

Covid-19 Bulletin

15 July 2020



FCA announces further support for motor finance customers

The FCA has [confirmed](#) that it expects further support to be given to motor finance customers that are facing payment difficulties due to coronavirus.

The updated guidance, which comes into force on 17 July, says that:

- If customers can afford to return to regular payment, or make partial repayments, it is in their best interests to do so.
- Firms should contact customers coming to the end of a first payment freeze to find out if they can resume payments – and if so, agree a plan on how the missed payments can be repaid.

Where customers are still facing temporary payment difficulties as a result of coronavirus, the FCA expects firms to continue to provide support for an additional three months, by freezing or reducing payments. Customers that haven't yet had a freeze or requested an extension to a payment freeze can request this up until 31 October 2020.

The ban on repossessions for customers experiencing temporary payment difficulties as a result of coronavirus has been extended until 31 October.

Christopher Woolard, Interim Chief Executive at the FCA, had this to say about the updated guidance:

“Our measures will ensure that people who are still facing temporary payment difficulties because of this pandemic continue to have access to the help they need. However, if you can afford to start making payments, you should.”

The BVRLA welcomes the FCA's emphasis that it is in customers' best interests to resume making payments if they are able and its decision to take a pragmatic approach in allowing motor finance providers to provide an automated or individual response to customer requests. However, the association is disappointed to see the regulator's approach to vehicle repossessions. The BVRLA has made the case that taking a blanket approach in allowing customers to continue to possess vehicles could result in increased indebtedness for many as the underlying asset depreciates in value.

Members can find more details in the FCA's [feedback document](#) and [finalised guidance](#).

Any feedback or queries on the FCA's announcement should be addressed to BVRLA Director of Fleet Services, [Amanda Brandon](#).

Face coverings to be worn by customers in rental branches from 24 July

Customer-facing vehicle rental sites are in scope of new Government rules stating that face coverings will be compulsory from 24 July in shops. The BVRLA has received confirmation that the definition of a shop is "a place that sells goods or services".

As a rental branch falls into this definition, members will need to make sure customers are wearing face coverings when they enter a branch. The Government is due to publish more details on exemptions shortly.

The association's [operational guidance](#) has been updated to reflect the new rules.

Members may wish to consider providing face coverings at the entrance to branches, but there is no legal requirement to do this. It is acceptable to ask someone to remove a face covering to verify their identity, but this should be done from a 2m distance.

In terms of enforcement, it is expected that staff will ask someone to wear a face covering before entering a shop or rental branch and fixed penalties can be issued by the Police for non-compliance by members of the public.