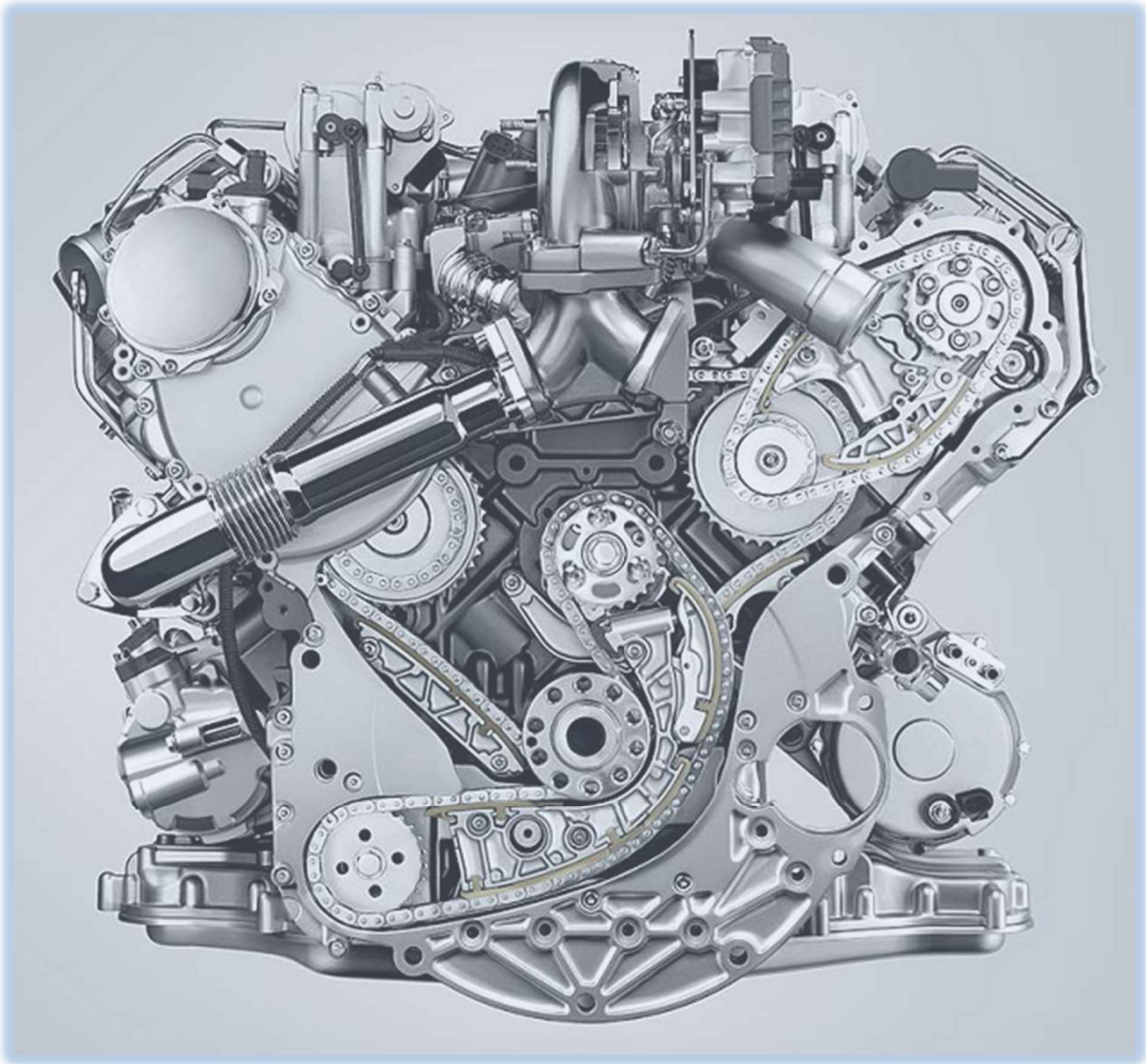


# VOLKSWAGEN FINANCIAL SERVICES

FINANCE. INSURANCE. FLEET. MOBILITY.

## VWFS Guide to Audit



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# 1. Introduction

## 1.1 Objectives of audit

The aim of the claims audit is to ensure that Retailers prepared all approved used cars to the highest standards. Claims sent for repairs are correctly entered and all our Retailers meet the criteria as per the Approved used car programme, it's also important that the retailer staff members familiarise themselves with guidelines to consistently maintain the standards required.

Retailers are selected for audit according to several key factors, such as:

- High claims volume against dealers registered warranties.
- High ratio of claims within 30 days of warranty start date.
- High ratio of claims 30 days before the warranty expires.
- Follow-up Audit
- Randomly selected sites
- Sites that have not been audited for an extended period.
- New Approved Retailers

The duration of the claims review is approximately 2 ½ days depending on the number of 12 months paid claims. Retailers are notified a minimum of one month in advance.

Following the claims review, you will be given an audit summary to help identify areas where there are performance shortfalls. The summary will also show if you have incurred a penalty. The claims assessor will discuss the action plan to ensure that you understand the actions and that you implement them before your next follow-up audit.

## 1.2 Purpose of this document

This guide will explain the approved used and all-in warranty claims audit process in detail, this guide should be used in conjunction with the latest version VWG warranty Guide. Please note, it is only an aid and therefore reference should always be made to the criteria contained within the guide.

This guide is relevant to all members of staff within an Aftersales team and should be referred to on a regular basis, not just when an audit has been confirmed by which time it may well be too late to address any potential issues.

*This guide has been created in conjunction with the VWG Service Core Process, VWG Warranty & Policy Standards and Brand Standards, Authorised Retailers should follow these processes and standards directed by the Brand when trading under Volkswagen Group.*

## 2. Audit types

There are 4 types of Audits although the most common is a standard 'full audit' which involves a selection of claims. However, we reserve the right to decide on which type of audit to conduct and the period within which the claims were sent. A retailer's cost profile may dictate that we look at a repair that has been claimed or there may be a sign of 'unacceptable activity' that would result in a review of every claim submitted and approved.

Dealers may be selected for either on-site or remote claims audits, for remote audits we will ask for the documents to be uploaded to each claim file via the VWFS portal instructions to "How to upload Guide" will be emailed with the list of claims.

### 2.1 Full audit

These are usually 'time-based' audits where more than two years have passed since the previous Audit was carried out. They also include 'follow-up' audits which take place 13 months after the previous audit where the error rate for the retailer was greater than 5%.

A full audit involves the assessment of at least 40 credited claims which are selected from the designated 12-month period. Retailers will be informed of the audit period in advance and a list of the claims will be emailed to senior managers in advance. The scope of this audit deals with all aspects of your Aftersales business and is often a useful way of identifying areas that require further improvement as well as those that do meet the required approved used car warranty audit standard.

### 2.2 Target audit

Second type of audit involves specific claims rather than a random selection.

This type of audit will take place for one of two reasons:

- Where anomalies regarding claim submissions have been identified
- Where an Authorised Repairers' cost profile is significantly above the national average in certain areas

A large proportion of the claims assessed during this type of audit may be from a specific period or for a specific type of repair. This will depend on the cost profile of an Authorised Repairer and any additional information provided by the Brand or feedback from the Claims Technicians Team.

### 2.3 Total audit

The third type of audit is a 'total' audit of all claims in each period rather than just a selection of claims. These audits are carried out at our discretion following a poor audit result or if we are informed of 'unacceptable activity'. A total audit will involve a detailed assessment of every claim submitted which may take a week or more to complete.

Your input is always encouraged, whether it is a full audit or a target audit. Members of your staff are welcome to sit in with the auditor for the duration of the audit as this will help them to understand any errors and how to avoid them in the future.

## 2.4 New Dealer Audit

The fourth type of audit is designed for new franchised retailers. Claims will be reviewed, an audit summary report will be presented to the dealer, no financial penalty for the audit will be applied for audit errors. Claims reviewed for audit which are missing associated parts are subjected to recharge and will be excluded from the final audit error rate, Members of your staff are welcome to sit in with the auditor for the duration of the audit as this will help them to understand how to avoid audit errors.

## 3. Audit booking and claim selection

Volkswagen Financial Services reserves the right to audit any documentation relating to warranty claim submissions up to a period of two years from the date a claim was credited.

- 1) Auditors will contact the retailer to arrange a suitable date to visit your site or to conduct a remote claims audit. The duration of the audit will be confirmed when the audit is arranged. A minimum of one months' notice will be given to the retailer prior to the audit date although every effort will be made to give as much notice as possible.
- 2) Prior to the agreed audit date, you will be informed of the period of claim submissions to be audited. This is usually a 12-month period between the booking date and when the earlier Audit was completed. A list of claims for both approved and all-in will be emailed to the retailer 30 days prior to their arranged visit.
- 3) Once the audit date has been confirmed the retailer must circulate this to the relevant members of staff including the Aftersales / Service Manager so that they are aware of when and where the audit will take place.

## 4.Documentation needed during a Warranty Audit

Documentation that must be kept and the information that should be presented as part of a repair order to ensure that each claim fulfils the audit requirement.

Once the notification of the audit period has been confirmed, Retailers should then ensure that all the necessary documents and supporting information which forms an audit trail for each approved warranty claim is made available. Refer to the list below: -

- Repair order / job cards / Invoices / FGW Invoices
- Completed diagnostic logs references saved on-line.
- Completed Multi Point Check Inspection Sheet (MPC) / 90 days safety check.
- Internal Used Car Preparation Repair Order
- Technician's clocking activity report
- SAGA/2 request for Factory Goodwill for the failed part
- Associated test results (i.e. steering geometry, bench tests result sheets)
- Specialist repair invoices, customer notes / letters/ emails/ text messages etc.
- Other associated or supporting documentation \*including other job cards that justify pre-diagnosis or support the actual approved warranty repair\*
- A signature sheet to be signed by all members of the aftersales business (provided by the auditor prior to your audit)
- A copy of your organisation chart showing all current staff

Documents that are unavailable for inspection during the audit will result in the loss of the full claim. It is therefore important that the following steps are taken:

- Ensure that all warranty filing is kept in an orderly fashion and in a designated secure area where it can be retrieved with minimal effort.
- If the claims are sent to a centralised warranty department away from your site, then a record of when they were sent and when they were returned should be kept so that their location can be always established.
- Claims where the job card / repair order has been lost in transit will not be accepted and will therefore be unjustified and included in the overall error result.

It is important that you have all the warranty claims from the audit period on site for the duration of the audit as we may need to look at additional claims which relate to those within the designated sample. This will minimise any disruptions and will allow the auditor to accurately assess a claim regarding that vehicles repair history.

## 5. Preparation of Approved Vehicles (AUW)

### Multi-point Check Inspection Standards:

All VWG Approved Used Vehicle must be prepared before the retailer displays the vehicle or advertises the vehicle for sale, the retailer must ensure that these vehicles have been through the workshop with a comprehensive MPC inspection completed by a qualified Technician, both internal and external checks are completed, repair any defects identified during the inspection. Retailers must complete the VWG Branded Approved Multipoint Inspection sheet and retained for audit. Below are some of the summarised sections that are covered in the inspection:

- Maintenance work
- Check operation of electrical components
- Check operation of interior security and for damage
- Check operation of all doors
- Check exterior of vehicle for damage
- Checking boot/luggage compartment
- Check under bonnet for leaks and damage.
- Checking underside of vehicle for leaks and damage
- Complete an electrical fault memory diagnostic using ODIS.

**Note:** The cost of any repair work found during the vehicle preparation must be charged internally, under **no** circumstances are these costs are to be claimed against an existing or a new Approved Used Car Policy.

**Important:** Guided Fault Finding via ODIS to be completed before and after the vehicle road test by the retailer. All static faults recorded in the log must be investigated and repaired before the vehicle is displayed or delivered.

**Non-franchised vehicles:** Retailers selling non-franchised vehicle (Meaning VWG vehicles SEAT, SKODA, VWPC, AUDI and VWCV) will not have access to full ODIS diagnostic functions but will have access to OBD (onboard diagnostics) in ODIS. This function refers to the vehicle's electronic system that performs self-diagnosis check and reports any faults in engine control units. If a fault code has been recorded in the vehicle electrics; the system will record it as a unique code. That code is known as a diagnostic trouble code (DTC). The retailer must printout the OBD showing no fault codes and keep with the repair order, this is required to confirm that during inspection of the vehicle there were no faults in the engine electrics before the vehicle was delivery.

**Road Test:** Retailer must complete a road test for a minimum of 2 miles before the final GFF / ODB is printed or saved on-line.

Approved Used Preparation and Handover Process documents must be completed in full all boxes fill in, signed, and dated by a qualified Technician and the Workshop / Service Manager.

Outstanding recalls or service campaigns are noted on the repair order, and the action are taken before the vehicle is displayed or delivered.

VWG Quality control checks in the workshop should apply to the multi-point inspection checks. Every tick or comment placed by the technician on the checklist is a 'Statement' – If placed without the check being conducted, it is considered a misleading statement.

**Important Dealer action for aged stock at 90 days plus:** The approved vehicle must have a safety check completed, and the document retained for audit.

**Multi-Point Preparation** Phase 1: At destination. Phase 2: At workshop.

Follow the route prescribed for maximum efficiency to achieve standard times.  
 Centre Name: \_\_\_\_\_ Centre No: \_\_\_\_\_  
 Model: \_\_\_\_\_ Year: \_\_\_\_\_ Colour: \_\_\_\_\_  
 Vin: \_\_\_\_\_ Reg. No: \_\_\_\_\_

# No: \_\_\_\_\_ Date of Inspection: \_\_\_\_\_  
 For outstanding Workshop Actions / Results: Details on work order.  
 A EISA Pro for TDI engine modification code clear and repair history checked by service department and any concerns highlighted on / Service Register. (EWS) FLEISBLE  
 1 GVF with online connection established. Ensure online auto upload correctly concludes and OK. Requires further attention: Not applicable to this vehicle. (N/A)

**SKODA APPROVED USED MULTI-POINT CHECK SHEET**

SEAT APPROVED Selected, Prepared, Guaranteed.

**Approved Used multipoint check sheet.**

Customer name: \_\_\_\_\_

Customer using:  on-site or by VMS system?  off-site  
 using workshop or workshop. Don't set past date.  
 Customer from workshop.  Long drive?

Approved with this vehicle:

Approved with this vehicle:

**SKODA APPROVED USED MULTI-POINT CHECK SHEET**

1. Check oil level and oil pressure. 2. Check engine coolant level. 3. Check brake fluid level. 4. Check washer fluid level. 5. Check battery charge. 6. Check tyre pressures. 7. Check handbrake operation. 8. Check gear change operation. 9. Check clutch operation. 10. Check steering operation. 11. Check suspension operation. 12. Check lights operation. 13. Check horn operation. 14. Check window operation. 15. Check door operation. 16. Check seat operation. 17. Check interior operation. 18. Check exterior operation. 19. Check engine operation. 20. Check transmission operation. 21. Check drivetrain operation. 22. Check steering operation. 23. Check suspension operation. 24. Check brake operation. 25. Check tyre operation. 26. Check wheel operation. 27. Check chassis operation. 28. Check body operation. 29. Check paint operation. 30. Check trim operation.

**SEAT APPROVED Selected, Prepared, Guaranteed.**

1. Check oil level and oil pressure. 2. Check engine coolant level. 3. Check brake fluid level. 4. Check washer fluid level. 5. Check battery charge. 6. Check tyre pressures. 7. Check handbrake operation. 8. Check gear change operation. 9. Check clutch operation. 10. Check steering operation. 11. Check suspension operation. 12. Check lights operation. 13. Check horn operation. 14. Check window operation. 15. Check door operation. 16. Check seat operation. 17. Check interior operation. 18. Check exterior operation. 19. Check engine operation. 20. Check transmission operation. 21. Check drivetrain operation. 22. Check steering operation. 23. Check suspension operation. 24. Check brake operation. 25. Check tyre operation. 26. Check wheel operation. 27. Check chassis operation. 28. Check body operation. 29. Check paint operation. 30. Check trim operation.



## 6. All in Warranty (AIW)

All-in from VWFS gives customers with vehicles aged three to six years a total peace-of-mind aftersales loyalty package for the next two years, helping them to keep their vehicles in the best condition.

Customers who choose All-in from retailer for their aftersales care receive two services, two MOT tests and two years of Roadside Assistance, all paid for up front or in affordable monthly instalments. We then complete the customer's two-year peace-of-mind package with a used vehicle warranty at no extra cost.

This cover has been designed to provide the customer with the best possible motoring protection, with the minimum of fuss and inconvenience, in the unlikely event of a mechanical and electrical failure.

Beneficiary, beneficiaries

Means the owner or any other driver of the covered vehicle using the covered vehicle with the owner's permission and any passenger of the covered vehicle now an electrical or mechanical failure occurs.

Volkswagen Retailer or Volkswagen Authorised Repairer will manage the claims process on your behalf of the customer.

It is the customers responsibility to authorise any dismantling of the covered vehicle, or any other work needed to diagnose any faults with the covered vehicle.

The cover will not pay for any diagnostic costs, other than the reasonable costs of diagnosis should a claim for a defective part be valid under this cover.

We reserve the right to examine the covered vehicle and to subject it to expert assessment to decide if the claim is covered and how much we will pay for repairs. If anyone acting on the customers behalf acts in a way which prevents us from being able to decide the cause of failure by inspecting the covered vehicle or defective components, then we may not pay all or any part of the claim.

Please refer to our policy booklet for T&C and more information.

### **Pre-existing faults (Static/Sporadic)**

Please ensure that you carry out checks for pre-existing faults before submitting the claim for approval.

Coaching point – Once the fault has been identified by your workshop, write the fault code and date/time of when it occurred in the test, then check when the policy was activated, if this fault occurred before activation, then the cost of the repair should be the owner's responsibility, (Sometimes the faults maybe cleared by your technician during customer visits, Always check the ODIS sessions history logs for faults).

## 7. VWFS Portal & Authorisation process

**Access VWFS Portal** - Copy and paste the link below in your web browser.

<https://www.vwfsinsuranceportal.co.uk>

### Approved Used Warranty

#### Retailer Numbers:

Audi	0345 222 4530
CUPRA	0345 222 4529
SEAT	0345 222 4531
Škoda	0345 222 4532
Volkswagen	0345 222 4533
WVCV	0345 222 4534

#### Customer numbers:

Audi	0333 043 3780
CUPRA	0333 043 3799
SEAT	0333 043 3783
Škoda	0333 043 3782
Volkswagen	0333 043 3781
WVCV	0333 043 3784

### All-in Warranty

#### For queries about All-in that are Warranty related (retailer numbers):

Audi	0345 222 4530
SEAT	0345 222 4531
Škoda	0345 222 4532
Volkswagen	0345 222 4533
WVCV	0345 222 4534

#### For claims or complaints about All-in Warranty (customer number):

Audi	0333 043 3780
SEAT	0333 043 3783
Škoda	0333 043 3782
Volkswagen	0333 043 3781
WVCV	0333 043 3784

#### For queries about All-in that are not Warranty related:

Audi	0370 010 2007
SEAT	0370 333 4446
Škoda	0370 333 4449
Volkswagen	0370 010 2022
WVCV	0370 010 2080

### **Retailer Authorisation process for claims up to £800**

Retailers have the option to complete repairs **up to £800** please read below: -

There are a few points to be aware of.

- Circa 30% of claims are auto approved by the system.
- Authorisation must still be **requested before the repair is complete**, however it is no longer necessary to wait for it to be granted to complete repairs.
- Should you opt to complete a repair prior to authority being granted, and then the request be subsequently declined, the cost of the repair would need to be covered by the retailer.
- This process is intended to be used at your discretion when deemed in the best interest of the customer or your business.
- The relaxation of this criteria does not guarantee approval of a claim, all existing criteria and exclusions still apply to the warranty.

This change will continue to be monitored. Should we recognise an increase in contact to dispute claim rejections we reserve the right to reverse this change.

**Claims over £800 will still require approval of the claim before repairs can be completed.**

## 8. VWFS Warranty Claims Audit Requirements

### 8.1 Repair orders / Job cards

Repair order or 'job card' should be treated as a contract between the policy holder and the Approved Repairer/Retailer.

The repair order should have details and information relating to the customer (Customer means "Policy Holder"), and the vehicle, description of complaint / faults reported by the customer.

The repair order must include:

- Policy holders' details (name \ address \ contact details)
- DISS reference to a DISS BA ID
- Vehicle chassis number \ engine number \ gearbox number
- Vehicle registration date
- Recorded mileage at the time of repair.
- Date of customer booking / appointment
- Detailed description of the complaint / fault reported by the policy holder.
- Policy holder's signature authorising the work / repair to be completed.

It is imperative that these details are checked and verified when the vehicle arrives in your dealership to ensure that any later claim are sent with the correct details.

Claim sent against the wrong chassis number will not be accepted at audit, a debit will be applied for the full claim.

The front of the job card must only have the information detailed above, any additional information, comments, notes etc. should be recorded on a relevant communication log attached to the job card.

Examples of clear description of breakdown by the customer: -

Description of breakdown reported by the customer		
A LAB	Line No: 1	0.50
Investigate and report for authority - Noise from front drivers side when going over rough roads at low speed and turning steering wheel, customer noticed this fault a few weeks ago.		
Description of breakdown reported by the customer		
A LAB	Line No: 1	0.50
Investigate and report for authority - Coolant warning light on dash, customer has topped water and the light came back on two days later.		
Description of breakdown reported by the customer		
A DIAG	Line No: 1	0.50
Investigate and report for authority - Heater blower are not blowing hot air inside the car, engine temp gauge showing normal, no loss of coolant.		

## 8.2 Customer Reported Complaints (Policy Holder)

Job card must only have detailed description of the complaint / faults. The symptoms reported by the customer must be included on the job card to help find the fault.

Additional information can include:

- When the fault first occurred and how often it has happened
- Under what conditions does the fault occur (temperature, engine speed, road surface, etc.)
- Any warning lights and if so a description of the symbol and the colour, use of pre-diagnosis customer questionnaire for reported fault.

Customer complaint / faults must not be recorded on the job card as a direct workshop instruction or a direct repair request to repair. If the fault has already been diagnosed during a previous visit, then there must be a specific reference to this as part of the repair instruction. In such cases the job card & associated documentation from the previous visit must be attached to the most recent job card to show the sequence of events.

## 8.3 Authorisation & signatories

It is a legal requirement that the repair order is signed by the customer to authorise the diagnosis of the fault and subsequent repair.

The customer (Policy Holder) is defined as the person who is authorised to request the repair on the vehicle covered by the approved used car policy.

If the customer is not available to sign the repair order or it may be that a representative is acting on behalf of the policy holder, a signature is still required to safeguard the repairer from misunderstandings regarding the reported fault and the authorisation of work, a suitable reason must be noted on the job card by the advisor.

In extreme cases where it is not possible to obtain a customers' signature, evidence of work request by the customer and approval of work to be completed by the customer on the vehicle must be retained by the retailer.

It is no longer allowed that a Senior Manager can counter sign the job card in the absence of a customer authority.

**Repair orders that are missing the above requirements will be recorded as an unjustified claim.**

## 8.4 Additional handwritten requests

On occasions it may be necessary to add additional complaints / faults requested by customer that were not recorded at the time when the booking was created/confirmed.

Additional complaints on the job card as handwritten amendments / request are accepted providing, they are clearly and individually authorised by an original signature that is in addition to the main policy holders signature obtained on the job card.

Additional complaint or work request that is handwritten onto the job card and not signed for by the policy holder will be recorded as unjustified.

## 8.5 Workshop Found Repairs

During working on the customer vehicle, faults may be discovered in the workshop that:

- Pose a risk to driving safety.
- Hinder use of the vehicle
- Could cause secondary damage.

For clarification, visual defects or noises do not fall into this category unless the cause is part of this list. The workshop is obliged to rectify these faults but must seek consent from the customer before repairing them.

If the added repairs are arranged with a customer on the telephone, this should be documented with the date, time, and signature of the service advisor on the job card. This must be available for inspection at an audit.

We will now also accept the customer's reply in the form of a text message, email or other type of electronic media (social media platforms included), providing this can be reviewed at a warranty audit and can be linked to the genuine customer and the additional work on the repair order.

## 8.6 Factory Goodwill Warranty

Once the fault has been diagnosed by the technician and the assessment of what component has failed has been confirmed, the retailer must submit a Factory Goodwill request in SAGA/2 for any Factory contribution available towards the failed part and labour. (It is the dealer's responsibility to check that the vehicle qualifies and meets the terms and conditions for FGW contributions.)

A copy of the Factory Goodwill request must be retained or documented on the repair order with the request ID and the service ID used.

You can also screen print a PDF by pressing CTRL +K and upload this to the claim request.

The Factory Goodwill Request ID number must be entered in the claim, if any contribution is available for the failed part or repair, then enter the percentage in the claim before repair approval is requested.

**Note** – An accredited Warranty Claims Administrator is the best person to submit a Factory Goodwill Request in SAGA/2.

**Important** – Before requesting Factory Goodwill, the retailer is responsible to check if the vehicle history meets the terms and conditions for Factory Goodwill Contribution.

## 8.7 Technician's reports & write-up.

Without a detailed technician write-up, it is difficult to justify the repair carried out and the corresponding warranty claim. In cases where the technician's write-up is vague or lacking in detail there is doubt as to whether the correct repair has been carried out can lead to the claim being recorded as unjustified during the audit.

However, we appreciate not all faults will be as quick or as straightforward to diagnose. Many faults will require both in-depth & lengthy diagnosis, especially where several components could be causing the fault or where several parts are removed. In such cases the technicians' report becomes of even greater significance and will be the only evidence to support the work / repair being claimed.

It is now encouraged for the technician to document their write up on a DISS report. Each field should be selected and completed. Should the repair be involved and therefore not enough characters on the DISS report to give a full write up then bullet points to confirm the diagnosis carried out, component defect found and what has been repaired/replaced should be documented in the relevant field. A full write up to justify the claim must be on a separate write up sheet, signed and dated by the technician, and attached to the DISS report. If the BAID number quoted is no longer on the system to view, then the warranty claim will be rejected and recorded as unjustified during the audit.

Detailed report from the technician confirming the following points:

- Confirmation of the customers complaint and that a fault exists A full and detailed description of the diagnosis process.
- A description of the actual defect itself, not just the part.
- Confirmation that the fault is a defect covered by the policy and not the result of an external influence.

Details of any parts that are consequentially damaged and the actual defect with those parts.

A clear image of the consequentially damaged part must also be attached to a the DISS report. This will not apply if the consequential problem is internal and cannot be seen, for example electrical components that are not physically damaged.

Steps carried out to rectify the fault and confirmation that the fault has been fixed Details of any TPI bulletin numbers or DISS BAID numbers that refer to the diagnosis / repair.

Below are examples of acceptable technician's reports which include:

- Confirmation that customer complaint exists.
- Confirmation of diagnostic steps taken to confirm defect.
- Confirmation of the component defect is covered by the approved policy.
- Confirmation of steps taken to replace the defective part, and all associated parts are renewed as per the Elsapro workshop manual instructions.
  - **If applicable** -Donor vehicle used for test must have chassis number of the vehicle written on the back of the repair order
- Confirmation that repair carried out was successful.

Any additional defects discovered by the technician during the repair must also be clearly noted within their report on the repair order or additional authority sheet (EVHC).

The write up must contain details of any diagnostic / fault tracing carried out, failure to have the details described in this section will result in the claim being recorded unjustified.

## 8.8 Workshop Manual Repair Instructions (Associated Parts)

VWFS is focusing on improving the quality of repair processes and warranty claim standards. The Audit team are experiencing a much more robust approach from the brands in applying repair process when it comes to either accepting or rejecting warranty claims.

Safety cases have arisen globally where it has been proven the workshop manual has not been followed and a consequential failure of the vehicle has occurred. This has had vehicle safety implications, as well as causing serious customer concerns. At a time where Volkswagen Group are striving more than ever to improve our customer satisfaction standings this situation cannot be accepted.

An area of focus has been on what is termed “associated parts”. These are parts such as bolts, nuts, seals, clips, bearings etc. that are listed as requiring replacement when a related repair operation is carried out. All associated parts as identified in ElsaPro must be used in all repairs. It is also important to stress that should ElsaPro determine the repair requires another component to be removed then parts associated with this secondary component must be replaced. For example, when replacing an EGR valve you may be required to remove the particulate filter and therefore also replace associated parts when refitting the filter.

The key point here, which cannot be emphasised enough, is that all associated parts across the full scope of the repair as determined by ElsaPro, must be replaced for any repair regardless of whether it's retail or warranty. Please ensure you drill down into ElsaPro to ensure you have correctly identified all associated parts required for every repair. If a claim is made, it must be ensured the associated parts are all included.

To assist your workshop further a technician's write-up sheet is available on Hub to download.

Claims selected for audit which are missing associated parts could be subject to cancellation i.e. if our auditor identifies the workshop manual has not been followed because, for example, the claim is only for the main component then the auditor will assess the severity of the incomplete repair. The auditor could give the option for you to contact the customer and have the vehicle returned to your workshop to complete the required work if they consider the circumstance is appropriate. This would have to be at no further costs to either the customer or warranty. Claims where the technician has used all the correct associated parts (as confirmed by supplied evidence) but these haven't been included in the approved claim will be accepted. However, the auditor will need written confirmation by way of a signed action plan that all the associated parts will be claimed from that point on.

Any claims that are found not to be in line with the above points will be excluded from the audit errors and recharged back to the retailer.

## 8.9 Technicians clocking records.

The technician's clocking records must be accurate and clearly assigned to the given repair order. The start and finish times of any period in which the technician worked on the repair must be clear and must justify the labour claimed by the Retailer.

In all cases a clear and accurate record of the technician's clocking must be retained for audit. Only records that have been electronically or mechanically clocked will be accepted during a Warranty Audit.

When multiple customer complaints are reported on one job card, then the technician is responsible for individually clocking each customer complaint / repair individually so that the amount of time spent on each repair can be identified.

Ensuring that individual time spent on each repair can be identified will allow the Warranty Administrator / Controller to compile the claim correctly and justify the labour being claimed for each repair.

It is important that technicians accurately clock against all repairs carried out, providing a start and end time which allows the duration to be calculated.

A hand-written record is not an acceptable record of the time spent carrying out a repair. In such cases the associated claim will be considered unjustified.

## 8.10 Guided Fault Finding

Guided Fault Finding must be used for all electrical fault/repairs. It is important to ensure that all relevant test plans are followed correctly and fully completed, not just to ensure that the correct repair has been conducted but to fully justify the warranty claim.

In general, it provides clear evidence as to the nature of the fault, the diagnosis process and the repair that is required. It will also give a sign of the time spent on diagnosing the fault as the diagnosis logs produced will show the amount of time taken or 'DTE' time.

Faults and repairs right for the application of Guided Fault Finding include but are not restricted to:

- Warning Lights on the instrument panel
- Engine management faults
- Loss of power
- Incorrect functions of any electrical part
- Repairs which involve the coding, adaptation or updating of a control unit

Before a claim for GFF time is sent the following questions should be answered:

- 1) Was the repair appropriate for the application of Guided Fault Finding?
- 2) Has Guided Fault Finding been completed and has the diagnosis log been sent on-line?
- 3) Is the vehicle chassis number correct on the top of the diagnosis log?
- 4) Have you claimed the correct amount of DTE time (time taken) as recorded on the diagnosis log?
- 5) Does the GFF diagnosis log contain any relevant test plans and if so, have they been followed correctly and completed in full?
- 6) Have you examined the diagnosis log for operations such as wiring checks, turbo checks or control unit adaptations that could lead to duplicated operations being claimed?



- 7) If more than one DTE time (time taken) is being claimed, is the start time on each diagnosis log different?
- 8) If more than one DTE time (time taken) is being claimed, do the diagnosis logs contain different operations, for example initial diagnosis and then an adaptation or coding of a control unit?
- 9) If the fault is sporadic and / or the test plan was inconclusive, does the technician's report refer to any additional diagnosis that explains and justifies the repair?
- 10) Does the test plan contain manually entered values and if so, are they explained or justified by the technician's write-up? If not, then why were the values manually entered instead of using the test leads?


Customer complaint for electrical fault with no faults recorded in ODIS – A component selection test must be completed via ODIS for that component. For example: -

- Customer complaint fuel flap will not open, no faults in memory, select the V155 test plan for the fuel flap motor.
- Customer complaint that the fan blower only works on position 4, no faults in memory, select the N24 for the fresh air blower.

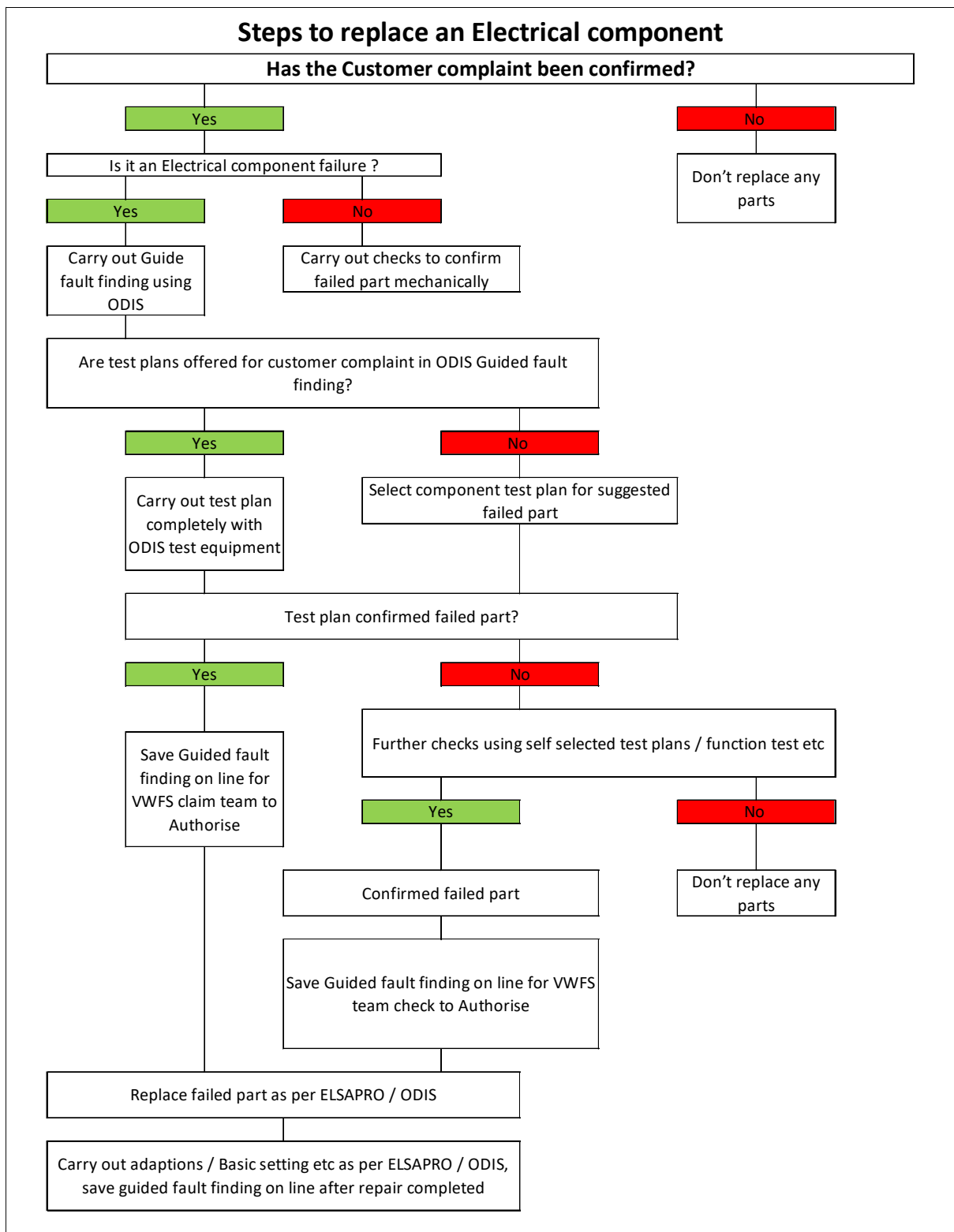
A '**Guide to Guided Fault Finding**' can be found in the warranty knowledge section on the HUB which must be read and understood by the Technicians, Warranty Administrator and Workshop Managers.

Technician's will use the software GFF to aid with the diagnosis of electrical faults and once complete this will produce a diagnostic log for you to verify the repair against the Technician's warranty write-up.

**'Function checks'** - To understand if the test steps were successful, we have listed below the interpretation of the icons.

 = Steps have been followed correctly to a conclusive result.  = Steps have been followed correctly to a conclusive result, however, the test plan was interrupted.  = Aborted or cancelled test plan by the user.	 = Steps have been followed correctly. The component being tested has a conclusive diagnosis but additional action is required. (For example replace a component.)  = Inconclusive result, an error has occurred ended by system not user.
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 You have seen some of these icons before however in a different format under '**Work steps performed**'.    



It is unacceptable to submit any individual single screen prints in place of a full Guided Fault-Finding diagnosis log. Without a full diagnosis log it is impossible to establish whether the correct process has been followed or exactly how much time has been spent carrying out the diagnosis (no DTE time / time taken).

## 8.11 Technical Product information (TPIs)

The factory produces Technical Product Information bulletins, commonly referred to as TPI's which must be encoded from the customer's perspective and designed to minimise the amount of time spent diagnosing known faults and ensure a first-time fix.

Before and during the diagnosis process it is vital that a search for a relevant Technical Product Information bulletin (TPI) is conducted. The search should be based on the complaint, the characteristics of the fault and any fault codes shown in the diagnosis log. This search must be chassis specific as only TPI's that specifically apply to the vehicle in question should be followed (unless instructed otherwise by Technical Support via a DISS Technical Query).

If a TPI applies to the fault, then the instructions given by the TPI in terms of both the diagnosis and the repair must be followed. This should be detailed within the technician's write-up along with any other details that the TPI refers to such as the production date of a part which may be needed to justify its replacement. The claim must also be sent as per the accounting instructions on the TPI bulletin. Please note that only the most recent version of the TPI should be followed when carrying out a repair as TPI's are subject to change.

If an applicable TPI is available and not referred to or followed correctly supported by the technician's write up, then the warranty claim will be recorded as unjustified.

## 8.12 Other forms of Diagnosis & Supporting Documentation

Additional reports or other test information that is used to diagnose a fault and justify a repair must be made available for inspection. These may include the following:

- Steering geometry & wheel alignment printouts
- Images / photos of the defective part
- Compression test results
- Self-diagnosis & other function test screen prints (in addition to a full GFF diagnosis log) EVC / Multi Point Check / Service Schedules for defects identified on retail work.
- Air conditioning re-gas print out.
- Additional work request approved by the policy holder records
- Communication logs between dealer and policy holder

### **Images of the defect**

In some cases, the fault may be a physical defect and one that will be visible to the human eye. Examples of this are leaks, broken components, and optical defects. In these cases, a picture of the component defect must be available to both explain the fault and justify the repair. Particularly if it is an unusual fault or one that is difficult to explain in a technician's write-up. The images of the defect should then be attached to a DISS report so that they can be viewed by both the claims technicians and the auditor.

Clear images must be available for consequential failure repairs that are been requested and approved.

Images are extremely useful in highlighting a defect and justifying the repair being claimed. Not only do they offer additional information to justify the claim during an audit, but also supports the claim if the technicians write up lack details.

Images or video clips must be available for broken, worn, leaking and visual defect, claim may be debited if not available.

*Please note: Images are not a substitute for a technician's write-up. They are supporting evidence in conjunction with a full & accurate technicians' write-up.*

### **Additional Work Authority Record**

There may be cases where an additional fault was identified whilst the vehicle was in the workshop that the customer may not have requested be investigated. In this situation the additional work identified should be noted on the EVHC or Additional Work Authority record. In some cases, this form may be produced electronically but any additional work must still be authorised by the customer and records retained for audit.

*If no evidence of customer authority is produced during audit, then the claim will be recorded as unjustified.*

### **Specialist & Sub-contractor invoices**

On occasions it may be necessary to use a specialist service provider to complete a repair. In such cases a copy of the specialist subcontractors' invoice must be kept and be available for inspection during the audit.

If a repair was conducted by a sub-contractor, then the amount claimed for the work must match the pre-VAT value shown on the sub-contract invoice. If an amount greater than the pre-VAT value is claimed the difference will be debited.

### **8.13 Claim Invoicing and uploading final invoice.**

The purpose of the invoicing period is to provide an adequate time from completion of the repair to allow for the claim to be processed correctly with any additional information that may be required to support the claim. This also allows time for errors to be corrected and ensures that all acceptable claims are credited promptly and efficiently. It is therefore in the best interests of all parties to upload all justified claim invoices onto the warranty portal as soon as possible.

#### **It is important to take into consideration the following:**

- The labour operations used are correct and at the correct value.
- The part number issued are correct and issued at the warranty price plus handling allowance.
- Accurate Factory Goodwill Contribution split is applied correctly within Parts and Labour
- The total invoice value agrees with the total approved claim value.

## 8.14 Parts & material issue

It is important that only manufacturer's original parts are used for repairs under VWFS warranty. You must be able to show that the parts used for warranty repairs were bought directly from the Volkswagen Group. There must be an audit trail showing that the parts you have claimed are original parts ordered from the Volkswagen Group and booked to the repair in question whilst the vehicle was on-site. This audit trail must include:

- Purchase orders.
- Volkswagen Group part delivery notes
- Invoices and credit notes (which include a list of all parts used to complete the repair)
- Transaction records via your Dealer Management system
- Volkswagen Group part collection notes (C-CA M)

The auditor will review parts movement and parts issued to the repair order. If anomalies are identified with stock purchase, movement, non-genuine parts booked out then the values will be added to the percentage of errors and will be included in the overall error rate.

Below are the manufacturer's parts handling fee that can be applied to parts issued on jobs at cost price plus handling fee.

Brand	Handling fee	Margin limit
Audi	4.3%	Capped at £100 profit (net of VAT), per unit line item
VW	4.3%	Capped at £100 profit (net of VAT), per unit line item
CV	4.3%	Capped at £100 profit (net of VAT), per unit line item
SEAT	5%	No limit
SKODA	5%	No limit

Parts issued and invoiced must be at the manufacturer's cost price plus the relevant warranty parts handling charge as directed by each brand. If the parts have been invoiced at a higher value, the difference will be debited.

## 9. Audit Result & Penalties

### 9.1 Warranty Audit result

Where an audit has been completed you will be given a report detailing the auditor's findings. This report will identify areas for improvement and the if any audit penalties are to be applied. Copy of this report will be presented to a nominated member of staff immediately following the audit. The report also contains a detailed summary which is designed to assist you with any areas that require improvement.

Where the audit error rate is above 5% the Authorised Repairer will also be requested to review the action plan which must address all the issues identified. In such cases there will also be a 'follow-up' audit in 13 months' time to ensure that any recommendations included within the report have been implemented.

On conclusion the auditor will present their findings and the audit results to you and your team. We strongly advise that your Head of Business is present for the audit presentation so that they understand both the result and their role in supporting the implementation of any action plan.

### 9.2 Warranty Audit penalties

The error rate is calculated as a percentage of the audit sample, i.e. the percentage of the total value of the claims viewed.

#### **Greater than 50 Paid Claims**

Depending on the result, this error rate will then be 'extrapolated' which means that it will be applied to the total value of all claims submitted within the audit period.

For example: If the error rate from the audit sample is 4%, and the total value of warranty credits during the audit period is £100,000, then the chargeback would be 4% of that figure which equates to £4,000.

#### **Less than 50 Paid Claims**

Depending on the result, this error rate will **Not** be 'extrapolated' which means that it will be applied to the total value of all claims submitted within the audit period.

## 10. Approved Warranty Audit Appeal Process

### 10.1 Contest audit conclusions and penalties

Dealers will be given every opportunity to discuss the audit findings during the audit process. An appeal will only be considered if the Dealer can present additional documentation which was not available for examination at the time of the audit.

Dealers must lodge their appeal in writing to the Warranty Claims Department via Email as shown below no later than ten calendar days after the completion of the audit.

Before you consider making an appeal, we suggest you refer to the VWFS Audit Guide for detail of the rules of submission of all warranty claims.

Any concessionary decision made by the auditor during the audit will be reviewed again during the appeal process to ensure a consistent approach is taken with any appealed claims. The original concessions may be amended resulting in a change to the original error rate and proposed debit.

Please note that Appeals will not be considered unless you can produce new documentary evidence to support the appeal. Any appeals based on a challenge to clearly publish the Warranty Guide will also be declined.

Contact Details:

**VWFS Approved Used Car Audit Department**  
**Volkswagen Group (UK) Limited**  
**PO Box 869**  
**Warrington**  
**WA1 1RU**

[audit@vwfs-volkswagenwarranty.co.uk](mailto:audit@vwfs-volkswagenwarranty.co.uk)

## 10.2 Collection of the Debit after the audit

The audit report summary will discuss the of the audit process, the value of audit debit and the error rate will be communicated with any recharge value for missing associated parts claims found within the claim sample.

Your final audit debit will be deducted from future claims payment until the full amount of the audit debit has been recovered. Please refer to your payment remittance for audit debit information, the value will be noted for your information.

## 11.0 Audit Error Codes

Auditors will select claims that the Approved Retailer have sent for approval and have been paid over a 12-month period.

Claims review will consist of the following process:

- MPC - Approved Used Preparation
- RO - Repair Order
- FG - Factory Goodwill
- WUP - Technicians write up / report / repair process.
- EVID - Supporting evidence.
- TP - Technical Product Information
- PARTS - Parts
- PROCESS - Claim process.
- AIW - All-in Warranty



## **Error codes & descriptions**

MPC1\_Approved MPC Inspection check sheet  
MPC2\_GFF ODIS session for MPC not saved on-line  
MPC4\_Pre-existing fault identified and not corrected prior delivery

RO1\_Repair order missing  
RO2\_No customer authority / signature  
RO3\_Incorrect customer or vehicle details  
RO4\_TBC  
RO5\_No customer complaint for claim requested and repair completed

FG1\_Incorrect failed part (Service ID) entered for goodwill in SAGA/2  
FG2\_Goodwill contribution percentages/values not entered on claim  
FG3\_Factory Goodwill requested ID not entered in claim

WUP1\_Technicians comments lack detail / does not justify the repair claimed  
WUP2\_Incorrect causal part declared

EVID1\_GFF time claimed not appropriate for repair  
EVID2\_GFF session / Test plan not found/completed  
EVID3\_Incorrect amount of GFF time claimed  
EVID4\_Elapsed time is not accurately recorded with technicians' clocking's.  
EVID5\_Lack of supporting other evidence (photo, sublet invoice)

TPI1\_TPI not found / recorded (but available)  
TPI2\_TPI found and not followed

PARTS1\_Repair carried out with non-manufacturer's original parts  
PARTS2\_Incorrect part description entered in claim  
PARTS3\_Part still covered by the parts manufacturers FIS  
PARTS4\_Part claimed / Part defect unjustified  
PARTS5\_Incorrect part number entered in claim  
PARTS6\_Associated parts not replaced as per workshop repair instructions

PROCESS1\_Repair completed before approval - Claims above £800  
PROCESS2\_Repair still covered by previous repair  
PROCESS3\_Incorrect labour operations/time for the repair has been claimed  
PROCESS4\_Workshop identified additional repair not authorised

EC3\_Pre-existing fault before Activation (All-in)