

# Temporary Changes to Reporting the Outcomes of Proactively Settled Complaints

## Consultation

The British Vehicle Rental and Leasing Association (BVRLA) represents the demand side of the automotive industry. Our members engage in vehicle rental, leasing and fleet management. BVRLA members own and operate more than five million cars, vans and trucks. They spend more than £30 billion upgrading their fleets each year and are responsible for buying around 50% of new vehicles sold annually in the UK, including 83% of vehicles manufactured in the UK for sale in the UK. The vehicle rental and leasing industry supports over 465,000 jobs, adds £7.6 billion in tax revenues and contributes £49 billion to the UK economy each year.

The BVRLA welcomes the opportunity to comment on the Financial Ombudsman Service (FOS) proposals to report separately on complaints settled by a business without investigation by the FOS. Whilst we support attempts by the FOS to reduce the backlog of complaints and understand the desire to expedite complaint resolution, we are against the proposed mechanism in the interest of maintaining fairness. This is because it is not fair to charge a business a case fee for a complaint that has not been looked at by the FOS. Additionally, we do not believe the proposed operating process will effectively encourage businesses to settle complaints proactively as customers can still reject the offer by the business, which could lead to longer waiting times overall. We would welcome further engagement on any of the issues raised in our response.

### Consultation questions

**Q1:** Overall, to what extent do you agree or disagree with our proposal to separately record complaints resolved proactively by businesses? **Q3:** To what extent do you agree or disagree with the proposal to restrict the scope of eligible complaints to those in which the Financial Ombudsman Service hasn't – by a defined date – issued its opinion?

We strongly disagree with the proposals to report separately on these types of complaints as they remain within the scope of being chargeable by FOS. Where complaints are resolved proactively by a business without the involvement of the FOS, it is not fair for the business to still pay FOS a fee as it has not provided any service. If the FOS are not opining on a case, there is no reason to charge a business for its resolution of the case.

**Q4:** To what extent do you agree or disagree with the suggested operating process for this proposal?

As above, we strongly disagree with the suggested operating process for this proposal as the fees would remain for complaints resolved by the business without the opinions of FOS. Furthermore, waiting times may increase due to businesses taking time to review cases that could settle under the proposal, and because customers could then still reject the offer proposed by the business and continue the investigation. The speed of complaint resolution would therefore only be facilitated if customers are willing to accept the business' decision for each case. This undermines the aims of the proposals of allowing customers to access quicker redress for complaints.

**Q13:** Are there any additional measures we should consider putting in place to mitigate any potential disadvantage smaller firms may experience in participating in the proposed arrangements, should they be implemented?

The proposals would disproportionately impact smaller firms compared to larger businesses as they are less likely to have the resources to a) identify cases to potentially settle under the proposal, and b) pay FOS a fee for a case they have resolved alone. If the proposal goes ahead, a measure that would mitigate the SME disadvantage would be a gradation in the fees, charged according to firm size.

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**Q15: Do you have any further comments or thoughts about the proposals set out in this consultation paper? [Please specify].**

If the proposals are to go ahead, the BVRLA believes the case fee should not apply to complaints resolved in this way as the FOS do not utilise any resource by not looking at the case. In the interest of maintaining fairness, the fees should at least be reduced relative to the fees charged for normal complaint resolution, especially for smaller firms who are unfairly disadvantaged by the proposals. Consumers should also be able to put themselves forwards for this route of resolution so that firms are able to focus resources on those that have an interest in closing the case.

### **About the BVRLA**

The BVRLA represents over 970 companies engaged in vehicle rental, leasing and fleet management. Our membership is responsible for a combined fleet of four million cars, vans and trucks – one-in-ten of all vehicles on UK roads.

BVRLA members represent the demand-side of the automotive industry, buying around 50% of new vehicles, including over 80% of those manufactured and sold in the UK. In doing so, they support almost 500,000 jobs, add £7.6bn in tax revenues and contribute £49bn to the UK economy each year.

Together with our members, the association works with policymakers, public sector agencies, regulators, and other key stakeholders to ensure that road transport delivers environmental, social and economic benefits to everyone. BVRLA members are leading the charge to decarbonise road transport and are set to register 400,000 new battery electric cars and vans per year by 2025.

BVRLA membership provides customers with the reassurance that the company they are dealing with adheres to the highest standards of professionalism and fairness.

The association achieves this by reinforcing industry standards and regulatory compliance via its mandatory Codes of Conduct, inspection regime, government-approved Alternative Dispute Resolution service and an extensive range of learning and development programmes.

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