

Coronavirus: Supply Chain Scenarios

This document is aimed at supporting our clients with understanding a number of unique scenarios arising from the ongoing changing landscape which the Coronavirus presents. The Government's advice regarding lockdown is unprecedented, and we have seen a step-change in how many of our supply chain partners are interpreting and choosing to apply the guidance.

Many of our scenarios, although correct at the time of creating this document, are subject to potential ongoing change. We are committed to working with our repairers to gain continual interpretation of the government advice, enabling continued support to our clients.

1. What is the current status of the repair network?

Our insight shows current closures of just over 25% of our network, with a geographic propensity around London and Scotland (see attached image visually highlighting closures). At this point, we feel our robust network are in a strong position to manage the lower volumes of work being seen on the back of the lockdown guidance.

There is a reality given the environment which we find ourselves operating within, that this will remain a fluid picture, with a flurry of garages closing following the lockdown announcement, and any step changes in future Government guidelines may accelerate further change. Our Network Team remain engaged with all repairer operations in order to keep accurate insight.

Our aim is to periodically update this status so that our customers have a detailed view.

2. Will there be issues with parts / paint supply?

The impact of the virus through downturn of productivity and the shutdown of plants such as Ford, Toyota and Volvo will inevitably mean that there will become a point whereby parts will be increasingly difficult to source, and we may experience delays in the coming weeks.

Currently the parts and materials required for repair are generally available, with reported delays in parts sourcing from the network (specifically relating to Coronavirus) isolated to some of our network in Scotland (following the temporary closure of Arnold Clark) at this time. We have an added level of resilience through a formal agreement with one of the largest suppliers and distributors of green (recycled) vehicle body parts in the UK, and we also have an established relationship with the UK's largest non-OE / independent parts supplier.

3. What is the contingency for replacement vehicles?

We have seen a number of replacement hire companies choose to close or limit operations on the back of the lockdown announcement. We remain fully operational but do have a number of unique scenarios that the Coronavirus situation may present.

- Where the customer's vehicle is currently in for repair, we will follow the standard process.
- Where the customer's vehicle is in for repair, but repair cannot continue due to any reason arising from the Coronavirus situation, we will firstly attempt to source an alternate supplier. If within a given situation this is not a viable option, we will give the customer the option of remaining mobile at a cost that they would need to bear OR return the vehicle. The choice will be entirely down to the individual customer and likely to be based on whether or not they need to remain mobile.
- Where the customer's vehicle is not driveable, and they are currently in hire, we will give the customer the option of remaining mobile at a cost they would need to bear OR return the vehicle.

We appreciate that there is an expectation for a mobility solution in respect of an incident where the vehicle is undriveable, but we are also mindful that there is an obligation to mitigate costs. Undriveable cases only account for 10% of our reported incidents, so these should be escalated to your Account Manager at the point a situation arises. Our ACMs are proactively liaising with customers whom will be affected by this unique situation.

4. Can driveable vehicles be returned where repairs have not yet started?

We have identified that a number of vehicles that fall under this scenario have already been returned and will be booked in for repairs at a later date.

Where the repairing garage has already shut this won't be possible. However, we can provide confidence that the vehicle will be stored safely and securely.

At this point, getting vehicles back is becoming increasingly challenging given the social distancing guidelines. If you have a customer who may fall into this scenario, please liaise with your Account Manager who can onward liaise with the individual garage to get up to date advice on their procedures.

5. What are the procedures for retrieving vehicles from repairers who have had to close?

There will be no provision made to return vehicles whereby a repairer has closed.

6. What are the hygiene protocols that are in place?

Our entire network has confirmed ongoing operations are taking place in line with the guidelines outlined by the Government. Notably, hand sanitisers are used within vehicles, parts are cleaned between jobs and vehicles undergo a thorough wipe-down pre and post repair, before a final clean at the point of return to the customer.

All returns are being arranged to meet social distancing guidance.

7. Will recovery still be supported through RRRM for FNOLs?

Currently we are able to continue to recover vehicles as per the normal process, where required. However, there is a challenge surrounding situations where the driver needs to be also transported back to a place of safety.

In order to adhere to social distancing guidance, and safeguard both the customer and the recovery driver, Highways England have advised that they will permit a driver to be transported in the rear of the recovery vehicle, being seated in the rear of the vehicle with a seatbelt.

We appreciate that this may not be a preferred option for some customers, as it's difficult to guarantee the required health and safety measures can be met, therefore the alternative option is to liaise with a taxi company to take the driver separately.

We are aware that a number of Taxi companies are now making use of protection wear to support safety measures in the current climate.

8. If the claim relates to glass replacement and no availability, can we store the vehicle?

Yes, we can store vehicles and make them temporarily secure. There would be a direct cost associated with this.

9. Will we be giving repairers temporary increased delegated authority to fast-track work through?

There is no requirement to go down this route as we are operating business as usual with our full Engineering Team working from home with all the relevant systems, software and telephony required to provide a full continuation of service. Equally, we have lower workload demands at present which supports our ability to progress estimates and approvals efficiently. However, we will monitor the situation and use a range of measures to ensure the customer experience remains as efficient as possible.

Throughout this unique set of circumstances, we remain mindful that we are here to provide mobility solutions and to remove the hassle and inconvenience associated with an incident. However, we would politely ask you to bear with us as we find solutions to support the environment, we all find ourselves in. As always, we will seek ways to innovate and adapt to find reasonable alternate solutions, eg potential to move repair dates, understanding the need for courtesy vehicles, etc, reviewing and proactively responding to new scenarios as they arise.

We don't have all the answers today, but we will continue to work with our colleagues and supply chain partners to adapt to the changing landscape that the virus continues to present.