

DEPARTMENT FOR TRANSPORT CONSULTATION ON MOTORING SERVICES RESPONSE BY THE FLA

Introduction

1. The Finance & Leasing Association (FLA) is the leading trade association for the UK motor finance, consumer credit and asset finance industries. FLA member companies include banks, building societies, the captive finance arms of manufacturers and various independent financial institutions.

2. Last year, FLA motor finance members provided £23.3 billion in credit to consumers and businesses to enable them to purchase vehicles. FLA members fund almost 72% of all consumer new car sales and around 30% of used car sales, predominantly through hire purchase, personal contract purchase and lease agreements. As the majority of these finance agreements are secured against the vehicle, our members remain the legal owners until their customer has repaid the outstanding finance in full.

3. The FLA also represents the interests of the asset registration agencies (CDL, Experian and HPI) through our Motor Asset Registration Services (MARS) membership division. MARS members are long-standing DVLA data customers and their range of services is widely used to help protect the integrity of vehicle records in the UK.

4. This paper sets out the FLA's response to the DfT's Motoring Services Strategy consultation. Our comments take into account the wide range of motoring services that finance and leasing companies currently use in order to check the safety and security of their vehicles.

5. The FLA's general comments are set out below, as well as comments on specific consultation questions asked by the DfT (where the FLA received feedback from finance companies).

General comments

6. The FLA supports the DfT's strategy to put consumers and businesses at the heart of all that it does. The FLA responded to a 'Transforming DVLA Services' consultation in March 2012 and a 'DVLA Vehicle Online Services' consultation in November 2012. Both consultation documents explored similar themes to the DfT's motoring services strategy, especially linked to the digitalisation of motoring services. The FLA hopes that the DfT will work closely with its Executive Agency to gather feedback sent to the DVLA which may then be useful in informing its own strategy to be at the forefront of digital services.

Consultation questions

Q1 Which Agencies do you deal with and how often?

FLA member motor finance companies work closely with the DVLA. Finance companies will use the DVLA's services almost every working day.

Q2 Which services have you used in the last 12 months?

Finance companies are regular users of a wide-range of DVLA services. These include (but are not limited to):

- ☐ Applications for Vehicle Excise Duty.
- ☐ VED refund requests.
- ☐ Application for a new V5C.
- ☐ Change/transfer of a cherished number plate.
- ☐ Driving Licence verification.
- ☐ Payment of DVLA enforcement charges.
- ☐ Registered Keeper enquiries.

Q3 Referring to page 15 of the strategy, “Our Guiding Principles” please tell us which of the principles, if any, would help you in our dealings with us?

The FLA is most supportive of the guiding principle – ‘putting the consumer and business at the heart of what we do’. FLA member motor finance companies particularly welcome the Department’s objective to be at the forefront of digital services and to maximise the digital delivery of services.

The private sector is continually striving for efficiencies and it is only right that the public sector does the same in order to deliver value for money and convenience for its customers. The FLA would hope that the introduction of more online/digital services would also lead to a reduction in the cost of those services for end users.

Q4 Will the vision for digital services outlined on page 17 of the strategy help you in your contacts with any of the four Agencies?

Broadly, yes. However, the FLA would stress the importance of industry access to online records and not just for motorists. If companies will no longer have access to paper-based information or services then this must be replaced with an online equivalent so that the DfT’s strategy does not disadvantage business customers who have a genuine reason to want to access vehicle and keeper data.

We support the proposal to abolish the need for the paper VED tax disc provided tax records were held on a robust IT platform and that industry could continue to perform the checks currently available today. One short-term suggestion is to email a new tax disc to motorists, if the DfT’s plans are to continue with some form of physical disc. Longer-term, finance companies feel that the road tax renewal process must be integrated or linked with a vehicle’s MOT renewal and motor insurance renewal to help avoid evasion and other criminality.

However, we are concerned with the proposal to abolish the driving licence paper counterpart. This is because of the increased risk of fraud that would occur if a secure new regime was not introduced following its abolition. Feedback from finance companies suggests that the paper counterpart is much more difficult to forge than the driving licence photocard because criminals find it difficult to recreate the detail of the security features. Forgeries are therefore easier to detect by lenders when they are received in support of a finance application. The FLA would be keen to work with the DfT and the DVLA to discuss these proposals as they develop given the banks and finance companies significant expertise in tackling fraud. One further issue is how any driving endorsements – which are currently captured on the counterpart – would be visible to stakeholders who find this information useful (the police, finance companies, etc) should the counterpart be abolished. Would this information be transferred to the photocard?

The introduction of online driving licence verification would help to detect fraud driving licences and prevent other criminality related to the use of a forged document by a fraudster.

Q5 We plan to move to greater delivery of services online or by other digital means. Will these changes help you in your dealings with us?

The FLA would like to work with the DfT and the DVLA to make the following motoring services available online:

- ☐ Registered Keeper Enquiries including KADOE – Keeper at Date of Event (and the provision of this information via vehicle provenance checks).
- ☐ Driving Licence Verification (verifying entitlement to drive).
- ☐ Requests for VED refunds.
- ☐ Confirmation of VED payments received by the DVLA (including the provision of this information via vehicle provenance checks).
- ☐ Payment of DVLA enforcement charges.
- ☐ Requests for replacement V5 forms.
- ☐ Requests for a change of VED class.

Q15 Do you agree with our outline proposals for defining our organisations to deliver better services as outlined on page 18 of the strategy?

Yes.

Q17 Do you have any other comments on how we can improve our service to you?

A more efficient process for the renewal of DVLA driving licence photographs would help the Agency to generate more income to fund the digitalisation of services. Feedback suggests that it can take around nine months for a UK motorist to receive a fixed penalty notice for a driving offence committed in another EU Member State. Many of the penalties go unpaid because they arrive in a language which the motorist cannot read. There is an opportunity for the DfT to work with other EU Member States to speed up this process, possibly with a revenue-sharing arrangement.

Q18 Do you have any other comments on our approach as outlined in the strategy?

While the FLA supports the move to digital services, it is vital that those services are properly managed to avoid any potential increase in criminal activity. The ability for individuals to make online amendments to their records will make it more difficult for the DfT to verify the person requesting a change to a record. The Government must ensure that the 'footprint' captured by its online systems are secure and allow an accurate audit trail. Understanding who has changed a record and when is key to preventing fraud and risk. A help desk will be essential to allow external stakeholders to check the status of a vehicle or keeper record 24 hours a day. The FLA trusts that the DfT will liaise with the police as these proposals develop.