

**DVLA CONSULTATION ON THE POLICY ASSOCIATED WITH THE
TRANSFER, ASSIGNMENT AND RETENTION OF VEHICLE
REGISTRATION NUMBERS**

Contents

Introduction, including Executive Summary

How to Respond

Background Information

Sale of Vehicle Registration Numbers

Summary of the Cherished Transfer Scheme

Summary of the Retention Scheme

Transfer and Retention Scheme Rules

Q Mark Registration Numbers

Consultation Proposals

**Proposals A & B: Extension and amendment of the Sale of Marks
Regulations 1995 and the Retention of Registration Marks 1993
(as amended)**

Proposal C: Option 1: Maintain existing policy and processes

Proposal C: Option 2: Amend existing policy and processes

Proposal C: Option 3: Develop new policy and processes

Objective

Annex A Legislation

Annex B Partial Regulatory Impact Assessment

Annex C Code of Practice on Consultation

Annex D List of Consultees

Annex E Glossary

Annex F Response Sheet

Introduction

1. This is a consultation on the policy associated with the transfer and assignment of vehicle registration numbers within Great Britain (GB) and Northern Ireland (NI), and the policy regarding the retention facility in GB including the possible extension of this facility to NI.

Executive Summary

2. The main aim of the consultation is to seek your views on :
 - i. The proposed enhancements to existing arrangements, including on-line facilities for purchasing and conducting post-sale transactions relating to previously unassigned GB registration numbers.
 - ii. The policy associated with the transfer and assignment of vehicle registration numbers within GB and NI.
 - iii. The policy regarding the retention of assigned vehicle registration numbers within GB, and the introduction of a retention facility in NI.
3. This document covers three proposals. Proposals A and B relate to the necessary changes to allow for the development of on-line facilities and a facility to allow the assignment of registration numbers from V778 Retention Documents when registering a new vehicle. Proposal C incorporates 3 options which are being considered as part of the review of the cherished transfer and retention policies.
4. DVLA's primary function is to maintain an accurate vehicle record but it must also realise the value of its assets. The Agency has a duty to ensure that by enhancing customer service, the security and integrity of the vehicle record is not compromised. Therefore, in order to conduct a full and thorough review of current policy, your views are sought to enable the Agency to improve customer service whilst maintaining the accuracy of the vehicle record and ensuring the necessary safeguards are in place to combat fraud. When responding to this document, we would ask consultees to consider their suggestions carefully within that context.
5. There are six overarching transfer and retention policy rules and these have been developed over a number of years. They are designed to maintain the accuracy of the vehicle record and safeguard against fraud. These policies are currently being reviewed and, as part of the review process, the Agency has identified three possible options.
6. Option 1 is to maintain the current policy. However, the consistent application of the policy rules can often result in genuine applicants feeling penalised.
7. With this in mind Option 2 looks at how changes could be made to the current policy rules in order to improve customer service but maintain the current safeguards against fraud. A number of policy rules are considered within this option. The Agency feels that the proposed amendments would reduce the current administrative burdens associated with transfer and retention applications, but may increase the administrative burdens associated with the vehicle register.

8. Option 3 considers removing the constraints imposed by the current system on the existing transfer and retention schemes, and replacing with a new system. This option will require careful consideration as to how the Agency can provide the best service without compromising the accuracy of vehicle records.
9. The Partial Regulatory Impact Assessment can be found at Annex B. We would welcome comments and contributions on all parts of the consultation document including this annex, so that we can assess the impacts of any changes that we might consider.

Responses

10. Responses to this consultation should be recorded on the response sheet (Annex F) and returned by any of the following methods;
 - (i) By post to Rachael Toft, Vehicle Policy Group, DVLA, Swansea Vale 2, Swansea, SA6 7JL
 - (ii) By fax for the attention of Rachael Toft – 01792 765211
 - (iii) The consultation document can be completed on line at www.dvla.gov.uk/consultations. Alternatively it can be downloaded and returned by post.
11. The consultation period will run until 10 October 2006. Any responses received after this date will only be taken into consideration in exceptional circumstances.
12. DVLA is unable to acknowledge or reply to individual responses. However, a summary of responses will be sent to those who have replied following consideration by DVLA/DVLNI. DVLNI is DVLA's equivalent agency based in Northern Ireland. It is hoped that the summary will be available in January 2007. It will also be available on line at www.dvla.gov.uk/consultations
13. All responses will be considered as part of the consultation process. It is the Agency's intention to explore the possibility of incorporating valid suggestions and comments when developing new or amending existing policy.
14. Those who wish to submit comments to DVLA in relation to this issue are asked to note that we may publish all or some of the comments we receive. Please also note that if DVLA receives a request from any third party for sight of such comments, we may be obliged by law (for example, under the Freedom of Information Act 2000) to disclose such information to the applicant. If there are particular reasons why you would not wish your comments to be published or disclosed, please let us know. Although your wishes in this respect may not override any statutory requirement to disclose, they will be taken into account so far as possible. If you reply by e-mail, the above overrides any confidentiality disclaimer generated by your IT system.
15. Representative groups are asked to provide comments that summarise the views of the people and organisations they represent. It would be helpful if, when responding, representative groups could indicate the people and organisations they represent.

16. If you have any questions about the consultation or require further clarification of any matters relating to this document you may send them to Sian Cooke by post or fax to the DVLA address as detailed, or by email to vehpol.dvla@gtnet.gov.uk
17. If you know of anyone who you consider would be interested in receiving a consultation document please contact Sian Cooke or telephone the answering service on 0870 240 6424. A copy of this document can also be found on the website at www.dvla.gov.uk/consultations

Background Information

18. The Driver and Vehicle Licensing Agency (DVLA) and Driver Vehicle Licensing Northern Ireland (DVLNI) are responsible for maintaining the vehicle records within the UK. A centralised register of vehicles has been kept in GB since 1974 and in NI since the early 80's. Previously vehicle records were kept regionally at Local Taxation Offices. The register is not a record of legal title to a vehicle. Its main purpose is to contribute to the delivery of road safety, law enforcement and the collection of revenue by maintaining an accurate record of all registered vehicles and their keepers.
19. When a vehicle is registered at DVLA/DVLNI it is assigned a vehicle registration number. Registration numbers are assigned by the Secretary of State as part of the registration and licensing process, which is required by law. A registration number is a unique means of identifying a vehicle, primarily for taxation and law enforcement purposes. This is catered for in sections 23, 24 and 25 of the Vehicle Excise and Registration Act (VERA) 1994 (as amended).

Sale of Vehicle Registration Numbers

20. In response to public demand for greater access to attractive vehicle registration numbers, DVLA and DVLNI each operate a sale of marks scheme. The schemes that are covered by section 27 of VERA offer customers the opportunity to buy the assignment rights to vehicle registration numbers, which have never before been released for use on vehicles. The assignment rights allow a purchaser to assign the vehicle registration number on a single occasion to a suitable receiving vehicle, which is registered either in their own name or in the name of a nominated third party (the nominee).
21. The purchaser is issued with a Certificate of Entitlement (V750) which details the rights acquired and shows the name of the nominee (where supplied). Nominee details can be entered free of charge at the point of purchase, or they can be entered later for a fee of £25. Each certificate is valid for 12 months but if the purchaser does not assign the number in that first year, entitlement can be extended for an annual fee of £25. The extension application must be made before the current certificate expires.
22. To assign the vehicle registration number to a vehicle, the purchaser currently must sign and surrender their Certificate of Entitlement. If the receiving vehicle is brand new and as yet unregistered, the car dealer will normally be able to arrange the assignment of the vehicle registration number when registering the vehicle. In this case, the signed certificate must be supplied to the car dealer for subsequent surrender to DVLA/DVLNI. If the receiving vehicle is already registered under an existing vehicle registration number, the purchaser must take or send the signed certificate to a Local Office in DVLA or DVLNI (as appropriate) together with the relevant documents. The Local Office will then arrange for the vehicle's existing registration number to be replaced with the one shown on the Certificate of Entitlement.

23. Once the assignment has taken place, the purchased rights have been fully exercised. Thereafter, entitlement to the vehicle registration number rests with the registered keeper of the vehicle to which the vehicle registration number has been assigned. Any further movement of the vehicle registration number will be subject to the transfer or retention schemes, where appropriate.

Cherished Transfer Scheme

24. A vehicle registration number normally remains with the vehicle until it is broken up, destroyed or sent permanently abroad. However, with the widespread interest in personalised registration numbers, special facilities are provided for those motorists who wish to transfer vehicle registration numbers between vehicles.
25. Attractive vehicle registration numbers can fetch large sums of money so the transfer arrangements are carefully controlled to protect against abuse. Only existing vehicles that are registered, currently licensed, subject to annual roadworthiness tests and available for inspection may take part in a transfer. Only the registered keeper of the vehicle can apply to transfer a vehicle registration number. Application form V317, entitled 'Transfer of a Vehicle Registration Number' must be completed and submitted together with the relevant documentation and the transfer fee of £80.

The Retention Scheme (GB only)

26. The retention scheme enables a vehicle registration number to be held apart from the vehicle to which it has been assigned, for a 12-month period pending its re-assignment to another vehicle. Only the registered keeper of a vehicle is entitled to apply for a right of retention. Retentions are covered by section 26 of VERA. Application form V778/1, entitled 'Retention of a Vehicle Registration Number' must be completed and submitted together with relevant documentation and the retention fee of £105. The £105 covers the £25 application fee and the £80 assignment fee. The retention period can be extended annually, provided entitlement is not allowed to lapse. The facility also allows the applicant the option of nominating a person (nominee) to whose vehicle they may wish to subsequently assign the vehicle registration number.
27. A right of retention must exist in the name of the registered keeper (known as the grantee) only and it must remain so until the vehicle registration number concerned is either assigned to another vehicle registered in their name or to that of a nominee. The grantee of the retention right must remain involved in the process until the vehicle registration number has been assigned to a vehicle.
28. Currently DVLNI do not operate a retention scheme. It is intended to extend the retention scheme to Northern Ireland in 2007.

Transfer and Retention Scheme Rules

29. The current policy rules of the transfer and retentions scheme require that :-

RULE 1 The vehicle must exist

30. Vehicle registration numbers are not items of property in their own right. They are assigned and may be withdrawn by the Secretary of State as part of the registration and licensing process required by law. The vehicle registration number is a unique means of identifying a vehicle, primarily for taxation and law enforcement purposes. It is assigned to the vehicle rather than its keeper and unless it is transferred or retained the registration number remains with the vehicle until it is broken up, destroyed or sent permanently out of the country.

RULE 2 The vehicle must be registered

31. For a vehicle to participate in the cherished transfer scheme it must be registered at either DVLA or DVLNI.

RULE 3 The vehicle must be available for inspection

32. The inspection helps to verify entitlement to the vehicle registration number being transferred or retained. Both the donor vehicle (the one giving up the number) and the recipient vehicle (the one receiving the number) may be called for inspection. The inspection process exists to protect a keeper's entitlement to a vehicle registration number.

RULE 4 The vehicle must be currently licensed or in the process of being licensed

33. By requiring that an older vehicle is licensed it ensures that an MOT/HGV test pass certificate will have been obtained within the previous 3 years. This ensures that vehicles are not in such a poor state of repair as to make them unidentifiable or unsafe to inspect, making it easier to verify entitlement to the vehicle registration number.

34. A concession was introduced in December 2005 to allow a donor vehicle to partake in the scheme where the licence has expired naturally, i.e. not through a refund, no more than 12 months prior to the date of the application being submitted, providing Statutory Off Road Notification (SORN) is declared. The concession also requires that there must be no break between the natural expiry date of the licence and the commencement of the SORN.

RULE 5 The vehicle must be subject to an annual roadworthiness test (MOT/HGV test)

35. Non-testable vehicles such as agricultural and milk floats, are outside the scope of the scheme. Only testable vehicles can participate in transfers and retentions and a valid test certificate should accompany applications. Non-testable vehicles could be in a poor state of repair which could make them difficult to identify at inspection, and to establish whether the vehicle has entitlement to the vehicle registration number being claimed. Also, inspecting such dilapidated vehicles presents health and safety hazards.

RULE 6 Only the registered keeper of a vehicle can apply to transfer or retain a vehicle registration number

36. In order to protect the registered keeper's entitlement to a vehicle registration number, through keepership of the vehicle to which it is assigned, only the registered keeper can apply to transfer or retain the vehicle registration number.

'Q' Mark Registration Numbers

37. Vehicles are assigned 'Q' prefix registration numbers to draw attention to the fact that the origin or age of the vehicle is uncertain. 'Q' numbers are therefore non-transferable and must remain with the vehicle unless documentary evidence confirming its origins/age comes to light. Q registration numbers have been in place since 1983, following wide consultation with the Police, Motor Trade, Salvage Industry, and other interested parties. Their inception was welcomed as a useful protection aid and is seen as a clear indication to a prospective purchaser that doubt exists about a vehicles origins, or that the age of a vehicle is unknown. They are outside the scope of this consultation.

Consultation

38. This consultation seeks your views on the following proposals:

- A** The expansion of the **Sale of Marks Regulations 1995** to allow for telephone and on-line services, and the removal of the requirement to return the Certificate of Entitlement following an on line application. Also, amendments to the regulations to allow for instant nominee changes and multiple extension periods. There is a £25 fee associated with adding a nominee or extension periods. The fee is applicable to each transaction.
- B** The expansion of the **Retention of Registration Marks Regulations 1993 (as amended)** to allow the extension of the retention scheme to Northern Ireland, and the removal of the requirement to return the Retention Document following the assignment of a vehicle registration number to a brand new vehicle. Also, amendments to the regulations to allow for instant nominee changes and multiple extension periods. There is a £25 fee associated with adding a nominee or extension periods. The fee is applicable to each transaction.

C The review of the current policy associated with the assignment and transfer of vehicle registration numbers within Great Britain and Northern Ireland and the existing retention facility within GB. As part of the review you will be asked to comment on the three options the Agency has identified. Option 1 is to maintain current policy. Option 2 is to make changes to current policy in order to improve customer service whilst maintaining the current safeguards against fraud. Option 3 considers removing the current constraints of the existing transfer and retention schemes and replacing with a new system.

Proposals A & B

39. As similar amendments are needed to both **the Sale of Mark Regulations 1995 and the Retention of Registration Marks Regulations 1993 (as amended)** the following considerations and key questions relate to both the Certificate of Entitlement and the Retention Document.
40. The Agency is currently developing a web-enabled facility for purchasing DVLA Personalised Registrations and for conducting some post-sale transactions for the V750 certificate. This new on-line facility for customers of the GB sale of marks scheme is expected to be available by spring 2007, initially for sales only. This will provide a quicker and more effective service than the present arrangements.

Surrender of documents

41. Current legislation requires post-sale applications, such as assignments, add or change nominee, to be made in writing and the certificate surrendered to DVLA or DVLNI as applicable. This requirement helps to remove spent certificates from circulation once the purchaser has exercised their rights. This aids consumer protection by reducing the risk of the spent certificate being used inappropriately, for example to facilitate the sale of the vehicle registration number after it has been assigned to a vehicle. If such a situation were to arise, the Agency would not become involved in any dispute or losses arising and it would be a matter for the parties concerned to resolve.

Consideration 1

Consideration will be given to:

42. Placing the onus on the on-line applicant to destroy their Certificate of Entitlement instead of surrendering it to DVLA/DVLNI in connection with a post sale transaction.

Key questions

- a) Do you agree that Certificates of Entitlement should not have to be returned to DVLA/DVLNI following an on-line post sale transaction?
- b) If you agree that a Certificate of Entitlement does not have to be returned, do you think the same should be applicable to the Retention Document?
- c) If you disagree, what benefit do you see in maintaining the current requirement?

- d) What could be done to ensure spent certificates are not circulated after the number has been assigned to a vehicle?
- e) Do you agree that if an individual purchases a spent certificate, responsibility to resolve any dispute would sit with the buyer and seller? If you do/do not agree, why?

Assigning a vehicle registration number to a nominee's vehicle

43. Currently, if a purchaser or grantee wishes to assign a vehicle registration number to a third party's vehicle, that third party needs to be named as a nominee on the Certificate of Entitlement and/or Retention Document. There is a fee of £25 for this service. Assignment of the vehicle registration number to the nominee's vehicle cannot take place until the purchaser or grantee has received an amended certificate.

Consideration 2

Consideration will be given to:

44. Allowing the purchaser/grantee the opportunity at a DVLA/DVLNI Local Office to add or change the nominee and assign the vehicle registration number immediately to that nominee's vehicle, for the £25 fee. This would allow for the assignment to be completed 2 to 3 weeks earlier than via two separate transactions.

Key questions

- a) Do you agree that the purchaser/grantee should be able to add or change a nominee at the time an application is made to assign the vehicle registration number to vehicle? If not, why?
- b) Do you agree that the purchaser should have the option of making a dual application via the planned Sale of Marks on-line facility? If not, why?

Entitlement Period

45. The validity period of a V750 Certificate of Entitlement and V778 Retention Document is restricted to 12 months under current legislation. The validity period can be extended annually on application by the purchaser/grantee, together with the fee of £25. The legislation requires the extension application to be made before the existing certificate expires.

Consideration 3

Consideration will be given to:

46. Allowing purchasers/grantees the option of applying for up to 3 extension periods in one go. The statutory fee of £25 for each 12 month period, and the need to apply before the existing certificate expires, would not change but the purchaser would no longer need to apply every 12 months. Legislation would need to be

amended to allow a Certificate of Entitlement/Retention Document to be issued to cover the whole of an extended entitlement period.

Key questions

- a) Do you agree that the purchaser/grantee of an assignment right should have the option of buying extension periods in blocks of either 2 or 3 years? If not, why?
- b) Do you think that Certificates of Entitlement and Retention Documents should remain time-bound? If not, why?
- c) Do you agree that purchasers should have the option of making extension applications for the Certificate of Entitlement via the planned new on-line sale of marks facility and via a telephone facility? If not, why?

Consideration 4 (applicable to Proposal B only)

Consideration will be given to:

- 47. The extension of the current retention scheme to NI. Currently NI does not have a retention facility, therefore it is not possible to keep a vehicle registration number separate from a vehicle. Extending the retention scheme to NI will create a consistent approach to the retention facility in the UK.

Key Questions

- a) Do you agree that a retention scheme should be introduced in NI? If not, why?

Proposal C

As part of this proposal three options are being considered.

Option 1

- 48. To maintain the current cherished transfer and retention policies.
- 49. Existing policy has been developed to meet customer needs and to ensure entitlement to the vehicle registration number being claimed. To maintain current policy there would be no requirement for system changes and subsequently no increase in administrative costs. However, the current transfer and retention schemes are perceived by some as complex, laborious and frustrating. The consistent application of rules is sometimes regarded as unfair by genuine customers and is considered bureaucratic and resource intensive.

Key Questions

- a) Do you think that the current policy rules relating to cherished transfer and retention schemes should remain unchanged? If so, why?

- b) If you feel the rules should be changed, would you change all the rules? Which rules would you change and why?
- c) Do you agree that the current rules safeguard against fraudulent activity? If not, why?
- d) What safeguards would you introduce to prevent fraud?

Option 2

- 50. This option looks at making changes to policy to improve customer service and reduce administrative burdens on the customer, whilst maintaining the safeguards in place to prevent fraud.
- 51. Rules 1 to 6 have been explored in detail as part of the review. As part of Option 2, the Agency has given consideration to amending rules 3, 4, 5 and 6. Rules 1 and 2 ensure that registration numbers continue to be linked to vehicles rather than individuals, and also protect the registered keeper's right to display a number. Therefore rules 1 & 2 are not included in this consultation.
- 52. Consideration has been given to amending the following rules as part of Option 2:

Rule 3

- 53. Currently any donor/recipient vehicle that is not available for inspection is unable to participate in the transfer or retention schemes, although there is a concession in place to allow keepers of stolen vehicles to lay claim to the vehicle registration number if the vehicle remains un-recovered after a year.

Reason

- 54. The inspection helps to verify entitlement to the vehicle registration number being transferred, retained or assigned. Currently, there are set criteria (which are not disclosed) to determine whether there is a need to inspect a vehicle. The withholding of this criteria is to ensure that the policy on inspections remains effective in preventing fraudulent applications, thus maintaining the accuracy of the vehicle register.

Proposal - consideration will be given to:

- 55. Reviewing the inspection criteria in relation to the transfer and retention schemes.

Key Questions relating to rule 3

- a) Do you agree that the current system of inspection meets its objective in identifying whether a vehicle is entitled to the vehicle registration number it displays in order to allow the transfer/retention of the number?
- b) Do you think the Agency should conduct more vehicle inspections? If so, why?

- c) Do you think the Agency should conduct less vehicle inspections? If so, why?
- d) Which kinds of vehicles do you think should be called for inspection and why?
- e) If this rule was removed, how could the Agency verify entitlement to the vehicle registration number?

Rule 4

56. Currently any donor/recipient vehicle which is not licensed is unable to participate in the transfer or retention schemes.

However the following concessions are applicable:

- i. A donor vehicle can participate if the registered keeper has met the legal obligation to declare SORN. The vehicle can only participate if there is only one SORN declaration and this is consecutive to the expiry of the licence, and that licence expired naturally.
- ii. A donor vehicle which is less than 3 years old can participate if it is unlicensed.
- iii. A recipient vehicle can only participate if it is currently licensed or a licensing application is made with the transfer application.

Reason

57. If a vehicle is unlicensed the registered keeper has not met the current legal obligation to license or SORN the vehicle. By applying for a refund, the registered keeper of the donor vehicle has voluntarily placed themselves outside the scheme rules. Requiring a donor vehicle which is more than 3 years old to be licensed ensures that an MOT/HGV test pass certificate will have been obtained within the previous 3 years. This means that vehicles are sufficiently robust to enable identification and are safe to inspect, thereby making it easier to verify entitlement to the number.

Proposal - consideration will be given to:

- 58. Allowing the registered keeper of the donor vehicle who has refunded the current licence on the vehicle, to participate in the transfer and retention schemes, providing an immediate SORN declaration has been made.
- 59. The donor vehicle need not be licensed or have SORN declared on it at time of the transfer/retention application providing entitlement to the vehicle registration number can be verified.

Key Questions relating to rule 4

- a) Do you agree that where the last licence has been refunded and only one SORN has been declared, vehicles should be allowed to qualify for the concession which allows unlicensed vehicles into the transfer and retention schemes? If not, why?
- b) Do you agree all unlicensed donor vehicles should be able to participate in the transfer and retention schemes?
- c) How would you verify entitlement to the vehicle registration number in the case of an unlicensed vehicle?
- d) What safeguards would you put in place to prevent fraud?
- e) If it is identified that unlicensed vehicles can only be allowed to participate in the scheme, subject to vehicle identity inspections by experts, who should meet the additional costs? And why?
- f) If the unlicensed vehicle is not safe to inspect, do you think the inspection officer should have the option to refuse to inspect the vehicle?

Rule 5

60. Currently, any donor/recipient vehicle which is classed as non-testable is unable to participate in the transfer or retention schemes.

Reason

61. Only testable vehicles can participate in a cherished transfer/retention and a valid test certificate for each vehicle must accompany applications (for amendment purposes) unless it has recently expired. Non-testable vehicles such as tractors and milk floats are outside the scope of the scheme because it is more difficult to confirm the identity of vehicles which are not subject to a regular testing regime. Also, inspecting vehicles in such poor condition presents a health and safety hazard. These vehicles were removed from the original transfer and retention schemes as claims to valuable vehicle registration numbers were being made where the donor vehicles were in such poor state of repair that verifying entitlement to the vehicle registration number was very difficult. This led to considerable abuse of the scheme and fraudulent acquisition of valuable registration numbers.

Proposal - consideration will be given to:

62. Non-testable vehicles being able to participate in transfer and retention schemes providing verification to entitlement to the number can be confirmed. The onus will be on the registered keeper to make the vehicle available for inspection and the inspection officers will have the right to refuse to inspect a vehicle.

Key Questions relating to rule 5

- a) Do you agree that non-testable vehicles should be allowed to participate in the cherished transfer and retention schemes? If you do not agree, why?
- b) How would you ensure that the vehicle has entitlement to the registration number?
- c) What safeguards against fraud can be introduced?
- d) What safeguards would you put in place to avoid the situations that happened previously where claims were being made to vehicle registration numbers where the vehicles brought forward for inspection were in a poor state of repair and therefore difficult to identify?
- e) If it is decided that non-testable vehicles can be allowed to participate in the scheme subject to vehicle identity inspection by experts, who should meet the additional costs involved? And why?
- f) If the vehicle is not safe to inspect, do you think the inspection officer should have the option to refuse to inspect it?

Rule 6 (currently applicable to GB only)

63. Rule 6 states that only the registered keeper can apply to transfer, retain or assign a vehicle registration number. Subsequently, when a number is placed on retention only the grantee, i.e. the person who was previously the registered keeper of the vehicle to which the number was assigned, has control of the retention rights. The retention rights are not transferable to a third party.

Reason

64. Only the registered keeper can retain the vehicle registration number from the donor vehicle. A right of retention can only exist in the name of the registered keeper and it must remain so until the vehicle registration number concerned is either assigned to another vehicle registered in their name or to that of a nominee. The holder of the vehicle registration number must remain involved in the process until it has been assigned to a vehicle.

Proposal - consideration will be given to:

65. Amending legislation to allow the transfer of retention rights at the point the vehicle registration number is placed on retention. Also, to allow any subsequent change of grantee when the vehicle registration number is being held on retention, whilst maintaining assurance of entitlement.

Key Questions relating to rule 6

- a) Do you agree that the retention rights should be allowed to be transferred at the point the vehicle registration number is placed on retention?
- b) If yes, do you also agree to subsequent changes of grantee whilst the vehicle registration number is being held on V778 Retention Document?
- c) Do you think the assignment rights in relation to the V750 Certificate of Entitlement should also be transferable?
- d) Would you like to be able to maintain the nominee facility? If so why?
- e) Would you like the nominee facility abolished? If so why?
- f) How could the rights of retention be transferred whilst safeguarding against abuse of the retention scheme?
- g) When this facility was previously available there was a significant increase in the level of dispute cases relating to correct entitlement to a vehicle registration number. What procedures would you put in place in order to prevent disputes?
- h) If it were proposed that retention rights could only be transferred to another grantee by carrying out checks to confirm the identity of the current grantee, would you agree?

Option 3

- 66. To remove the current constraints of the existing transfer and retention schemes and replace with a system that will maintain the ability to verify entitlement to the vehicle registration number, without compromising the accuracy of the vehicle record or increasing the potential for fraud.
- 67. As explained previously, the main purpose of DVLA/DVLNI is to maintain vehicle records within the UK for the purpose of road safety, law enforcement and the collection of revenue. The vehicle registration number helps to identify a vehicle and subsequently its registered keeper. With such widespread interest in the buying and selling of vehicle registration numbers, the Agency has developed procedures to cater for this whilst maintaining the integrity of the vehicle record. This has been achieved by the consistent application of policy rules devised in order to ensure entitlement to the number being claimed.
- 68. However, as part of the review, consideration has been given to the development of a transfer/retention scheme that delivers a high level of customer service without compromising the accuracy of the vehicle records. The development of such an enhanced system would need careful consideration and without a clearer understanding of what customers want and what could be delivered, the Agency is not able to determine at present what costs would be involved or what legislation would need to be amended.

69. It is intended to give further consideration to this option during the consultation period. The Agency is therefore offering consultees the opportunity to comment on the possible development of a new transfer/retention scheme and to make suggestions on the elements that might feature in such a regime.

Key Questions

- a) If the current constraints of the existing transfer and retention schemes were removed and there was an opportunity to develop new policy and processes, how would you see the transfer and retention schemes working?
- b) How would you ensure entitlement to the vehicle registration number being claimed?
- c) How would you safeguard against fraudulent applications?
- d) What processes would you put in place to facilitate both electronic and paper based transactions?
- e) Do you think the cherished number industry should be regulated? And if so, how?
- f) If you think the cherished number industry should not be regulated, why?

Objective

70. The consistent application of the policy rules over the years has resulted in complaints from customers who have felt penalised when entitlement to a vehicle registration number has been lost. However, the current rules were put in place to allow customers to transfer and retain registration numbers whilst preventing fraudulent activity.
71. We need to ensure that this review of the policies associated with the transfer, assignment and retention of vehicle registration numbers produces a system that:
- i. Continues to satisfy the primary objective of maintaining a vehicle register that contributes to the delivery of road safety, law enforcement and the collection of revenue.
 - ii. Within that primary objective, contributes towards e-government targets.
 - iii. Safeguards individual entitlement to a vehicle registration number.
 - iv. Verifies that the vehicle donating the number has entitlement to that number.
 - v. Provides an appropriate level of customer service.

Annex A

Legislation

Vehicle Excise and Registration Act (VERA) 1994 (as amended)

Cherished Transfers – sections 23 and 25

Retentions – section 26

Sale of Marks – section 27

The Road Vehicles (Registration and Licensing) Regulations 2002 – Regulation 11

The Retention of Registration Marks Regulations 1993 (as amended)

The Sale of Registration Marks Regulations 1995

Copies of the relevant legislation are available from local libraries or can be found on line at www.opsi.gov.uk

Annex B

Partial Regulatory Impact Assessment

Review of Assignment, and Cherished Transfer Policy (GB and NI) and Retention Policy (GB)

Title

1. A consultation on the policy associated with the assignment, transfer and retention of vehicle registration numbers.

Purpose and intended effect

2. To give consideration to the proposed enhancements to the sale of marks and retention facilities. This will include the introduction of on-line and telephone facilities for purchasing and conducting post-sale transactions relating to previously unassigned GB numbers. Consideration should also be given to allowing the non-return of the V750 Certificate of Entitlement and V778 Retention Document following assignment of a number.
3. To give consideration to the extension of the retention regulations to allow for the introduction of the retention facility in NI.
4. To review the current policies relating to the transfer and retention of cherished registration numbers. Three options are being considered as part of the review. Option 1 is to maintain current policy. Option 2 considers amending four of the six policy rules applicable within the retention and transfer facilities. While Option 3 considers removing the current constraints imposed on the transfer and retention schemes and replacing with a new system.

Background

5. DVLA is responsible for the accuracy and administration of the vehicle registers in Great Britain and DVLNI in Northern Ireland on behalf of the Secretary of State for Transport.
6. Vehicle registration numbers are not items of property in their own right, so it is not possible to acquire legal title to them. They are assigned to and may be withdrawn from vehicles rather than keepers by the Secretary of State as part of the registration and licensing process required by law. The vehicle registration number is a unique means of identifying a vehicle, primarily for taxation and law enforcement purposes. It is assigned to a vehicle and it normally remains with that vehicle until it is broken up, destroyed or sent permanently abroad. However, to meet the widespread interest in personalised and cherished registration numbers, the Agency provides special facilities to allow vehicle keepers to acquire and retain the use of particular vehicle registration numbers.
7. Attractive vehicle registration numbers can fetch large sums of money and in the past there have been several cases of organised criminal activity aimed at acquiring valuable numbers through illegal means. The transfer and retention facilities must, therefore be carefully controlled, to counter abuse and to protect

individuals' interests. Only vehicles which exist, are registered at DVLA, currently licensed, subject to an annual test and available for inspection may participate. These measures have proved to be very effective in limiting the scope for abuse and they are strongly supported by the police.

8. However, over a period of time, because of an appreciation of the variation in circumstances, concessions have been introduced, although the underpinning policy rules have always been maintained.
9. There is a risk associated with the drive to improve customer service. It may promote changes to current policy that will increase the opportunity for fraudulent activity, resulting in the abuse of the transfer and retention schemes and corruption of the vehicle register. Careful consideration has therefore been given to the proposals listed in this document.
10. During the 1970s, because the retention scheme was paper based, fraudulent activity was so rife that the scheme was closed down. The retention facility was reintroduced in 1992 and the rules associated with the scheme were recorded in legislation. The legislation was amended in 1993 and it is from this framework that the current retention and transfer policy has developed. The Agency feels the current rules are effective in combating fraud and it is only through the consistent application of these rules that the accuracy and integrity of the vehicle record is maintained.
11. The proposals in the consultation document seek to minimise the risk of fraudulent activity whilst maximising customer service. One of the main tools DVLA has to support the fight against fraud is the accuracy of the records. Continuous efforts are made to improve accuracy, and the possible impact on accuracy is carefully considered prior to the introduction of changes to policies and practice.

The consultation considers the following proposals:

The expansion and amendment of the Sale of Marks Regulations 1995

12. The expansion of the **Sale of Marks Regulations 1995** to allow for telephone and on-line services, and the removal of the requirement to return the V750 certificate following an on line application. An amendment would need to be made to the regulations to allow for instant nominee changes and multiple extension periods.

Benefits (including costs)

13. There will be a reduction in administrative costs due to the reduced volume of paper based post-sale transactions. It would reduce the administrative burden on the customer by negating the need for two transactions when wishing to add/change a nominee and subsequently assign a vehicle registration number. In addition, a further administrative burden would be reduced by placing the onus on the customer to destroy certificates, rather than having to return them to the Agency, following telephone/on line post sale transactions.

Disbenefits (including costs)

14. There is a risk involved if spent certificates are left in circulation. There is a possibility that these certificates could be sold on after being assigned to vehicles. Whilst the DVLA's vehicle register will be correct this could lead to an increase in disputes over entitlement to the vehicle registration number. If such a situation were to arise, the Agency would not become involved in any dispute or losses arising and it would be a matter for the parties concerned to resolve.

The expansion and amendment of the Retention of Registration Marks Regulations 1993 (as amended)

15. The expansion of the **Retention of Registration Marks Regulations 1993 (as amended)** to allow the extension of the retention scheme to Northern Ireland, and the removal of the requirement to return the Retention Document following the assignment of a vehicle registration number to a brand new vehicle. An amendment would also need to be made to the regulations to allow for instant nominee changes and multiple extension periods.

Benefits (including costs)

16. Currently NI does not have a retention facility, therefore it is not possible to keep a vehicle registration number separate from a vehicle. This means that in order to maintain entitlement to a number, the individual who has entitlement, must always be the registered keeper of the vehicle to which the number is assigned. This might not always be possible, for example, if the vehicle has recently failed a MOT and the keeper does not wish to make the vehicle roadworthy. Extending the retention scheme to NI will create a consistent approach to the retention facility in the UK. It will enhance the services currently available in NI. Costs cannot be determined until further feasibility work is carried out.
17. If current legislation was amended to allow for instant nominee changes and block extension periods, it would reduce the administrative burden placed on the customer who currently has to wait for amended certificates before being able to assign to a nominee's vehicle. In addition, as only one transaction would be necessary it would result in staff savings for DVLA and enable a streamlined service to be introduced in NI.

Disbenefits (including costs)

18. Not introducing a retention scheme in NI will allow the continuation of inconsistency between GB and NI and the lower level of service in NI.
19. Again, there is a risk of spent Retention Documents being in circulation. However, any attempt to assign a number to a vehicle would be identified by the Agency if the number has previously been assigned. Although, if an individual was intent on cosmetically changing the identity of a vehicle, then being in receipt of a spent V750/V778 could facilitate in the purchasing of number plates to fix to a possibly cloned or stolen vehicle.

The review of the current policy associated with the transfer and assignment of vehicle registration numbers within Great Britain and Northern Ireland and the existing retention facility within GB. As part of this proposal three options are being considered.

OPTION 1

20. Maintain current transfer and retention policy.

Benefits (including costs)

21. There would be no increase in administrative costs. The existing range of services has been developed over a considerable time to meet customer needs by recognising the need to accommodate different circumstances. The current system helps to ensure the validity of applications and maintains the integrity of the record. Those who use the schemes regularly are familiar with the system; therefore there would be no publicity requirement.

Disbenefits (including costs)

22. The current cherished transfer and retention schemes are perceived by the public as being very complex, laborious, and frustrating. Whilst every effort is made to take account of circumstances in each case, consistent application of the rules is essential to ensure and safeguard entitlement to the number. This can result in genuine applicants feeling penalised.

23. The processes that exist to ensure the rules are met could be considered bureaucratic and are resource intensive.

24. Maintaining the current system is likely to result in dissatisfaction within the cherished number industry and individual customers.

25. The processes in place cannot accommodate the delivery of customer services electronically and are not in keeping with the e-government concept.

OPTION 2

26. Make changes to transfer and retention policy to improve customer service whilst maintaining the current safeguards in place to prevent fraud. During the consultation period, we will consider whether the current policy rules should continue to be applied. These rules exclude vehicles from participating in the transfer and retention schemes.

- i. Any vehicle which does not comply with the licensing or SORN obligation.
- ii. Any vehicle which is classed as non-testable.
- iii. Any vehicle which is not available for inspection.
- iv. Any vehicle on which the current licence has been refunded.
- v. Any vehicle registration number for which the retention period has expired will not be permitted to participate in the scheme.
- vi. A vehicle registration number can only be assigned from a Retention Document to someone other than the grantee if that person is listed as a nominee on the Retention Document.
- vii. The retention and assignment rights are not transferable.

Benefits (including costs)

27. There would be minimal cost involved to allow these changes.
28. The removal or relaxation of any of the rules could reduce the current administrative burdens associated with transfer and retention applications. Simplification of the processes minimises the risk of variation in the application of those processes. This would result in a higher level of consistency in customer services.
29. Demand for improved customer service is high within both the cherished number industry and the customer base. That demand would, to some degree, be met. Whilst this option will be explored in greater detail during the consultation period, the rule which prevents vehicles from participating in the scheme because a licence has been refunded serves only to ensure that a vehicle is currently licensed. Concessions already exist that allow certain unlicensed vehicles to participate and it is felt that the removal of this particular rule would apply a more consistent approach without reducing the integrity of the vehicle record or the scheme itself.

Disbenefits (including costs)

30. Because of the continuing need to prevent fraudulent activity, removing the current rules could only be accommodated by inspecting the vehicle. Alternatively, in the case of registration numbers on retention, by verifying the identity of the applicant and their entitlement to assign the number. That entitlement could only be established by introducing comprehensive identity checking in order to facilitate subsequent transferring of retention rights.

31. This would create a link between the registration number and the customer, but would dilute the link to a vehicle. The registration number is the means by which a vehicle is identified, and therefore its primary function to DVLA and the enforcement authorities becomes weakened.
32. There would be an increase in costs as it would create a new administrative burden, particularly at the customer interface.

OPTION 3

33. To remove the current constraints of the existing transfer and retention schemes and replace with a system that will maintain the ability to verify entitlement to the vehicle registration number without compromising the accuracy of the vehicle record. Consideration should be given to how the Agency can provide the best service without compromising the accuracy of vehicle records or increasing the potential for fraud.

Benefits (including costs)

34. This would address a series of complaints from the public and the industry, where entitlement to a registration number has been lost. It would allow the opportunity to establish a system that maximises customer service whilst maintaining the integrity of the vehicle record. Costs cannot be identified without a clearer understanding of what customers want and what could be delivered. It is intended to give this further consideration through the consultation process and full feasibility assessment.

Disbenefits (including costs)

35. Any solution that is considerably different to the current modus operandi is likely to require major amendment to legislation, possibly primary and secondary. The justification for the changes would have to be balanced against the many other transactions carried out by the Agency. Full feasibility would be required and there would be considerable costs associated with such assessment, as well as the costs of implementing changes that are likely to affect every aspect of the vehicle registration system and processes.

Business sectors affected by the proposals

36. Cherished Number Industry
37. Motor Industry

Monitoring and evaluation

38. Feedback will be sought from the industry and individual customers to monitor the effectiveness and success of policy changes. The number of fraudulent applications will be monitored and research carried out to ascertain the nature of

the applications. The volume of customer complaints will also be monitored and researched to establish the reason for the complaints.

Small Firms Impact Test

40. The Cherished Number Industry is dominated by small firms and on the basis of our initial consultations with representatives of the industry we believe that, by and large, dealers welcome our proposals. However, we are very anxious to receive the views of individual dealers, particularly if they believe they will be significantly affected. As such, we very much welcome responses from them to accompany the consultation document.

Competition Assessment

41. It is unlikely that the consultation will raise any competition issues.

Social Exclusion Issue

42. The Agency does not believe that any social exclusion issues are likely to arise from the options listed in this document.

Environmental Issues

43. The Agency does not consider that the options being put forward in this document would have any significant environmental impact either directly or indirectly.

Application within the United Kingdom

44. This RIA considers the implications of possible changes to the cherished transfer scheme within the United Kingdom. Any likely changes to the retention scheme are only applicable within Great Britain. It is the Agency's intention to introduce the retention scheme in Northern Ireland next year and any changes to the scheme identified as part of the review, will subsequently be applicable in NI.

Contacts

Rachael Toft, Vehicle Policy Group, DVLA, Swansea Vale 2, Swansea, SA6 7JL.

When responding to the consultation document we would welcome your comments on the analysis of risks and benefits, and if possible provide supporting evidence.

Please also suggest any alternative methods for reaching the objectives and highlight any possible unintended consequences and practical enforcement or implementation issues.

Annex C

Code of Practice on Consultation

The code of practice applies to all UK public consultations by government departments and agencies, including consultations on EU directives.

Though the code does not have legal force, and cannot prevail over statutory or other mandatory external requirements (e.g. under European Community Law), it should otherwise generally be regarded as binding unless Ministers conclude that exceptional circumstances require a departure.

The following six criteria must be reproduced within all consultation documents. There should be an explanation of any departure from the criteria and confirmation that they have otherwise been followed.

Consultation Criteria

1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
2. Be clear about what your proposals are, who may be affected, what questions are being asked and the time scale for responses.
3. Ensure that your consultation is clear, concise and widely accessible.
4. Give feedback regarding the responses received and how the consultation process influenced the policy.
5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

A full version of the code of practice is available on the Cabinet Office web-site at:
<http://www.cabinet-office.gov.uk/regulation/consultation/code.asp>

If you consider that this consultation does not comply with the code or you have comments about the consultation process please contact:

Mrs Anne McAleer
Consultation Co-ordinator
Vehicle Policy Group
DVLA
Swansea Vale 2
Swansea
SA6 7JL

Annex D

List of Consultees

3M

AA Foundation for Road Safety research

ADI Federation

Age Concern Cymru

Age Concern England

Age Concern Scotland

Agricultural Engineers Association (AEA)

Alliance of Small Firms & Self Employed People

Amateur Motor Cycle Association Ltd

Ambulance Service Association

Antrim Borough Council

Approved Driving Instructor College

Approved Driving Instructors

Approved Driving Instructors National Joint Council

Ards Borough Council

Armagh City & District Council

Arriva London South Ltd

Arthritis Care

Association of British Chambers of Commerce

Association of British Drivers

Association of British Insurers

Association of car enthusiasts (A.C.E.)

Association of Car Fleet Operators

Association of Chief Police Officers

Association of Chief Police Officers Scotland

Association of Disabled Professionals (ADP)

Association of Industrial Road Safety Officers

Association of Loading & Elevation Equipment Manufacturers

Association of Local Authorities NI

Association of Local Bus Managers

Association of Local Governments

Association of London Authorities

Association of London Boroughs Road Safety Officers

Association of London Government

Association of Magisterial Officers

Association of National Driver Improvement Scheme Providers

Association of National MOT Testers

Association of Road Transport Lawyers

Association of Transport Co-ordinating Officers

Association of Vehicle Recovery Operators

Automobile Association Motoring Trust

Avon and Somerset Police

Ayrshire Transport Training Association

Ballymena Borough Council

Banbridge Borough Council

Bar Council

Barnstaple Magistrates Court
Belfast City Council
Belfast Education & Library Board
Bradford Transport Training
BRAKE
British Agricultural & Garden Machinery Association
British Ambulance Association
British Association for Service to the Elderly
British Car Auctions Ltd
British Chambers of Commerce
British Deaf Association
British Fire Service Association
British Industrial Truck Association
British Industry Motor Trade Association
British Institution of Traffic & Education Research
British Insurance and Investment Brokers Association
British Motorcyclists Federation
British Numberplate Manufacturers Association
British Retailers Consortium
British Safety Council
British School of Motoring
British Transport Police
British Vehicle Rental and Leasing Association
British Vehicle Salvage Federation
BSI Project Manager
Business in the Community
Cabinet Office Regulatory Impact Unit
Capita Managed Services Ltd
Carrickfergus Borough Council
Castlereagh Borough Council
Central Scotland Roads AIU
Chartered Institute of Logistics & Transport
Cherished Number Dealers Association
Chief and Assistant Chief Fire Officers Association
Child Accident Prevention Trust
Christian Road Safety Association
Citizens Advice (Scotland)
City & Guilds Institute
City and Council of Swansea
Civil Service Motoring Association
Clerk of Petty Sessions
Coach Operators Federation
Coleraine Borough Council
Commercial Motor Magazine
Commission for Intergrated Transport
Community Transport Association
Confederation of British Industry (CBI)
Confederation of British Industry (CBI) Scotland
Confederation of British Industry (CBI) Wales
Confederation of Passenger Transport UK
Construction Plant Hire Association

Consumer's Association
Convention of Scottish Local Authorities
Cookstown District Council
Co-operative UK
Council of HM County Court Judges in NI
Courts Service HQ
Craigavon Borough Council
Credit Industry Fraud Avoidance System
Crown Office-
Crown Prosecution Service
Defence School of Transport
Department for Constitutional Affairs
Department for Transport
Department of Enterprise, Trade and Investment
Department of Regional Development
Department of Trade and Industry
Derbyshire Constabulary
Derry City Council
Direct Line Group
Disability Action
Disability Rights Commission
Disability Wales
Disabled Drivers Association
Disabled Drivers Association NI
Disabled Drivers Motor Club
Disabled Motorists Federation
District Courts Association
District Judges (Magistrates Court)
DOE (NI)
Down District Council
DPTAC
Driving Instructors Association
Driving Standards Agency
Dungannon District Council
Durham Constabulary
DVLNI
Eastern Traffic Area Office
e-Government Unit
Environment Agency
Environmental Transport Association
Equal Opportunities Commission (EOC)
Equality Challenge Unit (ECU)
Equality Commission for NI
Equality Forum NI
Ethnic Minority Foundation
European Secure Vehicle Alliance
Exel Ltd
Federation of British Historic Vehicle Clubs
Federation of Small Businesses
Fermanagh District Council
Finance & Leasing Association

Fire Brigades Union
Fleet Audits Ltd
Fleet Driver Training Association
Forum of Mobility Centres
Forum of Private Businesses
Freight Transport Association
General Consumer Council for NI
Glass's Information Services Ltd
Green Flag Motoring Assistance
Halfords Ltd
Health Promotion Agency for NI
Heavy Transport Association
Historic Commercial Vehicle Society
HM Customs & Excise
HM Treasury
Home Office
House of Commons Library
Information Commissioner
Inland Revenue
Institute of Advanced Motorists
Institute of Directors
Institute of LGV Driving Instructors
Institute Of Management
Institute of Registration Agents and Dealers (MIRAD)
Institute of Road Safety Officers
Institute of Transport Administration
Institution of Highways & Transportation
International Powered Access Federation
Isle of Man Government
Jill Dando Institute of Crime Science
Joint Committee on Mobility for the Disabled
Justice Dept, Police Division
Justices' Clerks' Society
Justices' Clerks' Society Wrexham
LACORS
Lamont Consulting
Lancashire Constabulary HQ
Larne Borough Council
Law Society of NI
LEX Vehicle Leasing
LIBERTY
Lifting Equipment Engineers Association
Limavady Borough Council
Lisburn City Council
Living Streets
Local Authority Road Safety Officers Association
Local Government Information Unit
London Transport
Magherafelt District Council
Magistrates Association
Magistrate's Clerks Committee

Manheim Auctions
MCC Management & Training Centre
Metropolitan Police
Mewn Cymru
Ministry of Defence
Motability
Motor Insurers Bureau
Motor Schools Association of GB Ltd
Motor Vehicle Dismantlers Association of GB
Motor Vehicles Repairers Association
Motorcycle Action Group
Motorcycle Industry Federation Ltd
Motorcycle UK
Motorcycling Union of Ireland (MCUI)
Motorcyclist Action Group
Moyle District Council
National Alliance of Women's Organisations
National Assembly for Wales
National Association of Agricultural Contractors
National Association of Approved Driving Instructors
National Association of Citizens Advice Bureaux
National Association of Local Government Officers
National Association of Racial Equality Councils
National Association of Street Clubs
National Association of Taxi Cab Operators
National Consumer Council
National Consumer Federation
National Council for Voluntary Organisations
National Council on Inland Transport
National Criminal Intelligence Service
National Farmers Union
National Federation of Bus Users
National Guild of American Vehicle Clubs & Traders
National Gypsy Council
National Mentoring Consortium
National Outdoor Events Association
National Pensioners Convention
National Playbus Association
National Salvage Group Ltd
National Society of Allied & Independent Funeral Directors
National Street Rod Association
National Taxi Association
Nationwide Auto Salvage Amalgamation
Newcastle Magistrates Court
Newport Transport Ltd
Newry & Mourne District Council
Newtonabbey Borough Council
NI Association of Citizens Advice Bureaux
NI Chamber of Commerce and Industry
NI Chamber of Trade
NI Committee of the Irish Congress of Trade Unions

NI Court Service
NI Human Rights Commission
NI Private Coach Operators Association
NI Resident Magistrates Association
NI Rider Training Scheme
NI Transport Holding Co. Ltd
NISPA
Norfolk Constabulary
North Down Borough Council
North Eastern Education & Library Board
North Lancs. Training School
Northern Ireland Fire Brigade
Northern Ireland Office
Norwich Union
Office of Fair Trading
Omagh District Council
Police Federation for Northern Ireland
Police Federation of England and Wales
Police Information Technology Organisation
Police Science & Technology
Public and Commercial Services Union
Public Carriage Office
RAC Foundation for Motoring Ltd
RAC Motoring Services
Race Equality
Race Equality Unit
RADAR - The Royal Association for Disability and Rehabilitation
Retail Motor Industry Federation
Road Haulage Association Ltd
Road Operators Safety Council
Road Policing, Mobile Support Division
Road Rescue Recovery Association
Road Safety Council of NI
Road Safety Council of Wales
Road Safety Markings Association
Road Transport Association
RoSPA (NI)
Royal National Institute for Deaf People
Royal Scottish Automobile Club(Motor Sport) Ltd
Royal Society for the Prevention of Accidents
Rural Community Network
Scooterist Action Group
Scotland Office
Scottish Accident Prevention Council
Scottish Consumer Council
Scottish Courts Service
Scottish Executive (Justice Department)
Scottish Executive Development Dept
Scottish Motor Trade Association
Security Industry Authority
Showman's Guild of Great Britain

Small Business Services
Society of Independent Roundabout Proprietors
Society of Motor Manufacturers & Traders
Society of Operations Engineers
South Eastern Education & Library Board
South Wales Police HQ
Southern Education & Library Board
Staffordshire Police
Stonewall
Strabane District Council
Strathclyde Police
Sun Alliance
Transport and General Workers Union
Tayside Police
The British Dyslexia Association (BDA)
The Districts Courts Association
The Equality Commission
Trade Union Congress
Trading Standards Institute
Translink
Transport 2000
Transport Association
Transport Research Laboratory
Transport Select Committee
Truck & Driver
UNISON
UNITE
United Road Transport Union
Vehicle and Operator Services Agency
Vehicle Builders & Repairers Association
Vehicle Certification Agency
Vehicle Industry Consultants
Veteran Car Club of GB
Vintage Motorcycle Club Ltd
Wales Office
Welsh Consumer Council
Welsh Local Government Association
Western Education & Library Board
Women into Science and Engineering (WISE)

Annex E

Glossary

Assignment

To register a vehicle with DVLA/DVLNI with its allocated/cherished/retained/purchased registration number.

Cherished Transfer

A special facility that enables a registered keeper to move a vehicle registration number from one vehicle to another.

Donor Vehicle

The vehicle donating the registration number to be transferred or retained.

DVLA

Driver and Vehicle Licensing Agency

DVLNI

Driver Vehicle Licensing Northern Ireland

Extension

A special facility that enables the grantee (or purchaser of a number) who does not wish to assign their number within the 12-month period to extend this period annually.

Grantee

The registered keeper of the vehicle from which the registration number was placed on retention.

HGV

Heavy Goods Vehicle

MoT

Ministry of Transport

Nominee

A named person to whom the grantee (or purchaser of a number) may assign a particular number.

Recipient Vehicle

The vehicle receiving the registration number as part of a transfer or assignment.

Retention

A special facility that enables a registered keeper to hold a vehicle registration number apart from the vehicle to which it was assigned, for a 12 month period, pending re-assignment to another vehicle.

SoM

DVLA Sale of Marks group

Statutory Off Road Notification (SORN)

Statutory Off Road Notification (SORN) applies to any vehicle taxed on or after 31 January 1998. A SORN declaration advises DVLA that the vehicle is neither used nor kept on a public road and is therefore not liable to vehicle excise duty.

**DVLA CONSULTATION ON THE REVIEW OF THE CHERISHED
TRANSFER AND RETENTION PROCEDURES**

Annex F
Response Form

Name

Title Mr/Mrs/Miss/Ms/Other

Organisation (If applicable)*

Address

Post Town

Postcode

Email Address

Daytime Telephone Number

Organisational Details

Organisation Purpose

Aims

Number of views represented by this response

How were the views gathered?

PROPOSALS A&B

Surrender of documents

Current legislation requires post-sale applications, such as assignments, add or change nominee, to be made in writing and the certificate surrendered to DVLA or DVLNI as applicable.

Key Questions

- a) Do you agree that Certificates of Entitlement should not have to be returned to DVLA/DVLNI following an on-line post sale transaction?

Yes No

- b) If you agree that a Certificate of Entitlement does not have to be returned, do you think the same should be applicable to the Retention Document?

- c) If you disagree, what benefit do you see in maintaining the current rule?

- d) What could be done to ensure spent certificates are not circulated after the number has been assigned to a vehicle?

- e) Do you agree that if an individual purchases a spent certificate, responsibility to resolve any dispute would sit with the buyer and seller?

If you do/do not agree, why?

Assigning a vehicle registration number to a nominee's vehicle

Currently if a grantee wishes to assign a vehicle registration number to a third party's vehicle then that third party needs to be named as a nominee on the Certificate of Entitlement and/or Retention Document.

Key Questions

- a) Do you agree that the purchaser/grantee should be able to add or change a nominee at the time an application is made to assign the vehicle registration number to a vehicle? If not, why?

- b) Do you agree that the purchaser should have the option of making a dual application via the planned sale of marks on-line facility? If not, why?

Entitlement Period

The validity period of a Certificate of Entitlement and Retention Document is restricted to 12 months under current legislation. The validity period can be extended annually on application by the purchaser/grantee, together with the fee of £25.

Key Questions

- a) Do you agree that the purchaser/grantee of an assignment right should have the option of buying extension periods in blocks of either 2 or 3 years? If not, why?

- b) Do you think that Certificates of Entitlement and Retention Documents should remain time-bound? If not, why?

- c) Do you agree that purchasers should have the option of making extension applications for the Certificate of Entitlement via the planned new on-line sale of marks facility and via a telephone facility? If not, why?

Introduction of a retention scheme in NI

58. It is intended to extend the current retention scheme to NI.

Key Questions

- a) Do you agree that a retention scheme should be introduced in NI? If not, why?

PROPOSAL C

Option 1

Maintain the current cherished transfer and retention policies.

Key Questions

- a) Do you think that the current policy rules relating to cherished transfer and retention schemes should remain unchanged?

Yes No

- b) If you think that the rules should be maintained, why?

- c) If you feel the rules should be changed, would you change all the rules? Which rules would you change and why?

- d) Do you agree that the current rules safeguard against fraudulent activity? If not, why?

- e) What safeguards would you introduce to prevent fraud?

Option 2

Amend existing policy and processes.

Rule 3

Currently any donor/recipient vehicle that is not available for inspection is unable to participate in the transfer or retention schemes, although there is a concession in place to allow keepers of stolen vehicles to lay claim to the number if the vehicle remains un-recovered after a year.

Key Questions

- a) Do you agree that the current system of inspection meets its objective in identifying whether a vehicle is entitled to the registration number it displays in order to allow the transfer/retention of the number?

Yes No

- b) Do you think the Agency should conduct more vehicle inspections? If so, why?

- c) Do you think the Agency should conduct less vehicle inspections? If so, why?

- d) Which kinds of vehicles do you think should be called for inspection and why?

- e) If this rule was removed, how could the Agency verify entitlement to the vehicle registration number?

Rule 4

Currently any donor vehicle on which the most recent licence has been refunded is not able to participate in the transfer or retention schemes. Also the donor vehicle must be licensed or in the process of being licensed to be able to participate. There is a concession that allows applications to be considered where the donor vehicle is unlicensed, providing the vehicle licence expired no more than 12 months prior to the date of application, and a SORN declaration was made immediately on expiry of the licence.

Key Questions

- a) Do you agree that where the last licence has been refunded and only one SORN has been declared vehicles should be allowed to qualify for the concession which allows unlicensed vehicles into the transfer and retention schemes?
Yes No

b) If you do not agree, what would be the benefit of maintaining the rule?

c) Do you agree all unlicensed donor vehicles should be able to participate in the transfer and retention schemes?

Yes No

d) How would you verify entitlement to the vehicle registration number in the case of an unlicensed vehicle?

e) What safeguards would you put in place to prevent fraud?

f) If it is identified that unlicensed vehicles can only be allowed to participate in the scheme subject to vehicle identity inspections by experts, who should meet the additional costs? And why?

- g) If the unlicensed vehicle is not safe to inspect, do you think the inspection officer should have the option to refuse to inspect the vehicle?

Rule 5

Currently any donor/recipient vehicle which is classed as non-testable is unable to participate in the transfer or retention schemes

Key Questions

- a) Do you agree that non-testable vehicles should be allowed to participate in the cherished transfer and retention schemes?

Yes No

- b) If you do not agree, why?

- c) How would you ensure that the vehicle coming forward has entitlement to the vehicle registration number?

d) What safeguards against fraud can be introduced?

e) What safeguards would you put in place to avoid claims being made to vehicle registration numbers, where the vehicles being brought forward for inspection are in a poor state of repair and therefore difficult to identify?

f) If it is identified that non-testable vehicles can only be allowed to participate in the scheme subject to vehicle identity inspection by experts, who should meet the additional costs involved? And why?

g) If the vehicle is not safe to inspect, do you think the inspection officer should have the option to refuse to inspect the vehicle?

Rules applicable to the retention scheme (GB only)

Rule 6

The retention and assignment rights are not transferable.

Key Questions

- a) Do you agree that the retention rights should be allowed to be transferred at the point the number is placed on retention?

Yes No

- b) If yes, do you also agree to subsequent changes of grantee whilst the number is being held on a V778 retention document?

- c) Do you think the assignment rights in relation to the V750 Certificate of Entitlement should also be transferable?

- d) Would you like to be able to maintain the nominee facility? If so why?

e) Would you like the nominee facility abolished? If so why?

f) How could the rights of retention be transferred whilst safeguarding against abuse of the retention scheme?

g) When this facility was previously available there was a significant increase in the level of dispute cases relating to correct entitlement to a number. What procedures would you put in place in order to prevent disputes?

h) If it were proposed that retention rights could only be transferred to another grantee by carrying out checks to confirm the identity of the current grantee, would you agree?

Option 3

Consideration will also be given as to how the Agency can provide the best service without compromising the accuracy of vehicle records. If the current constraints of the existing transfer and retention schemes were removed, what system could replace it, ensuring the ability to verify entitlement to the vehicle registration number is maintained?

Key Questions

- a) If the current constraints of the existing transfer and retention schemes were removed and there was an opportunity to develop new policy and processes, how would you see the transfer and retention schemes working?

- b) How would you ensure entitlement to the vehicle registration number being claimed?

- c) How would you safeguard against fraudulent applications?

- d) What processes would you put in place to facilitate both electronic and paper based transactions?

- e) Do you think the cherished number industry should be regulated? If so, how?

- f) If you think the cherished number industry should not be regulated, why?

Please record any further comments you may wish to add below. This should include any comment you may have in relation to the Partial Regulatory Impact Assessment.