

FCA confirms its stance on motor finance during the coronavirus crisis

The FCA has finalised [its position](#) on the support it expects motor finance providers to give to consumer credit customers that are experiencing coronavirus-related payment difficulties.

The authority has also [published guidance](#) to accompany the measures, which come into force from Monday 27th April and are expected to last for three months. The key points are:

- **Payment deferrals:** the FCA will require firms to provide a three-month payment deferral, unless they can make a case that this is obviously not in the customer's interests to do so. In such cases, firms should provide other ways to help these customers, for example by offering shorter payment deferral periods, reduced payments or a rescheduled term. The guidance does not prevent firms from considering individual customer circumstances, including looking at a customer's income and expenditure.
- **Pre-existing factors & repossessions:** where a customer was already experiencing payment difficulties unrelated to coronavirus, the FCA's existing forbearance rules and guidance in CONC will continue to apply. The FCA moratorium on repossessions is limited to those consumers who are experiencing temporary payment difficulties as a result of circumstances relating to coronavirus and need use of a vehicle.
- **Financial impact on firms:** FCA is engaging with firms to understand their financial position. Where firms are concerned about the impact of providing payment deferrals or other forbearance according to the new guidance, they should contact the authority as soon as possible.
- **Consumer Credit Act:** The FCA does not consider that the measures set out in the guidance should result in firms being unable to comply with statutory requirements. It is happy with additional communication being sent with notices of sums in arrears to explain why the notice has been sent.

The BVRLA welcomes the flexibility and pragmatism provided in the guidance, but continues to engage with the FCA and HM Treasury on some vital related issues:

- The need for government to underwrite the full economic loss of providing coronavirus forbearance
- The government should temporarily relax the constraints of meeting the Consumer Credit Act's administrative requirements
- The government should act to ensure that bank covenants don't prevent leasing companies from offering coronavirus forbearance
- The FCA should provide a clear message that a three-month payment deferral will not be the automatic response to every forbearance request

The BVRLA will be hosting a free webinar on coronavirus forbearance on 28 April. You can find more details and register on [our website](#).

Government provides more protection against aggressive rent recovery

The government has introduced [new measures](#) to protect tenants from landlords using hardline debt recovery tactics.

The plans outlined by Business Secretary Alok Sharma are intended to support businesses that are struggling to pay their bills due to the coronavirus. The measures include:

- A temporary ban on the use of statutory demands and winding-up orders
- Preventing landlords from using Commercial Rent Arrears Recovery (CRAR) unless they are owed 90 days of unpaid rent

The new legislation to protect tenants will be in force until 30 June, and can be extended in line with the previously announced [moratorium on commercial lease forfeiture](#).

The Business Secretary said: “In this exceptional time for the UK, it is vital that we ensure businesses are kept afloat so that they can continue to provide the jobs our economy needs beyond the coronavirus pandemic.

“Our unprecedented package of support can help commercial landlords, including through the recent expansion of the Coronavirus Business Interruption Loans Scheme.

“I know that, like all businesses, they are under pressure, but I would urge them to show forbearance to their tenants. I am also taking steps to ensure the minority of landlords using aggressive tactics to collect their rents can no longer do so while the COVID-19 emergency continues.”

The BVRLA wrote to Alok Sharma on 14th April asking him to help protect its members from hardline landlords during the current crisis.

Operational guidance during Covid-19

The BVRLA is developing a set of guidelines and best practice to help members operate during the coronavirus pandemic.

This will include advice on producing branch or office checklists; vehicle collections and deliveries; customer interactions; vehicle cleaning and other key business processes that are impacted by the need for social distancing and sanitisation.

If you would like to contribute to this guidance or can share examples and pictures of how you are already addressing these issues, please get in touch with Amanda Brandon, Director of Fleet Services on amanda@bvrla.co.uk.

The association is also looking to work with colleagues across the automotive and financial supply chain to ensure that attempts to return to ‘business as usual’ are as co-ordinated as possible. If you have any suggestions or feedback on this topic, please get in touch with Toby Poston, Director of Corporate Affairs on toby@bvrla.co.uk.

Covid-19 testing available for transport workers

The government has now extended its [testing programme](#) to include essential and other priority workers that are self-isolating. The updated website includes details of how to apply for tests and what the process involves.

The [criteria](#) for workers that can be tested in England includes people working on transport systems and with essential supply chains. Links to the criteria being used in Scotland, Wales and Northern Ireland can be found on the same page.

Early feedback from government is that certain vehicle rental staff are likely to be covered by these criteria if they can show that they are working with essential services and supply chains.

The BVRLA will provide further clarification on this topic when it arrives.

HMRC updates employers on COVID-19 measures and Company Car Tax

HMRC has published its latest [Employer Bulletin](#), which includes a host of information on COVID-19 support measures as well as updates on Company Car Tax and Advisory Fuel Rates.