



Driver & Vehicle  
Licensing  
Agency

## Consultation with personalised registration dealers

Transitional arrangements where vehicle registration numbers held on a certificate have expired.



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# Transitional arrangements for expired vehicle registration number certificates

## Introduction

The law surrounding both the sale and retention of registration numbers does not provide for the renewal of entitlement where a right has expired. This means that any process in place that allows expired certificates to be extended when backdated fees are paid must stop. The vast majority of customers have kept their certificates up to date with around 95% extending or assigning a personalised registration before the right expires. Therefore, any practice of allowing expired certificates to be extended only affects a small proportion of customers.

The purpose of this consultation is to understand how all expired certificates have been managed by your company. We are also seeking your views on the scope and conditions that could be applied to any new transitional arrangement the Driver and Vehicle Licensing Agency (DVLA) may implement to manage expired certificates i.e. to allow for an expired right to be repurchased.

**It is important to note that this does not affect registration numbers that are currently assigned to a vehicle.**

## Background

The DVLA's main function is the collection and enforcement of the payment of Vehicle Excise Duty (VED) and to maintain an accurate driver and vehicle register. The vehicle register is based on vehicles and their registered keepers. When a vehicle is registered at the DVLA it is assigned a vehicle registration number. Vehicle registration numbers are not items of property in their own right – they are assigned and may be withdrawn by the Secretary of State for Transport as part of the registration and licensing process required by law. The vehicle registration number is a unique means of identifying a vehicle, primarily for taxation and law enforcement purposes, and is assigned to the vehicle rather than to its keeper. Unless it is transferred or retained, the registration number remains with the vehicle until it is scrapped or exported.

## Buying the right to a vehicle registration number from the DVLA

In response to public demand for greater access to attractive vehicle registration numbers, the DVLA operates a Sale of Marks scheme. This scheme offers customers the opportunity to buy the right to display brand new vehicle registration numbers which can be assigned to (put on) a vehicle.

The buyer (purchaser) of the registration number is issued with a certificate of entitlement (V750) which (if the number was purchased on or after 9 March 2015) is valid for 10 years. The purchaser is then entitled to have the registration number assigned to a vehicle registered in their name or in the name of a person nominated by them (the nominee). The purchaser can apply to assign the registration number to a vehicle by signing and sending in the V750 certificate to the DVLA. Alternatively, they can use the DVLA's online service and check the appropriate declaration. Once the personalised registration has been assigned to a vehicle, it remains with that vehicle unless the registered keeper applies to take it off (i.e. and retain the right to assign it to another vehicle).

## **Retaining a right to a vehicle registration number**

The DVLA also operates a retention scheme which enables a registered keeper to take a personalised registration number off their vehicle and keep it on hold until they are ready to assign it to another vehicle. If an application is successful, the DVLA will issue a replacement registration number for the vehicle and will also issue a retention certificate (V778) for the retained number, which is valid for 10 years (if the application was made on or after 9 March 2015). The retention certificate is issued in the name of the registered vehicle keeper or another person nominated by them. The owner of the retention right is known as the grantee and is the only person legally entitled to apply to assign the registration number to a vehicle. The grantee can apply to assign the registration number onto a vehicle by signing and sending in the V778 certificate to DVLA or by using the DVLA's online service and checking the appropriate declaration.

Both schemes are used to support the secondary personalised registrations market. This is a private commercial market and is not affiliated to DVLA.

## **Certificates of entitlement or retention**

Under both schemes the DVLA issues a secure document which provides the name and address of the grantee or purchaser, any named nominee, the date of expiry and the unique identification reference number. This number allows the use of the DVLA's online facilities, including assigning a personalised registration number to a vehicle. It is important that these certificates are kept safe and not shared as they provide all the relevant information to enable an application to be processed manually or online.

## **Late extensions**

Before 6 October 2008, customers could buy or extend the right to have a registration number assigned to a vehicle for one year. After 5 October 2008 and before 9 March 2015, customers could buy the right for a period of one, two or three years and they could extend that right for any of those periods for a fee of £25 for each year of extension. The law has since changed to allow for periods of ownership of a right for 10 years with no renewal fee. In order to extend a right, customers must apply up to 28 days before it expires. A renewal reminder is sent by the DVLA, which confirms that customers will lose their right to use the vehicle registration number if no action is taken or an application is received after the date of expiry. The legal position is clear that if an application is not received to extend the right, the right to display the personalised registration number is lost.

Over a number of years, a small proportion of customers have contacted the DVLA where their certificates had expired and DVLA had allowed the right to be extended subject to payment of any outstanding fees owed. In addition, in 2011, the DVLA agreed to allow late renewals for members of personalised registration dealer associations at the point they sold a personalised registration number. These practices have now stopped.

The DVLA recognises that although corrective action has been implemented to bring certificates up to date, the overall terms require consultation. This consultation will support the consideration of any new transitional arrangement, taking into account how dealers have managed their business with customers within the secondary market. This will ensure that any potential new approach is proportionate and merited by the evidence provided.



# Consultation questions

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## Your company and expired rights to marks

A DVLA email in 2011 provided members of personalised registration number dealer associations the opportunity to extend certificates that had expired through the payment of backdated fees. This advice may have been circulated within the personalised registrations industry and possibly to their customers. The DVLA needs to understand the potential scope of the issue and how many certificates may be affected. This will help inform any potential refinements to the existing remedial actions in place.

1. Has your company allowed V750 (certificates of entitlement) or V778 (retention certificates) in your stock to expire?

V750: Yes (all)  Yes (some)  No   
V778: Yes (all)  Yes (some)  No

2. If yes, can you confirm:

How many: V750  V778   
How many as a % of your stock: V750  V778

3. Under what circumstances have you allowed V750 or V778 certificates to expire?

4. Has your company ever purchased V750 or V778 certificates which had already expired?

V750: Yes  No   
V778: Yes  No

5. If yes, can you confirm:

How many: V750  V778   
How many as a % of your stock: V750  V778

6. Has your company sold any V750 or V778 certificates that have not been assigned to a vehicle and where the right had already expired?

V750: Yes  No

V778: Yes  No

7. If yes, can you confirm:

How many: V750  V778

How many as a % of your stock: V750  V778

## Advice to customers

This consultation aims to identify whether there needs to be one transitional arrangement offered to (1) members of CNDA, MIRAD, and CN Guild as at 16 November 2016 and another transitional arrangement offered to (2) all other dealers and members of the public or (3) one transitional arrangement applicable to all. It is important to identify what information you have provided your customers regarding certificates.

8. What advice have you given to customers about extending and assigning a right when they have purchased a V750 or V778 certificate:

a. On or before 8 March 2015

b. On or after 9 March 2015

9. Would you be able to contact all of your customers?

Yes (all)  Yes (some)  No

10. If all or some, what recent contact information do you have e.g. name and latest known address, email address and/or telephone number?

11. Does your company provide any after sales services?

Yes  No

12. If yes, what after sales services do you provide your customers when they buy a certificate from your company?

13. What after sales service do you provide to your customers when they sell a certificate through your company?

14. Have you ever sold a certificate to a third party who has provided a further nominee to be added to a certificate? If yes, can you provide details on how this would be managed by your company?

## Transitional arrangements

Analysis of the current volumes of expired certificates has identified that around 95% of customers have kept their entitlement up to date. The majority of certificates that have expired have been within the last six years. As such, any new scheme developed by the DVLA will consider whether the 2008 legal changes which increased the annual renewal process to allow one, two or three year extension periods should be an appropriate timeframe to limit applications. In addition, consideration will need to be given to manage expired certificates within a reasonable time period and an appropriate purchase price set which provides a reasonable opportunity for dealers and their customers to bring themselves into compliance with the relevant schemes if they are affected.

15. How will a transitional scheme impact on your business?

- a
- b
- c
- d

16. How many weeks would you need to get all expired certificates in your name replaced?

1-12 weeks       12-26 weeks       26-52 weeks

If you need longer, please explain why:

**17. Which date range should the scope of the transitional arrangements allow:**

Certificates expired after 2008

Certificates expired after 2011

If you feel that certificates which expired prior to 2008 should be within scope of transitional arrangements can you explain why?

**18. Should the transitional arrangement for repurchasing the right be based on your company paying:**

a. a fixed purchase price per registration number (this figure could be based on a minimum purchase price of a registration number sold by the DVLA without an assignment fee included e.g. £170)

b. a variable purchase price per registration number set according to how long it has expired

**19. Should the transitional arrangement be based on your customers paying:**

a. a fixed purchase price per registration number (this figure could be based on a minimum purchase price of a registration number sold by the DVLA without an assignment fee included e.g. £170)

b. a variable purchase price per registration number set according to how long it has expired

### Missing certificates

The secure certificate is provided as a means of preventing fraudulent transactions and must be kept safely by the customer. However, following correspondence from some personalised registration associations and individual dealers, the DVLA has been informed that there may be occasions where the secure certificate that has expired may not be available.

**20. How many V750 or V778 certificates which have since expired do you have recorded in your name (as the purchaser or grantee) where you no longer have the original secure certificate?**

V750

V778

**21. How many V750 or V778 certificates have you purchased which have since expired are not in your name (as the purchaser or grantee) and where you no longer have the original secure certificate?**

V750

V778

22. Allowing a customer to repurchase a right where they held an expired certificate which has since been lost is likely to increase the risk of fraud. Therefore any transitional arrangements must satisfy the DVLA that the person applying to repurchase the registration has the right to do so. The easiest way to prove provenance of a right is by the purchaser or grantee producing their secure certificate. If a certificate is not available, what alternative or additional evidence would you or your customers be able to provide in order to verify the correct legal owner of a certificate?

### **Power of attorney – only answer if you use POA as a management service**

The DVLA have been informed that some dealers require or suggest the use of a power of attorney as a management service when buying or selling certificates on behalf of customers.

23. When would you offer the service of using power of attorney to your customers?

24. What service do you offer where power of attorney would be applicable?

25. How many power of attorneys do you hold where the certificate has expired?

V750

V778

26. How much of your stock (percentage) is not in your name but is held as part of a power of attorney arrangement with the purchaser or grantee?



## Additional comments

Do you have any other views on how any new transitional scheme could be implemented? In particular, we would be interested in your views on how the DVLA can ensure that any scheme can reduce any potential fraudulent practices and that only those that have the legal rights to the registration mark can participate.

## Your company details

Name:

Address:

Email:

Any other company name you trade under that may be recorded on certificates:

Are you a member of a personalised registration trade association? If so, which one?

How many expired certificates do you hold in your stock:

a. In your name:

b. In another customer name:

How much stock do you buy annually from?

a. DVLA:

b. Other sources:

If you are a member of the public, please tick here

This consultation is targeted at Personalised Registration dealers, but if you would like to comment on the current process, please provide your views below:

**Your contact details:**

Name:

Address:

Email:

## Duration

The consultation will run between **22 June 2017 and 27 July 2017**. Any responses received after this date will only be taken into consideration in exceptional circumstances.

## How to respond

**You can respond in the following ways:**

- **by email to:** [PRconsultation@dvla.gsi.gov.uk](mailto:PRconsultation@dvla.gsi.gov.uk)
- **by post to:** **Strategy, Policy & Communications Directorate, D16, Driver and Vehicle Licensing Agency, Swansea, SA6 7JL**
- **or click 'submit' at the end of this document.**

When responding, it would be helpful if you could confirm whether you are responding as a personalised registration dealer, an organisation or a member of the public.

## Freedom of Information

Respondents are asked to note that we may publish some or all of the comments received in response to this consultation. Also, if a third party asks to see such comments, we may be obliged by law (for example, under the Freedom of Information Act 2000 or Environmental Information Regulations 2004) to disclose them. If there are particular reasons why you would not wish your comments to be published or disclosed, please let us know. Your wishes regarding this may not override any statutory requirement to disclose, but they will be taken into consideration. If you reply by email, the above overrides any confidentiality disclaimer generated by your IT system.

## After the consultation

All responses will be considered as part of the consultation process. We will explore the possibility of incorporating valid suggestions and comments. The summary of responses will be published within three months and before or alongside any further action. We will notify those who responded to the consultation when this happens.

## Consultation principles

Because of the limited impact and scope of this proposal we are carrying out a shortened consultation targeted towards key industry groups. The consultation principles are published by the Cabinet Office online at:

[www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance](http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance)

If you do not think that this consultation complies with the consultation principles or you have comments about the consultation process please contact:

**Hayley Bowen**  
**Consultation Co-ordinator**  
**Strategy, Policy & Communications Directorate**  
**DVLA**  
**Swansea**  
**SA6 7JL**

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