

## **Proposal for new uniform provisions concerning the approval of vehicles with regard to the odometer equipment including its installation**

This document has been prepared by the expert from Belgium to clarify the need for the introduction of new uniform provisions concerning the approval of vehicles with regard to the odometer equipment including its installation.

### **Introduction**

Within the EU alone around 28 million used cars are registered throughout the year. This is about twice as much as new cars registrations. The mileage is a determining factor in the value of a used car. It is therefore crucial for the buyer to have a clear view on the correct mileage of the car. On the other hand, dishonest car sellers, can make a lot of illegal profit by manipulating the odometer. Therefore mileage fraud must be tackled and appropriate actions should be taken to stamp out this criminal practice, strengthen consumer trust in used car sales and protect the safety as well as the economic interests.

Recent studies show that mileage fraud cost 5 to 10 billion euro a year to the consumer of the EU. The frequency of mileage fraud is much higher in cross border sales which tend to increase every year. It is more difficult for a buyer to assure himself about the right mileage of an imported car, as in general no maintenance history is available. The history of used cars crossing national borders is currently almost impossible to trace and prosecution for mileage fraud is extremely rare. The consumer pays the price, facing accelerated depreciation on cars with tampered odometers in addition to higher maintenance and repair costs. Furthermore, odometer tampering means cars may not receive the servicing and maintenance they require, increasing safety risks to the consumer and upping the emissions cars produce.

Because manipulating odometers is technically not very difficult, illegal profits are high and the risks of being caught are very low, mileage fraud has become a common fact in the used car business. This causes high financial losses for consumers, creates unfair competition and distorts the used car business and affects road safety in a negative way. The odometer is not yet mandatory in all cars. If there is one, there is no international legislation concerning the agreement of this tool. Some countries have legal problems because the chassis number is considered as a private data.

Consumers need to have more transparency about the correct mileage of a used car. The central registration of mileages accessible to consumers could be very effective in dealing with mileage fraud, without adding excessive administrative burden for the automotive industry.

## **Proposal**

For the moment in every vehicle there is an odometer but there is no UNECE Regulation that makes the installation compulsory and at least describes to what an odometer has to comply. Main arguments that the installation prescriptions of the odometer have to be harmonised are:

- the use of the odometer for monitoring the maintenance of a vehicle;
- the mileage can be used as a parameter for monitoring the state of a vehicle (periodical inspection, in use test (emission test));
- the monitoring of the mileage can be used to combat mileage fraud.

The proposal is to discuss the idea and to seek the approval of GRSG to develop a new set of uniform provisions concerning the approval of vehicles with regard to the odometer equipment including its installation.

---