

FUTURE OF THE VEHICLE IDENTITY CHECK (VIC) SCHEME

DfT-2012-33

July 2012

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Executive Summary

1. The Vehicles Crime Act (2001), among other things, provided the Vehicle Operator and Services Agency (VOSA) with the power to inspect “written off” vehicles where the cost of repairing exceeds the market value of the car. The Vehicle Identity Check (VIC) scheme was introduced in 2003.

2. The Department for Transport is seeking to determine the future of the VIC scheme and whether the scheme is fit for purpose. The following proposals are to be considered as part of this consultation:

- Retain the scheme in its present format;
- Re-scope the scheme;
- Abolish the scheme.

Background

3. The purpose of the VIC scheme is to deter the crime of vehicle ringing. Typically, this involves the theft of a car of significant value, which is then given the identity of a similar car (make, model, colour etc) which has been the subject of an insurance write-off. The written-off car is obtained cheaply; its identity (Vehicle Identity Number (VIN) and Vehicle Registration Mark (VRM)) is then transferred to a higher value stolen car which, now apparently genuine, can be sold at market price.

4. Since the introduction of the VIC scheme in April 2003, around 717,000 checks have been undertaken and 38 failed checks were later confirmed “ringers”, at a cost of around £30m to the motorist¹. About 75% of the checks were undertaken on cars which were 7 years or older, written-off because the cost of even small repairs was greater than the very low market value of the vehicle, often meaning that the cost of the check fell on the less well-off members of society.

Existing Scheme Arrangements²

5. Insurers log details of all written-off vehicles (approximately 385,000 vehicles per year) according to 4 salvage categories (A – scrap only; B – break for spare parts; C – repairable total loss where repair costs exceed the vehicle pre-accident value; D – repairable total loss where repair costs do not exceed the vehicle pre-accident value), and pass the information to the Driver Vehicle Licensing Agency (DVLA). The VIC scheme applies to salvage categories A, B and C; DVLA place a “VIC marker” on these vehicles computer record, preventing issue of a replacement Vehicle Registration Document (V5C) or licensing reminder (V11) until the VIC marker has been

¹ The normal VIC fee is £41, or £50 out of hours.

² Further information available at

http://www.direct.gov.uk/en/Motoring/BuyingAndSellingAVehicle/AdviceOnBuyingAndSellingAVehicle/DG_4022107

removed. For this to happen, the vehicle must undergo and pass a VIC check conducted by VOSA.

6. The checks are carried out at 52 VOSA sites across Britain. Almost all are co-located at VOSA's goods vehicle testing station sites, where around 100,000 vehicles were checked in 2010/11. When the VIC test is carried out it is screened from the vehicle keeper, so that they cannot see the techniques used by the tester to establish the identity of the vehicle. Although the location of the VIN number is freely available to the public, there are other features the tester will need to examine, including major component serial numbers (e.g. engine no), glass etchings, previous damage and known vehicle features.

7. It has been recognised by some key interested parties, in particular the insurance industry and the salvage industry, that the scheme was too broadly defined and disproportionate, including vehicles with a very low risk of being rung (i.e. low value vehicles). For many motorists, it has become an unnecessary procedure, particularly when a vehicle has been in the hands of the same keeper for several years and the market value is low.

8. Data provided from the British Crime Survey has demonstrated that vehicle theft continues to fall and has been doing so since the 1990s, prior to the VIC scheme being introduced. However, the effectiveness of the VIC scheme is difficult to quantify due to the way the police record vehicle crime related offences.

The Options

9. The Department and the Agencies involved in the VIC scheme (DVLA and VOSA) have discussed how to make the VIC scheme less burdensome with the Home Office and key industry representatives. These discussions focused on the feasibility of the following options:

- Retain the scheme as it is in its current format. The scheme is the only deterrent to ringing at present, and has worked in finding 38 ringers so far.
- Re-scoping. Keep the scheme, but narrow its scope to focus on 'high-risk' vehicles. Possible criteria for narrowing down the number of vehicles required to undertake the VIC test include market value, length of time in same keepership, and age of vehicle. For the purpose of the Impact Assessment (IA), available at Annex A, the most practical criterion seems to be age, specifically vehicles under 3 years, and, therefore, this is the criterion assessed in this IA. However, there might be better criteria which we would welcome for consideration.
- Abolition. Vehicle crime has fallen since the inception of the scheme, although the precise contribution of VIC is difficult to quantify. It has cost so far around £30m to the motorists.

10. Both the 2nd and 3rd options above would make it less burdensome for many honest motorists where the VIC scheme has become an unnecessary burden where vehicle identity and ownership has never been in doubt. However the VIC scheme does act as a deterrent to vehicle crime, and enables vehicle purchasers, where a post VIC V5C (registration document) has been issued, to be aware that the vehicle they are considering purchasing has previously been a write-off and confirms that the vehicle identity has been checked and therefore provides some protection against purchasing a stolen vehicle.

11. If it is decided to keep the scheme in its present or in a revised format, the Department will conduct a further consultation to obtain views on how the VIC tests should be delivered.

Impact Assessment

12. The Impact Assessment can be found at Annex A. When responding to the consultation, please comment on the analysis of costs and benefits associated with the two options, giving supporting evidence wherever possible.

13. Please also suggest any alternative option which has not been covered in the consultation, including information on costs and benefits, and how such an option could be delivered.

Consultation questions

14. We would welcome views and suggestions on the VIC scheme, and whether/how it could be amended. Please provide as much evidence you can to support your responses and opinions.

- 1) Can you provide figures associated with the costs and benefits of the current scheme (including costs to motorists and business, and effectiveness of the scheme as prevention of car crime)?
- 2) Do you think we should retain the scheme in its present form? Why?
- 3) Do you think we should re-scope the scheme? If so, how could it be defined? What criterion would you suggest should be used to determine whether a vehicle should be checked?
- 4) Would the use of age as criterion prevent ringing? For the purpose of the IA we have set the age at 3 and under, is this sufficient? What age limit would otherwise be more appropriate?
- 5) Would the pre-accident value of the vehicle be a better suited criterion? Or perhaps the length of time in the same ownership?
- 6) Should the 4 salvage categories be retained as defined? Should they be amended?
- 7) Should Category D vehicles also be required to undergo a VIC test?
- 8) Do you think there are already other systems acting as deterrent to ringing?

9) Can you suggest an alternative to deter vehicle ringing?

How to Respond

15. The consultation period began on 17th July 2012 and will run until 22nd October 2012, please ensure that your response reaches us by that date. If you would like further copies of this consultation document it can be found at www.dft.gov.uk/consultations/dft-2012-33 or you can contact Giada Covallero if you need alternative formats (Braille, audio CD, etc).

16. Please send consultation responses to:

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17. When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation please make it clear who the organisation represents, and where applicable, how the views of members were assembled.

Freedom of Information

18. Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

19. If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

20. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

21. The Department will process your personal data in accordance with the Data Protection Act (DPA) and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

What will happen next

22. A summary of responses, including the next steps will be published on (www.dft.gov.uk/consultations/dft-2012-33), paper copies will be available on request.

The Consultation criteria

23. The consultation is being conducted in line with the Government's Code of Practice on Consultation. The criteria are listed below:

1. **When to consult:** *Formal consultation should take place at a stage when there is scope to influence the policy outcome.*
2. **Duration of consultation exercises:** *Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.*
3. **Clarity of scope and impact:** *Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.*
4. **Accessibility of consultation exercises:** *Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.*

5. **The burden of consultation:** *Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.*
6. **Responsiveness of consultation exercises:** *Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.*
7. **Capacity to consult:** *Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.*

24. A full version of the Code of Practice on Consultation is available on the Better Regulation Executive web-site at:
<http://www.bis.gov.uk/files/file47158.pdf>.

25. If you consider that this consultation does not comply with the criteria or have comments about the **consultation process** please contact:

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