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Warranty 101: Warranty and You - TD1, recalls, updates, Magnuson Moss, etc...

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Warranty 101: Warranty and You - TD1, recalls, updates, Magnuson Moss, etc...

Let me preface this with a little bit of history about me so you have an understanding of where this information is coming form. I spent over a decade working for as a technician for Volkswagen and Audi. I started right out of tech school as an apprentice and worked my way up into supervisory and leadership positions including Team Leader and Shop Foreman. I've trained apprentice technicians, I've had groups of technicians working under me. I've been given VW's Generation Best award multiple times, and I've placed as one of the top technicians in the manufacturer's SQC competition. I'm certified by Volkswagen as an Engine Performance Specialist, Transmission Specialist, Chassis Specialist, Electrical Specialist, Routan Specialist, e-Mobility Specialist, Expert Technician, Diagnostic Technician, and Volkswagen Master Technician, I'm certified by Audi as Engine Performance Specialist, Transmission Specialist, Chassis Specialist, Expert Technician, and Audi Master Technician. I left the dealership world when I was recruited to the developmental side of things. I went to work as an Electrician for the Quality Services Engineering Division of an engineering firm working with a manufacturer's pre-production and prototype vehicles and technology but I was quickly promoted to one of the top spots on the technical team. Basically when it comes to cars, I know a thing or two about a thing or two.

Chapter 1 - Lets start with the basics... What is a warranty?

Warranty is one of those things where everyone knows what it is but rarely do people seems to really understand it. I'm going to attempt to bring some clarity to factory warranty and the things that go with it. Dictionary.com defines a warranty as "a written guarantee given to the purchaser of a new appliance, automobile, or other item by the manufacturer or dealer, usually specifying that the manufacturer will make any repairs or replace defective parts free of charge for a stated period of time."

Audi defines a warranty as "a guarantee that the manufacturer will replace any component that fails as a result of manufacturer's defect in material or workmanship"

The key word is underlined in both definitions is Defect/Defective. A warranty is not a get out of jail free card when you break your car, it's to cover the repair expenses incurred when parts have failed prematurely through normal use.

I happen to have a Warranty and Maintenance Guide in my hands right now, while it is from Toyota the disclaimers are pretty standard across every brand. It says:

"-Maintenance - You are responsible for performance of the required maintenance indicated in the Owner's Manual and this booklet. Toyota will not deny a warranty claim solely because you do not have records to show that you maintained your vehicle. However, any failure or noncompliance caused by the lack of maintenance in not covered by this warranty. When maintenance and repairs are paid for by you, these services may be performed by you or by any automotive service provider you choose. Toyota will not deny a warranty claim solely because you used a service provider other than a Toyota dealership for maintenance and repairs. However, any failure or noncompliance caused by improper maintenance or repairs is not covered by this warranty. " *****That last part is important and we will come back to that later. *****

-What is Not Covered: This warranty does not cover damage or failures resulting directly or indirectly from any of the following: Fire, accidents, theft, abuse, negligence, misuse - for example, racing or overloading, improper repairs, alteration or tampering including installation of non-genuine Toyota Accessories, lack of or improper maintenance including the use of fluids other than those specified in the Owner's Manual, installation of non-Genuine Toyota Parts, airborne chemicals, tree sap, road debris (including stone chips), rail dust, salt, hail, floods, windstorms, lightning, and other environmental conditions, and water contamination.

With a new car you get a few different warranties:

- -New Vehicle Limited Warranty: covers manufacturer's defects in material or workmanship. **Adjustments and items that was subject to wear are typically only covered for 12 months or 12,000 miles and NOT the length of the NVLM**
- -Limited Warranty Against Corrosion Perforation: covers any repair or replacement to correct a defect in manufacturer's material and workmanship that will result in rust perforation of the vehicle body.
- -Federal Emissions Warranty: Emissions Control System Defect Warranty covers emissions related parts that fail to conform to US EPA regulations due to defect in material or workmanship. Federal law mandates the coverage period is 2 years or 24,000 miles for all emission related parts and 8 years or 80,000 miles for specific control devices. Emissions Control System Performance Warranty covers emission related parts that fail to pass an approved state inspection and maintenance test. Federal law mandates the coverage period is 2 years or 24,000 miles for all emission related parts and 8 years or 80,000 miles for specific control devices.
- -California Emissions Warranty: I'm not getting into it, screw that place

Chapter 2 - Campaigns... Recalls, Service Actions, and Updates

Recalls: Recalls are conducted for safety, compliance, and emissions-related defects. These actions are reported to and monitored by government agencies such as the National Highway Traffic Safety Administration or the Environmental Protection Agency. Recall eligibility never expires. The manufacturer will cover the cost of of parts and labor to perform the recall until it has been completed. Even a totaled or salvaged title vehicle is entitled to have recalls performed. The law requires that the manufacturer sends a letter via 1st class mail to the last known owner of every vehicle that falls within the recall parameters outlining what the recall is for and how it will be addressed.

Service Actions: Service Actions are conducted to address customer satisfaction and product technical issues that are not directly related to safety or compliance but can sometimes be emissions-related in scope. Service Actions can be completed on vehicles showing a totaled or salvaged title. The manufacturer is not required but willing sends letters via 1st class mail to the last known owner of every vehicle that falls within the Service Action parameters. Service Actions may be limited to a specific time which will be clearly noted in the letter.

Updates: Updates are meant to address and prevent quality issues and are provided as part of the brand's commitment to quality and reliability of their products. Updates are proactive vehicle enhancements. Updates are an investment in customer satisfaction, loyalty, and vehicle reliability. The manufacturer does NOT mail letters to the customers informing them of vehicle updates, when the vehicle is brought to the dealership for service the VIN shows an open update, it is performed free of charge to vehicles that still fall within the specified warranty period such as the New Vehicle Limited Warranty (NVLW), Federal Emissions Warranty (FED_EMS), or Extended Warranty (WARR_EXT). Vehicles with a totaled or salvaged title are NOT covered by updates. If a vehicle's coverage for an update has expired, the update should be offered at the customer expense.

Chapter 3 - TSBs.... Technical Service Bulletins

Technical Service Bulletins are NOT the same as Recalls, Service Actions, or Updates. A dealership does not perform a TSB on your car just because you read about it on the internet and want them to do it. The manufacturer makes a lot of vehicles and they monitor all of the repairs made to them. When they see a pattern relating to a specific concern they will release a TSB that addresses it. That does mean you

can come in demanding it be performed on your vehicle, it means if a vehicle with the concern XYZ comes in for service, if the tech CAN DUPLICATE IT, they should look at 123 before digging into it further. It's just saying this is a common/semi-common thing so let's start with looking at this. For example the timing tensioner TSB on VW 2.0T TSI that people love to talk about, all the TSB says is if it's running rough and it has cam/crank allocation fault to check the tensioner... that's it. That doesn't mean you can come in and get a new tensioner.

Chapter 4 - Bringing your vehicle to a dealership for service.

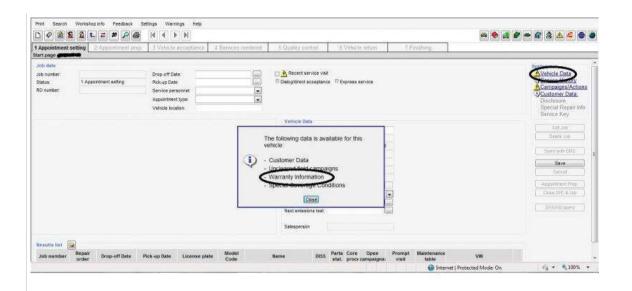
Technically when you bring a vehicle in for ANY concern, no matter how new or how low the mileage is, the service adviser is supposed to have the customer authorize \$X for diagnosis before a technician gets the vehicle. If the cause for the concern is covered under warranty, than the manufacturer covers the expense, they reimburse the dealership and the customer never pays a dime. BUT, if it's not something that warranty will pay for (parking sensors inop because you hit something and damaged a sensor, check engine light because a rodents chewed wiring, mass air flow sensor is burnt out from an over oiled aftermarket filter, suspension vibration from mud or ice caked to the inner barrel of the wheels, etc., etc.) then the customer is responsible for the technician's time into the vehicle via the diagnosis they authorized from the beginning. Just because you are asked to authorize a diagnostic fee up front does not mean you will charged that fee. 9 times out of 10 you will not be charged that fee as it will be a legitimate warranty repair and not something caused by outside influence.

In the real world it's very common for service writers not to get time authorized on a "warranty" vehicle because they are assuming the problem is a going to be a warranty repair based on nothing other than the vehicle still being within the warranty period. When a vehicle has been modified or has non OEM accessories installed the probability of you being told you need to authorize time up front goes up exponentially. If your vehicle looks modified don't be surprised if you're asked to authorize a diagnosis fee before anyone looks at the car.

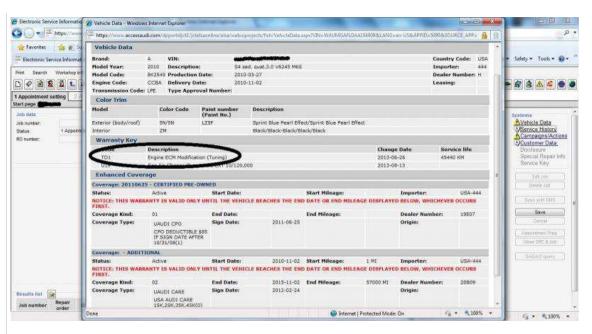
Chapter 5 - TD1... "Engine ECM Modification (Tuning)"

*****These are screenshots of the Audi side of things, it is absolutely 100% identical to the Volkswagen side, ELSA is the same program for both brands*****

When an Audi/VW comes in for service one of the first things the that happens is the ELSA PRO is opened and the VIN number is entered. When you enter the VIN it will show if there are any open campaigns (Recalls, Service Actions, and Updates as listed in the last section) but it will also reveal customer info, warranty info, repair history (anything done at a dealership paid by the manufacturer will show up), etc. In the case of this chipped S4 there is an exclamation point next to vehicle data.



When you click on vehicle data it shows... drum roll please... vehicle data! In this case it tells you, clear as day, that the vehicle has been chipped. As you can see to the right of the picture it even reveals the date and mileage of when it was detected that the ECM has been chipped. This is the same place it will show if it has a salvaged or totalled title.



Now let's talk about how a VIN number get flagged with a TD1 code. I've read all sorts of thing that people have imagined up about how this works; from the dealership flagging the VIN because you have an intake all the way to tuners reporting your VIN numbers back to VW/Audi. How it happens is actually very simple, there is nothing a dealership does to intentionally throw you under the bus. The dealership does NOT have the ability to manually "flag" a vehicle that has been modified, the entire process of flagging a VIN with TD1 code is completely behind the scenes and unintentional and unannounced at the dealership level. The way warranty has worked since 2004 with Audi/VW is that you are REQUIRED by the manufacturer to submit a GFF (Guided Fault Finding) log online with any and all warranty repairs for engine, transmission, or electrical related warranty claims. If it's a mechanical suspension problem there's no reason to submit a GFF log but if it's anything that throws a fault in ANY system a GFF log is required or the manufacturer will deny the warranty claim and the dealership eats the cost. If the dealer eats the cost because the tech did not provide adequate documentation, the tech does not get paid for the work they did. Obviously the tech does not want to work for free, therefore GFF log are ALWAYS sent in to ensure payment on warranty repairs. Anytime you run a GFF log or you perform an SVM (software) update the scan tool records all sorts of hidden data and sends it back to the manufacturer. That's how a VIN gets flagged with TD1, it's not the dealership telling on you, it's the factory scan tool detecting something not factory in the software and reporting it back to the manufacturer.



Putting it in stock mode and locking the ECM. Some people have gotten the impression that they can switch their tune "stock" mode and "lock" it and somehow that makes it undetectable... or even worse, that if it's "locked" the tune can't be overwritten/flashed back to stock by the dealer. I don't know how people came up with that or why people think that but it's 100% false. It doesn't matter what mode it's in or if it's locked or unlocked, it has absolutely ZERO effect on the scan tool's ability to detect the tune or the dealerships ability to overwrite your

aftermarket software. If your ECM is flashed and locked all that means is someone can't change the mode without without the password... and literally nothing else.

The evolution of TD1... back when shit hit the fan when I posted this thread http://www.golfmk6.com/forums/showthread.php?t=29163 It started off as saying "TD1 - Motor SG geaendert". It then became "TD1 - Engine ECM Modification (Tuning)". It eventually evolved to Volkswagen (Audi has not done this **vet**) emailing every single dealership technician the link to a video that every single VW tech will have to watch in order to get/maintain their certification for the year that shows how to see if vehicle has been chipped. There is officially no more hiding it and no more untrained employees who didn't how to figure it out. You know it's flashed, I know it's flashed, the dealership knows, the manufacturer knows, everybody knows.

Chapter 6 - We all know I'm chipped, who cares, they can't void my warranty without proving my modifications broke the car.

Stop, Seriously, stop it right there. I hate to admit it but I used to be naive enough to think that was the case as well. If it makes you feel better most people (even "mod friendly" dealer techs) have no idea how the always misconstrued Magnuson-Moss Act applies in real life. People like to talk about it like it's some golden ticket to modify cars. People love claiming the dealership has to "PROVE" modifications caused the problem/failure because they've heard it over and over that it's how it all works. It's just simply not true. I've had the opportunity to spend some time talking with the guy who goes to court on behalf of Volkswagen in the case of buybacks, "thermal events" (when things catch fire), and warranty denials and I got to grill him on some fact vs fiction warranty stuff. The Magnuson-Moss Act goes all the way back to the 5th paragraph of chapter 1 where I said that last part was important and we'd come back to it... we're coming back to it.

The purpose of the Magnuson-Moss Act is so legally protect a consumer from a manufacturer trying to void your warranty for using aftermarket parts or services without proving it to be the cause of the failure. The confusion seems to stem from the term "aftermarket." Aftermarket does not mean aftermarket modifications made to a vehicle, it applies only to direct replacement and maintenance parts made by somebody other than the manufacturer. If the manufacturer tries to say your warranty is void because you got your oil changed at Jiffy Lube instead of at a dealership, the Magnuson-Moss Act would protect you and they would have to prove that the aftermarket oil change caused whatever failed to fail. If you modify their product to perform outside of it's original specified operating range they have ZERO obligation to "prove" that your modifications caused of the failure. If you push it all the way to court, it's as simple as "it wasn't designed for that" and it's an open and shut case. It still holds true they can't deny warranty coverage on something unrelated, if you have a chipped ECM and your radio display stops working they still need to cover your radio under warranty. But, when you modify the engine to add power the burden of proof is no longer on them for ANY powertrain failure because it wasn't designed to handle the higher loads and stresses than the factory stock XXXhp provides. Legally making anything operate outside of it's factory stock specified range that is reason enough that the manufacturer does not have to honor the warranty.

That being said, modifications are not a clear cut, black and white voided warranty. The only way to flat out "void the warranty" is if it has a salvage or totalled title.

Last edited by DBESTGTI: 09-23-2016 at 02:01 AM.



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01-09-2015, 07:01 AM

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Chapter 7 - Warranty work on a modified car.

The way warranty works is the customer brings the vehicle to the dealership for a concern. The tech diagnoses the car, repairs the car, documents everything, and returns the defective part back to the manufacturer. When the warranty claim is processed, the manufacturer look over the documentation, if everything checks out then the manufacturer reimburses the dealership for the cost of the repair. If they find something they don't like... the defective part wasn't returned, the returned part wasn't bad, time card punch times don't match up with the repairs, there was an attempted repair on an issue that has a TSB before following the TSB, there's no Guided Fault Finding log, etc, then the dealership does not get paid for any of the repair, they are forced to eat the full cost of the parts and labor. If that happens the dealership will deduct the time they paid the tech for the repair from the current pay period.

The dealership can "warranty" literally anything they want, but if the manufacturer feels it's not a legit claim then they will not cover the cost of the repair. That is why some dealers are "mod friendly" and others are not, it typically comes down to management deciding how willing they are to risk absorbing the entire cost of the a repair and losing money if the manufacturer doesn't agree with the dealership decision. It's a risk vs reward thing, they are more likely to try to push something through for a good customer or on some more minor repairs because they want to keep customers happy. If you're a pain in the ass the dealership is less likely to risk losing money to try to keep you happy. Some customers are just flat out not worth the risk. Then there is the technician's side of things... if you were a tech would you want to perform a questionable warranty repair if you're not sure if it'll go through when you know full well that if it doesn't then you worked on that entire job for free? That's where the mod friendliness of the management comes in, they get to make the call, if they tell the tech to do and they choose wrong the tech, in theory, should still get paid because they aren't at fault.

In the past, before monitoring for chipped cars, it was really just the dealerships word of mouth. No manufacturer wants to incur costs that they don't need to, monitoring for modified vehicles is a good way to potentially cut down on the amount of money they are paying out on repairs that they shouldn't be covering. VW just recently sent the email (screenshot from above) out to every single Volkswagen technician in the country saying this is how you know it's flashed. It's too early to see what the end result of that will be, it's not exactly a stretch to think it will result in the manufacture denying more repairs on modified vehicles. Once dealers start absorbing repair costs a few times warantying chipped cars will get nipped in the butt pretty damn quick.

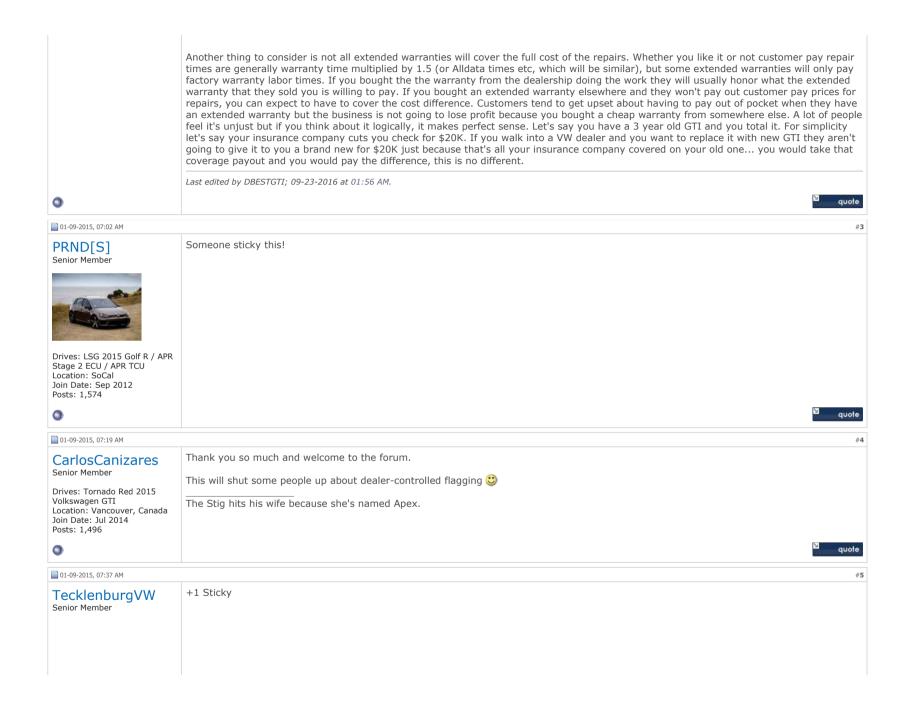
Let's look at Volkswagen Auto Group's chain driven 2.0T engine and the potential effects of flashing it. For a long time port flashing wasn't available, so first of all there's a good chance someone removed the ECM, pried the case open, cut the glue, split it in half, broke the connection to heat transfer paste, intentionally shorted a specific spot on the circuit board to ground and then put it back together, maybe with some sealant. The purpose of all that, to get more power.

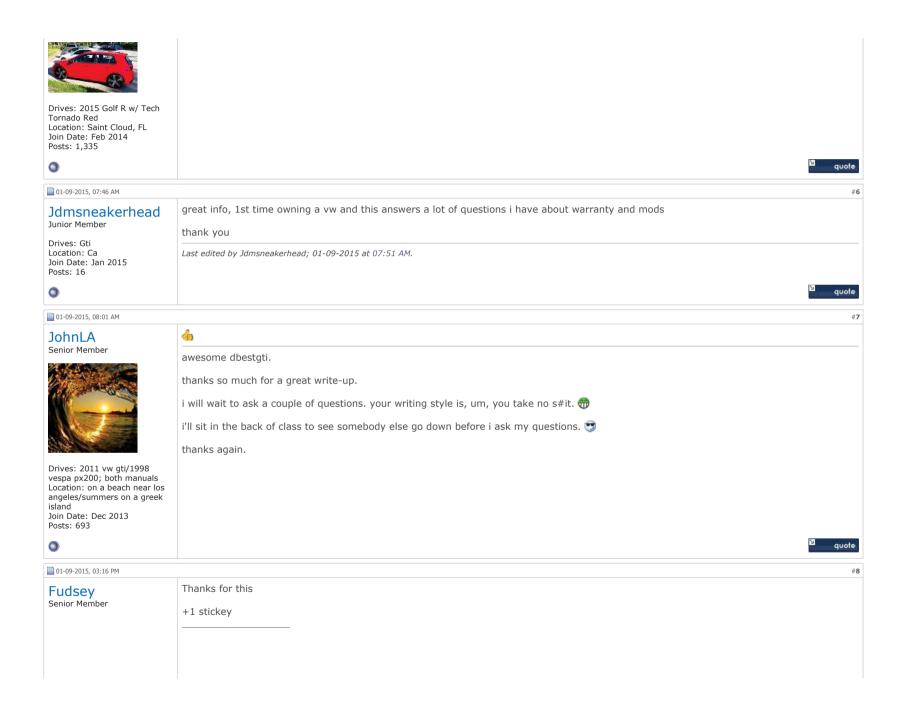
Think about it on the most basic level, how does an internal combustion engine make power? It burns fuel. It's that simple, if you want more power you need to burn more fuel. Now you've increase the strain on the fuel system to supply more fuel. If you want to burn that extra fuel you supplied you need to bring in more air to keep the air to fuel ratio inline. That means more boost and in turn more airflow into the engine, higher cylinder pressures, and then more exhaust flow out flow out. Internal combustion engines are inherently inefficient, only a small percentage of the energy released from burning the fuel is turned into usable kinetic energy (torque), a huge portion is converted to heat and noise and wasted. If you're burning more fuel you're making more power and more heat. Engine internals, motor mounts, the entire driveline were designed to reliably handle the stock levels of power long term and you're making them withstand a much higher load. The cooling system and the heat shedding ability on items such as the cylinder head, valves, turbo, etc were designed to reliably handle stock heat loads long term, but you've surpassed that intended range. The plastic intake parts: boost piping, intercooler end tanks, intake manifold, and variable intake runner flaps are being forced to operate at roughly twice the amount of pounds of pressure per square inch than what they were designed to reliably handle for extended amounts of time.

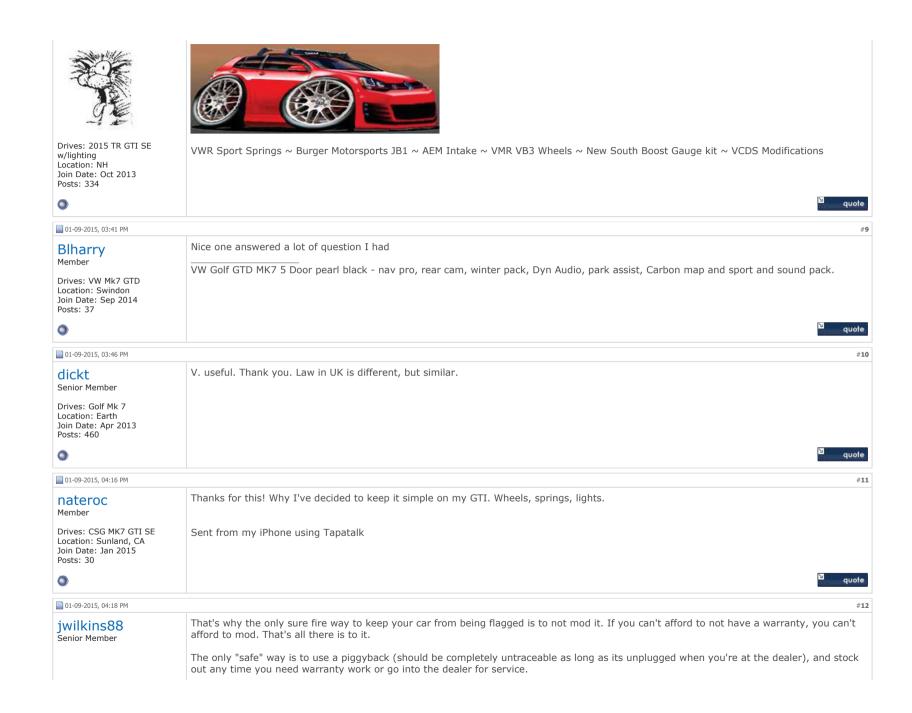
The chain reaction goes on and on but you get the point. It's all intertwined, a chip makes everything powertrain related operate under loads it was not designed to handle reliability or for long periods of time. Let's be honest, these things are no longer considered a "defective" parts when it fails... which is what your warranty covers. This does not mean you will be unable to get anything fixed under warranty just because you're car is modified. The dealership and the manufacturer want to keep customers happy and coming back. If it's a common failure part, like coil packs that after almost a decade VW still struggles with, there's a good chance it's truly a defective part and in theory you shouldn't have much issue getting it covered, but that goes back to the dealer's attitude about modifications as discussed above.

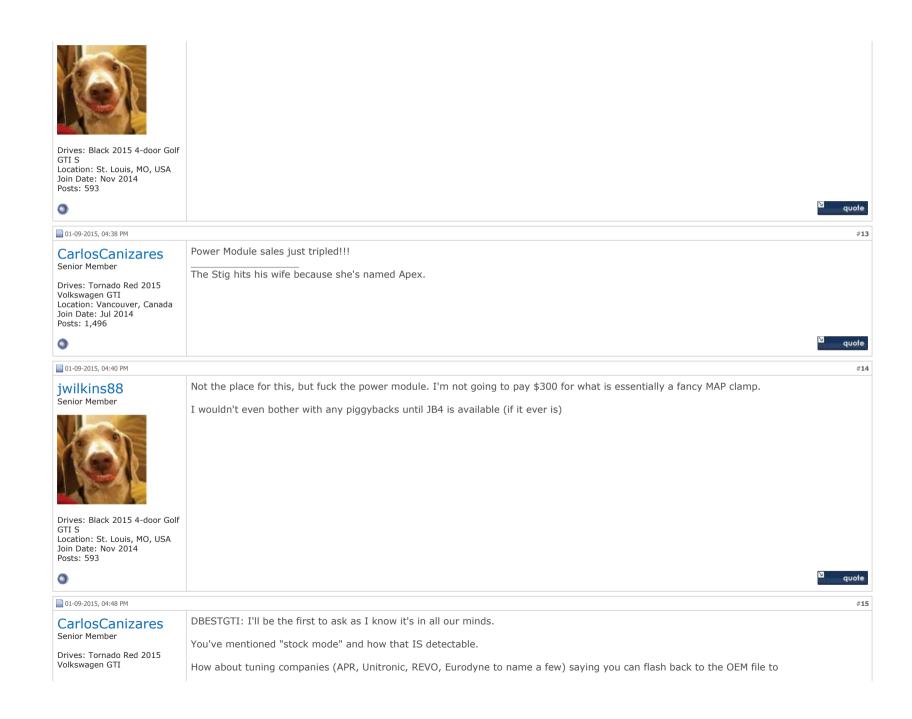
Chapter 8 - Extended warranty work on a modified car.

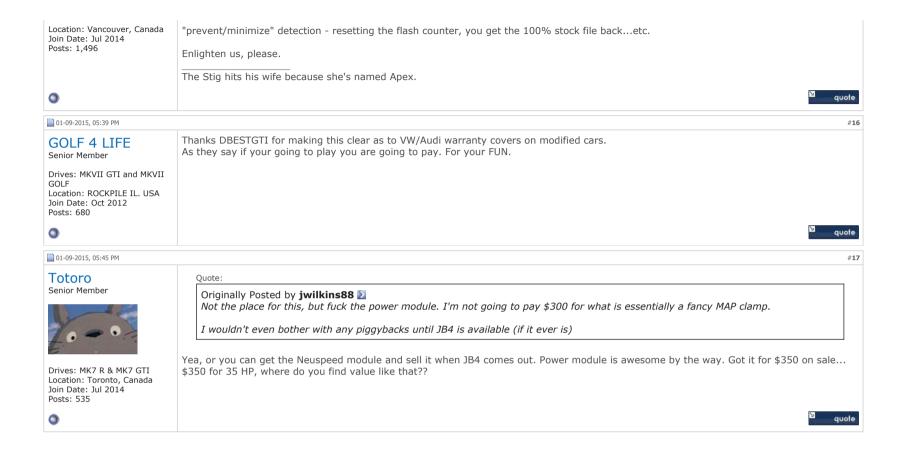
The way extended warranty is supposed to work is that you bring your car in with a concern, you approve a diagnosis charge, the dealer will prepare an estimate for the repairs and submit the claim to your extended warranty. If the bad part is not covered you will be charged that diagnostic fee you approved, if it is a covered item the warranty company will pay it and you don't have to. If it's a relatively cheap repair chances are they will approve it over the phone. If it's more costly, or if your claim is chosen at random, they will send an inspector out to check out the car with the tech. Claims Adjusters are far from experts but basically the tech shows them what's wrong, what the faults are, what diagnosis was done to lead the tech to call part X faulty, drive with the tech to show the concern can be duplicated and is legitimate, etc. The adjuster will approve or deny the claim. They will not know if the car is chipped, they don't have access to that information unless the dealer specifically tells them it's chipped but the inspectors ALWAYS take pictures and documents the car. A flash is invisible but they definitely take note of mods they can see. I've personally seen an inspector measure fender to ground height to make sure the suspension wasn't modified. Mods you can see will get claims denied quicker with extended warranty than they typically would with the manufacturer warranty.

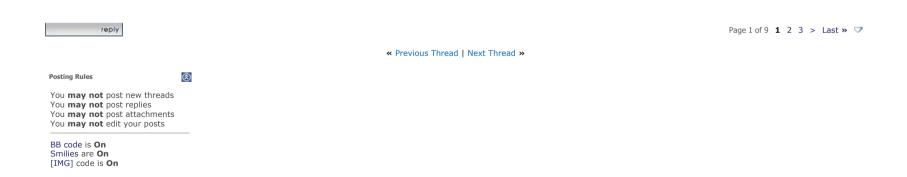












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