not opened a formal investigation but we are continuing to assess, with other relevant bodies, the allegations and VW's response, including the proposed recall of affected vehicles. We are considering what action it would be appropriate to take in the UK and who is best placed to take it.

The CMA has powers to enforce a range of consumer protection legislation (typically using its civil powers under Part 8 of the Enterprise Act 2002) or by bringing criminal proceedings under the Consumer Protection from Unfair Trading Regulations 2008.

The CMA's civil enforcement powers enable the CMA to both end and prevent conduct that breaches consumer legislation, either by agreement with the trader (through acceptance of an undertaking) or by seeking a court order. In addition the Consumer Rights Act 2015 enables the CMA to seek civil redress for consumers

where such an undertaking or court order is obtained. However, this power does not exist in relation to conduct that occurred prior to 1 October 2015.

Generally speaking, we will not make our investigations public before they have passed certain evidentiary and procedural thresholds and even then, whether we do so will be informed by the needs of the investigation, including, in particular, the need to avoid any public commentary that might prejudice the investigation, as well as the need to act fairly and ensure that due process is observed, both in respect of parties directly involved and other interested parties.

As you have mentioned, a number of other countries around the world have announced investigations or have commenced proceedings. While we obviously cannot speak for them, we are aware that many such investigations are being carried out in relation to potential breaches of environmental or transport rules, or under consumer protection laws that involve different powers or remedies compared to those available in the UK.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Alex Chisholm', written in dark ink.

Alex Chisholm
Chief Executive