



NATIONAL ASSOCIATION  
OF MOTOR AUCTIONS

## NAMA NEWS April – May 2021

Dear Colleague,

The most recent NAMA survey has revealed that the easing of restrictions is contributing to an improved consumer confidence. This is supported by both the expected increase in auction values and auction volumes.

Industry figures such as CAP HPI and Cox Automotive have also released data which indicates the market is continuing to remain strong and should only improve further with the re-opening of auction houses.

This month's newsletter also features a **COVID-19 guidance for Automotive Auctions** and a legal update from MILS to discuss the technicalities of **'Dismissing an Employee Due to Age'**.

NAMA will now be producing a weekly 'News Digest' to be released every Friday. The purpose of this digest is to provide you with information to key news and events that relate to the automotive sector.

The next **NAMA Executive** meeting will take place on 21 July 2021 and is open to all NAMA members. If you have not already done so, please let us know if you would like to join us.

### Keeping in Contact

NAMA is here to support your business during the COVID-19 crisis and beyond. If you need support or advice, please do not hesitate to contact us. If you are interested in any issues raised in the newsletter and would like more information please let us know on 01788 538304 or email [louise.wallis@rmif.co.uk](mailto:louise.wallis@rmif.co.uk).

**Louise Wallis**

**Head of NAMA**

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## **NAMA FINDS PETROL AND DIESEL VALUES REMAIN STRONG AS THE FIRST ROUND OF RESTRICTIONS ARE EASED**

Motor auctions members of the National Association of Motor Auctions (NAMA) have told their trade body that they expect internal combustion engines values to remain strong. This reflects the improving consumer confidence as lockdown gradually eases across the UK.

NAMA has found that 78% of respondents believe petrol values will increase in the coming month, with the remaining 22% expecting values to stay the same. Diesel values are mostly expecting to stay the same, according to 55% of respondents, whilst the remaining 45% predict an increase.

NAMA survey results have also revealed that 88% of respondents are expecting auction volumes to increase. This, coupled with 100% of respondents expecting both first-time and average conversion rates to either increase or stay the same, is a great indication that the market remains buoyant and consumer confidence remains strong.

Louise Wallis, Head of NAMA, commented: "Auctions are benefiting from retailers buying vehicles to stock their forecourts to meet strong consumer demand for used cars following the easing of lockdown restrictions. The next few weeks is expected to see a continuation of a strong used vehicle market with auctions being key to its success".

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## **COVID-19 GUIDANCE FOR AUTOMOTIVE AUCTIONS**

The National Association of Motor Auctions has developed this guidance and best practice to be used by automotive auctions for use during the COVID-19 outbreak. The guidance should be used alongside a full risk assessment of each business site. The risk assessment would normally be required to be carried out in cooperation with staff or workforce representatives ahead of (re) starting operations. This guidance reflects government guidance as at 29 March 2021.

This guidance is not final and will evolve as improvement and issues come to light and will reflect feedback from staff and customer.

The guidance is intended to compliment official guidance being issued by Government on a workplace specific basis.

[COVID-19 GUIDANCE DOCUMENT](#)

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## **CAP HPI CAR MARKET OVERVIEW**

In this overview, cap hpi report on registration activity in the new car market to the end of March 2021 and dynamics in the used car market at the time of writing, including what may happen over the coming weeks and months. All information was correct as of 27 April 2021.

### **Used-car Retail Activity**

It would appear that it is more than just normal “pent-up” demand. There are “accidental savers” that have funds from less socialising, leisure activities and holidays over the last 13-months, many of which are now looking to make a purchase that is either required or desired. Aspirational purchases of premium brand cars or of convertibles and sports cars, vehicles that may not have been under consideration previously, are high on the agenda currently.

Many retailers have reported record weeks – even stronger than last June. Retail prices have noticeably increased, reflected in the data received by cap hpi.

### **Used-car Remarketing Activity**

Conversion rates at auction dipped over the 2-week Easter period, but increased again from 12 April, being well into the 80%+ region.

Some auctions have reopened physically, as soon as they were able to, whilst the larger operations remain online only. There is now the opportunity to visit some auction halls as well as buying online and this seems an ideal situation

Full report can be found [here](#)

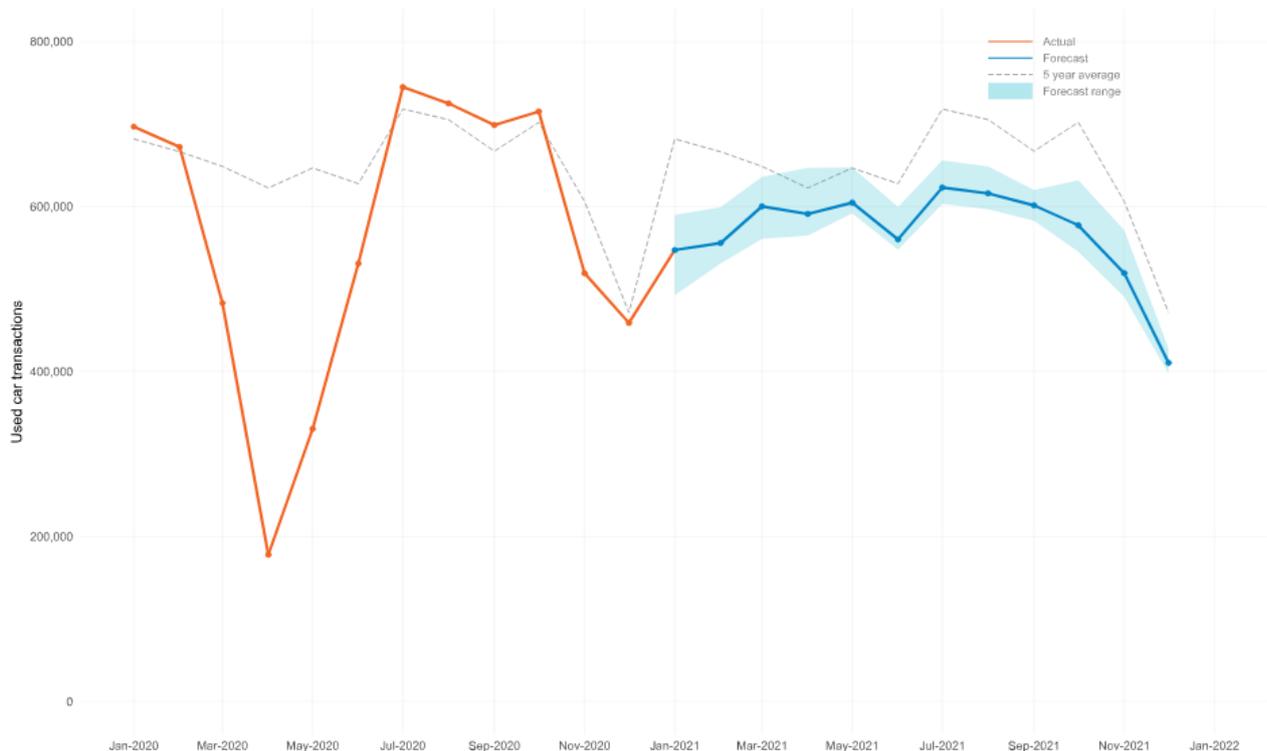
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## **SHOWROOMS' REOPENING GIVES MARKET A MUCH-NEEDED BOOST**

The reopening of showrooms in April will provide a much-needed boost for the sector and will see an increase in activity due to some pent-up demand. But stock supply shortages will continue to affect retailers throughout Q2 until the aforementioned lower mileage supply hits the market, and therefore Cox Automotive do not anticipate April 2021 numbers to recover to 2019 levels.

While the supply will come back, the question is when will it be, and how much will be available? Cox Automotive assume rental companies will not flood the market with all their

product at once and they hope for a situation where there is not an over-supply. The one case where this would happen would be if a large rental company goes under.



Source: Cox Automotive & Grant Thornton

The Cox Automotive article goes on to forecast the 'Best-case scenario (unlikely)', 'Middle-case scenario (most likely)' and 'Worst-case scenario (unlikely)' for the year. As ever, there are significant, multiple, and complex variables at play, so dealers are advised to prepare for all possible contingencies.

View the full article [here](#)

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## **TRANSIT PRODUCTION PAUSE IN TURKEY CAUSED BY SEMICONDUCTOR CRISIS 'WILL PUSH UP PRICE OF USED LCVS'**

The price of used LCVs is going to be pushed up in the UK after Ford's Transit plant in Turkey was forced to pause production because of the semiconductor supply crisis, according to auctioneers Aston Barclay, which said the closure until 13 June will fuel the ongoing challenge the market faces of demand outpacing supply of used vans, which is forcing prices up to record levels.



Geoff Flood, Aston Barclay’s national light commercial vehicle manager, said: ‘The Ford factory shutdown news is a blow for the new and used market, as it will prevent a supply of much-needed used vans hitting the auctions.



View the full article [here](#)

## CAR PRODUCTION RISE FOR FIRST TIME SINCE 2019 AFTER COVID COLLAPSE

UK car production rose dramatically in March, a year after the coronavirus pandemic forced factories across the country to shut.

Output rose 46.6 per cent against 12 months ago, with a total of 115,498 cars built, up from 78,767 in March 2020, new data from auto trade body the SMMT showed.

### CAR MANUFACTURING

	Mar-20	Mar-21	% change	YTD-20	YTD-21	% change
<b>Total</b>	78,767	115,498	46.6%	319,252	306,558	-4.0%
<b>Home</b>	16,969	20,269	19.4%	64,577	54,650	-15.4%
<b>Export</b>	61,798	95,229	54.1%	254,675	251,908	-1.1%
<b>% export</b>	78.5%	82.5%		79.8%	82.2%	

Source: SMMT

## MILS LEGAL UPDATE

### Dismissing an Employee Due to Age

My Business has changed due to coronavirus and I now don’t have enough work going forward. I have an aging technician (Jeff) who isn’t as quick and has started to make a few mistakes. I wondered whether I should just suggest it might be time for him to retire? I wouldn’t mind offering him a small sum of money to go so I can get someone younger and quicker on the job. He has been a good employee but I think enough is enough?”

Prior to the Age Discrimination Legislation being introduced in 2006, the above scenario provided Jeff (over 65), he simply couldn’t claim unfair dismissal. The law these days is very different and it would be age discrimination to dismiss him simply because he is getting too old for the job, or to imply or accuse him of the same. Employers need to be particularly careful about making assumptions based on peoples age even if factually it is correct that

people as they go into their 70s and 80s may slow down and be less capable (in some cases, not all) making decisions on that basis is likely to land the employer in the tribunal.

Whilst there is no national retirement age anymore, employers can set a default retirement age if the same can be objectively justified. This is a very high test in law and very risky so we would advise that most employers steer clear of this.

In the above situation, Jeff has to be treated like any other employee with capability problems. If he is not performing then clearly that can be a matter for disciplinary/capability procedures which is likely to involve investigation and medical evidence. If it transpires after investigation and a reasonable period of procedure including potentially warnings and any adjustments that Jeff really isn't capable of performing the job any more, then the employer, provided he's laid a solid paper trail to that effect, may be able to fairly dismiss Jeff or to select him for redundancy on those grounds alone *Motor Industry Legal Services*

*Motor Industry Legal Services (MILS Legal Ltd) provides fully comprehensive legal advice and representation to UK motor retailers for one annual fee. It is the only law firm in the UK which specialises in motor law and motor trade law. MILS currently advises over 1,000 individual businesses within the sector as well as the Retail Motor Industry Federation (RMI) and its members.*

## **NEWS FROM NAMA MEMBERS**

### **Demand holds up well in February as lockdown trading continues**



31 March 2021

Source: BCA

Average used car values at BCA held up well in February as trading continued to be exceptionally competitive and record numbers of buyers joined BCA's online sales programme. Wholesale activity remained high in February, even with franchise dealers starting to focus attention on the March 1st registration plate change.

Used car values at BCA averaged £8,212 during February 2021, maintaining the relatively steady price performance that BCA has reported since the middle of last year. There continues to be significant demand for Dealer Part-Exchange stock at every price point, while buyers are equally prepared to invest six figure sums for prestige, luxury and performance vehicles.

View the full article [here](#)

**CD Auction group announces Andy Pearce as new  
Managing Director**

6 April 2021



Source: Motor Trader

CD Auction Group has announced Andy Pearce as its new managing director.

He was appointed to the role after guiding the company's record performance over the last quarter as operations director

Over the first three months of 2021, CD Auctions has seen new records set for the volumes of vehicles sold, conversion rates and the number of dealers using its digital channels to source stock.

Commenting on his new role, Pearce said: "The company has gone from strength to strength in the last few months with more vendors and buyers recognising the efficiency of our digital multi-channel approach. We continue to invest in the service to ensure that CD Auctions is the easiest place to sell and buy stock."

View the full article [here](#)

**Used car prices stay above £8,000 at BCA as record number of  
bidders look to stock up**

17 April 2021



Source: Car Dealer Magazine

Used car average values at BCA kept above £8,000 in March as its online sales programme saw record buyer activity ahead of showrooms reopening. The auctioneer said the £8,039 average price maintained the steady performance seen during recent months, with sold volumes rising significantly versus January and February. They're now comparable to pre-pandemic levels and activity is likely to increase further over the coming weeks, it added.

Bidder numbers were at their highest since the pandemic began, with average daily online attendance numbers climbing to 5,000. It coincided with BCA continuing to refine and upgrade its digital sales programme.

View the full article [here](#)

**Manheim continues to offer dealer Accelerate package**

26 April 2021



Source: Motor Trader

Manheim is continuing to offer its Accelerate package to dealer as the dealers move out of lockdown. The package includes free vehicle collection from auction sites and the suspension of online buying fees. The scheme was launched in 2020 as vehicle auctions moved towards digital format amid the COVID-19 pandemic.

Manheim's sites have reopened to allow in-person viewing by appointment, but online buying fees will still be waived, so dealers don't pay more to buy online. In addition, vehicle collection from auction sites remains free of charge; buyers only need to book a collection time and follow Manheim's COVID safety protocols.

In advance of the collection date, Manheim will send buyers high-quality images of the vehicle, so they can start their marketing activities even before the car reaches the forecourt. And all buyer account tier reviews are on hold – so dealers' pricing will not increase, regardless of their level of activity.

View the full article [here](#)

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## **U.S. auto dealers are winners as chip shortage lifts vehicle profits**



While the semiconductor chip shortage has been a headache for automakers as they've cut production, it's been a profit boom for dealerships with demand outweighing supply.

However, there are signs that the production shortage will soon be felt by dealers, with Prime Automotive Group's Todd Skelton noting, "We're now beginning to see not only the depletion of what we had in stock, but nothing following behind it".

Read the full article [here](#)

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## **Your NAMA membership benefits**

- NAMA Grading Scheme
- NAMA Vehicle Appraiser Training scheme
- Lobbying and engagement with Government
- Legal services
- HR and employment advice
- COVID-19 Guidance
- Health and Safety advice
- Dedicated helpline and online member area
- Discounted rates for commercial services
- Alternative Dispute Resolution (ADR)

- Finance and Insurance advice
- Monthly newsletter
- Regular member meetings

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## NAMA ON SOCIAL MEDIA



Follow you trade association on social media to receive all the latest updates from us.

- [LinkedIn - National Association of Motor Auctions \(NAMA\)](#)
- [Twitter - @NAMA Auctions](#)

## 2021 DATES FOR YOUR DIARY

NAMA Executive Meeting – 21 July 2021