

VEHICLE RECYCLING



Vehicle Recyclers'
Association

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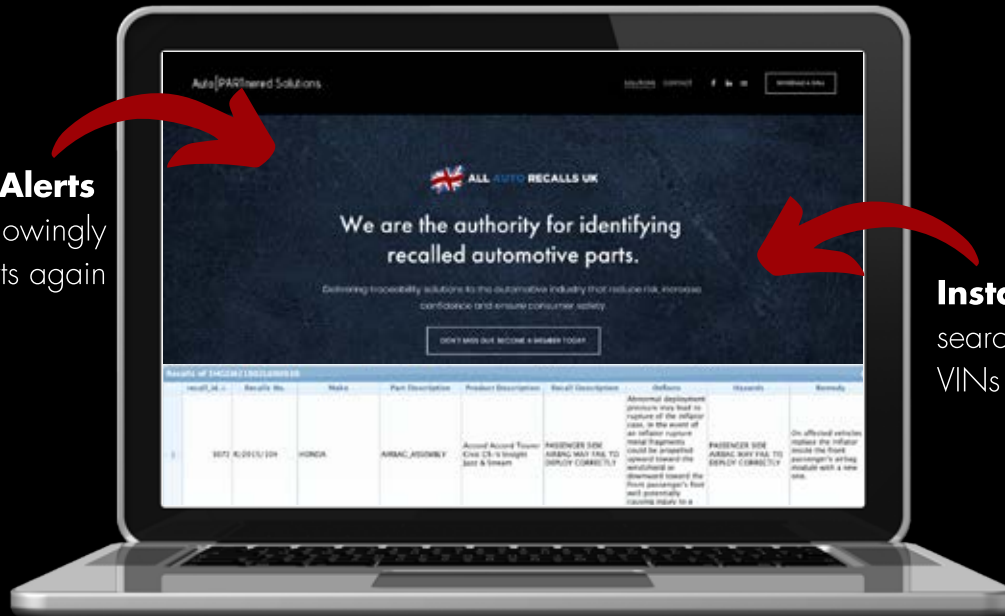
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ALL AUTO RECALLS UK

In collaboration with Vehicle Recyclers Association UK, All Auto Recalls has developed a mechanism through which automotive recyclers in the UK can identify and remove recalled components from inventory. This efficient tool is now available to all VRA members.



RECLAIMED ORIGINAL EQUIPMENT PARTS – RISK and REWARD

CHRIS DAGLIS, Managing Director of All Auto Recalls UK, Sets Out How the System Works



THE TIDE IS CHANGING IN THE AUTO RECYCLING INDUSTRY. There is an opportunity for auto recyclers in the UK that has the potential to shift the entire industry like never before.

As the costs of car repairs continue to rise, demand is growing for Reclaimed Original Equipment (ROE) parts in collision repairs. ROE parts offer an opportunity to all stakeholders to:

- Increase profitability - collision repairer and supplier
- Reduce cost - insurer
- Improve environmental outcomes - everyone

This flurry towards a bright future for the automotive recycler has not happened by accident. There are many people, organisations, businesses and interests that are driving this unprecedented opportunity.

THE AUTO RECYCLER'S OPPORTUNITY

It is estimated that the UK is currently using ROE parts for approximately 2% of collision repairs, which is lower than any other developed country I know of. The analysis I have completed on behalf of a number of insurers in the past 18 months in the UK has identified

an opportunity to increase this number to well over 10%. To the automotive recycling industry, this is an extraordinary growth opportunity, like none other seen before.

There are more than five million vehicles involved in road accidents in the UK each year. Approximately 84% of these vehicles go in for repairs, with the cost of parts accounting for around 50% of the total repair cost.

Whilst the price of collision repairs was already rising, the newly added strain to the supply chain of the global Covid-19 pandemic will further increase demand for ROE parts in vehicle repairs.

RECALLS

This phenomenon will not have manifested itself as yet, due to the lower accident rates and claims experienced driven by the lack of traffic on the roads. It is though, an experience other regions are starting to face, and one I predicted some four months ago as production facilities went into lockdown.

CAUSE AND EFFECT - THE RISK THAT COMES WITH THE OPPORTUNITY

With this increased demand, comes an increased risk. This is the exact reason why eBay and the insurers have committed significant resources, time and money to a reclaimed parts strategy. It is also why the VRAC has taken a strategic

direction to support its members and built the certification program and arm to the organisation.

One of the key components of the certification criteria and areas of risk is that which relates to automotive recalls. There is a genuine risk of using a recalled part in a repair or the part being recalled in the future, and with the growing level of technology in the modern day vehicle, the types of products that are affected could impact all of us. Mazda has recently recalled CX-5 headlights, as one example. These particular headlights have an RRP of well over £1,000, so a part every recycler would like to make available to their customer and certainly a part

they buy off you today, has not been recalled and that if it is recalled at some point in time in the future, you can identify it and notify them?

Using a recalled part has the potential to be fatal for the consumer and poses a significant risk and liability to the insurer who authorises its use, but also to the auto recycler who sold that particular recalled part. The general public, the repairers and the auto recyclers need to ensure they can safeguard themselves from this happening.

THE SOLUTION

The UK independent certification scheme launched in June 2020 aims to deal with all these issues. Managed by VRA Certification Ltd (VRAC), a not-for-profit company set up by the VRA, the goal is to give the consumer, insurance companies, eBay and its buyers, collision repairers, mechanics and other stakeholders the confidence that when dealing with a VRAC certified recycler, they are protected from the risks associated with the likes of a safety recall. The scheme certifies UK-based vehicle recyclers to ensure that they conform with the 'UK Standard for Reclaimed Parts from End-Of-Life Vehicles'.

As part of this certification process, auto recyclers must meet the recall process requirements and have a system in place to ensure the safety of the parts they sell. To support auto recyclers with their recall system, the VRA announced that they have teamed up with All Auto Recalls UK (AAR) to develop a solution to ensure that auto recyclers can safely identify and remove any recalled parts from their inventory.

ALL AUTO RECALLS UK

REGISTERED MEMBER

Every part we sell has been checked and we can guarantee that this part has NOT been subject to ANY safety recall.

If the part you bought is recalled at any time in the future we will notify you.

WE ARE MEMBERS OF THE MOST COMPREHENSIVE TRACEABILITY MANAGEMENT SYSTEM IN THE INDUSTRY

PROUDLY OFFICIAL MEMBERS **ALL AUTO RECALLS UK**
www.allautorecalls.co.uk

In addition to this, AAR UK has a function that alerts its members if any vehicles in their system have a recalled part in the future. “Our purpose is to provide traceability solutions to the automotive industry to reduce risk, increase confidence and ensure customer safety” says AAR UK Managing Director Chris Daglis.

As a registered user of AAR UK, members subject their inventory to three key tests:

- 1. The Historical Inventory Analysis** - members provide AAR UK with a list of all the VINs they have ever handled, and each is checked for recalls. A report is produced which enables

members to review and remove all affected parts from their inventory.

- 2. The incoming vehicle recall check** - members can check every vehicle at check-in for any recalls. This saves the vehicle details to the member’s account.
- 3. Auto Alerts** - if and when a recall is activated at any time in the future, the member will receive an auto alert detailing which VIN and which part has been recalled as part of the recall management system. No need to re-check for recalls ever again, as it is all system driven.

Members know that the parts they sell have been recall checked and passed.

THE FUTURE

The future for auto recyclers is full of potential. With an increased demand from insurers to be using the more affordable solution of ROE parts and a push to increase greener more sustainable options, there is a genuine opportunity to increase the amount of ROE parts used for repairs and maintenance in the UK. Auto Recyclers must be on the front foot and demonstrate to the insurance companies, by committing to the UK Vehicle Recycler Certification programme and implementing a recalls process, that they take consumer safety seriously and comply with UK requirements. ●

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