



## **NAMA NEWS FEBRUARY 2018**

Dear Colleagues,

In this month's newsletter we cover a number of issues, particularly around the current vehicle market and the general economy, including our own NAMA report, comment from trading standards and Cap HPI, and the latest summary of business conditions from the Bank of England.

Following our very successful GDPR workshops in 2017, we will be holding an additional workshop looking at the more specific issue of contract remediation. Contract remediation is a crucial element of GDPR compliance and the workshops will show members how to review their third-party contracts. The workshops run again by our retained solicitors TLT, will take place on Friday 9 March at the Warwick Hilton. If you would like to attend please email [louise.woods@rmif.co.uk](mailto:louise.woods@rmif.co.uk)

As you will be aware, we are currently updating the NAMA Appraiser Courses we offer. It is important that we keep the courses as relevant and up to date as possible. We are holding a grading group meeting on 10 April, where we will be discussing the scheme. It is important we have as much engagement from members on this and would encourage members to attend. If you would like to be there and have not already confirmed your attendance, please email [louise.woods@rmif.co.uk](mailto:louise.woods@rmif.co.uk).

There are just two months to go till this year's NAMA AGM which will be held on the weekend of the 27 & 28 April at the Sheraton Hotel, Lisbon, Portugal. Please note that the venue is now fully subscribed. We will be sending our more details to those attending closer the time.

We have sent letters to members informing them of a new initiative we are starting - the NAMA Parliamentary Engagement scheme, where we will arrange auction site visit for local constituency MPs. 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 have already had some interest. 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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## AUCTION ACTIVITY STRENGTHENS IN JANUARY

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

The report shows that overall in January:

- First time conversion rates increased by 3.9% to 81.6% from December
- Average selling value decreased -2.7% from £5,693 to £5,542 from the previous month, however, was up 4.6% from last January's figure of £5,296
- Average mileage went up by 3.0% to 65,726 from December, and was up just slightly by 0.6% on the same period last year
- The first time premium was -£231 – a significant -48.1% decline on last month's figure of -£156

Auction activity strengthened in January as dealers bought stock to fulfil increased demand from consumers, who are opting in favour of used cars instead of new.

Whilst diesel cars are holding their own in general, the premium sector - particularly large premium German brands, have struggled to achieve prices that are in line with vendors expectations.

“This, coupled with the large volume of cars that were offered throughout the month, led to overall hammer prices being more subdued than would normally be expected in January. However, as the month progressed, prices began to strengthen.

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

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## NAMA PARLIAMENTARY ENGAGEMENT PROGRAMME

NAMA is launching a Parliamentary Engagement Programme where we will arrange for local MPs to visit motor auctions.

The aim of the scheme will be 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 you are interested in taking part in the NAMA Parliamentary Engagement Programme, please contact our NAMA policy officer, James Waring – [james.waring@rmif.co.uk](mailto:james.waring@rmif.co.uk) and we can arrange this for your site.

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## MEET THE CHALLENGE OF GDPR COMPLIANCE

The new General Data Protection Regulations (GDPR) which come into force in May 2018 apply to all organisations that control and process personal data.

Failure to comply with GDPR can result in fines of up to €20 million or 4% of annual turnover for the most serious contraventions. Following on from our very successful GDPR workshops held last year, we are holding a workshop looking at the more specific issue of contract remediation for GDPR compliance.

Contract remediation is a major element of GDPR compliance and one that is essential for all members. The workshop will look at how members should review their third-party contracts, such as those with manufacturers, finance houses and dealer management systems, to check and rate their GDPR compliance and risk. It will also advise on how you should amend these contracts to make them compliant.

Additionally, we will also ask attendees to bring with them one of their data sharing arrangements to use as an example to be worked through during the workshop.

**Dates:** Friday 9 March

**Venue:** Hilton Hotel, Stratford Road, Warwick CV34 6RE

**Time:** 9.30 am refreshments, 10.00 am workshop commences, 3.30 pm close

(A buffet lunch will be provided)

Places will be allocated on a first come first served basis as space is limited. Due the considerable resources required to hold these events, there will be a nominal charge of £99 including VAT per person to attend.

If you would like to attend please contact NAMA on 01788 538303 or email [louise.woods@rmif.co.uk](mailto:louise.woods@rmif.co.uk)

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## UK NEW CAR REGISTRATIONS DECLINE IN JANUARY

The UK new car market declined in the first month of the year, according to figures released by the SMMT. 163,615 cars were driven off forecourts in January, a -6.3% fall compared with the same month in 2017.

Demand fell across the board, with registrations by business, private and fleet buyers down -29.7%, -9.5% and -1.8% respectively. Meanwhile, continuing the trend of recent months, dual purpose cars (SUVs) were the only vehicle segment to see growth, with demand up 6.6% to account for a fifth (20.2%) of all new car registrations. Demand in all other segments fell, with the biggest declines affecting the mini, MPV and executive segments.

Elsewhere in the market, registrations of petrol and alternatively fuelled vehicles (AFVs) rose, up 8.5% and 23.9% respectively. However, this growth failed to offset a significant decline in demand for new diesel cars, which fell -25.6% as confusion over government policy continued to cause buyers to hesitate.

Figures illustrate the importance of diesel cars and engines to the UK economy. Last year, more than two in five of the cars leaving British production lines were diesels, while manufacturers also produced more than 1 million engines – directly supporting some 3,350 jobs and, combined with the UK’s petrol engine output, delivering some £8.5 billion to the economy.

### BEST SELLERS

JANUARY 2018				YEAR-TO-DATE			
①	Ford Fiesta	8,335		①	Ford Fiesta	8,335	
②	Volkswagen Golf	4,310		②	Volkswagen Golf	4,310	
③	Ford Focus	4,105		③	Ford Focus	4,105	
④	Nissan Qashqai	3,851		④	Nissan Qashqai	3,851	
⑤	Vauxhall Mokka X	3,767		⑤	Vauxhall Mokka X	3,767	
⑥	Mercedes-Benz A Class	3,358		⑥	Mercedes-Benz A Class	3,358	
⑦	Kia Sportage	2,622		⑦	Kia Sportage	2,622	
⑧	Vauxhall Corsa	2,587		⑧	Vauxhall Corsa	2,587	
⑨	Ford Kuga	2,580		⑨	Ford Kuga	2,580	
⑩	Mercedes-Benz C Class	2,478		⑩	Mercedes-Benz C Class	2,478	

  

January	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	163,615	58,703	95,892	9,020	69,416	89,513	4,686
2017	174,564	78,905	88,380	7,279	76,714	91,182	6,668
% change	-6.3%	-25.6%	8.5%	23.9%	-9.5%	-1.8%	-29.7%
Mkt share 2018		35.9%	58.6%	5.5%	42.4%	54.7%	2.9%
Mkt share 2017		45.2%	50.6%	4.2%	43.9%	52.2%	3.8%

  

Year-to-date	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2018	163,615	58,703	95,892	9,020	69,416	89,513	4,686
2017	174,564	78,905	88,380	7,279	76,714	91,182	6,668
% change	-6.3%	-25.6%	8.5%	23.9%	-9.5%	-1.8%	-29.7%
Mkt share 2018		35.9%	58.6%	5.5%	42.4%	54.7%	2.9%
Mkt share 2017		45.2%	50.6%	4.2%	43.9%	52.2%	3.8%

Image source: SMMT

**SECOND-HIGHEST UK USED CAR MARKET IN 2017**

The UK's used car market closed 2017 with the second highest number of transactions, down just -1.1% from the all-time record set in 2016, official figures released earlier this week by the Society of Motor Manufacturers and Traders (SMMT) showed.

A 5.1% decline in the fourth quarter means that 8.1 million models changed hands last year.

According to the SMMT, smaller cars continued to be the most popular used buy, with superminis representing a third (33.5%) of all transactions, while demand for minis grew 4.3%. SUVs saw the largest growth at 9.5%, while apart from executive cars, up by a marginal 0.02%, all other segments experienced declines.

In 2017, buyers continued to take advantage of the latest alternatively fuelled vehicles (AFVs), now increasingly available in the used market. Growth was driven by demand for petrol-electric hybrid cars, up 22.2% to 73,864, and zero-emission electric vehicles, which rose 77.1%, with 10,199 changing hands in the year.

Despite a -4.3% decline, petrol remained the most popular fuel type with a 58.0% market share, while used diesel car transactions rose 3.3%, with more than 3.3 million motorists (40.8% of buyers) purchasing one.

Silver remained the nation's favourite used car colour, despite sales falling -6.5%, while black and blue took second and third places. White, at number five, experienced the largest increase (+10.7%) of any top 10 colour, while green experienced the greatest decline in demand as -16.9% fewer buyers chose the colour.

The best-selling used model remained the Ford Fiesta, closely followed by the Ford Focus and Vauxhall Corsa.

**Top 10 regions in 2017**

Region	No. transactions
1 South East	1,205,166
2 North West	848,336
3 West Midlands	796,633
4 East	792,378
5 South West	774,776
6 Yorks./Humberside	689,788
7 London	689,514
8 Scotland	657,320
9 East Midlands	645,544
10 Wales	427,400

**Source: SMMT**

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

This publication generally covers intelligence gathered from business contacts between late November 2017 and mid-January 2018. It generally makes comparisons with activity and prices over the past three months on a year earlier.

- Growth in activity had held steady at a modest pace. Professional services firms had reported a pickup in growth; goods export volumes had strengthened, construction output growth had continued to slow.
- Investment intentions had remained positive, but mainly reflected investment to maintain business activity.
- Recruitment difficulties had remained at an elevated level, and pay growth had picked up.

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

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## LEGAL UPDATE



### Case Law Update: Employer's knowledge of employee's disability

The Court of Appeal has confirmed the importance of knowledge in a disability discrimination case.

To be liable for disability discrimination a Claimant would have to show not only:

*(a) That they are disabled within the meaning of the Equality Act 2010 (which has its own specific definition), but also*

*(b) That the Respondent employer knew or ought to have known (i.e. have constructive knowledge) of the disability.*

In assessing this question a previous case *Gallop v Newport City Council* confirmed that an employer cannot simply 'rubber-stamp' an unreasoned occupational health assessment of disability and rely upon that to argue it did not know of the disability.

In a case last week *Donelien v Liberata UK Ltd* the Court of Appeal found that an employer, on the facts before it, should not have been treated as knowing that an employee was disabled when the medical evidence wrongly regarded that employee as not disabled.

In *Donelien* the Tribunal held as a finding that the Claimant was, in fact, disabled within the meaning of the Equality Act, but that the employer was not liable because they did not know, and could not reasonably have been expected to know, of the disability. In *Donelien* the employer had taken reasonable steps to assess the employee's condition and had not simply 'rubber-stamped' the occupational health report, as had happened in *Gallop*.

It relied upon an occupational health report stating the employee was not disabled, but also took into account return to work meetings and letters from the employee's GP in the assessment.

The case is therefore good news for employers who are defending disability claims where the employer did not know and could not reasonably be expected to know the employee's condition was serious enough to constitute a disability. It confirms that an employer who has taken reasonable

steps to assess the employee's condition and concluded that the employee was not disabled should not be liable, even if a later Judge at a Tribunal takes a different view.

### ***Motor Industry Legal Services (MILS)***

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#### **DERREN MARTIN APPOINTED HEAD OF CURRENT VALUATIONS AT CAP HPI**

Industry expert Derren Martin has been appointed as head of current valuations at Cap HPI.

The new role will see him lead a team of industry experts and analysts to editorial and remarketing consultancy.

The announcement comes as Cap HPI restructures its industry editorial experts to provide a greater range of consultancy services. The team of 11 will continue to manage daily adjustments to Black Book Live used car data and support customers with bespoke insight and support.

Martin has spent two years establishing the international team of valuation experts and analysts. As the company expands, he is taking a new role to ensure that dealers, fleets and OEMs have access to real-time analysis and expertise.

James Dower, currently senior editor of Black Book in the UK, is leaving the business to take a senior business development role within remarketing.

Martin said: "It has been an intense two years setting up the framework that will underpin the continued expansion of our international operations.

"I relish the challenge of leading our team of UK experts as the industry becomes increasingly digital and our customers, from all sectors, look to our data to drive their businesses and build customer engagement.

"We thank James for his hard work in recent years and wish him all the best in his new challenge."

The Black Book team includes a mix of industry experts and data analysts that produce daily updates to vehicle valuations.

The company recently announced the number of car models and derivatives has jumped to 68,700 unique 'IDs', which is set to create over 10 million monthly movements in used values.

The team also analyse over 2 million transactional data records from a broad range of the wholesale market alongside over 5 million retail adverts each year.

Chris Wright, managing director of Cap HPI, said: "Derren has done a fantastic job with our international team, and we value his experience in leading the Black Book operation.

"We are seeing an increased demand from our customer's to share our expertise in bespoke consulting capacities.

"As we continue to evolve our data, technology and service offering, the demands on the data have never been more immediate and business critical for our customers."

***Source: Fleet News***

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#### **FLEETS CHOOSING ALTERNATIVES TO DIESEL 'MUCH FASTER' THAN ANTICIPATED**

Fleets are moving towards hybrid and electric powertrains much faster than the industry anticipated, research from Sewells suggests.

It says that the sharp decline in sales of diesel cars in January is set to continue, with corporate fleets leading the exodus away from the fuel.

Official figures from the SMMT revealed that sales of diesel cars dropped by 25.6% in January. Sewells Research & Insight's twice-yearly Market Barometer has found that 71% of fleets currently operate diesel cars, but only 59% expect their replacement cars to be fuelled by diesel.

Petrol cars will take up most of the slack in the short-term, although by far the most dynamic growth will be in sales of hybrid and electric cars.

The Market Barometer suggests that as many as 30% of fleets expect to run hybrid cars within the next 12 months, and a further 7% will have pure electric cars on their books by the end of the year. This represents a dramatic increase from the 12% of fleets that currently have at least one hybrid car, and the 3% of fleets which have a battery-powered car.

Corporate fleets (employing 250-plus people) are leading the way towards a lower emission future, it says, with 47% expecting to replace some of their cars with hybrids this year, and 16% preparing to run electric cars.

Meanwhile, essential vehicle users, such as utility companies, transport firms, and construction businesses are at the forefront of the move to cleaner emission vehicles, according to Sewells.

The research specialist also found that the upper medium, executive and dual purpose (SUV and MPV) sectors of company car are set for the most significant change in fuelling policy, with hybrid alternatives replacing diesel models, while electric cars gain a toe hold.

Simon Staplehurst, commercial research director, Sewells Research & Insight, said: "The Market Barometer reveals that fleets intend to switch to cleaner, lower emission cars much more quickly than many people in the industry expect.

"The fleet sector has passed the tipping point from a default to diesel towards a greener future."

**Source: Fleet News**

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## **TRADING STANDARDS PUBLISH NEW FAIR TRADING GUIDE FOR SECONDHAND CAR DEALERS IN SCOTLAND**

Scottish local authority Trading Standards services have released new guidance for second-hand car dealers, aimed at ensuring a high level of understanding of consumer protection law by Scotland's motor trade.

The guidance, published by The Society of Chief Officers of Trading Standards in Scotland (SCOTSS) is intended to help second-hand car dealers comply with a number of important pieces of consumer protection law, such as the Consumer Protection from Unfair Trading Regulations 2008 and the Consumer Rights Act 2015.

Second-hand car sales are still one of the biggest areas of consumer complaint across the UK, and usually involves the biggest purchase a consumer will make next to their home.

In April 2016, Citizens Advice Scotland reported that 'Used car purchased from an independent dealer' was almost universally the number one issue reported in each Scottish local authority area.

Chair of SCOTSS, Peter Adamson, said:

“Second-hand car sales are still a significant area of consumer detriment in Scotland, and complaint numbers are still high, partly due to the complexity and nature of the product, and partly due to the complexity of the law.

We are publishing this comprehensive guide to the law to help car dealers in Scotland comply with the law and improve the level of service they give to their customers”

Mr Adamson added:

“We have consulted widely on the content of this guidance, with trade and consumer bodies, and we hope it will make a significant difference to general understanding of the law. We are pleased to work with the SMTA in launching the guide and highlighting it through their member network.

Any consumers who encounter problems with car purchases, or indeed any other types of products, can gain advice through the Citizens Advice Consumer Service Helpline on 03454 040506, online at [www.citizensadvice.org.uk/scotland/consumer](http://www.citizensadvice.org.uk/scotland/consumer) or from their local council trading standards service6“

Sandy Burgess Chief Executive of the Scottish Motor Trade Association (SMTA) commented:

“This document is a welcome addition to the level of guidance and advice available to our members and the wider industry of professionals who are engaged in the retailing of used vehicles across Scotland. By adhering to the detailed advice given, our membership can expect to maximize their exposure to the motoring consumers seeking to buy their next vehicle”.

He added “we are delighted to have been involved in the creation of these guidelines which will serve our membership and the consumer well for years to come”.

Sheila Scobie, CMA representative in Scotland said:

“The CMA welcomes this initiative by SCOTSS. Purchasing a second-hand item always feels more risky, and it is important that customers know that their consumer rights are being protected. The guidance provides car dealers with the information they need to enable them to treat customers fairly and to know when they might be breaking the law.”

**Source: *Trading Standards Institute***

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## **DATES FOR YOUR DIARY**

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

Tuesday 20 March 2018

Tuesday 10 July 2018

Tuesday 2 October 2018 (All members)

### **NAMA AGM 2018**

27/28 April 2018, Lisbon, Portugal