



## CARA Grading

**VRA - Manheim Bruntingthorpe  
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# Introduction

In today's European used vehicle market, transparency, speed, and trust are critical to efficient B2B transactions. However, condition assessment remains a subjective element across dealers, auctions, and remarketing platforms. This lack of standardization leads to pricing discrepancies, disputes, and inefficiencies throughout the vehicle lifecycle.

The European Used Car Grading System is designed to address these challenges by introducing a clear, structured, and fully automatable condition framework, inspired by best practices from established markets such as the UK, Japan, and the United States, and tailored specifically for European B2B operations.

# Target of "CARA Grading"

Providing a clear, European standardized assessment of a vehicle's condition , enabling trust and transparency in the B2B resale Market

## Why should we build a CARA Grade standard?



**Pan-European standard:** One grading language across borders.



**Tailor our own standards:** A customer grading system ensures the grades align with our criteria, and customer expectations, reflecting the vehicles condition based on what matters to them. Including EV readiness, with battery health and digital diagnostics.



**Build Trust and Transparency:** Customers appreciate clear, consistent grading. A well-designed system helps them to understand what each grade means and reduces ambiguity.



**Competitive Differentiation:** Create a unique selling proposition and brand identity in a crowded market.



**Enhanced Data insights:** Grading systems can be used to track trends over time. Better data for decision-making, pricing strategies, and inventory management.



**Scalable and Adaptable:** As our business' grow or evolve (e.g., entering EVs, luxury segments, or international markets), a combined grading system can evolve too.



**Enables Automation and Digital Integration:** Custom grading can be baked into our products, helping to automate listings, valuations, or recommendations - saving time and increasing accuracy across our platforms.



# The CARA Group of Stakeholders

A core team of representatives all associated with the vehicle remarketing sector from different European countries.





# The CARA Grade

# GRADING STRUCTURE

## Two Independent Grades

### Exterior

**0** - As New condition

**1** - Excellent

**2** - Good

**3** - Average

**4** - Poor

**5** - Very Poor

**U** - Unclassified

### Interior

**A** - Excellent

**B** - Good

**C** - Average

**D** - Poor

**E** - Very Poor



Exterior and Interior are **never merged**

## Obtaining the Grade

### Exterior

- Damage location
- Damage count
- Damage severity
- Damage type
- Type weight

### Interior

- Cleanliness
- Wear
- Damage



All of the data is captured during the inspection and using the transparent decision tree logic the CARA grade will be automatically generated.

# Philosophy of the CARA Grading

**At its core, this grading system is built on four key principles:**

## **1. Objectivity over subjectivity**

The system eliminates ambiguous judgment by relying on quantifiable inputs—damage type, location, and severity—ensuring consistent outcomes regardless of the inspector. No Link to damage amount valuation.

## **2. Separation of concerns**

Exterior and interior conditions are assessed independently using distinct grading scales reflecting how professional buyers evaluate vehicles in real-world transactions.

## **3. Rule-based automation**

Grading is not manually assigned but generated through a transparent decision-tree logic, enabling full automation from standardized inspection inputs. This ensures scalability across large inventories and multiple markets.

**✓ No emotional or retail wording ✓ Pure condition-based grading ✓ Fully automatable ✓ Compatible with mobile inspection apps ✓ Suitable for remarketing, auctions, dealer platforms**



**Thank you**