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Motor Finance

BREAKING COVER

HAS FCA INTERVENTION DAMAGED THE MARKET FOR GAP INSURANCE?

FEATURE

The benefits and limitations of credit scoring, and their effect on motor finance

OPINION

Defeating a claim that sought to interfere with a client's right to possession

ROUNDTABLE

Government transport figures discuss obstacles on the Road to Zero

THIS MONTH

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NEWS

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SEPTEMBER 2019

EDITOR'S LETTER
MARKET-LED ANSWERS TO MARKET ISSUES

Brian Cantwell, Editor

This month there is a rare insight into regulatory crisis management as we report on how car dealership Lookers has put aside £10m to cover regulatory costs to its business following the announcement that it is to be investigated by the FCA.

As more details were revealed about where the money would go, particularly relating to its sales process, it also provided an insight into what the FCA is focusing on.

According to Lookers' remediation plan, the £10m will cover a detailed review of past business, the establishment of a revised sales process with a full training exercise across the group, establishment of a new risk-management and quality-assurance framework, and several developments to the group's IT systems.

Lookers offers car finance via HP, PCH, PCP and personal loan, and its website states that it has a panel of 14 lenders to supply it as a broker. The site also explains that it caters for the subprime market, giving a rundown of how credit profiling works, including details of a minimum earnings threshold of £850 per month, and offers an APR of 27.9% for car loans.

Weirdly, the section of the Lookers website titled *Finance and Dealer Disclosure* links only to its motor finance product suite, and not any information about the business as a finance broker. However, in its terms of business it does mention the usual T&Cs about credit broking and commission for related introductions, although not how much – which is the current regulatory level. Clearly, finance was conducted that was not of a sufficiently high standard.

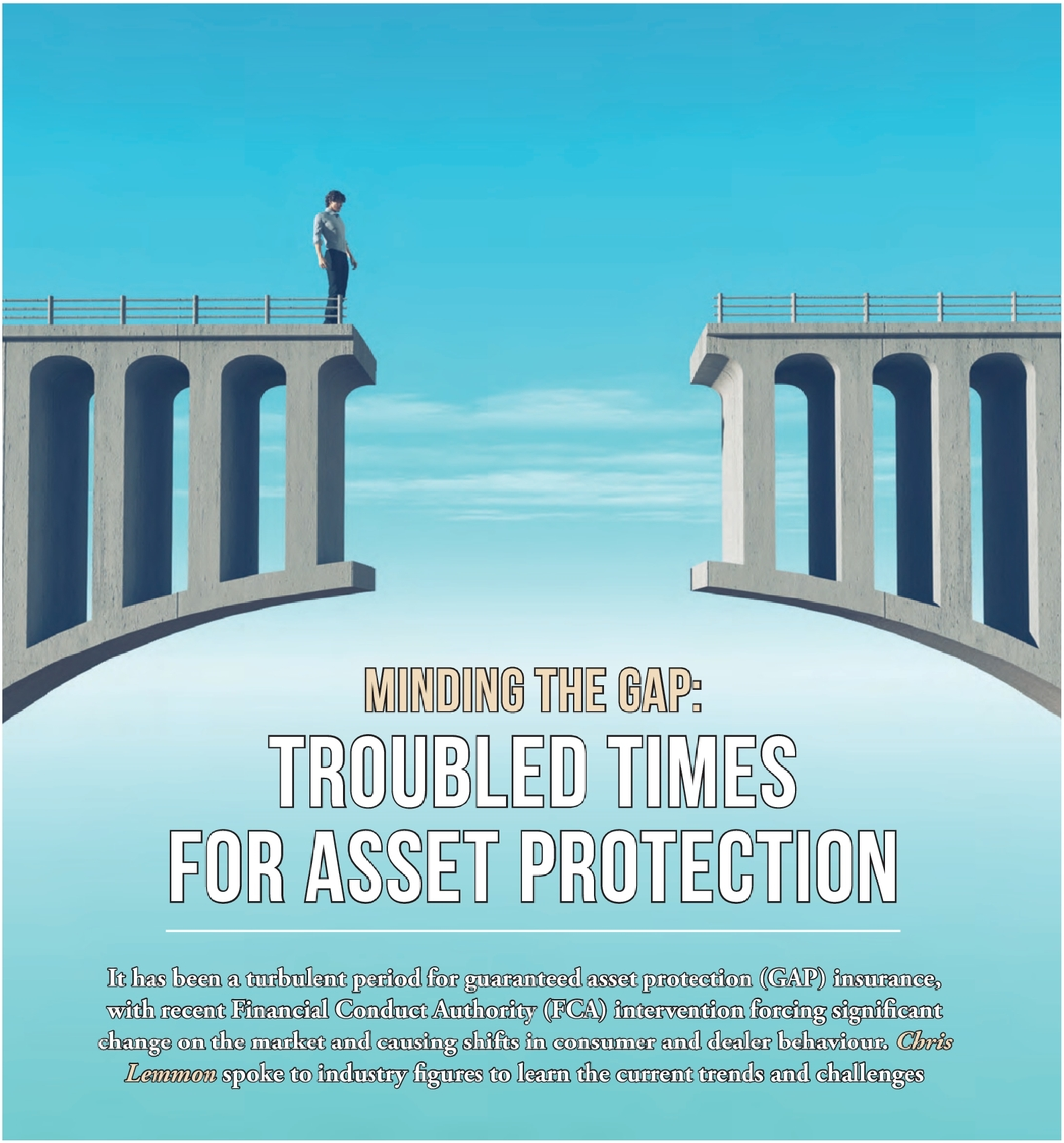
There have been several initiatives to drive up dealer standards, with Alphera and the IMI providing a cross-business offering for dealer standards, and the Finance and Leasing Association also offering a standards-based training course. It may be that the behaviour that triggered the interest from the FCA is a historical issue – or, at least, has stopped – but the £10m initiative is likely to be way more effective in changing the future of the business than punitive action from the regulator.

As is demonstrable across financial services, market-led answers to market issues are the most definitive answer to the technical and practical questions facing motor finance businesses. This is why the motor finance review was important: the changes that the market can make from the recommendations will be far more effective and far less harmful than regulation imposed from above.

This is the position that the FLA has taken in its consultation with the FCA prior to the report's delivery, pushing for self-regulation to the issues that were raised in the report.

So, action like that of Lookers can only strengthen the idea that the motor finance market is one that can move with the times. ■

GET IN TOUCH WITH THE EDITOR AT: **BRIAN.CANTWELL@VERDICT.CO.UK**



MINDING THE GAP: TROUBLED TIMES FOR ASSET PROTECTION

It has been a turbulent period for guaranteed asset protection (GAP) insurance, with recent Financial Conduct Authority (FCA) intervention forcing significant change on the market and causing shifts in consumer and dealer behaviour. *Chris Lemmon* spoke to industry figures to learn the current trends and challenges

GAP insurance providers have benefited from the success of the new car finance market over the past decade, which has seen the value of POS new car finance increase from £7.8bn in 2010 to £19.1bn in 2017.

The number of new cars purchased using POS finance almost doubled from 517,000 in 2010 to 990,000 in 2017. With the greater availability of finance opportunities, the number of cars sold increased, and GAP insurance sales followed suit; however, recent economic uncertainty has triggered a wave of hesitancy across the UK motor industry, with sales of new cars faltering while consumers await the outcome of the Brexit situation.

Financial results show that motor dealers are having a tough time of late, while further FCA intervention could force dealers to completely rethink their strategies around finance and add-on products such as GAP insurance.

The FCA decided to introduce new measures to sales of GAP insurance products following an investigation into motor dealers providing the add-on insurance in 2015.

The regulator felt that the GAP insurance was being mis-sold to customers who lacked a complete understanding of the product and their options. In addition, the FCA felt that motor dealers enjoyed a strong POS advantage over independent providers – which meant there was little or no pressure

Martin Hill, Dealerweb

on them to reduce the price of the product.

To tackle this, the FCA installed a requirement for vehicle sellers to provide more information to customers and implemented a 'two-day pause' rule, meaning sellers can start the sales process but cannot conclude it for a minimum of two days. This was designed to afford consumers some time to shop around for alternative providers, and decide whether they need the product in the first place.

> "USED CAR DEMAND REMAINS ROBUST, AND GAP SALES IN THIS SECTOR HAVE INCREASED BY 2.7% IN A VERY COST-CONSCIOUS MARKET

Dealerweb chief executive Martin Hill welcomed the new measures, stating: "Compliance is key to the sales process. The current FCA investigation into motor finance shows that from GDPR to treating customers fairly, compliance should be an integral part of closing any sale.

"When structured correctly, compliance procedures should create a more transparent sales process, which ultimately will help to increase sales."

POST-INTERVENTION

Last year, the regulator released an update on the market since the new measures were put in place. "After our intervention, consumers now engage more with the decision-making process, with shopping around more than doubling," a statement read. "Add-on GAP insurance sales are 16-23% lower than they would have been had we not intervened. Some consumers decide, on reflection, not to proceed with the purchase."

Separate figures from Dealerweb revealed that total GAP insurance sales rose by 15.4% year-on-year in October 2018 – highlighting the positive impact of the FCA's intervention in the independent GAP insurance market.

However, independent GAP providers do have an advantage over motor dealers in the market. James Cartwright, managing director at independent GAP insurance provider Direct Gap, explains that the rate of insurance premium tax is different for independent providers than for motor dealers.

"The car dealer will pay insurance premium tax at a rate of 20%, mirroring VAT," he says. "Whereas for us, as an independent, the rate of insurance is actually lower at 12%. So there is an immediate cost saving for the customer of 8% on the insurance premium tax.

"Another advantage is that the motor dealer offering can generally only be sold within a window of 14 days of when the customer takes delivery of the vehicle. Our products are far more flexible, with up to 180 days to offer a product to the client."

Consequently, independent providers can offer customers more flexible insurance options at a far lower price than the motor dealer can. With the FCA two-day pause rule now in place to give consumers the option to shop around and assess their options, dealers face tough competition on the GAP insurance front.

A CHALLENGING YEAR

Since the positive performance in 2018 however, the picture has not been so rosy for the industry. The most recent figures from Dealerweb reveal that there has been an 8.9% decline in GAP insurance sales in the first half of 2019 compared with the same period last year.

Hill says: "The results reflect the headwinds the new sector has faced, and this is likely to continue for the rest of the year. Used car demand remains robust, and GAP sales in this sector have increased by 2.7% in a very cost-conscious market."

James Cartwright, Direct Gap

There have been a number of challenges facing the industry as a whole in the last 12 months, which also look set to continue to disrupt the GAP insurance market for the foreseeable future.

For starters, the wider motor industry is in the midst of economic turmoil, with the most recent figures from Cox Automotive revealing a fifth consecutive month of falling new car sales – and the worst July for new car sales since 2012. The impact of falling consumer confidence and fewer new car sales is also placing a strain on GAP insurance sales, compounding the difficulties faced by motor dealers.

As a result of the ongoing market decline, Cartwright believes there has been an increased drive from motor dealers to secure sales of add-on products for the cars they have sold.

"We're seeing cancellations from customers whose dealers have come back to them and slashed the price of the product, or they may include it in the finance package in some way. In some cases, the dealer has refused the sale of the car unless the GAP insurance policy was also purchased," he explains.

Additionally, Cartwright believes that one of the main issues impacting the market is the lack of underwriters in the market willing to offer GAP policies. The last 12 months has seen a number of underwriters withdraw from the market, pushing the policy rates higher.

Elsewhere, the FCA's recent investigation into the motor finance market highlighted concerns over commission structures – with add-on product commission structures expected to be reviewed and potentially reduced or removed in the future.


Louise Wallis, NFDA

"That is a big threat," notes Cartwright. "It is getting increasingly difficult for car dealers to make a profit from finance and add-on products."

CHANGING BEHAVIOUR

"GAP insurance remains a popular option for consumers," said Louise Wallis, head of business management at the National Franchised Dealers Association (NFDA).

"The need for dealers to provide prescribed information has helped to raise the profile of the product among consumers. Thanks to the popularity of PCP and PCH options, consumers have become more aware of the value of the vehicles they buy. As a result, more consumers tend to be interested in GAP insurance."

Recent research from GAP insurance provider InsureTheGap highlighted the differences in the price depreciation of electric cars currently on the market. It found that the price of a Renault Zoe depreciated by 61% over a three-year period from its purchase price of £19,988 to only £7,830 in 2019, while the BMW 330e dropped from £33,800 new in 2016 to £15,900 in today's prices.

While residual values remain unpredictable for electric and hybrid vehicles, demand for GAP insurance is likely to increase as consumers seek to protect their investment. Ben Wooltorton, chief operating officer at InsureTheGap, says: "As with all investments, it pays to know how well they will keep their value over time, and electric cars are no different."

Wallis explains that GAP insurance will remain a viable option for consumers, as it protects potential losses should their vehicle be written off. "It means a consumer is able to buy a replacement vehicle without having to fund any difference between the insurance claim and the price of a new vehicle."

KEYLESS THEFT EFFECT

One of the FCA's key findings in its investigation of GAP insurance was that, on average, only £10 in every £100 paid in add-on GAP premiums was being paid out in claims. This average claims ratio of 10%, according to the regulator, is much lower than other general insurance products on the market – meaning it is unlikely that customers would ever need to take out GAP insurance in the first place.

> "THE NEED FOR DEALERS TO PROVIDE PRESCRIBED INFORMATION HAS HELPED TO RAISE THE PROFILE OF THE PRODUCT AMONG CONSUMERS

The accelerating switch to alternatively fuelled vehicles (AFVs) has also had an impact on the GAP insurance market, with consumers generally more concerned about the residual value of their AFVs than with their previous internal-combustion-engine vehicles.

"The industry is more worried about the residual values with electric vehicles because the technology is unproven at the minute," says Cartwright. "Five years ago, when hybrid vehicles started to be sold, there were similar concerns about the residual values."

However, Cartwright says the trend is changing. "If you look at 10 years ago, 80% of our claims would have been accident – whether fault or non-fault – while 20% would be theft. If you look at the current statistics, in excess of 50% of our claims are now theft claims, with the rise of keyless entry. The claims frequencies are definitely increasing."

With the rise of keyless car theft, Cartwright believes the industry is likely to see a shift in the behaviour of both consumers and dealers. There may be improved demand from consumers in the GAP market due to increased fear of having their car stolen, while dealers will be facing substantial rate increases on GAP insurance due to the level of claims being lodged.


Ben Wooltorton, InsureTheGap

WHAT NEXT?

Hill says motor dealers are pedalling hard in 2019 across all elements of their business. "We have seen an increase in the number of outbound prospecting calls of over 10% in new car sales. Equally, finance penetration has increased by 1.4% for new and 1.2% for used. GAP sales continue to provide a valuable income stream and they should be structured into the sales process."

Moving forward, it is clear that dealers face an uphill battle with current and incoming regulation on sales of add-on products such as GAP insurance. Wallis believes that dealers will have to consider reviewing the viability of offering GAP if there are any significant impacts on the commissions they earn.

"Commissions are not solely aimed at making a margin, but they also cover the cost of delivering a product to the consumer," she notes. "Dealers are facing increased compliance as well as delivery costs of financial products. These are elements they need to consider when reviewing any product sold."

Motor dealers will be keeping a close watch on FCA announcements in the coming months, as potential caps on add-on product commission could have serious implications for profit margins. Should such measures be introduced, dealers may be forced to rethink their strategies around the sale of motor finance and add-on products. ■

IS THE DEALER OUR AGENT WHEN REPAIRING?

***Mel Chell,* partner and head of asset-based lending recoveries at Shoosmiths, discusses a point of case law that could affect funders and OEMs over the consumer's right to reject a faulty vehicle**

Since October 2015, motor finance houses have been applying the new rights and remedies for faulty goods as set out in the Consumer Right Act (CRA).

The CRA was said to be the biggest shake-up of consumer law in a generation, and yet there have been very few reportable decisions in relation to the construction of the Act. This is probably because the Act "lifted and shifted" the existing law in relation to what constitutes satisfactory quality and fitness for purpose and description. Further, the new remedies in the CRA, such as the short-term right to reject, are actually very clear and leave little room for interpretation.

NEW DECISION

Against this backdrop, I was interested to read the published decision of *William Van Gordon v Volkswagen Financial Services (UK) Ltd* [2019] which deals with the question of agency and the one chance to repair.

THE FACTS

The claimant agreed to purchase a new Audi A8 motor vehicle from a dealer using a VWFS hire-purchase agreement.

The dealer sold the vehicle to VWFS who hired it to the claimant in the usual way. Very quickly, the claimant became aware of a loud vibrating and rattling noise and, as is usually the case, corresponded with the dealer directly regarding the noise. The dealer attempted to repair the vehicle on several occasions.

Eventually, the claimant decided he would exercise his right to reject based on the failed repairs. The dealer was not willing to assist, so the claimant wrote to VWFS rejecting the vehicle. The acknowledgement letter, in response, advised that technical issues regarding the vehicle should be referred to Audi UK customer care and the dealer.

Eventually, the claimant stopped making his contractual payments and then, subsequently, issued a court claim seeking a declaration of his right to reject and claiming damages.

COURT RULING

The court held that:

- The vehicle was not of satisfactory quality – a reasonable person would not expect a £50,000 prestige car to have a notable, irritating and distracting rattle;
- There was a right to reject under s24(5) CRA because the trader had failed to repair or replace within a reasonable time and without causing significant inconvenience to the customer; and
- VWFS claimed that the dealer was not acting as its agent for the purpose of repairing the vehicle. Consequently, it argued it had not exercised its one chance to repair and so the claimant could not reject. The Court found that at all times, the dealer had been acting as agent on behalf of VWFS in relation to handling defects and managing repairs. This was supported (among other things) by the acknowledgement letter referring the claimant to the dealer and also by certain terms and conditions in the HP agreement.

ADVICE FOR LENDERS

The CRA does give the trader (the finance company is the trader) one chance to repair before a customer can reject (after 30 days). In practice, this is a very useful right. The finance house often knows nothing of any issue until the customer stops making payments, or becomes so exasperated that they call the finance company, and at this point you will want a chance to put things right.

You will want to avoid a situation where that right is lost because the dealer has already tried and failed to fix the issue and the trader acted as your agent when attempting repair.

In my view, finance houses should exercise caution when liaising with dealers and customers to arrange repairs in complaints cases. Consider the following steps to ensure the dealer is not acting as your agent, and please note that there will often be cases where you do knowingly authorise the dealer to carry out repairs:

- Avoid referring customers routinely back to a dealer for repairs to take place before you have acknowledged and considered the complaint;
- Avoid any standard wording in policies or standard letters referring customers to the dealer;
- Ensure that your terms and conditions do not direct a customer routinely back to the dealer, and
- Ensure all complaints staff are fully trained in relation to the one chance to repair and CRA remedies – for example we often see a lack of understanding around warranties.

In our experience, the Financial Ombudsman will often look very broadly at what has been done to assist the customer, and will not simply consider a strict interpretation of the CRA. Always make sure you are treating customers fairly, and if in doubt, take advice! ■

USED CAR VALUES

CAR PRODUCT SOLD UNIT MARKET PERFORMANCE – JULY 2019

	Up to 1 year old				1-3 years old				3-5 years old			
Body type	Ave. age	Ave. sold (£)	% of CAP Clean	Price vs previous month (%)	Ave. age	Ave. sold (£)	% of CAP clean	Price vs previous month (%)	Ave. age	Ave. sold (£)	% of CAP Clean	Price vs previous month (%)
Saloon (2.0 or less)	7.30	23,285	98.30	93.65	27.10	16,538	97.60	100.54	44.40	11,035	97.00	98.76
Saloon (greater than 2.0)	7.60	33,767	95.20	95.38	25.30	23,525	95.80	104.53	47.30	13,897	98.80	99.36
Hatch (2.0 or less)	8.60	17,933	98.10	96.49	26.00	10,655	96.20	102.69	45.10	7,499	95.50	98.50
Hatch (greater than 2.0)	8.30	27,963	98.00	92.90	25.00	20,713	98.90	103.62	48.10	15,808	98.80	101.93
Mini MPV (2.0 or less)	-	-	-	#VALUE	23.40	11,511	94.80	97.54	44.10	7,823	92.50	97.01
Large MPV (greater than 2.0)	8.30	14,267	94.40	#VALUE	22.70	27,403	97.50	108.13	48.40	14,426	99.40	101.47
Estate	7.30	23,632	100.30	99.21	27.10	14,886	96.20	93.40	45.10	9,397	95.10	96.80
4x4	7.20	30,812	100.40	97.67	24.50	24,259	97.70	101.00	43.90	15,270	96.50	99.64
Coupés	7.80	30,487	100.90	92.44	26.20	21,681	98.50	104.24	44.50	14,632	98.60	98.57
Roadsters	6.30	35,642	108.60	66.62	25.70	20,413	101.90	70.50	45.80	16,410	99.80	112.78
Convertibles	9.10	26,046	104.30	104.05	26.40	20,849	98.10	100.99	44.30	14,019	99.80	94.50

ANALYSIS

BCA Pulse – market upturns in demand.

BCA saw the market stabilise in July and demand lifted in spite of the commencement of the holiday season. The headline used car value at BCA reduced by £310 in July to £9,153 largely as a result of the summer holiday season commencing in earnest and a shift in the mix of product entering the market.

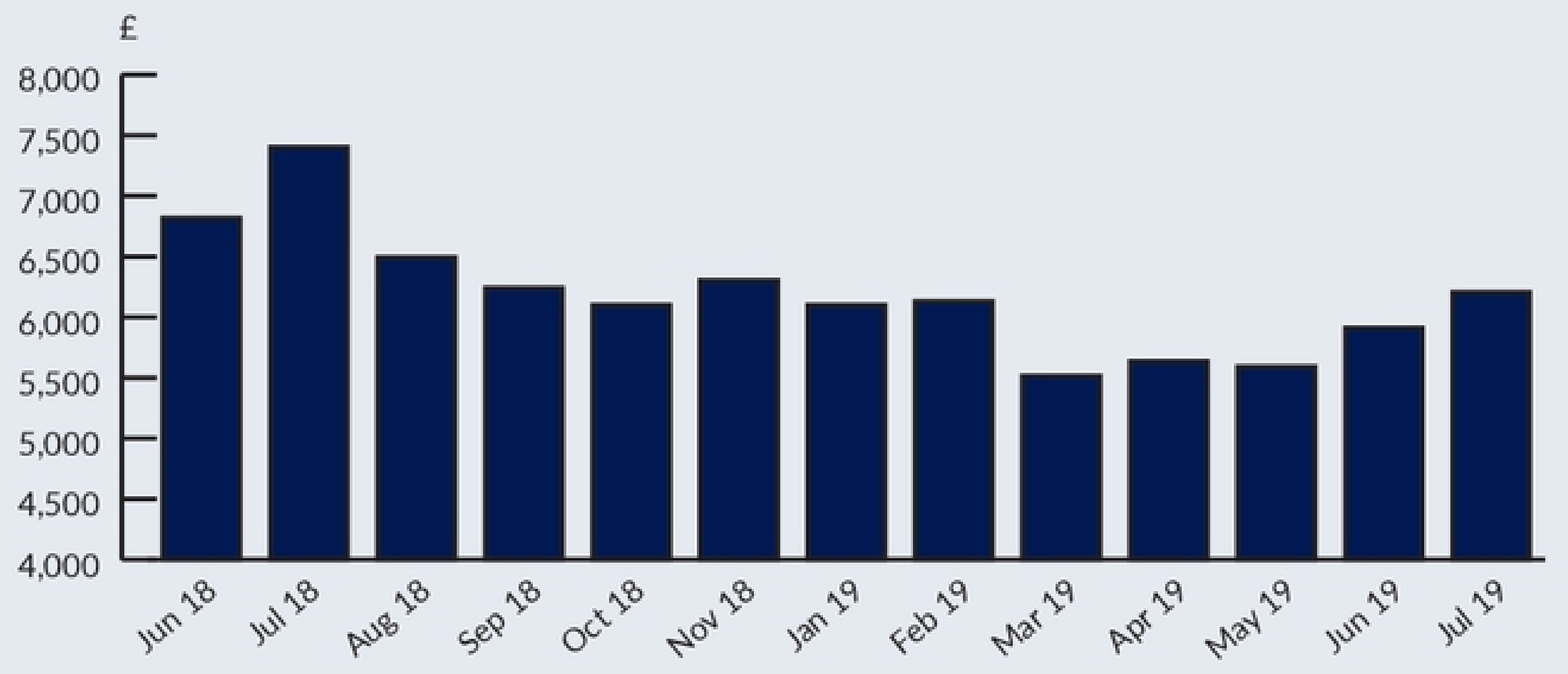
BCA Valuations pricing intelligence continues to help value more stock to sell first time and has provided an additional layer of confidence during what has been a challenging period in the industry.

Fleet & lease values averaged £11,294 at BCA in July 2019, down by just £78 (0.76%) compared to June, but up by £193 (1.7%) compared to a year ago, despite age and mileage rising slightly. Similar to last month, the retained value against original MRP (Manufacturers Retail Price) was down by around two percentage points when compared to 2018.

Dealer part-exchange average values fell for the first time since April of this year albeit the average value of £5,009 was broadly in line with last year with a very similar profile of age and mileage.

Values for nearly-new vehicles at BCA fell to £22,106, a £1,375 (5.8%) decline from the June value. Model mix has a significant effect in this sector, with brand specific winners and losers.

CAR PRODUCT SOLD UNIT MARKET PERFORMANCE – JULY 2019



Source: Manheim Remarketing

> July trading started reasonably well and stock availability in the wholesale market did improve

76.1% UK employment rate

3.8% UK unemployment rate

1.7% UK CPI

2.6% UK RPI

Base rate **0.75%**

-14 (v3) August Consumer Confidence Index (source: Gfk NOP)

+1 (✣3) August Consumer Confidence Index (Large purchases) (source: GfK NOP)

EUROPE FOCUS

VEHICLE REGISTRATIONS FROM THE LARGEST EU COUNTRIES BY VOLUME (DATA SUPPLIED BY ACEA)

Country	Aug 2019	Aug 2018	% Change	Jan-Aug 2019	Jan-Aug 2018	% Change
Germany	313,748	316,405	-0.8	2,495,536	2,473,284	+0.9
France	129,257	150,390	-14.1	1,467,924	1,513,932	-3.0
UK	92,573	94,094	-1.6	1,519,016	1,571,986	-3.4
Italy	88,939	91,792	-3.1	1,325,162	1,366,390	-3.0
Spain	74,490	107,692	-30.8	883,649	973,545	-9.2
EU Total	1,041,856	1,137,173	-8.4	10,520,238	10,864,053	-3.2

JULY PERSONAL LOAN RATES

Supplier	Interest rate	Comments
John Lewis Finance	2.9%	You must be 18 years or over, You must have a minimum income of £10,000.
M&S Bank	2.9%	Customers must be a UK resident and have an annual income £10,000+.
Tesco	2.9%	Customers must be aged between 18 and 74.
AA	3.0%	Customers must be aged 21 or over and have a minimum annual income of £12,000.
Clydesdale Bank	3.0%	Customers must be aged 18 or over.
Yorkshire Bank	3.0%	Customers must be aged 18 or over.
AA	3.1%	New customers must be aged between 21 and 70 and have a minimum annual income of £12,000.
Admiral	3.1%	Must be aged between 18 and 74 and have a minimum annual income of £10,000.
Post Office Money	3.2%	Customers must aged between 21 and 70 and have an annual income of £12,000.
Ikano Bank	3.5%	Customers must be aged 18 or over and have an annual income of £10,000.

Rates apply to an £8,500 loan, repayable over four years
Source: moneysupermarket.com

FLA VEHICLE RECOVERY SCHEME (WITH HPI CRUSHWATCH)

TOP 5 MARQUES RECOVERED, JULY

Make	Quantity	Value
Vauxhall	158	£691,000
Ford	152	£884,435
Mercedes-Benz	148	£2,428,200
Audi	144	£1,874,275
BMW	141	£1,595,045

MOST EXPENSIVE MODELS RECOVERED, JULY

Make	Model	Police Force	Value
Lamborghini	Aventador	Metropolitan Police – Perivale	£154,600
Mclaren	600LT	Charlton Pound	£146,400
Lamborghini	Huracan	Charles Wilson	£128,600
Mercedes-Benz	G Class	Metropolitan Police – Perivale	£115,400
Ferrari	R8	Derbyshire Constabulary	£108,700

POLICE FORCE OF THE MONTH

Metropolitan

VALUE OF VEHICLES SEIZED

£3,579,000

JULY RECOVERY UPDATE

Total HPI Crushwatch enquiries	**11,782**
Total finance hits	**1,302**
Value of finance hits	**£12,668,030**

HPI Crushwatch is an online service that aims to help lenders reclaim vehicles with outstanding finance before they are crushed.

MOTOR FINANCE STATISTICS (FLA)

CARS BOUGHT ON FINANCE BY CONSUMERS THROUGH DEALERSHIPS

	Jun 2019	% change on prev. year	3 months to Jun 2019	% change on prev. year	12 months to Jun 2019	% change on prev. year
NEW CARS						
Value of advances (£m)	1,646	-4	4,841	-3	19,291	-1
Number of cars	79,276	-5	230,080	-6	940,568	-4
USED CARS						
Value of advances (£m)	1,468	0	4,663	+1	17,962	+7
Number of cars	119,506	-1	382,291	-1	1,466,408	+3

CARS BOUGHT ON FINANCE BY BUSINESSES

	Jun 2019	% change on prev. year	3 months to Jun 2019	% change on prev. year	12 months to Jun 2019	% change on prev. year
NEW CARS						
Number of cars	35,341	-7	117,134	-4	394,882	-8
USED CARS						
Number of cars	5,651	+13	14,276	+14	61,063	+5

ANALYSIS

Figures released today by the Finance & Leasing Association (FLA) show that the point of sale (POS) consumer car finance market fell by 3% in June 2019.

The POS consumer new car finance market reported a fall in new business volumes of 5% in June compared with the same month in 2018, while the value of new business fell by 4%.

Commenting on the figures, Geraldine Kilkelly, Head of Research and Chief Economist at the FLA, said:

"The POS consumer used car finance market reported a record total for new business volumes in the first half of the year of almost 772,000 vehicles, while the modest fall in POS consumer new car finance in the first six months of 2019 was in line with wider trends in private new car sales."

91.0% Share of consumer car purchases financed at the dealership in the past 12 months

-1.0 Percentage point change from previous year

MOTOR INDUSTRY STATISTICS (SMMT)

NEW CAR REGISTRATIONS BY VEHICLE TYPE

	Aug 2019	Aug 2018	% Change	Market share Aug 2019 (%)	Market share Aug 2018 (%)
Diesel	24,484	27,884	-12.2	26.4	29.6
Petrol	59,019	58,418	+1.0	63.8	62.1
BEV	3,147	659	+377.5	3.4	0.7
PHEV	907	3,215	-71.8	1.0	3.4
HEV	4,014	2,947	+36.2	4.3	3.1
MHEV diesel	514	116	343.1	0.6	0.1
MHEV petrol	488	855	-42.9	0.5	0.9
Total	**92,573**	**94,094**	**-1.6**		

MARKET SHARES BY BRAND – TOP 10

Brand	Aug sales	Trend	Market share Aug 2019 (%)	Market share Aug 2018 (%)
Volkswagen	11,334		12.24	11.96
Ford	10,764		11.63	11.91
Audi	9,062		9.79	8.06
Mercedes-Benz	5,040		5.44	5.17
Vauxhall	4,864		12.24	11.96
BMW	4,853		5.24	6.37
Toyota	4,205		4.54	3.85
SEAT	3,610		3.90	3.85
Peugeot	3,608		3.90	4.21
Kia	3,452		3.73	3.77

FEBRUARY BEST SELLING MODELS

Fiesta	3,978
Golf	3,439
Other	2,082
Ford Focus	1,886
A Class	1,880
Ford Kuga	1,770
T-Roc	1,685
Tiguan	1,632
Corsa	1,592
Ecosport	1,477

ANALYSIS

The UK new car market falls -1.6% in August, to 92,573 registrations.

Good news for zero emission vehicle uptake, with registrations up nearly fivefold to take record 3.4% market share as hybrids also register growth.

Industry calls for policies and measures to boost uptake of latest, lowest emission vehicles.

Mike Hawes, SMMT Chief Executive, said, "August is typically the new car market's quietest month so the huge increase in EV registrations is very visible but especially welcome. It's great to see consumers respond to the massive industry investment made over many years. While this is encouraging, these figures also show the scale of the challenge ahead. It's a long road to zero and while manufacturers can deliver the technology, they can't dictate the pace of uptake. To support a smooth transition and deliver environmental gains now, we need a long-term government commitment to measures that give consumers confidence to invest in the latest technologies that best suit their needs."

Motor Finance

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