

JAGUAR · POWERTRAIN

P1516

OBD-II DIAGNOSTIC TROUBLE CODE (DTC)

P1516 · Jaguar

Gear Change Neutral Drive Fault

P1516 on Jaguar vehicles indicates the Transmission Control Module (TCM) has detected a fault in the gear change neutral drive circuit, which manages the transition between neutral and drive gears. The computer monitors electrical continuity and signal plausibility, and when the expected voltage or resistance falls outside the programmed range, it logs this code and may illuminate the warning light.

SYSTEM	CODE TYPE	SEVERITY	FIX DIFFICULTY	AREA
Powertrain	Jaguar specific	Medium	Professional	Vehicle speed, idle control and auxiliary inputs

Symptoms you may notice

- Illumination of the transmission malfunction warning light or check engine light
- Harsh or delayed engagement when shifting from neutral to drive
- Transmission may default to a limp-home mode with limited gear selection
- Intermittent loss of drive power or a noticeable clunk during gear change
- Often no symptoms besides the warning light, especially if the fault is intermittent

Common causes, most likely first

- 1 Faulty neutral drive switch or sensor within the transmission valve body
- 2 Damaged or corroded wiring harness connector at the transmission
- 3 Chafed or open circuit in the neutral drive signal wire
- 4 Failed transmission control module (TCM) or internal driver circuit
- 5 Low transmission fluid level or contaminated fluid affecting hydraulic response
- 6 Sticking valve body solenoids or mechanical wear in the gear change mechanism



How to diagnose and fix it

- 1 Verify battery voltage and charging system integrity, as low voltage can trigger false transmission codes
- 2 Scan all modules for stored and pending codes, and record freeze-frame data to understand when P1516 set
- 3 Inspect the transmission wiring harness and connectors for corrosion, chafing, or loose pins, especially at the neutral drive switch
- 4 Test the neutral drive switch or sensor with a multimeter for continuity and resistance according to Jaguar specifications
- 5 Check transmission fluid level and condition, topping up or replacing fluid if contaminated
- 6 Perform a resistance and voltage drop test on the neutral drive circuit from the TCM to the switch, repairing any open or short
- 7 If electrical checks pass, follow Jaguar diagnostic procedures for the TCM and valve body, including software updates or replacement if required

Neutral drive circuit faults often misdiagnosed

- A loose or corroded ground connection at the transmission can mimic a failed neutral drive switch, so always verify ground integrity before replacing parts.
- Intermittent P1516 codes are frequently caused by a chafed wire near the transmission mount that only shorts when the engine moves under load.
- Some Jaguar models require a relearn procedure after repairing the neutral drive circuit, and skipping it can leave the code stored even with good components.
- The neutral drive switch signal is also used by the cruise control and reverse light systems, so related complaints may appear alongside this code.
- Aftermarket transmission fluid that does not meet Jaguar specification can alter hydraulic response and trigger this code without any electrical fault.

Can I keep driving with P1516?

You can usually drive the vehicle to a workshop, but avoid aggressive acceleration or heavy load until the fault is repaired, as the transmission may enter limp mode without warning. If the vehicle refuses to engage drive or slips severely, stop driving and arrange a tow to prevent further damage.

Tools that help

- Jaguar-compatible OBD-II scan tool with transmission module access
- Digital multimeter with back-probing pins
- Wiring diagram and connector pinout for the specific Jaguar model
- Transmission fluid level dipstick or fill tool
- Socket set and trim removal tools for harness access



Reading P1516

- P** Powertrain: engine, transmission and emissions.
- 1** Manufacturer-specific code (Jaguar): its meaning depends on the make.
- 5** Vehicle speed, idle control and auxiliary inputs.
- 16** The exact fault within that area.

Often seen with

P1744 Tiptronic Switch Recognition Circuit Short To Ground · **P1744** Torque Converter Clutch Solenoid Mechanical Fault · **P1744** Torque Converter Clutch System Stuck in Off Position · **P1744** Pressure Control Solenoid A Electrical · **P0705** Transmission Range Sensor Circuit Malfunction · **P0706** Transmission Range Sensor Circuit Range/Performance · **P0715** Input/Turbine Speed Sensor Circuit Malfunction · **P0720** Output Speed Sensor Circuit Malfunction

See it working

Watch the animated explainer [How an Automatic Transmission Works, Gear by Gear](#) on Auto Veteran to see the parts involved moving.

Full guide, related articles and animations: <https://www.autoveteran.tech/dtc-codes/jaguar-p1516/>

