

Request by the Minister for Economic Development for the JCRA to produce a report examining the New Vehicle Market in Jersey under the authority of Article 6(4) of the Competition Regulatory Authority (Jersey) Law 2001

Background

This review has been requested by the Minister for Economic Development as a result of publicity surrounding motor vehicle costs in Jersey. Although the Minister remains to be convinced that the motor trade in Jersey is artificially inflating prices, the disparity in pricing merits further investigation. The Minister further understands that the wide choice of vehicles available to the Jersey resident, together with options for importation mean that it is very unlikely that a breach of the Competition (Jersey) Law 2005 is occurring, however, he is aware that a significant percentage of the Industry are Members of the Jersey Motor Trades Federation.

Aims

- To undertake a review of the level of pricing, costs and profit of motor vehicle sales to residential customers within the Jersey market, concerning new and imported pre-registered car sales by commercial companies¹;
- To produce a report detailing the state of the motor vehicle sector and the level of competition and profit and loss, making any such recommendations for change or improvement that might be considered.

Scope

The scope of the review covers the sales of the above defined category of motor vehicles in Jersey, together with the commercial effect of their import and export and, in particular to:

- (a) Compare the average prices, types of vehicles sold in Jersey with that of the British Isles based on available data
- (b) Make meaningful comparisons with the market for vehicle sales in the British Isles
- (c) Ensure all finance deals, including lease/hire offered to consumers are transparent and would satisfy and be comparable with conditions laid down by the Consumer Credit Act of the United Kingdom
- (d) Examine warranties and vehicle maintenance and repair charges
- (e) Examine the role and function of the Jersey Motor Trades Association
- (f) Consider and report on any other relevant matters that may arise during the course of this report.

¹ The review excludes: sales of used cars, sales by individuals, commercial fleet sales, commercial and utility vehicles, car rental market, motors