The Financial Conduct Authority (FCA) (the regulator that regulates loans in the consumer motor finance sector) is reviewing the historical use of 'discretionary commission arrangements' between lenders and motor dealers who act as credit brokers (for example, we act as a credit broker when we arrange some loans with consumers). Generally, discretionary commission arrangements were arrangements where the broker was allowed by the lender to adjust the interest rates they offered customers for car finance and the broker's commission was linked to the interest rate that was set. The review is not focused on any particular dealer or lender, but is a review of the motor finance sector generally.

Whilst it carries out its review, for complaints that could be affected, the FCA has introduced a temporary pause to the 8-week deadline that we usually have to respond to complaints. This pause started on 11 January 2024 and will continue until 25 September 2024. Following the pause, we will have the remainder of the 8-week deadline to provide customers affected with our final response. For complaints that could be affected, the FCA has also implemented an extension to the usual 6- month period that complainants have to escalate their complaint to the Financial Ombudsman Service (FOS). Complainants will have 15 months to escalate their complaint to FOS instead.

This pause only impacts complaints where the credit agreement was taken out before 28 January 2021 and involved a discretionary commission arrangement. Complaints not affected by the pause will continue to be dealt with in accordance with our usual processes. For further details about our complaints processes, you can refer to our Complaints Policy (which can be found at this link on point 6): https://www.rogeryoung.co.uk/terms/).

If you have a complaint that may be affected by the review, we will let you know and explain the consequences of this. If you would like any further information about the reasons for the pause and extension, you should visit www.fca.org.uk/car-finance-complaints