

To Whom it may concern,

The FCA provided a statement on 11 March - Motor Finance Review - Next Steps:

There are 2 key takeaways:

- i) Their update announcement due in May – has been postponed and will now be provided within 6 weeks of the Supreme Court judgment being handed- down. This is not a surprise but in terms of when this will likely be – our best guesstimate is currently July on the basis the judgment will be given sometime in June.
- ii) Somewhat dependent upon the decision reached by the Supreme Court, and if the FCA conclude motor finance customers have lost out from widespread failings by firms, then it's likely they will consult on an industry-wide redress scheme. Any final decision will not be determined until Q4.

What is an industry-wide redress scheme and what does it mean?

- i) The lenders will communicate directly with all their customers and/or advertise the existence of a scheme. If the former is the chosen process, the lenders would exclude those consumers who have already made a complaint directly or via a law firm and will continue to deal with the law firm in the usual way.
- ii) Any complaints submitted by the law firm prior to any industry-wide redress scheme going live, will be dealt with in the normal way – i.e. the law firm will be paid the compensation.
- iii) Any new consumers (i.e. those not previously signed up with a professional representative firm), will have the option to opt-out and decide to instruct a law firm/CMC. The law firm can continue to on-board via all marketing channels.
- iv) As we know, not all lenders keep records more than 7+ years after the agreement had ended and they won't retain their up-to-date contact details. It's far from straight-forward.
- v) There have only been 2 industry-wide redress schemes in the last 15+ years.

Ultimately, we need to await the Supreme Court decision, and we remain confident of a positive outcome. As the FCA outlined in its statement, the Supreme Court outcome will determine its final position on fixed fee/non-DCA complaints.

As an end note, if there is to be an industry-wide redress scheme, this will mean that all our complaints which we have submitted to lenders, should obtain successful outcome, on the basis that a scheme will payout globally across all motor finance agreements. The prospects of this scenario are very high.

Yours sincerely

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