

Motor Finance Policy Position Paper



Calling for: *A regulatory framework that works for members and their customers by working to:*

Sustain a **healthy market** environment for motor finance and maintain **access to funds**

- **Engage** with regulators and policy makers to influence required interventions
- **Collaborate** with stakeholders to influence timings and details of ESG reporting requirements
- **Support** members understanding and compliance with reporting and regulatory requirements

Enable members to **fund the transition** to zero emission vehicles compliantly

- **Engage** with policy makers and other stakeholders to create compliant, viable solutions that overcome market failures and meet consumer needs
- **Collaborate** with members and other stakeholders to accurately present the challenges of the sector to Government
- **Represent** member interests in forums addressing the challenges of funding the transition

Advocate for **reform** of financial services regulation so it **works better** for members and consumers

- **Use BVRLA communications** to showcase the need for credit sector reform and how prioritising it would help the consumer and members
- **Collaborate** with relevant stakeholders to call for the required reforms
- **Engage** with government to influence financial services regulation for the benefit of consumers and members

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Key messages

- Regulators need to meet their statutory duties and work to maintain a healthy motor finance market which protects the interests of both firms and consumers.
- Regulators need to work to ensure the administrative burden and costs of compliance for firms are fair and reasonable and the service they provide timely and accurate.
- The vast majority of new vehicles are financed. Ensuring that there is access to affordable green motor finance is essential and regulation needs to be flexible to enable the new market to develop.
- Having left the EU, the UK should take this opportunity to review and update cumbersome consumer credit regulations which were previously out of scope to reform to benefit consumers and firms.
- Increases in reporting requirements need to be appropriately paced in line with technological developments and the administrative capabilities of the firms required to meet them.

Key asks

- Prioritise credit sector reform in the Financial Services Future Regulatory Framework Review.
- Regulators need to engage more with industry and ensure their obligation to maintain a healthy market is met.
- Government needs to support zero emission vehicle financing where there are challenges, for example the used market.
- Clarity must be provided for the roadmap of ESG reporting requirements.
- Reporting requirements are not too fast or overly burdensome on members.