Redress Policy
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

By email

12 December 2025

Dear Sir/Madam,

CP25/27: MOTOR FINANCE CONSUMER REDRESS SCHEME

The Panel is supportive of the broad aims and principles for establishing a motor finance consumer redress scheme and recognise the scale and complexity of the undertaking which presents significant challenge. We are grateful to the FCA for the direct engagement we have had so far which has broadly covered our main concerns:

a) Problems with the use of certain data analysis and how this underpins both conclusions and redress formulas.
b) The absence of consideration for non-lender to dealer distribution models – especially the impact of 10/35% on lenders who distribute this way.
c) The lack of a counterfactual APR to assess harm in the DCA redress proposal and concern that the Hybrid model does not distribute redress proportionately.
d) Concerns regarding false positives under 10/35% for short duration and/or small sum loans with fixed commissions.
e) Concerns regarding new car subvented finance being included for redress due to a tied OEM captive finance company relationship.
f) Concern the proposals impose additional process and cost burden on smaller non DCA firms with low redress scenarios.
g) The need for clarity on the likely cost implications for firms regarding cases referred to the FOS (rebuttal process and fee structure).

Please find attached our responses to the questions asked in the consultation.

We would be happy to discuss any of these points further.

Yours sincerely,

[signed]

Will Self
Chair, FCA Smaller Business Practitioner Panel

Responses to consultation questions

1	Do you agree with our assessment that i) there were widespread and regular failures to disclose information about commission arrangements, ii) consumers have lost out as a result, and iii) a redress scheme is desirable? If not, please explain why. Answer i.Yes although this process matured over time and questions need to be asked as to why a whole industry failed to interpret the rules in the way that the FCA now says they should have been and why the FCA did not seek to clarify this earlier than they did. ii.The FCA's assessment of the extent and size of loss does not appear to be consistent with the 'on the ground' experience that firms have seen. iii.A redress scheme that targets genuine consumer harm would be a desirable outcome.
2	Do you agree with the proposed broad definition of the subject matter of the scheme? If not, please explain why not and any other options we should consider Answer Yes Agree.
3	Do you agree with the proposed definitions of a motor finance agreement, motor vehicle, commission arrangement, and commission? If not, please explain which definitions you do not agree with and any other options we should consider Answer Yes Agree.
4	Do you agree with our proposal not to include a de minimis threshold? If not, please explain why you do not agree and any other options we should consider Answer No. Cases with low commission amounts, or amounts borrowed or over short periods i.e. below £200 commission, 2500 borrowed and 24-month loan periods and below should be considered for removal from the scheme. The administration costs will far outweigh any redress to the customer. Also, loans with APR's that are considered commercially highly competitive i.e. at or below an APR point where a reasonable substitute product could be obtained should be out of scope i.e. 5.9% APR or below.
5	Do you agree with our proposed definition of a consumer? If not, please explain why you do not agree and any other options we should consider Answer Yes Agree.
6	Do you agree with our proposed definition of a lender? If not, please explain why you do not agree and any other options we should consider Answer Yes Agree.
7	Do you agree with our proposal that an agreement would need to have been written between 6 April 2007 and 1 November 2024 for it to be a scheme case? If not, please explain why you do not agree and any other options we should consider. Answer No. The legal and regulatory framework has evolved and has been clarified over this time such that it is impossible for firms to have met the standards and requirements you are suggesting back to 2007.
8	Do you agree with our view that lenders should not be routinely finding that a case is out of time for the scheme? If not, please explain why you do not agree. Answer No. s.32(1)(b) Limitations Act states that deliberate concealment of a fact is required to avoid the normal 6-year limitation rule. Disclosure documents evolved throughout this time period from 'may be paid a commission' to 'will be paid a commission' to 'will be paid a commission and these are the features of the commission arrangements.'

	We do not know cases such as Canada Square v Potter in fine detail, however in Canada Square the level of commission was 95% of the policies premium – far greater than Johnson at 55% - which is also far greater than the percentage the consultation seeks to apply now of 35%. On the basis we are only now understanding these thresholds and no rules required the mandatory disclosure of the amount of commission how can brokers and lenders be held to have 'deliberately' concealed this information or the existence of a high commission amount that was not set?
9	Do you agree with our proposal that civil limitation should be assessed at the point the lender determines whether a case is a scheme case? If not, please explain why you do not agree and any other options we should consider. Answer No considered view.
10	Do you agree with our proposal that the scheme should apply to any consumer with a scheme case, who was resident in the UK at the time of entering into the relevant agreement, even if they are not resident in the UK anymore? If not, please explain why you do not agree and any other options we should consider. Answer Yes, but clarification as to what you deem reasonable steps may help and may also alter this viewpoint.
11	Do you agree with our proposals on which cases should be excluded from the scheme? If not, please explain why you do not agree and any other options we should consider Answer Yes agree. This may be addressed elsewhere but cases where the finance was cancelled or withdrawn from, settled within 6 months of inception (with rebate of interest and commission) or where the lender suffered losses as a result of a contractual failing of the consumer should also be considered for exclusion.
12	Do you agree with our proposal that cases where no commission was payable should be excluded from the scheme? If not, please explain why you do not agree and any other options we should consider. Answer Yes agree. I would also suggest a de minimis commission level should applied.
13	Do you agree with our proposal that, if a scheme case does not involve inadequate disclosure of a relevant arrangement, the lender must conclude that there is no unfair relationship, and the consumer is not entitled to redress under the scheme? If not, please explain why you do not agree and any other options we should consider. Answer Yes Agree. However serious consideration needs to be given to the role the FOS plays here and any fee charged to lenders to consider a consumer's case about exclusion from the scheme where the lender has followed the scheme rules. There are some firms who have very few consumers who will meet the scheme criteria, but a large number of CMC and Martin Lewis induced complaints – even a small FOS referral rate and the current FOS fee will incur millions in unnecessary costs that are highly unfair, disproportionate and risk the future of smaller lending firms.
14	Do you have any evidence on other potentially problematic practices where inadequate disclosure could have resulted in an unfair relationship and which would not be included under our current proposals? If so, please share your evidence with us. Answer No.
15	Do you agree with our proposed definition of a high commission arrangement? If not, please explain why you do not agree and any other options we should consider. Answer No. The proposed definition does not consider the different types of intermediary chain or the role undertaken by certain broker types. As such the setting of 10% and 35% fails to consider costs past from a lender to certain non-dealer brokers that would exist in a lender to dealer relationship but sit in the total cost of credit rather than commission. Nor does it consider the acquisition costs in certain broker models or the

	work done in certain consumer personas. It also fails to consider that a dealer will have revenue from the sale of the asset, other broker types will not. It also fails to consider the impact of scale and volume of commission payments. The use of 35% also disproportionately effects shorter term agreements of 24-36 months where a fixed commission arrangement was used – the same loan amount, commission and APR on a 48-60 month agreement would not hit this threshold. Certain lenders with a higher propensity to gain volume from certain broker distribution channels or certain consumer/loan types will be disproportionately affected by this definition with no consumer benefit. The data used to determine the 35% point should also be reviewed. The disconnect in borrowing costs increasing by more than £1 for every £1 paid in commission could be driven by a predominance of some lenders to capping certain broker commissions historically at 35% of charges – this is a feature of historic commission packages rather than an indicator of the level of incentive for broker mis selling.
16	Do you agree with our proposed definition of a tied arrangement? If not, please explain why you do not agree and any other options we should consider. Answer. Yes agree. However, it is important to note that in a market where DCA's were the prevalent arrangement and the dealer broker determined the interest rate the reality is that it was highly likely that no other prime lender would have been offering an alternative APR rate to the consumer below the rate the dealer was determining.
17	Do you agree with our assessment that, because incentive-based arrangements are not binding on brokers' individual credit introduction decisions and operate at the level of brokers' wider commercial relationships, failure to adequately disclose an incentive-based agreement would not result in an unfair relationship? If not, please explain why you disagree. Answer. Yes agree.
18	Are there any other types of arrangement that you consider should be included in our proposed definition of a tied arrangement? If so, please explain why. Answer. No.
19	Do you agree with our proposal that complaints made to brokers that are about the subject matter of the scheme, should be sent to the lender to be dealt with under the scheme rules? If not, please explain why you do not agree and any other options we should consider. Answer. Yes agree.
20	Do you agree with the letters we propose lenders send to consumers and the level of detail we require in those letters? Do you think the FCA should provide template wording to be used in those letters in the final rules? If you disagree, please provide reasons for your answers. Answer. Broadly agree. Template wording or best practice wording would be welcome. Especially clarification on Annex 5 11.1 R rules (p57 of the draft handbook text) around how a firm is expected to word the fact they have NOT identified any arrangements that indicate an unfair relationship but the customer will need to opt in for the lender to proceed with further assessment work to tell the customer what the lender has already established that there is NO unfair relationship? We disagree with the requirement to send physical letters recorded delivery to all customers, this is especially the case for lenders who did not operate DCA's and have low or very low redress case numbers as a % of their total customer base. The CBA on this does not make sense.
21	Do you agree with the proposed expectations of brokers and professional representatives? If not, what should we consider when setting our expectations. Answer. Yes broadly. However, given the potential volume of cases brokers are likely to receive from lenders – especially regarding rebuttal of loss – it is difficult to see how a 1-month

	window to comply with lender information requests is workable. This may be especially problematic at the start of any scheme.
22	Do you agree with our expectations of consumers, including how we have taken account of consumer vulnerabilities in our proposals? If not, please explain why you disagree and what else should we consider when setting our expectations of consumers. Answer. Yes agree.
23	Do you agree with our proposal that lenders should be allowed to make settlement offers without completing all the stages of the scheme, but that these are clearly explained and must either be no less than the maximum redress that would be available under the scheme or based on the repayment of commission? If not, please explain why you do not agree and any other options we should consider. Answer. Yes agree.
24	Do you agree that the scheme should start the day after the publication of our Policy Statement? If not, please explain why you disagree and what other options we should consider. Answer. No. A period should be allowed for firms to read the final scheme rules and align/finalise processes and controls to these.
25	Do you agree that consumers who have already complained should be contacted within 3 months of the scheme starting and all other consumers should be contacted within 6 months? If not, please explain why you disagree and what other options we should consider. Answer. No. Related to the answer in Q24 and the fact the number/percentage of consumers who have already complained will vary by firm it is hard to say if 3 months is a fair and reasonable timeframe for all firm circumstances.
26	Do you agree with the steps we propose lenders must take to make contact with consumers? If not, please explain why you disagree and what other options we should consider. Answer. Yes, agree in principle for lenders who operated DCA agreements. For lenders who never operated DCA's and have low or very low redress due to a very small number of 10/35% arrangements we are not convinced that the current proposed process meets an appropriate cost benefit threshold.
27	Do you agree with our proposal for lenders to check whether at least one relevant arrangement for an unfair relationship is present before contacting consumers? If not, please explain why you disagree and what other options we should consider. Answer. Yes, agree but this further reinforces the point made in reply to Q20. If firms are sure that no relevant arrangements existed it feels pointless for a consumer to opt in – this feels an unnecessary extra step.
28	Do you agree with our proposed opt out consent mechanism for consumers who have already complained? If not, please explain what other options we should consider. Answer. No. It appears this will require firms to write to consumers who have already complained asking them to opt in to a scheme where potentially the firm already knows that consumer does not meet the qualification criteria. Is this a necessary process?
29	Do you agree with our proposed 1 month deadline for consumers to opt-out? If not, how long should we allow for consumers to opt-out? Answer. Yes agree.

30	Do you agree with our proposed opt in consent mechanism for consumers who have not already complained? If not, please explain why you do not agree and what other options we should consider to gain the consent of the consumer. Answer. Yes, if a high proportion of consumers are likely to be eligible. If consumers are clearly not eligible it feels like an administration burden and also a poor communication / raising expectation of consumers not to tell them at this point.
31	Do you agree with our proposals that consumers will need to opt-in to the scheme within 6 months of receiving the letter from their lender, or within 1 year of the start of the scheme if they are not contacted? If not, please explain why you do not agree and what other options we should consider. Answer. No – 6 months feels too long.
32	Do you agree with the steps we propose lenders must take to identify the presence of a relevant arrangement? If not, please explain why you do not agree and any other options we should consider. Answer. Yes agree.
33	Do you agree with our proposal that if the lender has not identified the presence of any relevant arrangements having followed the steps required, that the lender must conclude that no unfair relationship exists, and no redress is due? If not, please explain why you do not agree and any other options we should consider. Answer. Yes agree.
34	Do you agree with our proposal to use rebuttable presumptions in favour of the consumer when establishing if an unfair relationship resulted from inadequate disclosure and whether it led to loss or damage for the consumer? If not, please explain why you do not agree and any other options we should consider. Answer. Yes agree.
35	Do you agree with the first rebuttable presumption we propose that failure to adequately disclose a relevant arrangement gave rise to an unfair relationship between the lender and the consumer? If not, please explain why you do not agree and any other options we should consider Answer. No. Unfair relationship decisions are highly fact specific. The existence of a DCA on its own cannot solely be the basis of an unfair relationship – surely it is the consequences of the failure to disclose that determine unfairness – if the DCA gave rise to a materially higher APR and cost of credit than a non DCA would have then unfairness could be argued. Equally unfairness could be argued if the disclosure of a DCA allowed the customer to negotiate downwards the APR. This is fact and customer specific and the motivation and ability to do so would be highly correlated to the APR, the customer credit characteristics, the asset type and age and the source of broker introduction.
36	Do you agree with our assessment that the relevant regulatory expectations around disclosure have remained materially the same throughout the period in which the OFT and then FCA provisions applied? If you do not agree, please explain why. Answer. No. The regulatory expectations as set out today and clarified by both the courts, FOS and the FCA feel very different to our understanding between 2007 and 2021. We see no evidence of industry wide collusion across 50+ lenders, thousands of brokers and legal representation in the sector. Surely this points to a lack of clarity, retrospective interpretation and complexity in the rules. 10/35 now being applied to historic transactions is an example of retrospective interpretation. It is regulatory uncertainty like this and the subsequent consequences for firms that make the UK less attractive for FS investment and very difficult for small firms to operate in.

37	Do you agree with our proposal to approach the assessment of liability consistently for all scheme cases from 6 April 2007 onwards? If you do not agree, please explain why and any other options we should consider. Answer. No. DCA's below a certain APR or where commission was below a certain % of charges should be deemed fair. Some customers DID negotiate – they used the information readily available to compare alternative options – i.e. APR. Once the FCA banned DCA's certain APRs became commercially unviable – if consumers were offered these APR's under DCA's and gained an APR below the commercially acceptable threshold then they should not now get an additional windfall payment.
38	Do you agree with our proposal that, under the scheme, "adequate disclosure" means that clear and prominent information about any relevant arrangement was provided to consumers before they agreed to the loan? If not, please explain why you do not agree and any other options we should consider Answer. Yes agree.
39	Do you agree with our proposal that the average consumer standard should apply unless there is evidence on the file about the characteristics of the consumer which indicated that such disclosure would not have been sufficient for that customer? If you do not agree, please explain why and any other options we should consider Answer. Yes agree.
40	Do you agree with our proposal that, whenever a lender determines that adequate disclosure has occurred, the lender should clearly document in the consumer's redress determination which, if any, personal characteristics were considered and how? If you do not agree, please explain why and any other options we should consider. Answer. Broadly agree. Lenders should be able to state that they have used the 'average consumer' standard unless this is not the case or there were clearly evident characteristics that should have been clear to the lender to consider when reviewing the consumer's case.
41	Do you agree that there may be limited situations where it could be argued that the existence of a tied arrangement would have been obvious to the consumer from the circumstances of the transaction? If you agree, do you have any views on whether and how such situations should be reflected in the scheme rules when assessing adequate disclosure? If you do not agree, please explain why and any other options we should consider. Answer. Yes agree. New car sub vented finance where a manufacturer finance house had a tied arrangement with the OEM/dealer. In these transactions that often-included incentives like subsidized APR's, deposit contributions and so on it should have been clear to the average customer that this was a tied relationship. Customers had other information such as APR to determine the likelihood of getting a substitute product elsewhere.
42	Do you agree with our proposal that for a DCA, adequate disclosure required disclosure of not just the fact that a commission is paid, but also the nature of the arrangement? If you do not agree, please explain why and any other options we should consider. Answer. No. Prior to 28/1/2021 CONC 4.5.3 R did not make this clear. The credit broker was required to disclose the existence of any commission or fee where the knowledge of the existence or amount of commission could actually or potentially affect the impartiality of the credit broker or have a material impact on the customers transactional decision. Only post 28/1/2021 did CONC 4.5.3 R clarify the need to disclose the existence and nature of commission. You will find widespread compliance with this requirement post 28/1/2021 but not before as firms had not interpreted CONC 4.5.3 R in this manner. Prior to FCA clarification and amendment of CONC 3.7.4 G on 28/1/2021 it was not considered in conjunction with CONC 4.5.3 R as it was viewed as relating to financial

	promotions and communications not pre contract commission disclosure. It is also worth pointing out that DCA commission models had been in widespread use by nearly all lenders in prime used car finance as far back as the 1990's so it is not inherently clear to firms to link a common industry practice that predates this guidance by 20+ years.
43	Do you agree with our proposal that for a high commission arrangement, adequate disclosure required disclosure of both the fact and the amount of the commission? If you do not agree, please explain why and any other options we should consider. Answer. No disagree. You have only just determined 10% and 35% combined to be a high commission. Johnson called out 55%. PPI 50% of a premium. How were firms expected to make this determination prior to your decision? Also, you have not taken into account any alternative broker models where the broker (unlike in a dealer lender model) is assuming costs transferred/outsourced from the lender or broker models where the acquisition cost and or revenue opportunity (i.e. no vehicle profit) is materially different to that of a dealer model.
44	Do you agree with our proposal that for a tied arrangement, adequate disclosure required disclosure of either exclusivity or right of first refusal or equivalent right of priority? If you do not agree, please explain why and any other options we should consider Answer. No. Not all tied arrangements would have led to consumer harm, and some should have been obvious to consumers i.e. OEM captive funding on new cars.
45	Do you agree with our proposal that, irrespective of the age of the agreement and whether it falls within the lender's record retention period, lenders should presume disclosure of a relevant arrangement was inadequate unless it can provide evidence to the contrary? If you do not agree, please explain why and any other options we should consider Answer. No. On older pre 2014 agreements a consumer should be required to make a formal complaint to the lender and provide specific facts to support their case as they would be expected to do in a reversed burden of proof S140B CCA unfair relationship claim.
46	Do you agree with our proposal that lenders may rely on customer-specific documents, indicative records, and documents relating to similar customers as contemporaneous evidence of adequate disclosure? If you do not agree, please explain why and any other options we should consider Answer Yes agree.
47	Do you agree with our proposal that lenders should take reasonable steps to assure themselves documents used to evidence adequate disclosure were in use at the time of the transaction? If you do not agree, please explain why and any other options we should consider Answer. Yes agree.
48	Do you agree with our proposal that lenders can rebut the presumption of an unfair relationship caused by inadequate disclosure where the broker selected a rate that earned them no discretionary commission? If you do not agree, please explain why and any other options we should consider Answer. Yes, agree however the proposed rebuttable presumptions are too narrow and do not reflect the fact that other DCA loans would not have caused unfairness.
49	Do you agree with our proposal that lenders can rebut the presumption of an unfair relationship caused by inadequate disclosure because the customer was sophisticated enough to have been aware of the relevant arrangement despite its inadequate disclosure? If you do not agree, please explain why and any other options we should consider

	Answer. Yes, agree however the scope of this rebuttal is very narrow and unlikely to be of any use.
50	Do you agree with the second rebuttable presumption we propose that an unfair relationship caused by inadequate disclosure caused loss or damage to the consumer? If not, please explain why you do not agree and any other options we should consider Answer. Disagree. Not all DCA's will have caused harm or loss. A material number of customers will have used the APR to compare loan offers and will have negotiated a lower rate as a result. The current scheme has no mechanism to rebut this scenario.
51	Do you agree with our proposal that cost recovery arguments are not a reasonable defence against an assertion of unfairness due to inadequate disclosure? If not, please explain why you do not agree and any other options we should consider Answer. Disagree. The cost and role played by lenders and brokers in the distribution chain can be very different across different models / lenders – costs borne by the lender in 1 model will be passed to the broker in another. Total cost for credit / APR is present for consumer comparison and commission amount has always been available on request. Full commission disclosure post court of appeal has not altered customer behaviour.
52	Do you agree with our proposal that it is more appropriate to address the rebuttal for a DCA under the first key presumption of an unfair relationship caused by inadequate disclosure than the second key presumption of loss or damage? If not, please explain why you do not agree and any other options we should consider Answer. Disagree for the reason given in the response to Q50.
53	Do you agree with our proposal that the presumption of loss or damage caused by an unfair relationship arising from inadequate disclosure of a high commission arrangement or a tied arrangement should be rebuttable if the lender can provide evidence that the consumer would not have secured a better offer from any other lender the broker had arrangements with at the time of the transaction? If not, please explain why you do not agree and any other options we should consider. Answer. Agree in principle, however more details would be required to understand the evidential threshold for this. Also the cost burden for non DCA lenders and associated brokers will be large – often simply because the FCA has failed to recognise the different broker models operating in the market and how costs passed from lenders to the brokers in these instances without effecting the customers APR or total cost of credit but increasing the commission beyond the far too low 10/35% thresholds. Increasing these or recognising the role of alternative brokers will remove a significant number of customers from the scheme and thus the need for non DCA lenders and brokers to spend millions unnecessarily rebutting loans that carried no harm or loss.
54	Do you agree with our proposal on the standard of evidence that we consider would be necessary to rebut the presumption of loss or damage caused by an unfair relationship arising from inadequate disclosure of a high commission arrangement or a tied arrangement? If not, please explain why you do not agree and any other options we should consider. Answer. No. Whilst more details of the evidential threshold would be welcome it is already difficult to see how this could be practically applied on aged agreements where any data or record keeping is already a significant challenge.
55	Do you agree with our proposal that, where the broker was tied exclusively to one lender, the presumption of loss or damage would remain irrebuttable? If not, please explain why you do not agree and any other options we should consider, particularly any alternative evidential approaches that could be developed for this scenario. Answer. No. Many smaller motor retailers have historically operated with 1 lender – not out of contractual ties – just simplicity. The outcome for the consumer could be similar here.

	A tied single lender relationship should not automatically give rise to unfairness without a mechanism for rebuttal.
56	Do you agree with our proposal for a loss-based APR adjustment remedy for all unfair relationships arising from inadequate disclosure of a relevant arrangement that applies a reduction of 17% to the APR the consumer actually paid to produce a market-adjusted APR to use as the basis for the calculation of redress? If not, please explain why you do not agree and any other options we should consider. Answer. No. A market rate or counterfactual APR rate should be used to assess if the APR actually caused loss or harm. The datasets used to calculate the redress formula appear to use inappropriate data comparisons – new car and used car APR's for example and comparison with post covid personal loan markets.
57	Do you agree with our proposal that, if deducting 17% from the APR produces a market-adjusted APR lower than the lowest APR at which the broker would have received additional commission under the DCA, that APR should be used as the market-adjusted APR? If not, please explain why you do not agree and any other options we should consider. Answer. Yes, agree with this principle but not the wider loss-based APR and Hybrid Calculation.
58	Do you agree with our proposal that, except for cases very similar to Johnson, all cases where there was an unfair relationship arising from inadequate disclosure of a relevant arrangement should receive a hybrid remedy that averages the outcomes of the proposed APR adjustment remedy and the commission repayment remedy? If not, please explain why you do not agree and any other options we should consider Answer. No. 10 and 35% combined is too low and does not consider alternative broker models. The hybrid calculation will overcompensate customers and give significant windfall redress in non DCA, fixed commission and non-negotiable APR models that are light years away from Johnson and have always been compliant with the FCA rules.
59	Do you agree with our proposed definition of commission for the purpose of calculating the commission repayment remedy as, in summary, the total amount that was payable to the broker in connection with the agreement? Answer. Agree with the definition. However, you do not consider alternative broker models where commission is used by the lender to pay for operationally outsourced processes, costs and liabilities that in a dealer to lender model would be present in the total cost for credit as interest charges or fees.
60	Do you agree with our proposal that cases with commission equal to or greater than 50% of the total cost of credit and 22.5% of the loan amount and a tied arrangement, where there was an unfair relationship arising from inadequate disclosure of these arrangements, should receive the commission repayment remedy rather than the hybrid remedy? If not, please explain why you do not agree and any other options we should consider Answer. Agree. These parameters align with the supreme court interpretation of Johnson. Something close to 50% and 22.5% without a tied arrangement should have been the basis of the high commission triggers – 10 and 35% is gross overreach. Consideration would however need to be given to scenarios involving alternative brokers (not just a car dealer) where the supreme court did not make a determination and that broker would not commercially benefit from the asset sale.
61	Do you agree with our proposal that the APR adjustment remedy should act as a minimum floor where either the hybrid or the commission repayment remedy would provide less redress than the APR adjustment remedy? If not, please explain why you do not agree and any other options we should consider. Answer. No. The formula should be consistent across all consumers.

62	Do you have any comments on the alternatives to our proposed approach to remedy that we considered but decided against? Are there any other approaches that we should consider? Yes. Establishing a market rate / APR may be difficult but it is essential to provide redress that more closely aligns to actual customer harm. The current proposal does not weight potential redress proportionately to higher APR agreements with more potential for loss. It also provides a windfall payment to customers who received APR's now commercially unavailable under non DCA arrangements.
63	Do you agree with our proposal that compensatory interest on redress should be calculated using a set rate of simple interest for each year covered by the scheme, based on the annual average of the daily Bank of England base rate for that year plus 1 percentage point and rounded up to the nearest quarter percentage point? If not, please explain why you do not agree and any other options we should consider. Answer Yes agree.
64	Do you agree with our proposal to allow consumers to make representations where they believe that interest at base rate plus 1 percentage point does not adequately compensate them for their loss? If not, please explain why you do not agree and any other options we should consider. Answer. No. A standard interest rate for all customers should be used.
65	Do you agree with our proposal that lenders are entitled to set redress off against any monies owed by the consumer to the lender in relation to any motor finance agreement or other regulated consumer credit agreements and which are not subject to an unresolved dispute, complaint or legal claim? If not, please explain why you do not agree and any other options we should consider Answer. Yes agree.
66	Do you agree that lenders may only apply any redress due under the scheme as a set-off against an outstanding balance with the consumer's explicit agreement? If not, please explain why you do not agree and any other options we should consider Answer. Agree in part. Agree if a customer has not missed payments or defaulted on the loan agreement. If a consumer is in arrears or default on an agreement they may not consent to this, and the lender would be faced with further losses.
67	Do you agree with the two options we have proposed for constructing the payment schedule to compare the customer's actual pattern of payments with the pattern under the market-adjusted APR? If not, please explain why you do not agree and any other options we should consider Answer. Not considered.
68	Do you agree with our proposal that, where the necessary data to calculate the early settlement payment is missing, lenders should assume the loan ran to term? If not, please explain why you do not agree and any other options we should consider, including whether there are any reasonable or evidence-based alternatives that would allow lenders to approximate the calculation more accurately. Answer. No. In motor finance a high proportion of loans settle early so this logic appears flawed.
69	Do you agree with the proposed steps that firms should take to calculate the total compensatory interest amount? If not, please explain why you do not agree and any other options we should consider. Answer. Not considered.

70	Do you agree with the proposal that the presumed date of redress payment should be 2 months from the date the provisional redress decision is sent? Answer. Yes agree.
71	Do you agree with the proposed scheme steps to calculate redress set out in Table 10? If not, please explain why you do not agree and any other options we should consider. Answer. Yes, agree that Table 10 accurately reflects the proposed redress calculation.
72	Do you agree with the proposed minimum data needed to complete each step and the proposed alternative data/ values if the minimum data are not available? If not, please explain why you do not agree and any other options we should consider. Answer. Yes.
73	Do you agree with our proposal that lenders will need to send provisional redress decisions within 7 months of the scheme start to consumers who have already complained, and within 15 months to all other consumers whose agreements have been assessed under the scheme? If not, please explain why you do not agree and what alternative time limits we should consider Answer. Yes, agree in principle. A post policy statement implementation window ahead of the proposed scheme starting would be welcome.
74	Do you agree with our proposals for finalising the provisional redress decision? If not, please explain why you do not agree and what alternatives options we should consider Answer. Yes agree.
75	Do you agree with our proposal that if a lender makes a payment more than 1 month after sending the redress determination, then interest will accrue on the redress payment at 8% per year? If not, please explain why you do not agree and what alternatives options we should consider Answer. No. Multiple interest rate calculations add complexity. Firms should attest to adherence to scheme rules – this will be sufficient motivation to make redress payments within correct timeframes.
76	Do you agree with our proposals for how a consumer can object to a provisional redress decision? If not, please explain why you do not agree and what alternatives options we should consider Answer. Yes agree.
77	Do you agree with our proposed Supervision strategy? If not, please explain why you do not agree and what alternative options we should consider Answer. Yes agree.
78	Do you agree with the data we propose to gather to help us understand progress under the proposed scheme, compliance with the proposed scheme rules and monitoring of financial resilience? If not, please explain why you do not agree and what alternative options we should consider Answer. Yes agree.
79	Do you agree with our proposed reporting frequency? If not, please explain why you do not agree and what other reporting frequencies we should consider. Answer.

	Given the desire to have the scheme administered in a short duration the proposed monthly reporting frequency may be appropriate however we urge the FCA to strike the right balance between supervision and reporting and allowing firms the time to actually do the necessary work.
80	Do you agree with our proposal to publish certain data on firms' progress during the scheme? If not, please explain why you do not agree and what alternative options we should consider No. Extreme caution should be exercised in any publication of specific firm level data. Robust discussions and intervention with firms should remain private until an appropriate time defined by the wider legal and regulatory framework.
81	Do you agree with our proposal to require a senior manager at the lender to take responsibility for overall delivery and oversight of the scheme at their firm and for its preparatory steps? If not, please explain why you do not agree and what alternative options we should consider Answer. Yes agree.
82	Do you agree with our proposals for the records firms will need to retain once the scheme ends? If not, please explain why you do not agree and what alternative options we should consider Answer. Yes agree.
83	Do you agree that we should further extend the time firms have to send a final response to motor-finance DCA and non-DCA complaints that are not leasing complaints? If not, please explain why Answer. Yes agree.
84	Do you agree that leasing complaints should be carved out of the extension? If not, please explain why Answer. Yes agree.
85	Do you agree with our proposal to extend the deadline for firms sending a final response for motor-finance DCA and non-DCA complaints that are not leasing complaints to 31 July 2026? If not, please explain why. Please include any views on the possibility of consulting to end the extension early. Answer. Yes agree.
86	Do you agree that it is not necessary for the time to refer a complaint to the Financial Ombudsman to be aligned with the 15 months previously offered? If not, please explain why. Answer. Yes agree.
87	For consistency of approach, do you agree with our proposal that the period of the extension should not contribute to the 3-year period that firms are required to keep records of complaints for? If not, please explain why Answer. Yes agree.
88	Do you agree with our proposal that lenders and credit brokers must maintain and preserve any records that are or could be relevant to the handling of existing or future complaints or civil claims until 11 April 2031? If not, please explain why Answer. No. Industry does not appear to be in lock step on this with the FCA – i.e. interpretation of the Limitation Act.
COST BENEFIT ANALYSIS	

89	Do you agree with the overall conclusions in this CBA, including the market impacts? Answer. We do not agree. The cost benefit analysis does not accurately reflect the position of smaller non DCA firms
90	Do you agree with the overall methodological approach taken? We do not agree. The CBA fails to consider the impact on smaller firms with low or very low redress scenarios.
91	Do you agree with the choice and articulation of the counterfactual scenario? We do not agree. Please see our separate consultation submissions and meeting notes.
92	Do you agree with the modelling assumptions used and sensitivities applied? We do not agree. See our separate consultation submissions and meeting notes.
93	Are there impacts (costs or benefits) that you have evidence of that are missing or incorrectly estimated? We do believe there are material impacts that are missing and impacts that are incorrectly estimated. Please see our separate consultation submissions.
94	Do you have feedback on assumed firm and consumer behaviours under the intervention? Firms in motor finance have evidence that assumed firm and consumer behaviours are different.
95	Is there further data we should use that could improve the analysis? Firm level data both pre and post supreme court decision and the adoption of full commission disclosure. Firm level data on the impact of the scheme v the potential upside for consumers.