

Appendix 5

Relevant motor finance discretionary commission arrangement complaint handling rules

5.1 Purpose, interpretation and application

Purpose

- App5.1.1** **G** (1) This appendix contains *rules* and *guidance* in relation to a *relevant motor finance DCA complaint* that:
- (a) apply and modify the *rules* and *guidance* in **DISP 1.2** (Consumer awareness rules), **DISP 1.6** (Complaints time limit rules) and **DISP 2.8** (Was the complaint referred to the Financial Ombudsman Service in time?); and
 - (b) require *lenders* and *credit brokers* to retain and preserve relevant records.
- (2) Where, in relation to a *relevant motor finance DCA complaint*, provisions in **DISP 1** or **DISP 2** refer to *rules* or *guidance* that are modified by this appendix, the modified provisions apply.
- (3) All *rules* and *guidance* in *DISP* continue to apply to a *relevant motor finance DCA complaint* unless otherwise stated.

Interpretation

- App5.1.2** **R** (1) For the purposes of this appendix, a *relevant motor finance DCA complaint* is a *complaint* where:
- (a) the subject matter of the *complaint* relates, in whole or part, to a *regulated credit agreement* entered into before 28 January 2021;
 - (b) the *regulated credit agreement*, in whole or part, financed the purchase of a motor vehicle, or a motor vehicle was bailed or hired under the agreement;

- (c) there were arrangements between the *lender* and a *credit broker* relating to the entering into of that agreement that included a *discretionary commission arrangement*; and
- (d) the *respondent*:
 - received the *complaint* in the period beginning with 17 November 2023 and ending with 25 September 2024; or
 - sent a *final response* to the *complaint* in the period beginning with 12 July 2023 and ending with 20 November 2024.
- (2) The arrangements referred to in (1)(c) are to be read as including any arrangement which would, if it had been entered into on or after 28 January 2021, have constituted a *discretionary commission arrangement*.

- App5.1.3** G
- (1) The purpose of ■ DISP App 5.1.2R(2) is to ensure that the *complaint handling rules* in this appendix apply in respect of motor finance commission arrangements which are in substance equivalent to a *discretionary commission arrangement* but do not (because of the time at which they were entered into) meet the *Handbook* definition.
 - (2) This will include such arrangements between persons undertaking equivalent activities under an Office of Fair Trading licence prior to the transfer of responsibility for the regulation of consumer credit to the FCA on 1 April 2014 (provided the other requirements in ■ DISP App 5.1.2R(1) are met).
 - (3) The effect of ■ DISP App 5.1.2R(2) is that a *relevant motor finance DCA complaint* includes *complaints* involving any motor finance commission arrangements which would, if they were entered into on or after the date that the prohibition in ■ CONC 4.5.6R was introduced, fall within the definition of a *discretionary commission arrangement*.

Application

- App5.1.4** R This appendix applies to:
- (1) *respondents* and the *Ombudsman* in respect of a *relevant motor finance DCA complaint*; and
 - (2) *lenders* and *credit brokers* in respect of records relating to any *regulated credit agreement* entered into before 28 January 2021 that meets the requirements in ■ DISP App 5.1.2R(1)(b) and (c).

- App5.1.5** R Where this appendix applies or modifies provisions in ■ DISP 2, the term *respondent* in ■ DISP App 5.1.2R and ■ 5.1.4R has the *glossary* meaning that applies in that chapter.