FINANCIAL CONDUCT AUTHORITY

Motor finance consumer awareness survey

Technical Annex

August 2025

Contents

1. Introduction

Critical Research conducted the Motor Finance Consumer Awareness Survey in August 2025 on behalf of the FCA. The survey was online only. It made use of a blended panel and demographic quotas to maximise the robustness of this methodology.

The survey design drew on information from the Financial Lives 2024 survey about the profile of the 6.1 million UK adults who had motor finance in May 2024 or had had it in the previous 12 months. This is a robust source, providing the best available profile for recruitment and weighting purposes. We acknowledge in this technical annex a limitation to this profile, namely that the main population of interest for the Motor Finance Consumer Awareness Survey are consumers who have motor finance now or have done at any time in the past.

2. Data collection method

2.1. Approach and under-represented groups

A large-scale quantitative survey was conducted using an online self-completion questionnaire with audiences recruited from online access panels. Surveyed respondents therefore excluded people who were entirely offline, and the survey under-represented groups known to sign up to and complete panel surveys less frequently. This limitation is acknowledged but also mitigated to a good degree:

- People who are not represented on online panels at all, or not at all well, are those who are offline (no internet access), or have accessibility issues. Older adults (typically 75+) are also under-represented. These groups are arguably less affected by the survey topic, because they are less likely to have motor finance.[1] That said, under-representing older adults means under-representing adults who had motor finance in the past

- Survey findings from groups not included or that well represented on commercial online panels are unlikely to have differing awareness and views about motor finance and the potential redress scheme

We compensated for the impact of under-representing hard-to-reach groups as follows:

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[1] FLS 2024 shows motor finance holding (now or in the last 12 months) falls from 15% among those aged 25-34 to 8% of those aged 65+ and to just 2% of digitally excluded adults.

- Careful sampling and quota-controlled survey access – therefore ensuring most under-represented groups are included in the correct proportions (other than of course those not on the internet)
- Casting the net wide across multiple panels, using Critical's panel brokerage access, to help meet the quotas set
- Weighting results back to known population estimates, using the right combination of variables to create a suitable weighting algorithm[2]

2.2. Sampling, quota controls, and interviews achieved

FLS wave 4 data was used to profile motor finance users and establish suitable quotas to control the profile of people answering the survey.

Age within sex, and measures of affluence (housing tenure and working status) were monitored. A correct spread of interviews by English region and devolved nation was also included.

Table 1. Quota control applied to fieldwork and corresponding achieved number of interviews

Primary quotas (targets from FLS 2024)	Users		Non-users	
	Target	Achieved	Target	Achieved
Male x 18-24	96	93	54	58
Male x 25-34	305	330	79	63
Male x 35-44	311	342	77	85
Male x 45-54	305	337	74	82
Male x 55-64	269	267	78	85
Male x 65-74	177	194	63	70
Male x 75+	108	102	49	54
Female x 18-24	90	98	53	58
Female x 25-34	362	385	80	89
Female x 35-44	293	317	83	93
Female x 45-54	225	239	81	89
Female x 55-64	260	206	82	91
Female x 65-74	129	142	83	92
Female 75+	63	40	54	59
Unknown	6	6	9	9
Own outright	573	630	293	322

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[2] A limitation to the weighting is explained in Section 5.1.

Mortgage	1,359	1,488	274	279
Renting	834	845	329	362
Rent free/ Sheltered/ Comes with job / Other	234	135	104	114
Employed	2,133	2,285	507	556
Self employed	207	206	58	64
Unemployed	33	36	47	52
Retired	459	393	250	253
Other (Semi-retired, Student, Sick, Other)	168	178	138	152
Total	**3,000**	**3,098**	**1,000**	**1,077**

2.3. Fieldwork dates

Respondents completed the survey between 1st August – 12th August 2025.

3. Questionnaire

The questionnaire was designed by the FCA with input from Critical Research. As well as questions about motor finance and the redress scheme, additional demographic questions were included for quota control and weighting, and to provide additional analysis cohorts.

3.1. Programming and quality control

The questionnaire was scripted and administered using customised bespoke survey software. Routing was checked using data flooding before the survey was soft launched.

3.2. Soft launch

Day 1 of fieldwork was considered a soft launch, followed by a short pause to ensure all was working as intended and no high levels of "don't know" were being recorded at any question. Responses to a standard closing "any other comments" question were also reviewed. No changes were made to the survey after checking the soft launch data.

4. Data cleaning

Steps were taken to remove speeders, duplicate responses and other undesired completes, using a data cleaning (QC) process. A points-based system was used to allocate QC offences and relevant respondents were removed completely from the survey. These checks are classified into 3 broad categories:

- **Speeding** for example by completing the survey much faster than the median completion time (the median completion time was 4m 55s)

- **Non-response** for example by answering "don't know" to grids of statements or to several key survey questions, or failing attention check questions
- **Non-sensical response** for example by providing conflicting answers to demographics, or entering spurious or deliberately disruptive comments

The points scoring approach is shown in Table 2. As single 1-point offences are tolerated, not all respondents shown against the 1-point scoring lines in Table 2 were removed. Respondents scoring 2 or more points were removed from the dataset and analysis altogether, resulting in 384 respondents being removed.

Table 2. Quality control points allocation and removals

Quality control processes	Points	Count
Time taken to complete questionnaire was less than 1m 30s	2 points	225
Failed an initial commitment question to answer truthfully and honestly	2 points	82
Comments and data appeared duplicated from another data record, or obvious 'cheating'	2 points	46
Time taken to complete questionnaire was less than 2m 00s but greater than 1m 30 sec	1 point	178
Failed a mid-survey inattention trap question	1 point	121
Comments at open questions were offensive, disruptive or not an attempt to answer	1 point	5
Failed a final quality control question by not providing a comment or answer when one was expected	1 point	12
Total removed from survey		**384**

5. Weighting

Data weighting takes the relevant demographic characteristics of those surveyed, especially those linked to the survey subject, and rebalances them to an expected profile.

Expected profiles of both motor finance users and non-users were sourced from FLS 2024 data, as the most accurate and up-to-date available source. [3]

These profiles were used as targets to test which weighting algorithms provided the best balance of adjusting interviewed profiles to fit expected profiles and effective sample size. The

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[3] Further details about the sampling and weighting approach used in FLS 2024 is available in the FLS technical report: fca.org.uk/publication/financial-lives/financial-lives-survey-2024-technical-report.pdf. See chapter 2 (sample design) and chapter 7 (weighting).

greater the effective sample size, the greater the accuracy of the final analysis, meaning for example smaller confidence intervals when comparing differences between subgroups.

Three weighting algorithms were trialled as follows:

- Weight 1. Weighting was initially conducted using the 3 dimensions shown in Table 1
- Weight 2. As weight 1, but an additional dimension of urban-rural was introduced to correct for a skew towards respondents in urban locations
- Weight 3. As weight 2, but with ethnicity (5 categories) introduced to cater for a slight imbalance caused by including the urban-rural dimension

Weighting effectiveness was assessed by attempting to balance:

- maximising effective sample size (ESS)[4]
- limiting the size of any individual weights and the overall range of weights
- the impact each regime had on outcome measures[5]

Table 3. Weighting regimes tested, and corresponding impact on effective sample sizes

Weighting regime	Min weight	Max Weight	Impact	ESS: users	ESS: non-users
Weight 1 (age x sex, tenure, working status)	0.56	3.57	Low	1060	2919
Weight 2 (add urban-rural)	0.48	3.49	Low	1031	2770
Weight 3 (add ethnicity)	0.48	3.48	Low	1012	2769

Weight 1 simply rebalanced the achieved profiles compared to the quota targets and as a result retained a very high ESS for both users and non-users. The data was then assessed with other dimensions to see if any further skews were being introduced, which may impact the results.

The weight 1 regime appeared to alter the urban-rural split, so a further weight (weight 2) was introduced to counteract this.

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[4] ESS is a measure of the statistical effectiveness or 'power' of the survey following weighting. The higher the ESS the more likely significance testing is to identify statistical differences between analysis sub-groups.

[5] Tables of unweighted and weighted frequency distributions were run for key survey outcome questions Q9, Q10, AT1a, AT1c, AT5, CD1, Q9 and Q10. A large swing in results (+- 5%) was considered to be a high impact.

Table 4. Urban vs rural split comparing weight 1 versus weight 2

	Users			Non-users		
Urban vs Rural	Target	Weight 1	Weight 2	Target	Weight 1	Weight 2
Urban	76.7%	84.8%	76.7%	81.1%	86.7%	81.1%
Rural	23.3%	15.2%	23.3%	18.9%	13.3%	18.9%

Table 4 shows the impact of weight 2 on the urban-rural split. Despite a small loss in ESS, the correction was considered worthwhile to bring this dimension back into line. A further adjustment was necessary to correct for a small skew in the ethnicity profile, as shown below.

Table 5. Ethnicity split comparing weight 2 versus weight 3

	Users			Non-users		
Ethnicity	Target	Weight 2	Weight 3	Target	Weight 2	Weight 3
White	88.5%	88.9%	88.5%	84.8%	88.1%	84.8%
Black & Black British	3.9%	4.0%	3.9%	3.7%	3.9%	3.7%
Asian & Asian British	5.3%	4.7%	5.3%	8.1%	5.2%	8.1%
Mixed / multiple ethnic groups	1.7%	1.8%	1.7%	2.6%	2.1%	2.6%
Other (excl. DK)	0.6%	0.6%	0.6%	0.8%	0.7%	0.8%

Table 5 shows the small differences in profile produced by weight 2 compared to the targets, and the corresponding improvement provided by weight 3.

In addition to these corrections in important dimensions, weight 3 was adopted in preference to weights 1 and 2, not least because of the marginal impact on ESS.

Results weighted to regime 3 are representative by key demographics such as age and sex as well as measures of affluence, urbanity and ethnicity.

5.1. Limitations to weighting

Respondents in this survey were allocated into two groups for weighting purposes: those who have ever held a motor finance policy, and those who have never held a motor finance policy. Reliable profiles of UK adults who have ever held / never held motor finance are not available, but a good proxy was sourced from the Financial Lives survey, where UK adults are classified as currently holding motor finance or to have held it in the last 12 months. In consultation with the FCA team, it was felt this proxy for motor finance users would be a suitable weighting profile, even though it may under-represent motor finance users who are older. To support this approach, we note that:

- The profile of motor finance users has changed very little since 2017. By age, gender and socio-economic demographics, the profile of motor finance users in Financial Lives has not changed substantially since the first wave in 2017

- Motor finance users likely to make a claim against a redress scheme were younger. Motor finance users who were making a claim or were considering making a claim (Q13) were more likely to be younger (e.g. 63% of those aged 25-34 compared to 31% of those aged 65-74). Therefore, the impact of under-representing older motor finance users is lessened

Weighting to the Financial Lives profile ensures both users and non-users are correctly represented by demographics, which is important to correct for biases seen in online panels. However, it is possible that the true profile of UK adults who have ever held motor finance is slightly older than the profile used for weighting in this survey.

Due to the data collection methodology, a second limitation is that those UK adults who are truly offline are not represented in this survey, and hence this bias cannot be corrected for with weighting. Also see Section 2.1.

6. Questionnaire

Introduction

Thank you for taking part in this research for the Financial Conduct Authority. The FCA is responsible for making sure the financial services industry is meeting the needs of everyone in the UK and protects people when it comes to money and using services like credit cards, bank accounts, insurance and motor finance.

Please rest assured, this is professional market research. Anything you say is confidential, held anonymously and used only for research purposes. We respect your privacy – please visit http://www.critical.co.uk/ if you would like to know more about our privacy policy.

The survey will take 5-10 minutes to complete. To take part, please click NEXT ('>>') below.

Opening demographics

OD1. Firstly, which of the following age brackets applies to you?

1. 18-24
2. 25-29
3. 30-34
4. 35-39
5. 40-44
6. 45-49
7. 50-54
8. 55-59
9. 60-64
10. 65-69
11. 70-74
12. 75-79
13. 80-84
14. 85+
15. Prefer not to say (CLOSE)

OD2. Which of the following applies to you?

1. Male
2. Female
3. Prefer to self-define
4. Prefer not to say

OD3. Which of the following best describes how you occupy the property you currently live in?

1. I own it outright (I have no mortgage, or have paid off my mortgage in full)
2. I own it with a residential mortgage
3. I own it, with a lifetime mortgage (also known as equity release) <FCABlue>
   This is a long-term loan secured on your property. The usual arrangement is that the loan is not typically repaid until death or moving into care. Do not include a home reversion plan.
   </FCABlue> **[IF OD1=55+]**
4. I pay part rent and part mortgage (shared ownership)
5. I rent it <inf><FCABlue> e.g. rent privately from the council or a social landlord, or paying rent to parent/s, relative/s or friend/s (at full or a reduced rate). Also include renting the whole property, house/ flat shares, house of multiple occupancy, renting a room, lodger. </FCABlue></inf>
6. I live rent-free, e.g. with my parent/s, with my partner, or in another relative's or a friend's property
7. I occupy it in some other way (write in)
8. Don't know

OD4. Which of the following best describes your current working status?

1. Working for an employer(s) full-time (30 or more hours per week)
2. Working for an employer(s) part-time (less than 30 hours per week)
3. Self-employed or freelance full-time (30 or more hours per week)
4. Self-employed or freelance part-time (less than 30 hours per week)
5. Unemployed – looking and available for work
6. Unemployed – not looking for work
7. Retired
8. Semi-retired (drawing a pension or other income but still working)
9. Student
10. Long-term sick or disabled
11. Temporarily sick (no job to go to)
12. Looking after the home or family (incl. being a carer for a close family member)
13. Other (write in)
14. Don't know

TRAP1. Include latest trap question here

Main questionnaire

Q.1 Do you currently hold, or have you ever held any of the following motor finance arrangements, either in your own name or in joint names?

Motor finance is any of the following arrangements used to buy a car, van, campervan or motorbike, for personal use only (i.e. excluding vehicles for business use)

Programming instruction: List the 3 arrangements, but use 'hover over' approach for definitions

- *Hire Purchase Agreements (HP)*
  - <inf><FCABlue>A type of borrowing, where you don't own the vehicle until you have paid in full. You pay an initial deposit and then the remainder in equal monthly instalments. Once you have paid all the instalments, you have the option to own the vehicle outright, usually by paying a small fee to transfer ownership to you.

- *Personal Contract Purchase (PCP)*
  - <inf><FCABlue>Similar to hire purchase (HP), where you pay a deposit and then monthly instalments. Unlike HP, you don't pay the full value of the vehicle, but the amount the vehicle is predicted to lose in value over the length of the contact. At the end of the contract, you can choose to own the car outright by paying a large 'balloon payment' or return the car to the dealer.

- *Conditional Sale*
  - <FCABlue>Similar to hire purchase (HP), except you automatically own the vehicle when all the instalments have been repaid.

1. Yes – I currently hold any of these types of motor finance **[USER = GO TO QUESTION 2]**
2. Yes – I have held motor finance in the past but don't currently **[USER = GO TO QUESTION 2]**
3. No – I have never used motor finance **[NON-USER = GO TO QUESTION 9]**
4. Don't know **[NON-USER = GO TO QUESTION 9]**

Q.2 [ASKIF Q1 = 1,2] Approximately how many motor finance arrangements have you ever taken out, either in your own name or in joint names?

1. One
2. Two
3. Three
4. Four
5. Five
6. More than five
7. Don't know

Q.3 [ASKIF Q1=1,2] Do you remember the name of your lender for any of the motor finance arrangement(s) you have taken out either in your own name or in joint names?

1. Yes [SHOW IF Q2 = 1]
2. Yes - for all of the arrangements [SHOW IF Q2 NE 1]
3. Yes - for some of the arrangements but not all of them [SHOW IF Q2 NE 1]
4. No

Q.4 [ASKIF Q1=1,2] Do you have the paperwork for any of the motor finance arrangement(s) you have taken out either in your own name or in joint names?

This can be either hard copy paperwork or documents stored on email or online

1. Yes [SHOW IF Q2 = 1]
2. Yes - for all of the arrangements [SHOW IF Q2 NE 1]
3. Yes - for some of the arrangements but not all of them [SHOW IF Q2 NE 1]
4. No
5. Don't know

Q.5 [ASKIF Q1 = 1,2] Approximately, what year did you take out your first motor finance arrangement(s) either in your own name or in joint names?

1. 2025
2. 2024
3. 2023
4. 2022
5. 2021
6. 2020
7. 2019
8. 2018
9. 2017
10. 2016
11. 2015
12. 2014
13. 2013
14. 2012
15. 2011
16. 2010
17. Before 2010
18. Don't know

Q6. DELETED

Q.7 [ASKIF Q1 = 2] Approximately, what year did your last motor finance arrangement, held either in your own name or in joint names, end?

[PROGRAMMING INSTRUCTION – RESPONSE CANNOT BE BEFORE YEAR SELECTED AT Q5]

1. 2025
2. 2024
3. 2023
4. 2022
5. 2021
6. 2020
7. 2019
8. 2018
9. 2017
10. 2016
11. 2015
12. 2014
13. 2013
14. 2012
15. 2011
16. 2010
17. Before 2010
18. Don't know

Q.8 [ASKIF Q1 = 1,2] Do you know whether <u>any</u> of your car finance agreements involved a commission paid to a broker or dealer?

Commission is a payment made by a finance provider to a car dealership or broker for arranging a car finance agreement for a customer

1. Yes, definitely
2. Yes, I think so
3. No – they did not involve a commission [SHOW IF Q2 = 1]
4. No - none of them involved a commission [SHOW IF Q2 NE 1]
5. Don't know

Q.9 Before today, had you heard about the possibility of being owed compensation if you had used motor finance to buy a car, van, campervan or motorbike, for personal use only (i.e. excluding vehicles for business use)?

1. Yes
2. No
3. Don't know

Q.10 Thinking specifically about motor finance for personal use, are you aware of the potential for a 'redress scheme'?

> **A redress scheme is a formal process the FCA can require firms to follow, to compensate consumers if it is found they have suffered harm.**

1. Yes
2. No
3. Don't know

Q.11 [ASKIF Q9 = 1] From which of the following sources of information have you seen or heard information about possible compensation? (Select all that apply)

1. News coverage on the television or radio
2. Newspapers (print or online)
3. Social media (such as e.g. Facebook, Instagram, YouTube, X (formerly Twitter), TikTok, WhatsApp, Reddit)
4. Consumer advice websites (e.g., Moneysaving Expert, Citizens Advice)
5. Friends or family
6. Car dealership or finance provider
7. Adverts from claims management companies or law firms
8. Other (please specify)
9. Don't know [SINGLE CODE]

Q.12 [ASKIF Q9 = 1] Are you actively following updates or news about the motor finance redress issue?

1. Yes, closely
2. Yes, occasionally
3. No
4. Don't know

Q.13 [ASKIF Q9 = 1] Have you made, or are you considering making, a claim for compensation regarding a motor finance agreement?

1. Yes, I have already made a claim for compensation
2. Yes, I am considering making a claim for compensation
3. No, but I plan to make a claim if a redress scheme is introduced
4. No and I'm not sure of my options
5. No, and I do not intend to
6. Don't know

Q.14 [ASKIF Q13 = 1,2, 3]
[IF Q13 = 1] In which of the following ways did you make this claim?
[IF Q13 = 2,3] In which of the following ways do you expect to make this claim?
(Select all that apply)

1. Directly with the lender or finance provider
2. Through a claims management company or law firm
3. Through the Financial Ombudsman Service
4. Other (please specify)
5. Don't know

Q.15 [ASKIF Q13 = 2,3,4,6] What, if anything, would stop you from making a claim? (Select all that apply)

1. Lack of information about whether you would be eligible to use the scheme
2. Process seems too complicated
3. Concerns about data privacy
4. Uncertainty about potential compensation amount
5. Prefer not to engage with financial firms
6. Lack of trust in the independence of the process
7. Lack of trust in financial institutions
8. Other (please specify)
9. Nothing would stop me **[SINGLE CODE]**

Q.16 [ASKIF Q13 = 5] What are your reasons for not considering making a claim for compensation regarding a motor finance agreement?

1. I know that I don't have any grounds for a claim for compensation
2. It's too much hassle
3. I don't have the paperwork any more
4. I don't know how to go about making a claim for compensation
5. I don't believe it would be worthwhile
6. Other (write in)
7. Don't know

Q.17 [ASK IF Q9=1] [TEXT SUBSTITUTION IF Q13=1: Even though you have made a claim for compensation,] Before now were you aware that you would <u>not</u> need to use a claims management company or law firm to claim compensation if a redress scheme is introduced?

1. Yes
2. No
3. Don't know

Q.18 [ASK IF Q9=1] How confident [IF Q13=1: were / IF Q13=2-6: are] you about your eligibility to claim compensation under a potential redress scheme?

Under a redress scheme, the FCA would set rules for how firms assess claims and calculate redress and would put checks in place to ensure they follow the rules.

1. Very confident
2. Somewhat confident
3. Not very confident
4. Not at all confident
5. Don't know

Q.19 [ASK IF Q13 ≠ 5] If a redress scheme is introduced, how would you prefer to receive information or guidance about making a claim? (please select all that apply)

1. Letter sent through the post
2. Email
3. Online via a website
4. Online chat or using a chatbot service
5. Mobile app
6. Telephone call
7. Video chat
8. In person, face-to-face in a branch or at home
9. Other ways (write in)
10. No preference
11. Don't know

Q.20 [ASKIF Q13 ≠ 5] How confident would you be in making a claim yourself if a redress scheme is introduced?

1. Very confident
2. Somewhat confident
3. Not very confident
4. Not at all confident
5. Don't know

Closing demographics

AT1a. Lastly just a few questions to put your earlier answers into context. How confident do you feel managing your money? Answer on a scale of 0 to 10, where 0 is 'not at all confident' and 10 is 'completely confident'.

> 0-10 scale + DK

AT5. How knowledgeable would you say you are about financial matters? Answer on a scale of 0 to 10, where 0 is 'not at all knowledgeable' and 10 is 'very knowledgeable'.

> 0-10 scale + DK

AT1c. How much do you agree or disagree with the following statements? c. When it comes to financial services and products, I would consider myself to be a confident and savvy consumer

> 0-10 scale + DK

CD1. Do you have any long-term physical or mental health condition, or other circumstance, that might make it harder for you to understand or act on information about financial matters?

1. Yes
2. No
3. Prefer not to say

CD2. Which of the following best describes your ethnic group?

White
1. English/ Welsh/ Scottish/ Northern Irish/ British
2. Irish
3. Gypsy or Irish traveller
4. Roma
5. Any other white background

Mixed/multiple ethnic groups
6. White and Black Caribbean
7. White and Black African
8. White and Asian
9. Any other mixed/ multiple background

Asian/Asian British
10. Indian

11. Pakistani
12. Bangladeshi
13. Chinese
14. Any other Asian background

Black/African/Caribbean/Black British
15. African background
16. Caribbean
17. Any other Black/ Black British or Caribbean background

Other ethnic group
18. Arab
19. Any other ethnic group

20. Prefer not to say

D3. In which of the following English regions or nations of the UK do you live? (GOR)

1. London
2. South East (not London)
3. South West
4. East of England
5. North East
6. North West
7. East Midlands
8. West Midlands
9. Yorkshire and the Humber
10. Scotland
11. Wales
12. Northern Ireland

CD4. Which of these best describes the place you live most of the time?

1. A city or large town (including suburbs)
2. A small town
3. A village, hamlet or isolated dwelling in the countryside

Close

Standard close, including standard other comments / technical difficulties question