

Trade Associations Insist that FTC Take Action Against KIA

BETHESDA, MD - May 27, 2014 -- The Auto Care Association, Automotive Oil Change Association and the Tire Industry Association joined forces to call on the Federal Trade Commission to take immediate action to have Kia withdraw a technical bulletin warning consumers not to use non-OEM filters, which is clearly a violation of the Magnuson Moss Warranty Act.

The bulletin, which was referenced in an article in Consumer Reports that recommended that car owners either go back to the authorized dealer or use a Kia oil filter to avoid problems with oil- and filter-related warranty claims.

Two years ago, the three associations submitted a complaint (see attached) to the FTC regarding a technical service bulletin from Kia that authorizes dealers to deny warranty coverage simply based on the use of an aftermarket filter without any determination that the filter actually caused the problem with the vehicle. The letter pointed out the fact that this practice is clearly a violation of the Magnuson Moss Warranty Act (MMWA). Specifically, the letter stated:

The MMWA manufacturer's burden of proof is not that it need merely show an aftermarket part "relates" to damage, but that it "caused" any alleged damage. As the FTC states in its consumer alert: "The Magnuson-Moss Warranty Act makes it illegal for companies to void your warranty or deny coverage under the warranty simply because you used an aftermarket or recycled part." The alert goes on to say that if there is a problem with use of an aftermarket part or how it was installed, the manufacturer or dealer may deny a warranty claim. However, the manufacturer must first "show that the aftermarket or recycled part caused the need for repairs before denying warranty coverage." Kia's directives circumvent this process entirely: the mere presence of an aftermarket oil filter automatically voids warranty coverage for the oil change parts and services as well as any damage Kia says "relates" to oil filter function.

The May 22nd letter to the FTC states, "Despite the complaint, the FTC has yet to do anything to enforce the MMWA requirements with Kia. Now, Consumer Reports is further promoting the Kia technical bulletin in an article (see attached) that has been seen on the Yahoo's front page as well as other locations. If there was any doubt about how the technical bulletin is being interpreted by consumers, one only needs to read the recommendations from CR for motorists with Kia vehicles under warranty."

The Consumer Reports article states:

1. ***When dropping your car off for service, make sure you don't authorize the dealer to perform repairs without speaking with you first. This way you won't get a surprise bill for an oil and filter change.***
2. ***If your Kia is still under the powertrain warranty, considering taking it to the dealer for oil changes. Yes, it probably costs more than the quick-lube store, but you'll avoid any potential problems with oil- and filter-related warranty claims.***
3. ***Consider buying Kia-approved oil filters and either using them when you do your own oil changes, or have your mechanic or quick-lube store use the Kia filter and not their own.***

The letter to the FTC also states, "Note that CR is specifically recommending that car owners either go back to the authorized dealer or use a Kia oil filter in direct contravention of the consumer options codified in MMWA. To arrive at that recommendation, the report perpetuates Kia's sleight of hand regarding the manufacturer's burden of proof. In Kia's world, and now CR's as well, it is the consumer who must prove that an aftermarket filter didn't cause engine damage, which is exceptionally handy for Kia given their failure to establish a technical basis for their proprietary filter mandate."

"The main loser of course is the consumer who, as the CR article states, must now pay more for an oil

change. While CR clearly should have done more to research this issue before publishing the article, the fact remains that the FTC failed to undertake its responsibilities under the law and take action to halt Kia's anticompetitive and anti-consumer actions. The absence of action by the Commission is now cascading, as evidenced by the CR posting, into additional misinformation to consumers and subsequently more harm to Kia owners and to those who service and supply parts for Kia vehicles."

About the Auto Care Association

The Auto Care Association is a Bethesda, Md.-based association whose more than 2,000 member companies represent approximately 150,000 independent businesses that manufacture, distribute and sell motor vehicle parts, accessories, tools, equipment, materials, supplies and perform vehicle service and repair. **[Visit the Auto Care Association website.](#)**

About the Automotive Oil Change Association

AOCA is dedicated to providing its members with the business tools, resources and education to professionally and successfully deliver convenient automotive oil changes and other preventive maintenance services. Emphasizing education, the AOCA provides expert technical training for lube center employees. For the business owners and managers, the organization provides programs to enhance management skills, automotive engineering and industry issues. The Association also serves as a resource for consumers regarding the benefits of regular, preventive maintenance in protecting their automotive investment. In addition, AOCA provides counsel on regulatory issues, represents the industry on Capitol Hill, and develops research data on the convenient auto service market. The association also makes available a wide variety of business products and services to help members improve business operations. **[Visit the AOCA website.](#)**

About the Tire Industry Association

The Tire Industry Association (TIA) is an international non-profit association representing all segments of the tire industry, including those that manufacture, repair, recycle, sell, service or use new or retreaded tires, and also those suppliers or individuals who furnish equipment, material or services to the industry. TIA is the leading authority in the tire industry for advocacy and training. TIA has over 6,000 members from all 50 states and around the globe. **[Visit the TIA website.](#)**

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