

VW will appeal court order to buy back customer's diesel car

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Volkswagen says it will appeal a court ruling that it must buy back a German customer's diesel car rigged to cheat on emissions tests.

Nicolai Laude, a VW spokesman, said Wednesday that the company expects the verdict by the court in Hildesheim in northern Germany to be overturned. Volkswagen noted that other courts had reached opposite decisions in previous cases.

In its verdict Tuesday, the regional court ruled that the plaintiff was entitled to receive the full purchase price of 26,499 euros (\$28,312) he paid for a Skoda Yeti 2.0 TDI in 2013. A buyback is a much more expensive solution than the fixes proposed by Volkswagen, given the number of cars involved.

The company has admitted that it installed software that could detect when diesel cars were on test stands so they could evade U.S. emissions standards for nitrogen oxides, a pollutant that can harm people's health. The software turned emission controls on during testing and off during everyday driving, improving engine performance but emitting more than 40 times the U.S. limits.

The judges said the automaker had acted "indecently," and compared Volkswagen's deceit to past cases of wine makers mixing antifreeze in wine or companies putting horse meat in lasagna.

Volkswagen agreed to buy back up to 500,000 cars in the U.S. under a

\$15 billion settlement agreed with U.S. authorities and car owners in federal court in San Francisco. U.S. authorities have brought criminal charges against seven Volkswagen employees, one of whom has already pleaded guilty. Some 11 million cars worldwide have the deceptive software, 2.6 million of them in Germany.

When it comes to the case of the Skoda sold in Germany, Volkswagen argues that the cars equipped with the software are still roadworthy under European emissions standards and have not lost resale value. It has said it plans to fix the cars—a far cheaper solution than buying them back.

The Hildesheim court said a fix wasn't good enough and did not cover the risk of future costs from higher maintenance costs and premature motor damage. It criticized what it said was Volkswagen's failure to say how and by whom the decision was made to install the software, saying that "one can hardly assume that it was made by a developer at the lower end of the chain of authority."

The decision comes ahead of a scheduled appearance Thursday by former VW CEO Martin Winterkorn before a parliamentary committee investigating the scandal. Winterkorn resigned after the scandal broke in September 2015; he said then he was not aware of any wrongdoing on his part.

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