

MOTOR FINANCE DCA COMMISSION COMPLAINTS PROCEDURE

This document details the steps we take to handle complaints about discretionary commission arrangements (also known as DCAs).

Complaints about Discretionary Car Finance Commission Arrangements (DCAs)

On 11 January 2024, the Financial Conduct Authority (FCA) announced their intention to review historical motor finance discretionary commission (DCA) arrangements across the motor industry.

As part of the review, the FCA has paused the 8-week deadline for firms to provide a final response to relevant customer complaints.

The pause will apply to complaints about motor finance agreements where there was a discretionary commission arrangement in place between the lender and the broker (car dealer) and will last for at least 37 weeks. The current 37-week holding period will end on 25 September 2024.

The purpose of the pause is to ensure that complaints are dealt with fairly and the outcome of the FCA's review will decide what action needs to be taken on relevant complaints, such as customer compensation.

A relevant customer complaint must meet the following tests:

1. It must be about a regulated credit agreement taken out before 28 January 2021.
2. It must have financed the purchase of a vehicle (including Hire Purchase Agreements, such as Personal Contract Purchases)
3. There must have been a DCA in place between the lender and the broker (the car dealer); and
4. The complaint must have been received between 17 November 2023 and 25 September 2024.

Complaints Process

You can refer your complaint to us as normal. During the period while the FCA review is ongoing, there will be a few changes to the usual complaints handling process and your complaint will be subject to longer than usual complaints handling timescales – this is due to the 37-week holding period which the FCA has introduced with immediate effect from 11 January 2024.

Please note:

- If you have a relevant DCA complaint, you will not receive a final response from us within the usual 8-week deadline. This is because the FCA has extended the deadline, and, as a result, most relevant complaints will not receive a final response until 25 September 2024 at the earliest.
- If you currently have a DCA complaint in progress with us, the 8-week deadline has been paused and will resume on 25 September 2024.
- If we sent you a final response to your complaint between 12 July 2023 and 10 January 2024, or we send you a final response between 11 January 2024 and 20 November 2024, and you remain unhappy, you will have longer to take your complaint to the Financial Ombudsman Service (FOS). Usually, you have six (6) months from the date of our final response to refer your complaint to the FOS, however you now have up to fifteen (15) months from the date of our final response to do this.
- If your complaint does not relate to a discretionary commission arrangement (DCA), the revised complaints handling timescales do not apply and the standard Complaints Procedure will be followed.
- For full details of the temporary complaints handling timescales and how the rules affect you, please visit the FCA's dedicated webpage for consumers at <https://www.fca.org.uk/consumers/car-finance-complaints>

If you have a complaint about a Discretionary Car Finance Commission Arrangement (DCA)

You can notify us of your complaint through the following channels.:

By Post: Automotive Compliance Ltd, The Factory, 44 Alfred Street, Gloucester, GL1 4DD

By Phone: 01452 671560

By Email: complaints@automotive-compliance.co.uk

If you are not sure if you have a discretionary commission arrangement (DCA) complaint, you can ask us to check. We will aim to find out and respond to your enquiry as soon as possible.

On receipt of your complaint, we will carry out a detailed review and we will acknowledge receipt of your complaint within five (5) working days.

We will keep you updated, as appropriate, while the FCA carries out its review and during the period the pause for responding to customer complaints about discretionary arrangements (DCAs) is in place.