CODE OF CONDUCT

Leasing & Fleet Management

Updated January 2019

BVRLA

Contents

Introduction 3

Principles 4

Core standards 5

Before signing the contract 6

- Contracts and quotations 6
- Contracts (including payment terms) 6
- Pre-contract information 6
- Total mileage and excess mileage 7
- Vehicle Excise Duty and MOT 7

Support during the contract 8

- After-sales customer support 8
- Vehicle maintenance 8
- Early or voluntary termination of contract 9
- Contract extension 9

End-of-contract procedures 10

- End-of-contract and restoration charges 10
- The end-of-contract process 10
- Disputes 11

Complaint handling 12

Dispute Resolution Service 13

Leasing & Fleet Management Charter 15

UPDATED JANURARY 2019

IMAGES: © DEPOSITPHOTOS.COM / ANTIKSU, DEKLOFENAK, SYDA_PRODUCTIONS

Introduction

The BVRLA is the UK trade body for companies engaged in the leasing, rental and fleet management of cars and commercial vehicles for both corporate and consumer users.

This Code of Conduct sets out the standards the BVRLA expects its members to achieve in all aspects of the leasing of vehicles. It applies to any leasing transaction taking place in the UK.

BVRLA membership assures the customer that they should expect the highest levels of professionalism and integrity when using a BVRLA member.

The BVRLA promotes ethical trading, clear pricing, transparent terms and conditions, and high-quality vehicles and customer service. This Code sets out the standards that BVRLA members shall comply with regarding:

- pre- and post-contract procedures
- support during the contract
- complaint handling

The BVRLA monitors adherence to the Code by its members. This governance covers vehicles, branches, vehicle inspection records and customer service standards. Members must also participate in the BVRLA Dispute Resolution Service, which provides a channel for members and their customers to help resolve disputes.

Adherence to this Code of Conduct is a condition of membership and breaches will result in action being taken. Serious breaches may result in expulsion from the BVRLA.

Principles

BVRLA leasing members agree to abide by the following principles:

1. To provide clear pricing for all products and services sold via any sales channel, printed or digital, which promotes a member's products.
2. To pay regard to the stated requirements of their customers, and communicate information in a way which is clear, fair and not misleading.
3. To behave at all times with integrity and ensure that any agents working on their behalf also follow the standards set out in this Code of Conduct.
4. To conduct their business with due skill, care and diligence.
5. To understand and comply with all rules and regulations relating to the service or product provided.
6. To operate from an established place of business that is maintained to a professional standard.
7. Not to use any advertising material containing misleading or inaccurate statements and to comply with the codes and standards set by regulators.
8. To comply with the codes and standards set by the regulators and to observe, where appropriate, best practices/voluntary codes set by BVRLA or Government departments.
9. To ensure that employees are adequately trained to a standard at least as high as that provided by the BVRLA's accredited training programmes including the ability to identify and report suspicious behaviours.
10. To resolve customer complaints according to the standards set out in this Code of Conduct.
11. To display the BVRLA logo.
12. To engage with law enforcement authorities and support counter terroist campaigns.

Core standards

The following core principles apply to all leased and fleet managed vehicles, and to the provision of maintenance services.

Statutory controls and regulations

Members must comply with all relevant legislation. Members must, where applicable, hold all necessary licences and registrations to trade lawfully, and be able to present these to customers as and when requested.

Financial Conduct Authority authorisation

All members who transact business which is covered by the Consumer Credit Act must be regulated by the Financial Conduct Authority and display "Authorised and regulated by the Financial Conduct Authority" on all stationery relating to regulated credit business.

Misrepresentation or misleading statements or practices

Members must not mislead the customer or provide inaccurate statements regarding their products and services.

Internal supervision and auditing of sales process

Members should put in place processes to train and supervise their sales staff to ensure no mis-selling of products or services takes place. Mis-selling would include, but is not limited to, the following: incorrect advice, false information and deliberately misleading the customer about the benefits of the product.

Before signing the contract

Contracts and quotations

Members are required to provide customers with a clear contract for any products and services provided.

The member should provide written details of any circumstances under which the payments or vehicle specification might change before delivery of the vehicle to the customer.

The member should advise the customer, in advance, of the point at which they will be in breach of the leasing or finance agreement due to a late or incorrect (ie lower) payment and the implications of not keeping up with payments, ie vehicle repossession and/or court proceedings.

Contracts (including payment terms)

Customers must be supplied with copies of all the contracts they enter into. Contracts may be supplied in printed or electronic formats. All variations to contracts must be signed for.

The customer's responsibilities, where applicable, regarding servicing and maintenance of the vehicle, who is responsible for the MOT and the condition in which they are expected to return the vehicle at the end of the agreement, should be included in the contract.

Pre-contract information

Members need to ensure they help customers understand the key features, benefits, and costs of the lease and finance agreement before entering into it.

The customer should be made aware of any liabilities and charges, etc, including, where applicable: the vehicle return standards, excess mileage charges, implications of ending the agreement before the contract end date, making alterations to the vehicle, and any other costs associated with the choice of product selected.

Continued on page 7

Before signing the contract (continued)

Total mileage and excess mileage

Members will, where applicable, explain the total mileage that a customer can travel within the terms of the vehicle contract.

Members will, where applicable, explain their policy on:

- any requirement to return the vehicle at an agreed mileage.
- any circumstances relating to mileage which would require rewriting of the contract, and any charges associated with such contract rewriting.
- details of any increase or decrease of permitted mileage during formal or informal contract extensions.
- mechanisms for charging or allowing for over or under mileage at contract end or any other period during the contract.
- any charges associated with excessive battery/fuel cell degradation due to fast charging or excess mileage at contract end.

Vehicle Excise Duty and MOT

Where the member has responsibility for paying for the Vehicle Excise Duty (VED), they will ensure it is renewed in good time before the existing VED is due to expire.

Where a member is responsible for the MOT, they must ensure that there are procedures in place for an MOT to be completed prior to the end of the contract. If the customer is responsible for the MOT, they should ensure an MOT is completed if needed, so the vehicle is roadworthy at the point of collection.

Support during the contract

After-sales customer support

Customers can expect members to deal with all after-sales issues professionally and fairly and acknowledge all queries within 14 working days. For example, handling requests for early termination, contract rescheduling (where available), and all other aspects of after-sales care, including responding to complaints and queries.

Vehicle maintenance

Where a member is contractually responsible for servicing and maintaining the vehicle supplied, they must ensure that maintenance is carried out in line with the manufacturer's guidelines and specifications, unless agreed otherwise with customers.

If the customer is contractually responsible for servicing and maintaining the vehicle, then the agreement should specify that this is to be carried out in line with manufacturers' guidelines and specifications.

By meeting these obligations, members will demonstrate their commitment to delivering high standards that are set and regulated by a recognised industry trade body. In doing so they provide customers with the peace of mind of knowing that their vehicle has been well maintained and is safe to operate.

Continued on page 9

Support during the contract (continued)

Early or voluntary termination of contract

Where applicable, leasing members will clearly define their policy regarding the early termination of a lease or finance agreement. Such a policy and relevant legal requirements may include:

- charges for unreasonable wear and tear (and a clearly explained policy on acceptable return standards).
- the recovery of loss of value.
- the handling of maintenance payments and excess mileage charges.
- any adjustments to finance charges.
- the method of settlement in the event of the total loss of the leased vehicle, along with a date until which this is valid.

Contract extension

Leasing members will, where applicable, define the policy in relation to:

- any change to the services and payment to be provided in the event of a formal or informal extension of the lease or finance agreement.
- circumstances in which the vehicle might be recovered by the member during any extension period.

End-of-contract procedures

End-of-contract and restoration charges

Before the end of the lease or finance agreement, members will clearly explain:

- the end-of-lease vehicle return standard, including: vehicle condition, service and maintenance, vehicle accessories and MOT (if appropriate).
- the vehicle collection process and inspection procedure.
- the customer's rights relating to disputes over the vehicle collection process and inspection procedure.

Members will provide information, processes and standards to ensure the customer returns the vehicle with all required documentation and in the standard required by the member.

The end-of-contract process

These key steps must be followed for the end-of-contract process:

AT THE POINT OF COLLECTING/RETURNING THE VEHICLE

- A representative of the leasing member and the customer must check and agree on the vehicle's condition when the vehicle is collected from the customer.
- All readily apparent vehicle damage will be noted and signed for by both parties on the collection sheet.
- If, for whatever reason, a vehicle condition inspection is not possible, then this should be agreed in writing, with a clear explanation of the reason for non-inspection.
- If the collection goes ahead but a full inspection cannot be completed – due to poor weather or the vehicle being very dirty, for example – a note of this should be made on the inspection form and signed for by the customer.
- The representative of the leasing member must ensure that the customer has been advised that after the vehicle has been collected it will undergo an inspection in line with the agreed fair wear and tear policy/return conditions and informed of any charges that may arise.

Continued on page 11

End-of-contract procedures (continued)

ADVISING THE CUSTOMER OF ANY CHARGES

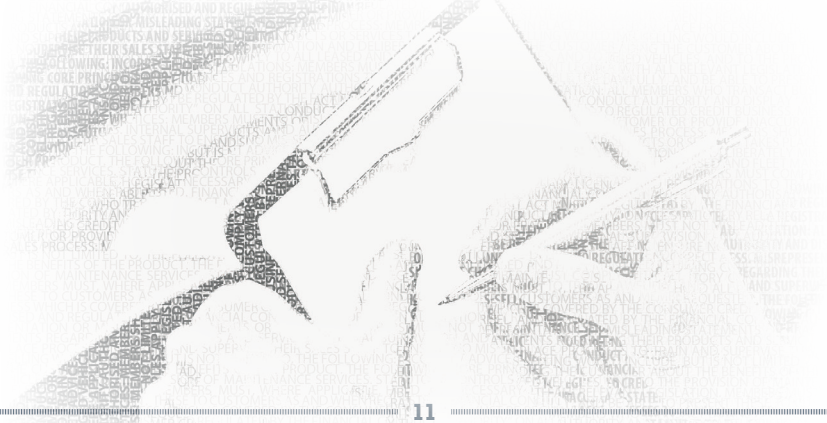
If any charges are to be raised, once the vehicle has been fully inspected, this should be communicated to the customer no later than four weeks after the vehicle was collected. Charges could include but are not limited to: excess mileage, damage, missing equipment and lack of servicing.

The following should be made available to the customer regarding damage charges:

- a summary breakdown of the charges including the repair method/type.
- photographic/video or other such documentary evidence to help justify or support charges due.
- guidance on how the customer may raise any queries with the charge.

Disputes

In the event of a dispute concerning the return condition of the vehicle, the customer will pay for an examination/review of the evidence by an independent qualified inspector, ie an inspector who is unrelated to the original return inspection, as agreed by both parties. The inspector's decision will be binding on both the customer and the member. If the inspector's decision supports the customer, the leasing member will refund any reasonable cost of the examination/review to the customer.



Complaint handling

Complaints should be resolved quickly and amicably.

All staff should be aware of the company's complaint-handling procedures and staff dealing with complaints should respond swiftly, paying particular attention to:

- advising customers of the complaints procedure, how to use it and what additional options are available to them.
- treating complaints seriously and dealing with them in a positive and friendly manner.
- issuing an acknowledgement of every complaint, regardless of how it is received, within five working days of receipt, with the objective of resolving the dispute within 30 working days. (Where the complaint is of a technical nature this may take longer to resolve.)
- learning from all complaints and responding proactively to prevent similar incidents from occurring.
- maintaining a complete record of all complaints.

The member shall provide the customer with details of their complaint procedure including information regarding alternative dispute resolution options, such as the BVRLA's Dispute Resolution Service and the Financial Ombudsman Service.

Dispute Resolution Service

Unresolved disputes may be referred to the BVRLA by either the customer or the member involved.

Details should be submitted online at **https://bvrla.co.uk/consumer-advice/making-a-complaint-adr.html**

If the customer does not have access to the internet, details can be sent by post to:

British Vehicle Rental & Leasing Association
River Lodge
Badminton Court
Amersham
HP7 0DD

The BVRLA will aim to resolve the matter using the information presented by both parties to the dispute. Any information requested from the member should be sent to the BVRLA within five working days. Based on the information available, the BVRLA will provide both parties with its findings and recommendations. The BVRLA aims to resolve complaints through the Dispute Resolution Service within 30 days.

Members must comply with the Dispute Resolution Service's findings.

Continued on page 14

Dispute Resolution Service (continued)

What is covered under the Dispute Resolution Service?

The Dispute Resolution Service will investigate potential breaches of this Code of Conduct, which sets out the standards the BVRLA expects from its members. The Dispute Resolution Service can only look at matters that relate to disputes arising from the activities of BVRLA members.

Refunds

Where the Dispute Resolution Service finds in favour of the customer, we will look to ensure that any unjustified charges incorrectly raised by the member are refunded in full. The service cannot adjudicate on the quantum of the amount charged, only on whether the charge was correctly raised.

Compensation

The Dispute Resolution Service does not have any jurisdiction to award compensation payments.

No restriction of rights

BVRLA members must comply with the rulings of the Dispute Resolution Service. Use of the Dispute Resolution Service does not restrict the rights of a complainant to pursue remedies through the courts.

Monitoring and compliance

The BVRLA's continual monitoring and internal procedures are aimed at ensuring that members meet their obligation to comply with this Code of Conduct.

Leasing & Fleet Management Charter

The BVRLA's Leasing & Fleet Management Charter applies to all members offering leasing services and forms a brief summary of the specific terms found in this Code of Conduct.

As a member of the British Vehicle Rental & Leasing Association we pledge to provide for our customers:

- A clear contract for the product or service we are providing, and a clear statement of any associated costs for our service.
- A clear and accurate summary of the products and services sold, including a clear breakdown of the associated costs.
- Efficient and professional handling of any requirements before, during and after the contract.
- Commitment to the British Vehicle Rental & Leasing Association's Code of Conduct.
- An effective complaints procedure with access to the Dispute Resolution Service administered by the British Vehicle Rental & Leasing Association.

British Vehicle Rental & Leasing Association

River Lodge, Badminton Court, Amersham, Buckinghamshire HP7 0DD

Tel 01494 434747 **Fax** 01494 434499 **Email** info@bvrla.co.uk **Web** www.bvrla.co.uk