



Consultation Document

Vehicle Online Services

Response from:

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Vehicle Online Services

Executive Summary

The BVRLA and its members welcome the opportunity to comment on the Driver and Vehicle Licencing Agency (DVLA) consultation paper on vehicle online services.

We note that the DVLA is developing an online channel to provide motorists with the option to notify changes to their vehicle record electronically. This includes transactions involving personalised registrations. The online channel could provide motorists with the option to transact online themselves or via an intermediary. We urge the DVLA to consider making this channel available to all intermediaries rather than just motor dealers to ensure the service is a success. By allowing more intermediaries to access the service, including rental and leasing companies will mean that the vehicle keeper database is more accurate and up to date and there is less chance that paperwork will go missing as nothing is being posted.

We support the Agency's proposal in the context of the wider objective of transforming its services and wholeheartedly welcome the importance for the Agency to move away from being a largely paper based organisation to become a modern, highly efficient electronic business. This is paramount if the Agency's annual running costs are to be reduced by **£100 million**.

We recognise that a modern, electronic system not only has benefits for individuals but for all motorists who carry out their business with the Agency. In doing so will make it easier to comply with the law.

To help the Agency achieve its efficiency saving of £100 million from the baseline running costs we believe the initiatives such as channel shifting, process re-engineering and enhancing the use of intermediaries are vital and will help to underpin the success of the transformation programme.

We have also outlined in our response once again the potential savings for both the DVLA and BVRLA members if the wider transforming services project is delivered which will reduce the 5 million separate paper transactions our members send to the DVLA each year to virtually zero saving our members over £13 million each year and £13 million for the DVLA.

The BVRLA remains grateful for the positive dialogue we have had with the DVLA on this consultation and importantly for the opportunity to share our sectors underlying concerns with the excessive costs associated under the present system. To assist the Agency, we have provided a detailed explanation of how we believe these concerns could be best addressed and importantly we have provided practical suggestions on how the Agency could better deliver its services in the future.

We hope our comments and suggested solutions will assist the Agency secure the efficiency savings targeted.



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Summary of Key Proposals

We have provided a summary of the key proposals and savings which will be delivered, if the DVLA implements its transforming services objectives which would include the proposals outline in this consultation.

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Problem	<ul style="list-style-type: none"> - Cost of notifying DVLA of vehicles sold privately - Documents get lost in the post 	
Notifying of new keeper details	<ul style="list-style-type: none"> - Complicated administration process for cherished transfers - DVLA records are not accurate 	
Solution	Allow rental/leasing companies to access vehicle online services	
Annual Savings	DVLA	£1 million
	Industry	£1.1 million
Compliance Benefit	Making it easier to comply with the law and ensuring DVLA's vehicle record is accurate to enhance road safety	

Remove all paper notifications

Problem	<ul style="list-style-type: none"> - Over 5 million manual paper notifications - Excessive compliance burdens on motorist and business 	
Paper notification	<ul style="list-style-type: none"> - DVLA records are not accurate 	
Solution	Allow fleet sector to communicate with the DVLA electronically	
Annual Savings	DVLA	£7 million
	Industry	£10 million
Compliance Benefit	Making it easier to comply with the law and ensuring DVLA's vehicle record is accurate to enhance road safety	

Issuance of the Vehicle Registration Document (V5C)

Problem	<ul style="list-style-type: none"> - Cost of producing and storing 2.5 million V5C - Cost and delay of producing V5C at sale 	
Issuance of Vehicle Certificate (V5C)	<ul style="list-style-type: none"> - Excessive compliance burdens on motorist and business - DVLA records are not accurate 	
Solution	Not to issue V5C and provide V5 data electronically	
Annual Savings	DVLA	£6 million
	Industry	£3 million
Compliance Benefit	Making it easier to comply with the law and ensuring DVLA's vehicle record is accurate to enhance road safety	



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Vehicle online services

Estimated Annual Savings	
DVLA	£1 million
Industry	£1.1 million

The BVRLA welcomes the proposal for an online solution for the following services:

- Selling or part exchanging a vehicle to the motor trade
- Notifying change of keeper details (private sale)
- Notifying change of personal details (name and/or address)
- Replacement V5C
- Notifying a permanent export
- Putting a registration number on a vehicle (assignment)
- Taking a registration number off a vehicle (retention)
- Transferring a registration number from one vehicle to another
- Personalised registration – post sale services

Whilst the majority of vehicles, which our members dispose of, are sold into the trade, there are a growing number of private sales taking place in the company car fleet. This is where at the end of the lease the company car driver decides to buy their vehicle. In this scenario the leasing company is acting as a motor trader. There is also an increase in the number of rental companies who are looking to dispose of vehicles privately rather than through the trade as a disposal channel.

Early indications are that 30,000 of the vehicles disposed of by our leasing members each year are driver sales and a similar percentage of rental vehicles are also disposed of privately each year. As this is the case, we would require the DVLA to expand the proposed service to rental and leasing companies to allow them to notify the DVLA of new keeper details and perform cherished transfers where applicable. We believe this could save our members £1.1 million each year in reducing the administration burden in notifying the DVLA of new keeper details. This saving includes: postage, staff costs and any additional fine handling for when paperwork goes missing. There will also be additional simplification benefits for members as they will not require dual processes depending on how the vehicle is disposed of.

Given this additional saving we hope the DVLA will see value in ensure that rental and leasing companies can access this service.



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Remove all paper notifications

Estimated Annual Savings	
DVLA	£7 million
Industry	£10 million

The volume of paperwork which our members have to deal with each year from the DVLA places an excessive administration and cost burden on them. As summarised below, our members currently deal with over 5 million separate transactions involving paper notifications and payment with the DVLA.

Savings in the region of **£17 million** could be achieved for both our members and the Agency if some of the few simple solutions which we have detailed below are implemented. The table below highlights that various documents that are required for every single vehicle on their fleet. Each document may have to be filled in, acknowledged, action taken and filed securely for future audit and compliance purposes.

DVLA Documents	Leasing industry total per year	Rental industry total per year
V5C – Vehicle Registration Certificates	500,000	350,000
V14 – Road Tax refunds/SORN applications	480,000	336,000
Road Fund Tax refund cheques	480,000	336,000
SORN applications where no refund are needed	10,000	7,000
SORN acceptance letters sent by DVLA	490,000 ¹	343,000 ¹
Transfer / Sale notifications by members	500,000	350,000
Letter acknowledging transfer / sale of vehicle	500,000	350,000
Total	2,960,000	2,072,000

Reduce the current paper burden for fleet vehicles – a few simplified procedures, for example sending spread sheets via secure email to notify the DVLA of the vehicles to be SORN'd or disposed of, could remove the majority of this paperwork and save the DVLA over **£7 million** each year and businesses around **£10 million** per annum. The key benefits would be improved accuracy of the DVLA database, quicker updates to the DVLA database, improved road safety and compliance and reduced costs.

¹ 10,000 vehicles for leasing and 7,000 vehicles for renting may be disposed of immediately with no tax needing to be refunded or for the vehicle to be SORN'd.



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Issuance of the Vehicle Registration Document (V5C)

Estimated Annual Savings	
DVLA	£6 million
Industry	£3 million

Permanent Suppression of the V5C

Our members have no requirement for the vehicle registration document. The V5C would sit in a secure location for the entire duration of the lease or for the period the vehicle is being operated by the daily rental firm. Once the vehicle is ready to be sold, our members will need to locate the V5C and pair it up with its corresponding vehicle prior to its sale or disposal.

Since 2006 we have been questioning why our members need to receive a physical V5C document. The information contained in the V5C could, for example, be sent to our members electronically to be uploaded into their IT systems. Such a move would also improve compliance as errors could be spotted electronically as opposed to the current manual visual review of each certificate. If this were to happen then we feel the accuracy of the vehicle records could be enhanced by our members being able to proactively notify the Agency of errors or omissions electronically.

A permanent suppression of the V5C to our members would help to reduce the number documents that the Agency has to print and post. Not having to issue the V5C could save the DVLA approximately **£6 million** per annum and reduce the handling and associated storage cost by up to **£3 million** per annum for our members.

V5C on Demand

If our members were still required to sell the vehicle with a V5C, then we will need reassurance that the V5C could be issued on demand by the DVLA. Any delay incurred in receiving the V5C would delay the sale and adversely impact the sale value of the vehicle.

We would also encourage the DVLA to review how other Government tax and enforcement agencies, Police and local authorities could be issued with electronic access to the vehicle record to verify the information held by the DVLA as this would remove the need to produce the V5C.

V62 process

If the issuance of the V5 was suppressed, then this would help to remove the V62 process and therefore the need to apply for a duplicate.



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Closing Comments

Our proposals aim to cut red tape and the associated costs in dealing with the Agency. Implementing our suggestions will enable both the Agency and our members to enjoy cost savings with the added benefit of making it easier to comply with the law. We hope our response helps to clarify our concerns and we would be happy to assist with any additional information the Agency may require. We believe that by opening vehicle online services to other intermediaries not just motor dealers will ensure the service is a success and will deliver wider cost savings for the DVLA as more notifications will be received electronically. In addition, it will help improve compliance and accuracy of the DVLA vehicle keeper database as notifications will be received much quicker.



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About the Industry

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Bona-fides BVRLA, the Industry and its Members

- The BVRLA is a trade body for companies engaged in the leasing and rental of cars and commercial vehicles. Its Members provide short-term self-drive rental, leasing and fleet management services to corporate users and consumers. They offer a combined fleet of 2.5 million cars, vans and trucks, buying 44% of all new vehicles sold in the UK.
- Through its members and their customers, the BVRLA represents the interests of more than two million business car drivers and 10 million people who use a rental vehicle each year. As well as informing the Government and policy makers on key issues affecting the sector, the BVRLA regulates the industry through a mandatory code of conduct.