

## **Summary of Responses to Consultation on the Policy associated with the Transfer, Assignment and Retention of Vehicle Registration Numbers**

### **Introduction**

In July 2006 the Driver and Vehicle Licensing Agency (DVLA) issued a consultation paper based on the policy associated with the transfer, assignment and retention of vehicle registration numbers within Great Britain (GB) and Northern Ireland (NI). Consultation documents were issued to more than 300 stakeholders and various representative organisations, and published on the Agency's website. Of these, 84 responses were received from cherished number dealers, the Police, motor traders, representative bodies and the public, although not all of the responses answered all the questions.

### **Proposals**

There were three proposals, upon which comments were invited:

- Proposals A&B, which related to the changes needed to allow for the development of on-line facilities for our customers, instant nominee changes for registration numbers, multiple extension periods for retention and the introduction of the retention facility in Northern Ireland.
- Proposal C incorporated three options, relating to the cherished transfer and retention schemes:
  - **Option 1** – To retain the current cherished transfer and retention policies;
  - **Option 2** – To amend existing policy and processes to improve customer service but maintain the current safeguards against fraud; and
  - **Option 3** – To provide the best customer service without compromising the accuracy of vehicle records.

### **Main findings**

A table detailing the main findings of the consultation is featured at the end of this document. References contained in the text below relate to this table.

### **Proposals A&B**

Those consulted were asked a number of questions about the changes necessary to develop online facilities, and the issue of Cherished Transfer and Retention Documents being returned to DVLA. The majority felt it would be safer to maintain the current system, with documents being returned to the Agency, to reduce the scope for fraud and help prevent expired certificates being sold on. (See sections 1 to 3 of the feedback analysis table)

A number of recommendations were made by respondents:

- security and checking systems should be enhanced;
- penalties should be imposed for non-return of certificates;

- a new two part document should be created – for the customer and owner, and;
- dealers should be given responsibility for returning certificates.

The majority felt that any disputes over the purchase of a spent certificate should be resolved by the buyer and seller. However it was also felt that DVLA should provide more guidance to the general public to prevent them purchasing spent certificates. The provision of on-line checks was also suggested. (See section 5 of the feedback analysis table)

With regards to purchaser/grantee rights, 82 out of 83 respondents thought that they should be able to add or change a nominee for a registration number at the application stage. However, 45 out of 73 respondents felt that they should not be given the option of making a dual application via the planned sale of marks on-line facility as this could result in abuse of the system.

It was suggested that there should be the option of buying extension periods for retention in blocks of 2 or 3 years. There was an element of caution about allowing access to input extension applications via the on-line system by 34 out of 59 respondents and it was suggested it should be made available only for cherished number dealers acting on behalf of third parties, or when large quantities are involved.

All 80 respondents felt that, to ensure a consistent approach, a retention scheme should be introduced in Northern Ireland, as is currently available in Great Britain.

### **Proposal C**

A large majority of those consulted felt current policies relating to cherished transfer and retention schemes should be changed. (See section 12 of the table) The suggested changes were:

- Testing and licensing rules be abolished;
- Allowing transfers from non-testable vehicles;
- Making the inspection regime more robust, with better trained inspectors and the possibility of VOSA or the Police being utilised;
- Stricter controls on issuing DVLA documentation/certificates;
- Abolishing the cherished transfer scheme and only having the retention scheme;
- Making instant transfers available at Local Offices;
- On-line facilities;
- Dealers carrying out changes;
- Lost registration numbers being made available;
- Secure on-line central verification system.

It was suggested that the licensing rule, stating that vehicles must be currently licensed or in the process of being licensed, should be removed, as it is believed to be too complex and time consuming. However, this may effect the accuracy of the vehicle record, as the rule ensures vehicles are roadworthy. It was suggested consideration should be given to the use of professionally trained staff in VOSA and the Police to assist with inspections. This will be given consideration but the main

concern will be to ensure the vehicle record is not compromised and that there is no increased risk of fraud.

It was felt that cherished transfer and retention schemes should be more inclusive, allowing vehicles declared SORN for one year to qualify for the schemes, along with unlicensed donor vehicles and non-testable vehicles. (See sections 22, 24 and 29 of the table). It was suggested that the additional costs of including these vehicles should be met in the following ways:

- By the keeper of the donor vehicle;
- By the keeper of the recipient vehicle;
- By DVLA;
- By the Cherished Transfer fee.

The very large majority of respondents felt that retention rights should be transferable at the point of retention, and that further changes of grantee should be allowed while the number is held on retention. [See sections 36 and 37 of the table]. Re- the Certificate of Entitlement is concerned, a similarly large majority felt that assignment rights should be transferable and that the nominee facility should be retained, as it is useful when buying a registration number as a gift. (See sections 38 and 39 of the table).

### **Way forward**

The consultation provided a number of varied options for changes with little clear agreement. Further consideration of changes to the Transfer, Retention and Sale of Marks schemes will take place, while the main focus will be on the delivery of the SOM Web Project.

## Analysis of feedback

No	Question	Agree	Disagree	Comments
1	Do you agree that Certificates of Entitlement should not have to be returned to DVLA/DV/LNI following an on-line post-sale transaction?	16	62	
2	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?	15	2	The same on-line facility will not be available in the retention scheme.
3	If you disagree, what benefit do you see in maintaining the current rule?			The requirement to return documentation reduces the scope for fraud and prevents expired certificates from being sold on.
4	What could be done to ensure spent certificates are not circulated after the number has been assigned to a vehicle			Having to return documents is the safest option. Withold registration certificates until documents are returned. Two part document for the customer/owner retaining one section. Enhanced security features to be added to documents. The availability of on-line checks. Bar coding documents. Imposing a fine for non-return. Dealer having responsibility for returning document within 28 days.
5	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?	69	11	Guidance should be made available by the Agency advising the general public not to purchase spent certificates. On-line checks should be made available to ensure certificate in circulation was valid.
6	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?	82	1	
7	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?	27	45	Abuse of the system could result if this suggestion were adopted. Identifying the applicant as either the purchaser or grantee was essential.
8	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?	72	8	Certificates should not be time-bound.

9	Do you think that the Certificate of Entitlement and Retention Documents should remain time-bound? If not, why?	22	61	Payment should be made when the registration number is assigned. By the documentation remaining time-bound it clearly demonstrates that the registration number remains the property of the SOS.
10	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?	25	34	This facility should only be available to cherished number dealers acting on behalf of third parties or when there are large quantities involved.
11	Do you agree that a retention scheme should be introduced in NI? If not, why?	80	0	As NI is part of the UK there needs to be a consistent approach.
12	Do you think that the current policy rules relating to cherished transfer and retention schemes should remain unchanged?	5	54	
13	If you think the rules should be maintained, why?			Although the current system may appear bureaucratic and resource intensive it is effective in preventing abuse.
14	If you feel the rules should be changed, would you change all the rules? Which rules would you change and why?			The testing and licensing rules should be abolished. Allow transfers from non-testable vehicles. Allow retention facility in Northern Ireland. Changes to the inspection regime (including more rigid inspections and introduction of a testing fee). Abolish the cherished transfer scheme altogether and only have a retention scheme. Instant transfers should be available at the Local Office. Make available on-line facilities using serial numbers from registration certificates and MoT certificates. Dealers carrying out changes. Lost registration numbers from scrapped and exported vehicles to be made re-available. Introduction of a secure on-line and central verification system for the issue and retention of cherished registration numbers.
15	Do you agree that the current rules safeguard against fraudulent activity? If not, why?	16	59	The testing and licensing rules encourages fraudulent activity. Need better trained inspectors.

16	What safeguards would you introduce to prevent fraud?			<p>There is a need for better/professionally trained inspectors.</p> <p>VOSA or the Police inspecting vehicles.</p> <p>Tighter controls on issuing Registration Certificates and Retention Certificates (including requesting proof of identity).</p> <p>Centralisation of the transfer system.</p> <p>Carry out risk based assessment of applications.</p> <p>Possibility of introducing on-line facilities, negate the need for paper based transactions.</p>
17	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?	22	59	
18	Do you think the Agency should conduct more vehicle inspections? If so why?	6	59	<p>More inspections would prevent fraud.</p> <p>Vehicles where the licence and MoT had expired should be inspected.</p> <p>Continue to inspect all vehicles over 15 years old.</p> <p>Start inspecting the recipient vehicle.</p>
19	Do you think the Agency should conduct less vehicle inspections? If so why?	53	8	<p>Current system is a waste of time.</p> <p>The Agency should work more closely with the insurance companies and use insurer expert inspection reports on total losses to avoid duplication and speed up the process.</p>
20	Which kinds of vehicles do you think should be called for inspection and why?			<p>Vehicles with a high value registration number.</p> <p>100% inspections if licensing and testing rules abolished.</p> <p>Scrapped/accident damaged vehicles, foreign vehicles, historic vehicles and any vehicles with a complicated or unusual history.</p>
21	If this rule was removed, how could the Agency verify entitlement to the vehicle registration number?			<p>Stricter controls on the issue of registration certificates</p> <p>Availability of vehicle for inspection should be sufficient (except when it has been stolen).</p> <p>More rigid inspections by suitably qualified inspectors.</p> <p>Personal identity checks should be undertaken.</p> <p>Vehicle history and intelligence should be a factor.</p>
22	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?	81	3	

23	If you do not agree what would be the benefit of maintaining the rule?			Whether vehicles with SORN declared should be allowed in the scheme was questioned
24	Do you agree all unlicensed donor vehicles should be able to participate in the transfer and retention schemes?	75	7	
25	How would you verify entitlement to the vehicle registration number in the case of an unlicensed vehicle?			Inspections carried out by a qualified inspector. Stricter controls on the issue of registration certificates. The requirement to SORN vehicles. Possibility of identity checking
26	What safeguards would you put in place to prevent fraud?			Inspect all vehicles. Use VOSA and/or Police to inspect. Tighten controls on issuing documentation. Licensing controls should remain.
27	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?			Keeper of donor vehicle. Keeper of the recipient vehicle. DYLA should meet the costs. Should be included in the cherished transfer fee.
28	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?	35	24	
29	Do you agree that non-testable vehicles should be allowed to participate in the cherished transfer and retention schemes?	60	5	
30	If you do not agree, why?			Increase in fraudulent applications. Will increase difficulties identifying vehicles during inspection. Further costs and delays to the insurance industry in clearing large vehicles and machinery.
31	How would you ensure that the vehicle has entitlement to the registration number?			Inspection process by specialists. Stricter controls on issuing DYLA documentation. Vehicle history. Creation of a Personal Identification Number (PIN) to confirm identity and entitlement to registration number.
32	What safeguards against fraud can be introduced?			Inspections only. Stricter controls on issuing DYLA documentation. Introduce a secure site for use by dealers only

33	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?			All vehicles to be inspected. Non-testable vehicles should continue to be excluded from the schemes. History and documents should suffice in confirming identity of the vehicle.
34	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?			Keeper of donor vehicle. Keeper of the recipient vehicle. DVLA should meet the costs. Should be included in the cherished transfer fee.
35	If the vehicle is not safe to inspect, do you think the inspection office should have the option to refuse to inspect it?	54	22	
36	Do you agree that the retention rights should be allowed to be transferred at the point the vehicle registration number is placed on retention?	76	3	
37	If yes, do you also agree to subsequent changes of grantee whilst the number is being held on a Retention Document?	73	2	
38	Do you think the assignment rights in relation to the Certificate of Entitlement should also be transferable?	72	2	
39	Would you like to be able to maintain the nominee facility? If so why?	72	0	Useful facility when buying a registration number as a gift.
40	Would you like the nominee facility abolished? If so why?	66	10	
41	How could the rights of retention be transferred while safeguarding against abuse of the retention scheme?			Signed agreement between both parties concerned. On-line facility using PINs Robust identity checking of applicants. Strong opposition to changing requirements within the retention scheme.
42	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?			Maintenance of the current retention scheme in its current form. Stricter controls on the issue of DVLA documentation. Identity checking. Two part document that needs to be signed by both parties.
43	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?	69	3	

44	If the current constraints of the existing transfer and retention schemes were removed and there was an opportunity to develop new policy and process, how would you see the transfer and retention schemes working?			The Agency should place more emphasis on conducting more stringent inspections with the possibility of outsourcing to VOSA. With all vehicles being inspected the current licence and MoT requirements could be abolished. Quicker processing times for applications. Use of the Post Office. Provide on-line facilities. Abolish CT scheme in favour of Retention scheme only. Maintain the status quo.
45	How would you ensure entitlement to the vehicle registration number being claimed?			Stricter controls on issuing DVLA documentation. Inspections carried out by specialists. 100% inspections. Registration numbers assigned to individuals rather than vehicles. On-line facilities Identity checking.
46	How would you safeguard against fraudulent applications?			Remove the licensing and MoT requirements. Inspections carried out by professionally trained inspectors. Stricter controls on issuing DVLA documentation. Introduction of on-line facilities. Spot checks.
47	What process would you put in place to facilitate both electronic and paper based transactions?			Allow accredited cherished number dealers to process applications. Use existing facilities to use debit/credit cards. Monitor suspicious applications. Introduction of on-line facility (including identity checking). Utilise anti fraud software packages.
48	Do you think the cherished number industry should be regulated? If so, how?	37	28	
49	If you think the cherished number industry should not be regulated, why?			The cherished transfer rules are sufficiently robust. It would increase costs. It is not necessary for DVLA to process applications.