



VRA MEMBERS' MEETING | MARCH 2026

# Vehicle Inspections and Grading: The American Experience and What It Means for Europe

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Conor O'Boyle

Co-Founder, TradeBid | VP Growth, ACV Auctions



# Who are ACV?



**3,000+**

Total Teammates

**75K+**

Monthly Sales

**850+**

US Inspectors

**100+**

EU Teammates

**\$11B+**

Annual GMV

**2.0M+**

Annual Inspections

ACV provides trusted technology, services and intelligence for wholesale automotive in the US - with customisable solutions for Dealers, OEMs and Fleet-Lease partners. European expansion is underway.

# Who are TradeBid?

**2021**

Founded in Dublin

**8**

Active Markets

**24/7**

Live Online Auctions

**100%**

Fully Digital Platform

**3**

Product Lines

**2024**

Acquired by ACV

TradeBid is ACV's European wholesale marketplace - a fully digital dealer-to-dealer auction platform headquartered in Dublin, Ireland.

Operating across Ireland, Northern Ireland, UK, Netherlands, Belgium, Luxembourg and UAE, TradeBid connects dealers, OEMs and lease companies through live online auctions, condition reports and end-to-end logistics.

Acquired by Nasdaq-listed ACV Auctions - August 2024

# No Single Standard Across the US

Multiple systems co-exist - inconsistently applied across states and auctions

## THE FRAMEWORK

### NAAA Condition Report

- 5-point scale: Grade 1 (clean) to 5 (severe damage)
- The closest thing the US has to a national standard
- Applied at physical NAAA-member auctions by staff or third-party inspectors
- No universal adoption across all US states

## THE ATTEMPT TO STANDARDISE

### AutoGrade (Manheim/NAAA)

- Algorithmic scoring tool built on top of the NAAA framework
- Designed to remove individual inspector bias
- Deployed at Manheim physical locations
- Not universally adopted across independent auctions

## DATA-FIRST

### ACV Approach

- No grade assigned - data-first model
- Inspector notes + high-res photos + AI detection
- Buyer receives raw data to make own decision
- Removes subjectivity of a single score

## THE CHALLENGE

# Human Grading Is Commercially Risky

Inconsistency across states and auctions creates real financial damage

## THE PROBLEMS

- No universal national standard applied consistently
- Inspector interpretation varies widely by region
- High-volume sellers can influence grades awarded
- Inconsistent terminology across different auctions
- Grades often only available for physical lanes

## REAL-WORLD IMPACT

*"Cars graded 5.0 - checked back at auction - they're 3.5s. A million dollars in non-sellable cars."*

- Ohio Dealer, 2025

## THE CONSEQUENCE

- Dealers now buying direct from consumers to avoid inaccurate auction grades
- Financial loss due to misgrading is a primary driver for platform churn



# The Industry's Scalable Fix

Technology - not more training - removes human subjectivity at scale



MANHEIM / NAAA  
**AutoGrade**

- Algorithmic scoring from inspector data points
- Removes location/auction bias completely
- Designed for broader industry adoption — uptake varies



ACV AI / PAVE / RAVIN  
**AI Damage Detection**

- Computer vision analyzes photos automatically
- Creates unique damage mapping per vehicle
- 30% reduction in post-sale arbitration



VIPER / UVEYE  
**Drive-Through Scanning**

- Automated exterior, undercarriage and tyre scan
- Comprehensive condition report in seconds
- Deployed at numerous dealers in the US



ACV AUCTIONS  
**ACV Self-Inspection**

- Seller inspects via ACV platform app
- AI categorizes cosmetic damage from photos
- No grade assigned - condition data is the product

# European Experience: Ireland and Netherlands

Our test showed dealers wanted transparent condition data - not a mapped grade.

## What We Tested

- AI damage detection reports on all vehicles
- NAMA-mapped equivalent grade overlay
- Extensive dealer education on grade meaning
- Goal: Simplify condition interpretation

## What Dealers Told Us

- "Show me the data, not just a score"
- "Let me judge the condition myself"
- Limited trust in mapped/abstract grades
- Rich detail beat the simplified score

*"In Ireland and the Netherlands, dealers trusted transparent AI condition data more than a mapped grade."*

**Key learning: In newer digital markets, data-first may outperform grade-first.**

## COMPARISON

# Two Approaches - One Goal

Each model has strengths Europe can learn from

DIMENSION	US (NAAA/ACV)	UK (NAMA)
Philosophy	Data transparency - buyer decides	Inspector grades - standardised scale
Grade Scale	1-5 numeric / No grade (ACV)	1-5 (A-E), repair cost basis
Who Inspects	Auction staff / Inspectors or self-inspection	NAMA-accredited inspectors only
Consistency	Low - varies by state and auction	Moderate - auditing in place
Technology	AutoGrade, AI detection, self-inspect	Inspector-led; AI emerging
Digital/Online	Increasingly available online	Physical auctions only (under review)

*The US has data richness. The UK has structure. Europe needs both - digital-first from day one.*



## KEY LEARNINGS

# Building the Pan-European Standard Right

Six lessons from the US and European experience

## 1 Transparency First

Rich condition data must underpin any grade assigned to a vehicle.

## 2 AI Consistency

Technology removes human subjectivity and bias at scale across borders.

## 3 Digital-First

Launch with digital capability first - don't repeat a physical-only limitation.

## 4 Harmonise Terms

Standardise terminology across languages before attempting to standardise the final grade.

## 5 Scalable Self-Inspect

Modern technology enables reliable seller-led inspections at high volume.

## 6 Hybrid Model

Build a rich data layer with an optional standardised grade on top.

*"Our experience suggests data should lead. The grade can follow."*

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# Thank You

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**Conor O'Boyle**

coboyle@acvauctions.com

+353-87-9008258

