



CHOOSE YOUR SUPPLIER: WARRANTY



WARRANTY SUPPLIERS ARE NOT HEADING FOR COVER

Trading conditions have been tough, but warranty suppliers have taken the set-backs on the chin and are looking to respond positively with new products and improved partnerships

2

2020 was an unprecedented year for warranty suppliers. The pandemic and subsequent lockdowns has severely restricted trade for many car dealerships and their finance and insurance partners.

And demand has decreased, with fewer vehicles on the road at the outset.

Yet some suppliers have emerged from the crisis stronger as they have been able to pivot to meet ever-changing customer needs.

WMS Group has been focused on increasing its global footprint, with plans to operate services in Denmark, Ireland and Austria in the near future. Moving forward, it will also develop its products for a range of vehicles, particularly alternative fuel models.

The group successfully implemented a landmark contract to deliver a unique proposition for all of Volkswagen Group UK's brands. Volkswagen All-In provides used vehicle owners with a two-year warranty cover, two year's roadside assistance, two year's servicing and two MOTs.

In February 2020, WMS launched a long-term partnership with the AA to develop a suite of used vehicle warranty products for UK dealers, branded AA Warranty. The offering is a total refresh and will

be delivered through its B2B and B2C channels. The group has also secured several large service contracts supporting automotive partners within the auction and logistics sectors.

"Our core business, providing services to car dealers, remains very strong," said Craig Grant, commercial director at WMS (see Five Minutes With... on page 17).

"Our network has grown substantially. We have seen growth with both non-franchised independent dealers and franchised dealer groups."

WORKFORCE INVESTMENT

Since being acquired by Opteven Group in January 2020, WMS has invested heavily in its workforce. It has also continued to employ new talent across the business and didn't have to furlough any employees.

Among the key hires was the appointment of Neil Monks as the group's new head of retail sales in March 2021. With vast experience in manufacturers, fleet and leasing, including overseas markets, he has been charged with re-energising and growing its retail business.

The company has also made several senior sales and account manager appointments. In addition, it has established a new customer sales and service team headed by Katherine Denman, who joined

from Mercedes-Benz Trucks UK, while Alan Grear, formerly of Alphabet GB, and Donna Cloke have joined the corporate sales team.

In terms of product developments, WMS has forged a landmark partnership with Aston Barclay on its AA programme to provide buyers with high-level vehicle checks and a guarantee before making their next purchase. As part of the offering, the AA will ensure vehicles reach an agreed standard and receive the official seal of approval before going to auction. As well as giving customers more guidance when making a purchase, customers will have the added benefit of access to an independent buyer guarantee, provided by WMS.

The group has also developed a new warranty offering within its Safe&Sound product range. An example is its new specialist motorhome warranty, which enables retailers to upsell two levels of cover.

"Earlier this year, we conducted some industry-leading research of 2,000 consumers and 150 dealerships to better understand the attitudes and motivations of retailers in selling warranties to customers and measure behaviour and attitudes towards warranty," says Grant. "The quantitative and qualitative research generated a large number of fascinating results, which we are now collating into regular mini-reports for dealers, with the first one



focusing on how businesses have been affected by the pandemic and identifying key future growth opportunities – from digital transformation through to the UK’s transition to electric powertrain vehicles.”

Another company that has been making big strides is Assurant. The supplier has extended its RAC Dealer Network partnership, which dates back to 2008, by five years, up to 2029.

The new deal covers a range of well-established RAC-branded automotive warranty and aftersales products, delivered and supported by Assurant and available across the network. These offerings include extended warranties, electric vehicle (EV) warranties and service plans.

LONGER WARRANTY PERIODS

Within this, the company has trialled a new Make the Switch from Three to Six campaign to encourage customers to move to a longer warranty period. It gives a greater degree of confidence in the vehicle being sold, protects the dealer from unforeseen costs if a fault comes to light between 30 days and six months, and improves the potential for retention by increasing customer touchpoints.

Assurant has also joined forces with London Electric Vehicle Company (LEVC) to provide an extended warranty solution for its electric commercial vehicles. LEVC One covers LEVC electric TX black cabs and VN5 electric van models.

Assurant’s programme will manage day-to-day claims. LEVC One also comes with a standard five-year warranty and 150,000 miles for the vehicle, and eight years and 150,000 miles for the battery, as well as an extended warranty of six years and 200,000 miles for the vehicle, and eight years and 200,000 for the battery.

The company has also appointed Lee Coomber to the new role of RAC client director. He will be responsible for agent relationships across the 1,300-strong RAC Dealer Network, working alongside Kellie Grocott, RAC director of sales, and reporting into Sean Kent, UK automotive director.

At the cutting edge, Assurant has launched what

“OUR USED CAR CUSTOMERS CAN BE QUITE CONSERVATIVE IN THEIR BUYING CHOICES



SEAN KENT, ASSURANT

it believes to be the UK’s first specialist used EV warranty. EV One can be provided under the Assurant brand, white-labelled or as RAC Electric Vehicle Warranty, for any used EV or hybrid up to eight years old and with 80,000 miles on the clock at time of purchase, with a coverage period of up to 24 months.

“There is huge public interest in these vehicles, but used car customers can be quite conservative in their buying choices,” says Kent. “The product provides a comprehensive level of cover and gives drivers moving away from petrol and diesel more confidence to do so.”

Allianz UK has enjoyed similar success, having been appointed new supplier of approved used car warranty for Fiat, Abarth, Fiat Professional, Alfa Romeo and Jeep in 2020. Working with Fiat Chrysler Automobiles (FCA, which is now part of Stellantis) UK, Allianz launched a new, fully online, approved used warranty system, bringing together sales, claims and accounts within one solution.

The development of a new, more user-friendly website has reaped instant rewards too. User and transaction numbers are already up 61% and 18%

respectively over the past year, compared over a six-week period.

AutoProtect has been actively investing in new and existing talent. It has also appointed a new head of product strategy, head of development and programme manager to support its new operating platform, as well as increasing its business development team.

“While the last year has been one of challenge, it has not stopped us from extending our reach with dealers and OEMs,” says Stephen McCombe, head of sales at AutoProtect. “The area in which we are most proud of our progress has come from increasing our product portfolio within existing relationships.

“Dealers, impressed with our products, technology and management information have added additional products and services to their roster. That says a lot about our capabilities and consultative approach to partnerships.”

Warrantywise has been busy with recruitment too, hiring a new marketing director plus former Car Care Plan CEO Tim Hargreaves as a non-executive director. It’s also recruiting 30 new sales staff and has expanded its dealer customer care department to ensure all of its partners have a dedicated claims handler.

Among key product developments, the company has made its trade-to-trade platform available to car dealer partners. Take-up, so far, has been strong.

Car Care Plan has managed to retain and increase its workforce. It has also been providing refresher training for dealer group staff after furlough to get them up to speed on warranty sales.

The company has moved into the service plan market, with a product offering it says is on par with the market leader. It also offers monthly subscription for warranty and servicing.

Car Care Plan has also extended its customer portal to help retailers with aftersales. It enables the customer to look at the product line, videos and policy documents before buying it online.

ALEX WRIGHT