



9 June, 2015

Financial Promotions Team
The Financial Conduct Authority
25 The North Colonnade
London E14 5HS

Direct Dial: 01494 545706
Email: jay@bvrla.co.uk

Dear Muhunthan,

Consultation on consumer credit

The BVRLA welcomes the opportunity to comment on the Financial Conduct Authority's (FCA) consultation on consumer credit.

The BVRLA is pleased that the FCA has recognised that there are areas of regulation that require review and are requesting feedback from the sectors as to the impact this is having.

We agree that there are practices in the sector that do need to be regulated however these should be regulated on a sectorial basis rather than adopting a 'one size fits all' approach to ensure no negative effects or unintended consequence arise. For example, financial promotion regulation is well targeted for pay day lenders but could be amended for leasing brokers to be more specific.

We believe that the guidance on regulation provided by the FCA does indeed provide excellent guidance for our members however, examples on a sectorial basis could be useful. Examples could be provided on areas of information notices, financial promotions & social media.

We agree that there should be a requirement for creditworthiness assessments of consumer and individual guarantor's however we do not believe that business guarantors require creditworthiness assessments, we also believe this would be a fundamental change in the FCA's policy as this would enforce regulation on a sector that is not governed by the Consumer Credit Act.

We welcomed the changes that leasing brokers were seen as low risk and as a result legislative changes took place to limited permissions. We are disappointed to learn that despite this amendment there is a requirement for leasing brokers to have full permissions because they carry out ancillary debt adjusting, debt administration or debt counselling. This we feel erodes the benefit of the change in legislation.

It is on this basis that we request that the FCA further consider legislative changes allowing those who have consumer hire and/or hire purchase with ancillary debt adjusting, debt administration or debt counselling to brokers to require limited permission rather than full permissions. Not all leasing brokers who require these debt ancillaries carry out the activities of debt management themselves and only pass documentation or figures to the consumer.

British Vehicle Rental and Leasing Association

River Lodge, Badminton Court, Amersham, Bucks HP7 0DD
tel: 01494 434747 fax: 01494 434499 e-mail: info@bvrla.co.uk web: www.bvrla.co.uk

Honorary Life President: Freddie Aldous Chairman: Simon Oliphant Chief Executive: Gerry Keaney
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We would urgently ask to discuss this with the FCA to enable legislative changes to be enacted.

We welcome the opportunity to comment on the FCA's consultation and hope the relationship between the department and Association will continue to add value.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jay Parmar', is written in a cursive style.

Jay Parmar
Director of Policy & Membership

Bona-fides BVRLA, the industry and its members

- Established in 1967, the British Vehicle Rental and Leasing Association is the UK trade body for companies engaged in the rental and leasing of cars and commercial vehicles. Its members operate a combined fleet of 3.4 million cars, vans and trucks.
- BVRLA members buy nearly half of all new vehicles sold in the UK, supporting around 184,000 jobs and contributing more than £14bn to the economy each year.
- By consulting with government and maintaining industry standards, the BVRLA helps its members deliver safe, sustainable and affordable road transport to millions of consumers and businesses. For more information, visit www.bvrla.co.uk.