



## BRIEFING ON MILEAGE FRAUD

CONSUMER PROTECTION

SAFETY

### Executive Summary

Artificially lowering the mileage of a car today is a simple, cheap manipulation, which allows for the inflation of a vehicle's value, in most cases by several thousand euros. According to the European Commission, mileage fraud affects between 5 and 12% of used cars sales, costing billions of euros to European consumers each year.

European Union Member States go about addressing the issue in many different ways, allowing fraudsters to play on the fragmentation of the internal market. National approaches of single EU Member States have shown that setting-up national mileage databases merely shifts the problem to neighbouring countries. The FIA, therefore, believes that further action should be pursued at European level. A coordinated international effort should include:

- **Encouraging all Member States** to consider the manipulation or tampering of an odometer as an offense and effectively enforce their legislation
- **Preventing tampering technically** through revising type approval legislation or getting a voluntary commitment of the vehicle manufacturing industry in the European Union
- **Setting up a European electronic platform** to exchange mileage data – in compliance with data protection legislation – making mileage data broadly available to European citizens buying motor vehicles, in particular cross border
- **Supporting specific campaigns** by the European Commission and Member States aiming to raise citizens' awareness about this issue when buying a used car

## Legislative Background

In 2012, the European Commission addressed the issue of mileage fraud for the first time in the Roadworthiness Package. Systematic recording of mileage on the roadworthiness certificate, combined with the obligation to present that certificate at subsequent inspections should facilitate the detection of tampering. Still, most tampering occurs when vehicles are still fairly new, i.e. mostly before the first periodical technical inspection. In order to tackle the cross border dimension of this fraud, the Commission has committed to examining the feasibility of "setting up of a European electronic platform to facilitate the exchange of vehicle related data" at the latest two years after the entry into force of the Regulation. The issue of mileage fraud has not been addressed further in European legislation.

## FIA Region I Position

Currently, the mileage history of used cars is almost untraceable and prosecution for mileage fraud is extremely rare especially when crossing national borders. The consumer pays the price, facing unforeseen and accelerated depreciation on cars with tampered odometers. They also face higher maintenance and repair costs. Furthermore, odometer tampering means cars may not receive the servicing and maintenance they require.

### **Mileage fraud: a scourge for consumers**

The European Commission assessed that mileage fraud affects between 5 and 12% of used car sales, rising to 30 to 50% for cross-border transactions. In total, this is estimated to have a financial cost to consumers of €5.6 to €9.6 billion per year<sup>1</sup>.

National solutions have proven to shift the problem to neighbouring countries, making it clear that the issue needs to be addressed at European level. So far, European Union Member States have different ways to address the issue: while some have successfully implemented database solutions, cross-border trade allows fraudsters to circumvent national legislation. Other countries do not yet qualify tampering as an offense in national law. When such legislation exists, enforcement is patchy at best and does not deploy its full deterring effect. This is why the FIA calls for action at European level, in order to safeguard the integrity of the internal market for the sale of second hand vehicles and effectively protect motorists cross-border.

---

<sup>1</sup> In 25 EU Member States, statistics from the European Commission, "Roadworthiness Package, Impact Assessment", p. 17, Brussels, 13 July 2012

## FAQ on mileage fraud

### What is mileage fraud?

Mileage fraud is the process to artificially reduce mileage from a used motor vehicle, in order to increase or decrease its value. Devices sold throughout the European Union allow for such manipulation in only a few minutes for a comparatively low price. The devices to tamper with odometers cost as little as €150. They can be used by anyone, without technical knowledge and can be purchased via the internet.

### How do Member States address mileage fraud?

There is no uniform way of addressing this issue in Europe. Some Member States, such as Belgium and the Netherlands, regularly record mileage of cars on the road to discourage potential fraudsters. This database solution is, however, not applicable in all EU Member States because of national data protection rules.

Many Member States make the tampering of vehicles punishable by law, but the level of enforcement is actually rather poor. In practice, mileage fraud presents an enticing potential gain for a relatively small risk in many countries.

### Prevention: the key solution

The FIA advocates the prevention of odometer tampering via a technical solution. Car manufacturers should raise the technical barriers against odometer changes so as to make it technically difficult and financially unattractive for fraudsters to tamper with a vehicle's mileage. This can be realised through a reinforcement of type approval legislation or voluntary commitment of the vehicle manufacturing industry to secure the mileage recordings. Without prescribing a specific solution, the FIA is aware of existing technology that could effectively address the issue. Nowadays, many vehicles are already equipped with technology safeguarding security-related information (e.g. anti-theft or anti-tuning systems), the additional cost to secure the mileage recording is estimated to be about €1 per car.

### Sharing data: only a partial solution

Referenced in the Roadworthiness Package, a European electronic platform to exchange mileage data from periodic technical inspections is a good first step, but it will not fully address the issue. This is due to the likelihood for odometer tampering to occur while the vehicle is still fairly new and before its first technical inspection, necessitating additional protection.

### Awareness: protecting consumers

Until a stronger legislative or technical solution is found, consumers should be made aware that used cars may have tampered odometers. This should take the form of targeted awareness campaigns by the European Commission or on the national level in Member States. The FIA is carrying out demonstrations to raise awareness of this crime and to highlight the vulnerability of consumers in the used car market.

## Tampering with the mileage – done in the blink of an eye!



1. Original mileage

2. Plug tampering device into the OBD interface

3. Key in false new mileage

4. Mileage changed – in all control units



## Fédération Internationale de l'Automobile (FIA) Region I office

FIA Region I represents 110 Touring and Motoring Clubs in Europe, the Middle East and Africa from its Brussels office, which total more than 38 million members. The FIA represents the interest of these members as motorists, public transport users, pedestrians and tourists. The FIA's primary goal is to secure a mobility that is safe, affordable, sustainable and efficient.

See more at [fiaregion1.com](http://fiaregion1.com)