



## **NAMA NEWS MAY 2018**

Dear Colleagues,

This month, we held our annual NAMA AGM in Lisbon. The AGM was well attended by members and representatives from the NAAA in the USA. This was a positive and informative meeting with constructive discussions regarding the UK auction industry. A charity auction in aid of BEN – the automotive industry charity, took place following the AGM - raising a phenomenal £14,150! See this month's news for a full round-up of the event.

**GDPR DEADLINE ALERT** - Are you ready for 25 May 2018? This is the implementation date for the new General Data Protection Regulations. There a lot of confusion surrounding GDPR so if you have any questions or queries about it please contact the NAMA GDPR helpline on 01788 538304. Also see below MILS update that gives some valuable guidance on the subject.

We have also published our monthly data report. The report shows that auction activity remained buoyant indicating that retail activity is still strong and the outlook looking positive with more stock hitting the wholesale channels as a result of the March plate change. If you would like to receive the monthly data report please email [louise.woods@rmif.co.uk](mailto:louise.woods@rmif.co.uk)

Earlier this year, NAMA launched a Parliamentary Engagement Programme where we are arranging for local MPs to visit motor auctions. The aim of the scheme is to encourage parliamentary engagement and raise awareness of the significant contribution that the motor auction industry makes to the economy of the UK. We already have some upcoming MP visits arranged for members. If you would like to take part, please contact our NAMA policy officer, James Waring – [james.waring@rmif.co.uk](mailto:james.waring@rmif.co.uk)

Finally, if you have any comments about the newsletter, please let us know.

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## **NAMA 2018 AGM ROUNDUP**

This year's NAMA AGM took place on 28 April in Lisbon, Portugal. The meeting was well attended by members as well representatives from NAMA's counterpart in the United States, the NAAA.

At the meeting, it was confirmed that James Tomlinson would remain as Chairman of the association for another year, and Stuart Pearson of British Car Auctions (BCA) was officially appointed as Vice Chairman.

During the AGM, several topics of interest were discussed. James Tomlinson, Chairman of NAMA, and Louise Wallis, Head of the association, gave an insight into the NAMA's current activities, including updates on membership, NAMA Grading training and licenses, and a brief policy update which included details on NAMA's new Parliamentary MP Engagement Programme.

A number of current legal and business issues were also discussed. Louise Wallis updated attendees on debit cards and confirmed that the association has lobbied the Government on the issue and will continue to do so. There were also updates on the General Data Protection Regulations (GDPR) that come into effect later this month on the 25 May, and the issue of ex-rental and multi user vehicles.

**Derren Martin, Head of Current Valuations at Cap-hpi**, gave a presentation on the new and used car market including an informative analysis of the current situation of diesel.

In the used car market, there has been an unprecedented strength in used car values. Petrol values have been over performing and diesel has been performing in-line with previous years. Smaller, petrol cars have been the strongest performers, and used electric vehicles are becoming more widely accepted, however, values are not increasing dramatically. The electric market has seen some strength in some older models as acceptance of technology has increased.

The presentation concluded with the question, Could 2018 be the year of the used car?

**Andy Cutler, Forecast Values Editor at Glass's**, briefed the audience on the future of the market. New vehicle registrations are continuing to decline. In the past year, we have seen a rise in petrol values in the used market as demand has risen for them, and diesel values have held up well considering the pressure that new registrations have come under. Nevertheless, more people have been moving from diesel to petrol rather than from diesel to alternative fuel vehicles (AFVs). Sales of electric vehicles are still faltering.

**Warren Clauss, President of the National Automobile Auction Association (NAAA)**, gave an update on the US auction market, which showed that many of the challenges facing our colleagues in the US are very similar to the ones we find ourselves dealing with in the UK.

Following his update, Warren Clauss presented Chair James Tomlinson with the Warren Young Fellow award.

The Warren Young Fellowship was created in honour of Warren Young, Sr., a pioneer of the auto auction industry. The award recognises major contributions to the National Auto Auction Association and acknowledges sustaining support for the NAAA Warren Young, Sr. Scholastic Foundation, Inc. goal of improving access to post-secondary education through scholarships and educational assistance.

NAMA was honoured to have been presented this prestigious award.

Finally, **Heidi Carslaw, Director of Corporate Clients at Aston Scott**, gave an insightful and informative presentation on driverless cars looking at the future for mobility and the implications for insurance.

The day concluded with a dinner sponsored by Aston Scott Group which was held at the Sheraton Lisbon Hotel. Entertainment was provided by jazz group Liz Bossa Jaz, and a charity auction took place following the dinner in aid of Ben, the automotive charity, raising a phenomenal £14,150.

NAMA would like to thank once again all the attendees for their generous donations!

During the weekend, attendees also had an opportunity to visit the Manheim Auction site in Lisbon. The visit was very much enjoyed by all and we would like to thank Manheim for their hospitality.



*NAMA Chairman James Tomlinson & Head of NAMA Louise Wallis presented with the Warren Young Fellow award by Warren Clauss, President of the National Automobile Auction Association (NAAA), and Frank Hackett CEO of the NAAA.*

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## AUCTION ACTIVITY REMAINS BUYOUT IN MARCH

NAMA has published its monthly car auction data report for March 2018.

The report shows that overall in March:

- First time conversion rates decreased by -1.5% to 83.8% from March
- Average selling value decreased -6.3% from £5,884 to £5,512 from the previous month, however was up a positive 11% from last March's figure of £4,968
- Average mileage was up by 2.7% to 64,611 from February, and was down by only -0.2% on the same period last year
- The first time premium was £44 – a significant 202.3% rise on last month's figure of -£43

Auction activity remained buoyant in March, indicating that retail activity is still strong.

It would appear that some consumers are opting to buy used cars, possibly as they offer better value than the new car market currently does.

With more stock hitting the wholesale channels as a result of the March plate-change, the outlook for auction activity is looking positive over the coming months in the second quarter.

*The full NAMA Car Auction report is available from NAMA on request.*

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## NAMA PARLIAMENTARY ENGAGEMENT PROGRAMME

Earlier this year, NAMA launched a Parliamentary Engagement Programme where we are arranging for local MPs to visit motor auctions.

The aim of the scheme is to encourage parliamentary engagement and raise awareness of the significant contribution that motor auctions make to the economy of the UK. It is also an opportunity for MPs to obtain a better understanding of how auction houses are operated, the significance of the site to the local area, and the employment and business opportunities available in the sector.

We are actively engaging with government on the following policy issues which could be discussed with your local MP at these site visits:

- **Interchange Fee Regulations**  
The removal of the 50p cap on transaction fees has resulted in a dramatic rise in the cost of taking payments. Also, earlier this year, the Government banned the right for businesses to apply surcharges and to not allow businesses to offset the additional cost. NAMA's findings suggest the combination of these changes will cost the motor auction industry almost £1.8 million a year.
- **Diesel**

Current government policy on diesel and clean air is confusing. It is important that clear and consistent policies are outlined to give auction customers certainty when buying and selling vehicles.

- **Brexit**

It is important for businesses including motor auctions, that the UK gets the best possible deal from the Brexit negotiations. Engagement with government is key to this and will help to ensure the sector remains buoyant.

If your business is interested in hosting your local MP, please contact our policy officer James Waring at [james.waring@rmif.co.uk](mailto:james.waring@rmif.co.uk)

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### **UK NEW CAR MARKET FALLS -15.7% IN MARCH AS NEW '18 PLATE HITS ROADS**

The UK new car market declined in March, according to figures released by the Society of Motor Manufacturers and Traders (SMMT), with registrations falling -15.7% compared with the same month last year. March 2017 was the biggest month ever for new car registrations, as buyers seized the chance to purchase cars before new Vehicle Excise Duty (VED) rates came into force in April last year. However registrations are still running at a historically high level and last month's market was the fourth biggest March on record.

Economic and political uncertainty and confusion over air quality plans continued to affect confidence, resulting in declines across all sales types. Demand from business, fleet and private buyers all fell in March, down -14.3%, -15.0% and -16.5% respectively. Continuing the recent trend, diesel registrations declined in March, down -37.2%.

Registrations of plug-in and hybrid vehicles continued to rise, albeit modestly, up 5.7%, with demand for plug-in hybrids driving growth, up 18.2% for the month. Registrations of petrol cars were essentially stable, up 0.5%. The decline in demand for diesel cars continues to be of concern and the latest tax changes announced by the government do nothing to encourage consumers to exchange their older diesel vehicles for new lower emission models.

In terms of vehicle types, demand for dual purpose cars remains the best performer in March, down -0.7%, with just 713 fewer vehicles registered than in the record March 2017. In the first quarter of this year 146,614 of these vehicles hit British roads, an increase of 2.7%, as the inclement weather appeared to lead to a boost in registrations.

New car registrations have fallen for the 12th consecutive month, with year-to-date performance down -12.4%. However, nearly 720,000 new high-tech, low-emission cars left forecourts in the first quarter of 2018 as consumers took advantage of competitive offers, meaning last month's market was still the fourth biggest on record.

The UK new car market is a vital part of the UK economy and is often seen as a barometer of consumer and business confidence. A new SMMT study of economic figures highlights the broader industry's impact on adjacent sectors from logistics, retail and distribution to car finance, fuel, maintenance and insurance.

Some 200,000 people are employed in new car retail alone, while UK-based car finance firms employ over 45,000 more, with an annual £12.5 billion economic contribution. On the

road, the vehicle fuel industry supports 40,000 jobs, and a further 347,000 are employed in vehicle servicing and repair.

### BEST SELLERS

MARCH 2018			YEAR-TO-DATE		
①	Ford Fiesta	19,272	①	Ford Fiesta	32,808
②	Volkswagen Golf	13,966	②	Volkswagen Golf	21,203
③	Nissan Qashqai	12,018	③	Nissan Qashqai	16,914
④	Vauxhall Corsa	11,718	④	Ford Focus	15,560
⑤	Ford Focus	9,403	⑤	Vauxhall Corsa	15,352
⑥	Ford Kuga	8,964	⑥	Ford Kuga	13,096
⑦	MINI	8,720	⑦	Mercedes-Benz A Class	12,213
⑧	Mercedes-Benz A Class	7,184	⑧	MINI	11,724
⑨	Mercedes-Benz C Class	7,155	⑨	Vauxhall Mokka X	10,885
⑩	Kia Sportage	6,583	⑩	Mercedes-Benz C Class	10,832

March	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	474,069	153,594	296,349	24,126	228,623	222,595	22,851
2017	562,337	244,593	294,926	22,818	273,719	261,941	26,677
% change	-15.7%	-37.2%	0.5%	5.7%	-16.5%	-15.0%	-14.3%
Mkt share 2018		32.4%	62.5%	5.1%	48.2%	47.0%	4.8%
Mkt share 2017		43.5%	52.4%	4.1%	48.7%	46.6%	4.7%

Year-to-date	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	718,489	240,614	441,182	36,693	333,302	356,668	28,519
2017	820,016	360,518	426,093	33,405	386,448	398,823	34,745
% change	-12.4%	-33.3%	3.5%	9.8%	-13.8%	-10.6%	-17.9%
Mkt share 2018		33.5%	61.4%	5.1%	46.4%	49.6%	4.0%
Mkt share 2017		44.0%	52.0%	4.1%	47.1%	48.6%	4.2%

*Image source: SMMT*

### BANK OF ENGLAND AGENTS' SUMMARY OF BUSINESS CONDITIONS

This publication includes a summary of economic reports compiled by the Bank of England's Agents between late December 2017 and late February 2018. It generally makes comparisons with activity and prices a year earlier.

This publication also includes a summary of information gathered by the Bank's recently established Decision Maker Panel Survey.

- Robust growth in goods exports had tightened capacity and, together with improving profit margins, strengthened investment intentions in manufacturing slightly.
- Recruitment difficulties remained a primary concern, though the impact on pay growth had been limited.
- Some evidence of financial distress in retail and leisure, reflecting weak consumer spending growth.

Full report available here: [Agents' summary of business conditions – 2018 Q1](#)

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## LEGAL UPDATE



### ARE YOU READY FOR THE GENERAL DATA PROTECTION REGULATION?

#### Recent Enforcement Action

The GDPR has effectively rewritten the Data Protection Directive, the mainstay of current data protection regime. From May 2018, the GDPR will have a significant effect on your responsibilities when storing data and the uses you can put data to. All businesses are affected, particularly where they use customer details for marketing purposes or exchange them with other businesses in any way. Failure to get this right can result in fines, or worse.

In this the tenth of our series covering this significant change to the law, we look in more detail at some recent fines from the ICO

#### *Nuisance calls to TPS Subscribers*

Two firms in West Yorkshire have been fined by the Information Commissioner's Office (ICO) for calling people registered with the Telephone Preference Service (TPS).

Bradford-based Energy Saving Centre Ltd, which offers services such as replacement windows and doors and guttering, made seven million calls over a seven-month period without screening them against the TPS register. The ICO has fined the firm £250,000 because at least 34,000 of these calls were made to TPS subscribers.

In a separate case, Alex Goldthorpe, trading as Approved Green Energy Solutions, was fined £150,000 for making over 300,000 calls to TPS subscribers between April and July 2017.

It is against the law to call someone registered with the TPS unless that person has given their consent to receive calls from that company.

When commenting on the fines the ICO stated: "We are committed to taking strong action against firms calling people registered with the TPS, as these fines show."

As an indication of the degree of seriousness of this issue these fines are 20 times the fine presented to Honda for marketing without permission. No contact should be made to customers who have withdrawn their permission for marketing calls. As a minimum all motor dealers should be screening their calls against the TPS and should also check their own records to see if they have been approached directly.

### ***Nuisance emails***

Royal Mail Group Ltd has been fined £12,000 by the Information Commissioner's Office (ICO) after sending more than 300,000 nuisance emails.

In July 2017, the company sent emails to 327,014 people who had already opted out of receiving direct marketing. The emails outlined a price drop for parcels, but the company did not have the recipients' consent to send them, and so broke the law.

The ICO launched an investigation after receiving a complaint from a member of the public, who had received a marketing email from Royal Mail despite having opted out.

During the investigation, Royal Mail claimed the emails were a service rather than marketing; informing customers of a price drop.

The Commissioner found that the emails sent constituted marketing and not simply a service message, therefore breaching regulation 22 of the Privacy and Electronic Communications Regulations (PECR).

Whilst it is clear that the ICO will take a broad view of marketing without consent, what is more interesting is that when compared with Nuisance calls to TPS Subscribers above the ICO clearly fines at a much lower level. Whilst members should never send marketing information unless they can establish a clear lawful ground for doing so, where there is any uncertainty at all email marketing will carry a reduced risk

### ***GDPR Is Coming***

Lastly as you are all aware the GDPR will be in force from 25 May 2018 and the ICO have started its final push for public awareness. If you have not already you should review their website at <https://ico.org.uk/>

The ICO have compiled particular guidance for businesses with 10 or fewer employees which can be found at <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2018/03/making-data-protection-your-business-campaign-launched-to-help-micro-businesses-prepare-for-the-new-data-protection-law>

***Source: Motor Industry Legal Services (MILS)***

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## **AUTO TRADER RESEARCH INTO THE IMPACT OF LACK OF DIVERSITY IN THE AUTOMOTIVE INDUSTRY**

Both men and women are 'turned off' by hyper-masculine advertising.

- 92% of consumers surveyed agree car advertising is 'too masculine', and 77% of women say they were 'put off' buying as a result

- 94% of women don't trust car dealers – 37% of women believe their dealership experience would be improved by employing more women in the car industry
- Research is revealed as Auto Trader launches 'The REV Test', a new web TV series fronted by an all-female car review trio

Hyper-masculine' marketing and other advertising is turning off both male and female consumers, according to a new study and an in-depth panel review of the UK's top car brands and review websites.

The unique new study by Auto Trader, the UK's largest digital automotive marketplace for new and used cars, suggests 87% of Brits feel increasingly disconnected from car marketing, with almost three-quarters (73%) agreeing that car adverts personify gender stereotypes or are directed to appeal exclusively to men.

65% of car buyers interviewed (77% of women but also 58% of men) said they found gender stereotypes in car advertising off-putting, suggesting that hyper-masculinity in the automotive industry could be having a significant impact on buying decisions, as well as consumer attitudes towards different car models and brands.

82% of consumers surveyed agreed that luxury sport car brands are most guilty of being too masculine in their advertising, followed by adverts for SUVs (69%) and marketing for premium car brands (71%). In contrast, only 17% of consumers agreed that adverts for city cars (hatchbacks) suffer with hyper-masculinity, compared to 19% for mass production models such as the Ford Fiesta.

Women form a significant and growing proportion of the car market. Female car ownership reached a new record level of 11.8 million vehicles in 2017 (SMMT), and the number of women car owners is growing faster than men (DVLA). The number of female registered keepers of cars has increased by 66% since 1996, compared with an increase of only 23% in male keepers. Yet despite this, 76% of female drivers surveyed don't believe that car brands currently understand a woman's car buying needs.

### **'The REV Test'**

To help 'tip the balance back' towards a gender-neutral industry, Auto Trader has launched 'The REV Test' – a new web TV series led by an all-female editorial review team.

Erin Baker, Editorial Director of Auto Trader, developed the new concept of a weekly test of three new cars, presented by women, and based around the real shopping list for consumers, whether they're men or women.

Erin Baker teamed up with former racing driver and television presenter Vicki Butler-Henderson, and automotive journalist Rachael Hogg, to offer perspectives that appeal to 'real life people' – from 'Gen Z' and millennials to baby boomers, with genuine, honest, relatable and plain English reviews, that still celebrate their genuine love of cars and driving. She called it 'The REV Test'.

The first episode from 'The Rev Test' is available to view on Auto Trader's official YouTube channel, where a new episode will be published every week. Future REV Test car reviews and car group tests will cover several different categories from sports to electric, small cars to seven seaters and hybrids to hot hatches, plus much more.

## **Diversity in dealerships vital to growth**

The negative sentiment towards new car marketing extends to the physical buying experience too. The panel believe one of the major contributing factors behind their poor experiences of the automotive industry is a lack of gender diversity, not only in senior roles making key decisions, but also at the coal face at dealerships. Over a third (35%) of women visiting a dealership noticed there were very few, if any, female salespeople or staff.

This lack of diversity left 13% of women finding the in-store experience an uncomfortable one, and staggeringly, 94% of women don't trust car dealerships. It's not surprising either. A quarter (25%) of women felt that sales staff made presumptions about what they were looking for, compared to just 7% of men, and more than twice as many women (11% vs 5%) felt they were talked down to. Most alarmingly, 15% of women said that the salesperson didn't acknowledge them at all and only talked to the man.

***Source: Auto Trader***

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## **DATES FOR YOUR DIARY**

### **NAMA Executive Meetings, London Offices**

Tuesday 10 July 2018

Tuesday 2 October 2018 (All members)