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## Revised Salvage Code of Practice comes into play 1st October

- Salvage categorisation shifts focus from repair cost onto vehicle condition
- Emphasis on only those vehicles which can be safely repaired returning to UK roads
- V5C Registration Certificate to gain new identifier
- New qualification required for those who categorise vehicle salvage

A new version of the insurance industry's Code of Practice for the Categorisation of Motor Vehicle Salvage goes live on 1<sup>st</sup> October. This follows

much-needed revisions to the Salvage Code – which was introduced in 2007 – to ensure that it kept pace with the increasing technical complexity of newer vehicles.

Central to the updated version is the reclassification of repairable salvaged vehicles, shifting focus from commercial considerations such as repair costs and Pre Accident Value (PAV), to an assessment of the ‘Structural’ and ‘Non Structural’ damage to the vehicle.

The new categories to the simplified Salvage Code are:

A (Scrap)

B (Break)

S (Repairable Structural)

N (Repairable Non-Structural)

Previous Categories C and D have been replaced with Categories S (Repairable Structural) and N (Repairable Non-Structural). Vehicles will now gain a Category N classification, where the cost of repair exceeds value but there is no structural damage.

In addition, for the first time, vehicles which have sustained structural damage will now gain an ‘S’ identifier on the V5C Vehicle Registration certificate, giving consumers visibility of whether a vehicle has been salvaged. The full text added from 1<sup>st</sup> October will read:

*This vehicle has been salvaged due to structural damage but following a technical evaluation declared suitable for repair.*

DAC Graham McNulty National Police Chief Council (NPCC) Lead for Motor Vehicle Crime, said “I am pleased to support the new Code of Practice which will assist in preventing potentially dangerous vehicles and vehicle parts returning to market and further disrupt criminal activity in relation to vehicles. These vital changes to the Code shows the value and importance of strong partnership working between the motor vehicle industry, police and

government.”

The review of the Code of Practice has involved multiple stakeholders<sup>[1]</sup> including insurers, vehicle manufacturers, affected government departments and agencies, the Police, the vehicle leasing industry and the salvage industry.

Ben Howarth, Senior Policy Adviser for Motor and Liability at the Association of British Insurers (ABI), which co-ordinates the code said, “The updated Salvage Code of Practice is focused on making the UK’s roads safer, and ensuring that consumers have transparency about the history of vehicles. The new categorisation will help people ask the right questions and have confidence in the cars they’re buying. These changes ensure salvage practices keep pace with the more complex nature of modern vehicles, for the benefit of everyone involved in the process.”

Further key changes to the Code of Practice include:

- The focus of vehicle categorisation should now be on establishing the level of damage to a vehicle from a technical perspective first. The aim of this is to improve the quality of ‘total loss’ and categorisation decisions, ensuring that, as far as a voluntary code is able, only those vehicles that can be safely repaired end up back on the roads.
- Minimum qualification requirements for all individuals who categorise vehicle salvage have been introduced. The Salvage Code of Practice will now include the requirement that only an Appropriately Qualified Person (AQP) can conduct categorisation of vehicle salvage and input the code onto the Motor Insurance Anti-Fraud and Theft Register (MIAFTR) Database using a unique identifier (AQP ID). This will come into play in October 2019, giving assessors two years to upskill.
- The Institute of Automotive Engineer Assessors (IAEA) is a professional body referenced by the ABI within the Salvage Code of Practice to determine and assess the AQP standard and provide a competency card with a unique identifier for those persons that meet the criteria. Further details regarding these assessments will be published by the IAEA in the very near future.
- The Motor Insurance Anti-Fraud and Theft Register (MIAFTR)

- must be updated, indicating the salvage category, as soon as reasonably practical after the inspection.
- Structural damage to a motorbike frame will result in a Category B (e.g. Break) assessment and the frame will be crushed, addressing the growing issues of motorbike part theft and tampering with frame / engine numbers.

**Roger West, Secretary General, British Vehicle Salvage Federation (BVSF):**

“The British Vehicle Salvage Federation (BVSF) is pleased to support the latest revision of the Non Legislative 2017 Salvage Code of Practice. Recent changes made following a discussion with the writers have improved the prospect of sales of categorised vehicles for the Salvage Industry and improved health and safety aspects for both consumers and salvage dealers alike in relation to structurally damaged motorcycles and flood damaged vehicles. Consumers still need to realise that vehicles are structurally repaired by insurers every day but at least now drivers will have the ability to determine the extent of damage to salvage vehicles prior to purchase.”

**Mike Hawes, Chief Executive, The Society of Motor Manufacturers and Traders (SMMT):**

“Manufacturers design and build vehicles to the highest possible safety standards. We welcome the revisions to the Code, as they are a positive and significant step by industry, insurers and governing bodies to further improve safety on our roads and ensure there is clarity on whether an accident-damaged vehicle is fit for repair or should be scrapped.”

**Tony Campbell, Chief Executive, The Motorcycle Industry Association (MCIA):**

“The Motorcycle Industry is extremely pleased to be an integral part of this updated code of practice. We have felt that a lack of specific guidance around motorcycles has led to ambiguity for insurance companies and repairers alike. This latest set of guidelines clearly sets out categorisation for motorcycles and what can and can't be considered repairable. If followed and respected, these guidelines will have a positive impact on reducing risk to all road users by removing the chance of 'safety compromised' vehicles being repaired and put back on the road.”

**Gerry Keaney, Chief Executive, British Vehicle Rental and Leasing Association (BVRLA):**

“As the owners and operators of more than 4.7 million vehicles, BVRLA members have a responsibility to help ensure that seriously damaged, written-off and unsafe vehicles are not fraudulently sold on to unsuspecting customers. We welcome this updated Code and the additional safeguards it introduces around the disposal of motor salvage.”

**Richard Billyeald, Chief Technical Officer, Thatcham Research (technical authors of the code):**

“It was important that the Salvage Code of Practice was updated to reflect the increasing complexity of modern vehicles. At its heart the new code is about offering greater clarity, not only to consumers but also to salvage technicians and assessors. It’s great news that such a diverse range of stakeholders from across an industry have agreed to the updates and also endorsed the necessary shift away from economics onto the nature of vehicle damage.”

**David Shepherd, Managing Director UK and SA, Audatex:**

“The changes to the Salvage Code of Practice mean that more cars are likely to be repaired rather than written off, which is hugely positive for the industry and our planet. One of the most significant code changes is that vehicles with structural panel damage need to be inspected by a qualified vehicle engineer assessor. Audatex guide numbers already identify structural panels and can use intelligence (AI) to validate the damage. Human subjectivity is then removed and quick, accurate and consistent results are delivered. We will be working closely with bodyshops to ensure that repairs are completed using the right methods, getting cars back on the road quickly and safely.”

A full version of the new Salvage Code of Practice can be downloaded [here](#).

**Salvage  
Categorisation  
Matrix**

<b>A – (Scrap)</b>	<b>B – (Break)</b>	<b>S – (Repairable Structural)</b>	<b>N – (Repairable Non-Structural)</b>
<p>This vehicle has been inspected by an appropriately qualified person, declared unsuitable or beyond repair and has been identified to be crushed in its entirety. This vehicle is deemed not suitable to be repaired. Must be crushed without any parts being removed. This vehicle will be classed as waste</p>	<p>This vehicle has been inspected by an appropriately qualified person and declared unsuitable or beyond repair. The vehicle is deemed not suitable to be repaired. Usable parts can be recycled. This vehicle will be classed as waste.</p>	<p>This vehicle has been inspected by an appropriately qualified person and declared suitable for repair. Repairable vehicle which has sustained damage to any part of the structural frame or chassis and the insurer/ self-insured owner has decided not to repair the vehicle.</p>	<p>This vehicle has been inspected by an appropriately qualified person and declared suitable for repair. Repairable vehicle which has not sustained damage to the structural frame or chassis and the insurer/ self-insured owner has decided not to repair the vehicle. While the damage to the vehicle has been noted as non-structural, there may still be some safety critical items that require replacement e.g. steering and suspension parts.</p>

[\[1\]](#) The Code has been approved by the Association of British Insurers (ABI), Thatcham Research, the Motor Insurance Bureau (MIB), UK Motor Insurers, The Department for Transport (DfT), Driver and Vehicle Licensing Agency (DVLA), Driver and Vehicle Standards Agency (DVSA), British Vehicle Rental Leasing Association (BVRLA), British Vehicle Salvage Federation (BVSF), Department of Environment Northern Ireland (DoENI), Environment Agency (EA), Federation of British Historic Vehicle Clubs (FBHVC), Motorcycle Industry Association (MIA), and National Police Chiefs Council / Police Scotland (NPCC / PS). It is fully supported by The Society of Motor Manufacturers and Traders (SMMT).

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Thatcham Research is the independent voice of automotive safety & repair, advising motorists, insurers and vehicle manufacturers to help reduce accident frequency, severity and costs and to realise the vision of 'Safer cars,

fewer crashes’.

As well as its world leading crash and track research, Thatcham Research tests and accredits crash repair parts, vehicle repair technicians, and a number of other products and services within the collision repair industry for insurers, motor manufacturers, equipment manufacturers and suppliers.

A founder member of the international Research Council for Automobile Repairs (RCAR), Thatcham Research has also been a member of the European New Car Assessment Programme (Euro NCAP) since 2004.

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