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2

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Volkswagen in meltdown after faked diesel tests

Drivers face mass recall as share price crashes

Robert Lea Industrial Editor
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Hundreds of thousands of Volkswagen drivers in Britain are facing a mass recall of their vehicles after the scandal engulfing the carmaker spread around the world yesterday.

The German company admitted that 11 million of its cars worldwide were affected by a scam in which it deliberately cheated the testing of its diesel models for toxic emissions.

VW Group suffered a heavy blow on the Frankfurt stock exchange, with its shares falling by 20 per cent for the second consecutive day. A total of €23 billion has now been wiped off the value of the company since the start of the week.

Martin Winterkorn, VW's chief executive, reiterated his earlier apologies last night, saying that he was "endlessly sorry ... for the wrongdoing".

On Friday the US Environmental Protection Agency said that VW diesel cars had much higher emissions than tests had suggested and that software in several diesel cars could deceive regulators. Half a million cars in the US were recalled. The agency found a "defeat device" that allowed diesel VW cars to emit less during tests than they would while driving normally.

The New York attorney-general has announced an investigation into the carmaker. In Britain, the Department for Transport also called on the EU to open an inquiry, amid fears that other manufacturers may have been cheating emissions tests.

In a letter to the European Commission, Patrick McLoughlin, the transport secretary, said that officials must "take appropriate action to avoid a reoccur-

rence". He added: "Public confidence is vital."

The commission said that it was waiting for the outcome of an investigation by the German government into VW and some of the country's other manufacturers. It confirmed, however, that it would reform the EU emission testing regime early next year.

VW has announced that it is to set aside €6.5 billion to correct emission "discrepancies", potential fines from regulators and possible legal claims from customers or rivals.

The company's British operation said that it had not received orders from global headquarters in Wolfsburg over how it should be communicating with its customers or whether there would be recalls of cars to adjust those whose nitrogen oxide levels are above the permitted 180mg/km. Emissions are known to be a cause of respiratory conditions such as asthma.

The diesel models under investigation for having software designed to mislead regulators are the VW Golf, Beetle, Passat, and Jetta built between 2009 and last year. In the VW sister brand, the Audi A3 is also implicated. VW Group indicated that models in its other volume brands, Skoda and Seat, may also be under scrutiny.

VW Group is by some way the biggest seller of cars, and of diesel variants, in Britain. VW, Audi, Skoda and Seat account for about a fifth of all UK new car sales — about 500,000 a year.

As speculation grew over whether other carmakers had been engaging in similar practices, shares in BMW and in Daimler, the maker of Mercedes-Benz, also fell.

Michael Horn, VW's American chief, had said earlier: "Our company was

Continued on page 7, col 3



Gloves are off The Chelsea doctor Eva Carneiro is to leave after she was criticised by the club for treating a player on the pitch at a game six weeks ago. Pages 64-65

WH Smith is forced to end hospital shop 'rip-off'

Lucy Bannerman, Neil Johnston

WH Smith will cut the cost of some goods in its hospital shops after it emerged that patients and visitors were often charged more than on the high street.

Get-well-soon cards were sold at the retailer's branch at Bristol Royal Infirmary for nearly twice as much as a high street outlet nearby, an investigation by *The Times* found last month.

A packet of Minstrels chocolates cost £2.99 in WH Smith at Morrision hospital in Swansea compared with £2 at the nearest high street branch; a can of Coca-Cola was 99p in the same hospital but 65p elsewhere.

The revelations led to claims that customers in hospitals — many of them sick or under strain — were being "ripped off", despite having little choice about where to shop.

WH Smith has signalled that prices will be checked to ensure that the difference between identical items in hospital and high street shops is no more than 1-2 per cent.

The retailer said that it would extend promotions to hospital outlets, so that all customers had the benefit of the same reduced prices.

Paula Sheriff, the MP who led calls to end price rises that she described as outrageous and immoral, welcomed the assurances yesterday and urged other retailers to follow suit. Significant mark-ups were also discovered by *The Times* at Marks & Spencer hospital stores, though M&S said yesterday that it had no plans to alter its approach.

"Hopefully, these companies will now think twice before putting up prices in hospital shops," said Ms Sheriff, the Labour MP for Dewsbury and Mirfield who sits on the health select committee. "I look forward to meeting with Marks & Spencer and hope they will enter into discussions in the same spirit. If they are not prepared to negotiate, I will be looking to raise this in parliament. This issue is important for many people who are fed up with the culture of commercialisation within hospitals."

The move came a month after the Department of Health urged NHS trusts and retailers to work together to ensure that hospital customers were not being overcharged. Retailers Continued on page 2, col 5

IN THE NEWS

Early death warning

Women can expect to die earlier in Britain than in almost any other country in western Europe, according to a study by the World Health Organisation. Page 4

Flying visits to end

Visits to the sick and elderly lasting 15 minutes or less must be used only in a care package that includes longer periods spent with patients, the health watchdog has said. Page 9

Pressure on Corbyn

Jeremy Corbyn could be forced into an early confrontation over Trident, Syria and welfare in a series of votes at the Labour conference next week. Page 13

Migrant quota rift

Germany and France united against the minnows of eastern Europe in a Brussels vote to push through quotas that will force them to accept thousands of migrants. Page 28

Panic in the markets

Share prices fell sharply amid renewed fears that a slowdown in China could rock global growth. Concerns were also fuelled by uncertainty over US interest rates. Page 35

Rugby bombshell

The England fly half George Ford has been left out of the side that will face Wales in the World Cup on Saturday. Owen Farrell and Sam Burgess will start the game. Pages 66-72