

## The problem with the new automotive aftermarket guidelines

By <u>Hedley Judd</u> 14 Jun 2021

A lot has been said about the implementation of the Competition Commission Guidelines and its subsequent impact on both the motoring sector and the consumer. One of the grey issues which is currently still subject to debate is the definition of component parts. In terms of the classification original parts or genuine parts are one thing, but what about parts of equal matching quality?



Photo by Tim Mossholder on Unsplash

The debate essentially centres around Original Equipment Manufacturer (OEM) parts versus reputable aftermarket brand products.

In the guidelines, reference is made to the original parts being made by, or for, the Original Equipment Manufacturers (OEMs) who are interpreted as being motor vehicle manufacturers. In reality, the definition of 'OEM' parts needs to be extended to include the component parts manufacturers as well, as they are the originators of the parts which are manufactured, branded and sold in the market.

These parts are often either rebranded and sold at OEMs or are rebranded as aftermarket house brands. It follows that component parts that carry a traceable identity from a reputable manufacturer of the parts must also be classified as original parts and can be sourced from a reputable spares dealer.

As long as the seller can provide traceability and integrity of the parts, the consumer is not at risk.

The problem with the guidelines is that the classification is not clear. All parts that are not deemed 'original parts' are grouped into one definition only. Effectively this means all genuine aftermarket replacement parts, used parts (which were "OEM fitted), all pirate parts and all counterfeit parts fall into the same category.



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This grouping creates confusion and is not accurate. In practice, the OEM vehicle manufacturers commission/outsource orders to tier one, two and three manufacturers to manufacturer all the parts that are required in the assembly of a vehicle. These same tier level manufacturers are the owners of the brands that they supply to the aftermarket, through reputable distribution chains. Thus it makes sense that those same products offered under reputable branding and through reputable distribution channels are of equal and matching quality to those repackaged and offered in the OEM branded packaging.

Clause 10.9.6 in the guidelines: OEMs may not enter into any agreements with manufacturers of spare parts, tools or equipment, that will restrain the manufacturer or supplier's ability to place its trademark or logo effectively and in an easily visible manner on the said item' acknowledge the indirect nature of the OEM brand management. It deters the OEM from restricting the brand validation of the manufacturers on the OEM packaged products.

Consumers need to be aware that they can still source their genuine replacement parts from their local spares dealer without fear of compromise on quality or warranty, provided the brand is reputable and traceable.

## ABOUT THE AUTHOR

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