

**Question for written answer E-007805/2011
to the Commission**

Rule 117

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Subject: Distortion of competition on the used car market

Conditions on the European used vehicle market are severely distorted by large-scale tampering with the odometers of used vehicles, a fraudulent practice evident in a very large proportion of such vehicles sold every year in Europe. A study¹ of over 1000 vehicles exported from Belgium to France revealed that 43% of them had been tampered with in this way and that an average of 91 000 km had been taken off the odometers.

This fraud has a considerable economic impact on both consumers and the automotive sector: 'clocking' odometers causes consumers to overpay for used vehicles and could make them incur excessive maintenance and repair costs. The automotive sector suffers from the effects of unfair competition and has its image dragged through the mud by such cases of fraud.

The aforementioned study puts the overall cost of this fraud at between EUR 1.5 and 2.9 billion in Germany, the Netherlands, France and Luxembourg alone. The German police estimates consumer losses at EUR 5.4 billion per year in Germany alone, and in 2010 the UK Office of Fair Trading arrived at a figure of GBP 580 million per year. This form of fraud therefore represents an obstacle to the smooth functioning of the internal market.

With the Car-Pass system, some Member States have been successful in combating odometer fraud. The level of fraud in Belgium has fallen from 8.6% of vehicles sold in 2006 to 0.2% today². However, there has not yet been any concerted action at EU level to curb this inherently cross-border problem, which cannot be stamped out with purely national initiatives.

Is the Commission aware of these obstacles to the smooth functioning of the internal market? Would it agree that concerted action at EU level is needed in this area?

What measures is the Commission willing to consider to strengthen consumer trust and confidence in the used car market? Is it ready to look at all proposals that might alleviate competition distortions caused by odometer fraud?

¹ 'The economic impact of mileage fraud and the cost benefit analysis of the Belgian Car-Pass system' (Car-Pass, October 2010)

² www.cars2010.eu