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For Immediate Release

## **Competition Commission welcomes amendments made by BYD Company Limited to its car warranty manual**

The Competition Commission (“Commission”) welcomes the amendments made by BYD Company Limited (“BYD”) to its car warranty manual, which clarify that maintenance and repairs of BYD vehicles, including the traction battery, can be conducted at non-authorised service providers without invalidating the relevant warranties. BYD has reminded its Hong Kong distributors to abide by the revised terms of the warranty manual, and also provided the details on its website for car owners’ reference.

It came to the Commission’s attention that the original BYD warranty manual contained ambiguous terms and conditions regarding the lifetime warranty of the traction battery (“Lifetime Battery Warranty”). This ambiguity could have misled car owners into believing that all maintenance and repairs must be performed at authorised service providers to maintain coverage of the Lifetime Battery Warranty. Following concerns raised by the Commission, BYD agreed to amend its warranty manual to clarify that BYD car owners may use non-authorised service providers for routine maintenance and repair services, including those involving the traction battery, without voiding the Lifetime Battery Warranty, unless damage to the traction battery is directly caused by such services.

The Commission considers that BYD’s amendments will facilitate greater competition among car maintenance and repair service providers, by clearly indicating that BYD car owners have the freedom to choose non-authorised service providers without automatically voiding their warranties. This ensures that consumer choice is uninhibited, and may result in lower maintenance and repair costs for BYD car owners.

BYD has been fully cooperative in addressing the Commission’s concerns throughout the process.

The Commission is committed to fostering a competitive business environment across all sectors, including the automotive maintenance and repair market, in Hong Kong. In 2022, it accepted commitments<sup>1</sup> offered by seven car distributors of 17 passenger car brands, resulting in the complete removal of restrictive warranty terms and conditions on car owners that may harm competition.

The Commission calls on all car manufacturers and distributors in Hong Kong to proactively review their warranty policies and avoid imposing potentially anti-competitive warranty restrictions, including those that might prevent maintenance and repairs of vehicles at non-authorised service providers. Anyone with information about such suspected restrictions is encouraged to report it to the Commission by telephone at 3462 2118, e-mail ([complaints@compcomm.hk](mailto:complaints@compcomm.hk)), post, or in person at the Commission’s office (by appointment only).

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<sup>1</sup> See the Commission’s [Press Release](#) dated 10 October 2022.