



10 July, 2020

Rt Hon Rishi Sunak
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
SW1A 2HQ

Direct Dial: 01494 545716
Email: gerry@bvrla.co.uk

Request for support | VAT cut for vehicle rental sector

Dear Chancellor,

Together with some of our largest vehicle rental members, I am writing to ask for your support in helping this vital sector deal with the impacts of the Covid-19 crisis. We welcome the decision to stimulate the hospitality and attractions sector by reducing VAT. The vehicle rental sector is also ready to play a crucial part in supporting the domestic tourism industry – helping Britons to make use of hotels, bed and breakfasts, cafés and restaurants in tourist hotspots across the country.

We are writing to you to request that you extend this temporary VAT reduction to car rental services. Before Covid-19, car rental was a crucial part of the domestic tourism industry, and the reliance will be increased this year given the governments guidance on people avoiding public transport. Access to flexible car rental will be crucial in getting people to tourist hotspots, some of which are situated in rural and coastal areas and are notoriously hard to reach by any other means.

The vehicle rental sector has been amongst the hardest hit during this crisis, as it is particularly reliant on the revenue from airport branches and leisure-based travel. Our members have seen reductions of up to 90% in their leisure activity. Despite this, their branches have remained open to support the transport needs of key workers or the delivery of essential goods services.

We welcome the job retention measures already announced by HM Treasury, but the vehicle rental sector also needs targeted support as it deals with the long-term consequences of this crisis. It will affect our ability to retain staff and will have knock-on effects for the wider automotive sector, as we will not be able to continue our pre-Covid vehicle acquisition levels, which accounted for 13% of all cars assembled in the UK.

We would be keen to meet with you to discuss this issue further and we very much hope that you will consider including car rental in the list of goods for which VAT will be temporarily reduced.

Yours sincerely,

A handwritten signature in black ink that reads "Gerry Keaney". The signature is fluid and cursive, with a large loop at the end.

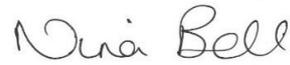
Chief Executive, BVRLA

British Vehicle Rental and Leasing Association

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A handwritten signature in black ink, appearing to read "David M Cooper".

David Cooper
Managing Director
Arnold Clark

A handwritten signature in black ink, appearing to read "Nina Bell".

Nina Bell
Managing Director – Northern Region
UK, Norway, Sweden, Denmark and Zipcar UK
Avis Budget Group EMEA

A handwritten signature in black ink, appearing to read "Khaled Shahbo".

Khaled Shahbo
Senior Vice President and Managing Director
Enterprise Holdings, UK & Ireland

A handwritten signature in blue ink, appearing to read "Gary Smith".

Gary Smith
Managing Director
Europcar Mobility Group UK

A handwritten signature in black ink, appearing to read "Darren Monk".

Darren Monk
Vice President Operations
Hertz UK

A handwritten signature in black ink, appearing to read "James Adams".

James Adams,
Senior Vice President UK
Sixt rent a car

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