



Preparing for the FCA Motor Finance Redress Scheme: Pre-Consultation Checklist

September 2025 v1.0

Checklist prepared by [S&W Partners Limited](#).

Background

With the FCA's consultation paper on the motor finance redress scheme expected imminently, BVRLA members should take proactive steps to assess their readiness. This checklist is designed to help members identify key areas of focus—financial, operational, data, and governance—before the scheme's rules are finalised.

Whether your Firm is likely to be in scope or not, **early preparation will be essential** to manage risk, ensure compliance, and respond effectively once the scheme is implemented. Use this checklist as a practical guide to evaluate your current position and begin planning for the months ahead.

Please note: This checklist is not exhaustive. It is intended to prompt internal review and discussion when planning ahead of the consultation. It should be adapted to suit your Firm's specific circumstances and where you identify gaps you should consider what support you, internal or external, to meet that need.

Pre-Consultation Checklist

1. Strategic Awareness & Planning		
1.1	Understand the scheme's context: Familiarise yourself with the FCA's rationale, scope, and objectives for the redress scheme.	<input type="checkbox"/>
1.2	Identify if your Firm is likely in scope: Review your historical use of DCAs and other commission arrangements from 2007 onwards.	<input type="checkbox"/>

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	<i>*Where you identify that you are unlikely to be included within the scheme, you should still ensure you prepare accordingly (refer to section 9 for further considerations).</i>	
1.3	Assign internal ownership: Designate a senior leader or steering group to oversee scheme readiness and response.	<input type="checkbox"/>
2. Financial Preparedness		
2.1	Refresh financial provisions: Begin estimating potential liabilities, including redress payments and administrative costs.	<input type="checkbox"/>
2.2	Ring-fence funds: Consider allocating or reserving funds to cover expected costs.	<input type="checkbox"/>
2.3	Model different scenarios: Use FCA's estimated compensation ranges (e.g. average <£950 per agreement) to stress-test financial impact.	<input type="checkbox"/>
3. Data Readiness		
3.1	Audit historical data: Identify gaps in customer, agreement, and commission records going back to 2007.	<input type="checkbox"/>
3.2	Identify and address data gaps: prepare representative examples where records are missing.	<input type="checkbox"/>
4. Operational Readiness		
4.1	Assess claims handling capacity: Review internal and external resource needs to manage redress claims, including technology systems	<input type="checkbox"/>
4.4	Consider outsourcing needs: If using third-party support, what governance and oversight structures are in place?	<input type="checkbox"/>
5. Governance & Oversight		
5.1	Establish a governance framework: Define roles, responsibilities, and escalation paths for scheme implementation.	<input type="checkbox"/>
5.2	Engage legal and compliance teams: Prepare for interpreting FCA rules and responding to consultation.	<input type="checkbox"/>
6. Communications Strategy		
6.1	Draft customer communication templates: Prepare for FCA-prescribed messaging and ensure clarity and transparency.	<input type="checkbox"/>
6.2	Prepare to respond to the consultation: Assign responsibility for reviewing and drafting your Firm's response.	<input type="checkbox"/>

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6.3	Coordinate with industry bodies: Engage with trade associations or working groups to align positions and share insights.	<input type="checkbox"/>
7. Scenario Planning		
7.1	Map potential scope outcomes: Consider implications if non-DCA arrangements or consumer hire are included.	<input type="checkbox"/>
7.2	Plan for edge cases: Develop approaches for deceased, gone-away, or low-value (de minimis) cases.	<input type="checkbox"/>
8. Post-Consultation Readiness		
8.1	Monitor for the Policy Statement: Track FCA timelines and prepare for rule finalisation in early 2026.	<input type="checkbox"/>
8.2	Develop implementation roadmap: Align resources and timelines with expected scheme launch.	<input type="checkbox"/>
8.3	Set up monitoring and reporting systems: Prepare to track outcomes and report progress to the FCA.	<input type="checkbox"/>
*9. For Firms Believing They Are Not in Scope		
9.1	Review paused complaints: Understand how many current complaints are on hold and assess their nature and potential exposure.	<input type="checkbox"/>
9.2	Develop an operational response plan: Prepare for how paused complaints will be handled once the scheme is confirmed and how new complaints may be referred.	<input type="checkbox"/>
9.4	Prepare governance confirmation: Set up a formal process to assess and confirm your firm's out-of-scope status once the consultation is released.	<input type="checkbox"/>

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Useful Resources

[BVRLA Commission Disclosure](#)

[FCA to consult on a compensation scheme for motor finance customers | FCA](#)

[Discretionary commission arrangements and car finance come to a head | S&W Group](#)

Contact

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