

GUIDANCE ON COVID-19 AND THE MOVEMENT OF VEHICLES

ISSUE

The present restrictions as a result of Coronavirus / COVID-19 have led to some uncertainty about the types of activity that remain permissible. This guidance, which reflects Government advice as at 3rd April 2020, is intended to clarify the requirements that apply on vehicle collections and distribution.

VEHICLE COLLECTIONS AND DISTRIBUTION - REQUIREMENTS

Business and venue closures

On 23rd March 2020 the Government stepped up measures to prevent the spread of coronavirus. As part of these measures it required specified businesses and venues to close, as they involve prolonged close social contact which increases the chance of infection spreading. The specified businesses and venues are set out [here](#) and include all retail venues, subject to certain exceptions. The exceptions include car garages and MOT services, vehicle rental services and – importantly – storage and distribution facilities.

It follows therefore that **retail venues** (such as showrooms) that form part of vehicle dealerships and auction houses must close. But it also follows that **storage and distribution facilities** connected to vehicle dealerships and auction houses are not required to close.

This means that – subject to observing other Coronavirus / COVID-19 precautions (see below) – the collection and distribution of vehicles, including from dealerships and auction houses, remains permitted, while the business of vehicle sales and the carrying on of auctions are prohibited.

Coronavirus / COVID-19 precautions

While the collection and distribution of vehicles remains permitted, this must be carried out in compliance with current Coronavirus / COVID-19 precautions. Travel for work purposes is permitted, but only where work cannot be carried out from home. Other than the businesses it has specified, the Government has not required any other businesses to close – indeed it has stated *it is important for business to carry on*.

In its [social distancing guidance](#), the Government says that employers and employees should discuss their working arrangements. It recognises that certain jobs require people to travel to, from and for their work – which clearly applies to the collection and distribution of vehicles. The Government says that, if you cannot work from home, you can still travel for work purposes, provided you are not showing coronavirus symptoms and neither you nor any of your household are self-isolating. This is consistent with advice from the Chief Medical Officer.

In this situation, the Government says that employers should ensure that employees are able to follow Public Health England [guidelines](#) including, where possible, maintaining a two metre distance from others, and washing their hands with soap and water often for at least 20 seconds (or using hand sanitiser gel if soap and water is not available).

VEHICLE COLLECTION AND DISTRIBUTION – BEST PRACTICE

Consistent with Government guidelines, on vehicle recovery and collection, it is recommended that FLA members and their agents:

- take a risk-based approach based on the level of human contact associated with the type of collection or recovery, and
- seek the use of alternative vehicle storage arrangements where possible.

The following recommends specific guidance members and agents should consider in vehicle collection and recovery.

1. Set a clear policy on social distancing and staff protection measures

Agents should implement and communicate a clear policy which sets out rules designed to protect their staff when collecting vehicles. This should include:

- Doorstep social distancing – keeping at least two metres away from members of the public. Staff should be advised how this can be adhered to if the customer is required to sign to confirm the vehicle has been collected.
- Any required use of protective clothing such as gloves.
- Ensuring that there has been communication with the customer prior to the vehicle being collected advising of how the agent will conduct themselves in a way that presents no risk, and understanding whether or not the customer has self-isolated because they have coronavirus symptoms. For example:
 - The agent will call the customer to advise they have arrived rather than approach the door.
 - Both the customer and the agent will be required to hand wash / sanitise.
 - The agent will expect the customer to place the keys and all paperwork in the vehicle (preferably in an envelope) only when the agent has arrived.
 - The customer should not be asked to sign anything, but it might be possible for an agent to record (on body worn cameras or a telephone) the consent of the customer to take the vehicle or to acknowledge any damage.

2. Check insurance cover

Agents are often required to transport and drive vehicles that are owned by members. This requires the agent to hold a special type of insurance to cover this type of activity. As COVID-19 presents a significant health risk to agents, the cover they have might not be satisfactory in the current circumstances. Members and agents should check that if activity continues throughout the crisis that the insurance policy remains sufficient. The Association of British Insurers provides guidance [here](#).

3. Prior communication between member and agent

Members should provide as much detailed information about each case as they can to ensure agents are aware of the risk. This should outline any reasons why there would be an increased risk of customer contact. Agents should not undertake any collections without first risk assessing each case.

4. Risk assessment

There are numerous reasons why an agent would be appointed to collect a vehicle. Each type of collection comes with varying levels of customer and public engagement depending on the type of collection and the geographical location and setting where the vehicle is being collected from. The following factors should be considered.

(i) Collection types

Members and agents should consider risk assessing each case which can be broadly grouped into hostile and consensual collections:

- Consensual collections present a **lower risk** because the customer is prepared to co-operate and/or the customer may not be present when the vehicle is collected:
 - **Voluntary terminations (VTs) and surrenders** - are instigated by the customer's choice to terminate the agreement. VTs are likely to increase over the crisis period because customers are isolating at home and may feel they can manage without a vehicle at this time.
 - **Pound collections** – police pounds usually come with heavy security which provides separation between collecting agents and police staff. Furthermore, these vehicles are more at risk since no action will lead to them being disposed of.
 - **Abandoned vehicles on public land** – will usually be collected without any contact with the customer. These vehicles are at risk of seizure or damage.
 - **Agreed collections** – where the customer may have come to the end of the agreement and is handing back the vehicle or for any reason where the pick-up is consensual.
- Hostile collections pose a **higher risk** because they may lead to the customer or person in possession of the vehicle showing some resistance to allowing the vehicle to be recovered. This could result in close contact with the customer or third party:

- **Default termination** – where the customer has shown no engagement and the member has obtained a court order to repossess at the known location of the vehicle. The risk may be reduced here if the customer does provide consent to collection post receipt of the court order.
- **Fraud recovery** – where the agents identify the location of the vehicle which is in the possession of a fraudulent third party. The risk of not proceeding here must be balanced carefully with the risk to the member's vehicle disappearing over the lock-down period.

(ii) Geographical location and setting

The area the vehicle is being collected from should be risk assessed in advance. Where locations have high population density, and reduced access to the vehicle or customer, the risk of the agent coming into close proximity with other members of the public increases.

(iii) Vehicle storage

Although auction houses are closed for auctioneering retail activities, many are able to securely store vehicles that have been collected or repossessed. Vehicle collection agents also typically have storage solutions in place where they are needed. Specific venues intended for storage should be risk assessed against the Government's social distancing guidelines.

**BRITISH VEHICLE RENTAL & LEASING ASSOCIATION
FINANCE & LEASING ASSOCIATION
SOCIETY OF MOTOR MANUFACTURERS AND TRADERS**

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