Odometer manipulation in motor vehicles: revision of the EU legal framework

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The Committee on Transport and Tourism adopted the own-initiative report by Ismail ERTUG (S&D, DE) with recommendations to the Commission on odometer manipulation in motor vehicles: revision of the EU legal framework.

As a reminder, odometer tampering, i.e. the malpractice of deliberate and unauthorised altering of the real mileage of a vehicle shown on its odometer, is a serious and widespread problem throughout the whole European Union especially in cross-border trade and harms third countries, which import second-hand cars from the European Union.

Studies estimate the share of tampered vehicles between 5 % and 12 % of used cars in national sales and between 30 % and 50 % in cross-border sales, accumulating to a total economic damage between EUR 5.6 and 9.6 billion in the whole Union.

In the absence of a common, integrated system for exchange of information between Member States, there is an increased risk of legalising a mileage reading already manipulated before its initial verification in the country in which the car will ultimately be registered and where there are already measures to register the vehicle and verify its mileage.

Tackling odometer fraud by swiftly establishing uniform rules to prevent manipulation will fundamentally enhance security and certainty in the cross-border purchases of vehicles hence reducing the scale of unfair practices and also bringing substantial benefits to millions of Europeans consumers.

Odometer manipulation is prohibited in 26 Member States, only ten of them have additional measures to verify the mileage available to customers and only six recognise odometer manipulation as criminal offense. The hardware and software used for tampering with odometers are freely available in the Union and that is not classified as a criminal offence and whereas more Member States are on the way to criminalising activities connected with the illegal manipulation of meter readings.

Against this background, Members requested the Commission to:

- submit a **legislative framework** that requires Member States to create legal, technical and operational barriers in order to make odometer manipulations impossible, following the recommendations set out in this report and the Annex hereto within a timeframe of twelve months after the adoption of this report by the European Parliament;
- ensure that the same legal and technical barriers are also applied to **imports** from non-EU countries;
- **strengthen type approval** for in-car security, especially for the technical measures against odometer fraud but also in light of the increase of connected cars;
- establish clear criteria for effectively checking the safety of odometers, to adjust those requirements if necessary, within the shortest timeframe possible and to report to the Parliament about the effectiveness of the regulation;
- propose a legislative framework for Member States to set up comparable and mutually compatible **national data collection mechanisms**, based on existing best practices, that will provide frequent and reliable mileage data collection, starting at the time of a vehicle’s first registration and allow for international exchange;

- proactively inform consumers and stakeholders about existing measures against odometer fraud and about ways to detect and prevent odometer manipulation;
- make participation in EUCARIS (the European Car and driving license Information System) mandatory and to implement it as a vehicle information platform thus facilitating mileage verification throughout the whole Union with a view to reducing the possibilities for odometer manipulation;
- provide for a legal framework enabling the Member States to register mandatory odometer readings from periodical technical inspections, from each inspection, service, maintenance operation and repair carried out, and from other garage visits, starting with the vehicle's first registration;
- conduct a cost-benefit-analysis for a blockchain based solution within twelve months after the adoption of this report by the European Parliament, including security, transparency and protection of data;
- submit a proposal for an act on measures tackling odometer manipulation;

Member States are called on to:

- create or amend legislation on odometer manipulation in order to make it a criminal offence – including the provision of hardware, software and the related services required for unauthorised manipulation – since tampering leads to incorrect assessment of vehicle roadworthiness and thus has a negative impact on road safety;
- provide sufficient human and financial resources for the effective, non-discriminatory and proportionate enforcement of this legislation.