



FORD AUSTRALIA STATEMENT ON AGREEMENT WITH ACCC RELATING TO HANDLING OF CUSTOMER COMPLAINTS ABOUT POWERSHIFT TRANSMISSIONS

- Ford Australia and the ACCC have agreed on a penalty and settlement of the ACCC action commenced in the Federal Court in July 2017
- The settlement and penalty have today been endorsed by the Federal Court
- Some customer requests for refunds or replacement vehicles were not appropriately handled by Ford when issues with the DPS6 PowerShift Transmission escalated in 2015
- Ford will establish an independent complaints review program for impacted customers along with other agreed actions

Melbourne, April 26, 2018 – Today the Federal Court approved a joint agreement between Ford Australia and the Australian Competition and Consumer Commission (ACCC) that Ford pay a penalty and implement a consumer redress scheme relating to its response to customer requests for a refund or no cost replacement of select vehicles fitted with PowerShift automatic transmissions.

This marks the conclusion of an investigation into Ford's handling of requests for a refund or no cost replacement of certain Ford Focus, Fiesta and EcoSport vehicles fitted with DPS6 dry-clutch PowerShift automatic transmissions.

"As we said from the outset of this action - we took too long to identify the issues and we acknowledge that PowerShift customers did not have complaints handled appropriately between May 2015 and February 2016," Graeme Whickman, President & CEO Ford Motor Company, Australia said today.

"We were overwhelmed with the volume of complaints and, while it was not intended, over a ten-month period our processes were inadequate and information provided was either inaccurate or incomplete. We let our customers down and for that we are sorry.

"This process has identified the challenges our customers faced and the lack of appropriate processes to effectively handle these.

"Of particular concern was the Owner Loyalty Program, which resulted in customers paying an additional cost to buy new vehicles although they may have been eligible for

a refund or no cost replacement vehicle. We now realise this program was flawed as it didn't ensure an adequate assessment of customers' rights under consumer law. It was discontinued in November 2016.

"We are committed to making right with these customers."

Ford Australia has agreed to implement a range of actions including:

- Establishing an independent complaints review program for customers who requested, but did not receive, a refund or no cost replacement vehicle between 1 May 2015 and 1 November 2016, when the Owner Loyalty Program was in operation
- Committing to a customer service charter and making information more easily accessible for customers, including about their rights under consumer law
- Upgrading and independently reviewing its Consumer Law Compliance Program and Complaints Handling System
- Improving consumer law compliance training for employees, dealers and customer service staff.

"Accepting the \$10 million fine is the first action on our commitment to make right," added Whickman.

Next steps for PowerShift customers

Owners of Ford Focus, Fiesta or EcoSport vehicles with a PowerShift transmission who requested, but did not receive a refund or no cost replacement vehicle between 1 May 2015 and 1 November 2016, can have their case independently reviewed. Ford will provide compensation to affected customers in line with the independent reviewer's decision.

The review process will commence in early July 2018 and run for 12 months. However, customers can now call 13FORD or visit ford.com.au/powershift to register their email address to receive updates on the independent review process.

"This process has allowed us to completely review, from top-to-bottom, all customer handling processes. I encourage any customers with concerns to contact us on 13 FORD," said Whickman.

Fast Facts:

- Approximately 75,000 vehicles with DPS6 PowerShift transmissions have been sold in Australia
- Approximately 10,500 customer cases were open during the period 1 May 2015 to 1 November 2016 and may be eligible to participate in the Independent Complaints Review Program. Of those:
 - Approximately 1600 vehicle change-overs resulted in a trade in and further payment from customers, or a refund less than what customers paid for the vehicle
 - Approximately 180 customers were offered employee pricing for the purchase of a new car under the Owner Loyalty Program.

About Ford Australia:

- Ford Australia has over 2,000 employees including approximately 1,750 engineers, designers and technicians.
- Though we ended our 91-year manufacturing presence in Australia in Oct. 2016, we have the largest automotive presence in the country and remain a leading investor in automotive R&D and innovation in Australia – \$485 million in 2017 alone. In fact, in late 2017 we became Australia's largest auto employer with over 2,000 team members working across advanced development and testing facilities across Australia.
- Nearly four million of the iconic Falcons were produced in Australia after its introduction in 1960. In all, six million Ford vehicles were produced in Australia, beginning in 1925 with the Model T.
- Over the period 2011-16, 500,251 cars were sold by Ford in Australia
- Over the period 2011-16, Ford Australia made an operating loss of \$1.076 billion.

#

About Ford Motor Company

Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions. Ford employs approximately 203,000 people worldwide. For more information regarding Ford, its products and Ford Motor Credit Company, please visit www.corporate.ford.com.

Contact(s):	Martin Gunsberg	Jasmine Mobarek
	Ford Australia	Ford Australia
	+61 3 8559 4740	+61 3 8559 4875
	+61 412 254 388	+61 466 005 900