

**DISPUTE RESOLUTION: COMPLAINTS SOURCEBOOK (MOTOR FINANCE  
DISCRETIONARY COMMISSION ARRANGEMENT COMPLAINTS)  
INSTRUMENT 2024**

**Powers exercised**

- A. The Financial Conduct Authority (“FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 138L (Consultation: general exemptions);
  - (4) section 139A (Power of the FCA to give guidance);
  - (5) section 226 (Compulsory jurisdiction); and
  - (6) paragraph 13 of Schedule 17 (FCA’s rules).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 11 January 2024.

**Amendments to the Handbook**

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Dispute Resolution: Complaints sourcebook (DISP) is amended in accordance with Annex B to this instrument.

**Citation**

- F. This instrument may be cited as Dispute Resolution: Complaints Sourcebook (Motor Finance Discretionary Commission Arrangement Complaints) Instrument 2024.

By order of the Board  
10 January 2024

**Annex A**

**Amendments to the Glossary of definitions**

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

*relevant motor* (in *DISP*) has the meaning in *DISP* App 5.1.2R.  
*finance DCA*  
*complaint*

## Annex B

### Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 1 Treating complainants fairly

##### 1.1 Purpose and application

...

Application to designated finance platforms

...

1.1.10L ...

Application to firms in relation to a relevant motor finance discretionary commission arrangement complaint

1.1.10M R In relation to a *relevant motor finance DCA complaint*:

(1) DISP 1.6; and

(2) DISP 1.9,

apply as modified by DISP App 5 (Relevant motor finance discretionary commission arrangement complaint handling rules).

1.1.10N G DISP App 5 contains complaint handling rules in respect of a relevant motor finance DCA complaint.

...

##### 1.2 Consumer awareness rules

Publishing and providing summary details, and information about the Financial Ombudsman Service

1.2.1 R ...

Relevant motor finance discretionary commission arrangement complaints

1.2.1A G DISP App 5.2.4R requires a respondent to update the information it has published pursuant to DISP 1.2.1R(1) in relation to the complaint handling time limits that apply to a relevant motor finance DCA complaint.

...

**2 Jurisdiction of the Financial Ombudsman Service**

**2.1 Purpose, interpretation and application**

...

Application

...

2.1.6A ...

Application to the Ombudsman and respondents in relation to a relevant motor finance discretionary commission arrangement complaint

2.1.6B **R** In relation to a *relevant motor finance DCA complaint*:

(1) *DISP 2.8.1R(2)*;

(2) *DISP 2.8.1R(4)(a)*; and

(3) *DISP 2.8.2R(1)*.

apply as modified by *DISP App 5 (Relevant motor finance discretionary commission arrangement complaint handling rules)*.

2.1.6C **G** *DISP App 5 contains complaint handling rules in respect of a relevant motor finance DCA complaint.*

...

After Appendix 4 (Handling pension transfer redress calculations), insert Appendix 5 (Relevant motor finance discretionary commission arrangement complaint handling rules). All of the text is new and is not underlined.

**App 5 Relevant motor finance discretionary commission arrangement complaint handling rules**

**App 5.1 Purpose, interpretation and application**

Purpose

App 5.1.1 **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 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

- App 5.1.2
- 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*:
    - (i) received the *complaint* in the period beginning with 17 November 2023 and ending with 25 September 2024; or
    - (ii) 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*.
- App 5.1.3
- 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

- App 5.1.4 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).

- App 5.1.5 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.

### **App 5.2 Complaint handling rules in respect of a relevant motor finance DCA complaint**

Time limits for a final response, consideration by the Ombudsman and complaints records

- App 5.2.1 R (1) This *rule* applies in respect of a *relevant motor finance DCA complaint*:
- (a) that is received in the period beginning with 17 November 2023 and ending with 25 September 2024; and
  - (b) in relation to which a *final response* has not been sent.
- (2) For the purpose of calculating the eight-week period in:
- (a) *DISP* 1.6.2R;
  - (b) *DISP* 1.6.7G;
  - (c) *DISP* 2.8.1R(2); and
  - (d) *DISP* 2.8.1R(4)(a),

time is to be treated as not running for the period of thirty-seven weeks beginning with 11 January 2024 and ending with 25 September 2024.

- (3) The three-year period in *DISP* 1.9.1R(2) (Complaints record rule) is to be treated as not running for the period beginning with 11 January 2024 and ending with 25 September 2024.

#### Time limits for referring a complaint to the Ombudsman

- App 5.2.2 R Where a *final response* to a *relevant motor finance DCA complaint* is sent in the period beginning with 12 July 2023 and ending with 20 November 2024, the six-month period in *DISP* 2.8.2R(1) is extended to fifteen *months*.
- App 5.2.3 R (1) This rule applies in respect of a *relevant motor finance DCA complaint* where a *final response* is sent in the period beginning with 11 January 2024 and ending with 20 November 2024.
- (2) For the purpose of complying with *DISP* 1.6.2R(1)(f), the appropriate wording to include in a *final response*, as set out in *DISP* 1 Annex 3R(1), (2) and (3), is modified so that the references to ‘six months’ in these *rules* are substituted with ‘fifteen months’.

#### Communicating with consumers

- App 5.2.4 R (1) A *respondent* must update any information it has published pursuant to *DISP* 1.2.1R(1) as soon as is practicable to:
- (a) inform consumers of the pause to time limits for a *final response* as set out in *DISP* App 5.2.1R(2); and
- (b) refer them to [fca.org.uk/car-finance-complaints](https://www.fca.org.uk/car-finance-complaints), which explains the reason for the pause.
- (2) This rule applies until 21 November 2024.

#### Communicating with complainants

- App 5.2.5 R In relation to a *relevant motor finance DCA complaint* received in the period beginning with 11 January 2024 and ending with 25 September 2024:
- (1) *DISP* 1.6.1R applies as modified by this *rule*.
- (2) Where a *respondent* has:
- (a) on or before 10 January 2024 sent a written acknowledgement in accordance with *DISP* 1.6.1R(1) but has not sent a *final response* in accordance with *DISP* 1.6.2R(1), the *respondent* must:
- (i) promptly inform the complainant in writing of the pause to the time limits as set out in *DISP* App 5.2.1R(2); and
- (ii) comply with (3);

- (b) not, on or before 10 January 2024, sent a complainant a written acknowledgement in accordance with *DISP* 1.6.1R(1), and has not sent a *final response* in accordance with *DISP* 1.6.2R(1), the *respondent* must:
  - (i) explain the pause to time limits set out in *DISP* App 5.2.1R(2) when complying with *DISP* 1.6.1R(1); and
  - (ii) comply with (3).
- (3) A *respondent* must direct the complainant to the information published at [fca.org.uk/car-finance-complaints](https://fca.org.uk/car-finance-complaints), which explains the reason for the pause.

#### Communicating the Financial Ombudsman Service temporary time limits

- App 5.2.6
- R (1) This *rule* applies to a *relevant motor finance DCA complaint* where a *final response* is sent in the period beginning with 12 July 2023 and ending with 20 November 2024.
- (2) Where, in accordance with *DISP* 1.6.2R(1), a *respondent* has on or before 10 January 2024 sent a complainant a *final response*, the *respondent* must promptly in writing inform the complainant that:
- (a) the time limit to refer the *complaint* to the *Financial Ombudsman Service* has been extended to fifteen *months* beginning with the *day* on which the *respondent* sent its *final response*;
  - (b) the six-month time limit contained in the *Financial Ombudsman Service's* standard explanatory leaflet does not apply; and
  - (c) the information at [fca.org.uk/car-finance-complaints](https://fca.org.uk/car-finance-complaints) explains the reason for the extension.
- (3) Where a *respondent* has not on or before 10 January 2024 sent a complainant its *final response*, it must, when complying with *DISP* 1.6.2R(1):
- (a) explain that the time limit to refer the *complaint* to the *Financial Ombudsman Service* is fifteen *months* beginning with the *day* on which the *respondent* sent its *final response*; and
  - (b) provide the information contained in (2)(b) and (c).

#### App 5.3 General record retention

- App 5.3.1
- R (1) *Lenders* and *credit brokers* must retain and preserve records:



- (a) relating to any *regulated credit agreement* entered into before 28 January 2021;
  - (b) which meet the requirements in *DISP* App 5.1.2R(1)(b) and (c); and
  - (c) that are or could be relevant to the handling of existing or future *complaints* or civil claims relating to *discretionary commission arrangements*.
- (2) The requirement in (1) applies:
- (a) regardless of whether a *relevant motor finance DCA complaint* has been made; and
  - (b) in the period beginning with 11 January 2024 and ending with 10 January 2025.

App  
5.3.2

E The following will be relevant records for the purposes of the requirement in *DISP* App 5.3.1R:

- (1) the *regulated credit agreement*;
- (2) records of the commission arrangements relating to the *regulated credit agreement*;
- (3) records of any commission, fee or other financial consideration paid (directly or indirectly) in connection with the *regulated credit agreement*, including details of its structure and calculation;
- (4) customer files and records, including any agreement setting out the nature of the services offered, any customer transactions and payments; and
- (5) communications with the customer.