



FLA RESPONSE TO TRANSPORT FOR LONDON'S
CONSULTATION ON DETAIL OF PROPOSED
WESTERN EXTENSION TO LONDON CONGESTION CHARGE ZONE

The Finance & Leasing Association (FLA) is the principal representative of the asset, motor and consumer finance sector in the UK. FLA members achieved £93.4 billion of new business in 2004. Included in this total is £18.3 billion of finance provided to the motor sector. FLA members financed at least 50% of all new car registrations in the UK in 2004.

1. OVERALL COMMENTS

FLA responded to Transport for London's consultation on the proposal last year though no mention of FLA has been made in your report (http://www.tfl.gov.uk/tfl/cc-ex/pdfs/wez_preliminary_consultation_report.pdf). We would like to reiterate our concerns about the proposed westwards extension of the congestion charge zone. We believe that such a measure will greatly increase the administration undertaken by Transport for London (TfL) and its working partners not least due to the processing of larger number of discounts for residents and other qualifying parties.

This will have a knock-on effect on bulk business users such as finance companies who currently receive a high volume of penalty charge notices in relation to vehicles that they lease. Many of the issues stem from the fact that the lessor (finance company) is the registered keeper and is held liable for any charges incurred by the driver of the vehicle. TfL relies on the DVLA database to establish keepership but in the instance of leasing or hire companies, there is no distinction between ownership and keepership. As long as TfL use the DVLA and leasing/hire companies are recorded as the registered keeper, the problem will increase, particularly if other cities use the "TfL blueprint".



INVESTOR IN PEOPLE

A limited company

Registered in England
No.2651248

Registered Office: FLA, Imperial House, 15-19 Kingsway, London, WC2B 6UN
Tel: 020 7836 6511 Fax: 0207 420 9600 E-mail: info@fla.org.uk Web: www.fla.org.uk

The cost and number of personnel required to administer the "fine fallout" will clearly grow dramatically.

It may well be that if FLA members can prove that they own the vehicle, but do not have possession (agreement and invoice should clearly suffice), a good case can be made for seeking payment of the fine from the lessee.

It seems inevitable that there will be an exponential rise in the number of offences within an increased catchment area. It is therefore critical that TfL's appeals' procedure should take into account the fact that FLA members are corporate bodies and cannot be subject to the same procedures as individual members of the public. Otherwise organisations committed to compliance and assisting/funding the law (for example, via initiatives such as Operational Pimpernel and the VFU¹) will be regarded as persistent offenders by virtue of the high volume of vehicles they fund.

2. CONCLUSION

To sum up, FLA is opposed to the proposed westwards extension of the congestion charge zone on the basis that it will create an administrative burden both for TfL and for business. In considering an extension to the current zone, TfL should be aware that many other UK cities are considering the London scheme as a blueprint for introducing their own congestion charging scheme. It is therefore essential that TfL focuses on improving the operation of the current scheme.

¹ FLA has been instrumental in setting up and funding two anti-fraud initiatives. Some six years ago, we joined forces with the Merseyside Constabulary to launch what was known as Operation Pimpernel, whose purpose was to investigate finance industry crime in order to recover vehicles and arrest offenders in a cost-efficient manner, and to reduce the occurrence of vehicle fraud. Between 1997 and 2000, Operation Pimpernel, which was funded by a number of finance houses, resulted in a decrease in fraud-related allegations in the Merseyside area.

Following the success of this pilot scheme, other Constabularies were approached for participation in another project. The Metropolitan Police Service agreed to participate. As a result, the Vehicle Fraud Unit was launched in September 2001, again funded by FLA members. Since its inception, the unit has recovered cars worth over £6 million, and has made more than 200 arrests. Where there is evidence to do so, those arrested are typically charged or cautioned with deception matters, often involving impersonation fraud. Investigations have revealed links between vehicle finance fraud and other serious offences.

3. FLA CONTACT DETAILS

Edward Simpson
Senior Policy Adviser
Edward.simpson@fla.org.uk
020 7420 9654

12 July 2005

For more about FLA please visit our e-politix micro-site at
<http://www.epolitix.com/forums/FLA>