FLA

Annual Review

2020

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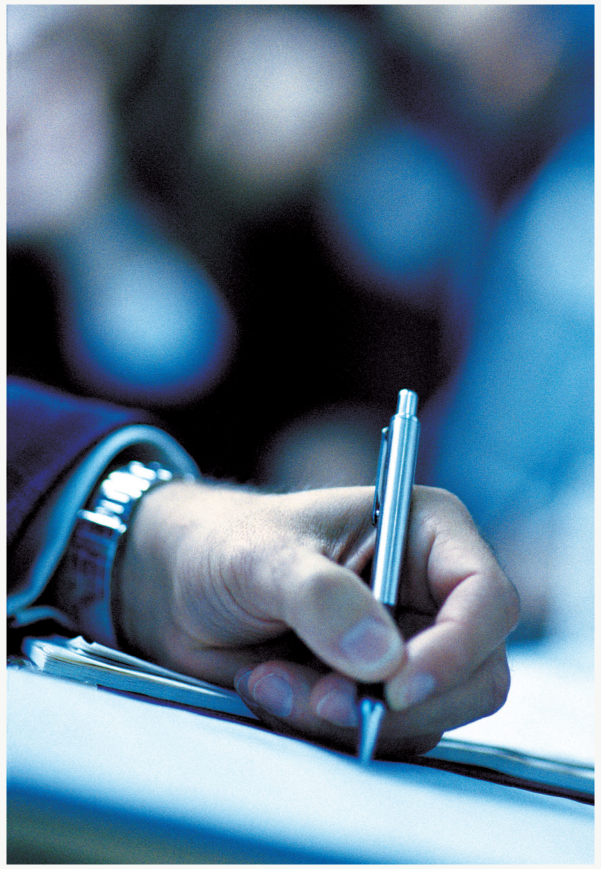
Chairman's foreword



It is unlikely that any firm will emerge unchanged from the Covid-19 shutdown. In some cases, that change may be a smaller operation, but in others it may be a new-found agility from greater use of technology."

During the last eight weeks, the financial services industry has been at the forefront of efforts to help people deal with the loss of income caused by measures to contain the spread of Covid-19.

Customers' requests for help to FLA member firms were 1400% higher in the middle of March than at the beginning. Lenders quickly diverted resources to deal with these huge call volumes. They showed admirable business agility at a time when the logistical challenges of meeting that demand were particularly acute – new guidance and systems had to be implemented at pace by staff who were themselves getting used to working remotely.

Helping customers get through these most difficult of times is absolutely the right thing to do. However, we must also ensure that our members receive relevant, timely and sufficient support to their efforts, from our regulators and the Government. The unprecedented levels of assistance given by lenders in our industry for relatively short-term finance agreements are particularly costly.

New business in our sectors fell in March by 20%, compared with the same month in 2019, reflecting the initial impact of the UK lockdown. In the asset finance market, the fall in new business was 28%, while motor finance saw new business volumes drop by 27%. Consumer finance new business overall fell by 16%, and within that, the second charge mortgage market saw new business by value and volume both 14% lower in March than in the same month in 2019.

Across our three divisions, FLA lenders keep the UK producing, moving and buying, so it is vital that they are in a position to lend as we emerge from the immediate crisis. We must all be fighting fit to play our part in the economic recovery, so the FLA's continued advocacy for the industry remains vital: in particular that the sector's support for customers cannot be maintained without Government and Bank of England backing.

The FLA has therefore been making clear, well developed recommendations to Government that would channel more funding to a broader cohort of firms – specifically non-bank lenders who cannot access more normal levels of wholesale market funding.

At the same time, we are anticipating the challenges that members and their customers will encounter as we begin to exit this initial Covid-19 period. Eventually lenders will be able to start lending again whilst offering assistance to those in difficulty. However, getting back to anything like a pre-Covid-19 position for customers and lenders will be a lengthy process. We expect a significant number of customers to remain in need of forbearance for some time, and the implications of this are severe for either borrowers' future income or for the lenders' ability to provide either new credit or ongoing assistance. The FLA has therefore proposed a special funding scheme be put in place for state support for lenders writing off, or incurring significant loss on debt, and are already discussing outlines of a possible scheme with HMT officials.

In response to the FLA's determined calls for the Consumer Credit Act (CCA) to be updated as a matter of urgency, the HM Treasury is now considering changes to modifying agreements, but while we fully appreciate the complexity of the task at hand, we urge officials to expedite this process to provide lenders with the means to offer swift and simple help to customers.

It is unlikely that any firm will emerge unchanged from the Covid-19 shutdown. In some cases, that change may be a smaller operation, but in others it may be a new-found agility from greater use of technology. In looking at the CCA, HM Treasury needs to keep in mind that many parts of the Act are in urgent need of updating to ensure customers receive clear information and lenders are able to deliver financial services in the way customers now want to access them. Part of the UK's recovery from the Covid-19 period will have to include making sure that our regulatory regime is sufficiently robust and future proofed to be of use in the next crisis, rather than another problem that has to be solved in the fray.

We have a new Governor at the helm at the Bank of England, a new Chief Executive expected soon at the Financial Conduct Authority, and an ongoing HM Treasury consultation on the future regulatory framework for our sector. The FLA will ensure that our expertise is central to the efforts of policymakers and regulators as they look to the future of financial services regulation.

Covid19 is a human health crisis on a scale not experienced in over 100 years, impacting over 200 countries. It will have profound effects on economies, on social norms and societal attitudes. However, we will come through this. As we do, let's not look to go 'back to normal', instead we should focus our efforts towards building a better 'new normal.' We are all going through profound change, let us ensure we have the wisdom to benefit from our learnings.

Richard Jones, Chairman
Managing Director, Motor Finance and Leasing,
Lloyds Banking Group

Board Members

Richard Jones, Chairman
Managing Director, Motor Finance and Leasing, Lloyds Banking Group

Steve Bolton, Board Director
Head of Asset Finance at Barclays

Debbie Burton, Board Director
Chief Executive, Central Trust Limited

David Carson, Board Director
Director of Legal & Regulatory Affairs, BNP Paribas Personal Finance

Nigel Clibbens, Board Director
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Joe Crump, Board Director
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Director General, FLA

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James McGee, Board Director
Managing Director, Northridge Finance

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Managing Director, United Trust Bank

John Phillipou, Board Director
Managing Director - SME Lending, Paragon Bank plc

Carol Roberts, Board Director
Head of Asset at 1pm Plc. Director of the Leasing Foundation

Tim Smith, Board Director
Head of Black Horse Distribution, Black Horse Ltd

Paul Went, Board Director
Managing Director, Consumer, Shawbrook Bank Limited

Director General's Foreword

My first Annual Review as Director General of the FLA will highlight our achievements over the last year, but I want to the open my foreword by setting out the FLA's response to the Covid-19 crisis, and most importantly our forward looking priorities to help members in the medium term as they negotiate the uncertain economic environment into which we will all emerge once the current shutdown ends.

Our response to COVID19

FLA members have shown exemplary commitment to their customers by putting in place large scale and time-critical forbearance programmes in the most difficult of circumstances – during the six weeks to mid-April, they received over a million requests for help.

It is our job to ensure that there is a full understanding in Government and regulatory circles of what a forbearance programme of this scale involves, including the consequences for future lending and the support that members require now so that they can continue to meet their customers' needs, and the needs of our economy during the recovery stage.

It is vital that legislators and regulators clear the way for customers in difficulty to get emergency help as swiftly and simply as possible. We also need financial support for members so that they can continue to provide that emergency help and will be able to lend to get Britain moving again as the crisis abates.

So, our main priorities during this period are CCA reform, funding for our members, and helping customers transition back to normal repayment schedules when the circumstances allow.

On the first issue, we are using every avenue at our disposal to explain to regulators and HM Treasury that the CCA does not lend itself to quick solutions for those in financial difficulty. At Ministerial level, in Select Committee evidence and through MPs, we have set out in the starkest terms the barriers that lenders encounter – such as having to issue new finance agreements to customers through the post then wait until signed copies arrive back at the office before forbearance measures can be put in place. With the help of our legal associate members, we drafted the necessary changes to the regulations, and presented this to HM Treasury colleagues who are considering our proposals, but have yet to agree this credible solution that would streamline lenders' efforts to help their customers.

Our second area of focus is seeking liquidity support for non-bank lenders who have found it difficult to raise funds from wholesale sources. The unprecedented scale of forbearance has raised serious issues of affordability. While we managed to secure wider access to the Covid-19 Business Interruption Scheme (CBILS), problems persist with the fit of this scheme to some of the lenders in our markets.

Securing direct access to term funding for non-banks from the Bank of England or the British Business Bank for new lending and forbearance would put these lenders on an equal footing with banks, and enable them to provide the same level of forbearance without taking on unsustainable risks to their liquidity. We joined UK Finance, Innovate Finance and IMLA to submit detailed proposals to HM Treasury, and have since followed up with Ministers, through the Select Committee and MPs, and briefings for national press. I have also written to the Chancellor to emphasise the need for urgent action. These non-bank lenders are an integral part of the financial services landscape, and the UK's economic recovery will be all the more difficult if they are not in a position to lend.

Our third area of focus is developing a plan to address concerns that some customers will emerge from this period with unsustainable levels of debt. We are therefore recommending to the FCA that there should not be further standardised payment deferrals. Instead, customers who have sufficient resources or who are returning to work should move back to regular payments to help ensure that lenders have the capacity to provide ongoing help for those most in need, and that help should be tailored to the customer's circumstances.

"It is our job to ensure that there is a full understanding in Government and regulatory circles of what a forbearance programme of this scale involves, including the consequences for future lending and the support that members require now so that they can continue to meet their customers' needs, and the needs of our economy during the recovery stage."

Our Purpose and Values

Prior to the upheavals of mid-March, we redefined the FLA's overall purpose – *to help members grow sustainable and trusted finance markets for consumers and businesses* – and adopted new values as an organisation; being trustworthy, showing leadership and being collaborative. These values have guided us through the crisis and will continue to do so.

Trust is a vital component of how we work. Member contribution to our surveys enable us to speak on the basis of solid evidence, and to build on our credentials as a respected industry body – an essential element to help us influence the debate during this difficult period.

We have shown **leadership** by putting forward thoroughly worked up proposals to Government in rapid time and have **collaborated** with other organisations and across the whole membership to strengthen our proposals and our voice. I especially value the cooperation we have had from other associations, notably UKF and the BVRLA.

But we also need to reach out beyond the sectors we represent. To test our thinking on other key stakeholders and to avoid becoming an echo chamber for ourselves, we now have a stakeholder advisory panel comprised of leading figures from business representative organisations, consumer interest groups, think tanks, environmental organisations and economic experts.

Although the past two months have been a particularly testing time for FLA staff, I have been extremely impressed by their expertise and dedication – whether in changing our structure to a wholly remote operation, in their representative work on behalf of members or in the enterprise shown by developing an entirely new programme of online training. We have also introduced an Employee Engagement Forum to tap into the views and ideas of staff at every level to help us develop further the FLA's offering – working flexibly and working smarter to reach even more members.

The FLA has shown itself over recent years to be a formidable advocate for our industry. As we emerge from this current crisis, the FLA will do so with a sharpened sense of the role its members play, not only in relation to the economy, but to the core issues that will decide the future direction of the UK; the move to net zero; the need to increase productivity; levelling up the regions; and fairness for customers.

The new partnerships we have forged with Government and regulators during this current period will be the cornerstone of new opportunities to influence those debates.

The year as a whole

Turning now to our successes over the last year, there are several highlights to report.

Helping to build a better business environment

FLA members' profile with Government departments has grown markedly over recent months. Even before the enhanced contact during the Covid-19 period, the thought leadership shown in our pre-budget submission to the Chancellor of the Exchequer prompted a meeting between the FLA and the Economic Secretary to HM Treasury, where discussions included the benefits of asset finance and the need for a comprehensive finance information service for SMEs. We were pleased to see that when the Government launched its new business support site in February, it matched the criteria we had raised. We were also asked to join the Business Finance Council as leasing and hire purchase usage are increasingly important components of capital investment.

Our response to HM Treasury's consultation on the future of finance regulation put forward compelling, evidenced-based critiques of the Consumer Credit Act (CCA). We highlighted that lending to the very smallest SMEs, which is captured by the CCA, prevents lenders offering the kind of payment flexibility that is routinely offered to larger firms, therefore putting small firms at a disadvantage. In addition, we noted that the CCA's prescribed wording for customers in financial difficulty was unhelpful at best and would likely to dissuade customers from speaking to their lender at all. As mentioned above, HM Treasury is considering our proposals.

In October, when the FCA proposed new rules to ban discretionary commissions in the motor finance market, we welcomed the fact that this would level the playing field for the majority of lenders whose practice already matches the FCA's proposal. This was achieved by working collaboratively with the FCA and members, anticipating where the regulator would land on its commission work, and ensuring that the industry was primed to implement the changes ahead of schedule. The FCA recognised our work in this respect, which has helped our engagement continue on a positive footing.

Although the EU Withdrawal Agreement confirmed the continued use of existing trade and regulatory measures until January 2020, we lobbied successfully for a Statutory Instrument that would give lenders until June 2021 to remove all references to the EU from their pre-contractual information. In the consumer credit market, where an incorrect reference in a contract could make the whole credit agreement unenforceable, lenders need time to make these changes.

Fairness for customers

Ever mindful of our members' customers, we questioned the FCA's decision not to apply the ban on discretionary commission to Personal Contract Hire agreements, as this type of motor finance is likely to grow in popularity as consumers move further away from traditional ownership to usership models. It seems counterintuitive to have two different levels of customer protection in the one market.

Our Lending Code was updated towards the end of 2019 to include new protections about when unsolicited credit limit increases can be offered. The Code's motor finance section now has good practice guidelines covering creditworthiness assessments, and greater transparency on potential charges at the end of the agreement.

FLA members introduced new consumer protections in the Buy Now Pay Later sector to ensure that customers' repayments in the interest-free period for that product would be promptly taken into account. In the credit card, store card and catalogue credit markets, we worked with members on the introduction of persistent debt remedies, designed to help customers pay their borrowing earlier.

When the FCA published its draft guidance on the fair treatment of vulnerable customers, we hosted a meeting between the regulator and 60 member firms to discuss the FCA's expectations, and how the measures would work in practice. In addition, we are continuing to work closely with HM Treasury and the Insolvency Service to ensure that the forthcoming statutory Breathing Space legislation is simple, fair and effective for consumers and lenders.

Enabling members to attract and retain the best talent

Building trust in the industry is vital at every level, and this begins with attracting and retaining the best talent.

We are committed to promoting diversity and opportunity across the industry, and to that end we support the mission and work of the Leasing Foundation. We will also be supporting mentoring.

We are currently developing an apprenticeship standard for the asset finance industry, the process for which began in 2019 with the FLA inviting members to agree the specific competencies required in this growing sector. The initiative will enable members to get value from the funds paid into the Apprenticeship Levy, and provide trainees with the correct skillset for the industry.

As well as the apprenticeship for those just starting out, the Asset Finance Diploma is proving a very popular option for those wanting to develop their careers in the sector – 240 staff from member firms have signed up to the course, and we continue to promote its availability through webcasts and a podcast which provided insights from a graduate.

The SAF Exert element of the FLA's Specialist Automotive Finance (SAF) programme is now used by more than 36,000 customer-facing staff to keep their product and regulatory knowledge up to date. This industry staple has been developed further to include SAF Essentials, a more basic, introductory version for new joiners, and SAF Advanced for experienced staff.

FLA training is as popular as ever, with 70 courses provided at our central London training suite, and a further 26 courses tailored to members' needs and delivered in their offices. We have now launched a programme of online training to continue supporting members during the Covid-19 period.

Improving the service to members

We are ambitious for the FLA, not only in respect of the service it supplies to its members, but also of the improved service our members are enabled to supply to their customers.

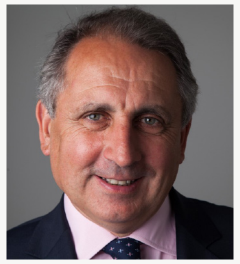
Before the Senior Managers and Certification Regime (SMCR) came into force for our members in December, we held a number of events, including a conference which explored the details of the regime, and a podcast and training courses to ensure that members had all the information needed to embed the right culture and governance requirements.

We have begun a programme of work to look more closely at the way the Financial Ombudsman Service handles complaints, and to provide information on the latest adjudication trends. We have also updated our complaints handling training courses and are currently exploring with members a new complaints benchmarking service.

In the last year, the National Vehicle Crime Intelligence Service (NaVCIS) seized 631 vehicles with £9.4 million on behalf of FLA members. This amounts to a 66% recovery rate of the crimes referred to them.

Overall, the FLA hosted 8 conferences across our three divisions, covering a broad range of subjects including FCA regulation, fraud prevention and SME lending. The engagement of members at these events is invaluable to our lobbying activities, but also our ability to drive the debate in key regulatory areas and to share insights on our markets. The FLA's Annual Dinner remains a key event for the industry, regularly attracting more than 1,500 members and guests. We are developing plans for getting such events restarted, whilst also making much more use of digital delivery in future.

In this, my first Annual Review, I would like to thank the Chairman and Board for their guidance and support since I started in December, the leadership team and staff as a whole for their guidance and dedication, and I look forward to working with you all over the next year.



Stephen Haddrill
Director General

Helping our members during the Covid-19 crisis

We are acutely aware of the stresses being felt in the industry, and individual firms, so when the Government introduced several support schemes to help funders and their customers, we responded quickly with evidence-based proposals to make the schemes work better for the lenders in our market – arguing that the Covid-19 Business Interruption Loan Scheme (CBILS) should include finance businesses as customers and that the £45 million threshold be raised. While the Government accepted our proposals in this respect, we will continue to make the case for further changes to CBILS. We also suggested that the Covid-19 Credit Finance Facility (CCFF) be open to funders, and we wrote to the Chancellor explaining that the Term Funding Scheme should include non-banks to increase the funding available to these key lenders.

Helping to create a better business environment

> *“We are acutely aware of the stresses being felt in the industry, and individual firms, so when the Government introduced several support schemes to help funders and their customers, we responded quickly with evidence-based proposals to make the schemes work better for the lenders in our market.”*

Ahead of the December 2019 General Election, we published our manifesto document, Priorities for 2020 and Beyond, which set out the FLA's agenda for transforming SME growth, and therefore demand for business finance. Our suggestion for a Government-backed business information service covering finance, regulation and taxation was later highlighted in our Budget submission to the Chancellor of the Exchequer, and discussed with officials from HM Treasury (HMT) and the Business, Energy & Industrial Strategy Department (BEIS). Our suggestions were adopted in the Government's new business support site, which launched with the required breadth of content to make it a one stop shop for small business owners. We will work with BEIS as it further develops this resource.

To ensure that our members' expertise is shared with those shaping the UK's business environment, we participated in a number of different forums. The previous Secretary of State for BEIS asked us to join the newly created Business Finance Council, and her successor has asked us to continue to represent the asset finance market on the Council. We also joined the Financial Ombudsman Service (FOS) SME Advisory Panel to assist the FOS with the extension of SME redress.

As part of our industry leadership role to help improve the regulatory landscape for our members, we undertook a detailed review of the regulatory regime's impact on asset finance. This included interviewing members about the issues they have encountered with the provision of finance to different customer groups. The results showed that funding for the smallest SMEs, which is covered by the rigid provisions of the Consumer Credit Act, lacks any of the payment flexibility that is regularly offered to larger firms whose funding is not subject to the CCA. We highlighted this in our response to HM Treasury's consultation on the Financial Services Regulatory Framework Review, and raised it in meetings with the Economic Secretary, emphasising that the regulatory regime was putting SMEs at a disadvantage when this is arguably the group which needs flexibility so they can match repayments to their income cycle.

When the European Banking Authority (EBA) proposed new guidelines on loan origination in July 2019, which would have brought leasing firms into the regulatory sphere for the first time, we worked with our European bodies, Leaseurope and Eurofinas, to challenge the draft guidelines for their overly prescriptive approach.

The FLA has continued its meetings with the Department of Health, the Department for Education and HM Treasury to warn that the implication of aligning public sector accounting with IFRS 16 could limit or prohibit the use of leasing in the public sector. As that outcome is not the stated intent of Government, illustrated by the fact that Crown Commercial Services, with our input, have been developing a new procurement framework to encourage leasing across the public sector, we will continue to keep this important issue high on the agenda, particularly as alignment has now been delayed further by a year due to the Covid-19.

Fairness for customers

As part of our commitment to ensuring the best outcomes for our members' customers, we re-issued our business checklist, advising customers to check whether the service or maintenance contract is separate to the finance agreement, and if it is separate, to check whether there is a difference in notice periods.

This year we have also begun a review of the FLA Business Finance Code. The last review took place in 2015 and while we have a continuous updating process in place, this will be a 'root and branch' review. Any Code changes will reflect the type of customer complaints that we see, and we also intend to strengthen our governance system to demonstrate members' adherence to the Code.

Enabling members to attract and retain the best staff for our industry

Building strength and resilience from within is pivotal to the longer-term growth of this important sector – and investing in staff is where it starts. The Diploma in Asset Finance continues to go from strength to strength, with more than 240 students signing up for the course since its launch in 2016. We continue to highlight the Diploma to members – most recently in three webinars to explain the curriculum and demands of the course, and we also produced a podcast so those considering the Diploma could get a graduate's perspective on the investment of time, but also the dividend in terms of career development.

In 2019, we began the process to develop an apprenticeship standard for the asset finance industry. This involved establishing a "trailblazer group" of members to discuss and agree the specific competences vital in this growing sector, so that employers can eventually draw on the funds paid into the Apprenticeship Levy to train apprentices with the right skillsets to begin building their careers in this sector. Development of the standard has proceeded at a rapid pace, and now has the support of the Institute for Apprenticeships and Technical Education. The next stage is to apply to the Institute for approval.

Improving the service to members

Early in 2020 we embarked on a series of visits across the UK to meet members and stakeholders – including officials from regional government, and business specialists to help develop our thinking on funding opportunities and ways to improve the current drag on productivity. This series of visits included events and conferences, and the feedback was very useful to inform our lobbying. When circumstances allow, we will continue with this programme to support members as they transition back to business as usual.

With sustainability an increasingly important issue for the UK economy, our Energy and Infrastructure Group is helping to develop the industry's thinking on sustainable finance, the funding of "green" assets and the impact on the market of plans for a "net zero" economy. Meetings with speakers from Transport for London to discuss the renewal of their bus fleet and from the Department for Business, Energy and Industrial Strategy have helped crystallise potential funding opportunities.

Over the last year, we launched a series of best practice tool kits that members can download to compare with their own practices, or easily incorporate into their processes. The latest in the series include diversity & inclusion, business redress and anti-money laundering.

"To ensure that the impact of Covid-19 disruption on FLA members and their customers was fully recognised and taken into account in policy making, we had weekly calls with both the FCA and HM Treasury, and we were also invited to join the Government's Consumer Finance Forum which focused on the fair treatment of customers, particularly those who were experiencing financial difficulty."

Helping our members during the Covid-19 crisis

To ensure that the impact of Covid-19 disruption on FLA members and their customers was fully recognised and taken into account in policy making, we had weekly calls with both the FCA and HM Treasury, and we were also invited to join the Government's Consumer Finance Forum which focused on the fair treatment of customers, particularly those who were experiencing financial difficulty.

Within extremely tight deadlines, we responded to the FCA's proposed Covid-19 Payment Deferral Guidance for credit cards, revolving credit, premium credit, personal loans, mortgages, and Buy Now Pay Later products, and we secured changes which recognised that a payment deferral would not be suitable for all customers.

We have worked hard to persuade HM Treasury of the need to update the Consumer Credit Act to help lenders deliver forbearance more quickly and simply. Working in collaboration with leading law firms in Associate membership, we provided the draft for secondary legislation, but HM Treasury have yet to decide on whether legislative changes will be taken forward.

We also worked closely with the Credit Reference Agencies (CRAs) and other trade associations, to ensure that any guidance produced for firms on Covid-19 forbearance reporting was appropriate, consistent and in the best interests of consumers.

To keep members updated on all the latest developments, we hosted regular meetings of key committees and working groups including the Collections Forum, Regulatory Reform Working Group and Secured Lending Group – attracting over 150 members each week.

Helping to build a better business environment

In advance of the FCA's Call for Evidence on the future of the regulatory framework, we hosted a series of roundtables with members, setting out the FLA's priorities for change to help inform the debate at an early stage. This included a specific emphasis on the need to update the Consumer Credit Act to facilitate improvements to customer information, assistance for those in financial difficulty and product innovation in the FinTech sector. A briefing on the reform of the CCA was also produced for HM Treasury. Ministers are considering our proposals.

We responded to all consultations published as part of the Mortgage Market Study, and met regularly with the FCA team to ensure that the role of second charge mortgages were appropriately considered when developing any remedies. We have worked with our Mortgage Compliance Working Group and Secured Lending Group to consider issues relating to mortgage advice, the switching process and advice provided by brokers.

To assist members with compliance and broker oversight, we produced Responsible Lending Resources and a new guide on working effectively with mortgage intermediaries and brokers.

We also created new sources of information for consumers, mortgage brokers and other industry participants to help raise the profile of second charge mortgages, and the different ways in which these mortgages can be used – for example, for home improvements and to assist family members with a deposit on a new home. We have also forged links with market participants, such as Mortgage Clubs, to further raise awareness with brokers of this part of the mortgage market. In light of the ongoing Covid-19 pandemic, we are focussing on working with firms to address the practical challenges associated with adhering to the regulator's guidance on providing payment deferrals for customers.

On the publication of the FCA's Portfolio Strategy Letters in the motor finance, retail finance, non-bank lending and credit broking sectors, we provided detailed commentary on the areas where the FCA wants firms to focus their action. The FCA agreed with us that all 43 Portfolio Strategy Letters should be published together on a dedicated part of the FCA website to allow firms to more easily identify whether they have been allocated to the correct Portfolio(s).

We represented members on the FCA's CMC stakeholder Group, reviewing areas of poor practice, and recommending where regulation needed to focus. Our reporting of poor CMC practices has resulted in a significant contraction in authorised CMCs from just over 3,000 at its peak under the Ministry of Justice to just over 800 either seeking or having now been FCA authorised. Our continued pressure on the FCA has also resulted in the regulator taking a robust stance in their messaging to these firms with reference to non-compliance, including financial promotions and complaint handling.

As part of the FCA's Credit Information Market Study (CIMS), we responded to the Terms of Reference highlighting the importance of credit data sharing in responsible lending. With technological developments at the forefront of the FCA's regulatory agenda, we supported the Steering Committee on Reciprocity (SCOR) in considering how the current data sharing rules would need to evolve and be future-proofed to meet increased use of open data and artificial intelligence within financial services

Fairness for customers

Alongside the FCA's work looking at the point-of-sale finance sector, we established a working group to consider best practice in retailer oversight – an area where the FCA is particularly interested. Following discussion with the regulator, members also introduced new consumer protections linked to Buy Now Pay Later products to ensure that repayments made during the interest-free period were fully accounted for.

We worked with credit card, store card and catalogue credit members on the introduction of the FCA's new Persistent Debt remedies, aimed at encouraging customers to repay their borrowing earlier. Together with UK Finance, we liaised with consumer groups and debt charities to ensure that good practice on effective customer communications and access to debt advice was shared.

We responded to the FCA's long-awaited draft guidance on the fair treatment of vulnerable consumers, and hosted a discussion between the FCA and 60 member firms to explore regulatory expectations on how the guidance should be applied in practice. We agreed with the FCA that a flexible approach was required, as vulnerability adopts many forms. We will continue to engage closely with the regulator during the second phase of the guidance consultation to showcase our members' good practice.

We continued to press both HM Treasury and the Insolvency Service to ensure that the statutory Breathing Space regime is simple, fair and effective for both consumers and lenders. As we wait for the Breathing Space legislation to be laid in Parliament, our role is to now work closely with the Insolvency Service to ensure the scheme's online notification portal works for all stakeholders.

We continued to work with the Money & Pensions Service and the FCA on a new model for funding free debt advice, highlighting the need for a simple, transparent and equitable approach, that ensures all contributors know how much they will need pay and how the funding will be used.

The Lending Code 2019 was launched last September, and includes new protections agreed with the FCA regarding when unsolicited credit limit increases (UCLIs) can be provided, together with good practice guidelines for motor finance, covering creditworthiness assessments, broker oversight and greater transparency on the potential for charges at the end of an agreement.

In consultation with our members, we continue to review the Lending Code to seek improvements to its usability and visibility for members, consumers, and as an example of industry good practice to regulators.

Enabling members to retain and attract the best talent

With our training courses aligned to regulatory developments, members can use this service to ensure that their staff are up to date on keys issues like Senior Managers & Certification Regime, but also the basics of consumer credit regulation.

Through our membership of the Government's Women in Finance Charter, we attended sessions hosted by the FCA, and shared good practice with other financial services trade associations. We also finalised the FLA's Diversity & Inclusion Plan which includes working with members in developing materials which can be used within firms.

Improving the service to members

Ahead of the introduction of the second phase of the Senior Managers & Certification Regime in December 2019, we hosted events and training courses to ensure that members had the information and support required to meet the deadline. This included an SMCR conference looking in detail at the different aspects of the scheme, together with training on embedding the right culture and governance requirements. A programme of further support will continue during 2020, as firms refine their approach and processes.

In response to concerns raised by members on how complaints were being managed by the Financial Ombudsman Service, we introduced a programme of work aimed at delivering greater transparency in FOS's complaints handling and the sharing of information on the latest trends in adjudications. We introduced updated training courses on effective complaint management and scoped a new benchmarking service to assist members when dealing with complaints. Through regular meetings with FOS, we have also challenged particular approaches to complaint handling and established a more constructive and collaborative dialogue on good complaint handling.

In advance of the implementation of the 5th Money Laundering Directive (5MLD), we ensured members were aware of the new requirements – including the reporting of changes concerning Beneficial Owners (BOs). As members of the Joint Money Laundering Steering Group (JMLSG), we helped influence JMLSG's updated guidance in this area. We continue to push the 'digital identity' agenda to facilitate quicker and more cost-effective on-boarding of customers.

Our annual Financial Crime Conference attracted over 80 member firms and explored fraud trends across FLA markets, cyber-crime prevention, 5MLD, digital identity, strong customer authentication and fraud case studies. We continued to publish our quarterly Fraud and Financial Crime Update, on the latest financial crime, fraud, sanctions and bribery and corruption issues. We also assisted in producing cyber resilience guidance to help members reduce the risk of cyber-attacks.

In the run-up to FCA's August 2019 PPI deadline, we kept members updated on complaint trends and the FCA's expectations on how the complaints should be handled. We also informed firms of key communications and developments from the Official Receiver (OR) in relation to the large numbers of last-minute PPI complaints brought on behalf of bankrupts. This included options and guidelines for bi-lateral agreements between firms and the OR.

We continued to keep members updated on all the latest regulatory developments via our regular emails and Newsletters (Regulatory Round-Up, Vulnerability & Debt News, Mortgage and Housing News and Fraud & Financial Crime Update). We hosted four conferences on financial crime, SCMR, responsible lending and the latest regulatory issues, the latter of which attracted over 150 delegates.

Helping our members during the Covid-19 crisis

We know that this is a particularly difficult time for members, and have liaised closely with HM Treasury, the Bank of England and the Financial Conduct Authority (FCA) to ensure they are aware of the impact that Covid-19 disruptions are having across all of our markets.

During the initial stages of the lockdown, the closure of vehicle showrooms and auction houses had an immediate and unprecedented impact on sales of both new and used car finance. We reported to HM Treasury that although for many members this meant in the short-term that they had sufficient liquidity to offer forbearance to customers affected by the impact of the virus, for all members this would bring serious financial challenges over the medium term.

When the FCA produced its forbearance guidance for our market, we made clear that the approach was already being followed by motor finance lenders who had been supporting their customers from the outset, but the unprecedented scale of this forbearance would require Government help to make it sustainable.

We are now focusing on the need for a smooth transition back to normal vehicle trading. This not only means that finance is in place to support vehicle sales – for which Government support will be needed by non-bank lenders – but also that the vehicles themselves are in the right place at the right time. To address some of the anxiety amongst the dealer networks, we worked with dealers, the BVRLA and SMMT to produce guidance that clarifies how vehicles could be collected, transported and delivered in accordance with Covid-19 precautions.

Helping to build a better business environment

In October, the Financial Conduct Authority (FCA) proposed new rules to ban discretionary commission in the motor finance market, after an earlier study found that some dealer commission arrangements led to consumers paying more interest than might otherwise have been the case if dealers did not have discretion on the eventual rate offered to the customer.

We welcomed the FCA's proposed new rules as they reflected the majority of current practice in the market, and we asked for some flexibility on the timing of the rule changes to allow a small minority of firms which are still in the process of updating their commission models . To help members in this respect, we have drawn up guidance to show which models are compliant, and what should be disclosed to customers about commissions.

Fairness for customers

We remain concerned about the FCA's decision to limit the applicability of the new commission rules to Personal Contract Purchase and Hire Purchase, when Personal Contract Hire is a growing part of the market, and likely to grow further as consumers increasingly embrace car usage over car ownership.

The FCA's scrutiny also fell on affordability and the provision of information at the point of sale and during the contract – and for each we have included new provisions in the Lending Code and associated guidance. Adoption of these industry-led provisions will have been a factor in the FCA not seeing the need to draft new rules in this area.

With 91% of private new cars bought using finance, the FLA's motor finance members are acutely aware of the role they will play in helping the UK transition to zero emissions by 2035.

We have been working closely with the Low Carbon Vehicle Partnership and others to identify the changes needed to achieve this target - for example, more investment in charging infrastructure; CCA reform to facilitate lending on green investments; longer term commitments on financial incentives, and better benchmarking of electric vehicle costs to assist consumer choice. We took these messages to FLA fringe events at both the Conservative and Labour Party Conferences, where they were well received.

Enabling members to attract and retain the best talent

The FLA's Specialist Automotive Finance (SAF) Expert Test, formally accredited at the level 3 competence standard preferred by the FCA, is now used by more than 36,000 staff. Pathways to this have been improved via the new SAF Essentials material, which is already being downloaded more than 6,000 times per month. For those passing the SAF Expert test, there is now an app (the 'SAF Advanced Academy') allowing students to study for the more demanding SAF Advanced qualification on smartphones and tablets.

We have worked this year with a range of full and associate members, and other external partners in the medium and small independent dealership sectors, where take-up of the SAF programme has not been as high as in the franchised dealership sector. This will remain a high priority throughout 2020.

In addition, the FLA's recently introduced Motor Finance Specialist Apprenticeship Standard has seen its first tranche of apprentices develop successfully in a number of member firms. We are continuing to support uptake of the apprenticeship among lender and dealership firms to boost recruitment, retention and professionalism, as well as allowing firms to get the most out of their apprenticeship levy payments.

Improving the service to members

Priorities for the Motor Finance Fraud Group during 2019 have included developing a dialogue with the FOS on confirmed frauds, developing new relationships with other business sectors to understand common threats, improving the sharing of fraud data, monitoring any Brexit impacts, and working with the FCA to encourage uptake of the Information from Lenders (IFL) scheme.

This work is supported by input from the FLA's Asset Registration Group, where lenders and Motor Asset Registration Services (MARS) members discuss ways to strengthen the industry's defences against fraud and theft – which included securing the registration of personal loans for the purchase of motor vehicles, following dialogue with the Information Commissioner's Office.

During the year, the National Vehicle Crime Intelligence Service (NaVCIS) seized 631 vehicles worth £9.4m on behalf of FLA members – amounting to a recovery rate of 66% of crimes referred to them. The Unit's strategy is now to focus a higher proportion of its resources on prevention and intelligence. This has led to some notable successes both domestically and overseas, including 192 known crime preventions worth £2.9m to members – with, almost certainly, an even higher level of unknown preventions. Work has started with Police Scotland with a view to extending the reach of NaVCIS to crimes committed within its jurisdiction.

Developing and maintaining a close relationship and partnership with dealers and brokers is vitally important in the heavily intermediated motor finance market. Our meetings with the National Franchised Dealers' Association, via our jointly chaired FLA / NFDA Liaison Group, has seen extensive discussion around the FCA's proposed rules on commissions and disclosure, but also a focus on solution finding on an ever-widening range of topics from intermediary oversight and audit, to industry professionalism, the treatment of negative equity and complaint-handling.

"When the FCA produced its forbearance guidance for our market, we made clear that the approach was already being followed by motor finance lenders who had been supporting their customers from the outset, but the unprecedented scale of this forbearance would require Government help to make it sustainable."

Our more recently established MFD Broker Group has enabled an increasing number of key brokers and their finance company partners to discuss and solve specific issues that arise in the expanding broker channel. Areas of focus have included the impact of the FCA's commission and disclosure rules, the future regulatory treatment of non-dealer channels, and improving fraud prevention.

We have continued to raise with the FCA our serious concerns about the significant increases in regulatory levies for some FLA members, particularly in respect of the funding of free debt advice. While we welcome the FCA's decision to review its funding policies in this area, we continue to press them for tangible solutions as soon as possible.

Westminster

Just before the Covid-19 lockdown was introduced, we met the Economic Secretary to HM Treasury, John Glen, to explain the serious deficiencies of the Consumer Credit Act (CCA), and the need for it to be urgently updated – problems amplified in mid-March by the need to provide quick and simple forbearance solutions to customers. HM Treasury colleagues are considering our proposals.

In mid-April, the Director General gave evidence to the Treasury Committee inquiry into the economic impact of the Covid-19. On top of regulatory obstacles, he explained that many non-banks/independent providers, were unable to access capital markets and urgently needed existing Government schemes expanded to help them. Government support was also required to enable firms to fund the forbearance they offered long-term.

"In mid-April, the Director General gave evidence to the Treasury Committee inquiry into the economic impact of the Covid-19. On top of regulatory obstacles, he explained that many non-banks/ independent providers, were unable to access capital markets and urgently needed existing Government schemes expanded to help them. Government support was also required to enable firms to fund the forbearance they offered long-term."

The FLA has raised these concerns extensively with MPs and used our membership of the Business Finance Council and the Consumer Finance Forum to make the case with Ministers. We have also collaborated widely with trade bodies and consumer representatives to ensure decision-makers heard the same messages.

Earlier, in the lead up to December's General Election, our 'Agenda for Government' manifesto document set out the FLA's priorities for 2020, which included modernisation of the CCA to help with the roll out of green finance, and to provide more flexible finance to SMEs. We distributed this document to all Prospective Parliamentary Candidates ahead of the General Election, and raised the issues subsequently with new Ministers.

Our events at the 2019 Party Conferences explored ways that motor finance providers could better support the roll-out of low emission vehicles to consumers, which again highlighted the CCA as a barrier to innovation in this market as the Act fails to accommodate vehicles comprised of more than one asset.

While the EU Withdrawal Agreement confirmed that the UK would continue to use existing trade and other arrangements until December 2020, we successfully lobbied for a Statutory Instrument to give lenders until 1 June 2021 to remove all references to EU law in their pre-contractual customer information, known as the Standard European Consumer Credit Information. In the consumer credit market, whole agreements could be rendered unenforceable because of an incorrect but inconsequential reference in the contract. As the stakes are so high, it is vitally important that firms have time to makes these changes in an orderly and comprehensive way.

Brussels

2019 was a year of change for EU Institutions – a new cohort of MEPs took office in May, ending the socialist/centre-right coalition, and the new European Commission, led by Ursula von der Leyen, began work in December with a programme to prioritise climate neutrality and a Green New Deal.

We challenged European Banking Authority draft guidelines on loan origination because the prescriptive approach to creditworthiness checks pre-empted the review of the Consumer Credit Directive (CCD), and cut across the FCA's work in this area. The EBA's guidelines would also have brought bank leasing into scope for the first time, without making a case for this change. Our concerns were backed by other European stakeholders and resulted in a delay in the introduction of the guidelines which were originally due to take effect from June 2020. As per the approach taken by UK regulators, changes to European rules and guidance looks set to be put on hold until the exit plan of the Covid-19 lockdown becomes clearer. For the UK, there is the added complication of whether the end of the 2020 transition period for departure from the EU will be extended as this will have a bearing on whether these guidelines will apply to FLA members.

In a similar vein, we anticipate that the European Commission's timetable for the review of the CCD will be pushed back. We did engage earlier with the European Commission whilst the possibility remained that potential new rules might apply in the UK. Our priorities are for information requirements suited to the digital environment, and proportionate creditworthiness assessments.

FLA market performance over the past year

FLA markets reported another strong performance in 2019, with new business reaching a record level of over £140 billion, 2% higher than in 2018. FLA members directly support the real economy through the provision of finance for essential household purchases, and to SMEs and larger businesses for investment in a wide range of vehicles, machinery and equipment.

The disruption caused by measures to tackle the spread of Covid-19 has hit FLA markets hard, with many of the traditional routes to customers closed. In March 2020, new business overall fell by 20% compared with the same month in 2019, and contracted by 6% in Q1 2020 as a whole.

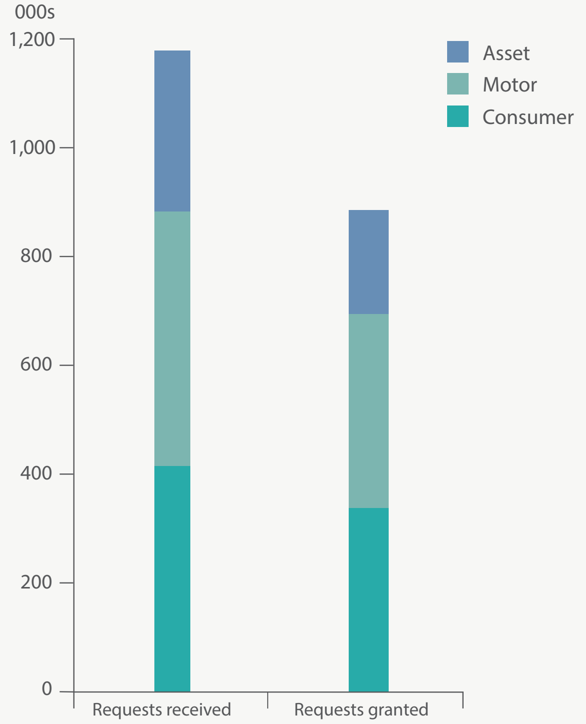
Members have been faced with a huge number of Covid-19 related forbearance requests from businesses and consumers since the lockdown began. In the seven weeks to 24 April, they received an estimated 1,178,000 requests, of which 884,000 (75%) had been granted by that date.

The economic outlook is highly uncertain. The Office for Budget Responsibility (OBR) has suggested that a three-month lockdown until the end of June, followed by a recovery in output during the second half of 2020, would likely lead to a contraction in GDP of 35% in Q2 2020 compared with the previous quarter, and a fall of almost 13% in 2020 as a whole. The economic bounce back very much depends on how consumer and business confidence recover as the lockdown restrictions are eased. The Government support schemes so far have been aimed at minimising business failures and job losses arising from the lockdown, but it is clear that these schemes will need to be adapted to provide further support to businesses and households once the lockdown is lifted, as the UK economy is unlikely to return to "business as usual" any time soon.

FLA markets reported another strong performance in 2019, with new business reaching a record level of over

£140bn

Forbearance requests received and granted by FLA members
7 weeks ended 24 April 2020

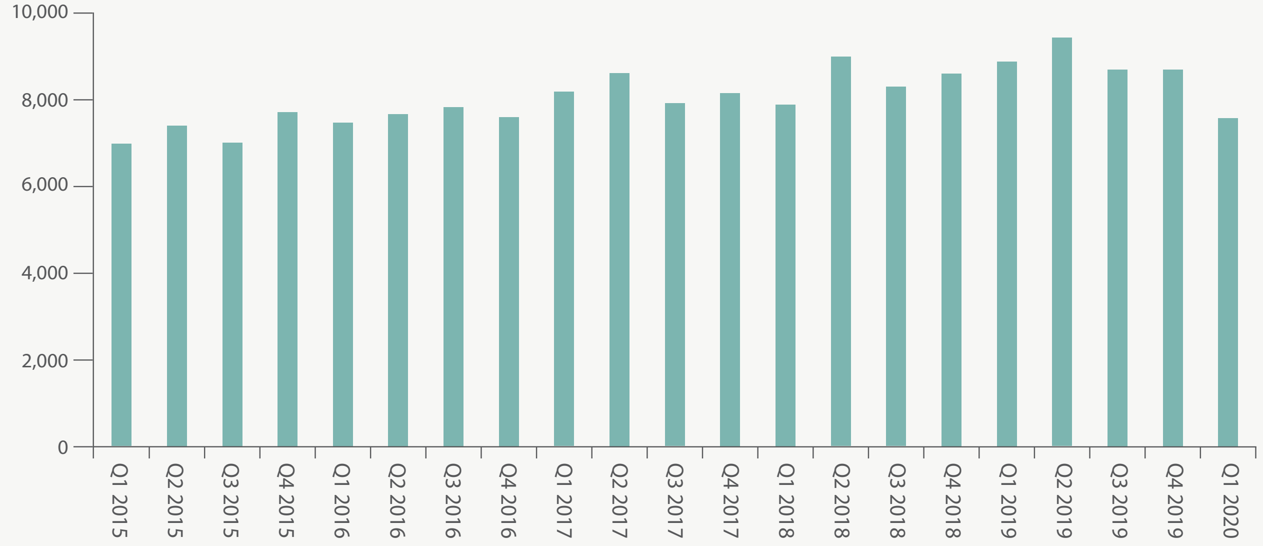


Asset Finance

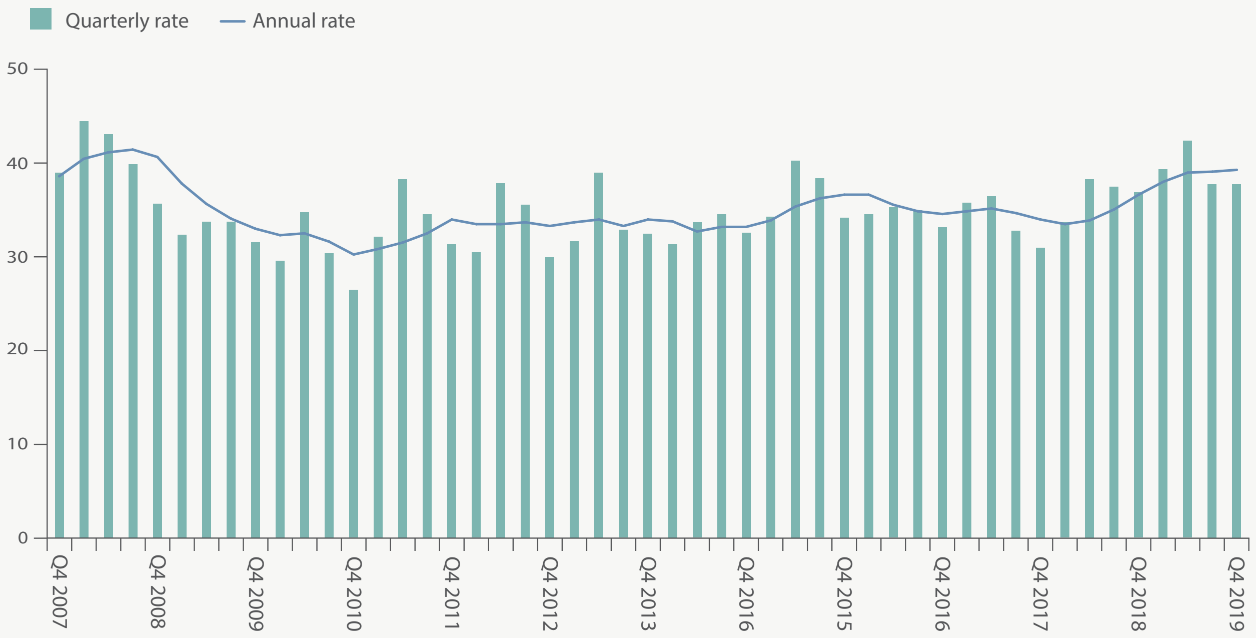
The asset finance market reported a record level of new business in 2019 of £35.6 billion, 6% higher than in 2018. Of this total, £20.1 billion went to SMEs. In the three years following the UK's decision to leave the EU, business investment levels had been subdued. Despite this, the percentage of UK investment in machinery, equipment and purchased software financed by FLA members reached 39.2% in 2019, the highest since 2008.

The market made a slow start to 2020, with new business 5% lower in the first two months of 2020 compared with the same period in 2019. The lockdown in March led to a further fall in asset finance new business of 28% compared with March 2019. The IT equipment finance sector was the only asset sector to report growth in March, with new business up by 15% compared with March 2019. In Q1 2020 as a whole, asset finance new business overall contracted by 15% compared with Q1 2019.

Asset finance
New business by value £m



Percentage of UK investment in machinery, equipment and purchased software financed by FLA members



Motor Finance

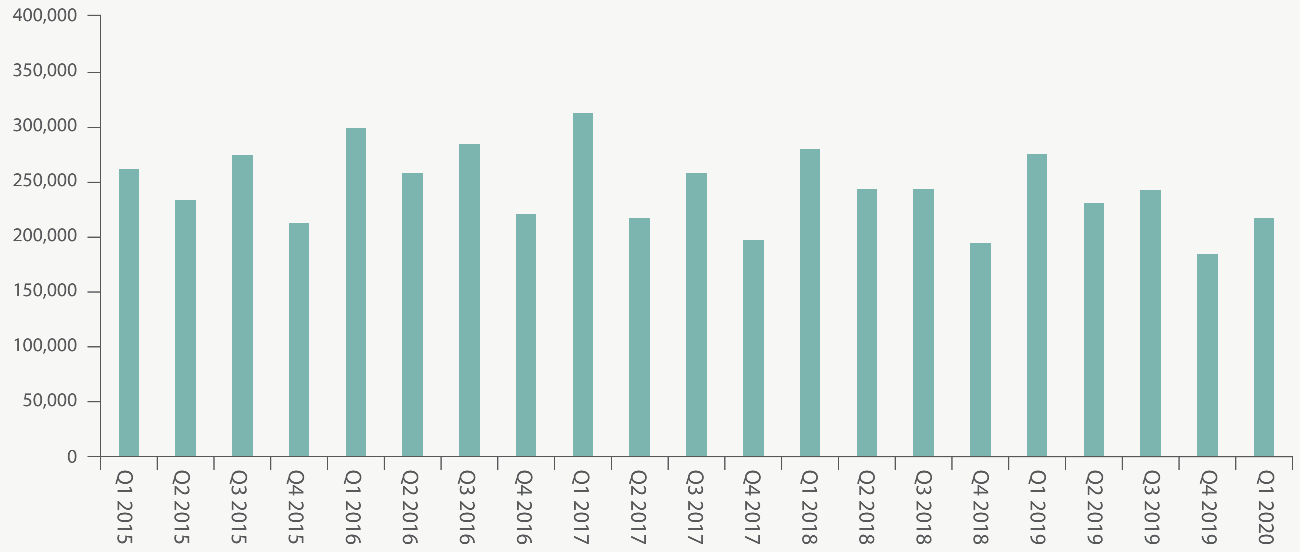
FLA members reported motor finance new business of £48 billion in 2019, 3% higher than in 2018. Of this total, £38 billion was provided to consumers for new and used car purchases.

The motor finance market has been hit hard by the lockdown in March as the main route to customers through dealerships closed. Point of sale consumer car finance new business volumes fell in March by 27% compared with the same month in 2019.

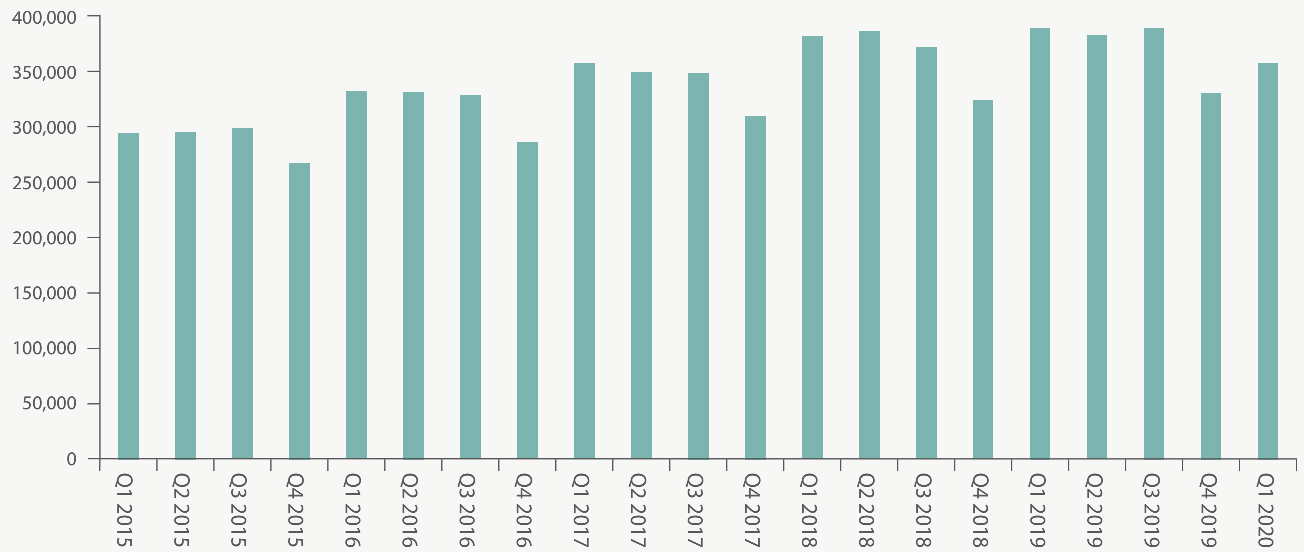
The consumer new car finance market fell in March by 29% compared with the same month in 2019. This market closely tracks private new car registrations, with the percentage of private new car sales financed by FLA members reaching a record-high of 95.6% in the twelve months to March 2020. The Society of Motor Manufacturers and Traders (SMMT) has forecast that the number of new car registrations in the UK is likely to fall by 27% in 2020 compared with 2019.

The consumer used car finance market contracted in March by 24% compared with the same month in 2019, and fell by 8% in Q1 2020 as a whole.

Point of sale consumer new car finance market
New business – number of cars financed



Point of sale consumer used car finance market
New business – number of cars financed



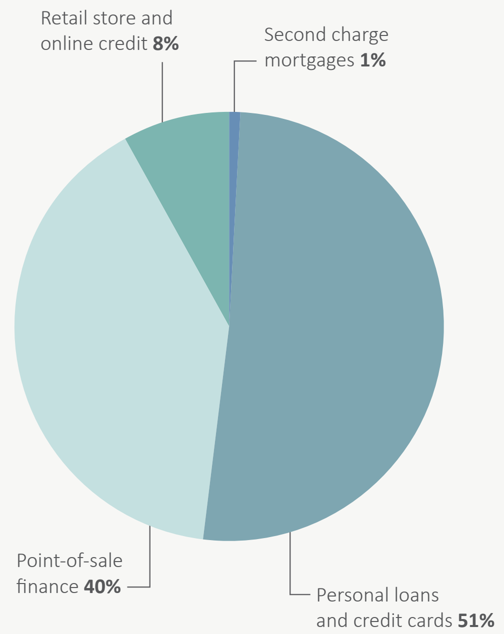
Consumer Finance

FLA consumer finance new business grew by 1% in 2019 compared with 2018, to reach a record level of £104.7 billion. In the first two months of 2020, this market reported new business up by 5% compared with the same period in 2019. The lockdown in March led to a fall in consumer finance new business of 16% compared with March 2019, and contributed to a fall of 4% in Q1 2020 as a whole.

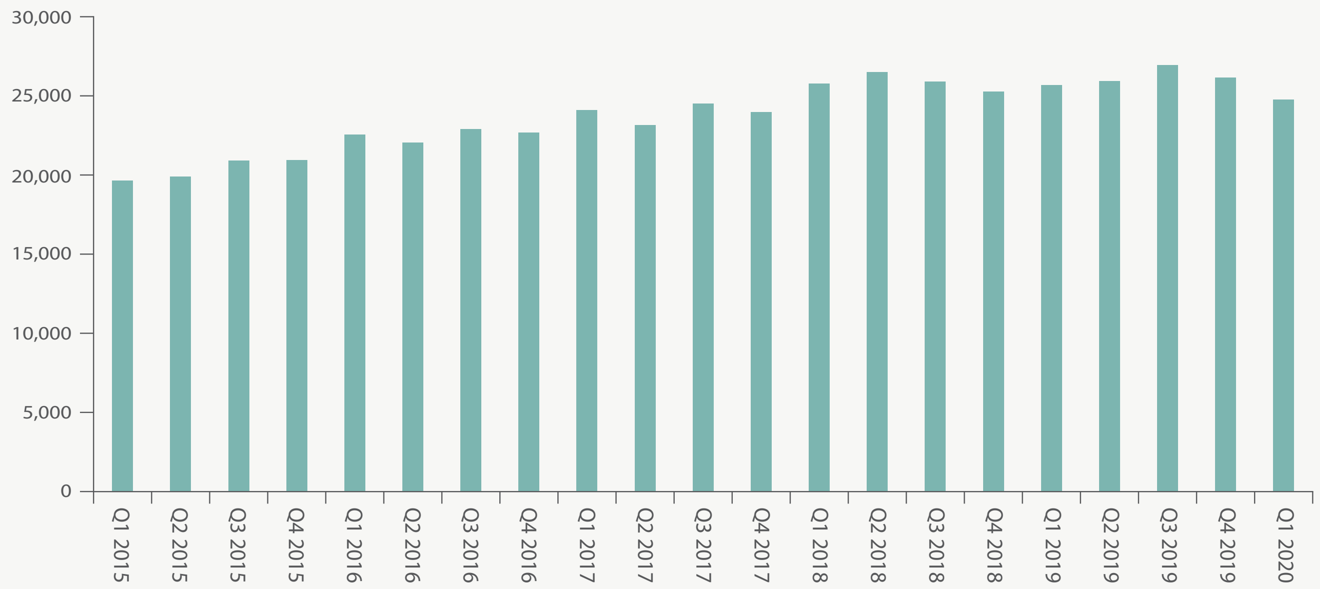
The strength of online purchases since the lockdown meant that the retail store and online credit sector reported a relatively modest fall in new business in March of 6% compared with the same month in 2019. Over the same period, personal loans and credit card finance together fell by 10%.

The second charge mortgage market reported new business by value and volume both 14% lower in March than in the same month in 2019. In Q1 2020 as a whole, this market reported new business up 4% by value and 2% by volume, compared with Q1 2019.

Distribution of FLA consumer finance
New business in 12 months to March 2020



Consumer finance provided by FLA members
New business by value £m



Over the year, we delivered 70 courses at the training suite in our London offices, and a further 26 bespoke courses that were delivered at members' premises.

Our events programme included the FLA's Annual Dinner, which attracted over 1,500 members and guests, and we also hosted 8 conferences across the FLA's three Divisions, as well as a range of popular networking events for members.

To continue serving members during the current period, we have launched a new suite of courses, developed by the FLA and our specialist trainers, for delivery using Zoom.

These courses are much shorter in format to help them fit into our members' working day, and the maximum number of 12 delegates will ensure a quality experience for those taking part.

The core skills covered in the first release of courses includes the fair treatment of customers in financial difficulties and effective consumer communications. The series has proved to be very popular, with bookings received immediately after the first courses were launched.

We will also be adding webinars and conferences to our remote offering later in the year.

FLA remote training schedule

Motor Finance: satisfactory quality disputes

14 May
10am - 12pm

Covering relevance of terms and conditions, misrepresentation, mis-statements and mis-selling, rights and remedies, and the impact of warranties and Codes of Practice.

Motor Finance: title disputes

15 May
10am - 12pm

Covering implied terms for ownership, relevance of terms and conditions and alternative dispute resolution.

Consumer Credit: consumer rights under motor finance agreements

18 May
10am - 12pm

Covering borrower's rights of termination under hire purchase and conditional sale agreements, the right to withdraw, restrictions on repossessions, and connected lender liability: Section 56 and 75.

Consumer Credit: documentation: agreements and post-contractual documents

20 May
10am - 12pm

Covering form and content of regulated credit agreements and consumer hire agreements, pre-contractual information, execution of agreements, default notices and enforcement notices.

Consumer Credit: financial promotions

20 May
2pm - 3:30pm

Covering principles for Businesses, CONC 3 and ASA Codes.

Treatment of customers in arrears under CONC 7

22 May
10am - 10:30am

Covering Principles for Businesses, CONC7, unfair relationships and responsibility for third parties.

Hot topics in customers complaints and litigation

22 May
2pm - 3:30pm

Covering excess mileage charges, withdrawal rights, credit reporting, Section 75 claims and enforcement of rules and guidance.

Financial Difficulty: Treating customers fairly

27 May
2pm - 4pm

Covering FCA Guidance on Covid-19 (personal loans, credit cards and revolving credit, motor finance and BNPL) – key themes and approach and factors to consider for which type of forbearance.

Financial Difficulty: effective customer communications

28 May
2pm - 4pm

Covering Principles 6 and 7 – good customer outcomes, FCA Covid-19 Guidance – Information requirements across the products, and CCA requirements and FOS impact.

For full course details, please check our training page on the FLA website.

If there is a particular course or subject area that you would like to see covered in our remote training series, please contact events@fla.org.uk

Members Directory

FULL MEMBERS	Asset Finance	Consumer Finance	Motor Finance
118 118 Money		●	
1pm plc	●		
1st Stop Group Ltd		●	●
4Com Technologies	●		
A			
ABN AMRO Asset Based Finance	●		
Admiral Financial Services Ltd		●	
Advantage Finance Ltd			●
ALD Automotive Limited			●
Aldermore Bank plc	●		
Allied Irish Bank (GB)	●		
Alphabet (GB) Ltd			●
Amicus Asset Finance	●		
Arkle Finance Ltd	●		
AutoMoney Motor Finance			●
Azule Limited	●		
B			
Bamboo Limited		●	
Barclays Asset Finance	●		
Barclays Partner Finance		●	●
Bibby Leasing Ltd	●		
Billing Finance Ltd			●
Black Horse Motor Finance			●
Blue Motor Finance Ltd			●
BMW Financial Services (GB) Limited			●
BNP Paribas Leasing Solutions	●		
BNP Paribas Personal Finance		●	●
Briggs Equipment UK Limited	●		
BT		●	
C			
Cambridge and Counties Bank	●		
Capital One (Europe) plc		●	
Caterpillar Financial Services (UK) Limited	●		
Catfoss Finance Ltd	●		
Central Trust Limited		●	
Charter Court Financial Services Limited		●	
Chetwood Financial Limited		●	
CHG-MERIDIAN UK Limited	●		
Churchill Finance Group Ltd	●		
Cisco Capital	●		
Close Brothers	●		
Close Brothers Motor Finance			●
Clydesdale & Yorkshire Bank Asset Finance	●		
Commerzbank	●		
Compass Business Finance Ltd	●		
Conister Bank Limited	●		
CSI Leasing UK Ltd	●		
D			
Danske Bank	●		
Deutsche Leasing (UK) Limited	●		
DLL	●		
DND Finance	●		
E			
Equifinance Limited		●	
Everyday Loans		●	
Evolution Lending Ltd		●	
F			
FCA Automotive Services UK Ltd			●
FCE Bank plc			●
Ferrari Financial Services GmbH			●
First Asset Finance plc	●		
First Response Finance			●
Future Finance Loan Corporation Ltd		●	
G			
GE Capital Equipment Finance Ltd	●		
GE Money Home Finance Limited		●	
Genesis Capital Finance and Leasing Ltd	●		
Go Car Credit Ltd			●
H			
Harley-Davidson Financial Services Europe Limited			●
Haydock Finance Ltd	●		
Hitachi Capital (UK) plc		●	●
Hitachi Capital Business Finance	●		
Home Retail Group Card Servcies Ltd		●	
Honda Financial Services			●
HSBC Bank plc		●	
HSBC Equipment Finance (UK) Ltd	●		●
HTB	●		
Hyundai Capital UK Limited			●
I			
IBM United Kingdom Financial Services Limited	●		
ICICI Bank plc	●		
Ikano Bank UK		●	
Innovent Leasing Limited	●		
InterBay Asset Finance Ltd	●		
Investec Asset Finance plc	●		
J			
J D Williams and Company Limited		●	
JBR Capital Limited			●
JCB Finance Ltd	●		
John Deere Bank S.A.	●		
K			
Kingsway Asset Finance Ltd	●		
L			
LeasePlan UK Limited			●
Leasing Programmes Limited	●		
Lendable			●
Liberty Leasing Limited	●		
Lloyds Bank Asset Finance	●		
Lombard North Central plc	●		●
LRUK (Retail) Limited		●	
M			
M I Vehicle Finance Limited			●
Macquarie Corporate and Asset Finance	●		
Marsh Finance Ltd			●
Masthaven Bank Ltd		●	
Maxxia	●		
MBNA Limited		●	
Mercedes-Benz Financial Services UK Ltd			●
Metro Bank Asset Finance	●		
Moneybarn			●
MotoNovo Finance		●	●
N			
Nemo Personal Finance		●	
NewDay Limited		●	
NextGear Capital UK Ltd			●
Northridge Finance	●		●
Norton Home Loans Limited		●	
O			
Oakbrook Finance Limited		●	
Omni Capital Retail Finance Ltd		●	
Oodle Financial Services Limited			●
Open University Student Budget Accounts Ltd		●	
Optimum Credit Ltd		●	
P			
PACCAR Financial plc			●
Paragon Asset Finance	●		
Paragon Banking Group plc		●	●
PCF Bank Limited	●		●
PEAC Finance	●		
Pitney Bowes Ltd	●		
Praetura Asset Finance Ltd	●		
Premium Credit Limited		●	
Premium Plan Limited			●
Prestige Finance Ltd		●	
Propel Finance	●		
PSA Finance UK Ltd			●
Q			
Quandient Finance UK Limited	●		
R			
RateSetter		●	●
RCI Financial Services Ltd			●
Renaissance Asset Finance Ltd	●		
RentSmart Limited	●		
Ricoh Capital Limited	●		
Rivers Leasing plc	●		
S			
Santander Consumer (UK) plc			●
Santander UK plc		●	
Secure Trust Bank plc	●	●	●
Shawbrook Bank Limited	●	●	
Shire Leasing plc	●		
Shop Direct Finance Company Limited		●	
Siemens Financial Services Ltd	●		
Simply	●		
SMBC Leasing (UK) Limited	●		
Societe Generale Equipment Finance Ltd	●		
Specialist Motor Finance Ltd			●
Star Capital Partners Ltd	●		
Startline Motor Finance Ltd			●
Step One Finance Limited		●	
Studio Retail Limited		●	
T			
Together		●	
Toyota Financial Services (UK) plc			●
Triple Point Lease Partners	●		
U			
UK Credit Limited		●	
Ultimate Asset Finance Ltd	●		
United Trust Bank Limited	●	●	●
V			
Vauxhall Finance plc			●
Volvo Financial Services	●		
W			
Walbrook Asset Finance Limited	●		
WeFlex Ltd			●
Wesleyan Bank	●		
West One Secured Loans Limited		●	
White Oak UK	●		
Wyelands Bank plc	●		
X/Y/Z			
Xerox Finance Ltd	●		
Zopa			●

● Asset Finance ● Consumer Finance ● Motor Finance

Members Directory (Continued)

ASSOCIATE MEMBERS			
4 Most Europe Ltd	○	●	○
A			
Acquis Insurance Management Limited	●	○	○
Addleshaw Goddard LLP	●	●	●
Alfa	●	●	●
Allen & Overy LLP	○	●	○
Anchor Computer Systems Limited	○	●	○
Anglia (UK) Limited	○	○	●
Apak Group Ltd	●	○	●
Arrow Global Limited	○	●	○
Ascent Performance Group	○	○	●
Auto Trader	○	○	●
Autofutura Ltd	○	○	●
Autoprotect MBI Ltd	○	○	●
AXA Partners	○	●	○
B			
Bermans	●	○	○
Blake Morgan	○	○	●
British Car Auctions	○	○	●
Brodies LLP	○	○	●
C			
Cabot Credit Management Limited	○	●	○
cap hpi*	○	○	●
CDL Vehicle Information Services Ltd*	○	○	●
CGI Group	●	●	●
Chrysalis Solmotive Ltd	○	○	●
Classic Technology Limited	●	○	○
CMS Cameron McKenna Nabarro Olswang LLP	○	○	●
Copart UK Ltd	○	○	●
D			
D&B (Dun & Bradstreet)	●	○	○
Dains LLP	●	○	○
Deloitte LLP	○	○	●
DLA Piper	●	○	○
DWF LLP	●	●	●
E			
Equifax Ltd	●	●	○
Equiniti Credit Services	○	●	○
Eversheds Sutherland (International) LLP	●	●	●
Experian Ltd*	●	●	●
EY	●	○	○
G			
Gateley Legal	●	●	●
Glass's Information Services	○	○	●
GMG Asset Valuation Ltd	●	○	○
Grant Thornton UK LLP	●	●	●
Great American Lease & Loan Insurance Services	●	○	○
H			
Hilton-Baird Financial Solutions	●	○	○
Huntswood CTC Ltd	○	●	●
I			
IDS	●	○	○
Invigors EMEA LLP	●	○	○
J			
JCA Associates	○	○	●
K			
KeeResources Limited	○	○	●
KPMG LLP	●	●	○
L			
Leasing.com Group Ltd	○	○	●
Lester Aldridge	○	○	●
Link Financial Outsourcing Limited	○	●	●
Locke Lord (UK) LLP	●	●	●
Lowell Financial Limited	○	●	○
LTi Technology Solutions Ltd	●	○	○
M/N			
Marston Regulated Services T/A Burlington	○	○	●
Max Recovery Limited	○	●	○
Morton Fraser LLP	●	○	○
National Association of Commercial Finance Brokers	●	○	○
NETSOL Ascent Europe	●	○	○
O			
Osborne Clarke	●	●	●
S			
Shoosmiths LLP	●	●	●
Solutions Asset Finance Ltd	●	○	○
Synectics Solutions Ltd	●	●	●
T			
TLT LLP	○	●	○
Total Car Check Limited	○	○	●
TransUnion	○	●	○
TriLine GRC Ltd	○	●	○
V			
Vehicle & Asset Solutions Limited	○	○	●
VIP Apps Consulting Limited	●	○	○
W			
Walker Morris LLP	○	●	○
Welcom Digital Ltd	○	●	○
White Clarke Group	○	○	●
Worksmart Ltd	○	●	○
X			
Xactium	●	○	○

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