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**Pains, Claims &
Automobiles**

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FCA Motor Finance Redress Scheme

Background & Context

Unfair relationships under the CCA

Focus on discretionary commission arrangements and non-disclosure

Individual complaint handling too slow and inconsistent

FCA Motor Finance Redress Scheme

Consultation Overview

Regulated motor finance agreements 6 April 2007 – 1 November 2024

DCAs, high-commission structures, exclusive tie-arrangements

Presumption of unfairness where disclosure inadequate

Lenders must evidence fairness to rebut

FCA Motor Finance Redress Scheme

Methodology

Sector-wide mechanism to replace fragmented complaint handling

Average redress: £700 per agreement

Interest: Base rate +1%

All in-scope customers contacted

Existing complainants included automatically unless opt out

FCA Motor Finance Redress Scheme

Industry Concerns

Breadth of time period and legal basis

Operational complexity

Fraud-prevention & customer contact
challenges

Risk of parallel litigation outside the
scheme

FCA Motor Finance Redress Scheme

Latest FCA Announcements

Final rules expected 4.30pm 30
March 2026

Possible adjustments to mechanics
and compensation framework

Implementation period likely 3-5
months

FCA Motor Finance Redress Scheme

Implications for Dealers

Uptick to administrative burden despite lenders' primary responsibility

Staff training on scheme basics

Complaint handling pause ends on 31 May 2026 for complaints outside the scheme.

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Thank you