

# FCA vehicle finance review - the road trip continues

15 April 2024. Published by [David Allinson](#), Partner

The FCA has provided a brief update on its ongoing review of vehicle finance arrangements. Difficulties with data gathering have been noted and firms are reminded of the need to maintain adequate financial resources. A judicial review application is also revving its engine!

On 12 April the FCA published a [progress update](#) on its review of discretionary commission arrangements (DCAs) in the vehicle finance world. The update highlights some of the difficulties the review is facing, as the FCA notes that many firms are struggling to provide the data needed. There are several reasons for this, including that firms have not retained all relevant records (perhaps not a surprise given how long ago some of these transactions completed) and data being stored on multiple systems.

The FCA notes that their work has generated some 'uncertainty', and refers to the fact that Barclays has now commenced a judicial review of the FOS' decision to uphold a complaint relating to a DCA. The FCA states that that they want to provide certainty as soon as possible and that, in order to do this, they need comprehensive data.

The judicial review of the FOS is a particularly interesting development. Regular readers of these pages will recall that RPC and Collegiate Management Services produced a [blog](#) back in February discussing a FOS decision in this area and noting that this threw up some interesting questions around causation and loss in particular. We'll be following this closely and look forward to seeing how the Court approaches these questions (if permission for judicial review is granted).

At the same time as publishing the progress update, the FCA has taken the opportunity to remind firms of the need to maintain adequate financial resources against the increased risk of complaints. Firms are also reminded of the need to investigate complaints involving DCAs and to inform the FCA of any litigation relating to these.

This gentle reminder is accompanied by a [Dear CEO](#) letter, which stresses that the approach taken by some firms to assessing the financial impact of this review may have breached laws and regulations "*in force at the time*" and sets out what is expected of firms assessing financial adequacy and disclosure to the FCA.

The FCA intends to set out its proposed next steps by 24 September at the latest.