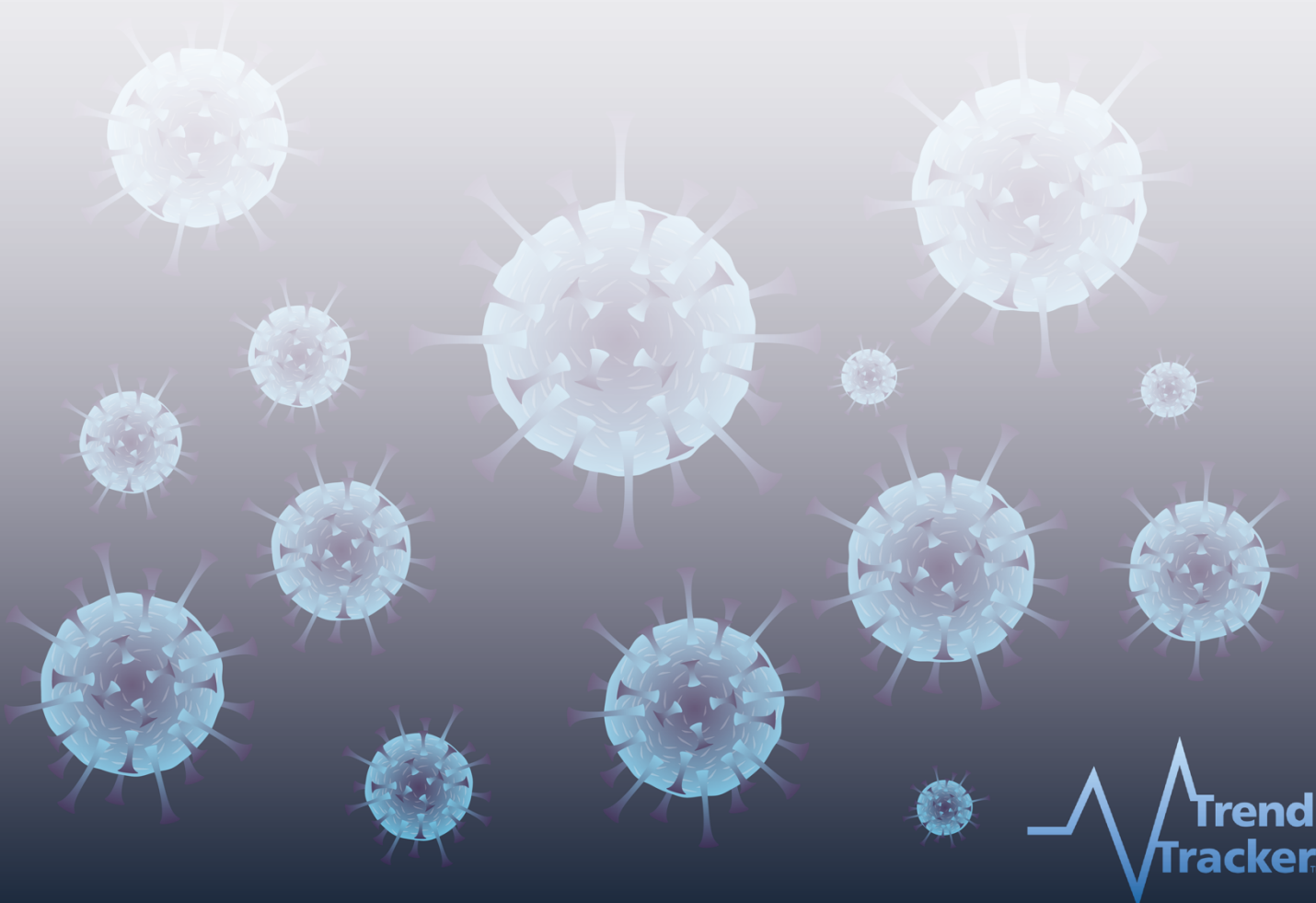




UK BODY REPAIR COVID-19 Coronavirus Report

April 2020



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Opening Statement

The COVID-19 outbreak is first and foremost a human tragedy.

Since December 2019, when it was initially reported that COVID-19 had surfaced in a Chinese seafood and poultry market, has now become a global pandemic that has swept across the world affecting many hundreds of thousands of people across more than 175 countries.

The worldwide pandemic is having a devastating and seemingly ever-growing impact on the global economy with trillions of dollars/pounds being wiped off of markets and many businesses either totally or almost grinding to a halt.

These are truly unprecedented times both globally and here in the UK.

This report is intended to provide independent and franchised car body repairers; bodyshop groups; motor insurance companies; accident management companies; claims solutions providers; independent car and franchised dealerships; motor manufacturers; market analysts; trade associations; consultants; paint companies; paint distribution companies parts manufacturers and suppliers; plus other associated companies, with a perspective on the evolving situation and implications.

COVID-19 continues to gather pace. As a result, government is monitoring and reacting to the needs of its citizens and businesses on an almost daily basis, therefore some of the stated positions expressed within this report may become outdated fairly quickly.

The content of this report is based on a survey undertaken between Monday 30 March and Friday 3 April. The publication date of this report is Tuesday 7 April 2020.

UK Background

The UK Body Repair Industry, akin to the overwhelming majority of others business sectors, faces unprecedented challenges in light of the onset of COVID-19, so called coronavirus.

UK Government applied nationwide partial lockdown measures on 20 March, with Prime Minister Boris Johnson saying, “We are collectively telling cafes, pubs, bars and restaurants to close tonight as soon as they reasonably can and not to open tomorrow.

“We are also telling nightclubs, theatres, cinemas, gyms and leisure centres to close on the same timescale. These are places where people come together, and indeed the whole purpose of these businesses in many cases is to bring people together. But, the sad thing is, I’m afraid today, for now at least, physically we need to keep people apart.”

Standing alongside Boris Johnson at the daily press conference, the UK Finance Minister Rishi Sunak announced the government would pay 80% of wages, up to £2,500 per month for employees who are laid off and unable to work under a Furlough scheme, describing the measures as “unprecedented” in the history of the British state.

This [announcement](#) on 20 March 2020 followed a ramping-up a range of financial measures already made to assist the economy and controlling the spread of Covid-19.

Since then, the announcement has created an uncertain future for many businesses, with 800,000 to one-million small to medium-sized companies being classed as under tremendous threat, despite the unprecedented support on offer.

COVID-19 has dominated UK and world news over recent months, including within our business sector. The impact on our industry has been the centre of attention during the recent [ARC360](#), in association with [I Love Claims](#), webinars, since mid-March.

It was during the [ARC360 webinar on 25 March 2020](#) that it became clear that many UK bodyshops were remaining open as an ‘essential service’ to keep the nation mobile, but many had also taken the decision to close following the PM’s announcement – including the majority of franchised dealerships whom bodyshops are reliant on for original equipment parts.

As the nation went into ‘partial lockdown’ it was clear that motor insurance claims, and therefore notifications to bodyshops had instantly declined; some suggesting a 70%-80% decline within the first two-days.

It was following this webinar that [Trend Tracker](#), [National Body Repair Association \(NBRA\)](#) and [ARC360](#) collaborated, deciding to form a survey to ascertain the current position of the body repair industry – [Trend Tracker](#) known for its independent research and analysis, [NBRA](#) as the repairers’ representative body and [ARC360](#) as the communication and networking organisation for the motor insurance claims and body repair sectors.

The Survey

The survey was conducted between Monday 30 March and Friday 3 April 2020 by Auto Body Projects Limited.

The survey was sent via direct email via *SoGoSurvey* – the online company, by [NBRA](#) to their bodyshop member database, and by [ARC360](#), in association with [I Love Claims](#), to their associated bodyshop businesses. It was also placed on social media platforms.

224 UK bodyshop owners/managers responded to the survey, from a cross-section of independent groups, independent single site operations and franchised dealer bodyshops – groups and independent sites – large and small.

In addition to the respondents, 31 emails were received from ‘out of office response emails’ stating that businesses had closed as a result of COVID-19 coronavirus – these were primarily franchised dealer bodyshops, only six from independent body repair businesses.

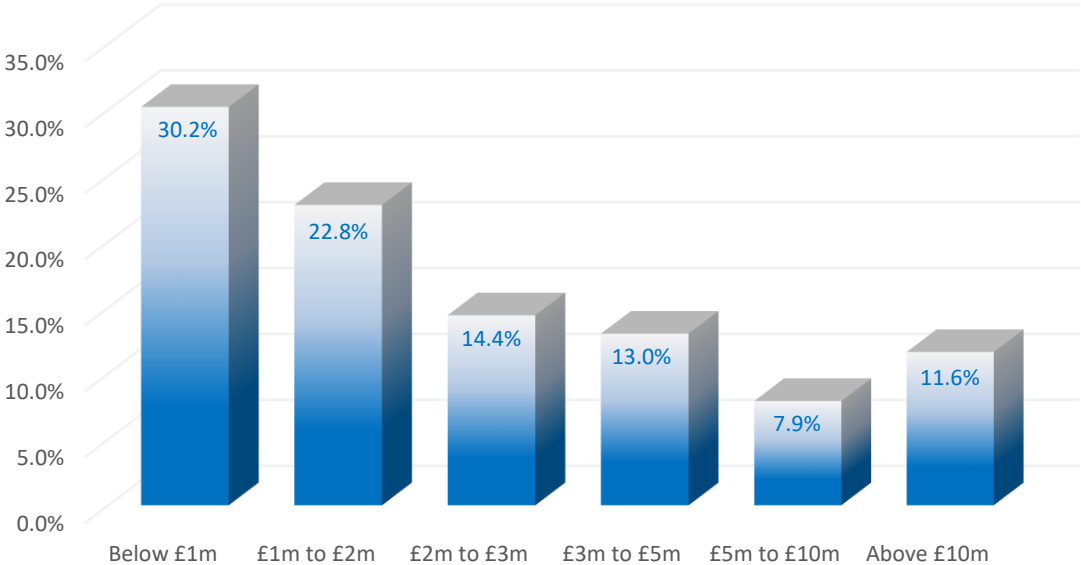
Business mix

As well as respondents being from an extensive cross-section of bodyshop ownership, they were also a representative sample-size, in terms of annual turnover, from across the body repair sector (see graph below).

In total, taking into account the multi-site operators, the number of bodyshops covered by the survey totalled 504 individual sites.

We are pleased that 92.5% of the largest 40 independent bodyshop businesses by annualised turnover participated in the survey. In addition, many of the industry’s well-known businesses participated – we are therefore extremely confident of presenting the current position and thoughts of the UK body repair sector.

What is the indicated turnover of your business?



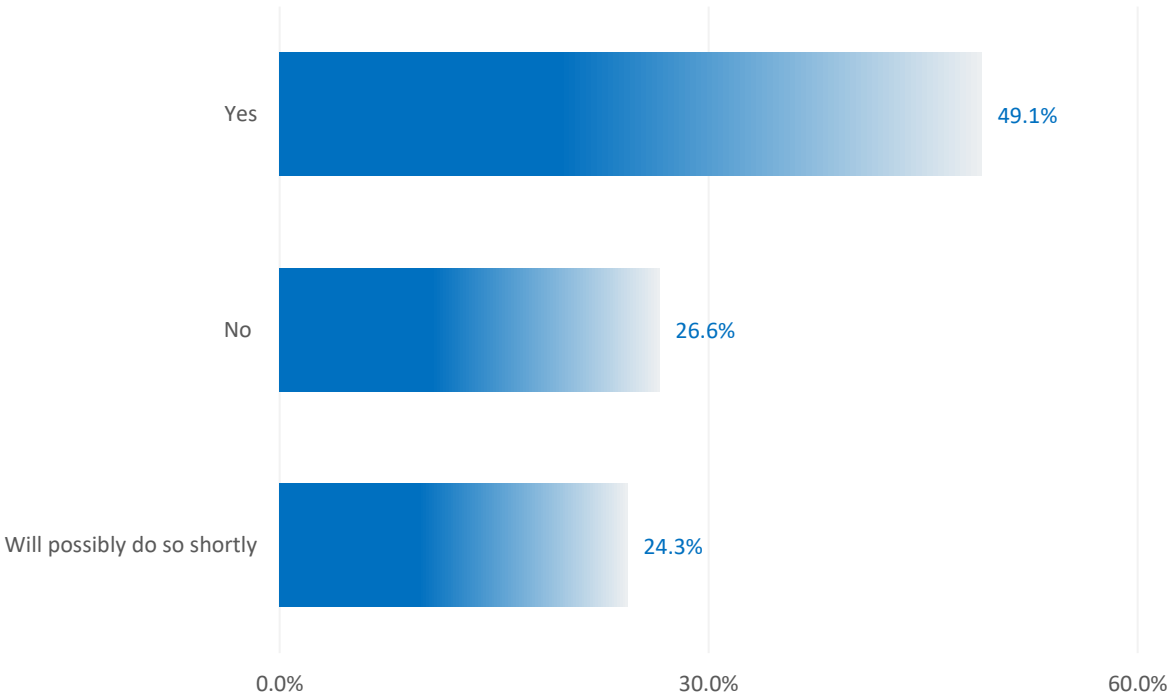
The Current Position

Following the [Prime Minister’s announcement on 20 March](#), it quickly became apparent that retail motor businesses, including bodyshops, were taking different decisions as to whether to remain open, whether to close or to downscale their operation.

Exactly what qualified as an “essential” business which is allowed to stay open during the COVID-19 coronavirus pandemic caused confusion in some quarters, not least within the body repair sector.

In this unprecedented situation, many bodyshop owners were unsure of what action to take as the government classified “garages” as “essential retailers”. As a result, it became the choice of the business owner as to what course to follow – to close the business or to continue to operate as an “essential” business in order to provide a service to other “key workers” by keeping their vehicles on the road. In short, confusion reigned!

We asked: **Has your business temporarily closed due to the coronavirus pandemic?**



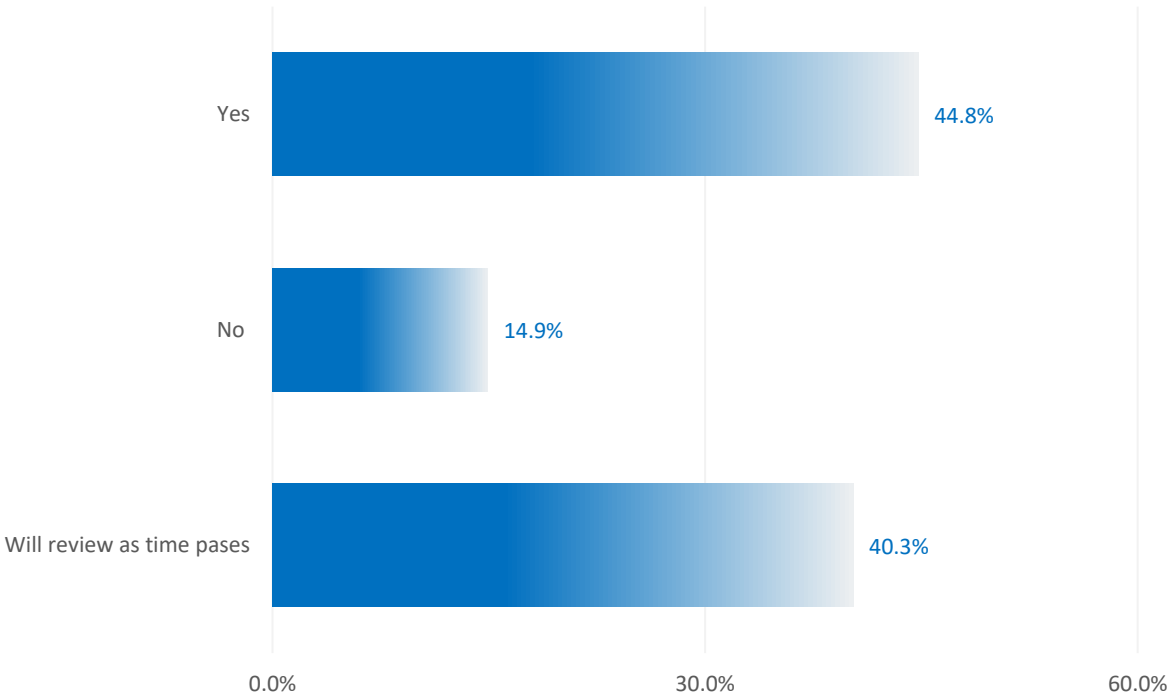
The graph shows that nearly half of respondents have temporarily closed their business, some for a specified period of time (or date), some indefinitely (under review).

On reflection, the answer-set to the question probably should have included an option to express ‘remaining open but with a reduced staffing level’ as many of the 24.3% who expressed they will possibly close shortly, remained open to either complete existing repairs or to accept incoming notifications, but utilising a skeleton staffing level. This has been expressed when speaking to several bodyshop owners and is expressed within the verbatim comments, which are included as Appendices within this Report.

If a high proportion of the ‘possibles’ do close, potentially due to the restricted availability of Original Equipment Manufacturer (OEM) parts, which is covered later within this Report, it would equate to approximately 75% of respondent bodyshops being provisionally closed during the weeks that lie ahead as the pandemic continues to spread.

Finally, on the current position of body repair business closures, if we were to add in the 31 out of office email responses - the majority from franchised dealer groups - who stated their business was closed, this only further compounds the position.

We asked: **Are you intending to stay open and offer a service to key workers throughout the coronavirus pandemic?**



We asked the question of how bodyshop owners intend to proceed, which gave a slightly different result, with 44.8% of respondents stating they intend to stay open to offer a service to “key workers” and a further 40.3% keeping their options open – to review as time passes. Only 14.9% said they do not intend to stay open during the pandemic, which perhaps demonstrates the willingness of body repair business owners to trade through these uncertain times, albeit with a high percentage of claims notifications being wiped-out since the 20 March announcement.

Employees

One of the biggest challenges that any business is facing in the wake of the pandemic is the human factor – the effect on employed staff, many of whom may have worked within the business for many years. The government in essence offered to underwrite 80% of peoples’ salary upto £2,500 per month under the Furlough scheme, announced by Chancellor Rishi Sunak on 20 March.

What is Furlough?

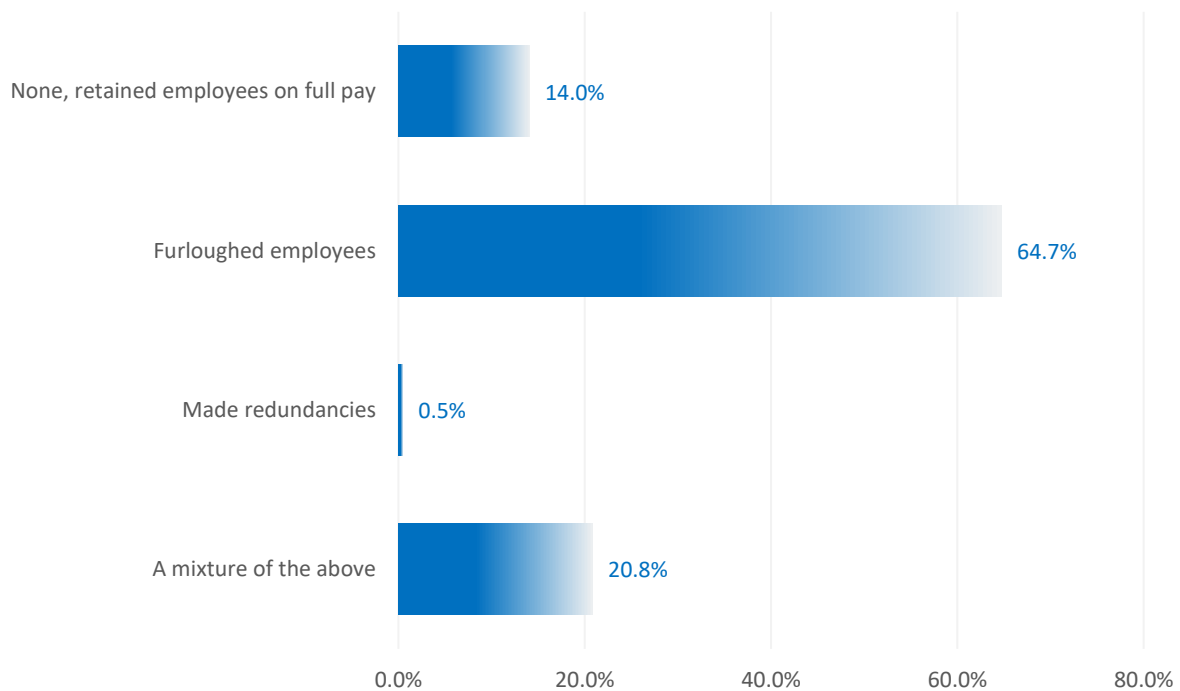
To Furlough – a term that until recently, many people in the UK had never heard of – means to “to be laid-off or suspended temporarily”, usually without pay.

Government has implemented a scheme designed to support businesses that have been badly hit by COVID-19, to prevent mass unemployment. It will temporarily help pay the wages of people who can't do their jobs, to help companies retain them.

Businesses can claim 80% of their employees' wages from the government, up to a maximum of £2,500 per person, per month before tax. The company can top up this pay if it chooses. It must write to affected employees to let them know they have been Furloughed.

The scheme will operate for at least three months from 1 March, although reimbursements to companies will not start until at least the end of April.

We asked: **What steps have you taken in relation to personnel (employee) management?**



The above graph shows the impact on body repair business employees has been huge, with at least 64.7% of staff being temporarily laid-off as work volume and new repair notifications collapsed, pretty much overnight.

Only 14% of all staff have been retained on full pay by bodyshops, which is a stark indicator of how severe the human impact has been to date, in terms of employment.

The staff that remain in employment have to adopt new company policies based on government guidelines, such as taking daily temperature checks and social distancing. Working in a bodyshop today is somewhat different than what it was merely several weeks ago. Employers have to ensure new policies are enforced to protect an employees safety; not just add perception without actually keeping employees safer!

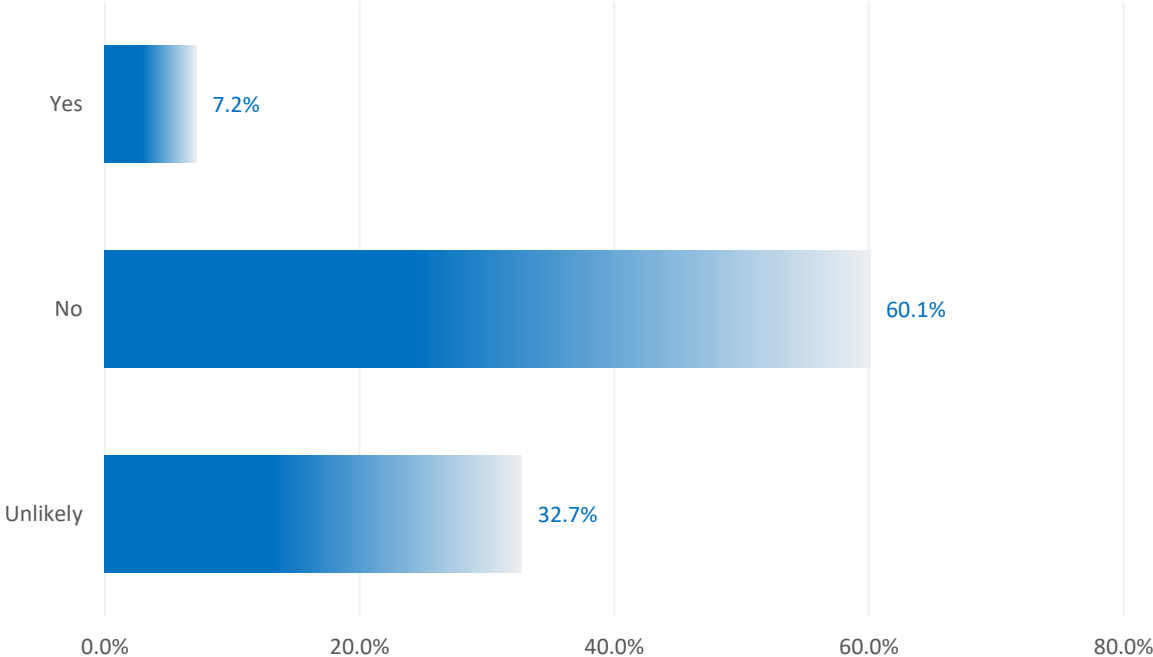
Unfortunately, it has to be said that this is an unknown situation that each business owner faces - a whole new challenge - and whilst they will adopt new safety policies and naturally do what they see as 'the right thing' to protect employees; each employer will have a different approach and arguably few are sufficiently knowledgeable to know whether they are doing exactly the right thing, because as a society we have never dealt with this type of virus before.

That said, with new policies, correct PPE, social distancing, sanitising components, tooling and work stations, the desire and intent for many businesses is to continue to work, in order to assist key workers, which can only be applauded.

Recruitment

Given the impact on employment, we felt it appropriate to understand the impact on potential recruitment.

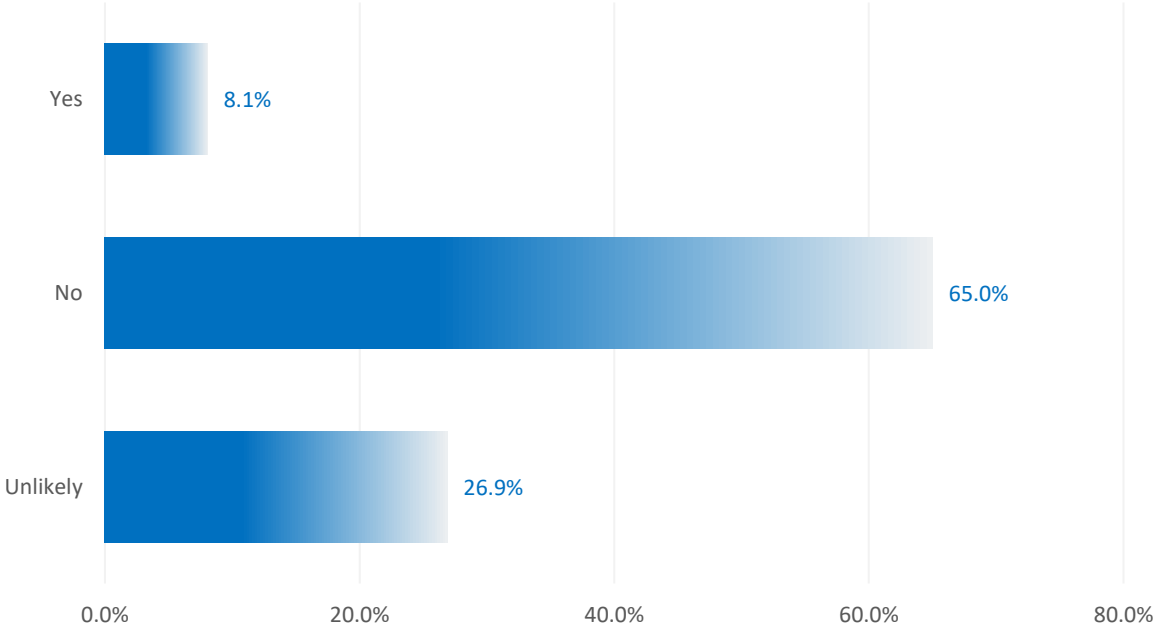
We asked: **Do you believe you'll recruit any technicians over the next 3-month period?**



The respondents were clear in this respect with 60.1% stating clearly they do not intend to recruit any technicians, with a further 32.7% stating it is unlikely in the months that lie ahead.

The result is almost mirrored in respect of recruiting apprentices into the business (below), although many businesses believe this to be a necessity. Further comments relating to staffing issues are provided in verbatim comments - **Appendix 1 (page 17)**.

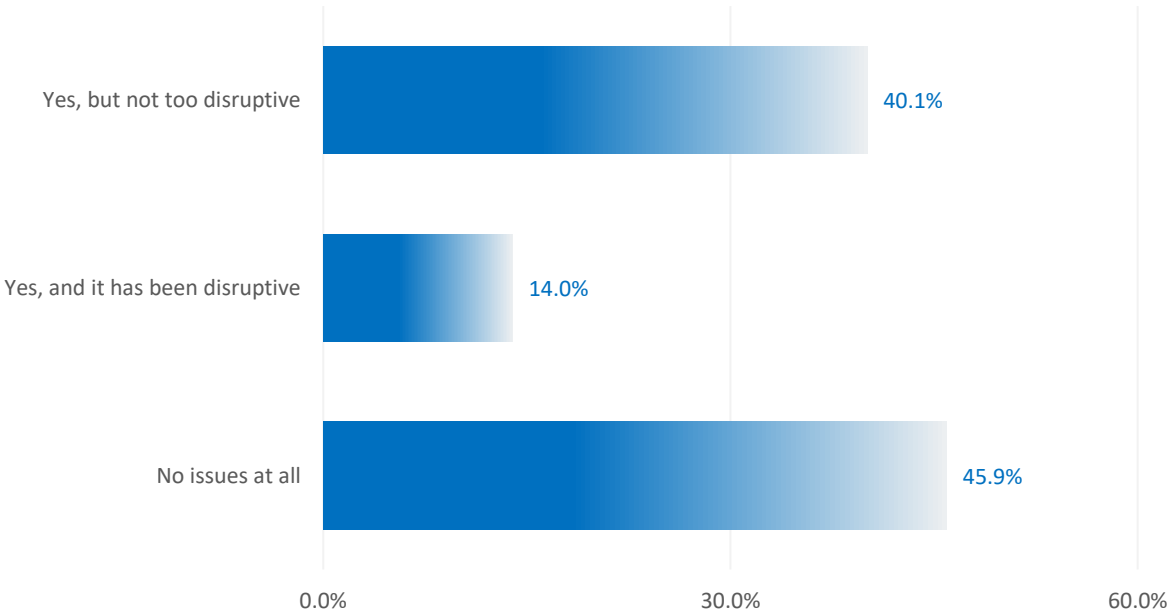
We asked: **Do you believe you'll recruit any apprentices over the next 3-month period?**



The Supply Chain

Body repair businesses are reliant on an effective and efficient supply chain; primarily those who provide parts, paint and materials in order for repairs to be completed. In ordinary times, the supply chain is effective and extremely supportive, but these are not ordinary times. Businesses from manufacturing plants to wholesalers and distributors have all been subject to their own business disruption as a direct result of COVID-19 and this has, in turn, had an effect on UK bodyshops.

We asked: **Have you experienced any access to paint and materials issues due to the coronavirus pandemic?**

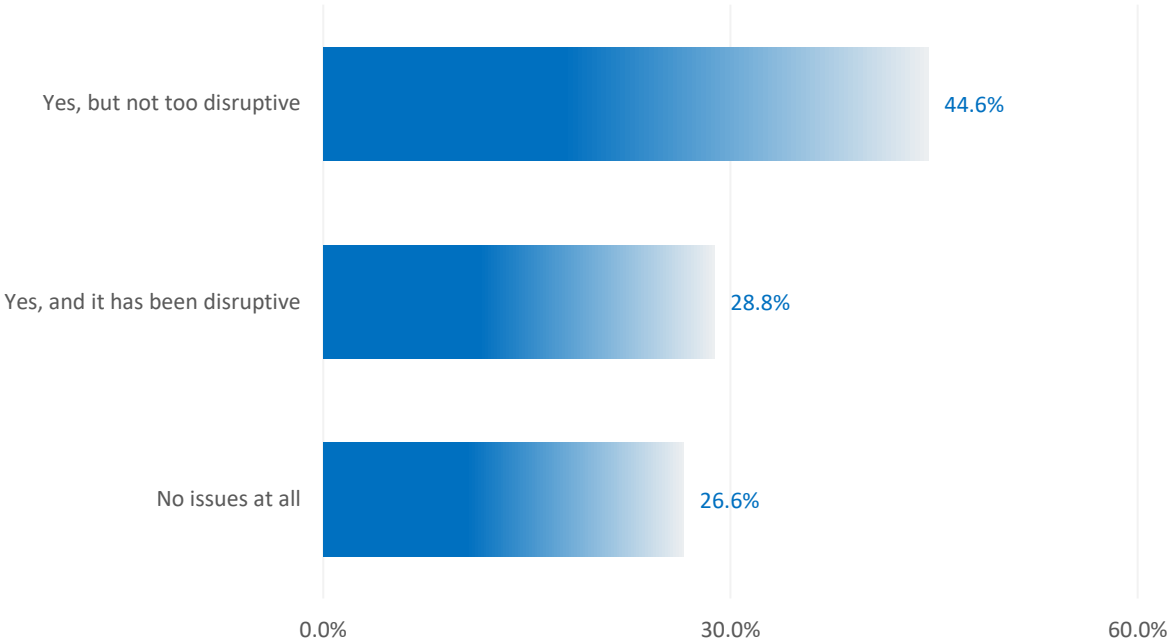


The issues that bodyshops have faced in relation to paint and materials have not been too disruptive with 45.9% of respondents witnessing no issues at all and a further 40.1% stating minimal disruptions. However, there has been a certain degree of impact on the market as 14% have suffered disruption from the supply of paint and materials.

Personal Protective Equipment (PPE) has become increasingly important to the workforce as fear has risen due to the pandemic. Bodyshops have always taken employee safety and the use of PPE seriously, therefore the access and ongoing supply of the correct PPE is of paramount importance.

Some bodyshops foresaw potential issues with the supply of PPE and increased their stock levels accordingly during February to avoid any such problems. From the following graph, it shows that 26.6% of body repair businesses have no issues in relation to PPE, 44.6% have had issues but have suffered minimal disruption, whilst 28.8% have experienced significant impact.

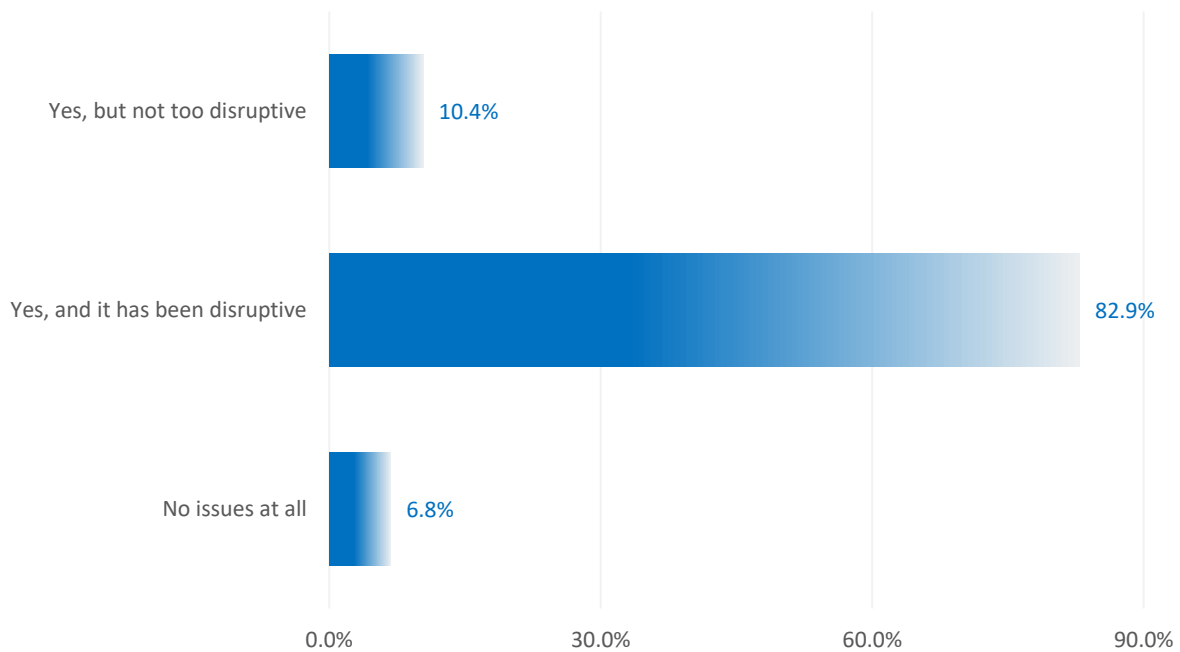
We asked: **Have you experienced any access to personal protective equipment (PPE) issues due to the coronavirus pandemic?**



Parts

The biggest issue that was being fed-back by bodyshops within the survey responses was the inability to obtain required parts, in particular from parts departments within Franchised Dealerships (OEM parts), as the majority of them closed overnight, following the Prime Minister’s announcement. This had an instant and significant impact on a repairers’ ability to complete or commence jobs, which aided the decision of some bodyshop owners to close their own doors, temporarily.

We asked: **Have you experienced OEM parts issues due to the coronavirus pandemic?**

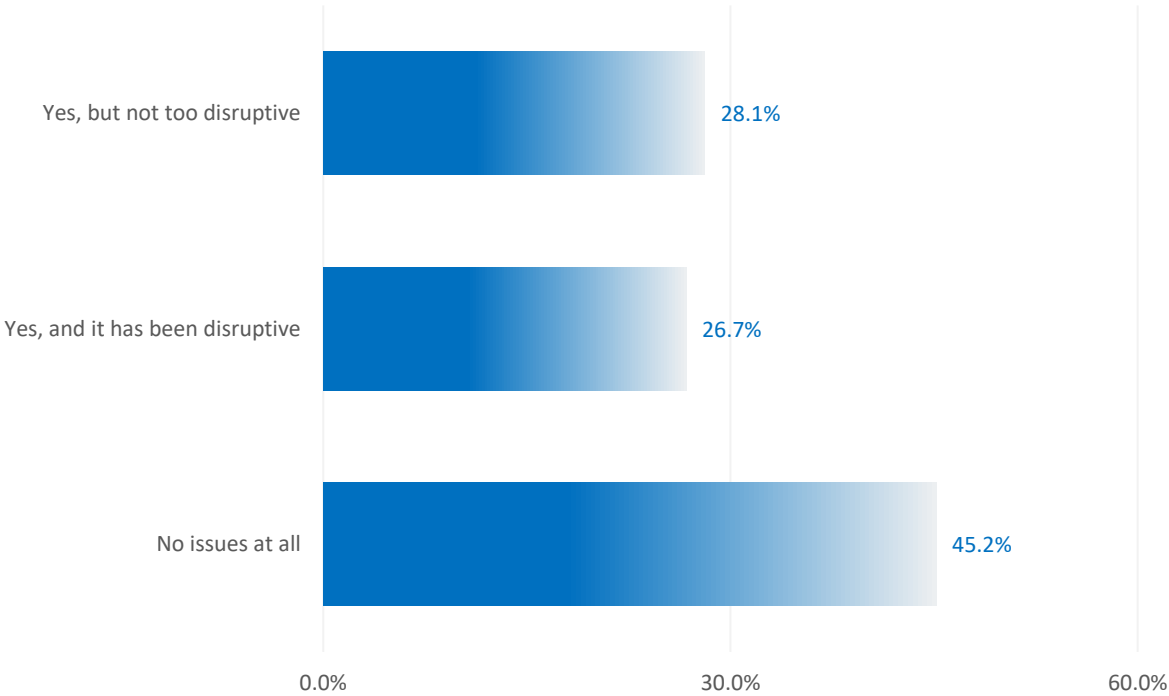


The impact of OEM parts department closures is stark! 82.9% of respondents have suffered significant disruption, with a further 10.4% also having issues, albeit they have not been too disruptive. Only 6.8% of body repair businesses in the UK have had no issues at all when trying to source OEM parts and when drilling down into the data, these tend to be the 'Below £1 million' turnover bodyshops who may not have the demand for a quantity of such parts.

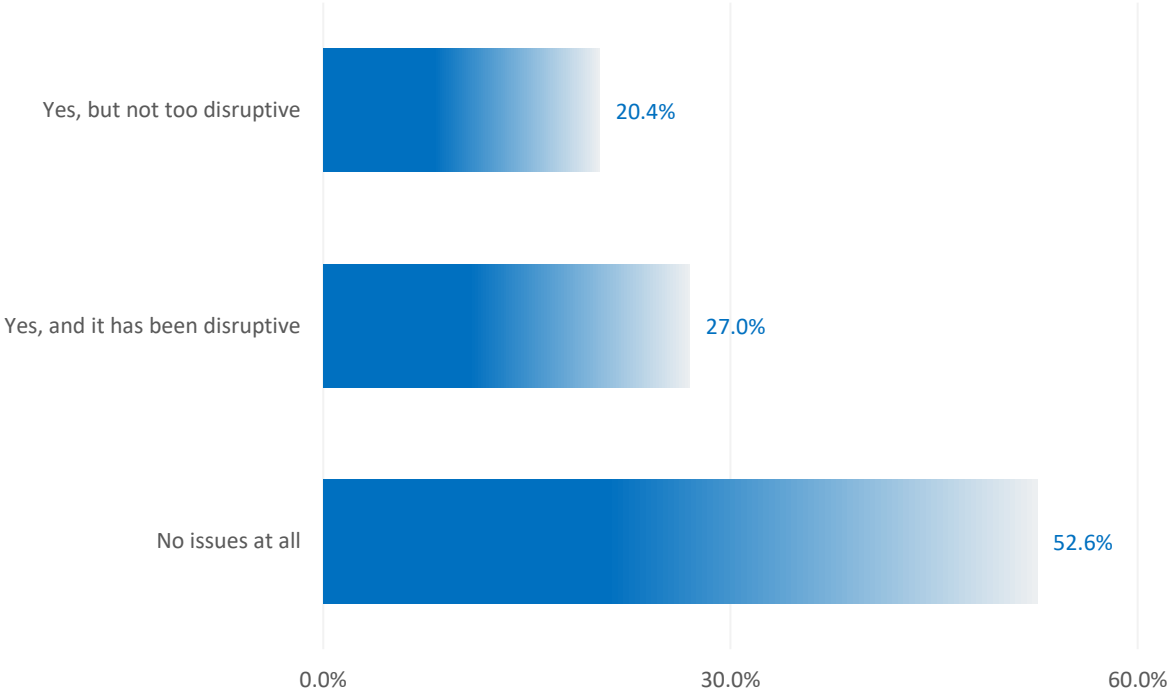
There has been a sterling response from many companies within the supply chain, *Enterprise Rent A Car*, *OEConnection*, *Advantage Parts Solutions*, *TPS* (Volkswagen Group Genuine Parts™) and *Vizion Network* to name a few, who have extended their services in a variety of ways in order to keep the supply of OEM parts getting to bodyshops throughout the country. The *National Body Repairers Association (NBRA)* has also alerted its fellow association, The *Franchised Dealers Association (NFDA)*, to the issues that parts department closures is creating for its bodyshop members, applying pressure for them to play their part. The bodyshops that remain open for business have certainly extended their gratitude to these and other companies within the supply chain who have gone the extra mile.

Whilst many bodyshops operate a policy of using only OEM parts, in particular those who repair prestige marques, there are many bodyshops that also utilise aftermarket parts and an increasing number of reclaimed parts, so called green parts. Therefore, to provide a better understanding of the entire access to the parts market we also investigated these areas by asking the same question for each segment of the parts market.

We asked: **Have you experienced aftermarket parts issues due to the coronavirus pandemic?**



We asked: **Have you experienced green parts issues due to the coronavirus pandemic?**



In the verbatim comments – **Appendix 2 (page 20)** – several respondents expressed their views in relation to the use and availability of aftermarket and reclaimed parts, which provides a greater insight to the detail contained within the above graphs.

Outlook

On a macro-scale, research involving 13,000 firms, published on 1 April, from the [Corporate Finance Network](#), which represents independent accountancy firms, suggests as many as one million businesses nationwide may not survive because they will not have sufficient reserves, be unable to get emergency loans from banks or, if they can, the cash may not arrive in time.

The research suggests that if the 'partial lockdown' lasts 3 months or more, the situation looks even more dire with accountants in the network reporting that 31% will have to close down their business by June.

Business confidence across all sectors is currently very fragile. However, there is a certain positivity from many bodyshop owners that if they can withstand the short to medium-term financial impact that will inevitably be experienced due to the severe reduction in work volume, whilst carrying the same level of business overhead (assuming most businesses wish to retain their current staffing levels, as indicated within the survey responses), they will come out stronger in the long term.

There are certain things that fall outside the control of a business during uncertain times like these, but it is clear that bodyshops are taking steps to protect their business from being financially crippled by the COVID-19 pandemic.

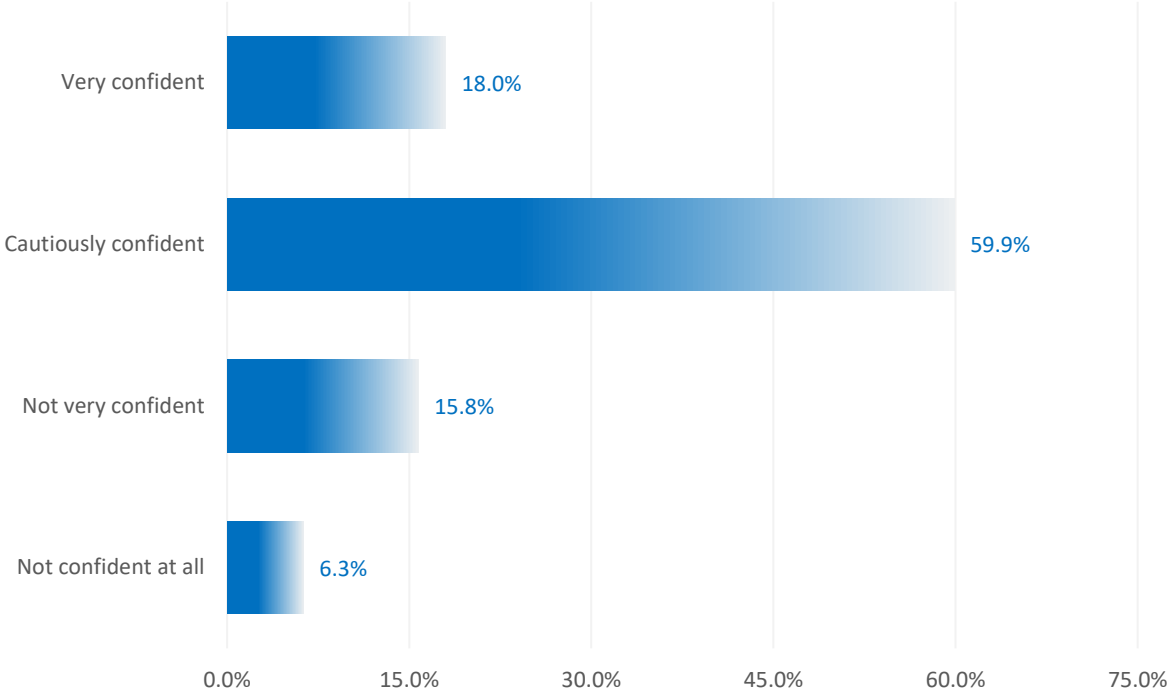
For now, the emphasis is business survival and to seek solutions to reduce expenditure via Furloughing staff and negotiating business premises rent and rates deferrals etc. In addition, there is a greater focus for increased assistance from the supply chain, in particular the insurance and accident management companies to release payment for completed repairs earlier and to enhance 'authorised to invoice response levels' to speed-up payment processes. It's clear that cash-flow is of paramount importance to the survival of bodyshops, indeed as it is for any business, in particular during these uncertain times.

It is unfortunately no surprise therefore to see that 22.1% of respondents to our industry survey have expressed they aren't confident of being able to trade through the current crisis – 6.3% stating they are not at all confident, a further 15.8% expressing they are not very confident (see the graph on page 12). Therefore, it appears clear, sadly, that not all body repair businesses will survive.

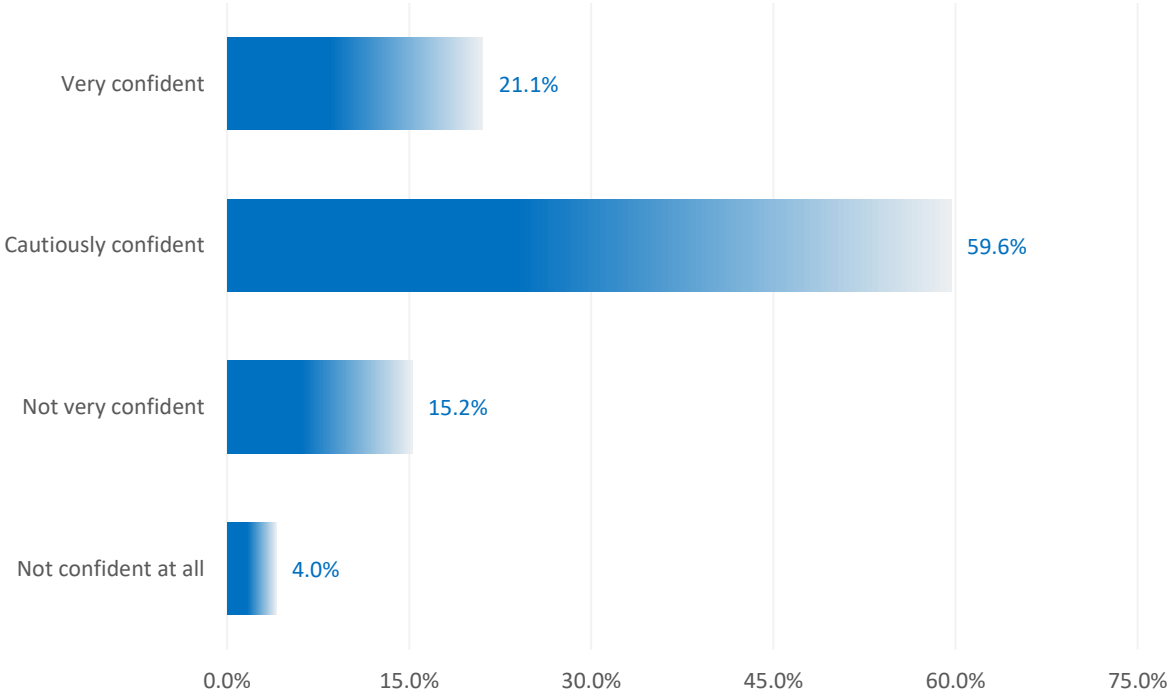
For those that do, a different challenge lies ahead in trading out of the current situation - managing the ramp-up of business back to full capacity. Trading out of this situation may cause cash starvation due to expenditure outstripping revenues. This was indeed the case for several businesses following the last financial recession, where work volume and paper profitability was strong, but the financial outlay on parts, paint, staff etc resulted in cash starvation as payments had yet to be received.

Another issue that may be faced is reduced credit lines from supplying companies who themselves will be looking to manage their own financial exposure. Therefore, trading out of a situation that we currently find ourselves in will have its own issues. Respondents share their view in verbatim comments – **Appendix 3 (page 23)** and **Appendix 4 (page 31)**.

We asked: **How confident are you that your business can withstand the financial impact of the coronavirus pandemic, if ‘the UK virtual lockdown’ lasts for a further two months?**



We asked: **How confident are you that your business will improve in the second half of the year, assuming the coronavirus pandemic crisis is over?**



Cross tabulation charts

The bar chart graphs within this survey are presented in aggregate only – meaning, the data tables are based on the entire group of survey respondents.

In this section, we use cross tabulations - data tables that present the results of the entire group of respondents as well as results from sub-groups of survey respondents, enabling you to examine relationships within the data that might not be readily apparent when viewing the aggregate bar charts.

We believed this may provide a greater insight of business confidence by annual turnover.

The first cross tabulated chart analyses ‘withstanding financial impact’ by business size.

| Q21. Finally, what is the indicated turnover of your business? | | | | | | | |
|--|--------------|----------------|----------------------|--------------------|----------------------|----------------|----------------|
| Q14. How confident are you that your business can withstand the financial impact of the coronavirus pandemic, if ‘the UK virtual lockdown’ lasts for a further two months? | | | | | | | |
| | | Very confident | Cautiously confident | Not very confident | Not confident at all | Did not answer | Total |
| Below £1 million | Count | 3 | 38 | 15 | 10 | 0 | 66 |
| | % within Q14 | 7.50% | 28.40% | 42.90% | 71.40% | 0% | 29.50% |
| | % within Q21 | 4.50% | 57.60% | 22.70% | 15.20% | 0% | 100.00% |
| | % of Total | 1.30% | 17.00% | 6.70% | 4.50% | 0% | 29.50% |
| £1 million to £2 million | Count | 3 | 34 | 9 | 3 | 0 | 49 |
| | % within Q14 | 7.50% | 25.40% | 25.70% | 21.40% | 0% | 21.90% |
| | % within Q21 | 6.10% | 69.40% | 18.40% | 6.10% | 0% | 100.00% |
| | % of Total | 1.30% | 15.20% | 4.00% | 1.30% | 0% | 21.90% |
| £2 million to £3 million | Count | 14 | 14 | 3 | 0 | 0 | 31 |
| | % within Q14 | 35.00% | 10.40% | 8.60% | 0% | 0% | 13.80% |
| | % within Q21 | 45.20% | 45.20% | 9.70% | 0% | 0% | 100.00% |
| | % of Total | 6.30% | 6.30% | 1.30% | 0% | 0% | 13.80% |
| £3 million to £5 million | Count | 7 | 18 | 2 | 0 | 1 | 28 |
| | % within Q14 | 17.50% | 13.40% | 5.70% | 0% | 100.00% | 12.50% |
| | % within Q21 | 25.00% | 64.30% | 7.10% | 0% | 3.60% | 100.00% |
| | % of Total | 3.10% | 8.00% | 0.90% | 0% | 0.40% | 12.50% |
| £5 million to £10 million | Count | 4 | 11 | 1 | 1 | 0 | 17 |
| | % within Q14 | 10.00% | 8.20% | 2.90% | 7.10% | 0% | 7.60% |
| | % within Q21 | 23.50% | 64.70% | 5.90% | 5.90% | 0% | 100.00% |
| | % of Total | 1.80% | 4.90% | 0.40% | 0.40% | 0% | 7.60% |
| £10 million + | Count | 8 | 13 | 4 | 0 | 0 | 25 |
| | % within Q14 | 20.00% | 9.70% | 11.40% | 0% | 0% | 11.20% |
| | % within Q21 | 32.00% | 52.00% | 16.00% | 0% | 0% | 100.00% |
| | % of Total | 3.60% | 5.80% | 1.80% | 0% | 0% | 11.20% |
| Did not answer | Count | 1 | 6 | 1 | 0 | 0 | 8 |
| | % within Q14 | 2.50% | 4.50% | 2.90% | 0% | 0% | 3.60% |
| | % within Q21 | 12.50% | 75.00% | 12.50% | 0% | 0% | 100.00% |
| | % of Total | 0.40% | 2.70% | 0.40% | 0% | 0% | 3.60% |
| Total | Count | 40 | 134 | 35 | 14 | 1 | 224 |
| | % within Q14 | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | % within Q21 | 17.90% | 59.80% | 15.60% | 6.30% | 0.40% | 100.00% |
| | % of Total | 17.90% | 59.80% | 15.60% | 6.30% | 0.40% | 100.00% |

The second cross tabulated chart analyses 'business confidence in the second-half of the year' by business size.

| Q21. Finally, what is the indicated turnover of your business? | | | | | | | |
|--|--------------|----------------|----------------------|--------------------|----------------------|----------------|---------|
| Q15. How confident are you that your business will improve in the second half of the year, assuming the coronavirus pandemic crisis is over? | | | | | | | |
| | | Very confident | Cautiously confident | Not very confident | Not confident at all | Did not answer | Total |
| Below £1 million | Count | 11 | 43 | 10 | 2 | 0 | 66 |
| | % within Q15 | 23.40% | 32.10% | 29.40% | 22.20% | -- | 29.50% |
| | % within Q21 | 16.70% | 65.20% | 15.20% | 3.00% | 0% | 100.00% |
| | % of Total | 4.90% | 19.20% | 4.50% | 0.90% | 0% | 29.50% |
| £1 million to £2 million | Count | 8 | 30 | 10 | 1 | 0 | 49 |
| | % within Q15 | 17.00% | 22.40% | 29.40% | 11.10% | -- | 21.90% |
| | % within Q21 | 16.30% | 61.20% | 20.40% | 2.00% | 0% | 100.00% |
| | % of Total | 3.60% | 13.40% | 4.50% | 0.40% | 0% | 21.90% |
| £2 million to £3 million | Count | 12 | 15 | 3 | 1 | 0 | 31 |
| | % within Q15 | 25.50% | 11.20% | 8.80% | 11.10% | -- | 13.80% |
| | % within Q21 | 38.70% | 48.40% | 9.70% | 3.20% | 0% | 100.00% |
| | % of Total | 5.40% | 6.70% | 1.30% | 0.40% | 0% | 13.80% |
| £3 million to £5 million | Count | 7 | 14 | 6 | 1 | 0 | 28 |
| | % within Q15 | 14.90% | 10.40% | 17.60% | 11.10% | -- | 12.50% |
| | % within Q21 | 25.00% | 50.00% | 21.40% | 3.60% | 0% | 100.00% |
| | % of Total | 3.10% | 6.30% | 2.70% | 0.40% | 0% | 12.50% |
| £5 million to £10 million | Count | 4 | 8 | 4 | 1 | 0 | 17 |
| | % within Q15 | 8.50% | 6.00% | 11.80% | 11.10% | -- | 7.60% |
| | % within Q21 | 23.50% | 47.10% | 23.50% | 5.90% | 0% | 100.00% |
| | % of Total | 1.80% | 3.60% | 1.80% | 0.40% | 0% | 7.60% |
| £10 million + | Count | 3 | 18 | 1 | 3 | 0 | 25 |
| | % within Q15 | 6.40% | 13.40% | 2.90% | 33.30% | -- | 11.20% |
| | % within Q21 | 12.00% | 72.00% | 4.00% | 12.00% | 0% | 100.00% |
| | % of Total | 1.30% | 8.00% | 0.40% | 1.30% | 0% | 11.20% |
| Did not answer | Count | 2 | 6 | 0 | 0 | 0 | 8 |
| | % within Q15 | 4.30% | 4.50% | 0% | 0% | -- | 3.60% |
| | % within Q21 | 25.00% | 75.00% | 0% | 0% | 0% | 100.00% |
| | % of Total | 0.90% | 2.70% | 0% | 0% | 0% | 3.60% |
| Total | Count | 47 | 134 | 34 | 9 | 0 | 224 |
| | % within Q15 | 100.00% | 100.00% | 100.00% | 100.00% | -- | 100.00% |
| | % within Q21 | 21.00% | 59.80% | 15.20% | 4.00% | 0% | 100.00% |
| | % of Total | 21.00% | 59.80% | 15.20% | 4.00% | 0% | 100.00% |

Other cross tabulated charts are available by request by contacting Mark Bull by email at mark@trendtracker.co.uk

Appendix 1

Comments relating to staff - verbatim text

Obviously at the time the uncertainty has led us to put all staff and apprentice employment on hold as we feel it unfair to employ anyone at this stage as they could very shortly be laid off, either by us or the government introducing further restrictions

We've closed on moral grounds, Furloughing the staff

With the current skills shortage I believe most body shops staff detail is 15% high skilled, highly productive 40% skilled, average productive 45% under skilled under productive. This provides opportunities should the staff pool expand due to redundancy and will increase the balance of skilled people for the stronger shops who are able to weather the storm

We are just operating limited bodyshop service at present

Still desperate to find good panel technicians

Management should not make any employee feel pressurised to work. We have a duty to protect everyone in these times. It shows a business cares about its staff

Youth is our future and I will always look to train our own staff

All staff want to return to work ASAP

Two apprentices are on delayed start with us

We had 2 apprentices due to start in April but have had to delay their start date

It may be necessary to furlough employees in the future. We're now working on minimum hours per day

Split all staff into two groups and are working alternate days

It's a case of hoping to keep all current staff therefore we would not be looking to take on new staff

You find out the true colours

All staff being looked after as we are all only as good as our staff/colleagues/friends

While we have furloughed our team, we are paying the lads 100% for as long is practically possible

We are literally taking it day by day

Hope to be able to retain all existing staff

We will see a downturn so I see shorter working days after this has been dealt with after the rush of stuff to urgent cases

With the dictates of Insurance Companies insisting we work until we die, and lack of help from any Trade body or the Government, I really doubt we will survive this crisis, so won't need more staff

We were due to start new apprentice in June. We hope we're in a position to still take him on

All key workers cars have being repaired and returned, staying open only makes their job harder, we should now all close to contain this pandemic

We were fully staffed and have apprentices I just dearly hope we can retain them on return to business

Staff will remain on Furlough until government stops the scheme

We are running with a skeleton staff for the time being

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| We will be paying all staff who have been furloughed 80% of their pay irrespective of their salary - topped up from our own reserves |
| Hoping to return to full staff |
| I expect to be recruiting claims handlers once we are through this |
| Mixture of retaining staff and Furloughing staff |
| Looking to stream line roles |
| Additional staff may be furloughed |
| With conditions as they are, we'll struggle to retain some of our staff |
| We kept a mechanic off Furlough to keep mechanical workshop open. I am running both panel and paint shop on my own. Other 7 staff on Furlough agreement |
| Too uncertain at present to make staffing decisions, and will take a long time after this even to get back to normal too |
| Our industry needs clarification that we are in retail sector so we have the financial support from government required to hopefully survive this |
| Depending on volumes upon return, may need to make redundancies |
| We hope you're keeping safe and well. At xxxx repair cars, vans, trucks, trailers and motorhomes, which has provided us with work streams as we are a specialist repairer, my opinion is the industry will never be the same again, and sadly there will be casualties, I wish every repair the very best of good luck we will all need help and support keep up the good work |
| Keeping hold of our current staff |
| Only when we can get all our staff back into work and fully employed will we consider additional staff |
| Very difficult to predict anything at the moment, however I do not think inviting people for interviews is something we'll be doing until the pandemic has settled down |
| Parts are the main issue. Dealers have shut we can't work, keeping staff 2 meters a part is a problem, so we are going to try to run a skeleton staff in couple of weeks, they will be keener to work after only getting 80% of a basics wage |
| As impossible as this may be, we'll need staff to dig even deeper and work even harder to get us back on track. We can't afford to carry the wounded unless rates drastically improve |
| Who knows how long this will last, this one is a silly question |
| Within 3 months will need to replace a technician that left |
| We have gone to skeleton staff at the moment however when we are back to normal we will need more staff |
| Our staffing is currently at the right level |
| Two members of staff are working from home and we are offering NHS staff a free courtesy car if theirs becomes undrivable |
| No future plans for staff until we get back to normal. |
| Workforce reduction will be a possibility this will depend on volume of work when/if we get back to some sort of normal service |
| We will try to keep who we have if we are still here after this crisis |

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| We have asked some staff to take holidays before we put them on Furlough |
| Staff think I am unreasonable staying open for as long as possible!!!!!! |
| We are already finding the situation extremely challenging with parts restrictions and a 90% reduction in work we are finding it almost impossible to continue |
| I have reduced hours and given staff daily tasks. We will use this time to grow and develop via training and research. We continue to offer a remote service as much as possible. We can still manage estimates via our app and portal and compliance management be it restricted |
| The majority of car retailers closed the doors the minute the 80% salary offer from the government went live |
| We are receiving insurmountable pressure from work provision to remain open even though this is financially impossible to do. With what we have determined to be threatening mails in that 'if you electively close you will not be able to claim your grant to recover the 80% from the government'. We have received (from one in particular) no support |
| We as a Group have hibernated three Branches and have our two main sites fully operational |
| Recently taken on 2 apprentices |
| Unlikely to be any hires for the foreseeable future |
| Any staff that can work remotely are doing so |
| We will attempt to look after our existing staff as best as possible but with the forecasted extended shut down and drop in claims it is very unlikely we will be in a position to recruit |
| Critical to keep staff informed at every stage and to be completely transparent with them |
| There are likely to be heavy staff cuts in the industry once the furlough finishes |
| I think that we will end up with some staff wanting to leave us and possibly the sector after this |
| No additional staff required at this time. Trying to keep staff we currently have employed |
| We believe there will be minimal market staff shortages moving forward due to many bodyshop closures |
| We would not have sufficient space to keep any more employees at a safe working distance. There has also been a significant downturn in repairs due to the lockdown |

Appendix 2

Comments relating to paint, parts and PPE - verbatim text

TPS (VAG etc supply) open in some areas and not others. Hard to buy out of area as no account facilities set up so understandably not keen to engage unless paying cash

We don't order direct as the repairer deals with this but we do final costing and supplementary estimates for the repairer and have noticed issues.

Manufacturers and or distribution have let the country down, but we probably could have guessed that prior to this pandemic. Manufacturers and Insurers are creating monopolies which all need to be reset on the other side.

We don't use green parts because every time we try and source them they are not available

Just a quick point on aftermarket parts, it's all good and well to say use them but not all parts are available and the fitting is poor and always has been. Now they say use green parts, but for us to carry the warranty. If they come damaged you don't get paid and you get no extra time for paint

We have had to close due to downturn in business as customers not going out on government advice unless it's essential, parts suppliers closed last week, this was a major factor in us having to close

Biggest problem has been main agents closing so we can't obtain crucial OEM only parts

Most VM's have just shut up shop. It's not that there are no parts they have just chosen to stop distribution

We will close once any of the above affect the running of the company

Parts suppliers should have given more warning and a week's grace would have enabled us to finish more cars in the time. I do think PPE should have been sent from suppliers to NHS and hospices instead

The breakdown of the parts supply chain was the deciding factor in closing our shops down

We anticipated possible issues with PPE and other stock items- we increased our inventory substantially in February

We very rarely use green and non OE parts

Your questionnaire might suggest we haven't had any issues with aftermarket and green parts but the truth is, we don't use them so that's why there have been no issues

Only that it is becoming increasingly hard to trade due to the lack of delivery and or supply of the above. I feel we should also be charging our customers for the collection of parts as to add to everything else we now have these costs to content with

When we are advised that we should stay open as an essential service, I fail to see how so many dealer groups can close along with their parts and service departments and not serve our industry

We went to skeleton staff because we could not get parts

Only issue so far are masks

OE parts supply in particular completely shut down and we were forced to find alternatives at lower terms and in some cases COD. Our largest supplier of green parts has also closed which has compounded the issues

I believe as UK paint stocks run down initially it will become difficult to restock. Similarly to parts where most are imported

We sent Staff home on Thursday 26th March and now running Skeleton Admin Staff from home. At this time most parts suppliers had already contacted us saying they were closing. Materials were still ok along with PPE but we were told of the likely slow up and that the assumption would be for PPE to be directed to those who need ie the NHS

Staffing is not an issue, getting parts is my major concern

We haven't used Green parts lately

We are in a very rural location. Most of the local Franchised dealers closed last Tuesday leaving very little parts supply available to us. There is a collection only service being put on by TPS and BMW from Exeter which is 50+ miles away

We took early action to secure additional PPE supplies so have not yet felt the impact of supply shortages however we're expecting to experience issue shortly

We always use OE part but will attempt to source aftermarket parts if approved by work providers

As an approved repairer for vehicle manufacturers I don't rarely use green or non-genuine parts

No other than parts are getting harder to source

We do not use Non-OE parts or Green Parts

In reality vehicle accidents rate is fairly static as a percentage to the number of vehicles on the road with measurable variables for time of day, seasonal and weather conditions. So accidents reducing by 90% due to the pandemic is a real possibility. So for the remaining 10% mobility solutions is the real requirement not paint or parts. The real concern is as services come back on line there could be a considerable delay in acquiring PPE

Most main dealers locally closed last week. Don't use green parts

Stock levels are becoming low. This could impact on even the low volume of current repairs

Due to support services closing following government guidelines has had a knock on effect to availability of materials needed

We don't use green parts. Supply of ffp3 masks is a problem. We do hold a reasonable stock but these are now running low

Parts seem to be available from the manufacturers but are not available to the repairers as the main dealers have closed all parts of the business, some are staying open only for key workers which mean that the Independent repairers are unable to assist with repairs. I feel that this is so they look as if it's only them who are willing to help

Face masks required

This is another reason we are having to temporarily close the ARC as we are unable to provide the minimum legislative PPE to our staff. This again has been overlooked by work providers

Most manufacturers have shut their parts distribution at present so can't get many parts

We have marked yes on green parts we at xxxx stay away from after marked parts and green parts as we believe this is a improper repair especially on new vehicles door a wing none structural. I suppose there is an argument we just stick to one policy knowing then we have followed the correct repair procedure

Finding it hard to get parts

Locally the supply of BMW, Mercedes,, Toyota, Volvo, Renault, PSA have all ceased due to dealers closing

Expected these issues due to closures including our own

Paint companies shut to me was the final straw. We couldn't stock pile 3 weeks plus materials or get things in some cases Parts on b/o. We have the work but also staff health was more important and the risk was one I can't take

As we are now shut, parts are irrelevant

Wet and dry still ok , some main dealer parts are not available. Euro Asian very good

Only getting two deliveries a week instead of ten

The majority of car retailers closed the doors the minute the 80% salary offer from the government went live

The likes of xxxx xxxx closing one of the country's biggest green parts supplier has made a big difference to keep going when you are told by the likes of xxxx you must keep going and use green parts if necessary?

Some parts guys are re-opening but often on collection only/appointment basis

Parts supply is patchy. Some main dealer parts departments have remained in operation, some have closed and one or two are on a restricted service. This is having the effect of limiting which makes we can repair at the moment

Hardly any parts available

No Paint issues for the time being but our supplier is not getting any further supplies from Germany

What we really need is a good supply of handwash / soaps

We don't use green parts or non-approved parts

We're a small repairer and we're lucky to have the parts for the cars we have to repair

Dealerships have closed along with their Parts Department so the main reason for closure is that we cannot get manufacturer approved parts

Some suppliers are not delivering, some are closed altogether, most are on shorter working hours so considerable interruption to normal business currently with far more parts unavailable

We are closed so parts, paint and PPE are not relevant

Don't use green parts and there is no option in your question for that answer

If the issues with parts continue and parts suppliers do not reopen, will undoubtedly be forced to close

Lack of parts suppliers staying open are the only reason we've had to close the doors. All staff are willing to work but unable to stay open with no parts!

As we are now closed paint and materials supply is not an issue, we are mainly a manufacturer approved body shop so we do not use aftermarket or green parts. We stopped being able to source genuine parts a while ago which was also one of the reasons we had to close

Appendix 3

| Comments relating to how customers could better help - verbatim text |
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| The insurers should better understand the issue that we're having trying to get parts |
| The most important thing insurers and accident management companies can do right now is to pay the repair community earlier, cash/liquidity is all that is going to matter to them in the here and now |
| Simple - pay early |
| Cashflow in this crisis will be our main issue. We are respectfully paying all suppliers and staff and would appreciate this courtesy that our invoices are paid by insurers/work providers |
| We would expect that they are saving an immense amount of money due to the lack of claims, I would like to see them increasing our rates to help us survive this period. If they lose their supply chain they will also be in financial trouble. Increase invoice time to pay us immediately. Supply courtesy cars via car hire companies leaving us to focus on repair and to cancel as many courtesy cars from our cost base as possible, also reducing the touch points with customers |
| Do as the government has asked so hopefully the timings will come down and we can get back to normality sooner |
| Continue to honour any outstanding invoicing within terms. Speed up the payment process on any new invoices received if possible. Make sure the payment function of their operation continues without disruption |
| Understanding and patience |
| Not pitting Bodyshops against each other at this time. Understanding that if parts supply is affected, we cannot operate anyway |
| To keep notifications for roadworthy vehicles back until re-open and not distribute elsewhere |
| Patience and understanding from all parties and working together to get through the crisis |
| Bottom line discounts could be reviewed, and labour rates, paint index, every little would help |
| Give out hire cars to immobile vehicles no parts discounts uplift in labour rates no paint discount during this crisis to aid cashflow immediate payment on invoice |
| Try and keep the work coming through |
| Reduce bottom line discounts, parts and paint discounts, raise the labour rate in line with mechanical/service dept rates |
| Keep payments coming, authorise jobs and answer the phone |
| Understanding would help our management company seem put out that we have gone to skeleton staff. also lowering their fees over this time would help |
| As far as possible to continue with business as usual |
| Utilising our remote and mobile service. We have a tried and tested system and a good team that manages it. We can still carry out VDA work and get authorisations which will allow parts to be placed on order ready for when the lockdown is over and triage WIP |
| Just increase the labour rate a little |
| I don't believe there's a great deal they can do |

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| Faster payment of invoices |
| We feel like work providers are holding a gun to our heads saying that if don't stop open we may not receive the same amount of work from them when things return to normal |
| Hygiene- protecting themselves to protect us |
| 24 hour payment cycle Increased labour rates NO rebates NO parts discounts |
| Insurers need to support their supply chain for once and need to do it now, they are taking too long to react. All the things which bodyshops do for free need to stop inc mobility. Some insurers are not doing right by their policyholders, and are still trying to force these issues onto bodyshops. They are offering very little financial support and everything has to be pushed they are doing nothing of freewill. Bodyshops are stepping up for the nation, insurers are hiding |
| Faster payment cycles, remove discounts, paying for mobility solutions & recovery, providing mobility on total losses via hire cars not courtesy cars, relaxing rules on non-or parts so we can fit what is available, relaxing of salad so we can prioritise key workers and deal with our customers in the best/most appropriate way |
| Keep going and no doom and gloom |
| Financial support and direction on what they would like us to do |
| Insurers shouldn't pressure Bodyshops to stay open, they will stay open at their cost and possible bankrupt. they could pay for onward mobility in full, sort it themselves through ERAC etc... |
| I would hope that once I open again that they will still work with me and not move the work to shops that have remained open |
| More support from work providers , wanting us to stay open but not sending any work |
| Making decisions as to what is an essential repair requirement at this time of lockdown. Can the repair be delayed or is it absolutely essential to repair? |
| If insurers could offer a base line payment to enable us to stay alive it would benefit them as much as anyone. With the higher income they will be making due to vastly reduced claims I don't see why they cannot do this. |
| Delay or reduce excess payments. Remove parts discounts Remove paint discounts Increase labour rates Pay for courtesy cars Audatex reduce fixed fees switch to pay per use Charge for pay for use estimate to insurer All invoices payed by bacs within 14 days. No cc unless vehicle is confirmed repairable. Parts suppliers are paid by Repairer's within 21 days |
| Respond much quick and authorise quicker |
| Pressure on manufacturers to reinstate the supply chain |
| Continue to deploy work to those of us remaining open but explain that there will be delays due to parts issues. Where immobile vehicles cannot be started / finished due to part supply problems - issue a hire vehicle at no cost to the repairer |
| It would be a great help if work providers would clear outstanding invoices to keep our cash flow moving |
| Ensuring VM dealers stay open to ensure OE parts are available - Allowing use of alternative non OE or OES and green parts - removing bottom line discounts - moving to self authorisation on all jobs within reason - paying inside 7 days and clearing down old debts - channeling work into fewer operators |

1. To enhance contract rates, reduce parts discounts, add a sanitation of vehicle levy
2. To take hold of the XS payments so we can at least get the cars repaired and not worry that we won't be able to release the vehicles due to outstanding XS
3. To stop bleating at us regarding SLA's and other reporting exercises, we are fighting for our lives while they are all sitting at home twiddling their thumbs on full pay.

Quicker payments to aid cashflow

Flexibility on parts procurement. Reducing discounts and allowing second hand, non oe where a contract would not normally allow

Maintain communication channels , payments and notifications

To be understanding and help each other get through this

To stop asking stupid questions like c/car availability do away with paint deals speed up payments

Still send notifications so that we can book in for when we restart

It's beyond their control but the closure of most dealerships has made the problem a lot worse

Cash flow will be a major concern, prompt payment of invoices according to SLA'S would be a major help

Help with parts supply

Commit to paying where additional costs have run up from the forced shutdown

They need to zero parts discount on either direct parts discount or bottom line discount, I understand there's contracts in place but these need to be reviewed as a matter of urgency

Provide assistance with courtesy cars by either paying a fee per day or providing a vehicle at their expense. Also speeding up final authority and payments

Help with Audatex assessment cost as our fixed rate relates to a cost currently of £60+ per assessment on the reduced volume Help with agreeing parts collection payment as deliveries have ceased in many cases instead of putting up barriers Authorise repairs quickly Authorise supplements quickly Pay accounts by return as parts suppliers are asking for upfront payment in many cases Reduce friction and interim mails over insignificant detail Realistic payment for extra protection required, overalls (2 pairs being used on each repair for collection and cleaning), gloves, antibac, cleaning etc... £50 - £60/repair

Communication on how we can all work together as an industry as a whole so each repairer whether large or small are treated fairly and not discriminated against for deciding to close shop albeit temporarily as I feel larger body shops have more chance of getting staff into work safely than the smaller repairers due to floor space and having more than one technician per met/ panel etc.....

Financial support, paying invoices immediately. Helping lobby parts suppliers to find a workable solution to supply parts whilst practicing social distancing ASAP

To pay invoices upon receipt rather than sticking to payment terms and clearing outstanding invoices would help us weather the storm. Send mobile notifications out so we can image the vehicles and compile estimates so we have a head start when we open the doors again

Continue to pay on time and allow us to pay our suppliers to keep the chain going

Arrange recovery's and put none drivable vehicles in hire so we are not having to worry about being in contact and paying out when we are closed . remove discounts to allow paying back the banks and look for great service

All of our customers have been fully understanding why we have had to postpone their bookings as well as having vehicles that we cannot complete repairs due to parts availability. I do feel that some work providers are trying to blackmail large shops into staying open for the wrong reasons

Keep the due debt coming, I can foresee big cashflow issues due to late debt being paid

They have all been fairly supportive some more than others - but the insurers need to put pressure on Government to request Dealerships to re-open their parts departments - it is the distribution that is making things difficult whilst stocks remain in the UK

More work! and pay early (or at least on time!)

Most businesses cannot survive staying open with all overheads running at say 25% productivity. Bodyshops should offer a service to keep Key workers mobile. and keep all lines of communication between insurer clients and the public open But would say lock everything down and we would all come out the other side Quicker and resume some kind of normality (whatever that's going to look like)

Consider our staff more. All mails so far are related to how the business stays open. Nothing to do with the health and wellbeing of staff. We do not repair NHS vehicles etc so how can we be labelled "essential"? Surely if cars are off road people are less likely to go out and use them?

Pay in 7 days. Help clients with excesses. Delegated authority. Increase storage charges. Reduce free storage days. Increase labour hourly rate due to increased insurer profits. Parts discount reduction. Increase paint index on Audatex. Allow us to charge for Audatex assessments. Cover courtesy car costs on delays. Cover Covid-19 cleaning charges on customers and courtesy cars

To understand the reasons why we are closed to none essential customers

Pay us quicker and start sending the referrals in again as soon as it is safe to open

The first thing they need to do is pay us what we are owed and do away with 60 day plus payment terms. Also take a good look at the fees they are charging

Helping us to fund our courtesy car fleet, we have 30 courtesy cars each costing approx. £150 per month so that's £4500 per month for starters. There are plenty of other costs we will incur even though we are closed e.g. rent, rates, fixed utility charges, and insurance so the longer we are closed, the more we put at risk the future of the business

Most of the large insurers and accident management companies have decrease payment cycles and lowered parts discounts

Up the labour rate for repairs going forward as people will not be making as many claims, so insurance companies will be better off financially. Also they can protect their employees and say they are doing the right thing by home working but expect bodyshops to stay open & risk their staff

Companies pay on time, although insurance payments have improved over the last 18 months there are no payment line enquiries available

Channel all work to shops that are open to keep fluidity in operational shops. The shops that have chosen to Furlough their workforce already should stand by their decision to close and half operations. Too many shops are back tracking now because when the barn door has closed and their realising they have made a mistake by closing. Have strength in your convictions and stick to the decisions you make. This allows the ones who stay operational half a chance to survive

They need to be understanding and resume work provision promptly as and when we re-open

Removing commissions, discounts, bottom line referrals & allow us to do what we do anyway - manage the repair from beginning to end! We give free services & discounts needlessly, Just let us do our job & STOP taking a piece of the pie!

Prompt payment and removal of the courtesy car cost burden where no parts are available for certain vehicle marques and also to stop quoting contract SLA's

Allowing all repairs & not just key workers vehicle repairs to be authorised

Pay quickly, total losses to be dealt as mob estimates or done from images sent to us by customer, no courtesy cars for total losses, un-drivable non total loss vehicle recovered into us, a lead time extension on SLA's

To utilise to the quite obvious profiteering of our American hire car company and ensure their customers mobility without putting undue and unpaid for expectations on our staff in trying to sanitise vehicles

We're not in the insurance accident repair sector, we deal with minor damage repairs and cosmetic paintwork repairs

That they all stand by us and when this nightmare is over that they come back as normal

A contribution to the daily cost of c/cars Paying for recoveries Paying our outstanding accounts in a timely manner

Drop the constant calls to update when we're already using their own update portals. Use CAPS or email instead. Use direct to salvage instead of using our sites as a scrapyard. Use image gathering software like Audatex image capture or Service Certainty so we do not have to put our VDAs at risk of getting Covid

Reassurance that beyond the crisis, terms will be adhered to, and engineers will be quicker to authorise and insurers quicker to settle invoices

Our main work is for a national rental car company , their loyalty at this time as important. So far so good

Just keep crashing!

Not sure what they can do to help !!! although some are trying hard i.e. Innovation and Vizion

Faster payments, obvious total loss vehicle go straight to salvage and better understanding of FNOL teams

Pay outstanding invoices faster

The best action to take is to slow the spread of the virus, and not just remain open for the sake of being open. It is my opinion that many shops mechanical and body will remain open, hoping to Hoover up extra work that work providers cant place within their networks. I had calls last week with providers offering work provision. I realise there will be key workers requiring work carried out, but also think insurers should be screening claims and if a vehicle is drivable, claims should be deferred. Surely non-essential repairs referred to a later date, would help minimise non-essential claims, allowing more shops to close the doors for a period of time, thus helping slow the virus and keep the nation safe

Ensure prompt payment upon invoicing

Every job reviewed on its own basis in relation to pricing and discounts

Faster payment engineering sensible approach rather than usual micro management and nit picking

Information passed to us from Vizion network has been invaluable, thank you

Remove discounts and management fees and pay invoices faster. Increase the Labour rate for an interim period of 6-9 months

Paying on time and don't be so pedantic on an invoice being a few quid out, normally because of parts pricing

Stop telling repairers false information regarding parts supply, forcing repairers to stay open with low capacity running at loss, just so the work providers keep coverage. This puts lives at risk in spreading the virus. We are not key workers stop pretending. Any key workers having accidents, can soon get a replacement vehicle and the claim resolved later

Speed-up payments and reduce/remove discounts to help with cash-flow. If a bodyshop needs to close because of the virus, it would help if insurers and accident managers could offer financial help where a courtesy car is still with the customer at the cost of the bodyshop, regarding rental and mileage charges

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| People to understand we have no choice to close and we are doing all we can |
| Work providers to agree more repair over replace. Up to 100% value for write-offs. Improved payment terms and reduced Parts discounts and commissions |
| Freedom of choice for the customer to use their preferred repairer with no sanctions or persuasion tactics from the insurers |
| To talk to their key bodyshop repairers at director level and to agree a support package or actions together to help support the bodyshop as much as they can through these difficult times |
| Keeping vehicles on the road as best they can until we are back in work |
| Cash flow is the problem, we need invoices paid within 30 days insurers and management companies need to get the accounts departments to pay ASAP, or we will not survive |
| Improved rates, improved terms, less unnecessary intervention, Audatex assessment fees to be chargeable |
| Pay accounts as fast as possible. Pay for the use of free courtesy cars |
| Customers to keep in touch by email send us photos so we estimate the job from home so we do not lose the job. We need insurance/management companies to pay outstanding invoices in a reasonable time frame and keep lines of communication open at all time |
| Patience and support when we start back up as I am hoping for a mad rush of business but would wish to remain professional and work safely |
| All concerned have been very helpful and gracious |
| Plugging the lost net profit would be utopia, but unrealistic. Instead, payment for c/cars, all recoveries, COVID-19 uplift, faster payment terms, enhanced labour rates, remove parts discounts |
| Stop calling and asking for booking in dates and job updates when they have already been informed that our workshop is closed! |
| Patience and understanding. Prompt payment of invoices |
| Parts suppliers reopening |
| Ensuring swift payment, motivate policy holders to claim by considering adding their excess to monthly d/d and protecting no claims bonus |
| Prompt payment please |
| A list of Genuine parts suppliers that are still operating around the country |
| Removing Parts discount and covering mobility costs |
| Prompt payment |
| Faster payments |
| Stop bombarding us with requests for updates |
| Just keeping us in the loop |
| Direct payments of invoices same or next day No cheques anymore / too many insurers use this to delay payments. We need cash flow, as a small independent we can't apply for credit as we have an overdraft and our bank balance has jumped off a cliff last year with Brexit and this first quarter we were just getting back on track. Now it seems that this has put an end to our business altogether , we don't have enough cash flow to see us through |

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| We have in place our Group disaster plan in operation and this has satisfied most customers and all work providers |
| That the insurers paid for the Courtesy Car provision at source, to place keyworkers in the 10's of thousands of hire vehicles currently sat not being utilised. We have been told we have to stay open, we have to provide Courtesy Cars although parts cannot be sourced and that we will have to pay for the Courtesy Car provision for the duration. Due to the financial implications already adorned by the ARC, the insurers are unwilling to assist in any way shape or form |
| They could help with the sourcing of parts |
| Financially, we run on low margins, if we are to have a future, rebates and discounts need to be addressed. we will need to repay deferred rates bills, rent and any loans we might have to take out |
| Confirm that they basically stand by us and be there on the other side. Helpful to ,to keep paying invoices that they already have |
| Things won't improve, from a customer perspective, until more of them are out and about once again, driving their cars and having accidents. We have a certain amount of work in the pipeline, but need new referrals to ensure we will be busy in a month's time, and beyond that |
| The £10.00 additional charge most insurers have put into place I don't think goes far enough to help us to what we are facing as having to leave our c/cars sitting for a 48 hour period then all the cleaning we have to carry out and all the extra costs we are now facing also |
| Urgent invoice payments |
| Pay their bills on time |
| None they are in the same position as us , the risk of a recession should be on everyone's mind |
| Keep the work coming through |
| Increase labour rate, and decrease deductions on paint and parts to aid with the reduction in work and increased costs associated with sanitising the vehicle upon collection and re-sanitising upon return, likewise for courtesy cars. |
| Contact and understanding of our current situation and most of all Loyalty |
| 1)Discounting removed. 2)Paid on authority - have a ringed account that is just altered at end, most invoices end up averaging the same as the estimates by the time the final accounts are altered to reflect the actual anyway. 3)Higher labor rates to reflect the lower claims going forward, to support a good supply chain rather than marginal gains on thrashing out units in the hope there may be some profit. We need these mechanisms to help make the industry bounce back and to support younger people into the industry. I believe this can all be done if we start to work together. There is a opportunity from all of this to make it better! |
| That they understand the pressures and not send ridiculous emails at all hours of the day and night telling us to travel all over the country to get parts from other dealers |
| We need our customers to stay understanding to our difficulties and insurers to make sure we get payment on time for all outstanding invoices to keep our businesses afloat during this difficult time |
| Keep payment schedules up to date Accept that without high volume repairers cannot continue to offer high commission and/or discounted rates Pay for mobility solutions provided by repairers |
| Immediate payment - direct volume to strategic partners - radically improve commercial terms - remove all KPIs - supply mobility - remove the engineering intrusion |

It would be very useful if we had either a better labour rate or did not have to give the discounts that they are always pushing for. We will possibly come out of the other side of this having lost a lot of excellent independent repairers and if this happens the insurers will probably find it harder to come to an agreement on terms

Provide work and remove all discounts and just listen to the issues we are facing

Where non-essential repairs are placed on hold, the bodyshops can return to work and they'll be re-scheduled work available for the workforce

The provision of alternative mobility direct to the customer.

A relaxation of parts supply restraint. Prompt payment as a must.

Recognition that some cars are just not repairable as parts are not available. (broker service may help but only if the parts are in the UK)

Appendix 4

| Final comments - verbatim text |
|--|
| Good luck everyone!! |
| Things are tough but we have to work together to get through it. It's now time for the banks to give something back |
| We were told if we didn't stay open, we would lose work when this was over. However, we will not be held to ransom and believe many will stay open as they can exploit the loophole of repairing 'essential and key worker' vehicles. We know we have no key worker vehicles currently on site therefore we cannot justify a full staff and staying open. We have closed to the public and any new claims, reduced our staff by more than half (furlough) and will play the rest by ear |
| Only comment I have is how selfish the management companies have been and shown no compassion at this time our staff and their families are more important than our business although we do not want to see our little business fall. but we have had so much rudeness regarding work not going out and lack of understanding that we can-not get the parts. if we get over this I will be reviewing not working with money grabbing insensitive company's. the customers have been so understanding |
| It's going to be okay :) |
| This has highlighted to us as a company ways we can make our systems and processes more streamline.. Our services benefit customers using technology and ensure the best result every time. The issue is getting the industry to trust tech and move with the times... We will be developing more over this difficult time and want to help and support our industry by using ours and partners systems and processes to be more efficient and profitable |
| Good luck, take care, stay safe |
| Insurers / work providers need to step up immediately cut all discounts and give our great industry the opportunity to get back on its feet |
| Insurers have received all the sale from selling their policies, bodyshops are not receiving any or smaller sales. Insurers are doing nothing about this and they are not looking after their customers, I hope this comes out loud and clear when the dust settles |
| Some clarity on whether we should be open to the general public (and risk spreading the virus to staff and the general public) or just to provide mobility for key workers |
| We are anticipating this having severe impact for next six months |
| Information from government has been contradictory and whilst the information from NBRA has been better, I would like some hard fast information before reopening |
| If there is one positive to come from the pandemic for the accident repair industry it is the opportunity for those that can survive to realise the value they create. Too many have expanded on low margins believing capacity hoarding is the key to success but one thing the pandemic is showing is how vulnerable their business is when capacity demand falls |
| I'm not confident the government assistance will be forthcoming and if it is, it'll be hard to get and late in the day |
| There has been no help whatsoever for large bodyshops with grants and we are hoping on the business rate relief |



| |
|--|
| The government furlough scheme will be very useful, but I am yet to see the detail |
| We feel this is could take a long time for our market |
| I think that this will change the sector forever and the days of Insurers paying the bare minimum are going to take their toll on our industry in a way that is catastrophic |
| Excess guarantees by the insurers? Temporarily provide a percentage towards policy holder excess to encourage drivers to pursue claims |
| We just hope that government lifts restrictions so that we can all get back to work |
| The industry will be significantly impacted by the lack of sales. It is a low margin industry that relies on prompt payment and high volume of sales to function |
| Labour rate for our very technical industry has never increased over decades for what it should be. Time might be to engage in another business with decent rates |
| It appears that some insurers have reacted by putting up a liability umbrella to protect themselves first and foremost. Then there has been consideration for their customers but in most cases there has been zero consideration for repairers businesses or their safety |
| I would like to see the NBRA help with the lobbying of VM's and their parts outlets |
| Tough times ahead, we are busy at the moment but now shut till Tuesday 14th April at the earliest |
| Understandably we will see Bodyshops close the finical weight will be so great and without any back up and support from our work suppers this will happen, for far to long now we have given so much away 22% bottom line discounts 16% parts discount still contracts at £26 per hour, free courtesy cars upgrade on courtesy cars, free collection fee delivery ,free fuel in the customers cars to drive it in and return it to them, up to 45 discount on paint THERE'S NOTHING LEFT !! |
| I'm very concerned about the future, for the business and my staff, but hopefully we'll get through this |
| The idea is to try and restrict movement so that we can try and control the spread of Covid 19 as soon as possible, I would like to know what the actual statistics are for the amount of vehicles that are actually non drivable for people who are actually key workers, any other vehicles being repaired is not really ethically correct in my opinion, could the insurer not supply a hire vehicle to a key worker in these uncertain times rather than relying on the bodyshop for once. |
| We keeping our fingers crossed, good luck everybody! |
| To help repairers to stay in business as this latest crisis will see further shops closing due to precarious financial positions, AMC/Insurers need to look at reducing commissions, parts discounts, Labour rates, Compliance costs, and other services which are currently supplied F.O.C otherwise they will not have UK coverage |
| Can't wait for the pubs to open !! |
| Please stay safe |
| At least 20% of repairers will fail before the end on 2020 if not more if serious actions rent taken |
| I'm feeling a lot of pressure to open from accident management company's and insurers however I have a duty off care to my staff and there family's and could not live with myself to think someone caught the virus and died as a result of them turning up for work when it is not essential, we are working on emergency services vehicles but only two people at any time are to be on the premises and must work in different locations in the building. |

Yes we should all be closed, staying open is foolish and greedy, we need to help control this virus all NHS workers etc. are in hires or courtesy cars, so we need to help them and stay closed

We are closed for two reasons, 1) we want to keep our staff safe and 2) most of the local parts suppliers have already closed We weren't left with much choice really NB the company directors are still in work attending to any key worker emergencies !!!

Insurance companies now need to look at rates based on commitment and performance. Reward for both it earned not guaranteed. When the going gets tough the true colours of the shops in the long game need to show through

RIP!

This will be tough to get back into the place we were a few weeks ago, it will take months possibly years. There will be casualties in all areas and to be honest some are needed, it will get rid of a few leaches! I just hope decent repairers don't fall by the wayside too

Good luck and try to be safe by adhering to the advice given

Business will be affected by the customers priorities as they may have been out of work and whether or not they feel the work is essential at this moment in time. Hopefully business will return to normal following the lockdown

PPE has been a challenge to protect our team. Masks, mask canisters and hand gel. Parts supply has been very disruptive. Some parts are available but some of the European hubs closed down so low usage parts are not obtainable

Would it be a good idea to publish a list of repairers who are still open?

We're glad (for want of a better word) that we don't hold or rely on ins co contracts

Things will never be the same after this little lot

It certainly makes you look at your business model and moving forward

Praying this is over soon

Stay safe everyone

Last week we had 17 notifications from a usual 75 to 85! On Monday we had 2 which were both heavy accidents. So there is not the volume to sustain our operation and the 17% that are coming through are heavy, hence a lot of parts so probably never able to complete so customers will be in CC for possibly 3 months?

The information from the NBRA has been brilliant

Stay safe!

Manufacturers to support bodyshops regarding list of companies that can still supply OE parts

If the insures do not step up and pay invoices on time, we will lose more repairs, so lead times will be extended, customer exception will not be meet?

Network support from the VM's with possible parts rebate related to spend, cancelling of VM Network 'levy' charges. Payment holiday from courtesy car providers!??

Being part of a dealer group has other opportunities

Finding it very difficult and heart felt decision to remain open . But have huge support from our team

The repair community was struggling before this crisis; now we're likely to lose many good businesses. It's time for change!

I don't think that any of us have been in this position before and now it's just a matter of survival until we come out the other side

Impact of low labour rates will really show through now

We need parts to continue!

The company will remain closed to public for four weeks as we aren't allowing public to be on site (Council wanted us to close). Now cash flow and paint factors closing has forced us to close for three weeks and I don't see us opening until June or July. This for me personally will put an end our business, we have work and lots of it but not profitable enough to have a big bank balance. So, we won't be able to withstand the costs of this. There are no loans available from our bank they only offer overdrafts which we already have and I'm hearing a lot of people being refused anything. Tough times for our industry but smaller firms like us will fade away due to cash flow

This is going to take a long time to recover. Customers are not going to flock to the bodyshop with accident damaged cars once the lockdown is lifted

Doing our best to keep things going

The insurance companies need to bring the monopoly to an end and let us all repair cars. They have found to their cost that some smaller operations have stayed working like us and bigger ones closed because its unsafe or viable to continue. I don't see enough in this sector to bail us out, the government made a lot of promises but the banks and finance houses aren't backing us all up

I want to know how the insurers are collecting full premiums from customers for vehicles they are unable to drive unless essential travel. Not being made to reimburse part of the premiums during the crisis. We are advised that claims are down 90% with less claims and being able to profit from the current circumstances, and that this profit is not poured back in to the system to provide hire for key workers instead of applying a completely unneeded overhead to the ARC's

Why are we here?

Good luck to everyone, were going to need it!

Keep The Faith People

Cannot distance in a Bodyshop

We will all have to adapt to a new world, repairers who solely rely on insurance and accident management work are living dangerously. Volume shops along with group bodyshops have a great deal to answer for with greed an independent shop should be able to control a lot easier while still maintain a quality repair our industry is changing in a way like never before and we will all learn in time to adapt and still strive forwards

It will be interesting to see the amount of business failures & administrations in the next few months

Body shops have always suffered when financial hardships and recessions hit, as it is not seen as essential whereas mechanical/MOT requirements are a must. We struggled through the last recession and incurred a lot of business debt as we had to fund many months of loss personally from the directors savings and we do not have that option available to us now so we are extremely concerned as are our staff who need to know if they have a secure job

Please all keep safe and keep smiling :)

You must protect your staff, social distancing is impossible in the workshop, admin can all be done from home but not physical repairs, parts supply and lack of volume have crippled the business, and it would be foolish to continue with cashflow. Keeping key workers cars on the road is a poor excuse to stay open, there aren't that many key workers on the road having crashes!

Appendix 5

Closing statement - NBRA

This last few weeks has quite literally been unique in modern times and an enormous challenge for our body repair industry.

This survey has provided great insight for the National Body Repairers Association (NBRA), Trend Tracker and ARC360, to base discussions on and help to illuminate the difficulties faced by repairers. Thank you for taking the time to complete it.

As we suspected, by the time of this report's release over half of bodyshops will have closed or hibernated in an attempt to survive. Even those who could trade through have been faced with the moral dilemma of "being there" for customers conflicting with keeping their own staff safe. An extremely difficult decision because both have employee interests at heart.

64% of bodyshops have furloughed their staff due to low work volumes and supply chain difficulties with parts availability being a major consideration.

Whilst 75% of shops surveyed had some degree of confidence of surviving for 2 months, many clearly will not. It is likely that 20% of bodyshops will go out of business or more if the lockdown is extended to June as has been suggested. This is an enormous shame and is a by-product of years of under-funding and low rates inflation.

The NBRA has been committed throughout to providing clear guidance to bodyshops and loudly proclaiming the strain on repair business owners and calling for greater support from sectors that are better funded through this crisis.

We will continue to do this and push for every possible piece of help we can find for bodyshops in their hour of greatest need.

Chris Weeks

Director, National Body Repairers Association

Trend Tracker

[Trend Tracker](#) was formed in the UK in 2003 by experienced specialists as a company dedicated to providing accurate and informed automotive industry research. Since that date *Trend Tracker* has undertaken bespoke client studies and has published its own reports, and unlike many research businesses, *Trend Tracker* has benefited greatly by having the automotive industry experience to advise our customers on business improvements predicated by the information we provide.

In 2018, *Auto Body Projects Limited* purchased the assets, data, Intellectual Property and Trade Mark of *Trend Tracker* for the UK body repair market. The acquisition was a natural fit for *Auto Body Projects Limited*, a company that has serviced the UK body repair and motor insurance sectors since being incorporated in the year 2000.

The Report

This report is designed for independent and franchised car body repairers; bodyshop groups; motor insurance companies; accident management companies; claims solutions providers; independent car and franchised dealerships; motor manufacturers; market analysts; trade associations; consultants; paint companies; paint distribution companies parts manufacturers and suppliers; plus other companies that have an interest in the supply chain.

We would be pleased to discuss any details of concern or understanding that you may have. If you require clarification, please do not hesitate to contact Mark Bull, director of *Trend Tracker*, by emailing mark@trendtracker.co.uk or mobile +44 7702 435629.

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The material contained in **UK Body Repair COVID-19 Coronavirus Report** has been obtained from statistical data provided by bodyshop owner/managers.

The Report was conducted in association with *The National Body Repairers Association* and *ARC360*, in association with *I Love Claims*. The Report is provided **free of charge** without warranty of any kind, either express or implied.

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