



Driver & Vehicle
Licensing
Agency

PR consultation Summary of responses



Response to the DVLA consultations on:

Revised transitional arrangements where rights to vehicle registration numbers held on a certificate have expired.

Simpler | Better | Safer



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01. Introduction

1. This document is the post-consultation report for the two-stage consultation entitled ‘Transitional arrangements where rights to vehicle registration numbers held on a certificate have expired’ and ‘Revised new transitional arrangements where rights to vehicle registration numbers held on a certificate have expired’.

The report covers:

- a. The background to the two-stage consultation
 - b. A summary of responses to the consultation
 - c. Next steps
 2. The law surrounding both the sale and retention of registration numbers does not provide¹ for the entitlement to a registration number to be renewed where a right has expired. This means that any process in place that allows expired certificates to be extended when backdated fees are paid must stop.
 3. The vast majority of customers have kept their certificates up to date, with around 95% extending or assigning a personalised registration number before the right expires. Therefore, any practice of allowing expired certificates to be extended only affects a small proportion of customers.
4. The purpose of the consultation was to understand how all expired certificates have been managed by companies. The consultation also sought views on the scope and conditions that could be applied to any new transitional arrangement that the Driver and Vehicle Licensing Agency (DVLA) may implement to manage expired certificates, for example to allow for an expired right to be repurchased.
 5. **It is important to note that this consultation does not affect registration numbers that are currently assigned to and displayed on a vehicle.**

¹ The Sale of Registration Marks Regulations 1995 (as amended): www.legislation.gov.uk/uksi/1993/987/contents/made

The Retention of Registration Marks Regulations 1993 (as amended): www.legislation.gov.uk/uksi/1995/2880/contents/made

02. Contact details

6. Further copies of this report can be obtained from the address below:

Personalised Registration Consultation
Vehicle Policy Group
DVLA
Longview Road
Swansea
SA6 7JL
Email: prconsultation@dvla.gsi.gov.uk

7. If you have any complaints or comments about the consultation principles you should contact the DVLA at the above address.

03. Disclosure of information

8. None of the respondents to the consultation asked for their response to be treated as confidential. However, to maintain an element of commercial in confidence, we have not specifically named any respondents where comments were provided by individual dealers. Where comments have mentioned a trade association by name, these have been included.

04. Background

9. This document sets out the government's response to the two-stage consultation, carried out firstly between 22 June and 27 July 2017 and then 27 September and 18 October 2017, on transitional arrangements where rights to vehicle registration numbers held on a certificate have expired.
10. When a vehicle is registered at the DVLA it is allocated a vehicle registration number. Vehicle registration numbers are not items of property in their own right. They are assigned and may be withdrawn by the Secretary of State for Transport as part of the registration and licensing process required by law. Unless it is transferred or retained, the registration number remains with the vehicle until it is scrapped or exported.
11. In response to public demand for access to attractive vehicle registration numbers, the DVLA operates a Sale of Marks scheme. This offers customers the opportunity to buy the right to display a personalised registration number on a vehicle. The purchaser is entitled to have the registration number assigned to a vehicle registered in their name or in the name of a person nominated by them.
12. The DVLA also operates a retention scheme, which enables a registered keeper to take a personalised registration number off their vehicle and keep it on hold until they are ready to assign it to another vehicle. The owner of the retained right is known as the grantee and is the only person legally entitled to apply to assign the registration number to a vehicle.
13. Under both schemes the DVLA issues a secure certificate which provides the name and address of the grantee or purchaser, any named nominee, the date of expiry to the right and a unique identification reference number. It is important that these certificates are kept safe.
14. Before 6 October 2008, certificates were valid for one year and customers could apply annually to extend the right for a fee of £25. Between 6 October 2008 and 9 March 2015, customers could extend the right for a period of one, two or three years for a fee of £25, £50 or £75 respectively. The law has since changed to allow for periods of ownership of a right for 10 years with no renewal fee.
15. In order to extend a right, customers must apply up to 28 days before it expires. The DVLA sends a renewal reminder which confirms that customers will lose their right to use the vehicle registration number if no action is taken or an application is received after the date of expiry. The legal position is clear that if an application is not received to extend, the right to display the personalised registration number is lost.
16. Over a number of years a small proportion of individual customers and personalised registration dealers have contacted the DVLA where their certificates had expired and DVLA had allowed the right to be extended, subject to payment of any outstanding fees owed. In addition, in 2011, the DVLA agreed to allow late renewals for members of personalised registration dealer associations at the point they sold a personalised registration number.

17. These practices have now stopped and from 16 November 2016 the DVLA has not allowed entitlement to be renewed for registration numbers held on a certificate where that right has expired. Instead, the DVLA implemented two transitional schemes to allow members of the public, dealers and members of personalised registration dealers associations, for a two year period, the facility to repurchase the rights to an expired certificate. The terms of the schemes are outlined below:
 - a. For customers and dealers not members of a trade association, the scheme allows a right to be repurchased where a fixed fee of £170 is paid and the rights to a registration number expired no more than six years ago.
 - b. For dealers that were members of the trade associations and in receipt of the 2011 email from DVLA, the scheme allows a right to be repurchased provided all relevant fees are paid for each year of expiry.
 - c. For both schemes, applications must be made in writing and the original certificate must be included to ensure provenance to the right. In addition, where dealers have received express instructions from customers to act on their behalf, a Power of Attorney must be provided as part of the application.
18. This paper sets out the government's response to the two-stage consultation published between 22 June and 27 July and 27 September and 18 October on transitional arrangements where rights to vehicle registration numbers held on a certificate have expired.

05. Purpose of consultation

19. The consultation was issued to support the consideration of any new transitional arrangements, taking into account how dealers had managed their business with customers within the secondary market to ensure that any potential revisions to the scheme were proportionate and merited by the evidence provided. The consultation document was clear that the previous arrangements could not be allowed to continue.
20. The purpose of the first stage of the consultation entitled 'Transitional arrangements where rights to vehicle registration numbers held on a certificate have expired' was to understand how expired registration numbers had been managed by personalised registration dealers. The document also sought views on the scope and conditions that could be applied to any revised transitional scheme the DVLA may implement to manage expired certificates. The consultation was publicly available to all on GOV.UK. The DVLA was interested to learn how prevalent the use of expired certificates was within the secondary market and whether any changes to the schemes already in force would impact both dealers and customers. Therefore, the questions were designed to understand, as far as reasonably possible, how many expired certificates were held by customers, as well as identifying any implications of changes.
21. The purpose of the second stage of the consultation entitled 'Revised transitional arrangements where rights to vehicle registration numbers held on a certificate have expired', was to provide customers with an opportunity to comment on a revised transitional scheme to replace the two schemes currently in operation. The document asked those who responded to the first stage of the consultation to confirm whether they were content with the proposed new arrangements and to provide any evidence where they believed further changes would impact themselves or their customers.
22. All responses were analysed to identify whether potential changes to the schemes were necessary based on the specific evidence provided. No weighting was applied to any response. All responses and individual points made in those responses were given equal merit whether it was an organisation representing a number of members or an independent company.
23. This was a technical consultation with questions designed to allow respondents to provide additional evidence. Not all respondents answered every question and some respondents often wished to express their views outside the framework that the questions provided. Where appropriate, extracts from comments provided have been used within this summary document, particularly where the comments may have combined views across a number of questions.
24. The second stage of the consultation closed on 18 October 2017. This report summarises the responses to both stages of the consultation and sets out the government's conclusions and next steps.

06. Executive summary of responses

25. The DVLA published the first stage of the consultation on GOV.UK and wrote to 106 personalised registration dealers and three personalised registration trade associations to ensure they were aware of and invite them to participate in the initial consultation. Of the 106 dealers contacted, we understand that 52 of them are currently members of one or more of the trade associations. As the consultation was published on GOV.UK, individual customers were also able to comment. The consultation ran for five weeks from 22 June to 27 July 2017.
26. There were 35 responses to the first stage of the consultation. These were from three trade associations, 29 individual personalised registration dealers and three members of the public. Of the 29 personalised registration dealers, 20 confirmed that they were members of a relevant trade association and nine confirmed they were not affiliated with any trade association.
27. Following analysis of the responses to the first stage, the DVLA published a second stage of the consultation on GOV.UK seeking further views on proposals to revise the transitional scheme. The DVLA also contacted those who had responded to the first stage of the consultation to direct them to the link on GOV.UK. The second stage of the consultation ran from 27 September to 18 October 2017.
28. There were 22 responses to the second stage of the consultation. These were from three personalised registration trade associations, individual personalised registration dealers and a member of the public.
29. Not all respondents answered every question raised and some expressed general views. In those cases, where comments were provided and related to particular questions, the DVLA has made every effort to treat the comment as a specific answer for the purposes of the analysis that follows.
30. The volumes provided by respondents did not demonstrate a widespread issue of expired certificates in circulation with dealers.
31. Most of the respondents suggested an indefinite period of entitlement despite DVLA confirming that this was unlawful and outside the scope of the consultation.
32. A number of responses stated that they only allowed certificates to expire after they had received the 2011 email. This suggests that not all dealers would have allowed their certificates to expire prior to this date. While many responses confirmed that customers were informed that the DVLA would allow the renewal of an expired certificate, some comments also reiterated that dealers informed customers that they should renew on time.

33. Most respondents suggested it would take up to one year, with some suggesting it may take up to two years, to check all their stock and be in a position to contact customers to confirm any actions that needed to be taken.
34. A number of comments suggested that a single system that applied to all customers and dealers would be fairer. Also, that a variable repurchase price would be a better option than the fixed price which was currently being applied.
35. A number of responses suggested that there may be occasions where certificates may genuinely have been lost or destroyed and that the DVLA should consider providing a facility to support customers in that position.
36. The DVLA would like to thank everyone who contributed.

07. Summary of responses to the first stage consultation

Transitional arrangements where vehicle registration numbers held on a certificate have expired.

Questions 1 to 15 were specifically developed to understand the scope of the issue and to determine what impact the current transitional arrangements were having on dealers and their customers. It was important for the DVLA to understand how widespread the late renewal of certificates was likely to be in order to consider whether amendments to the schemes in force was appropriate.

Question 1.
Has your company allowed V750 (certificates of entitlement) or V778 (retention certificates) in your stock to expire?

Question	Number of respondents who have expired V750 certificates	Number of respondents who have expired V778 certificates	Number of respondents who did not answer the question
Has your company allowed V750 (certificates of entitlement) or V778 (retention certificates) in your stock to expire?	Yes 2	Yes 1	
	Yes (Some) 24	Yes (Some) 23	2
	No 4	No 3	

Question 2.

If yes, can you confirm how many?

Question	Total number of expired V750 certificates	Total number of expired V778 certificates	Number of respondents who did not answer the question
If yes, can you confirm how many?	4579	545	9

The above represents the total volume of expired certificates where respondents provided the DVLA with an estimated figure of their stock.

Only 18 respondents provided any information about volumes. The totals ranged from 18 to 2,430 with 13 respondents claiming they had fewer than 300 expired registration numbers in their stock. However, further comments made by respondents to this consultation suggested that, due to their working practices, some dealers either did not have the necessary information or needed more time to identify the number of certificates allowed to expire in their stock.

Question 3.

Under what circumstances have you allowed V750 or V778 certificates to expire?

All of the 26 personalised registration dealers that responded and the three trade associations confirmed that they or some of their members had allowed certificates to expire following the 2011 email from DVLA. A few responses confirmed that they did not personally hold any expired certificates but were aware that there was a facility in place which allowed a late renewal provided the relevant fee was paid. One comment confirmed that a certificate may not have been renewed on time where the reminder may have been lost or forgotten.

A cross section of comments is below:

'Because the DVLA said it was acceptable in 2011 to allow certificates to expire and renew at time of sale/assignment'

'I have never come across this. I am shocked the CNDA, MIRAD, CNGuilds have alternative agreements to me a non member.'

'In 2011, the CNDA and DVLA negotiated special dispensation for CNDA members to allow certificates to expire without written consent, with the understanding that certificates could be renewed at any time so long as backdated fees were paid. This aided our members in terms of cash flow'

'Although not holding any expired stock I have expired certificates in the understanding they could be renewed as long as fees were paid'

'If dealers knew this rule would have been strictly enforced then I doubt many dealers including ourselves would have bought so much stock from auctions and DVLA Select. We were informed from dealers of MIRAD regarding the information from the 2011 concession and were given the understanding a certificate can be renewed at any time if the backdated fees are paid.'

Question 4.

Has your company ever purchased V750 or V778 certificates which had already expired?

Number of respondents that had purchased expired V750 certificates	Number of respondents that had purchased expired V778 certificates	Number of respondents who did not answer the question
Yes	12	Yes
No	17	No

Question 5.

If yes, can you confirm how many

Total number of expired V750 certificates purchased	Total number of expired V778 certificates purchased	Number of respondents who did not answer the question
205	195	10

Question 6.

Has your company sold any V750 or V778 certificates that have not been assigned to a vehicle and where the right had already expired?

Total number of respondents that had sold expired V750 certificates	Total number of respondents that had sold expired V778 certificates	Number of respondents who did not answer the question
Yes 17	Yes 13	2
No 14	No 14	

Question 7.

If yes, can you confirm how many

Total number of expired V750 certificates purchased	Total number of expired V778 certificates purchased	Number of respondents who did not answer the question
271	167	8

Question 8.

What advice have you given to customers about extending and assigning a right when they have purchased a V750 or V778 certificate?

There were a variety of responses to this question with the majority confirming that all their customers were reminded of the importance of renewing on time.

However, some responses stated that prior to 8 March 2015, some personalised registration dealers had told their customers that the DVLA would allow late extensions if there was a letter of explanation and the correct fee was paid.

After the law change on 9 March 2015, more respondents said that they had told customers that they could use the online system to renew expired entitlements where customers were assigning the registration number to a vehicle.

However, most confirmed that they continued to notify customers when certificates were due to expire, where they were able to contact them.

A cross section of comments is below:

**Certificates of entitlement expiring on or before
8 March 2015**

'We have always enclosed a letter of Important Information with the Certificate advising how to assign/extend or change nominee if necessary.'

'Customers were told to keep their certificates up to date, but the DVLA would always renew if it expired. If a late renewal was needed, advised customers to include a letter of explanations and it would always be accepted.'

'Extension were due every year. I would contact clients about extension time and handle all the paperwork'

'Our records, and no doubt, the majority of dealers and even the DVLA information relayed by telephone to the public was not recorded in writing and therefore it is impossible to identify the actual clients (members of the public) concerned. {we} religiously renewed all expiring certificates and indeed continued to do so...'

'I have always advised customers to keep certificates up to date but also advised them not to worry if they expired as they could still be renewed by paying the backdated fees.'

'Ideally we prefer to transfer registrations straight on to our clients vehicles but if they wanted to hold the number on retention we always told customers to renew on time and reminded them close to the expiry date. We told customers to renew on time but it was ok if they forgot to renew as DVLA accepted out of date certificates.'

A cross section of comments is below:

**Certificates of entitlement expiring on or after
9 March 2015**

'It doesn't matter if it expires, as the expiry date is effectively irrelevant now. Told customers no need to send off for a renewal as an expired certificate could be instantly assigned online with the backdated £25 fees (if applicable are paid)'

'Our members made customers aware of the DVLA practice of allowing expired certificates to be renewed both before and after 9 March 2015.'

'We urged customers to use the new online service to assign a registration to their vehicle and told customers not to extend as they can instantly assign online using the expired certificate.'

'Wrote to/mailed/rang customers at renewal time and advised them to extend their entitlement/renew their certificate/send their certificate to us'

'It is no longer necessary to renew a certificate. When you are ready you can put a registration on a vehicle using the DVLA online facility – it has been designed to accept expired certificates.'

'We advised all customers to (if possible) assign or renew the mark before the expiry date to avoid any delays when it comes to assignment.'

Question 9.

Would you be able to contact all of your customers?

Number of respondents who would be able to contact all of their customers	Number of respondents who would not be able to contact all of their customers	Number of respondents who did not answer the question
4	17	6

Question 10.

If all or some, what recent contact information do you have e.g. Name and latest known address, email address and/or telephone number?

A number of respondents confirmed that while they did hold the details of their customers, not all the information may be up to date and therefore there may be some difficulties in contacting all of their customers directly. One dealer confirmed that records will only be kept for a six-year period as is required. A further respondent explained that since 2009, customer details are likely to have changed due to house moves and therefore the information would not be accurate.

A cross section of comments is below:

'Yes, Name, Full known address, and Telephone Number, Email or both. However even some records not that old, the contact details can become invalid.'

'Last known addresses and phone number do not always work.'

'Some fully up to date some not, but do not have the time to be able to contact them individually and no ability to bulk email to do it.'

'Name and last known address for all customers who purchased a registration.'

Question 11.

Does your company provide any after sales services?

Number of respondents that provide an after sales service	Number of respondents that do not provide an after sales service	Number of respondents who did not answer the question
23	0	8

Question 12.

If yes, what after sales services do you provide your customers when they buy a certificate from your company?

Of those that responded, the majority of dealers confirmed that they did provide an after sales service relating to the sale of a personalised registration certificate. The type of services varied between respondents.

A cross section of responses is below:

'We also offer re-sale and buy-back and also all amendments they want'

'I allocate the majority of numbers at time of sale. Any sent to customers direct are managed by exception. Namely, they have to contact us.'

'Assignment if vehicle qualified, Acrylic plate supply, general help & advice.'

'Given the complexities surrounding the sale of marks, our terms of business specified that a mark had to be transferred/assigned within a given period. Our service involved the monitoring of expiry dates, hence why we are not really involved to any great degree in this whole messy subject.'

'I send out a letter on completion offering to transfer for them.'

'We provide the service of renewal or extension of certificate, add or change a nominee, duplicate certificate request, assign to a vehicle, retention application, valuations, resale, repurchase, general help and advice.'

'If they have a collection of registrations I offer a full portfolio management service'

Question 13.

What after sales service do you provide to your customers when they sell a certificate through your company?

Again, a number of respondents confirmed that they offered an after sales service when certificates were sold on behalf of customers.

A cross section of responses is below:

'Usually the service is deemed complete upon amending the Nominee on Certificate to the purchasing client and payment is made to them, so after sales service to a seller/donor is not applicable.'

'Presumably, what the consultation is really trying to say is, 'what after sales do you provide to your customers after they have sold an entitlement to a right?' The question is rather mystifying as there is no service provided to a customer who has sold a right, other than payment upon successful completion'

'Free advice and we will handle Retention or Transfer work for them if they wish us to do so. Number Plates for replacement issued registration if required.'

'Valuation of other registration held by them.
Sale of other registrations held by them.'

'We handle all the paperwork.'

'We do not have any after sales service for a seller but inform them that we can always help them again if they wish to sell a registration through our company.'

'We arrange assignments post purchase, extensions, amendments, duplicate certificates, transfers and aftersales services to all. We also offer re-sale and buy back.'

'Donor vehicle service where required, to enable the mark to be sold on an 'anonymous' certificate thereby retaining identity protection for the seller.'

Question 14.

Have you ever sold a certificate to a third party who has provided a further nominee to be added to a certificate? If yes, can you provide details on how this would be managed by your company?

A cross section of responses is below:

'As we supply the trade this happens all the time.'

'We do add nominees to entitlement where requested and assuming appropriate.'

'Our stock of registrations is diligently managed.'

'All the time: either we change or they change it.'

'This happens on many, many transaction. Should we be the grantee we would amend ourselves, alternatively we get the grantee to do so, or even use a Power of Attorney.'

'Yes frequently as registration marks are often purchased as gifts. We retain the details of the purchaser to inform them of certificate expiry reminders and changes to certificate practice and legislation.'

Question 15.

How will a transitional scheme impact on your business?

The following questions were designed to determine the impact any changes to the existing transitional schemes would have on businesses and their individual customers. The document confirmed the key areas to be considered. These were the time period of applications, the repurchase price to be paid and how any new transitional provisions would be managed. We recognise that question 15 caused some confusion among respondents and the responses reflected this. The strongest responses were returned by the trade associations that answered on behalf of their members, with their comments confirming their wish to revert back to allowing late extensions for all customers. However, this is not possible as it would be against the law.

One trade association confirmed that its members were likely to hold around 20,000 expired certificates between them. However, no further detail was provided in terms of the age profile of the certificates and whether they were held in their members' names or on behalf of customers.

From the responses received from individual dealers, many suggested that any changes could have financial implications either due to too much stock being held, or the loss of value where dealers choose not to repurchase the rights to a registration number. Many dealers also suggested that the transitional arrangements in force could have a detrimental impact on their relationship with their customers due to the information they had given them previously.

A cross section of comments is below:

'Cause financial cash flow distress as we would have renewed certs and not bought more plates. Create unnecessary work as we have to try and contact those who relied on DVLA promises. Buy less numbers from DVLA as have to spend money renewing certificates. Create business uncertainty as customer feedback will be negative which is DVLA's fault.'

'Very little.'

'Loss of some registration and the value of them as not worth spending the renewal sums on the "chance of a sale" for all of them. A further £800 was spent on ones that have taken a chance on.'

'Likelihood of very disgruntled clients contacting us in the future to find they have lost a valuable registration on the advice we had passed on. i.e. They could have renewed their expired certificate some years ago but they can't do so now.'

'Potential loss of reputation due to clients not realising that certificates need to be renewed. They blame the company they purchased from.'

'If the scheme restores previously accepted practices allowing certificates to be renewed upon assignment and otherwise cashed-in for a refund of the assignment fee, without necessarily being presented, then it would have no detrimental impact on our business.'

Question 16.

How many weeks would you need to get all expired certificates in your name replaced?

Question	Number of respondents who did not answer the question	
	1-12 weeks	6
How many weeks would you need to get all expired certificates in your name replaced?	12-26 weeks	4
	26-52 weeks	10

If you need longer, please explain why

While not all respondents answered this question, the majority suggested it would take at least six to 12 months to manage their expired certificates due to the potential for cash flow issues.

A cross section of responses is below

'Stock certificates will be needed to be done first and this introduces a sudden financial pressure that previously did not exist - This is wholly unfair to small firms. Customers will perhaps take longer to contact and manage as our own number will take priority.'

'Cash flow as it will take quite a large amount of cash to get certificates up to date.'

'We may need longer than the agreed concession because it is big project (104 weeks)'

'I would ideally like 1-2 years to get all my certificates up to date, this is purely for cash flow reasons.'

'To allow for time to make contact with customers to advise them of the change in DVLA regulations. Cash flow situation, you can appreciate the cost involved in renewing the number of expired certificates would be a great financial burden to our business. Giving time for customers for whom we no longer have contact details for time to contact us regarding renewal.'

Question 17.

Which date range should the scope of the transitional arrangements allow, and if you feel that certificates which expired prior to 2008 should be within scope of transitional arrangements can you explain why?

Number of respondents that would like transitional provisions to apply to certificates expiring after 2008	5
Number of respondents that would like transitional provisions to apply to certificates expiring after 2011	0
Number of respondents who did not answer the question	6

Only five respondents answered this question. Other respondents used the comments section to ask for an indefinite period of entitlement despite the document explaining that this was unlawful and out of scope of the consultation.

While a number of comments suggested a time period that was open ended, there were no specific suggestions as to a cut-off date or evidence to explain why the DVLA should allow older certificates to be re-purchased.

Some comments suggested that the transitional provisions should apply to certificates expiring at a later date as this would be in the interest of fairness to customers. Again, no examples were provided of specific dates where customers may have been disadvantaged.

A cross section of responses to the follow-up question:

‘A legitimate expectation was created by DVLA and we and others have allowed certificates to expire as a reliance on these representations.’

‘I would think it easier to have a general amnesty that allows all certs issued from 1989 onwards to be renewed for payment of a fee. I suggest a newspaper campaign be introduced.’

‘It is still feasible a document older than 2008 could be found by a selling client who has placed it in a file with motoring documents and had forgotten about it. Some of our elder statesmen and women who maybe have inherited such Certificates upon their Spouse’s passing for example.’

‘Neither, The DVLA previously allowed expired certificates to be renewed. It would be incredibly unfair for any customer to lose their rights to a registration without the DVLA having a very publicly advertised campaign to advise, and a long period for take up.’

Question 18.

Should the transitional arrangement for repurchasing the right be based on your company paying:

Number of respondents who thought that there should be a fixed purchase price per registration number. This figure could be based on a minimum purchase price of a registration number sold by the DVLA without an assignment fee included e.g. £170

0

Number of respondents who thought that there should be a variable purchase price per registration number set according to how long it has expired?

27

Number of respondents who did not answer the question

4

Question 19.

Should the transitional arrangement be based on your customers paying:

Number of respondents that thought that there should be a fixed purchase price per registration number. This figure could be based on a minimum purchase price of a registration number sold by the DVLA without an assignment fee included e.g. £170

2

Number of respondents who thought that there should be a variable purchase price per registration number set according to how long it has expired?

28

Number of respondents who did not answer the question

2

Questions 18 and 19 were intended to determine how much expired rights should be repurchased for, as the DVLA has now stopped the practice of allowing late renewals based on backdated fees being paid.

Almost all respondents agreed with a repurchase price based on a variable amount set according to how long it had expired, with only two answering that a fixed price like would be appropriate for customers. Additional comments made by the trade associations suggested that one transitional scheme applicable to all customers would also be beneficial.

Question 20.

How many V750 or V778 certificates which have since expired do you have recorded in your name (as the purchaser or grantee) where you no longer have the original secure certificate?

Total number of V750 certificates	Total number of V778 certificates	Number of respondents who did not answer the question
3821	537	14

Question 21.

How many V750 or V778 certificates have you purchased which have since expired are not in your name (as the grantee or purchaser) and where you no longer have the original secure certificate?

Total number of V750 certificates	Total number of V778 certificates	Number of respondents who did not answer the question
23	25	15

Questions 22.

Allowing a customer to repurchase a right where they held an expired certificate which has since been lost is likely to increase the risk of fraud. Therefore any transitional arrangements must satisfy the DVLA that the person applying to repurchase the registration has the right to do so. The easiest way to prove provenance of a right is by the purchaser or grantee producing their secure certificate. If a certificate is not available, what alternative or additional evidence would you or your customers be able to provide in order to verify the correct legal owner of a certificate?

The majority of respondents wanted the DVLA to consider alternative documentation where certificates had been lost. These ranged from sales receipts to identification documents.

A cross section of comments is below:

'Receipt from DVLA/Auction/Dealer/Ebay etc... Provide identification if needed.'

'Supply full details of purchaser, with name and address at time of purchase, Power of Attorney from Purchaser.'

'Receipt/invoice from DVLA Auctioneer or Company mark was purchased from. Reg mark record held in DVLA Online Account (reg marks expired or due to expire) Verify address using either Utility Bill **and/or** Driving License or If a business, then a recent Utility bill in the name/address of business. Grantee/Purchaser is deemed to be the correct legal owner? A previous version of the Certificate (if not latest issue).'

'A scanned copy of the pink V750 certificate or the green V778 retention document.'

'If in doubt, the DVLA could perhaps seek evidence of identity (particularly a driving licence).'

'Evidence of purchase other than receipt. DVLA online account etc. There is no risk of fraud as it is all traceable and auditable. DVLA issue duplicate licenses/V5 etc. So a V750/V778 is no different whatsoever.'

Question 23.

When would you offer the service of using power of attorney to your customers?

Question 24.

What service do you offer where power of attorney would be applicable?

Question 25.

How many powers of attorney do you hold where the certificate has expired?

Total number of V750 certificates	Total number of V778 certificates	Number of respondents who did not answer the question
1322	47	21

A cross section of responses is below:

'Where a certificate has a third party as the Grantee and the mark is being bought, sold or amended.'

'Selling a number for a customer who wants me to make an advance payment before number is sold.'

'Usually when the certificate is not in our name but we have bought it into stock.'

'We usually get a donor of a number to provide us with a POA to provide extra evidence that they have the legal right to sell the number to us and enable us to sign any documents if necessary.'

'When you wish to act on behalf of the Grantee/Purchaser.'

'POA would apply when the customer was not looking to assign immediately or indeed we were purchasing a Certificate for stock and were not planning on assigning to an 'available' receiving vehicle to get the Certificate out of the current owners name.'

08. Summary of responses to the second stage consultation

Proposed new transitional scheme where rights to vehicle registration numbers held on a certificate have expired.

Following analysis of the responses to the first stage of the consultation, the DVLA developed new draft transitional provisions which would replace the two schemes already in force.

The new draft scheme included the following criteria:

- One overall scheme to be provided to all customers, irrespective of whether they were a personalised registration dealer or a member of the public.
- The new arrangements would only apply to an expired certificate of entitlement (V750 or V778) which was purchased before 9 March 2015 and expired on or after 1 May 2011.
- Only the person named on the latest certificate of entitlement issued and on the DVLA's records as the grantee (or purchaser) would be able to repurchase the right.
- The arrangements would be in place for two years.
- The repurchase price for an expired right would be for the sum of £25 for each full year (or part of a year) from the date of expiry of the entitlement to the date the application for repurchase was received by the DVLA.
- All applications would need to be accompanied by the latest certificate of entitlement or retention issued. In exceptional circumstances, consideration may be given to accepting applications without the latest certificate if evidence of prior entitlement is supplied. This may include evidence that the details supplied match those held on the DVLA's records together with any supporting verification. It may also include the provision of a statutory declaration verified by a practising solicitor to declare that the certificate has been lost or destroyed and has not passed to a third party.

Proposed new transitional scheme where rights to vehicle registration numbers held on a certificate have expired.

The consultation on the proposed new transitional scheme asked respondents to confirm whether they were content with the proposals and where they were not, to provide an explanation of their concerns. Of the 22 responses, 20 confirmed that they were not content with the proposed new transitional scheme.

Some of the responses raised concerns that the proposals would disadvantage those dealers that had previously been provided with better terms based on the 2011 email, in terms of the overall cost and age of expired certificates that could be repurchased. Some respondents asked that these preferential terms be maintained with any additional improvements from the proposed document, and those terms be applied to all customers.

Some respondents confirmed that they were pleased that the DVLA had proposed criteria to allow applications where certificates may have been lost.

No comments were received about the two year time limit for applications to be received.

A number of respondents suggested that all customers should be provided with arrangements that would enable them to only pay the backdated fees owed should the certificates have been renewed on time, with no time limit on the length of expiry. However, both consultations have been clear that in order to comply with the law the DVLA has stopped allowing the renewal of entitlement to expired registration numbers through the payment of any fees owed, and that the practice could not be resumed.

A cross section of responses is below:

'I reject this new transitional agreement due to it being a worse situation than the agreement we already have. I would wish to keep the agreement we already have and have section 8 of this agreement added - lost certs'

'Replaces the existing dealer scheme, proposed scheme should enhance existing scheme so as to be fair.'

'Voids any certificates which expired prior to May 2011. This is unfair unless the DVLA will allow all old certificates to have their £80 fee refunded.'

'The proposed new transitional scheme is inferior to the scheme already granted to our members on 16th November 2015, for which we have until November 2018 to utilise.'

'DVLA's proposed scheme means customers who hold rights to registrations on expired certificates will suffer financial losses. DVLA customers will either be forced to pay additional £25 fees, or will completely lose their rights to registrations if they hold a certificate which expired before May 2011.'

'The scheme already in place exclusively for dealers in receipt of the 2011 concession is almost adequate. The new proposed scheme should be very similar, but must be offered to all DVLA customers to avoid discrimination. It should make provisions for customers who may have misplaced certificates, so duplicates can be obtained from DVLA by the Grantee/Purchaser, or an appointed third party.'

09. Conclusion

37. The DVLA has considered all responses to both consultations carefully and fully assessed the issues raised. The responses received demonstrate that while a number of dealers hold expired certificates, not all manage their business in the same way, with a few confirming that they have never allowed a certificate in their name to expire.
38. From the responses received, it is unclear whether the volume of expired certificates in circulation is widespread as the analysis provided by respondents around their stock is relatively low. However, one trade association has suggested that their members hold around 20,000 expired certificates which have expired since 2011.
39. The first stage consultation demonstrated that many dealers manage not only their stock which are held in their own name, but also that they have purchased or sold certificates on behalf of their customers with a variety of after sales services being provided. Some responses suggested that there is a proportion of expired certificates held by dealers that are not in their name as they have purchased them from other customers despite the dealer knowing that they do not have any legal entitlement to those rights. In addition, not all dealers that responded can demonstrate that they would be able to contact all their customers where they may have ‘sold’ a certificate which had subsequently expired.
40. In addition, the consultation highlighted the use of power of attorney documents when a dealer is acting on behalf of their customer. The full scope of administrative functions these documents are used for is unclear as is their overall prevalence in the market.
41. The proposed new transitional provisions are intended to resolve a number of issues raised by respondents during the initial consultation period. These are listed below:
 - a. **The requirement to have one scheme applicable to all**

Prior to the consultation, DVLA had received complaints from dealers and members of the public that it was unfair for there to be two schemes and that all customers should be treated equally. The consultation asked whether there should be one transitional scheme applicable to all. A number of respondents commented that there should be one transitional scheme for all as there is no distinction between trade and public purchases. The three trade associations also replied that there should be one fair and workable transitional arrangement that should apply to all customers.

Therefore, the new arrangements reflect the comments made.

b. To provide a longer transitional period to allow dealers the opportunity to manage their administration and to provide customers with time to apply.

A number of respondents suggested that they would need longer than 12 months to manage their stock of expired certificates and to contact their customers. This was despite the volumes of expired stock reported by respondents being relatively low – just 5,124.

However, some dealers who responded suggested that it would be difficult and time consuming to contact their customers, as accurate and up to date records have not been kept in all cases.

In order to provide enough time for dealers to manage their stock and to engage with customers impacted by this issue, the new proposed arrangements will operate for two years.

c. To provide a fair and reasonable repurchase price that would be variable according to the length of time a certificate had expired.

The majority of responses requested a variable repurchase price for all customers. Respondents also asked for the repurchase price to be based on the £25 annual backdated fees that customers should have paid had they renewed on time. This would result in customers not paying anything where their certificate expired after 9 March 2015.

While the DVLA has recognised the views provided by respondents, it also has to take into account the requirement that any new transitional arrangement is to repurchase the rights to a registration number. Therefore, the new arrangements include a variable price calculated at £25 for each year expired, including partial years. This price will be applied in all cases where an application was submitted, irrespective of whether the right expired prior to or after 9 March 2015.

To provide a facility to exceptionally consider applications from customers that are unable to provide their expired certificates, the DVLA has recognised that there are some scenarios where a customer may have lost their original document. Responses from dealers have requested that the DVLA accepts other evidence if a certificate is lost.

Therefore, the new transitional arrangements will provide customers with the opportunity to provide additional evidence in exceptional circumstances. This will require evidence to be provided in support of the application.

- d. **To have a reasonable time limit on applications based on when customers may have been notified by dealers that renewals may be extended and the potential for those customers to be contacted.**

One of the trade associations confirmed that members have only allowed V750 and V778 certificates to expire since it negotiated special dispensation with the DVLA in 2011. This was done to alleviate cash flow issues. There was no agreement prior to 2011 and therefore all certificates before then should have been kept up to date. The other two trade associations confirmed that they also received the information in 2011 and as this became common knowledge in the trade, it was passed onto some customers.

The new transitional arrangements will provide those customers that have expired certificates since 2011 to be given the opportunity to repurchase the rights.

10. Next Steps

42. The DVLA believes that the revised transitional provisions address the issues outlined and, with Ministerial approval, has decided to implement the new scheme from 18 December 2017.

11. Annex A

List of organisations that responded:

First consultation

Bargain plates
Cape plates
Car numbers
Car reg @ personally yours
CN Guild
CNDA
Eagle Reg
Elite Registrations
Exclusive Reg
Global Reg
Mirad HQ
National Numbers
Net Plates
New Reg
Perfect Reg
Primo Reg
Raj Motors
R4V Number Plates
Reg Marks
Reg Transfer
Reg People
Simply Reg
Speedy Reg
Tayside Numbers
The Plate Market
UK Number Plates
VRM Swansea
Western Reg
VRN Limited
Kates Plates
Mark Hunt Registrations
Ian Downs Registrations

Second consultation

Elite Reg
Eagle Reg
Primo Reg
New Reg
MIRAD
Simply Reg
Cape Plates
Reg Marks
Plates 4 Less/VRM Swansea
Tayside
UK Number Plates
Perfect Reg
R4V x2
CNDA
CN Guild
DVLC Marks
Bargain Plates
RR Number Plates
SSS Registration
Dyne Solicitors

12. Annex B

New transitional arrangements:

Driver and Vehicle Licensing Agency

New transitional arrangements for re-purchase of expired registration mark rights

Sale of Registration Marks Regulations 1995¹

Retention of Registration Marks Regulations 1993²

DVLA has recently consulted³ on the current transitional arrangements in place for the re-purchase of certain rights to registration numbers which have expired. Following analysis of the consultation responses, the DVLA will operate the following transitional arrangements from 18 December 2017, in place of the current transitional arrangements.

- 1) These new arrangements are offered to all customers, irrespective of whether they are a personalised registration dealer or a member of the public.
- 2) They only apply to an expired certificate of entitlement (V750 or V778) which
 - a. was purchased before 9th March 2015⁴; and
 - b. expired on or after 1 May 2011.
- 3) The DVLA is prepared to allow the person named on the latest issued certificate of entitlement and on DVLA records as the grantee (or purchaser) to re-purchase the right. Re-purchase applications from a nominee named on a certificate, or from any other party, will not be processed.
- 4) The arrangements will be for a two year period commencing on the date of implementation.
- 5) The re-purchase price for an expired right will be the aggregate of £25 per year for each 12 month period between the date of expiry of the entitlement and the date the re-purchase application is received at the DVLA, plus £25 for the period (if any) between the end of the latest of such 12 month periods and the date the application is received.
- 6) The purchaser will have to pay an assignment fee of £80 per right purchased, but the DVLA will not require this where the DVLA has already received such a fee and it has not been reimbursed (paragraphs 4(2) and 6(2)).
- 7) An application to re-purchase the right must be made to the DVLA in writing, unless the certificate is being re-purchased for the purposes of assigning the registration number which can also be completed using the DVLA's online facility.

¹ S.I. 1995/2880 (as amended) ² S.I. 1993/987 (as amended)

³ Between 22nd June and 27th July 2017 and between 27 September and 18 October 2017.

⁴ Rights purchased on or after 9th March 2015 are exercisable for 10 years (by virtue of amendments made to S.I. 1995/2880 by S.I. 2015/193).

- 8) These applications will need to be accompanied by the latest issued certificate of entitlement or retention. In exceptional circumstances, consideration may be given to accepting applications without the latest certificate if evidence of prior entitlement is supplied. This may include evidence that details supplied match those held on DVLA records together with any supporting verification, and / or the provision of a statutory declaration verified by a practising solicitor to declare that the certificate has been lost or destroyed and has not passed to a third party.
- 9) Rights so re-purchased will be exercisable for 10 years, unless extended before expiry in accordance with the Scheme (paragraph 2(3)).
- 10) Written applications must be sent to the following address

DVLA - PR4
Longview Road
Swansea
SA99 1ZZ
Date: 20 November 2017

Notes

Paragraph references given are to paragraphs of the Sale of Registration Marks Scheme 1995 (as amended). References to the Scheme are references to that Scheme.

PR Consultation Summary of responses

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Longview Road
Morriston
Swansea
SA6 7JL

gov.uk/dvla

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