

September 2004

**CODE OF PRACTICE –
FOR THE RECALL OF NEW ZEALAND NEW VEHICLES
WITH SAFETY RELATED DEFECTS**

Relates to:

Safety related defect is a feature of design or construction liable to cause significant risk of personal injury or death.

Members in conjunction with the vehicle manufacturer may decide that a fault or defect that falls outside the above definition is still to be determined as a safety related recall. In such cases this Code must be adhered to.

Purpose:

To record the basic procedures which must be followed by members in the event of undertaking a safety related recall.

Scope:

The code does not replace a member's obligations under existing legislation.

Establishment of Procedures:

In line with this Code and existing legal requirements each member will set in place and maintain within their organisation established procedures for dealing with safety related recalls.

Investigation of Safety Related Defects:

Upon being made aware, either from within the organisation, LTSA or as a result of monitoring warranty claims, of the possibility that a safety related defect exists or could exist, the member shall immediately commence investigations to determine properly and promptly the nature of the defect and its impact.

Recall Campaign:

Having determined that a safety defect exists; and having established the nature of the defect, a member shall then determine the manner in which the vehicles are to be rectified having regard to the:-

- need for urgency
- steps required to fix the vehicles
- availability of replacement parts

and shall commence a recall campaign involving one or more of the following:-

- formal advice to dealer network
- news release
- public notice advertisements
- internet updates
- 0800 numbers (including existing call centres)
- dealer bulletins
- notice to known current registered owners
- advice to selected Government Departments or agencies

New Zealand New Vehicles:

With a campaign involving New Zealand new vehicles, which have been imported and sold by a member, the following action **must** be undertaken:-

- notification to Motor Industry Association – see below
- notification to advise dealers of the fault and rectification to be undertaken; including supply of parts
- advise registered owners of procedures by either phone contact or written correspondence with current details to be obtained from the Motor Registration System using VIN numbers
- publication of the recall and details on the company's website (either by way of details of the campaign or a vehicle specific search facility)
- one follow-up to registered owner with reasonable timeframe if the first notification is not acknowledged (refer to below **Completion of Campaign**)

Notification of Campaign:

All members are required to advise the Motor Industry Association Inc (MIA) of campaigns when formal notification is received from the vehicle manufacturer. Such advice will be in the format determined by the MIA and should also include any technical details/notices as sent to dealers where available. If technical information is not available at this point in time the information should be provided to the MIA when to hand.

In addition, the information provided will include (if details are available from the vehicle manufacturer) an evaluation of the possible consequences and an assessment of the seriousness of the defect and resulting failure; number of known failures in New Zealand or overseas; an evaluation of the likely hood of these consequences occurring.

The MIA will advise LTSA of all such recalls notified to the Association.

Completion of Campaign:

Throughout a recall campaign each member is required to undertake ongoing monitoring of the numbers of vehicles inspected; repaired; yet to be contacted etc so that assessment of the completion rates of the campaign can be ascertained.

A campaign cannot be considered complete until 85% plus of affected vehicles have been rectified.

Supporting Membership:

Ateco Automotive New Zealand Limited	Auckland
BMW New Zealand Limited	Auckland
CablePrice (New Zealand) Limited	Wellington
Continental Vehicle Distributors	Auckland
Daimler Chrysler New Zealand Limited	Auckland
European Motor Distributors Limited	Auckland
Ford Motor Company of New Zealand Limited	Auckland
Hino Distributors (New Zealand) Limited	Palmerston North
Holden New Zealand Limited	Auckland
Honda New Zealand Limited	Auckland
Hyundai Automotive New Zealand Limited	Auckland
Inchcape Motors New Zealand Limited trading as Subaru of New Zealand	Auckland
Intertruck Distributors (New Zealand) Limited	Mount Maunganui
Iveco Trucks New Zealand	Auckland
Kia Motors New Zealand Ltd	Auckland
MAN Automotive Imports (NZ) Ltd	Amberley
Mazda Motors of New Zealand Limited	Auckland
MG Rover New Zealand	Auckland
Mitsubishi Motors New Zealand Limited	Porirua
Motorcorp Distributors Ltd	Auckland
Motorcorp Holdings Limited	Auckland
Nissan New Zealand Limited	Auckland
Sime Darby Automobiles New Zealand Limited	Auckland
Southpac Trucks Limited	Auckland
Ssangyong New Zealand	Auckland
Suzuki New Zealand Limited	Wanganui
Titan Plant Services Limited	Auckland
Toyota New Zealand Limited	Palmerston North
Truck Investment Group	Palmerston North
UD Truck Distributors (New Zealand) Limited	Auckland