

FAO:

03 July 2025

Re *Concerns regarding restrictions on competition between authorised repairers and dealerships and independent repairers in the motor vehicle sector*

Dear CEO,

I am writing to you on behalf of the Competition and Consumer Protection Commission (CCPC) about potential anticompetitive practices in relation to the sale, maintenance and repair of motor vehicles in Ireland which have been brought to our attention.

The CCPC has received reports through our helpline and complaints mailbox that:

- motorists have been warned by authorised dealerships or authorised repairers that their vehicle warranty will be rendered void or invalid if routine services or repairs not covered under the vehicle warranty are carried out at an independent garage outside the brand's network of authorised repairers,¹ or that the vehicle warranty has been invalidated on this basis.
- motorists have been warned by authorised dealerships or authorised repairers that their vehicle warranty will be rendered void or invalid if non-original or non-manufacturer supplied spare parts are used in routine maintenance or repairs not covered by the vehicle warranty, or that the vehicle warranty has been invalidated on this basis.
- certain independent repairers are unable to access repair and diagnostic tools and onboard diagnostic data (OBD data) for certain motor vehicles in Ireland and are therefore unable to repair or service certain vehicles.

On top of resulting in obvious inconvenience to motorists, restrictions of motorists' freedom to choose between independent repairers and authorised repairers, and to choose between original and non-original spare parts damages competition. Restrictions on competition between independent repairers and authorised repairers leads to higher prices and lower quality of service for motorists. The invalidation of warranties on the basis of getting a vehicle serviced or repaired outside the brand's authorised repairer network further results in increased costs for motorists as they may have to pay out of pocket for repairs that may otherwise have been covered under the vehicle's warranty.

As Ireland's Competition Authority, the CCPC has the power to take enforcement action against businesses suspected of engaging in these practices. On a non-criminal basis, the CCPC may impose administrative financial sanctions on businesses and associations of undertakings of up to €10 million, or 10% of its annual worldwide turnover (whatever is greater), for breaches of competition law. These administrative financial sanctions are determined by independent CCPC adjudication officers and are subject to court confirmation. Alternatively, more serious breaches of competition law, including cartel behaviour, may be prosecuted as criminal offences and fines of up to €50 million, or 20% of a business's

¹ For simplicity, in the remainder of this letter we will refer to authorised repairers and dealerships collectively as "authorised repairers".

annual worldwide turnover (whatever is greater) may be imposed by the court upon conviction on indictment.

The CCPC is now writing to motor vehicle importers and main distributors² across Ireland to highlight our competition concerns and to seek information.

Please read this letter carefully.

Concerns regarding motor vehicle warranties

Our concerns

The CCPC has received reports that some motorists have been told by authorised repairers that their vehicle warranty will be rendered void or invalid should they have their vehicle serviced or repaired outside the authorised repairer and dealership network. We have also received reports from motorists that they have been told that their vehicle warranty has been invalidated on this basis.

Competition concerns can also arise where motorists have been told that their vehicle warranty will be rendered void or invalid should non-original or non-manufacturer supplied spare parts be used in routine maintenance or repairs.³

The CCPC is concerned that such conditions may be imposed on motorists through clauses in the vehicle warranty itself or through other means, such as through distribution agreements for motor vehicles, spare parts, or repair and maintenance services between manufacturers and/or distributors and/or authorised repairers in Ireland.

Applicable competition law

According to competition law, motorists may bring their vehicle to an independent garage of their choosing to get their vehicle serviced or repaired without it affecting their warranty, so long as this work is done by a competent individual.⁴ Similarly, non-original spare parts can be used in repairs not covered by the vehicle warranty without the warranty being affected, so long as the parts are of "matching quality"⁵ to those original spare parts.

Arrangements involving vehicle manufacturers, vehicle importers/distributors, and authorised repairers which oblige or induce motorists to carry out all servicing or routine maintenance of the vehicle and all repairs not covered by the vehicle warranty at those authorised representatives during the warranty period and/or to use original spare parts in the routine maintenance and repairs carried out during the warranty period can potentially breach competition law. This was confirmed by a recent

² For simplicity, in the remainder of this letter we will refer to motor vehicle importers, wholesalers, and distributors collectively as "distributors".

³ This concern does not apply to repairs covered by the warranty which, in nearly all cases, are carried out by authorised dealerships at no cost to the motorist.

⁴ See the European Commission's *Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles*, available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02010XC0528\(01\)-20230417](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02010XC0528(01)-20230417)

⁵ "Matching quality" spare parts are spare parts which are of a sufficiently high quality that their use does not endanger the reputation of the authorised network in question - for example, their use shouldn't negatively impact the vehicle's performance or safety. A part of "matching quality" doesn't necessarily have to be identical to the part originally fitted in the vehicle. It could be a part supplied by the manufacturer or another supplier that meets the required quality and technical standards. If a vehicle manufacturer claims a "matching quality" part is not suitable, it must provide evidence to support that claim.

judgement⁶ of the Court of Justice of the European Union in *KIA Autos*.⁷ According to this judgement, an agreement establishing restrictions in respect of vehicle warranties which oblige or induce motorists to carry out the repair and maintenance of that vehicle solely at authorised representatives of the vehicle's manufacturer and to use the original spare parts of the manufacturer in its servicing, in order for the vehicle's warranty to remain valid, may be characterised as an anticompetitive agreement.⁸

Further information on competition law and the motor vehicle sector, including in relation to making maintenance of vehicle warranties contingent on exclusively using authorised repairers for all maintenance and repairs not covered by the warranty, is set out in Appendix 2.

Concerns regarding onboard diagnostic data and tools

Our concerns

We have received reports that some independent repairers are unable to access repair and diagnostic tools, such as OBD data, and are therefore unable to repair or perform diagnostic tests on certain motor vehicles. As a result, motorists may have no choice but to bring their vehicle to a repairer or dealership within the brand's authorised network for repairs or to get a diagnostic test for their vehicles.

Applicable competition law

Arrangements involving vehicle manufacturers, vehicle importers/distributors, and/or authorised repairers, which directly or indirectly restrict or make more difficult the supply of repair and diagnostic tools (including OBD data) to independent repairers can potentially breach competition law. This is notably the case if the agreement reserves such tools to authorised repairers only. According to the recent *A.T.U and Carglass* judgement of the Court of Justice of the European Union⁹, EU law¹⁰ precludes a vehicle manufacturer from making access by independent repairers to vehicle repair and maintenance information and to OBD data, including write access to that information, subject to conditions other than those laid down in EU law.¹¹

Further information on competition law and the motor vehicle sector, including guidance in relation to access OBD data and technical tools, is set out in Appendix 2.

What we need you to do

Review your arrangements

⁶ Judgement of the CJEU of 5 December 2024, *KIA Autos*, C606/23, EU:C:2024:1004, see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:62023CJ0606>.

⁷ The *KIA Autos* judgement concerned conduct in respect of KIA branded vehicles in Latvia.

⁸ Judgement of the CJEU of 5 December 2024, *KIA Autos*, C606/23, EU:C:2024:1004, paragraph 37. By analogy, such an agreement may therefore also be considered an anticompetitive agreement within the meaning of section 4 of the Competition Act 2002, as amended.

⁹ Judgement of the CJEU of 5 October 2023, *A.T.U. AUTO-TEILE-UNGER AND CARGLASS*, C-296/22, EU:C:2023:743.

¹⁰ In particular, Article 61(1) and (4) of Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, read in conjunction with Annex X to Regulation 2018/858

¹¹ Judgement of the CJEU of 5 October 2023, *A.T.U. AUTO-TEILE-UNGER AND CARGLASS*, cited above, para. 39

You should review the arrangements and agreements you have in place with the manufacturer of the vehicles you import or distribute, as well as those you have in place with your authorised repairers, to ensure that they do not result in the potential anticompetitive conduct described above.

If these arrangements could result, directly or indirectly, in this potential anticompetitive conduct, you should – as soon as possible – seek to have those arrangements amended or revised.

You should engage with the abovementioned parties to ensure that access to spare parts, diagnostic and OBD tools are available in the same terms and conditions as authorised repairers (e.g., same price, similar delivery time, etc.).

You should engage with your authorised repairers to ensure that motorists engaging with your partners are not mistakenly led to believe that their warranty may be at risk if they were to use independent repairers or non-original spare parts for routine maintenance and repairs not covered by the vehicle warranty.

Provide information to the CCPC

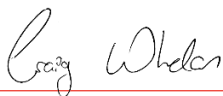
In light of the above, please submit the information requested in Appendix 1 to the CCPC by 3pm on Wednesday 6 August 2025 via email to antitrust@ccpc.ie.

Conclusion

At this time, the CCPC has not initiated formal investigative proceedings against any specific business and is not suggesting that any complaints have been made against your business. The purpose of this letter is to make you aware that the CCPC has received reports of competition concerns in your sector and is seeking to prompt changes in behaviour and encourage compliance. We are also seeking information from the sector that will inform our future actions. For more information on competition law and the motor vehicle sector, see Appendix 2.

Please contact us at antitrust@ccpc.ie if you have any queries in respect of this letter.

Yours faithfully,



Craig Whelan

Director of Antitrust

Competition and Consumer Protection Commission

Appendix 1: Request for information

Please submit the following information to the CCPC by 3pm on Wednesday 6 August 2025 via email to antitrust@ccpc.ie.

Agreements with authorised repairers

1. Provide a copy of all your agreements with authorised repairers in the State as at the date of this letter (i.e., prior to any updates you may have made on foot of this letter). If a standard agreement applies uniformly to all parties or classes of party, or groups of companies, provide only one example of each type of standard agreement. Identify when each of these agreements was last updated.

Agreements with manufacturers

2. Provide a copy of all your agreements with vehicle manufacturers as at the date of this letter (i.e., prior to any updates you may have made on foot of this letter). Identify when each of these agreements was last updated.

Vehicle warranties

3. Detail the current warranty conditions for each vehicle brand distributed by your business in the State.
4. Explain, for each vehicle brand distributed by you in the State, whether under current warranty conditions and/or agreements with authorised repairers, vehicle owners are required to carry out the repair, maintenance and servicing of their motor vehicle solely at authorised repairers in order to maintain the validity of their vehicle's warranty in the State.
5. Explain, for each vehicle brand, whether under current warranty conditions and/or agreements with authorised repairers, vehicle owners are required to use the original spare parts of the manufacturer for all repairs, maintenance and servicing of their vehicles in order to maintain the validity of their vehicle's warranty in the State.

Onboard diagnostic data

6. Detail, for each vehicle brand, the terms and conditions (including price of diagnostic tools and any other fees, and access requirements) applicable to the provision of diagnostic tools and OBD data in the State. Explain whether these terms and conditions differ as regards to: (i) authorised repairers; and (ii) independent repairers.
7. Explain, for each vehicle brand, whether the OBD data of vehicles distributed by your business is encrypted and whether independent repairers have the tools to decrypt such data in the same conditions as authorised repairers in the State. Explain any specific requirements which apply to independent repairers to decrypt such data.
8. Explain, for each vehicle brand, whether independent repairers are allowed to perform write operations, erase error codes, perform recalibrations and activate vehicle parts on OBD data in the State.

Appendix 2: Competition law and the motor vehicle sector

Anticompetitive agreements

Section 4(1) of the Competition Act 2002 as amended (the “**2002 Act**”) and Article 101(1) of the Treaty on the Functioning of the European Union (“**TFEU**”) prohibit agreements and concerted practices between businesses which have as their object or effect the “*prevention, restriction or distortion of competition*” (the “**prohibition on anticompetitive agreements**”).

The prohibition on anticompetitive agreements applies both to:

- So-called **horizontal agreements** between businesses active at the same level of the market and who compete - or potentially compete - with one another. Anticompetitive horizontal agreements include agreements between competitors to collude with one another, for example by agreeing to fix prices, share markets, or allocate customers.
- So-called **vertical agreements** between businesses active at different levels of the market relating to the conditions under which the parties may purchase, sell, or resell certain goods or services. Anticompetitive vertical agreements can include agreements between suppliers and retailers to agree a fixed or minimum retail price, or agreements in which suppliers allocate territory or customers to particular resellers and contain measures which prevent resellers from responding to sale requests from outside their allocated territory.

Agreements relevant for the purposes of this warning letter are generally vertical agreements between suppliers of spare parts, vehicle manufacturers, vehicle distributors, and authorised repairers.

Section 4(2) of the 2002 Act and Article 101(3) TFEU provide that certain agreements which may restrict competition may nonetheless be declared compatible with competition law, provided they contribute to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefits without eliminating competition (the “**exception to prohibition on anticompetitive agreements**”).

The European Commission’s Motor Vehicle Block Exemption Regulation¹² (the “**MVBER**”), read alongside the European Commission’s Vertical Block Exemption Regulation (“**VBER**”),¹³ block exempts vertical agreements relating to the sale or resale of spare parts for motor vehicles or the provision of repair and maintenance services for motor vehicles that meet certain conditions from the prohibition on anticompetitive agreements,¹⁴ thus creating a safe harbour for those agreements.

Conversely, both regulations describe a set of ‘hardcore’ restrictions of competition that are presumed anticompetitive and would not benefit from such exemptions. This includes agreements between a supplier of spare parts and a manufacturer that restrict the supplier’s ability to sell repair or diagnostic tools to independent repairers and/or end users.

¹² Commission Regulation (EU) No 461/2010 of 27 May 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010R0461>. Note that the MVBER was due to expire on 31 May 2023, but was prolonged by five years by the European Commission, and, as such, now expires on 31 May 2028.

¹³ Commission Regulation (EU) 2022/720 of 10 May 2022 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R0720>

¹⁴ Though the MVBER Guidelines are strictly concerned with Article 101(3) TFEU, the CCPC considers that the guidance they contain can largely be applied by analogy to section 4(2) and section 4(5) of the 2002 Act.

To provide further practical detail on the assessment of vertical agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles, the European Commission has published Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles¹⁵ (the “**MVBER Guidelines**”) which assist businesses in the automotive sector to evaluate the compatibility of their vertical agreements with competition law, and to assess whether these agreements are caught by the prohibition on anticompetitive agreements, or are likely to benefit from the exception to prohibition.

Abuse of a dominant position

Section 5 of the 2002 Act and Article 102 TFEU prohibit the abuse of a dominant market position by businesses in trade for any goods or services. This can include the refusal of dominant businesses to supply essential inputs to firms which compete with it, or where such businesses make the purchase of one product conditional on the buyer also purchasing another product (tying).

In our preliminary view, it is likely that vehicle manufacturers hold a dominant position in the market for the provision of repair and diagnostic tools (including on-board diagnostics) for each of their own brands and therefore should be aware of their special responsibility to ensure that their conduct does not distort competition. This could be potentially the case if manufacturers refuse to make available repair or diagnostic tools to independent repairers.

Motor vehicle warranties

Regarding vehicle warranties, the MVBER Guidelines state that:

“Qualitative selective distribution agreements may also be caught by [the prohibition on anticompetitive agreements] if the supplier and the members of its authorised network explicitly or implicitly reserve repairs on certain categories of motor vehicles to the members of the authorised network. This might happen, for instance, if the manufacturer’s warranty vis-à-vis the buyer, whether legal or extended, is made conditional on the end user having repair and maintenance work that is not covered by warranty carried out only within the authorised repair networks. The same applies to warranty conditions which require the use of the manufacturer’s brand of spare parts in respect of replacements not covered by the warranty terms. It also seems doubtful that selective distribution agreements containing such practices could bring benefits to consumers in such a way as to allow the agreements in question to benefit from the [exception to prohibition on anticompetitive agreements].”

Access to onboard data

The MVBER Guidelines state that:

“... agreements concluded with authorised repairers and/or parts distributors may be caught by [the prohibition on anticompetitive agreements] if, within the context of those agreements, one of the parties acts in a way that forecloses independent operators from the market, for instance by failing to release to them inputs such as technical information, tools, training and vehicle-generated data, that are essential for repair and maintenance.”

¹⁵ Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles, available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02010XC0528\(01\)-20230417](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02010XC0528(01)-20230417)

and that:

“Suppliers provide their authorised repairers with the full scope of technical information needed to perform repair and maintenance work on motor vehicles of their brands and are often the only companies able to provide repairers with all of the technical information that they need on the brands in question. In such circumstances, if the supplier fails to provide independent operators with appropriate access to its brand-specific technical repair and maintenance information, possible negative effects stemming from its agreements with authorised repairers and/or parts distributors could be strengthened, and cause the agreements to fall within [the prohibition on anticompetitive agreements].”

The MVBBER Guidelines provide guidance on factors which should be considered to determine whether the withholding of inputs such as technical information, tools, training, and vehicle-generated data from independent repairers is caught by the prohibition on anticompetitive agreement. These factors are:

- *“whether withholding the item in question will have an appreciable impact on the ability of independent operators to carry out their tasks and exercise a competitive constraint on the market (i.e., the item is essential for repair and maintenance);”*
- *“whether the item in question is made available to members of the relevant authorised repair network; if it is made available to the authorised network in whatever form, it should also be made available to independent operators on a non-discriminatory basis;” and,*
- *“whether the item in question will ultimately be used for the repair and maintenance of motor vehicles, or rather for another purpose, such as for the manufacturing of spare parts or tools.”*

As noted above, according to the *A.T.U and Carglass* judgement of the Court of Justice of the European Union, EU law precludes a vehicle manufacturer from making access by independent repairers to vehicle repair and maintenance information and to OBD data, including write access to that information, subject to conditions other than those laid down in Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018. This includes granting independent repairers unrestricted, standardised and non-discriminatory access to vehicle OBD information, diagnostic and other equipment, tools including the complete references, and available downloads, of the applicable software and vehicle repair and maintenance information.

This EU regulation should be taken into account when considering whether refusals to grant access to diagnostic tools and data infringes competition law – whether the prohibition on anticompetitive agreements, or the prohibition on abuse of dominance.

For instance, in the *Volvo* judgement,¹⁶ the European Court of Justice (now Court of Justice of the European Union) explained that *“the arbitrary refusal to supply spare parts to independent repairers, the fixing of prices for spare parts at an unfair level or a decision no longer to produce spare parts for a particular model even though many cars of that model are still in circulation”* could constitute conduct prohibited by competition law.

¹⁶ Judgement of the ECJ (CJEU) of 5 October 1988, *AB Volvo v. Erik Veng (UK) Ltd*, C-238/87, EU:C:1988:477, para. 9.