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For Immediate Release

**Competition Commission invites passenger car owners and independent car repair workshops to provide information in its investigation into warranty terms and conditions**

The Competition Commission (“Commission”) is conducting an investigation under the Competition Ordinance (“Ordinance”) into agreements between certain manufacturers of passenger cars and their respective importers, distributors or authorised dealers (collectively “Distributors”) in Hong Kong.

Passenger car owners, independent car repair workshops and other interested parties are invited to share their views or provide information on the matter with the Commission.

Specifically, the Commission is looking into whether these agreements mandate the use of restrictive warranty terms and conditions on passenger car owners in Hong Kong, which ties the continuous validity of the relevant warranty to their cars being repaired and/or maintained exclusively at authorised repair centres (which are typically owned by the Distributors).

Under such restrictive warranty terms and conditions, the validity of passenger car warranties is conditional on the exclusive performance of maintenance and/or repair services at authorised repair centres, regardless of whether the maintenance or repair item is covered by the warranty. As a result of such terms and conditions, car owners who visit independent car repair workshops during the warranty period risk having their warranty voided on the basis that their passenger car was not serviced and/or repaired at the authorised repair centre.

The Commission is concerned that these restrictive terms and conditions may deter passenger car owners from using independent car repair workshops during the warranty period, and restrict the ability of independent car repair workshops to compete with the authorised repair centres. This may unduly reduce car owners’ choice of service and ultimately lead to higher prices for maintenance and repair services.

During the course of its investigation, the Commission has approached relevant market participants and conducted detailed analysis into the restrictive terms and conditions. As a further step towards bringing the investigation to a conclusion and formulating an appropriate enforcement outcome, the Commission is now seeking the views of any interested parties that have concerns or information about these restrictive passenger car warranty terms and conditions. In particular, passenger car owners and independent car repair workshops are encouraged to share their views with the Commission via [LINK](#) by 17 March 2022.

Alternatively, interested parties may also contact the Commission [by telephone](#) at 3462 2118, [e-mail](#) ([complaints@compcomm.hk](mailto:complaints@compcomm.hk)) or [post](#).

The Commission will seek to protect any confidential information provided including the identity of the submitting party, in accordance with the Ordinance and the Commission’s Guideline on Investigations. Information provided anonymously will also be considered by the Commission.

Mr. Rasul Butt, Chief Executive Officer of the Commission, said, “The costs associated with the maintenance and repairs of passenger cars are significant expenses for car owners in Hong Kong. Through its investigation, the Commission is keen to tackle any warranty terms and conditions that may restrict effective competition, which may in turn lead to higher prices and reduced choices for car repair and maintenance services in Hong Kong.”

We call on car owners, independent car repair workshops and other stakeholders to come forward and provide information which may help us further assess potential anti-competitive practices in the industry.”

This investigation is ongoing and the Commission stresses that existence of the investigation does not prejudice its outcome.

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