

Mercedes Benz | California

Mercedes Benz has agreed to arbitrate disputes through BBB AUTO LINE that arise under their written new vehicle warranty and under the Song-Beverly Consumer Warranty Act only on model years 2024 and earlier.

Time Period for Filing Claims

Claims must be received by BBB AUTO LINE within six months of the expiration of the applicable warranty.

Eligible Vehicles

Disputes must involve a 2024 or earlier model motor vehicle covered by the Song-Beverly Consumer Warranty Act. The Song-Beverly Consumer Warranty Act covers new motor vehicles that are:

- purchased or leased at retail in California OR
- purchased or leased by a full-time active-duty member of the Armed Forces who was stationed or residing in California at the time of purchase or lease or at the time the claim is filed with BBB AUTO LINE.

A “new motor vehicle” is one that is:

- bought or used primarily for personal, family, or household purposes, OR
- has a gross vehicle weight under 10,000 pounds that is bought or used primarily for business purposes by a person, including a partnership, limited liability company, corporation, association, or any other legal entity, to which not more than five motor vehicles are registered in this state.

A “new motor vehicle” includes the chassis, chassis cab, and that portion of a motor home devoted to its propulsion, a dealer-owned vehicle and a “demonstrator” or other motor vehicle sold with a manufacturer’s new car warranty.

- The Supreme Court of California has held that “other motor vehicle sold with a manufacturer’s new car warranty” means “a vehicle for which a manufacturer’s new car warranty is issued with the sale.” *Rodriguez et al v. FCA US, LLC* (2024)

Remedies

The arbitrator may award:

- Repairs to a vehicle
- Reimbursement for money paid to repair a vehicle
- Repurchase of a vehicle (including collateral charges and incidental damages)



- Replacement with a substantially identical new vehicle (including collateral charges and incidental damages)
- Mercedes may elect to extend a repurchase in lieu of replacement, but the consumer shall not be required to accept a replacement and may elect a repurchase instead.

Repairs/Reimbursement for Repairs

The arbitrator may award repairs to defects covered by the Mercedes Benz New Vehicle Limited Warranty. If repairs are awarded, the arbitrator may not order a change in the vehicle's options or its design.

The arbitrator may award reimbursement for money paid for the repair of defects covered by the Mercedes Benz New Vehicle Limited Warranty only if Mercedes Benz or its dealer declined to repair the defects under warranty or to reimburse under the warranty's emergency repair provisions.

Repurchase

A repurchase will include the following:

- Purchase price of the vehicle. This is the actual price paid for the vehicle. It includes any charges for transportation and manufacturer-installed options, but does not include manufacturer rebates, credit card earnings, or charges for nonmanufacturer items installed by a dealer or the consumer.
- Collateral charges. These are official fees associated with the sale of the vehicle. They include items such as sales or use tax, license fees, registration fees, and other official fees.
- Incidental damages. These are reasonable expenses incident to the vehicle problem for which the manufacturer is repurchasing or replacing the vehicle. Incidental expenses include, but are not limited to reasonable repair, towing and rental car costs actually incurred by the consumer.
- Prepayment penalties, early termination charges and earned finance charges, if actually paid, incurred, or to be incurred by the buyer. These do not include charges for which the consumer is justly responsible.

Replacement

A replacement vehicle will be new and substantially identical to the vehicle replaced. The replacement vehicle will be accompanied by all express and implied warranties that normally accompany new motor vehicles of that kind. The manufacturer will also pay for collateral charges [see above definition] in connection with the replacement vehicle (not the original vehicle) as well as incidental damages [see above definition].

The consumer shall not be required to accept a replacement and may elect a repurchase instead.



Deduction for Reasonable Use of the Vehicle

When the arbitrator's decision is a replacement or reimbursement of the vehicle purchase or lease, the arbitrator shall use the following formula in calculating the offset:

$$\# \text{ of miles driven by the consumer prior to first delivery to the manufacturer or dealer for repair of the nonconformity that led to repurchase or replacement} \div 120,000 \times \text{Vehicle Purchase Price} = \text{Use Deduction.}$$

Remedies That Will Not Be Considered

Arbitrators will not consider or provide attorneys' fees or debt from a previous transaction (negative equity).

Arbitrators will not consider or provide the following remedies: punitive damages or multiple damages, or consequential damages other than as provided in subdivisions (a) and (b) of California Civil Code Section 1794.

Customer Responsibilities

If a repurchase or replacement is awarded the consumer will be required to turn over the vehicle and provide clear title to the manufacturer. The manufacturer may deduct charges for which a consumer is justly responsible.

Specific Disputes That Will Not Be Arbitrated

The following disputes will not be arbitrated:

- Claims involving salvaged or "total loss" vehicles, or vehicles otherwise not covered by a Mercedes Benz USA Warranty.
- Claims alleging that an airbag failed to deploy or deployed when it should not have.
- Claims for vehicles not originally sold in the United States.
- Claims involving a vehicle defect if the customer alleges – either as part of the BBB AUTO LINE claim or at any other time – that the vehicle defect has caused an accident or fire that resulted in damage to any vehicle or damage to property.
- Claims involving a vehicle defect if the customer alleges – either as part of the BBB AUTO LINE claim or at any other time – that the vehicle defect has caused bodily injury.
- Allegations of fraud or other violations of law.
- Claims covered by insurance or by warranties of other manufacturers.
- Claims seeking compensation for legal fees or loss of wages.
- Claims seeking compensation for personal injury or mental anguish.
- Claims seeking punitive damages.



- Claims identical to any claim that was resolved by a previous mediation or arbitration, court action, settlement, or agreement between the customer and Mercedes Benz.

Other Important Information:

- The customer must own or lease the vehicle throughout the entire arbitration process.
- If the customer files suit or a state administrative action against Mercedes Benz prior to the completion of the arbitration process, Mercedes Benz will not be obligated to continue with the arbitration.
- Mercedes Benz may, at its option, make an exception to the above-stated requirements for the eligibility of a vehicle.