



Department for Business, Energy & Industrial Strategy

Modernising Consumer Markets Green Paper

Response from:

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Bona-fides

BVRLA, the industry and its members

- Established in 1967, the British Vehicle Rental & Leasing Association (BVRLA) is the UK trade body for companies engaged in vehicle rental, leasing and fleet management.
- BVRLA membership provides customers with the reassurance that the company they are dealing with adheres to the highest standards of professionalism and fairness.
- The association achieves this by maintaining industry standards and regulatory compliance via its mandatory codes of conduct, inspection programme and conciliation service. To support this work, the BVRLA shares information and promotes best practice through its extensive range of training and events.
- On behalf of its 900+ members, the BVRLA works with governments, public sector agencies, industry associations and key business influencers across a wide range of road transport, environmental, taxation, technology and finance-related issues.
- BVRLA members are responsible for a combined fleet of almost five million cars, vans and trucks, supporting around 317,000 jobs and contributing nearly £25bn to the economy each year. For more information, please visit www.bvrla.co.uk.



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Executive Summary

We welcome the opportunity to comment on the Modernising Consumer Markets Green Paper. Our comments relate mainly to consumer redress, but we also briefly touch on the consultation question regarding terms and conditions.

In an increasingly digital world, the BVRLA believes that there is scope to use technology to draw out the main points in terms and conditions for consumers. For example, short and engaging video clips that highlight the key points could be made available on a business's website. Also crucial is the continuous cycle of learning from complaints which is a powerful way of addressing some of the common disputes between customers and businesses.

Since being established in 1967, we have run a conciliation service for resolving complaints between our members and their customers. From our experience, we believe that a mandatory scheme will give consumers greater confidence in, and encourage the take-up of, alternative dispute resolution (ADR). At the BVRLA, adhering to the decision reached by our conciliation service is a condition of membership and we are seeing an increase in the number of complaints that come to our service for resolution.

To raise consumer awareness of ADR, we recommend that the Government work more closely in a strategic way with consumer organisations such as Which?, Trustpilot – the online review community and Martin Lewis' Money Saving Expert. In addition to our usual channels for receiving complaints, we're seeing a trend of complaints referred by Resolver. In addition, an ADR kitemark – similar to the CORGI register could be a consideration for improving consumer confidence in, and take-up of, ADR whilst also incentivising greater business participation.

Consultation Questions

Question 11

Should terms and conditions in some sectors be required to reach a given level of comprehension, such as measured by online testing?

We support making terms and conditions not only fair for consumers, but also more accessible and easier for them to understand. It is unclear from the Green Paper which sectors are under consideration, but we feel that this specific measure would add an unnecessary burden and cost to businesses, as there are likely to be other mechanisms available to achieve the intended outcome. We believe that in an increasingly digital age, businesses should be able to use technology to draw out the key points from their terms and conditions – particularly as we know that not many consumers engage with, or understand, terms and conditions. Therefore, the use of short interesting video clips could be a possible solution, as a way to support terms and conditions.

In addition, a continuous cycle of learning from complaints is a powerful way to address some of the common consumer disputes about terms and conditions. As a trade body, we facilitate and promote best practice among our members via a self-regulatory code, training regime and governance programme. Our Code also requires members to be clear in their terms and conditions and to make this available to customers before entering into a contract. As we explain later on, the trends we see in complaints helps to inform our inspection programme which supports compliance with our Code and where any areas of concern are identified, we also provide support and guidance with remedying the situation.

Question 12

How can we improve consumer awareness and take-up of alternative dispute resolution?

Since its establishment over 50 years ago, the BVRLA has successfully run a conciliation service free to members and their customers who find themselves unable to resolve a dispute directly. We were approved on 24 June 2015 by the Government as a Consumer ADR body under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 – making BVRLA one of the first trade associations to receive this approval. A recent onsite audit by our competent authority, the Chartered Trading Standards Institute were pleased with the findings from the random cases selected for review, which were found to be fair and equitable.



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On behalf of Leaseurope – the umbrella body for the leasing and automotive rental industries in Europe, which is composed of 45 Member Associations in 32 countries – the BVRLA also established and runs the European Car Rental Conciliation Service (ECRCS), with complaints assessed against Leaseurope’s Code of Best Practice.

In addition, the BVRLA works collaboratively across the consumer landscape with such partners as Citizens Advice and the Financial Ombudsman Service who refer unregulated agreements to us for investigation.

Improving consumer awareness of ADR

To improve consumer awareness of ADR in a cost-effective way, the Government should work with consumer organisations such as Which?, Trustpilot – the online review community, Martin Lewis’ Money Saving Expert etc. Whilst the majority of complaints we investigated were either referred to us by our members or our details were found by using an internet search, the BVRLA is seeing a trend of complaints referred by such bodies. Given their reach and consumer trust, consumer champions could be strategic partners to improve consumer awareness of ADR. In addition, a website portal that would serve as a ‘one stop shop’ where consumers could find all the ADR schemes available in different sectors and could click on a link to the relevant ADR provider would be useful. We recognise that an online dispute resolution portal already exists via the European Union, but we don’t feel that the portal is the most accessible or user-friendly – the portal can be viewed [here](#). In light of our forthcoming departure from the EU, the government may wish to create a UK-specific portal, or it may seek to work with the EU to improve and promote the existing one.

Furthermore, consideration could be given to the introduction of an ADR kitemark – similar to CORGI register (now Gas Safe register) – which could enhance consumer confidence in ADR and help raise awareness, whilst also incentivising greater business participation. Consumer awareness will be key to the effectiveness of the kitemark and this is where consumer champions could be strategic partners to the Government – given that financial resources are scarce funding a radio and TV campaign may not be feasible.

Improving take-up of ADR

To improve consumer take-up of ADR, we would recommend that the Government makes it mandatory for businesses to participate in and comply with the decision reached under the relevant scheme. As you will be aware, the law requires businesses to provide their customers with details of a relevant approved ADR body in the event that both parties fail to resolve an initial complaint. However, there is nothing in law currently that requires a business to use the

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ADR scheme suggested by the customer, or any other body. Consequently, a consumer is more likely to abandon their complaint rather than invest time and emotion in a process that could be seen as a fruitless exercise.

At the BVRLA, adhering to the decision reached by our conciliation service is a condition of membership and we are seeing an increase in the number of complaints that come to our service for resolution. As a result of factors such as good media publicity, better consumer awareness and our members promoting our service, we investigated a total of 1,709 complaints in 2017, – a 35% increase, compared to 27% in 2016, and 22% in 2015. The average time taken to resolve a complaint in 2017 was 19 days – which is below the published target of 30 days. And through the complaints we investigate, we identify trends and glean intelligence that helps to shape the inspection and training work we do to raise standards and share best practice. For example, our conciliation service spotted a recurring trend and passed on this intelligence to our compliance and inspection team who created enhanced checklist for rental websites and agreements, which addressed such areas as clarity on pricing (per day, optional extras, excess).

Also, through the work of our conciliation service, we identified a trend relating to poor customer service provided by a rental company and highlighted our concerns to the BVRLA's Learning and Development Professional. This resulted in a bespoke training programme being rolled out across all their branches.

We believe this cycle of learning from complaints is working, as we're seeing a decrease in the percentage of complaints upheld in favour of the complainant – down 30% in 2017 from 2016 figures¹.

Question 13

What model of alternative dispute resolution would deliver the best experience?

As stated in our response to question 12, we believe that a mandatory model of ADR would deliver the best experience for consumers.

Question 14

How could we incentivise more businesses to participate in alternative dispute resolution?

A positive brand reputation is a hard-won asset, one that most businesses seek to protect and enhance. Therefore, the government could promote the reputational benefits of ADR participation as a way to encourage greater business participation. Where possible, putting a

¹ You can find out more about our ADR scheme, including annual reports, [here](#).

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monetary value on the reputational cost of non-participation could be a powerful tool to influence a change in business behaviour. As we also mentioned in our response to question 12, an ADR kitemark that carries consumer recognition could also be an incentive for businesses to participate in ADR schemes. However, we believe that mandatory participation in an ADR scheme would remove the need to incentivise businesses.

Question 15

Should there be an automatic right for consumers to access alternative dispute resolution in sectors with the highest levels of harm?

This sounds reasonable and advances the aim of protecting the consumer, particularly as going to the Courts is expensive. However, consumers already have an automatic right to access an ADR scheme in the event that their complaint with the business isn't resolved.

Closing Comments

The BVRLA welcomes the opportunity to provide its experience, and that of its members, and hope that this submission is beneficial to the Department for Business, Energy and Industrial Strategy in modernising the UK consumer market. We would be happy to provide any additional information, or present our views to relevant officials, if desired.



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