

COLUMNS: BIG MIKE ON GIVING UP HANDSHAKES | BAGGOTT ON WHEN THE CHIPS ARE DOWN

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PORSCHE CAYMAN GT4 **TESTED:** BACK TO ITS BEST?

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DEALER & MOTORING NEWS


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BLACKBALL MEDIA
HASLAR MARINE TECHNOLOGY PARK
HASLAR ROAD
GOSPORT, PO12 2AG
T: (023) 9252 2434
W: CarDealerMag.co.uk

The boss

FOUNDER
James Baggott
james@thebaize.com
Twitter: @CarDealerEd



Editorial

CHIEF SUB-EDITOR
John Bowman
john@blackballmedia.co.uk



HEAD OF CONTENT
Jack Evans
jack@blackballmedia.co.uk
Twitter: @jackrober



MULTIMEDIA MANAGER
Jon Reay
jon@blackballmedia.co.uk
Twitter: @JonReay



CONTRIBUTORS
Darren Cassey, Rebecca Chaplin,
Nigel Swan, Ted Welford

Finance

FINANCE MANAGER
Kate Gordon
kate@blackballmedia.co.uk

Advertising

SALES MANAGER
Kevin Day
kev@blackballmedia.co.uk



ACCOUNT MANAGER
Michelle Searle
michelle@blackballmedia.co.uk
Twitter: @cardealermich



10 THINGS THAT HAVE BEEN KEEPING US GOING IN APRIL

1. Coffee – lots and lots of coffee
2. The Tiger King... and Carole bashing
3. An addiction to the BBC News channel
4. Knowing when to turn off the BBC News channel
5. Zoom – and seeing inside everyone's home 'offices'
6. Talking to everyone on the phone for longer than we have ever done before
7. The Car Dealer Forum and knowing great debates will never die
8. Rishi Sunak
9. Community spirit
10. Seeing hard work pay off

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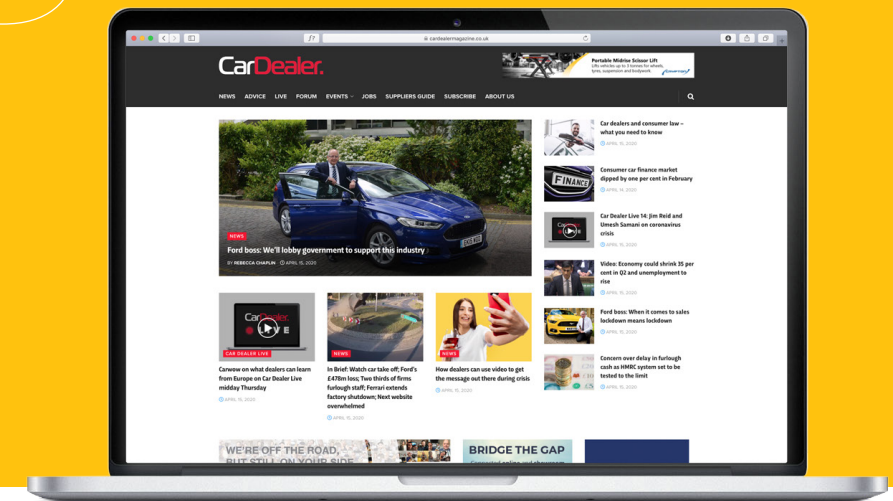
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Ignition.



Welcome. SAT IN front of my computer, perched on the same desk I set this mag up from 12 years ago, I had my head in my hands. I'd had a spell in hospital, was feeling pretty low, and the world was collapsing around me. Our contracts were being cancelled or cut, many of our advertisers were dropping out, and our events had been put on hold.

This is not a tale of woe – I know that out there many, if not all of you, are suffering at the hands of this cruel coronavirus, be that in your personal or work life. We have to put things into perspective, though. No matter how painful the economic turmoil of all this is, none of us can begin to imagine the pain of those forced to say goodbye on a phone held up to their dying loved one's face by a nurse.

Yes, business has never been so tough – and not everyone will make it through this. But with some determination and hard work, you'll have a fighting chance.

That's why this issue of Car Dealer Magazine is our first digital-only edition. When dealerships closed their doors on March 23, it was clear sending out a printed magazine to dealership bosses who are at home would be pointless. I love printing a magazine and after 145 issues I'm very sorry we won't be running the presses this month, but you have to move with the times and right now that means digital.

There are upsides too. This issue has been delivered to even more people digitally than we'd ever reach with the printed mag – and with the tens of thousands of people reading our website every week, it'll be seen by even more people than ever before.

We're publishing it on Issuu – which lets you read it on a desktop, mobile or tablet easily – and for those who want to download a PDF, we're allowing that too. While the team producing the magazine may be smaller (I too have had to take advantage of the government's furlough scheme), I do hope you enjoy it just as much as normal.

WEBSITE

IN THE long days after I left hospital, I worked night and day with our head of tech Jon Reay to create and launch a

whole new CarDealerMagazine.co.uk website. I'm pleased to say it's out there now and has gone down very well.

Since launch, we've been packing it with help, advice and news for the motor trade and it's being lapped up. In the first week alone, we received a year's worth of traffic and had to upgrade our servers to cope. A combination of an industry desperate for details and some breaking news stories sent our user numbers into overdrive – and they've continued to remain high ever since.

We can't do much right now, but we can keep you informed – and we'll do that every day on the Car Dealer Magazine website.

CAR DEALER LIVE

IN AN attempt to keep the industry as informed and entertained during this lockdown as we can, we've launched a series of Car Dealer Live broadcasts with industry leaders, dealers, manufacturers and experts.

Every weekday at midday you'll find me live on our website or our YouTube channel. Think of it as CDX Live with interviews with experts who can help you during this difficult time. We've summarised some of them in this magazine to help you digest the huge breadth of topics we've covered. I hope you find them useful.

I'd personally like to say a huge thank you to our advertisers who are continuing to support us through this difficult time too. I know their businesses have been as badly hit as ours and their support – to ensure we can keep publishing – means so much.

I've had so many conversations in the past few weeks that have brought a tear to my eye. If this community spirit is one lasting side effect of this devastating disease, then that'll be one positive to come out of it all. Thank you for reading, keep safe, stay indoors and enjoy the issue.

James Baggott
Founder, Car Dealer Magazine

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Feature: The road to (not) Geneva

Before the lockdown, the Car Dealer team shot a twin test with a difference...



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Advice: Should I furlough my staff, and how?



Daksh Gupta and other industry bosses on what lies ahead



We drive the all-new Audi A3

Investigation: Will online car sales allow car dealerships to go back to work?

With the country in lockdown, the era of selling vehicles totally online may have finally arrived. Some nations are already running with the idea, so could the UK follow suit?

Car dealerships in America are rapidly introducing online car sales solutions as they attempt to continue doing business amid the coronavirus crisis. While car showrooms remain closed, many states are allowing dealerships to operate online – and experts believe a similar model could be introduced in the UK when the lockdown eases. A huge number of US dealerships are flipping their businesses online – with some claiming that car buying ‘may never be the same again’.

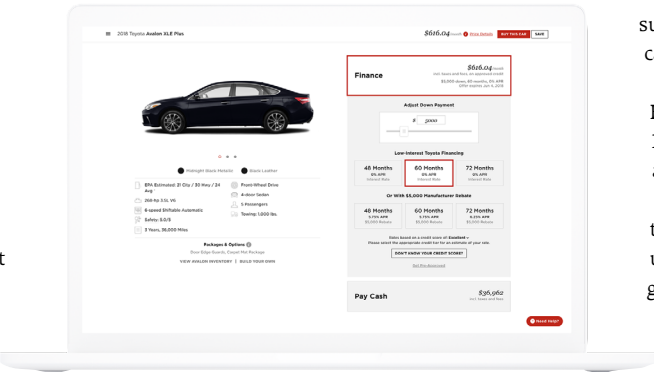
In Michigan, the governor has ruled that dealerships must be closed to walk-in traffic, but has specifically allowed them to facilitate online sales. Online and remote vehicle sales and delivery people are now ‘critical infrastructure workers’, with her order defining them as follows: ‘Workers at motor vehicle dealerships who are necessary to facilitate remote and electronic sales or leases, or to deliver motor vehicles to customers, provided that showrooms remain closed to in-person traffic.’

Rhett Ricart, chairman of the National Auto Dealers Association, told the Detroit Free Press that by the end of the year he believed 80-90 per cent of US new car dealers would have full online car sales functions in place. Ricart, who is CEO of Ricart



by **JAMES BAGGETT**
@CarDealerEd

Automotive Group in Columbus, Ohio, said his online car sales had doubled in the past six weeks. It is directives such as that seen in Michigan that have pushed American dealers, who had yet to invest in online sales solutions, down the e-commerce route. Test drives can’t be carried out at the moment, but everything bar the final signature on the paperwork can be organised online. However, if legislation changes allowing for online signatures of documents, the whole deal could



California-based online car buying platform Roadster

soon be organised digitally. Ryan LaFontaine, chief operating officer of LaFontaine Automotive Group, which represents 18 brands in south-east and mid-Michigan, said there was a ‘new norm’

‘We are not used to doing things this way, but we are getting used to it’

for car dealers now. ‘All dealers are being forced to adapt. We’re refining the process now to sign and finalise the deal off-site. People are changing their buying habits. Online platforms are as important as bricks and mortar.’

The dealership is using video solutions such as Zoom to showcase walk-arounds of cars and sell to potential customers.

Chris Franklin, general manager of Don Franklin Auto Group in Kentucky, told the 13WBKO news channel that his firm had adapted to sell cars online.

‘Everyone has had to adapt during these unprecedented times. We are not used to doing things this way, but we are getting used to it. You can do the entire purchase on our website now and we can deliver to customers or offer kerbside delivery,’ he said.

The explosion in online car sales

is making big news across the States, with many local news channels reporting on dealerships making the switch.

Similar scenes could happen in the UK, say experts, as the lockdown is partially lifted to get the economy moving again.

Car dealerships could operate online and allow contactless handovers to new customers

at home or at a showroom with social distancing measures observed and everything fully disinfected.

Giles Smith, chief executive officer of GForces, said his

firm had seen a significant increase in demand for its NetDirector Auto-e platform online sales platform, and he thinks what is happening in the States could become normal in the UK, too.

‘We have seen a significant increase in demand and in particular our customers have asked for accelerated delivery times.

‘This is mainly due to the fact that dealers understand that social distancing will continue for at least another 12 months and that online channels with appropriate social

distancing handovers will be an important method in which to continue to trade.

‘The sooner they have this capability, the sooner they can begin to trade, hence the

400%
Expected increase in GForces e-commerce platform sales in April

accelerated delivery times – essentially, dealers are preparing their businesses at a rapid rate.’

While taking a severe hit in some areas of its business, GForces has seen a 250 per cent increase in platform sales, and April looks like



This American dealer has taken to creating videos of successful online sales to demonstrate the process

that could increase to 400 per cent as dealers scramble to get online set-ups in place.

Smith added: ‘There has also been a rise in OEM network sales as the manufacturers are looking how to support their dealer networks and e-commerce enable them.

‘This is not just the UK but in the other markets we operate in.’

Smith thinks this pandemic could be the shake-up the industry needed to facilitate an uptake of online car sales solutions – something that his firm can get in place for existing customers in just two weeks, or around a month for new clients.

He said: ‘In our opinion this will change the retailing model forever – dealers will still operate, but online sales is now

an essential tool of their armoury as it enables them to trade with customers who will not seek to go to the dealership but rather have a vehicle delivered to their home with appropriate social distancing measures in place for the handover.

‘We have seen a dramatic upsurge in online transactions, which we predict will accelerate significantly once the official lockdown is eased but social distancing remains until a vaccine is available.

‘The world has changed and social distancing will mean new forms of retailing will need to be implemented.’

Dealer news

MOTs due in next year will get automatic six-month extension



ANYONE with an MOT due in the next year will automatically get an extension of six months seven days before it is due.

The clarification from the Department for Transport effectively gives all car drivers an 18-month MOT if theirs falls due between March 30, 2020 and March 29, 2021.

A Department for Transport spokesperson told Car Dealer Magazine: ‘This was put in place to ensure all key workers can get to work. We do not know how long the current restrictions will be in place, so this gives us leeway to allow for that. This means anyone with an MOT due in the next year will get a six-month extension.’

Don't miss out on sales opportunities during lockdown



DEALERS in lockdown are losing sales opportunities and in danger of having to play catch-up when the market steadies again.

That's the warning from What Car? managing director Rachael Prasher, who said market analysis by the publication revealed only 40 per cent of dealers out of a cross-section of 650 franchised dealers had had an active lead management service running.

‘The natural market for buyers has understandably disappeared but there are consumers still looking and wanting to engage with retailers,’ said Prasher.



Dealers are urged to do the right thing and include commission in furlough payments

THE Independent Motor Dealers' Association (IMDA) has written to its members urging them ‘to do the right thing’ and ensure they include sales staff commissions as part of their furlough leave pay.

The IMDA set up a petition for the government to have commissions included and, alongside other associations, was pleased to see a clarification that compulsory commission could be paid to sales staff. Now the IMDA is encouraging members to make the payments.

It said: ‘We felt that as an association it was important to remind our members of their responsibilities to pay all their staff including sales staff during this crisis.’

In the government documentation, released on April 4, it says companies can claim for the higher of either the same month's earnings from the previous year or an average monthly earnings for the 2019-2020 tax year up to 80 per cent and a maximum of £2,500. Compulsory commissions can be included.

Pendragon boss donating 20 per cent of salary to NHS



PENDRAGON chief executive Bill Berman is giving 20 per cent of his salary to the NHS as part of a wider voluntary pay reduction scheme at the motor retailer.

Berman, who was appointed to the role in February, said: ‘Supporting our first responders and frontline workers must be our priority. Every little bit we can do to help the NHS will make a difference.’

He has also directed the firm to donate 20,000 seat covers to health trusts and to give first responders and frontline workers 25 per cent off any maintenance or warranty work they need on their vehicles in April.

Peugeot chain puts demonstrator fleet at pharmacies' disposal



SIMON Bailes Peugeot is letting pharmacies use its demonstrator vehicles to help meet demand for home deliveries of medicine and prescription drugs.

After temporarily closing its showrooms in Northallerton, Stockton and Guisborough, its demonstrators fell idle, and it was looking for ways to help the local communities. Chief executive Simon Bailes said: ‘We have a number of cars and vans that are normally used by customers for test drives and now I hope they can be tested another way – delivering medicines and prescriptions.’

Car dealer ordered to pay nearly £8,000 for cut-and-shut

A CAR dealer who sold a ‘dangerous’ cut-and-shut Ford Escort has been ordered to pay nearly £8,000.

Darren Van de Weg appeared at Worthing Magistrates' Court on March 20 after an investigation by West Sussex Trading Standards, and admitted selling the unsafe car, which was made up of two vehicles welded together.

The 44-year-old, of Alinora Drive, Goring by Sea, a director of DK Garage and Classics Ltd, was fined £923 and told to pay £5,435 compensation, £1,409 costs plus a £92 victim surcharge – making a total of £7,859.

Trading standards officials said the person who bought the Ford from the dealer at Link Farm, Pulborough Road, Wiggonholt found it was a cut-and-shut after arranging for work to be carried out.

Inchcape drops dividend and execs take pay cut



INCHCAPE has dropped its dividend and bosses are cutting their salaries and fees by 20 per cent as it reacts to the coronavirus pandemic.

In a business update to the London Stock Exchange, the car dealer – which made a pre-tax profit of £402m last year – said trading in a ‘large number’ of markets had been affected ‘by closures or significantly lower business activity’ because of Covid-19.

Fourteen markets across the world are still operating, though, including Hong Kong, Australia and Ethiopia. Inchcape said it had ‘taken swift action to reduce discretionary costs and capital expenditure’, with the board no longer recommending payment of the previously announced final dividend of 17.9p.

Big-hearted dealer gives away Meriva to care home agency



A BIG-HEARTED car dealer in Telford has given a care home agency a car as a pool vehicle.

Shane Enright, of S E Motors, told Car Dealer Magazine he wanted to do his bit during the current crisis, so rather than sell the 2004 Vauxhall Meriva – similar to the one pictured and worth around £1,500 – he decided to give it to a care home, and put out a call for willing takers.

‘The retail value didn't matter to me,’ he said. ‘What meant more to me was that it could be used by a care home.’

The town's Care Bureau was the lucky recipient of the Vauxhall, and Enright said: ‘They were so grateful that I knew when I handed over the documents and keys that it was the right thing to do.’

‘As a nipper, I was told that coughs and sneezes spread diseases, and I'm one of the last generation to still keep a hanky for those situations when I start firing snot pellets in public.’

Big Mike, p40

Ben ramps up help for dealers during coronavirus crisis



AUTOMOTIVE charity Ben is fast-tracking information and guidance for dealers who contact it over money worries related to Covid-19 – and lowering the eligibility threshold for its welfare grants.

Among the help on offer is reviewing personal circumstances to help with short-to-medium-term planning. This can include how to arrange payment breaks with mortgages/housing providers and lenders. It said it can also advise about local authority hardship grants, as well as accessing other charitable support. In addition, it wants to help dealers make the most of benefits, clueing them in as to what they might be entitled to.



Lifeline for struggling dealers as insolvency laws are adjusted by the business secretary

DEALERS facing insolvency as they struggle to keep their heads above water because of the coronavirus pandemic have been thrown a lifeline by the government.

Business secretary Alok Sharma has announced that adjustments will be made to the insolvency laws so that businesses can ‘weather the storm’. He said the changes to the bankruptcy rules would mean firms could carry on trading and ‘emerge intact the other side of the Covid-19 pandemic’.

New rules will let firms continue to buy supplies, such as energy, raw materials or broadband, while trying to save their company. Wrongful trading provisions will also be temporarily suspended for company directors, which means they won't face the threat of personal liability while the pandemic is happening.

It is being applied retrospectively from March 1 and will last for three months.

Motoring news

Consumer appetite is growing amid delivery times uncertainty



CAR buyers are increasingly considering in-stock vehicles because of concerns about new car availability and delivery times. That's according to research by car-buying comparison site Carwow. A survey of 440 motorists revealed that 80 per cent of buyers would rather buy a new car that was available immediately from dealer stock than place a factory order if it meant delivery delays. Meanwhile, a flash poll of 800 Carwow visitors highlighted a lack of confidence in the new car supply chain, with more than 25 per cent believing an order placed with a manufacturer today wouldn't be delivered for at least six months.

High Court rules VW did install 'defeat devices'



THE High Court has said VW put 'defeat devices' in thousands of its diesel vehicles. It is the first major ruling during a class action in England and Wales over the dieselgate scandal. However, VW is looking to lodge an appeal, adding that the decision didn't determine liability. Some 90,000 motorists who bought Audi, Seat, Skoda and VW diesel vehicles are claiming compensation in a case set to be the largest consumer action in English legal history. Their lawyers say Volkswagen 'cheated' emissions tests.



Chinese car industry sees rapid recovery as lockdown is lifted giving hope to the UK

RECOVERY of the Chinese car industry has been rapid as Wuhan car dealerships open for business once again. In a positive piece of news for the UK car industry, Bloomberg reported that the strength of pent-up demand even took some car dealers by surprise. One Audi dealer said he was 'shocked' by the number of purchases since reopening and described it as a 'boom after a two-month dormancy'. Volkswagen said it was seeing 'clear signs of

business recovery' in China too, with all dealerships reporting 'strong customer interest'. Volkswagen Group China CEO Stephan Wöllenstein said: 'Our dealerships are seeing customers on the showroom floors once again. There are growing signs of recovery, with a good chance that the Chinese car market could reach last year's level in early summer.' Steve Fowler, of Auto Express, said: 'The pent-up demand could well see a Le Mans-style sprinting start as customers rush to buy cars again in the UK.'

Jaguar Land Rover helps British Red Cross with fleet



JAGUAR Land Rover is lending a fleet of vehicles to the British Red Cross to help it with its work during the Covid-19 pandemic. The 57 vehicles, which will be used to deliver medicine and food to vulnerable people, include 27 new Defenders. They had been set aside for a marketing campaign but that has been postponed indefinitely because of the virus. It's part of a global effort by JLR, whose customer experience director, Finbar McFall, said: 'Jaguar and Land Rover will do everything we can to support people in need.'

'Taking action now will help stem the bleeding. Many dealers have worked their way through that painful early period and are starting to look to the future.'

James Baggott, p39

Auto Trader seeks investor cash as it furloughs staff



AUTO Trader has put out a call for cash from investors to strengthen its finances – at the same time as it furloughs staff and slashes executive pay because of coronavirus. The online car seller and trading platform – which last November announced a six-month profit of £131m on a margin of 70 per cent – is to make available up to 46.5m new shares, which is about five per cent of its issued shares capital. It is furloughing staff via the government scheme and its directors have agreed to waive at least half of their salaries or fees.

Plug pulled on Paris Motor Show because of coronavirus



ORGANISERS have canned this year's Paris Motor Show. Due to run from October 1 to 11, with press previews in the two days running up to it, the biennial event drew more than a million visitors in 2018, but organisers have said that both the uncertainty being caused by Covid-19 and the resulting economic 'shock wave' had forced them to scrap it. In a statement, they said: 'In light of the seriousness of this unprecedented health crisis and its consequent economic shock wave, which has severely struck the automotive sector, we are forced to announce that we will not be able to hold the 2020 Paris Motor Show in its current format at the Porte de Versailles.'

Cazoo cancels deliveries until lockdown is lifted



ONLINE used car retailer Cazoo has suspended deliveries of vehicles during the coronavirus crisis. The company said on social media that it had set itself three guiding principles as the Covid-19 outbreak began to dominate the news agenda. The first was that all employees should be kept as safe and healthy as possible, the second was that Cazoo customers should enjoy the highest possible standards of customer service, and the third was that the company would take whatever action it could to slow and stop the spread of the disease. It said: 'We have now reached the point where we can no longer operate as normal for the time being and meet those three principles.'

Best-selling new cars in March

March 2020	Source: SMMT
Volkswagen Golf	7,103
Ford Fiesta	6,687
Mini	6,019
Ford Focus	5,985
Nissan Qashqai	5,907
Vauxhall Corsa	5,820
Mercedes-Benz A-Class	5,351
Kia Sportage	4,988
'Other' (Tesla Model 3)	4,718
Range Rover Evoque	4,399



Renault seeking up to 5 billion euros in state-backed loans



RENAULT is seeking billions in state-backed loans as it tries to weather the crisis. The company is also cancelling its dividend for 2019 and its chairman is taking a pay cut. Jean-Dominique Senard's salary will be cut by 25 per cent for the second quarter of 2020. The company will also cancel £263m-worth of dividends that were to have been paid to shareholders for last year, too. Senard said Renault wasn't seeking to be nationalised but was working to secure state-backed bank loans to cushion the shock of the Covid-19 crisis that has slashed demand for vehicles and shut down production. He said the loan amounts hadn't been fixed but could be as much as £4.4bn.

World Car of the Year 2020 winners are announced



THE Kia Telluride took top honours at the World Car of the Year awards for 2020, beating the Mazda3 into second place and the Mazda CX-30 into third. The large SUV is popular in the US but isn't sold in the UK. The Porsche Taycan won both the Performance Car and Luxury Car categories. The Mazda3 won the Design of the Year gong, voted for by seven of the world's leading design experts. It beat the Taycan by just two points, with the Peugeot 208 in third place. The World Car of the Year contenders are selected and voted for by an international jury of 86 motoring journalists from 24 countries around the world.



Car manufacturers causing owners 'unnecessary stress' over servicing demands during lockdown

A NUMBER of car manufacturers are causing owners 'unnecessary stress' because they can't get their vehicles serviced during the lockdown. Drivers who need to get their car serviced are worried that missing a check could invalidate their warranty. AA president Edmund King said: 'Telling drivers to do something contrary to government advice may add unnecessary stress to owners.' The VW Group – including Volkswagen, Audi,

Skoda and Seat – isn't offering a blanket extension. Porsche said customers making a request in writing for a service that couldn't be completed 'would not be penalised'. Alfa Romeo, Fiat, Honda and Jeep have all refused to issue an automatic extension. BMW, Citroen, Dacia, Ford, Hyundai, Jaguar, Land Rover, Kia, Mazda, Mercedes-Benz, Nissan, Peugeot, Renault, Vauxhall and Volvo have all issued blanket extensions for their customers.

Business news



Bank of England to temporarily back extra government spending

THE government has expanded its overdraft with the Bank of England to ensure it has enough money to cope with the disruption caused by coronavirus.

It said the central bank will directly finance the extra spending it needs on a temporary basis.

The government's account, known as the Ways & Means Facility, will rise to an undisclosed amount. Any money drawn from the account, which usually stands at around £400m, will be paid back as soon as possible before the end of the year, the Treasury said.

The measure was last adopted during the financial crisis of 2008.

Greggs receives £150m government coronavirus loan



GREGGS has secured £150m from the Treasury and the Bank of England's emergency coronavirus fund after closing stores. The chain said it believed it now had enough credit available to keep it afloat in a scenario where its shops are forced to stay shut for the rest of the year.

It said the funding from the Covid Corporate Financing Facility scheme was sufficient for its current liquidity needs, although it is understood that the company may be able to withdraw more funds. Greggs has 2,050 sites nationwide and has estimated it will face a £3.5m hit each week until the end of June.

'Women and young adults suffering income shock'



NEARLY a third of people in the UK have already seen their household incomes hit by the coronavirus pandemic, with women, young adults and those living in London particularly likely to have suffered financial damage.

Kantar's Covid-19 barometer is a global study of more than 30,000 people, and within the UK the data and insights firm's report found that the number of people expressing concern about the financial impact of the pandemic had grown from just under half (47 per cent) in mid-March to nearly two-thirds (63 per cent) by the end of March.

Debenhams files for administration putting jobs at risk



DEPARTMENT store Debenhams has confirmed it has formally entered administration. It has appointed Geoff Rowley and Alastair Massey from FRP Advisory to oversee the process as administrators, after initially announcing its intent.

It is the second time Debenhams, which employs around 22,000 staff, has entered administration in the past 12 months. Its 142 UK stores are closed in line with government guidance, but the company said it would work to reopen as many as possible when restrictions are lifted.

It continues to trade online.

Spending stays local as Covid-19 alters shopping habits



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It found people are travelling around half the distance they would normally to spend. The median average distance people are travelling from home to use a debit card is down 57 per cent from 3.7km last year to 1.6km.

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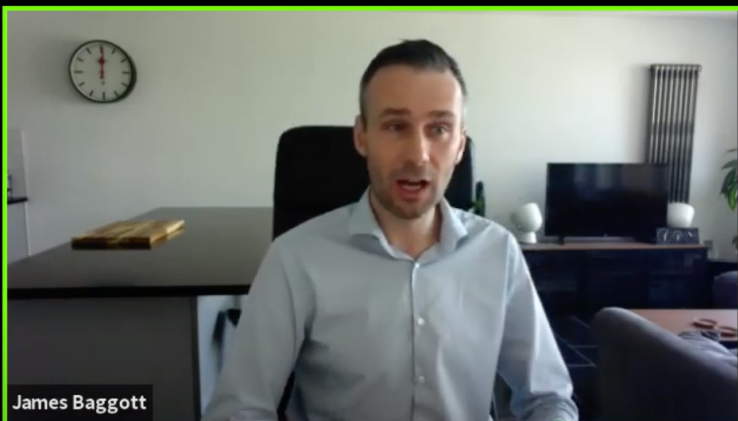
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Daksh Gupta: We're doing this at a loss but it's the right thing to do

Marshall boss talks about supporting key workers and the group's action plan for the months ahead

MARSHALL Motor Group has gone from stunning results to trading at a loss in a matter of days.

CEO Daksh Gupta and his executive team have closed all their dealerships and are paying their staff at 90 per cent of their salary [80 per cent furlough plus a 10 per cent top-up] as well as taking pay cuts themselves – something unimaginable at any time, let alone during what should have been the busiest week of the year.

'If you were going to pick the worst time to do this, you would choose the last eight or nine days of March – this will cost us north of £10m.'

At the start of his interview with James Baggott on Car Dealer Live, Gupta mused about how it did feel like he was living in a dream. However, despite questions from the industry for shutting before the official lockdown, he said they had to do it.

'Our people were worried,' he said. 'They have made this company very successful and many were emailing me very concerned.'

'They wanted to know what would happen if they had to self-isolate – would they get paid? As a company, we're not contracted to but we felt it can't be worth it if someone's in a high-risk category. We also had colleagues concerned about what would happen if schools shut, an understandable concern. We took decisive action before the chancellor announced his government support scheme that we would pay employees fully for four weeks. We did ask for colleagues to give up some holiday in return because we were putting our hand in our pockets into the millions. The response we got was phenomenal.'

The problem with shutting down isn't just potential car sales lost or paying 3,800 employees whether they're working or not – as he explained, the operational costs for its dealerships run into the millions every week.

'When it comes to sales, quite frankly we'll worry about that later. Let's get our priorities in place. The

priority right now is let's make sure we're there for those key workers first and foremost.

'There is a cost for us to do this. I'm very aware that some businesses have simply said we'll shut up shop, take the £2,500 from the government, because there will be very little work coming through, and people shouldn't be on the road.'

'We've got 400 unfurloughed staff who are there to support key workers across the country. When you do the numbers, that's £1m that's cost us. The revenue we're likely to get will not cover that. We're doing it at a loss but it's the right thing to do.'

When the interview took place, he revealed his team was working on a 128-point action plan – so far. Despite the PM's original three-week shutdown being reviewed as this magazine was being published, Gupta said he 'wouldn't be surprised if this went on for eight to 12 weeks.'

Although Marshall reported record results on March 10 – revenue of £2.3bn and £33.1m operating profit – Gupta explained that would put it in a good position but wouldn't last forever.

He said: 'In 2019, the average dealer profit according to ASE was just 0.8 per cent. We know last year was a bad one but I think we can all agree this year is going to be a lot tougher.'

'The way I look at it, the timing couldn't have been any worse. Our costs are budgeted around £23m a month. With the help of the chancellor, things like rates, some OEM support, I think that will come down materially. My best guess now is about £12m in costs, so if you think about it, every month this goes on it could cost another £10m. That's a big number. For every month this drags on, it could take two or three years to recover.'

And the work has been constant for Marshall's executive team, he told Car Dealer Live. 'It's been seven days a week, often until one or two o'clock in the morning, but there is some positivity. There clearly will be pent-up demand out there.'

Manufacturers ease the strain

MARSHALL has 119 dealerships across the country, which represent 24 manufacturers, and Daksh Gupta said: 'I have to give credit and thanks to all of our manufacturer partners. They have responded promptly, they've all taken decisive action, with all good actions around supporting us.'

Examples of easing the strain have been the removal of targets as well as mystery shops and parts bonus targets. Not only that, but they've been supporting Marshall with cashflows. Gupta added: 'For me, I think what that really symbolises is the symbiotic relationship between manufacturer partners and dealers.'

'At times, there will always be the occasional ding-dong between OEMs and retailers, but this is when that word "partnership" really comes into effect, and ours have responded admirably. I thank them for their actions for what they're doing for Marshall, and I'm sure I speak for many, many retailers across the country.'



Robert Forrester: Our business will never, ever be like it was

Vertu CEO on what the company will look like after the crisis

VERTU Motors CEO Robert Forrester told Car Dealer Live this was 'probably one of the most stressful times' he's ever had, adding: 'It took us 13 years to build a business and two days to close it.'

He credited the 'trust' and 'group culture' that meant they 'could get people aligned very quickly'.

Vertu Motors took early action, telling Car Dealer Live host James Baggott: 'I was banned from all central locations in early March. I haven't been in the same place as my operations director, we kept completely separate. We split the group, we banned train and air travel, we locked people down quickly. We did a lot of work to ensure home working.'

'Everyone is doing a great job. There's no one not working when they say they are.'

He's expecting this will continue for at least six more weeks, and Vertu is trying to plan as best it can for when they can return to work properly.

He added: 'In my opinion, the earliest the shutdown will come off would be the end of May. That's certainly our view. I wouldn't be surprised if it wasn't subsequent to that. I think we'll still have restrictions after that and then I suspect we'll be back into lockdown at the end of the year.'

However, Forrester said he doesn't think the business will ever be the same again, 'both in short, medium and long term. It will never, ever be like it was.'

However, he credited the work that manufacturers have done, guaranteeing bonuses, less cash outflow, to help them get through the pandemic, and added: 'They've not sold the dealer body down the river.'

He said: 'I know the industry wants to know, and manufacturers are doing some work around this: at what point can we translate our order bank into deliveries?'

It's not all waiting, though. The Vertu boss said: 'We've sold two cars this week – that's the big news.' He added later that the business had had a little more than 150 inquiries a day over the previous four days. Since the interview, Forrester has been regularly tweeting his sales and service stats as his business continues to trade.

He said: 'If you look at Google automotive search terms, they've been falling for about a fortnight, web sessions are significantly down. You can pretty much say the UK consumer does not have



car buying at the front of their mind. If you follow what's going on in other countries, though, you can assume digital will become more important, perhaps we'll see pay-per-click budgets coming down because there's not that much traffic to go for. I do not think everyone is sat on their computers trying to buy a car. The idea that it'll all be online after this and the dealer is dead is broad nonsense, because at the moment there is very little online activity.'



When discussing what car sales could look like after lockdown, he commented: 'I think when we get out of this we'll have people at the front of our dealerships in suits taking people's temperatures. That wouldn't surprise me.'

'I think the whole thing will be very slow, there might be regional lockdowns and we'll just have to respond. I don't think it's going to be a quick job.'

Forrester later revealed on Twitter that his business was testing taking temperatures at dealerships.

He explained his personal view on the used car market too, saying: 'There will be some groups and dealers that may run out of cash or need to generate cash. Will they dump cars into the marketplace? Even if that happens I don't think it'll make much of a difference.'

There will be no new car supply for a while, is my assumption. In which case, it should significantly increase used car demand.

'I think there will be a big demand for cars – if consumers can afford them,' he said, explaining that he is generally optimistic.

'Everyone is going to want a car, because they're not going to want to go on the bus, they're not going to want an Uber and they're not going to want to car-share. I think the demand for private mobility will be quite robust.'

Sportif Citroen

'IT'S NOT about profit – it's about survival and everyone's well-being,' said Simon Miskin, managing director of Sportif Citroen in Aylesbury, Buckinghamshire.

However, he was hopeful of being able to sell cars online (with deliveries only taking place when the current lockdown period is over) and praised his staff, saying: 'I've got a fantastic team here, which I have had for the last 25 years. My staff turnover is literally zero. When something like this happens, you suddenly realise that the team you've got – who are even willing to risk their health to help the business – are amazing.'

Fine Cars Kia

GENERAL manager and director of Fine Cars Brett Duke told Car Dealer that staff still wanted to continue to come into work at the Gosport and Lee-on-the-Solent businesses.

He said: 'It seems – which is a bit of a positive – that we are at least a happy workplace.'

'When we reopen, our customers will need services carried out, their warranty work done and so on, but at the moment it's a question of deferring all business and mothballing everything.'

Duke said that Fine Cars would be using a combination of holiday pay and support from the government to get through the crisis financially.

Spencers Cars

SPEAKING to Car Dealer Magazine, Spencers Car Sales director Spencer Gray said it was all about damage limitation, and he outlined the steps taken by the Norwich dealership both before and after the government-ordered shutdown, including FaceTime virtual tours of vehicles – as well as disinfectant bombs put in cars just before delivery.

'All businesses need to work together to support the industry,' he said. 'We're now doing everything virtually. We're working from our website, which we've already updated with 67 Degrees, so that everything can be done online.'

And he added that all staff 'will be coming back, every one of them'.

Jamie Caple: Things will change but people will still be buying cars

Car Quay's owner shares his thoughts on life after the lockdown

FOR JAMIE CAPLE, the owner of Derby-based used car dealership Car Quay, the lockdown meant his business was frozen, and although he would take a deposit over the phone and work with customers when he could retail fully again, he sensed that some dealers were still selling.

'There's an air of uncertainty about whether we can sell and deliver. Our view is we're taking deposits over the phone and saying to people that when we're allowed to reopen we'll deliver the car out to you and we'll work with you.'

'I am starting to feel like there's perhaps an undercurrent of dealers who are still selling but not being very public about it.'

'The government has been very clear in terms of saying you should be closed. It's very difficult, because I got a 48-box of Wham bars delivered the other day from Amazon. How essential is that? Is there any difference between me having a box of Wham bars delivered and me having a car delivered to my house?'

Viewers wanted to know if Caple was still listing his cars on classified websites, despite no longer actually being able to fully retail cars.

'My intention is to keep advertising as much as we are at the minute. It's sad to say but I think there will be less car dealers coming out of this.'

'It will create opportunities for other businesses to capture. In terms of now, certain advertisers have been helpful.'

He pulled no punches that car classifieds needed to cut bills completely during these difficult times. 'They have to do that though - they'll lose business off the back of this.'

'I'm ever the optimist. We hit road blocks, and we find a way round it. I can't see us opening the doors before the start of June, maybe even at the start of July.'

He praised Auto Trader but explained: 'I'm going to suspend my Auto Trader account. I never

thought I would say that but you have to give them a certain amount of notice. We're going to have to do it today.'

'I do believe in a couple of weeks they'll make an announcement to say May will be free as well, and the beauty is you can just switch it back on, but my intention is to absolutely continue advertising on that platform.'

Although Caple's view is positive, he says the pandemic will truly change the way we live and car sales will have to adapt in response to what customers are happy to do.

'I feel on the other side of this we're going to be delivering more cars and I do feel like there's going to be pent-up demand for vehicles.'

'I do think customers' opinions are going to change a bit. I've got two cars sat on the driveway with big monthly payments, I think people might start buying more of what they need rather than what they want.'

And he added: 'I'm not really spending any money. There's a joke that our cars are doing three weeks to the gallon at the moment.'

'For us, £3,000-8,000 is our sweet spot and I think that affordable price point is going to be prime.' It won't just be about how and what we buy that changes, though. Caple says this could see a shift in our lifestyles completely. 'We were maybe heading towards a world where we didn't use as many cars but now - bang - this has happened and people want their space, their privacy, cleanliness.'

He added: 'We may have a tough couple of months and we may have to tighten our belts a bit but I'm telling you now people will still be buying cars. If their demands and needs change then we'll change. I think that's one of the advantages of being a small independent - you can change.'

Although he was keen to say this was only his opinion, Caple explained that he was anticipating there may be a drop in values as we get out of this

Putting a spring in his sales step

SPEAKING to Car Dealer before the lockdown, Caple revealed that he actually bought 19 cars for his dealership despite the Covid-19 outbreak becoming more serious.

He told us: 'On Wednesday, I thought to myself, what have you done?! We got to Friday and I realised I needed to act to avoid a position this week where there would be significantly more money due out than due in. So we put a spring-clean event on.'

'After all, it is spring, and I thought that if people's perceptions were that our site is clean, they might come, whereas they might not have done otherwise. We then had a massive weekend. We dropped the prices on the cars at 4pm and did three on the Friday before we left, eight Saturday and three Sunday.'

but only as retailers move on their mature stock. 'Don't panic,' he said. 'There are going to be some issues for people with stocking facilities, so get those cars moved before they mature and cause big cashflow issues. There will be a short period where people who are reliant on third-party funds are panic-selling, but once those cars are gone it's going to be business as usual. If anything, prices might go up.'

With more reports predicting pent-up demand in the market, his last piece of advice rang true: 'I'm playing it safe, but if I had a huge pot of money I would be buying as many cars as I can.'

Shutdown has focused minds on making everything move faster

IMPERIAL Cars operations director Neil Smith said the shutdown of UK car dealerships had 'massively accelerated' people's views and focused businesses' minds on online sales as well as home deliveries, and how it could all be made faster.

He added that the online sector was now 'very much a battlefield', as well as 'an arms race' as regards online fulfilment tools. And Smith, pictured, pointed out there had been a great deal of co-operation with pre-coronavirus competitors.

Asked by interviewer Rebecca Chaplin if the car industry would ever be the same again, his answer was an emphatic '100 per cent no'.

Stephen Latham, head of operations at the National Franchised Dealers' Association, told how its legal team was scrutinising all the new legislation to bring clarity to confusion, and was feeding it out to members daily, an example being technicians not being considered by police to be key workers when in fact they are.

Looking at the global picture, Steve Young, managing director of automotive research experts the ICDP, said that things were now picking up quite quickly for large groups in China, where



the pandemic started. Some smaller dealerships, however, were lagging behind because they hadn't taken the mandated protective measures for staff and customers, so hadn't been allowed to reopen. As such, he said that dealers here needed to think about being prepared for their return to work.

Looking ahead, Latham predicted a huge demand for aftersales work because of people delaying services and repairs, with a similar knock-on effect for MOTs because of the six-month exemption.

Young said the ICDP believed the future was likely to see fewer dealerships as we know them today, with more of an emphasis on leasing and manufacturers being more involved in that.

Will Blackshaw: We have to look after people as well as businesses

FRANCHISED dealer Will Blackshaw didn't mince his words on Car Dealer Live when he said: 'This is a matter of life and death.'

The managing director of Northumberland-based Blackshaws added: 'It's been a whirlwind. I've got to admit, I was a bit too blasé about this all at the start. I kept thinking that it would never reach us in Alnwick. Even when it was in London I was thinking it's not going to come up here.'

Blackshaws has Suzuki and Mitsubishi franchises in Alnwick and Morpeth, and Will said both manufacturers had offered brilliant support, with the former even nudging him to take action early on.

'Suzuki were quick out the blocks. They were prompting us. They were helping with getting bonus payments through, and for us at the moment cash is the most important thing for business survival.'

He offered a genuine and heartfelt thank-you to the two Japanese manufacturers, saying that both had pushed through bonuses early. 'They're businesses as well at the end of the day. Two very good partners,' he commented.

An emotional Blackshaw said that putting food on the table for his children and family was his priority and that he also knew that he couldn't



sacrifice staff, who were in similar positions.

'I was thinking "What do these people need at this time? We've got a duty to look after these guys as well."

'I never thought we'd be closing the business. I kept telling the staff: "Blackshaws will not be closing."

For now though, the business is shut and staff have been put on furlough.

'Our salesmen are very loyal, so it's our opportunity to support them,' he said.

'It sounds a bit blunt but we are talking about life or death. People need food, charities are calling out for help. Yes, we've got to protect the business and make sure there's one to get back to but we've got to look after these people.'

Specialist Cars - Stoke-on-Trent

UMESH SAMANI suggested that the best thing for dealers to do was to 'try to keep confident and not to get too down about it'.

Speaking to Car Dealer, the owner of Specialist Cars in Stoke-on-Trent said: 'We're all in unknown territory and we don't know what is going to happen - but we're not alone. The same applies to other industries.'

He recommended taking a proactive approach on social media, saying: 'It's a question of keeping your name in front of the audience - it's not just sell, sell, sell, it's about building the brand and explaining what services you offer.'

Redgate Lodge

SINCE speaking to Car Dealer, the Newcastle upon Tyne used car dealership and garage has closed all departments, but earlier in March it had a fantastic response to an offer that it made for NHS staff.

'What we did on social media was an offer for the NHS and that was free valeting of your car and come and have a coffee . . . The phones went a bit mad! The lads said it was like a call centre!'

'Lots of doctors and nurses were sharing it. It's done really well, so it's fully booked to the second week of April - we're booking one in every hour.'

Otter Motors

TOM COOK told Car Dealer about how his Devon dealership had changed its sales process in the run-up to lockdown.

It involved a video assessment of the vehicle that lasted up to 10 minutes and free delivery to anywhere in the UK.

The director of BMW and Mini specialist Otter Motors in Ottery St Mary, near Exeter, said at the time: 'Business had been going very well up until about a week ago and then it tailed off - but that's to be expected. It is what it is. All we can do is the best we can - it's as simple as that.'

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Industry Views



Lawgistics brings clarity to furloughing as well as the rules over distance selling

Legal experts chat to Car Dealer Live about complications of coronavirus-related legislation

MOTOR trade legal experts Lawgistics made three appearances on Car Dealer Live this month as fast-moving legislation came into place.

On a practical front, with dealerships closed a lot of car dealers have been asking what – if any – car sales they can carry out while their physical sites are shut, and what the rules are around distance selling.

Legal adviser and trading standards specialist Jason Williams from the firm explained: 'Those customers need to be given a written 14-day cancellation notice, giving them the option to cancel that contract within the first two weeks. If they do decide to cancel, the car needs to be returned to the dealer.'

The risk, as Williams said, is if you don't give that notice, the time a consumer can cancel extends by up to one year.

Collection, on the other hand, was more risky, he warned. 'If someone is coming to collect a vehicle from your business premises, you could argue that that business is open for the purpose of that collection, and you're not allowed to be open under the current government guidelines.'

In the first edition of Car Dealer Live, he highlighted that the main issue was logistical and how you deliver the car, but said that using a professional delivery service could get around this. However, in the sixth broadcast, he gave more detail about what activity the restrictions covered.

'The government is encouraging businesses to continue, although physical premises are not allowed to be open. But I can't see any restriction

on delivering cars to people who buy them,' he explained on the show.

'We have to look at the beautifully named Health Protection (Coronavirus, Restrictions) (England) Regulations 2020 and in there they have a larger list. One of those reasons that they give is "to fulfill a legal obligation".

'We would argue that if a garage has entered into a distance contract to supply a vehicle that has been paid for, either in full or as a deposit, delivering that vehicle to them is actually fulfilling a legal obligation.'

Unsurprisingly, one of the most asked-about topics has been furloughing. For the basics, we've covered furloughing your staff with the help of Lawgistics in our [Advice section](#). However, employment law specialist Kiril Moskovchuk from the firm was able to offer more advice on specifics on Car Dealer Live.

There has been a lot of confusion around who is eligible and how the system works, and Moskovchuk explained that while those who had been made redundant can now be re-employed and put on furlough, those who had resigned would not qualify if they did the same. For garages that are able to remain open, proving that you needed to put your staff on furlough needs to come from a genuine drop in demand. The other option is if they are in a vulnerable group they can request to be put on furlough to socially shield.

The problems of running a dealership with all staff on furlough and whether a director can also be put on furlough were then put to the team.

Moskovchuk said: 'If the director is on PAYE and taking a salary from the business, they can be put on furlough. They need to be on payroll from February 28. The problem is quite a lot of directors take dividends rather than salary, which is not covered by the scheme.'

He added: 'Be careful if you put all staff including directors on furlough. They must not be doing any work.'

Solicitor Nona Bowkis said furloughed directors were allowed to sort payroll but added: 'Directors cannot engage in any commercial, money-making activity.'

She later expanded on some of the logistics of the furlough scheme, saying 'HMRC is still making its portal' and said payments couldn't be claimed for until it was opened on April 20.

In the 11th edition, Bowkis made a third appearance to explain clarifications around commission payments on furlough, saying 'staff get 80 per cent of their salary or whatever they were paid last year, whichever is higher' and that 'if a car dealer's wages are usually made up of a basic, plus commission, then you can pay an average amount.'

Finally, there were some positives for businesses that are still struggling when Bowkis quoted from the legislation, saying: 'Commercial tenants who cannot pay their rent because of Covid-19 will be protected from eviction. This means no business will automatically forfeit their lease and be forced out of their premises if they miss a payment up to 30th June.'





Andy Barratt: Lockdown means lockdown

Ford of Britain's chairman and managing director says reputations will be won and lost

FORD of Britain boss Andy Barratt revealed that it had actively prevented its dealers from registering cars in March – and thinks no one should be delivering cars during the lockdown.

Usually that would be the busiest month of the year for car sales courtesy of the plate change, closely followed by September, but as a preventative measure, because of coronavirus spreading across Europe, Ford stopped dealers registering vehicles to preserve their cash reserves.

Barratt – speaking on our Car Dealer Live broadcast on April 14 – said the fact that Ford was a global brand meant the manufacturer could learn from the experiences in China, Spain and Italy.

'We could see this coming to the UK – it was rolling across Europe. We took a decision in mid-March, firstly to get our teams to work from home, and we took the decision with the dealers to do a few things too.

'One was to preserve cash at all costs.
'Cash is king, and liquidity for the dealers

is everything. We effectively stopped them registering vehicles in March. If you look at the way Ford registers vehicles in a big month, they're always back-end-loaded.

'Probably two-thirds of our business comes in the last 10 days as deliveries arrive and dealers scramble to hit targets.

'We didn't have that close, we had a very modest number and market share, but that was deliberate in terms of preserving cash for the dealers.'

He explained that Ford had cut all its programmes until later in the year and had taken out as many costs as it could so that dealers wouldn't be accruing any.

He stressed: 'All dealers need to focus on is keeping their people safe, keeping their business viable and the revenue they need on return to keep those things going.'

Barratt added that he believed the furlough payments would be 'a pinch point' too, as HMRC was likely to struggle with the huge amounts of cash it needed to pay back into businesses.

'We've been wargaming with all dealers what happens if that furlough money doesn't arrive before June,' he said.

'We know what we need to do to support them if it doesn't.'

His advice for all dealers was to 'plan for that cash not arriving before June and go to your OEM today' if you need help.

Barratt said Ford had sold some cars through lockdown but that it would not be delivering them.

'We have sold quite a few vehicles through the lockdown and we've had quite a few fleet inquiries. But lockdown is lockdown. If someone desperately wants a new car we will give them a courtesy car.

'Reputations will be won and lost through the lockdown and consumers have incredibly long memories. The population as a whole are so concerned with what's going on that if we're seen to be showing little regard for what is something that is in everyone's interest, then shame on us.'

Stimulus needed – and that could include scrappage

ANDY BARRATT confirmed the firm will lobby the government to support the industry in response to the coronavirus crisis – and said the maker would back a scrappage scheme.

'This is the time to try and reach out as an industry to the government,' he told Car Dealer Live. 'They helped in 2008 and 2009 with a scrappage programme. Can BIS [the Department for Business, Innovation & Skills] help with a stimulus package for the industry as a whole now? That's a debate we'll have through [SMMT chief executive] Mike Hawes and the SMMT on behalf of the whole industry.

'We're looking for whatever help and assistance on the basis of the amount of people

that not only we employ as an industry, through suppliers and manufacturers, but the other side of that is there are many, many businesses that rely on our cars and commercial vehicles to keep their businesses running.'

He explained that it was too early to say if a scrappage scheme was the right stimulus for the industry but that 'any stimulus we can get we'll be looking for'.

He added: 'I think we would look to support any scheme that the government would get behind. Is scrappage the right scheme? I don't know. It might be too



early to say. The government is clearly not going to abandon its principles around air quality and their drive to green. If they can combine that with some stimulus then it's something we would be looking to support. Whether it's scrappage or another kind of support or incentive, that will be great. It's way too early to speculate on whether we'll even be successful in our lobbying.'

Ford is also the biggest supplier of commercial vehicles in the UK, and Barratt emphasised how important a role these vehicles will play in the economy's recovery.

Mazda: We will come out stronger at the other end

'WE WILL come out the other end and we will be stronger and there will be a bounce back. It's probably more a question of when, not if,' said Mazda UK managing director Jeremy Thomson when he joined James Baggott on Car Dealer Live with sales director Peter Allibon.

Thomson commented on how all of his staff had switched to working from home from March 18, saying: 'We've adapted well to the challenges of working remotely from each other.

'Life goes on and there's a strong sense of positivity still but it is fraught with complications. We're having to adapt and develop new management skills though.'

Although 28 per cent of the network has aftersales facilities, Allibon explained that they were giving the network control over the decisions they made for their own business.

'The financial health of the network and the impact of the lockdown is a major concern, and we've issued a detailed dealer support pack to give dealers some reassurances on our approach to a number of things from January through to the end of June.

'That includes dealer margins, our volume targets, our requirements for demonstrators, new and used funding that we've extended wholesale periods on both, concessions around monthly charges and the support from our financial partners,' he said.

'Clearly, the situation unfolding through March means it's had a bigger impact in the UK than many other markets. The reduced registrations we and the industry had for March probably means there's a lot of stock out there. For us, we've reduced production over the next couple of months, just to better align the production flow and also to make some predictions about how it might evolve over the coming months so we can make some judgements on what production requirements we have in the months ahead.'

Commenting on the lockdown period,



Jeremy Thomson, Mazda UK MD

Thomson said that personally he was looking at about three months, and that the varying possibilities for the length of the lockdown all required 'monumental different outcomes and planning activities'.

He added: 'We'll enter a period of progressively new normality for now – crisis normality. The critical factor is this is going to be how we as manufacturers now think about where the leading edge indicators are of any recovery and couple that with the government advice on how this will be lifted, and whether it'll be national or whether that's regional in response to where the coronavirus hotspots are.'

He commented: 'I would not personally expect a huge bounce. I think a lot of us are now thinking March is a bit of a write-off. From some customers we're seeing evidence that they're simply deferring their purchase decisions, some have cancelled and walked away from the decision to buy. I think perhaps this lasts around the three-month timescale. I would be hoping there's still a buoyant September opportunity in the future.'

The pair both agreed that the next few months would mean difficulties for customers on finance agreements but said the brand had already worked with its bank partners to help them through this, adding that the positive side was that this business was just delayed until later in



Peter Allibon, Mazda UK sales director

the year. Allibon added that they had 'lobbied the guides to take a long-term view on used car values. We certainly don't want to see a plummet in the dealer stock'.

Thomson was proud to say that dealers had 'really stepped up to the mark' to provide a minimum-service skeleton staff. 'That is not easy. I think people assume that a technician can open up, go in and service a car but, of course, in large complex businesses, often in shared facilities, it requires a lot of people and customer management so that they're not all bumping into each other at timed appointments for an income that is not going to cover the overheads.

'To have a significant number of service stations open to help key workers is really a fabulous endorsement of what this industry can achieve.'

The overwhelming feeling is that Mazda will continue to be there for its dealer partners, and it hopes at the same time that it can continue to support its communities.

'One of our dealers drove 60 miles with a new battery to a nurse with an 11-year-old Mazda, left it on her doorstep because she had someone in the house that could fit the battery. That kind of commitment from dealers who can support local communities, that builds reputation and brand strength way beyond what you can do normally,' said Thomson.

Sentience: Furloughed staff need to keep match-fit

SENTIENCE Automotive Solutions shed some light on how any business can act fast to protect itself in the future.

Car Dealer Magazine founder James Baggott was joined by the consultancy's founder and managing director Ali May-Khalil, principal consultant Paul Avison and automotive consultant Melanie Hayward. The team works daily to help dealerships of all shapes and sizes to perform better by making simple changes to their business.

A pressing question from many dealerships was what can furloughed staff do, and can they still be engaged in the business? However, the answer from May-Khalil was an emphatic no,

stressing that employers had to get the process right, either via their HR department or by using legal advisers. He added that employers were still liable for furloughed employees' National Insurance contributions to keep them on the payroll. [Editor's note: This will be covered by the HMRC grant.]

Hayward also highlighted the difficulties furloughed staff would have in engaging when they come back to work, with Avison stressing the importance of staying 'match-fit' – something that would be vital to cope with the pent-up demand there would undoubtedly

be when things get back to normal. May-Khalil echoed the importance of normalising things. 'You can still have sales meetings, just do them on video chat like we are now.'

With a rise in online vehicle sales and a wide scope of potential changes to how car dealers retail, Hayward added that the coronavirus crisis had probably acted as 'a wake-up call' for some dealers.

'How adaptive is your business?'

Everybody is going to be asking themselves that question now – "How have we been able to adapt to this situation?" and dealers will vary in their response.'



Are you complying with consumer law?



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Mission Motorsport boss: Don't worry about the things you can't change

James Cameron offers advice on staying calm in extraordinary times

CEO and founder of Mission Motorsport James Cameron - who has a military and automotive background - offered his perspective and military approach to car dealers looking to get through this difficult time.

'There's a lot of information and there's a lot of noise out there. There are people who are losing their way with that,' he said.

'There are people who are national treasures, who are crafting the path to get us through this safely. When you criticise politicians and scientists, it's not as clear to people that they are part of our national defences.'

He explained that Mission Motorsport was trying to help empower people. 'We've all got a leading role in our own households. The battlefield is in our own homes - that's why social isolation, restriction of movement, staying



on top of things is so critically important.'

On Car Dealer Live, he explained that now was the time for dealerships to be working with locals, coming together to help the community, and he suggested using Facebook and NextDoor apps to 'help the vulnerable people stay in isolation' and give them the help they needed.

Cameron was also able to offer advice on how businesses can plan to come out the other side of this crisis, especially when they don't know how that will happen.

'If you stop worrying about the things you can't change and start focusing on the things you can, it's going to help your business greatly as you emerge on the other side,' he said.

'We know that when things lift it's likely there will still be some elements of the lockdown in place. What aspects of your business can you build in and plan for so when they tell us we can work in a certain way, that isn't news to you? I've already got a plan on the shelf. You've all got some brilliant people. Get them together and wargame it.'

For more information, visit missionmotorsport.org.

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What you need to know about furloughing staff – and if self-isolation arises

We look at how the Coronavirus Job Retention Scheme works plus the rules about those staying at home because of Covid-19.

It's a word most people hadn't heard of until last month, but it's one that's resonating deeply now as businesses struggle because of the coronavirus crisis: Furlough.

What exactly does it mean?

If you're furloughing employees, you're getting them to take an unpaid leave of absence as there's no work for them. This means that they're still – to all intents and purposes – employed by you, and they remain on your payroll, but you won't be paying them, nor will they be working for you. It's being seen by a lot of employers as the best way of ensuring that at some point in the future their employees have a job to go back to.

What is the benefit to us as an employer?

Businesses risk closing permanently if they stay open now with all their staff and there's very little money coming in. This measure will help them ride out the storm and be able to trade again when we are over the worst of the situation.

Do I have to close completely to qualify?

No. Dealers trading online and garages can keep some staff on and furlough others.

Isn't the government supposed to be helping out with this?

That's correct. It's stepping in with a £330bn measure – called the Coronavirus Job Retention Scheme – to compensate workers who are being furloughed.

What's the deal?

HM Revenue & Customs will pay people up to 80 per cent of their salary up to £2,500 per month.

Does this include money that would otherwise have been earned as commission?

Yes – as recently confirmed to Lawgistics by HMRC. Dealers are advised to work out how much salespeople are paid by taking an average of their earnings over the past 12 months – or the same month's earnings from last year – whichever is higher, and pay 80 per cent of that up to £2,500.

'Furloughed employees can't work for you at all – or even volunteer to do so.'

How will this happen?

As the employer, you must get in touch with HM Revenue & Customs via an online portal to apply for a grant to cover the 80 per cent. The scheme is still being set up and isn't expected to be in operation until the end of April at least.

In the meantime, you'll very probably have to pay them then claim the grant. If you can't afford to do so, a Business Interruption Loan is an option, which can be repaid when you get the grant, but as it's a loan you'll be paying interest of some sort.

How long will it last for?

The government has said it will back the Coronavirus Job Retention Scheme for at least three months and backdate it to March 1. It could, however, be extended, depending on how things go.

Can the employer make up the missing 20 per cent?

If they want to, yes, but they're under no legal obligation to do so.

How much notice do I have to give employees?

Give them as much notice as possible, even though it might only be a few days – these are extraordinary circumstances.

Can I put all employees on reduced hours and claim the 80 per cent furlough for them?

No. Furloughed employees can't work for you at all – or even volunteer to do so.

Can directors be furloughed?

Yes, so long as they're employees and on the PAYE system.

What about National Insurance and pension contributions?

The grant that you apply for as the employer will also cover the associated employer National Insurance contributions plus pension contributions – the latter up to the level of the minimum automatic enrolment employer

pension contribution – on the subsidised furlough pay.

How do I approach this with an employee?

Our friends at Lawgistics say that for an employee

to be furloughed their contract must include a clause that allows suspension from work for reasons other than disciplinary. If it doesn't, then you will need specific employee consent for them to be furloughed. Lawgistics has created

free letter templates that employers can use for either instance, ie, where there is a specific clause in a contract, and for where employee consent is needed because there is no such clause in their contract – [click here to access them](#).

How do you deal with staff members in self-isolation?

With the country under lockdown, you'd think this was long behind us – but the motor trade still has people working in garages to support key workers. If they themselves get coronavirus symptoms, what should you do?

When should an employee self-isolate?

Public Health England is currently advising that anyone with a new continuous cough and/or a high temperature should self-isolate. No sick note is needed. Further government advice has added that anyone in contact with someone with these symptoms should self-isolate for 14 days – largely applying to households. The same applies if you've come into contact with anyone with a confirmed case of coronavirus.

My employee has gone into self-isolation. What sick pay is due?

Any employee who goes into self-isolation is eligible for statutory sick pay (SSP), which is £94.25 per week (rising to £95.85 from April 6), provided all other conditions are met.

Emergency legislation amending the 1982 Statutory Sick Pay (General) Regulations includes the following definition of someone deemed unable to work because of coronavirus: 'He is isolating himself from other people in such a manner as to prevent infection or contamination with coronavirus disease, in accordance with guidance published by Public Health England, NHS National Services Scotland or Public Health Wales and effective on March 12, 2020; and by reason of that isolation is unable to work.'

It is due to expire on November 12, 2020.

The employee doesn't need to have a confirmed case of coronavirus to be entitled to SSP, according to Lawgistics.

Can I send an employee home to self-isolate?

If any employee falls into a category where they need to self-isolate, they are deemed as incapacitated and unfit for work, while you also don't want to risk them infecting customers or other staff. As an employer, you should insist that the employee follows the official guidance and goes into self-isolation. SSP is then due.

Lawgistics says that if an employee doesn't fall into any self-isolation categories and isn't ill but you would prefer them to not come into work as a precautionary measure, the employee can be suspended on full pay in most instances.

An employee won't come into work as they're anxious about getting infected. What can I do?

Lawgistics stresses that there is no entitlement to SSP for someone who won't come into work because they fear being exposed to the virus.

However, as a company, you have a duty of care towards your employees to protect their health and well-being.

If this fear is part of a chronic anxiety disorder, which has been worsened by the threat of catching Covid-19, this health condition will be considered as a disability. Allowing them time off, or to make changes to the business to lessen this anxiety, is part of an employer's duty.

If your employee doesn't have any anxiety-related disability and refuses to come into work, it should be deemed an unauthorised absence and a disciplinary matter.

Advice.

STAYING OPEN

Is it possible to sell a new car during the coronavirus lockdown?

The legality and morality have been called into question – but for some key workers there may be a need to change their car.

The customers are there, the cars are sometimes available – but are you actually allowed to sell any new metal during the lockdown? Car buyers – especially key workers – may need a new vehicle during the coronavirus crisis and will be wondering if it's possible to get one. Not only that, but even if it's something that can be done online, can it actually be delivered? We answer your questions here.

Can I sell a new car during the crisis?

While customers can't visit a dealer and physically get to grips with the model they're looking at, it doesn't mean they can't contact you. Many dealer groups still have a skeleton staff working from home – answering calls, picking up emails – which in no way breaks lockdown rules.

So, can I deliver the car to them?

Probably not. Dealerships have been closed by the government – and they could be shut for anywhere from three to six months, depending on the lockdown period imposed.

This means it is very hard to deliver a new car if you manage to agree a deal on one. Some

delivery companies are managing though, and for key workers there are ways and means.

What does the lockdown mean for physical dealerships and showrooms?

In short, car showrooms can't open. Many dealerships will operate a servicing department alongside their car sales business, though, and

'While customers can't visit your showroom, it doesn't mean they can't contact you.'

the positive news is that these businesses can remain open for business.

What about online car sales?

The guidance says that online retail is still allowed. Legally, we see no reason why you can't still sell vehicles if customers are willing to buy – in fact, the government encourages it! Advertising on sites such as Facebook and Auto Trader should

still be possible and the transfer of money can of course still take place. But there are practical issues to consider – which may prove prohibitive.

Distance selling has its problems, doesn't it?

Yes. If you do conduct any distance sales, you may wish to contact experts such as Lawgistics who helped us pull this together for advice first to ensure all is in order. Emailed queries on specific sales are preferred. If you have physical handovers yet to take place for sales concluded before the lockdown, think outside the box. We've heard of businesses filming virtual handover videos, sending them to customers and leaving the vehicle outside their premises with the key in a coded lock box, for example!

Can I carry on as normal under the radar?

Not really. Businesses contravening the Health Protection (Coronavirus, Business Closures) Regulations 2020 will be committing an offence. Trading standards and environmental health officials will be monitoring compliance. Firms that fail to comply will face prohibition notices and unlimited fines. You have been warned!

STAYING OPEN

Show goes on for MOTs and services – but not quite how it was before

Showrooms are closed, although that's not the case for garages and test centres, which are recognised as an essential service.

The coronavirus outbreak has changed some fundamental rules for car dealerships and garages, leaving employers and customers unsure as to where they stand. Here we cover the most important information for keeping cars roadworthy while staying within the law.

Do cars still need to be MOT-tested during the coronavirus outbreak?

No. As of March 30, vehicle owners now have a six-month exemption from MOT testing, but their vehicles must remain safe. Garages are seen as an essential service for repairs, etc. especially to key workers' vehicles, so they can stay open for the duration. As such, so can test centres.

The official line from the DVSA is as follows: 'All cars, vans and motorcycles which usually would require an MOT test will be exempted from needing a test from 30 March. Vehicles must be kept in a roadworthy condition, and garages will remain open for essential repair work. Drivers can be prosecuted if driving unsafe vehicles. People should stay at home and avoid travel. The only reasons people should leave their homes is set out in the government advice.'

How will the postponement work?

Car Dealer spoke to the Department for Transport, and it confirmed that the exemption will be for six months from the date of expiry of the current test certificate, assuming the new MOT test is due from March 30 onwards. So, if the restrictions are lifted on September 30 and an

'Garages will remain open for essential repair work'

MOT is due on September 29, the vehicle owner will still have six months to get their MOT test done. This will be in place until March 29, 2021.

What about missing service intervals?

We spoke to a variety of main dealer bosses – who have closed their showrooms and workshops – and they said manufacturers will likely be very lenient on warranties that have been affected by this during this unprecedented time.

Now that some parts of the car industry have closed, there is also likely to be some tolerance for those cars not looked after as per the

manufacturer guidelines. Missing a service by a month or two isn't the end of the world – staying inside and protecting others right now is key.

How can I remain safe and virus-free while working on a customer's car?

First, if you have any of the government-listed symptoms of the coronavirus follow its advice to stay indoors and self-isolate.

Garages should be following these rules, and staff with any symptoms shouldn't be at work. However, if you are fit and healthy, there are still precautions you can take.

Ask customers to ensure the car is cleaned down with antibacterial wipes when they get out of it. Clean the gear knob, wheel and door handles as well as anything else that you touch regularly. This will help reduce risk of infection.

Social distancing is vital, so give customers a way to keep a two-metre distance while handing over their car – or offer a collection and delivery service where possible to avoid customers coming into your garage. Technicians should wear gloves and clean down cars using similar disinfection routines before handing cars back to their owners.

Information here is correct at the time of publication but in the current climate may change at any time.

For the latest updates, visit our website at cardealermagazine.co.uk and gov.uk/coronavirus

Working from home? You still need to think about **health and safety**

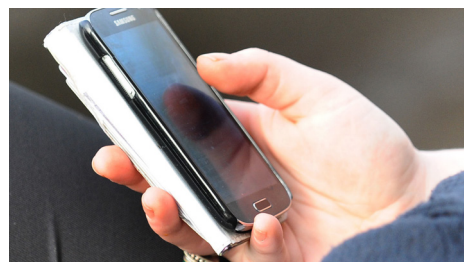
Out of sight doesn't mean out of mind with staff who can't travel to the office for the time being.

With the coronavirus pandemic forcing many people to work remotely when they'd usually be in the office, some employers are encountering new ground. Health and safety advice applies to work-from-home staff too, so the Health and Safety Executive (HSE) has put together a guide on how to look after them. It says the key things to remember are how you'll keep in touch with them, what activities you want them to be doing, and whether you need to put any controls in place to keep them safe while doing so.

USEFUL RESOURCES

The HSE website has specific information for businesses operating during the coronavirus pandemic – whether your employees are working from home or, in the case of key workers, continuing as normal.

[HSE.GOV.UK](https://www.hse.gov.uk)



Stress & mental health

THOSE working from home can often feel isolated, especially if left to get on with their work with little or no supervision.

If contact is poor, workers can feel disconnected or abandoned, which can affect their stress levels and mental health. Ensure regular contact to monitor their well-being as well as their work.

Being away from managers and colleagues can also make it difficult to raise issues and get support. Put procedures in place so you can spot any early signs of stress, and make sure you have an emergency contact so employees know where to go to if they need help.



Screens & displays

STAFF could be working from home for the considerable future, so the HSE recommends asking employees to complete a workstation assessment to make sure it's fit for purpose.

There's a comprehensive checklist available to download at [hse.gov.uk/pubns/tk1.pdf](https://www.hse.gov.uk/pubns/tk1.pdf) with recommendations for where their devices should be positioned, as well as advice to break up work with five minutes away from the screen every hour, regularly changing position, getting up and moving, and changing focus from time to time to avoid eye fatigue. It also offers advice to overcome issues.



Extra equipment

EMPLOYERS should liaise with staff to find out if there are any pieces of equipment they do not have access to, and if that is the case arranging for them to get them.

For example, allowing employees to take a mouse or keyboard home from the office temporarily can save unnecessary expense on their part.

It also recommends helping to find alternative ways to create a comfortable working environment regarding some larger items, such as ergonomic chairs and height-adjustable desks. An example would be to use supporting cushions.

COMMUNICATION

How to keep in touch and up to speed with your remote colleagues

WhatsApp

THIS secure messaging platform from Facebook is downloadable as an app and will let you text people as well as send voice files and even video messages over the internet for free. You can also set up WhatsApp groups so that everyone is kept in the loop at the same time.



FaceTime

YOU need to have a camera-enabled Apple device for this but it's another way of video-messaging people either individually or as a group. An audio version of FaceTime is available too.



Viber

SIMILAR to WhatsApp, this is another application that offers free and secure texting, voice calls and video messaging capability between individuals and for groups.



Slack

YOU might be already set up with this on your devices but if not then now's most definitely the time! Billed as an alternative to email, this channel-based platform lets you communicate with colleagues individually or as a group via conversations that can be organised and prioritised.



Google Duo

DUO can host up to eight people on one video call at a time, as well as support video messaging.



Facebook Workplace

FACEBOOK Workplace is pretty much what it sounds – Facebook for your organisation. Workplace allows individuals to share achievements with the entire group, host group video chats for up to 50 people or live-stream video broadcasts to your company. There is a free option that will allow most of the benefits, up to 20 people on a video call and 5GB of storage.



Microsoft Teams

TEAMS is Microsoft's answer to Slack but it has more useful tools in one place. There's an integrated calendar, video calling, screen sharing, conference call feature and even a whiteboard – all great tools to keep everyone on task. There are free and paid options, but Microsoft is currently offering a six-month free trial of the paid version.



Skype

THIS is a telecommunications app that lets you make audio or video calls via your desktop, tablet or mobile. Again, you can either use it person to person or set up group chats.



Google Hangouts

SOMETHING Android users will be familiar with, this is easy to install on your desktop or mobile device, and you already have access to it if you own a Gmail account. Hangouts allows you to chat on your browser or device, using messages or video, and works for up to 150 people.



Zoom

THIS enables you to have video chats with your colleagues and send messages to them using any device. As with Skype, though, if you're video-conferencing via anything other than a mobile, you're going to need a microphone.



How do I secure my car dealership during this shutdown?

With physical showrooms closed for the foreseeable future, we look at some of the ways you can deter any unwelcome visitors.

Once your premises have been left unattended for a few days, there's a chance that they will attract the attention of crooks and vandals – and that's the last thing we need at the moment.

Even without coronavirus, it's believed that millions of crimes are committed against commercial premises annually in the UK. So if you've never been particularly security-conscious, now would be a good time to change your ways.

I'm worried about the security of my premises. What can I do?

Showrooms closed to the public temporarily in late March, but garages are open at some for the benefit of key workers and it's accepted that dealers will need to pop back now and again, so make sure the premises are secure whenever you leave them. Even in 2020, most thieves are opportunistic and if they spot a gate that's ajar or a window that hasn't been secured properly, they'll be in like a rat up a drainpipe. But if your gates and doors are firmly locked, your windows shut and skylights closed, you'll have taken a good first step to avoiding being a crime statistic.

What could thieves be looking for?

Thieves will steal anything that's not nailed down

so don't leave anything on view that might attract a crook. Stow away all materials, tools and even any scrap metal you have lying around, perhaps bits of bodywork or engine parts. Be especially careful with items such as ladders, crowbars, etc – anything that could help someone gain access to

'If you are willing to make the investment at a difficult time, it could be worthwhile.'

your premises. Clear any stray rubbish and waste from your site as well, to avoid attracting the attention of arsonists.

Who still has access to your site?

We don't want to make you too suspicious but think about the people who have keys to your premises apart from you. You may consider all your keyholders honest and trustworthy, but even with the measures that the government has put in place, many of us will be heading into a period of financial hardship and that can bring out the worst in some. Keys, alarm codes and other access information should be confined to an absolute minimum of senior colleagues.

What about using technology to keep my premises safe?

A reputable burglar alarm will provide a good level of protection and also act as a deterrent – and CCTV will help too. Both are fairly costly options but certainly worth considering – especially if you have had problems in the past. In these important areas, there are plenty of companies out there that can help you. Their working hours may well be shorter in the current situation – on the other hand, they might be glad of a new order being placed. If you are willing to make the investment at a difficult time for all businesses, it could be worthwhile. If you do have an alarm or CCTV – either a new system or one you have had for a while – make sure it's switched on!

Can home systems work in my dealership, too?

Indeed they can. Systems such as Hive, which connect to your phone to help you monitor security, are billed for home use but there's no reason why you can't use them on business premises too. Smart lights, motion detectors and other clever gizmos can let you know – via your mobile – if there's unexpected activity at your dealership. Window, door and motion sensors cost about £30, so going down this road might be a cheaper way to get a bit of peace of mind.

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Winner

The business interruption loan schemes – what’s the deal for car dealers?

We unpack, examine and explain finer details of government’s multi-million-pound initiatives to help firms through this crisis.

The government is doing all that it can to help businesses affected by the coronavirus crisis, including new loan initiatives. The Coronavirus Business Interruption Loan Scheme (CBILS) and Coronavirus Large Business Interruption Loan Scheme (CLBILS) give lenders accredited by the government-owned British Business Bank the ability to offer major funding to distressed companies.

This can come in the form of loans, asset finance, invoice finance and revolving credit facilities – very useful to car dealers right now. The scheme opened on March 23, and an expanded version was announced on April 3.

How is the government backing them?

They are backed by the Treasury and give lenders a guarantee against the balance of 80 per cent of the loan. You are liable for all of the debt, so think carefully before taking the leap, but it’s certainly an option if there are no others available.

How much cash is available?

As of April 3, up to £25m for firms with an annual turnover of £45m to £500m, and up to £5m for those whose turnover is up to £45m.

The eligibility criteria for loans for businesses under the £45m limit was also eased at the same time, meaning more small businesses can benefit.

The government will also foot the cost of the first 12 months of interest plus any lender-levied fees – crucial during this critical time for

dealerships. The loans are available from more than 40 banks, and as of April 3 lenders are also banned from requesting personal guarantees for loans of under £250,000. For loans of more than £250,000, recoveries will be limited to 20 per cent of any amount outstanding on the lending after any other recoveries from business assets.

Is my car dealership eligible for one?

As an SME, there are a few criteria, including the following: You must be UK-based, can’t have a

‘These loans may be backed by the government – but they are still loans.’

turnover of more than £45m, must have a sound borrowing proposal that would be viable were it not for the pandemic, and must self-certify that you have been adversely affected by Covid-19.

How do you apply?

Approach one of the 40-plus lenders. They can be found on the government website overleaf. You can search by type of finance or region. The lenders then decide on your eligibility.

What do car dealers need to consider before borrowing?

Like any type of borrowing, you should go into

this only after seriously considering your ability to repay. These loans may be backed by the government and designed to avoid hardship for dealers hit by poor trading conditions from the lockdown – but they are still loans. You will be liable for the whole debt – notwithstanding the government guarantee provided to the lender – you just won’t have to pay the first 12 months of interest or any lender-levied fees.

Your cashflow will have to project for repaying the loan. There may also be restrictions on the borrowing – agreements or commitments you will have to agree to, and maybe even changes to your articles of association. There could be covenants you may be asked to provide, and you need to consider whether you can meet them.

Lawyers Moore Blatch say in an online article: ‘Is the business solvent – do its assets exceed its liabilities, and/or possibly subject to receiving the facility can it pay its debts as they fall due, and with the facility is there a genuine prospect of the business continuing to trade?’

Although many dealers may see these loans as a solution to all ills, they’re really more of a way of alleviating short-term cashflow problems caused by the coronavirus crisis. If borrowing now means you can pay bills that are urgent and then catch up when businesses restart then great, but think carefully about borrowing.

If it’s a loan, there must be charges...

Interest will be payable for up to six years, but

the good news is that SMEs won’t have to pay a guarantee fee to use CBILS. What’s more, the government will make a Business Interruption Payment to cover the first 12 months of interest as well as any charges levied by the lender.

I’m new to this game, so is this right for me?

Quite likely if your business activity is mainly based in the UK. However, if you’re still in the first

two years of trading, you might find that a British Business Bank Start-Up Loan will serve you better – they range from £500 to £25,000 and attract an annual interest rate of six per cent.

What if I’m turned down?

If one lender rejects your application, you’re perfectly at liberty to try another that’s taking part in the scheme.

Will my insurance policy cover losses suffered from coronavirus?

The coronavirus pandemic is having a massive impact on the economy – and car dealerships haven’t been immune as their customers have effectively been told to stay away.

However, some dealers have contacted their insurers to ask for help only to find that their business interruption cover doesn’t actually apply in this situation. We’ve spoken to the Association of British Insurers (ABI) and motor trade insurance specialist John France of broker Premier Insurance Centre to find out what you need to know.

What is business interruption cover?

Let’s start with the basics. This insurance is designed to cover companies that suffer a loss of business in the event of some kind of disaster.

The ABI says the standard commercial

insurance policies that the vast majority of businesses buy cover risks such as damage caused by fire or floods.

However, France adds: ‘We provide policies for hundreds of garages and less than half include cover for business interruption, because garages historically did not feel they needed the cover.’

‘Less than half include cover for business interruption.’

I have business interruption cover – can I claim?

The short answer is maybe, maybe not. France says that this type of insurance will cover ‘a list of diseases insurers felt happy to provide cover for, but the list does not include coronavirus’.

The important aspect to look out for is

HOW TO APPLY

You’ll need to approach one of the scheme’s many accredited lenders directly – ideally online, says the British Business Bank.

There’s a full list of the loan scheme partners on the site below, including big banks such as Lloyds, Barclays, HSBC, RBS and Santander.

[BRITISH-BUSINESS-BANK.CO.UK](https://www.british-business-bank.co.uk)

Can't pay, won't pay... What happens if a buyer wants to cancel an order?

Many people may be looking to ditch their orders as they're suddenly jobless. These are their options – and rights...

Coronavirus is causing economic mayhem throughout the UK – not least for dealers that have had to close their premises.

But another problem for this industry could still be around the corner. With many people across the UK out of work, a lot of them may be looking to cancel their orders at this difficult time. However, are they legally allowed to do that, and where do you stand as a dealer?

With the help of Jason Williams, a former trading standards officer and now chartered legal executive at Lawgistics, we answer the key questions about whether a customer is allowed to cancel an order under the present circumstances.

Can a customer cancel an order if they've ordered it during the lockdown?

So long as the vehicle has been bought at a distance (where there has been no face-to-face contact pre-delivery or where a transaction is concluded with payment at the customer's home), a customer's right to cancel an order applies for up to 14 days from delivery.

However, Williams stressed that 'if a notice isn't given, the cooling-off period can be extended for up to a year' – essentially meaning a customer can decide they don't want their car 12 months after buying it.

Have the rules around customers cancelling orders changed with coronavirus?

Yes. Usually a one-off distance sale wouldn't typically be subject to these cooling-off regulations, as Williams says it usually just applies to 'an organised distance-selling scheme' – for example, a firm that primarily or entirely deals with online purchases.

However, if you're still wanting to sell cars

at this time, the only way you can do so is through delivery, which is an organised manner – therefore classing it as distance selling, and subjecting the sale to these regulations.

If a customer ordered a car in the showroom before the lockdown, do they have the right to cancel?

It depends on the circumstances, but usually no. Providing no money was handed over at the customer's address – so instead they ordered the car in the showroom, paid a deposit there and then and the rest of the balance has been paid before delivery (eg. over the phone or with internet banking) – it means the customer has no cancellation notice.

'If a notice isn't given, the cooling-off period can be extended for up to a year.'

In some circumstances, though, the customer may be able to cancel. Williams said: 'If a contract is concluded at the customer's home upon delivery whereupon the balance is paid over, the purchase will then require a cancellation notice [and be subject to this 14-day clause].'

'The purpose is to stop salespeople sitting in the consumer's house putting them under excess pressure to take the goods to pay for them.'

Yet, there is a further way a customer could cancel an order, and it all depends on what's in their contract. Since, obviously, they can't visit the showroom to collect the vehicle, and if the dealer isn't doing deliveries, they might be able to cancel through a breach of contract.

If the car is yet to be built, are the cancellation circumstances different?

Ultimately no, and providing a car has been ordered as part of a distance-selling scheme, the cooling-off period starts as soon as the order is placed and ends 14 days after delivery – so long as that notice has been given in advance of, or at the time of, delivery. That said, the sooner an order is cancelled, the less likely it is to cause you a loss.

What happens if a customer is trying to cancel an order for a car that's in a unique spec?

While this is likely to be something that only applies to high-end manufacturers, it's an important matter to cover. Take, for example, a customer who has ordered a new Range Rover and is having their initials embroidered into the seats and exterior of the car – it's unsurprisingly unique to them and would be hard to sell to anyone else.

Williams said this was the 'one exemption' regarding a customer not being able to cancel their car up to 14 days after delivery. He added: 'If a customer ordered a vehicle to a very personal taste and it was not standard or off-the-shelf, they would not be able to cancel once the vehicle had been built, clearly because of its uniqueness to that person, and uselessness to anyone else.'

If a customer has paid a deposit on a used car but was yet to collect it, can they get their money back?

It depends, and it's a rather complex matter...

Typically, if the deposit is paid on a face-to-face basis, the customer is in breach of the contract – meaning the dealer is entitled to retain the deposit. However, this deposit is the maximum that will be forfeit if the person decides they don't

want to proceed with the purchase. Within the Consumer Rights Act 2015, there is a term reading 'deposits are not refundable'. But this may not be relied upon unless the dealer has a reciprocal term saying that if they decide not to sell the car to the consumer, they must return the deposit, and an equal sum to that to account for being in

breach of contract. However, if the deposit is paid online with no visit to a showroom or forecourt, the customer may be entitled to have their deposit returned under distance-selling regulations.

Williams told Car Dealer Magazine: 'Deposits are generally also refundable in full if a person

wishes to withdraw from a prospective credit agreement. As you might have gathered, it's complex!' He added that there is some ambiguity over this because 'judges interpret the law differently', and he stressed that 'ultimately only the courts can give a definite interpretation of the law'.

Can customers cancel payments during the coronavirus crisis?

Many people will be experiencing reduced income during the coronavirus crisis as firms furlough staff or reduce their hours. The finance agreement they may have on their car will represent a large monthly outgoing, so here we tell car dealers what they can advise customers who are struggling to keep up with their payments.

A customer can't make their car finance payments at the moment because of coronavirus. What can they do?

The number-one rule for anyone in this situation is simple: they should talk to their lender. They are bound to take a more sympathetic view of borrowers who keep them in the loop rather than those who just default without any explanation. They shouldn't put their head in the sand and start missing payments, as this will affect their ability to get credit in future – not just for cars but for all sorts of things.

What about the different types of car finance – do different rules apply?

If they have a PCP or HP agreement, it may be possible to refinance their deal at a lower interest rate or over a longer term. This will involve firstly obtaining a settlement fee from their lender –



that's the amount of money the borrower needs to give them to basically buy the car and own it outright. That sum could then be used as the basis for a fresh finance deal.

If they discover their car is worth more than the settlement fee, that puts them in a stronger position. As an alternative to refinancing, they could sell it, have some money left over – and start again, perhaps with a cheaper model. However, the market has contracted hugely.

Dealers will be able to help customers in these positions and could buy back the cars for stock.

If the car is worth less than the settlement fee, the borrower will have to make up the financial difference if they decide that they want to 'give it back'.

They're a PCH customer, so does the above apply to them during the crisis?

PCH finance plans (in other words, leases) are a slightly trickier area. A lease is basically a long-term rental, so they can't obtain a settlement figure as such. Again, the answer to question one applies – they should talk to their finance house. In the current situation, it's hoped that they would take an understanding approach.

Could voluntary termination be an option for them?

Yes – but only if they've paid off half of what they owe. In such a situation, under the 1974 Consumer Credit Act they are legally allowed to return the car with nothing more to pay. However, they're then left with nothing.

PCP customers are the least likely to benefit from this option because the bulk of the car's cost is weighted towards the end of the term. In other words, just because a PCP customer is two years into a four-year deal, they probably won't own half the car.

They should also be clear when talking to their finance house about voluntary termination. If the lender starts talking about 'voluntary surrender' they need to be corrected as the customer could end up paying a lot more under that agreement.

The suppliers cutting costs, offering free trials and other help to car dealers right now

As the sector faces a devastating loss of revenue, assistance is readily available from partners to ease it through the crisis

A raft of free tools, offers and payment breaks have been offered by suppliers to assist car dealers through these tough times. As many dealerships have faced revenues disappear, many have been calling on industry partners to help them cut costs. Here, we round up what we know so far.

AA Cars

The used car search platform has offered to halve dealers' bills for April and May. Customers were being contacted with the details, but they don't need to do anything as the discount will automatically be applied. Read more [here](#).

Auto Trader

Auto Trader has announced a temporary relief package over its fees in reaction to the coronavirus pandemic.

In an unscheduled update to the London Stock Exchange, it noted that car dealers were 'facing unprecedented levels of uncertainty' because of coronavirus and that the government was urging companies 'to rally round to help the collective national effort'.

As a result, all customers won't be charged for their advertising packages throughout April. In addition, it will be letting them defer paying for their March advertising by 30 days. Read more [here](#).

Automotive Compliance

The general insurance and consumer credit business is halving its fees for three months starting on April 1 and will also be suspending monthly Appointed Representatives' fees increases in line

with the retail price index until December 31, 2020

CarGurus and PistonHeads

All listings subscription rates have been reduced by 50 per cent throughout April and May.

Wendy Harris, vice-president of European sales at the automotive research and shopping websites, said they understood that the situation in the UK was creating a very difficult climate for businesses and they wanted to support them during the period of uncertainty.

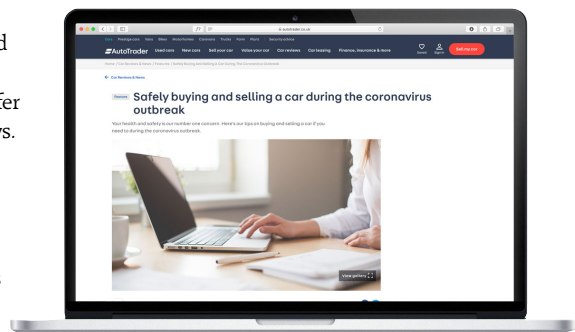
Carsnip

The car search engine is giving all new and existing dealers 50 per cent off their advertising costs in April and May.

In addition, new dealers can get a two-week free trial of its Premium service.

Cartotrade.com

The online community used by motor traders to buy and sell trade stock is waiving payments for



Auto Trader won't charge fees for April

the next two months (April and May) that are made by customers via direct debit.

In a letter to members that it shared with Car Dealer Magazine, it said: 'We are a small independent business involved in your businesses on a daily basis. We do not have huge profit margins and still have borrowings and commitments like everyone else.'

'That said, we want to do our bit. This will impact on us greatly, but if through our actions we can help some of you create additional income, then we will be glad to be of service.'

Carwow

Carwow has launched a 'Delivery & Disinfection' service to ease remote purchasing and help dealers sell to customers who are avoiding social interaction.

It is pointing customers to dealers who can deliver home-based test drives and have their new cars delivered to their homes once the deal has been agreed.

'Delivery and disinfection' will see the delivery driver spray and wipe down the interior, keys and door handles. They will also drop documents through the customer's letter box, meaning a zero-contact buying experience. Read more [here](#).

CitNOW

The automotive personalised video provider is dropping monthly subscription charges for all its products as of April 1 and until the government says car dealerships can reopen.

Carol Fairchild, chief customer officer, said: 'Collectively, our senior management team has over 500 years of experience in the industry, and never before have we

experienced such a challenging situation, with self-isolation, social distancing and businesses at a standstill and unable to operate.'

'The car industry is our lives, so we feel the pain. This will be tough, but we also know that our industry is capable of fighting back. So, when the doors reopen, whenever that may be, we want to ensure that our industry colleagues and their systems are fit and ready to get the job done.'

Customers do not need to take any action, as the subscription fees will be automatically suspended for them.

Codeweavers

The firm is offering car dealers three months' free use of its Checkout and Remote Apply tools to help their businesses get through the coronavirus crisis.

It will mean customers can buy vehicles and finance them remotely, which will be of vital commercial importance to dealerships as many people self-isolate and quarantine themselves. Read more [here](#).

eBay Motors Group

The group has announced that it will not charge dealers for advertising in April. The group is also extending payment terms on March invoices to assist dealers and says that it will be 'constantly reviewing the situation to support the dealer community'.

Phill Jones, head of eBay Motors Group, said: 'I am pleased that we are able to provide this support to our customers at this time. We will continue to monitor the situation to understand the impact on future invoices.'

'We sincerely hope that this helps our dealers

through this unpredictable period and that government support helps to stabilise our prized industry.'

Heycar

The new advertising platform has opened up its site to both new and used stock for the first time.

Any unsold advertising places on the recently acquired HonestJohn website are being given to partner dealers free of charge.

The site is also making 'contact-free viewing and delivery the new standard' and increasing the prominence of listings with videos to aid those searching at home.

JudgeService

The data insight firm is offering free services indefinitely to help car dealerships move to more online sales.

It will provide three of its survey services – the PX valuation survey, the online sales survey and the product survey – to any dealership, whether they're a current client or not, as it aims to support the automotive industry through the coronavirus crisis.

JudgeService founder and managing director Neil Addley said: 'We recognise this is a worrying time for car dealerships, so we're offering these services completely free as a gesture of solidarity to the industry, helping them to find a way through the challenges and discover a new way of selling cars.'

'This isn't a short-term way for us to tempt people in – the offer will be in place for as long as the coronavirus crisis is affecting the UK automotive industry.'



Warrantywise is offering free boiler and central heating home cover to dealers working from home

SalesMaster

All subscriptions from April 1 are being upgraded to enable publishing of stock through online media accounts for free for three months.

It is also giving single-user access to StockBookOne for new customers to manage their stock and publish their stock online free for three months.

Warrantywise

Warrantywise is offering every car dealer free home cover to protect their central heating and boiler when working from home.

Also for those still selling, the company is upgrading every warranty free of charge to include MOT cover and a host of additional options to help ease the burden at this difficult time.

What Car?

Car dealers and manufacturers will be given free access to the What Car? New Car Buying platform from April to the end of June and those currently using the solution will not be charged for access. Dealers will not be contractually tied in as part of the offer either. Read more [here](#).

An open letter to the UK motor retailing community

In light of the unprecedented situation created by COVID-19, I am writing this to let you know that our entire team is working to support our colleagues, customers, dealers and car buyers alike continuously.

From our beginning, MotoNovo set out to lead the market through innovation and change. Today, while we operate in a time of unexpected change be assured, our commitment to leadership in these challenging times remains firm.

For our car finance customers, we have developed and communicated a carefully considered ‘forbearance’ strategy. This offers people, on a case-by-case basis, a broad level of flexibility in meeting their finance commitments with a simple aim; to help as many people as possible to continue their car finance in a manner they can afford, minimising the financial stress they might otherwise face.

For our dealers, we are tailoring support at individual dealer level appropriate to their needs, notably around dealer stocking requirements. Additionally, we are signposting the availability of other financial/assistance options that might help.

Beyond these, our team is preparing for the post-COVID-19 marketplace. It will happen and I was encouraged to see a Joint statement by the Financial Conduct Authority, Financial Reporting Council and Prudential Regulation Authority on March 26th, in which they noted; **“while the reduction in activity associated with COVID-19 could be sharp and large, it is likely to rebound sharply when social distancing measures are lifted.”**¹ We must all work together to be ready when this forecast rebound arises, continuing to be flexible and imaginative in how we address the market conditions that emerge.

I have little doubt that this dreadful pandemic will create lasting change and urge the dealer community to embrace the opportunity to convert the pain of today into opportunity tomorrow. I encourage all dealers, many of whom I understand will be concentrating on survival, to use some of their available time to consider the positive changes they might make to create a more sustainable future. Personally, I see the importance of accelerating digital capabilities as crucial. The current experience in China illustrates just how vital online has been.

As web traffic boomed during China’s lock-down, dealers and manufacturers worked through the crisis digitally developing a sales pipeline with smart online tools and content. February’s sales during the crisis peak fell 81.7% year-on-year; this had narrowed to 47% by March 15th, sales were halfway to recovery. The lesson for the future of car retailing is evident; the move to online just accelerated.

In closing, I hope that as a society, we get a different perspective on what’s really important in life with a recognition that community spirit remains as important today as it ever has. I am committed to ensuring that MotoNovo plays a part in this by building on this belief with our colleague, dealer and customer communities as we move beyond the crisis. My very best wishes to you, your families and team members and stay safe.

Yours faithfully



Mark Standish
CEO MotoNovo Finance

¹Bank of England, *Joint statement by the Financial Conduct Authority (FCA)*, Financial Reporting (2020).



Against our better judgment, we let the CEO have his say each month

The world has changed – so you need to make sure that you change as well

It’s in times of adversity, when the chips are well and truly down, that graft, hard work and team spirit really do bring out the best in people.

Never has the world seen changes so vast, so impactful and so far-reaching that they touch every person’s life in a profound and meaningful way.

The impact of the coronavirus will be a natural disaster so devastating that generations after us will feel the ramifications of the changes made here and now. But there will be positives.

I want to tell you a little bit about what I’ve learnt over the past few weeks – and what we’ve done as a business to cope – but before I do that I want to say a thank you.

Twice in the past month I’ve been forced into the hands of the NHS – and, as they do each and every day, they cared for me when I was at my absolute lowest.

The first, a five-day stint in hospital, was caused by severe tonsillitis that stopped me eating and drinking and closed my throat so much that I struggled to breathe. The care and attention I was given while on an isolation ward (they were worried that I had Covid-19, but I tested negative) was so high, so loving and thoughtful, that even when I couldn’t see my family, I knew someone was there who cared.

The second stint was shorter, but at the height of the pandemic, yet still the staff gave me the care and treatment the NHS is applauded for. I can’t thank those staff enough – and can’t stop thinking about how tough it is for anyone in the health service right now.

It’s against this backdrop of dying coronavirus patients, passing away with their hands held by the nurses caring for them, that we also have to deal with a crumbling economy and an automotive industry on its knees. Now, while the pains of business will never be as great as those felt by the thousands losing loved ones to this cruel disease, I can sympathise with car dealership bosses who have spent years building up a business, only to see it felled within the space of a few short weeks.

Every day car dealerships – and the wider retail industry – remain shut, we work as a nation to put a stop to the spread of this vicious enemy. However, the long-lasting damage each day of inactivity is having on the economy will, for many, be irreparable.

I chat to friends, family and others outside of the automotive industry and they cannot believe dealers operate on such slim margins. With industry best practice hovering around 0.8 per cent return last year, it

isn’t hard to see how or why this lockdown is hurting so many, so badly. While the steps the government has taken will help cushion the blow, they won’t fix everything. Car dealership businesses are still haemorrhaging money – despite slashing costs, furloughing staff and negotiating rent cuts. This cannot go on forever. Loans from the government have been expanded to offer some relief to more car dealers, but there are still businesses that will slip between the cracks. Daksh Gupta, Marshall Motor Group chief executive, told Car Dealer Live that for every six weeks of shutdown it will take a year to recover. A year!

While the world may feel like it is falling down around your ears, taking action now will help stem the bleeding. Many dealers have worked their way through that painful early period and will be starting to look to the future – the hard decisions on staffing and cuts behind them. While right now the future looks a little bleak, a positive state of mind and counting your blessings, however small, will help.

It’s certainly helped me. I came out of hospital to a business that was disintegrating around me.

I was supposed to be convalescing but instead spent hours on the phone fighting fires. As I’ve explained in the editor’s column, I had to take drastic action and fast. We worked night and day to launch a new website, I’m hosting daily Car Dealer Live video chats with respected members of the industry, and we’ve put our hearts and souls into the website and producing this digital issue of Car Dealer Magazine.

I can’t do much to help the community right now, but I do feel that I can make a small difference by working hard on keeping you updated with advice and information so that when we do go back to work, we can hit the ground running.

Taking this time now to pause – something those of us who run our own businesses never do – and using that time to assess and plan for the future will make a big difference when the taps are turned back on.

If you don’t do something, you’ll drive yourself crazy worrying – so think about how, in whatever way you are allowed to go back to work, you make it a success.

One thing’s for sure: it won’t be the same. But if you prepare for that now and think of the different scenarios and how you’ll tackle them, maybe this period of enforced shutdown will have its benefits to your business after all. The world has changed; you just need to change with it.

‘I can sympathise with dealership bosses who have spent years building up a business, only to see it felled in a few weeks.’



Our man on the inside shares his thoughts on the car business

First I was shaking hands, now I'm shaking my head



Well, these past few weeks have been fun, haven't they? I'm utterly bewildered at the moment, having spent three weeks trapped in my house. There's a woman who lives here, too. Apparently, we've been married for the past 14 years, and having got to know her over the past fortnight, she's actually quite good fun – albeit a bit feisty if you press the wrong buttons – and a pretty appalling cook.

But I digress. The coronavirus is, of course, no laughing matter, but how we can get through it without a bit of dark humour is beyond me. Besides, I thought I was a goner when it first reared its ugly head, as I misread it as 'coronary virus', and with half a century's worth of cigar, ale, malt whisky and red meat enthusiasm behind me, I figured it was only a matter of time.

In the event, I'm probably safer than most. From the former at least. The present 'er indoors' has always been a bit obsessive about cleaning sprays and disinfectants, to the extent that we had so many in the cupboards I could probably have retired by selling them during the recent panic-buying nonsense. Now, though, with half of the British population eating toilet roll sandwiches while under house arrest, I can't see that happening, so I'll just have to clean things over and over and over again to entertain myself.

I tell you what, though. One of the weirdest things in all of this is that I haven't shaken hands with anyone now for over five weeks, and for a man whose entire life has been based on the honour of handshakes, this is a very strange experience all of its own. I think I was shaking hands with people from inside my cot, as I don't ever remember it being something I didn't do.

From my forecourt to my very special type of gentleman's club, where you can tell a lot about a chap by the way he shakes your

hand, I have always thought of pressing the flesh as a symbol of trust, agreement and friendship. And where women are concerned, I find a handshake a lot easier to deal with than any over-familiar cheek-kissing and 'huggie-wuggies', although I'm not entirely sure that shaking my wife's hand before bed last night was my smoothest of tactics.

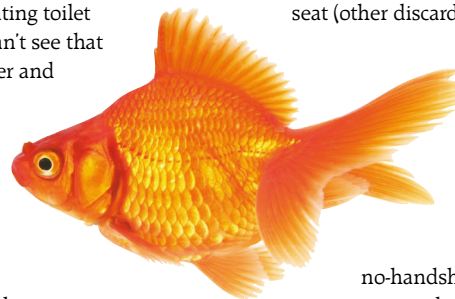
But it's my instinct with anyone I meet to give them a nice firm handshake, whether they reciprocate or not. And I think I can tell a lot about them when I do cross paws with them, from whether or not they're in the same group of 'friends' as I am, to whether or not they're focused, determined and likeable individuals. If someone grabs my mitt and gives it a good, firm pumping, then they're probably someone I can do business with, as this implies confidence, intelligence and purpose. If, on the other hand, they proffer their palm with all the physical integrity of a soggy fish or an escaping eel, then chances are they're as wet and as useless as their handshake suggests.

In car sales terms, these are the drips that will come back and complain because one of the valve caps is missing off the tyres, or because they found a furry extra strong mint under the passenger seat (other discarded confectionery is available). The only time

I ever got this wrong was with one poor chap whose hand I shook to discover it limp and lifeless, only to find out later that the old boy had had a stroke and was operating his right arm by moving it up and down with his left hand. I felt bad after that one, believe me...

And let's not forget that this no-handshake thing was going on well before our country closed down all its car dealerships and Debenhams prepared to go into administration for the second time in a year.

For the last two weeks before we were all told to go and grow daft haircuts in the privacy of our own homes, I was roaming the



'In car sales terms, these are the drips that will come back and complain because one of the valve caps is missing off the tyres.'

streets like a one-man Dalek impersonator, one hand thrust in front of me while those around me did their best to avoid it, instead going full-on hipster with their cheery 'elbow bumps', which are far less a greeting than something you might apologise for doing to someone else in a crowded supermarket. If, of course, you're not holding them by the throat while prising the last roll of Puppy Soft out of their grip.

Of course, I totally understand it. Ever since I was a nipper I was told that coughs and sneezes spread diseases, and I'm one of the last generation to still keep a hanky in my pocket for those awkward situations when I start firing snot pellets in public – especially at this time of year when hay fever is more rife than coronavirus and those of us who suffer from it are looked upon as pariahs if we so much as sniffle outside of the confines of our own homes. On the rare occasions we can leave them, that is.

And this has made me realise something I didn't know about myself. I'd always had myself down as a fairly anti-social sort on the basis that if there's one thing I generally can't stand, it's other people.

They annoy me in all walks of life and I'm a right grumpy old git when it comes to having to deal with them – the rare exception being when they've got their bank card out or are shovelling armfuls of cash over my office desk, in which case I often warm to them a bit.

For the most part, though, apart from my grandson, whom I adore, my son and daughter, both of whom I tolerate in small

doses, and my wife, whose hand I occasionally shake before bedtime, I'm not that into people and am generally very happy on my own. Or so I thought...

I'll park the frustrations of not having any customers for now, as we all know the drill as far as that's concerned – there's really no point at all in me complaining and moaning to an audience who are all going through the same financial pain as I am right now.

But not having anybody's hand to shake – from the lad from the local motor factors who always pops in for a chat because he knows I'll make him a cuppa and let him use my loo (providing he doesn't nick the bog roll), to the chap from the mobile phone company who wants to install a 5G mast at the back of my forecourt (which should make me more cash than any Volvo estate ever could) – is giving me cause for concern. The mere process of greeting someone has changed and – I fear – won't be back to normal any time soon.

Once the current shenanigans have passed – and they'll have to, because the football has stopped and that's probably having a bigger impact on the economy than anything else (I'm not even joking) – I suspect there'll be measures afoot to stop us touching each other for the foreseeable future.

And while I'm happy to wear a hazmat suit in bed before shaking hands with the missus, I'm not convinced that we'll be elbow-bumping our way back to economic magnificence any time soon.

In the meantime then, stay safe, stay protected, and if you must shake hands, do it the way you did as a teenager. I think we used to call it 'shaking hands with the unemployed'. Ahem...



Who is Big Mike? Well, that would be telling. What we can say is he's had more than 40 years

in the car trade so has probably forgotten more about it than we're likely to know.

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Trader Tales

JAMES LITTON

Casting an experienced eye on the wide and challenging world of motor sales

Be nimble and smart and you'll thrive once we've got past this apocalypse

I have written and deleted half a dozen articles relating to the impact of coronavirus on the motor industry; exploring the possible outcomes seemed trivial compared with what is happening to families all over the world. However, we all need to work, and trying to understand what might happen when we go back to any shred of normality not only helps us think about something else, it could also make our businesses more capable when it comes to dealing with some of the short-, medium- and long-term impacts.

In the short term, motor businesses need to accept the government advice and comply with all guidelines. Trying to circumvent the rules is at best inconsiderate and at worst very dangerous. I understand that there will be many motor dealers who have little liquidity and I fear for those dealers. But my biggest observation of this crisis is that in many industries coronavirus will accelerate inevitability. The flight-shaming culture was starting to take a hold, and while global travel was predicted to rise owing to the growth of the middle classes in the BRIC countries (Brazil, Russia, India and China), the post Covid-19 appetite for travel could be significantly reduced. This is on top of many global companies using apps such as Zoom to reduce their carbon footprint by hosting meetings online.

It is the same for high street retail. There will be more casualties in this sector as swathes of the public not yet bitten by the online retail bug will be forced to shop online during these testing times. Depending on for how long this continues, what will the appetite be for spending time rubbing shoulders with strangers in a mall on a Saturday afternoon?

So with this in mind, the dealers who fail during this pandemic were probably going to fail anyway – Covid-19 has, sadly, been the most toxic of accelerants.

There are some shreds of positivity in the short term, though. There are lots of people at home with nothing to do. Many online platforms have offered discounts or additional slots to help dealers market their cars as cheaply as possible, and from what I can see in my own business, there are serious buyers in the market. The decision by CAP to leave used car residuals alone is both welcome and correct. Unlike other global crises, Covid-19 has essentially frozen the market with no fresh supply of used cars. This means that once things get moving again,

the bottleneck of supply will only sate the build-up of demand.

In the medium term, we will find significant challenges in capacity for both new cars and parts. Although China has started to get back to some semblance of normality in production, the bow wave of coronavirus lockdowns affecting countries at different times means uniting the supply chains will take some months. There is also the development of new models for both testing and production to be considered – we could see limited editions to try to build up some cash for manufacturers for whom this pandemic will have a catastrophic financial impact.

So what of the long-term outlook? As I've mentioned already, Covid-19 looks as if it will accelerate many global trends. Motor retailing was already omnichannel, but those businesses that thrive in the post-apocalypse will be nimble and smart and able to think creatively and differently to those that do not.

I can see car buyers becoming more reluctant to travel for their cars. The Cazoo model of being able to return an online used car purchase within seven days could be widely adopted. Collection and delivery services for aftersales departments could be in high demand. This pandemic could modify human behaviour to become less social. Whilst we are all missing our loved ones, we might look to be more selective about who we spend time with in the future and where we go.

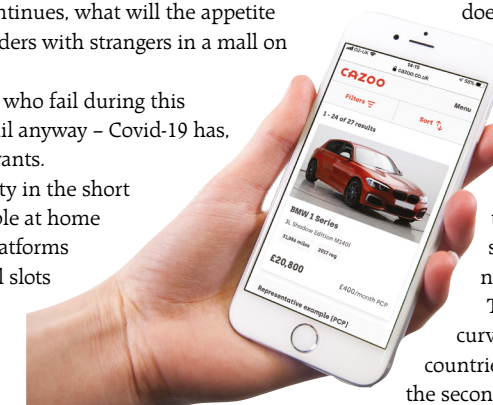
The three scenarios of what happens in the next few months – best, worst and base – are all up for debate. The worst-case scenario doesn't bear thinking about, as nobody wants to commit to our greatest fears; what will be will be in that scenario.

However, the base-case scenario isn't as devastating as it could have otherwise been. We will see some companies out of business and many independents will close, but for those with balance sheets and business models to survive, we could see a return to pre-crisis trading norms by the third quarter.

The best-case scenario sees the country flatten the curve, not suffer the grim number fatalities as other countries, and as a result, things could move by the end of the second quarter. That isn't a scenario I think is realistic, but as there is no blueprint who knows?

What is important to stress is keeping your people safe. Do as much as you can, but do not endanger your people or your reputation by being too clever.

'The dealers who fail during this pandemic were probably going to fail anyway – Covid-19 has been the most toxic of accelerants.'



James Litton is an automotive retail consultant who always has something to say about the industry he loves.



What was your greatest

Sold to a young lady 6/7 years ago. She came with her dad because 'all dealers are bad'.

Anyway, she bought it and I never saw her for three years until she turned up again with her dad and wanted a newer car.

I supplied her and off she went and then come Christmas I got chocolates and a card and this has continued ever since. I've seen her twice during this period – once for a broken mirror, once for a faulty DRL. I don't get any servicing or mot work as she has her own local man, but got invited to her wedding last year too.

She recommends me to everyone she knows and so does her dad. Moral of the story: Treat people how you like to be treated yourself and you always get paid back in abundance.

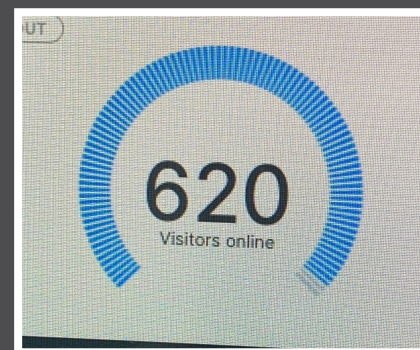
New Year Revolutions

This is a story about log books and number plates. We sold to a customer who wanted the log book before he collected – this was back in 1972 – as he wanted to do a plate transfer.

He said you simply needed the log book and could take it to the GLC and they would do it for you. I was working for my brother at the time and we spoke to an old scrap car guy who had a tin full of log books. All good plates – things like 333 BB and 420 BS.

We paid him a fiver for about 100 of these. We advertised them in the Sunday Times, not knowing how much they were worth, for about £25 a time. The phone rang off the hook. We sometimes said the prices were a mistake and doubled and trebled them, but still people

Picture of the month



Those 620 people were the number of visitors on our website at once, just after we relaunched the new-look site! In the wake of the lockdown, thousands of people have flocked to it daily. We'll continue to update it with the latest news and information for dealers – and intend to keep those servers busy.

paid. We even think we sold the BS one to Ben Sherman himself as the cheque turned up with the signature that was the same on the shirts we were wearing. We made about £10k before it all got stopped, but good money back then.

trade vet

It was March 1998 – about eight months after starting my business – and a couple came in

to look at a VW Corrado 16V and VW Golf VR6 Highline on a Saturday afternoon.

They first went out in the Corrado at £12,400 and then the Golf at £16,700. I'm thinking that's a fair bit of difference in price but just did the test drives. When they had driven both I couldn't really get a feel for how it had gone, so gave them a drink and left them discussing in the showroom. I went back to my office. After a few minutes the lady walked in and said: 'So how much are they again?' I told her and she replied: 'Can I write you a cheque for £25,000 now and pay the rest when we pick them up?'

Umesh

I had a three-year-old high spec BMW i3 in stock for 6 or 7 months in 2018 when the market wasn't quite ready for them. I must've shown that car to no less than five middle-aged couples and who all took hours looking over it.

I eventually sold it to a nice young bloke. By then I had very small profit in the BMW, but got a fantastic ML350 in part exchange against it at £18k, which sold quickly for considerably more to a finance customer. He in turn traded in an old 2005-6 BMW 330Ci Auto for which he wanted £1,400 and I obliged. It sold quickly as well.

That customer in turn part-exchanged a similar-age Audi TT for a grand. Yep, it sold quickly for a fair bit more and I got a nice black Beetle Convertible in part ex. Yes, you guessed it, it sold quickly for £3,489. That's where the part ex chain ended. Just imagine if one of the five middle-aged cash-paying, no-finance couples had bought the i3!

Nick M.K.

ever sale and why?

CORONAVIRUS

Sales during the lockdown

Is anyone selling cars still? If so, how? We shut shop last Tuesday, handed everything over to customers where deposits were taken. Our website is active and getting enquiries and customers want to come down by appointment. We are turning them away, asking them to come back after the lockdown has been lifted. Just wanted to know what other dealers were doing?

A&S

Most dealers in our area are answering phones etc still, but telling customers they are closed. We got an email advising us that online buying and delivery was allowed. Customers must buy the car and get it delivered to them off-site. We have got a letter template for distance selling for this.

Boyd1985

A lot of dealers are taking deposits and telling customers handover will happen when restrictions are lifted, whenever that is. Loads of email messers at the moment in my experience.

AAM90

I've got a real hustler mentality and love a deal. Turning people away is painful, but I'm not going in to open up for a virus that could potentially kill me or an innocent person. If you can facilitate a delivery with absolutely zero contact within government guidelines that poses no risk to you, or the customer, then it's slightly different.

RoryRSC

Robert Forrester Vertu Motors / Bristol Street CEO yesterday confirmed they sold 2 last week. They have 120 outlets/dealerships.

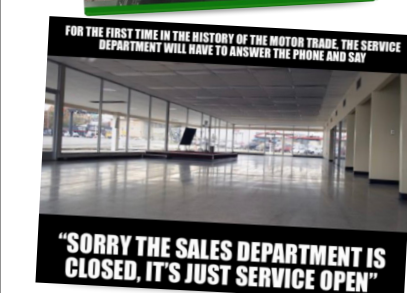
trade vet

So many people (friends) keep asking why I can't just do a zero contact sale. It doesn't exist in its purest form. Think about it. Yes, I might sell one or two BUT, that will not sustain my business and I am not risking my health for anything, let alone something that will buy me perhaps an extra week or two of business. I am taking my solvency chances and hope for the best. I can however influence my health by reducing any potential exposure.

Mark101

CAR SALES MEMES

We've teamed up with Car Sales Memes to bring you a few of their funniest captions and slogans each month. Enjoy!



Top tweets

Car Dealer Magazine founder James Baggott wrote a comment piece about why he felt dealers had a duty to include commission as part of the wages of furloughed sales staff. Here's what they said on Twitter...



@richarddunne79

I am hoping I get March comms at the end of April. We had to get all our cars out by whatever means the week lockdown started – it was hell. So if I don't get it is there something I can do to get what's owed? I have a feeling it will be used as an excuse not to pay us what's owed.



@LINGS CARS

I think "confusion" is an excuse. I'm not confused. You aren't confused, Jim isn't confused, the IMDA aren't confused. No one is confused... they are just reluctant to pay the sales people what they are due (because they will fire them in 3 months anyway due to no cars).



@jimreidvehicle

No employee should be worried about their income and those dealers who don't take the potential risk of paying out without being able to reclaim should be ashamed.



@JuliaHMuir

Is it due to misunderstanding the "80%" & delay in clarifying about commission? I've seen people thinking govt funding will give 80% of USUAL salary (even heard it said like that on BBC) rather than 80% only up to £2,500 cap. Surely dealers will pay up to £2,500 as can reclaim it.



@beaton_bruce

If they are furloughed HMRC will pay based on their PAYE for the relevant measured period. This would include commission bonuses etc. If employers don't pass it on, it is fraud.



@Cavalry_Chopper

When the chips are down, your team will see who they really work for. If it's impossible to pay a commission or likewise for whatever reason, clear & honest communication goes a lot further than just 'no'.

How many casualties will this cause?

I have already read on the trade to trade forum that there have been a few casualties already with people giving up. What they are doing with their cars I do not know. How many of you are going to survive the next 90 days of no sales while shut down? I think I will be ok for about 120 days but past that I'll be in serious trouble.

Grant1fc81

As I turn my stock quickly with low profit, working on numbers to make it all add up, I will be one of them looking to move my stock quickly as the market adjusts so if I struggle, even on a few, so be it. Stuff that looks cheap now could be overpriced in ten days' time. That said, who knows? This virus is out of control and is reaching all corners of the economy.

Justina3

I am a one-man band and I'm self funded (albeit I do have a mortgage and personal debt) so the SBRR grant, when it comes, will see me through three months as overheads are low. I've withdrawn savings from my ISA to keep me afloat while no income comes in. In three to four months' time, if we still can't open our doors or customers just aren't there, I'll have a decision to make as to what to do.

SouthernTrader

The world will HAVE to earn a profit after Covid-19 or we will all starve. Have to watch the part exchange with no MOT coming in after they have knackered the cars not having anything done to them at all. Imagine a part-ex, out of MOT – they are going to be worthless with bald tyres, etc, but also the reason they might want a new car too. Who knows?

David Horgan

More and more of our readers are joining the debate – and it couldn't be

easier to get involved! Sign up to our forum at CarDealerMagazine.co.uk/forum

Car Dealer Magazine reserves the right to edit comments

FINAL – LEICESTER

A top night of racing as teams battle it out for go-karting crown

After five exciting heats, the stage was finally set for the grand decider of the Car Dealer/Close Brothers Motor Finance Go-Karting Challenge – and Dave Brown was there for the action.

Following months of competitive heats staged at locations around the UK, the Car Dealer Magazine Go-Karting Challenge – held in association with Close Brothers Motor Finance – reached a thrilling crescendo in March.

The venue for the final was the TeamSport Karting circuit in the heart of Leicester – a central location chosen to be as convenient as possible for our contenders, some of whom had travelled hundreds of miles to compete.

Ten teams rocked up at the venue for the event and there was an immediate air of anticipation as they began to size each other up and prepared to continue rivalries from the regional rounds. This was undoubtedly going to be tightly fought...

After a pre-race safety briefing and a welcome from Ryan Scaife, head of sales (south) for Close Brothers Motor Finance, it was straight on to the track for the 15-minute practice session.

The warm-up laps got off to a hot start as expected, with some great times being recorded by the likes of Bournemouth High Performance and Blackshaws, whose team line-up was notable as it included the only two female finalists,

namely Mary Thompson and Sharron Spall, directors of WeRecruitAuto.

However, Nick King Car Sales, flying the flag for Gloucestershire, notched up the fastest practice lap with a time of just 38.1 seconds, installing themselves as early favourites.

Rumours had even started circulating that they'd travelled up for a practice session a couple of weeks before the competition. Would this extra preparation pay off...?

With practice completed, and with barely a break in the action, it was straight back on track to line up on the grid for the start of the final proper. The teams lined up on the grid with The Bikers and Automotive Addiction on pole and the 90-minute endurance race had started. The first couple of laps were very tight with High Auto and Automotive Addiction in front but no-one able to break away from the chasing pack.

This set the trend for the first 10 circuits as the pack stayed together, with Automotive Addiction, Avi Dhir Car Sales and Nick King all taking a turn at the top of the leader board. After 15 minutes of tight, competitive racing, Automotive Addiction started to open up a small lead of five seconds

The thrill of the chase...

from Avi Dhir and Nick King, who at this stage had posted the fastest lap (38.099 seconds). In fact, less than a lap separated the top five teams.

With this being the final, the quality of racing was high as expected, and with 30 minutes gone, Nick King had taken the lead after a very smooth pit change. Automotive Addiction and The Bikers were second and third, with Lane Pearson and G3 Vehicle Auctions still in contention.

Bringing up the rear at this point, probably tactfully to allow their business partners to enjoy the best chance of glory, was the team from Close Brothers Motor Finance.

Heading into the last 30 minutes, all the top five teams were in with a chance of lifting the prestigious Go-Karting Challenge Trophy. Automotive Addiction had dropped to fourth after incurring a costly black flag time penalty; meanwhile, Lane Pearson were climbing the

Our picture shows Brian Williamson of Close Brothers (front) with the podium-placed teams – first, Nick King Car Sales; second, The Bikers; third, G3 Vehicle Auctions

PHOTOGRAPHY: KEVIN DAY & DAVE BROWN

See pictures from previous events at bit.ly/cardealeralbums

The regional heats that decided the finalists

Qualifiers	
Wednesday, October 16	Stockton-on-Tees
Thursday, October 17	Manchester
Wednesday, November 13	Reading
Thursday, January 16	Harlow
Thursday, February 6	Cardiff
Final	
Wednesday, March 4	Leicester



Champs' delight as textbook race secures victory

THE team from Nick King Car Sales were – unsurprisingly – delighted with their triumph.

Hailing from Gloucestershire, the team comprised Robin Haines and Tom Couldren from Nick King Car Sales in Gloucester and James Arnold from Painswick Valley Car Sales, a few miles away near the town of Stroud.

Talking to Car Dealer after lifting the 2020 Go-Karting Challenge Trophy, Arnold said: 'We took part last year and we didn't do quite so well, so with a little bit of practice we've come back and done better this year. We're pretty pleased.'

And discussing the team plan they adopted before the race began, Couldren explained: 'Our aim was to avoid mistakes – no black flags. We nearly came undone with black flags in the heat we took part in, in Cardiff – but we had two black flags and we still managed to win.'

'Black flags cost you so much time and a crash can cost you 30 seconds. We said to each other, whatever you do, don't crash – and we didn't. We had a fairly textbook race the whole way through.'

The final marked the culmination of the second Car Dealer Magazine Go-Karting Challenge in association with Close Brothers Motor Finance, and speaking on behalf of Close Brothers, Brian Williamson, area manager for Gloucestershire, Wiltshire and Herefordshire, said: 'We definitely view the event as a big success – the dealers have all bought into it. They're all very competitive and it's a great event for Close Brothers to support. We've really enjoyed it.' Kevin Day, Car Dealer Magazine sales manager, said: 'I thoroughly enjoyed the final – it was absolutely enthralling and it was great to see how competitive the teams all were whilst really enjoying each other's company. We would like to thank Close Brothers Motor Finance for supporting the event once again – without their backing, the challenge just wouldn't take place!' [CO]

Who finished where in the final?

Nick King Car Sales	138
The Bikers	137
G3 Vehicle Auctions	136
Automotive Addiction	135
Lane Pearson	135
Avi Dhir Car Sales	133
High Auto	133
Blackshaws	131
Bournemouth High Performance	128
Close Brothers (retired before end)	113

Laps completed during the 90-minute race



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FIRST DRIVE

Audi A3

There's a lot resting on the shoulders of Audi's new A3. Ted Welford headed to Spain before the lockdown to put the best-selling model through its paces

What is it?

With the new VW Golf bursting on to the scene at the end of 2019, the arrival of similarly sized models from its sister brands was inevitable. We've already seen offerings from Skoda and Seat, but now it's time for the most premium of the lot to show its face – the Audi A3.

What's new?

On styling alone, you might think this is a facelift, rather than the all-new fourth-generation model, but with its larger front grille and fancy LED lights, it's certainly helped to improve the looks. The main differences, though, lie in the cabin. Gone is the easy-to-use but old-fashioned-feeling pop-up media screen and in its place is a glossy new 10.1-inch touchscreen and digital dials – both of which feature on every new A3.

The engine line-up has also had a rejig, with selected engines also benefiting from new 48-volt mild-hybrid technology, which helps to drive down emissions and reduce fuel consumption.

What's under the bonnet?

At launch, buyers have a rather limited choice of engines. So, if you want a petrol, it has to be the 35 TFSI – a 148bhp 1.5-litre unit – and it's mated exclusively to a six-speed manual transmission.

But it's the diesel option we're trying here – a 148bhp 2.0-litre

engine paired with a seven-speed S tronic automatic gearbox, with power being sent to the front wheels. It offers a good mix of performance and efficiency, with 0-60mph taking 8.2 seconds and fuel economy of up to nearly 60mpg.

The introduction of the mild-hybrid 1.5-litre petrol engine will boost the A3's appeal to the fleet market, as will the new 114bhp 2.0-litre diesel and plug-in hybrid later this year.

What's it like to drive?

Behind the wheel, it's pretty much business as usual with the A3, with refinement and comfort being two areas where this car excels.

The steering is linear and direct, and body roll is well controlled, although while Audi promises that the A3 is sportier than ever, it's still a model that feels more at home on a relaxed cruise than being thrashed down a twisty B-road.

That's certainly no bad thing, it's just that a BMW 1 Series remains a more involving premium hatchback choice.

How does it look?

Audi isn't known for being particularly wild with its designs, and the A3 is a perfect example.

The front end represents probably the biggest difference from the old car, with a larger version of Audi's trademark single-frame front grille, as well as the option to have matrix

LEDs. So, while this might not be a revolution in design, the A3 caters for an audience that isn't looking for concept car-like styling, and in our eyes at least this update has done everything it needed to continue to make the A3 look as classy as ever.

What's it like inside?

As we mentioned earlier, the biggest difference here is the new 10.1-inch touchscreen, which is sharp and very easy to use. Mated to digital dials, it helps to give the A3 a far more modern feel, although it lacks the show-stopping cabin that you'll find in the Mercedes A-Class.

Perhaps the best thing about the A3, though, is the quality. Historically, that's why you'd pay more for this hatch to have an Audi badge rather than a Volkswagen logo on the front, and with high-grade materials being used throughout, the A3 feels far more upmarket than the Golf.

What's the spec like?

Standard kit is impressive and includes those smart LED headlights, the large touchscreen and digital virtual cockpit, rear parking sensors and cruise control.

If you want sportier looks, the S line is the one to go for – adding large 18-inch alloy wheels, upgraded LED lights and a sportier bodykit.

Half-leather sports seats also feature, along with LED interior lighting and sports suspension.

THE KNOWLEDGE

Model as tested: **Audi A3 35 TDI S Line S tronic**
Price as tested: **£31,650**
Engine: **2.0-litre turbocharged diesel**
Power: **148bhp**
Torque: **360Nm**
Max speed: **139mph**
0-60mph: **8.2 seconds**
MPG: **58.9-57.6**
Emissions (g/km CO₂): **127**

TARGET BUYERS:

Family hatchback lovers who are after something upmarket.

THE RIVALS:

BMW 1 Series, Mercedes A-Class, Volkswagen Golf.

KEY SELLING POINTS:

1. The Audi badge.
2. Techy interior.
3. High-quality cabin.

DEAL CLINCHER:

A fantastic blend of quality throughout – but it's that smart new interior that really sells it for us, and to your customers.

What do the press think?

Autocar said: 'Regardless which engine you go for, the A3's core strengths are its exterior design, a significantly improved interior and a more polished driving experience than before.'

What do we think?

This latest Audi A3 successfully continues where the last model left off – adding additional technology to the interior and improving the way it drives both for enjoyment and comfort. With its classy styling and upmarket cabin, it's a car that is likely to continue being Audi's best-selling model on these shores.

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FIRST DRIVE

Porsche Cayman GT4

The Porsche 718 Cayman GT4 has arrived promising more than ever, but can it deliver? Jack Evans finds out if the big-winged German newcomer is a winner

What is it?

The previous-generation Porsche Cayman GT4 went down in motoring history as one of the all-time greats. Now it's time to see if Porsche has managed to repeat its earlier success with this, the new 718 Cayman GT4. A new engine, new body and new mechanicals does mean this car is quite different from the old one – but can it deliver the same visceral experience? We've been driving it to find out.

What's new?

There's quite a lot that has been updated over the older GT4, and while this latest version also wears the 718 badge of the latest generation of Cayman and Boxster models, you'll find no turbocharged four-cylinder engine here – although we'll come to that later. The small, compact body remains, however, along with a driver-focused interior. The suspension has been revised, and Porsche's know-how from its GT cars has been applied. In short, this is a car that has been designed to be as good to drive as possible.

What's under the bonnet?

The 718 Cayman GT4 does away with the four-cylinder turbocharged petrol engine from the standard car, instead using a 4.0-litre naturally aspirated flat-six. It's essentially the same engine that you'll find in the current 992-generation 911, albeit stoked up from 3.0 litres to four,

while the turbochargers have been ditched too. It's all sent to the rear wheels through a six-speed manual gearbox. Power comes in at a healthy 414bhp, while torque is 420Nm. It makes for a 0-60mph time of just 4.2 seconds, while flat out the GT4 will manage 188mph – although this is a car that focuses far more on its performance in the bends than on straight lines.

What's it like to drive?

Slot behind the wheel of the GT4 and almost immediately things feel spot on. The seating position is excellent, while the fixed-back bucket seats keep you snug and secure. Turn the key and the engine barks into life – a stark contrast to the Subaru-esque grumble that you get from the standard Cayman.

Move off and initially things feel firm; the ride suffers over potholes when going slowly, but add speed and the beautifully judged damping takes the initial edge off any imperfections.

The steering boasts excellent weight too, and the whole car appears to goad you into carrying more speed through corners. It's a truly impressive package, helped no end by a charismatic engine and superb six-speed manual 'box, which only goes to remind you that although automatics have come on in leaps and bounds in recent years, sometimes there's no replacement for the involvement of a manual.

How does it look?

It's likely that few will be able to make too much of a distinction between this latest GT4 and the older car. The biggest difference is that gigantic rear wing, which now dominates the overall look of the vehicle. In all, it's still a hugely impressive-looking thing, and one that will no doubt turn the heads of many as it passes by.

What's it like inside?

The interior of the GT4 is focused around the needs of the driver. The seating position is superb, and although the fixed bucket seats don't offer any adjustment in terms of height, the spot to which they've been mounted will likely be on the money for most. The cabin feels classically Porsche, though, with plenty of high-end and luxury materials such as Alcantara and leather used to cover vast swathes of the interior.

What's the spec like?

There are still lots of bells and whistles included in the GT4's standard specification to keep most people happy. In addition to the usual infotainment system with CarPlay integration, you also get a customisable 4.6-inch display housed in one of the instrument binnacles ahead of the driver, although options such as LED main headlights and those full bucket seats can add a hefty premium.

THE KNOWLEDGE

Model as tested:	Porsche 718 Cayman GT4
Price as tested:	£94,506
Engine:	4.0-litre petrol
Power:	414bhp
Torque:	420Nm
Max speed:	188mph
0-60mph:	4.2 seconds
MPG:	25.7
Emissions (g/km CO ₂):	251

TARGET BUYERS:

Those who want the sharpest Cayman currently available.

THE RIVALS:

BMW M4 Competition, Alpine A110S, Lotus Exige.

KEY SELLING POINTS:

1. Impressive performance.
2. Razor-sharp handling.
3. Surprisingly easy to live with.

DEAL CLINCHER:

All the best bits of the Cayman, now paired with a sonorous flat-six engine once again.

What do the press think?

Autocar said: 'Ultimately, though, there's nothing to match this level of precision, balance and feel at this price point, and little beyond it in terms of pure behind-the-wheel appeal.'

What do we think?

The old Cayman GT4 remains one of the best sports cars ever produced, so it's pleasing to report that this version is almost as exceptional. The engine may ever-so-slightly lack the character of the previous car's, but it's just as exciting and no less potent. This latest Cayman is something that truly showcases the very best of what a sports car can do.

THE ROAD TRIP TO A MOTOR SHOW THAT NEVER WAS

Geneva's massive auto showcase may have disappeared over the horizon but that still wasn't going to stop us setting off for Switzerland in two premium SUVs for a 'twin test'.

The job of a motoring journalist looks glamorous. Check out our Instagram feeds and you'd think we spend every day flitting from one exotic location to the next, getting behind the wheel of cars most people could only dream of driving, and eating more complimentary canapes than you could shake a vol-au-vent at.

However, for every beachfront dinner there's a weekend getting battered by driving rain in a secluded layby in Wales; for every sun-kissed sports car launch there's an afternoon spent nursing an anxiety headache as the feature you've spent weeks putting together falls apart in front of you. Storm Ciara, I'm looking at you.

So, in the spirit of full disclosure – and the sense of adventure we're all desperate to reignite while shut away in our homes to save the NHS – we thought now would be a great time to share a feature that otherwise would never have seen the light of day. (We also have a bunch of lovely photos that it seemed a shame to waste.)

The Geneva Motor Show is held every March and it's considered one of the most important

by **DARREN CASSEY**
@darrencassey

car shows of the year, with most manufacturers pitching a massive stand and revealing new models. However, with the coronavirus pandemic beginning to take effect, the Swiss government took the unprecedented step of effectively banning the show on February 28 with just a few days to go.

As it's the biggest auto show of the year, journalists from across the globe attend. We're no different, and this year half a dozen writers and

Brewer making good use of the Q7's top box



videographers from our team – plus good friend of Car Dealer Magazine Mike Brewer – would be driving down in two cars to cover it from every angle while enjoying a little skiing in the Alps, too. Well, it'd be rude not to, wouldn't it?

There was some debate about cancelling the trip, but with the show being cancelled the day before we were due to leave, it was decided that we would go and enjoy the chalet while doing a little work and a little play.

This was long before widespread lockdowns were even being considered, of course, and travel was in no way restricted.

The original plan was to take two SUVs to write a 'twin test', which involves pitting two cars against each other to decide which is the better and tell consumers which we think they should buy. However, with car bookings in high demand around those dates, it was a nightmare pulling it together. In the end, we finished up with a Porsche Cayenne Coupe and an Audi Q7 – almost rivals but not quite.

The Audi was a proper SUV, while the Porsche was a 'coupe-style' SUV with compromised boot space in the name of looking good – and boy, did



Q7's 3.0-litre diesel made for a fine autoroute cruiser...



...but head of video Nigel wasn't a fan of the Cayenne's thirst



Our German duo handled the snow with aplomb...



...not to mention our metric tonne of ski equipment

'The Porsche's dashboard design looks fancier but the Audi has an understated quality few others can match.'



Team Cayenne insisted on a photo stop at the historic Reims circuit in France



Cayenne still feels every bit a Porsche, despite its proportions



Platform mates they might be, but the Q7 feels much larger and softer to drive

it look good, particularly with the roof box attached. The Audi was a diesel, while the Porsche was a petrol-electric plug-in hybrid. Again, not typical comparisons for a twin test, so you can see why the feature ultimately never happened. But, thinking outside the box, we could at least compare the merits of each powertrain type for a road trip.

If you're travelling long distances, get a diesel. You might have heard lots of negativity surrounding the fuel recently, but these latest models are the cleanest ever, emitting very low CO₂, and are more economical than petrols.

And if you're travelling long distances regularly, do not get a hybrid. Once the battery runs out you're left with a very thirsty petrol engine that's tasked with carrying the dead weight of those massive batteries around, worsening fuel economy further.

However, once at our destination, driving around town on pure electric was delightful and made taking such large vehicles into congested, heavily populated areas slightly less obnoxious.

Keep the batteries topped up and only travel short distances and your running costs will drop dramatically. The Audi was more spacious in the back than the Porsche – just ask the boss Baggott, who spent most of his time sleeping there – but up front there's not much to choose between

them. The Porsche's dashboard design looks fancier but the Audi has an understated quality few others can match. Both are packed full of tech.

Luggage space wasn't an issue because both cars came fitted with a roof box, the Audi sporting a sleek branded version and the Porsche getting the Volvo-branded box normally fitted to our long-term V60. Both worked brilliantly, swallowing skiing and snowboarding gear without an issue, although the buffeting wind noise for prolonged stints at motorway speeds did begin to grate after a while. It also makes fuel economy far worse.

The truth is, while these premium SUVs don't make an obvious twin test, the result of running both for thousands of miles and through snowy terrain was that each of us fell for one or the other once the week was nearly over, their differing charm proving why diversity in the industry is so important.

Those who preferred the Audi loved the way it could sit at motorway speeds for hours on end, in absolute comfort, relatively sipping at fuel, while those who preferred the Porsche loved its calm and quiet all-electric mode for inner-city driving and its sleek and stylish looks.

So, this unconventional twin test came to an end, halfway up a mountain in sub-zero conditions, with an unconventional outcome: there are no winners or losers, just differing opinions. [CO]

Audi Q7	
Model:	Q7 50TDI S Line
Base price:	£67,295
Engine:	3.0-litre diesel
Power:	282bhp
Torque:	600Nm
Max speed:	150mph
0-60mph:	6.5 seconds
MPG:	32.2
Emissions (CO ₂):	180g/km

Porsche Cayenne	
Model:	Cayenne e-Hybrid Coupe
Price as tested:	£92,957
Engine:	3.0-litre petrol plug-in hybrid
Power:	456bhp
Torque:	700Nm
Max speed:	157mph
0-60mph:	5.1 seconds
MPG:	60.1-70.6
Emissions (CO ₂):	108-91g/km

CORONAVIRUS CRISIS

Government action urged to avoid industry collapse

The car finance industry could collapse unless the government takes swift action – that's the stark warning from one expert who said thousands of consumers risked defaulting on loans because of the coronavirus pandemic.

He wants to see similar help as that given to mortgage lenders, and has also called for stricter regulations to prevent it happening again.

Stuart Masson, editor of thecarexpert.co.uk, told the PA news agency the car finance industry had been 'kicking problems down the road' because a positive economy meant that stretching consumers' finances had resulted in manageable levels of defaulting.

'The current obsession with PCP car finance for consumers dates back to the scrappage scheme from a decade ago, when people could get a £2,000 deposit for their old banger and drive away in a new car.

'If you follow that, based on a typical three-year finance deal and rolling on into a new car each time, people are now on their third or fourth car.

'The problem is, when rolling into a new deal, consumers don't want to pay more but they want a better car.

'As competition has grown, manufacturers were trying everything they could to lift the residual value of the car at the end of the agreement, while consumers have seen their equity reducing with each new car.

'This pushes their finances to the limit without thinking about what happens if the economy takes a hit and they're out of work for three months.' Masson claims the industry wasn't prepared for the pandemic either, as it had been 'laughing off' warnings from analysts that large numbers of customers defaulting on agreements could be disastrous



and saying it would take something 'seismic' for that to happen.

'We're there now,' he said bluntly. 'It's going to go wrong – it's just a question of how wrong it's going to go, how much is it going to cost, and who is going to lose out?'

He acknowledged that offering payment holidays for car finance was more complicated than for a mortgage, 'because a three-month holiday on a 300-month agreement for an appreciating asset is very different to a three-month holiday on a 36-month agreement for a depreciating asset'.

But he was adamant that it was down to the government to underwrite it. 'For a lot of households, car payments will be the second-biggest monthly outgoing after their mortgage or rent. If people aren't buried by their mortgage payments they'll be buried by car repayments instead.'

And in the longer term, he said tighter affordability regulations would be needed to stop people getting into crushing debt. 'When the banking crisis happened 10 years ago, the government introduced stricter lending regulations and credit checks to stop the free-wheeling nature of money

going to people who couldn't afford to repay it. The same thing needs to happen in the car industry.'

However, Adrian Dally, head of motor finance at the Finance and Leasing Association, said: 'Our customers have access to a wide range of consumer protections to help them weather this period until we get back to normal – including payment breaks, reduced payments or interest waivers, and for those who no longer want their cars, voluntary termination allows customers who have paid half of what is owed to hand back the vehicle and walk away with nothing else to pay.

'Motor finance is a long-established and responsible sector which is looking after its customers now so that everyone is ready to resume business when we return to normal.'

The Financial Conduct Authority said that it had a page on its website dedicated to coronavirus-related issues. It has not issued anything directly related to car finance during the pandemic, but if it does, that's where it will be found.

For the latest on all automotive matters including finance, see our website at cardealermagazine.co.uk

CREDIT

'Armageddon' is predicted for the sector

THE car finance industry is heading for big change caused by the pandemic.

That's the warning from KPMG – one of the Big Four accounting organisations – whose head of automotive Andrew Burn was quoted by the Telegraph as saying: 'The rulebook has been ripped up and thrown out the window. Retailers are telling landlords they simply can't and won't pay the rent, and we'll have people doing exactly the same with car payments.'

With the vast majority of cars being financed, such as via PCPs, this could cause major problems.

Chartered financial analyst Louise Cooper told the Telegraph: 'It's going to be catastrophic, armageddon. People are going to prioritise food and their homes. This is going to bring the whole house of cards crashing down.'

The end result could be a mass of defaults, leading to car companies and lenders ending up with millions of cars that have instantly become unaffordable.

Burn predicted that car companies 'will do everything they can' to renegotiate loans so people keep their vehicles. But he reckoned they'd have their work cut out, with people not as concerned about poor credit ratings as they used to be if they return their financed vehicles.

[Can I cancel my car finance or insurance during coronavirus crisis?](http://frfl.co.uk/car)



A monthly look at the world of automotive finance and marketing

Lives have been turned upside down – and even more change is inevitable

The world has changed a lot since my last article, especially for the motor trade. For most motor traders, your whole life will have been turned upside down, and I think it is obvious that it will be a long time before we're all back to normal.

From my perspective, I look back to just a few weeks ago.

I was in the office with my team, able to just wander over and have a discussion with any of the other departments, and I was able to help myself to some free fruit. In all honesty, those surroundings have felt more like a home than my actual home, having spent the past 15 years in the offices at First Response.

But while all the above aspects have been lost, I do consider myself very fortunate. My team and I were working from home a week before the prime minister's key announcement that we should all 'stay at home' and where possible 'work from home'. I made the call quite early for my team to work from home, as I knew we had the technological capabilities to do so. But I had also presumed we would be requested to work from home eventually anyway.

A couple of other departments had the same idea and then, within a couple of weeks, the rest of the company was also home-based, with full and secure access thanks to our IT department's quick response.

The past couple of weeks have been interesting, uncomfortable and challenging at times. However, we have adapted and developed a new way of working at First Response – like, I am sure, many of you have. We have introduced morning and afternoon team and management Skype meetings, alongside a full sales and marketing WhatsApp group. Not only has this provided much-improved communication, but also sharing our ideas of fun ways to pass the time has helped hugely in keeping morale high

while maintaining the family feel our business has always provided.

In that time, I have also completed a new marketing strategy to run alongside our business strategy and we have completely changed the messages going out to our business partners (dealers) and customers.

As you'll see in our advertising, the message is that 'we are here for you'. Also, as a business we have decided not to furlough staff, but to continue servicing our business partners and customers – even if it's just for a chat, we are here for you!

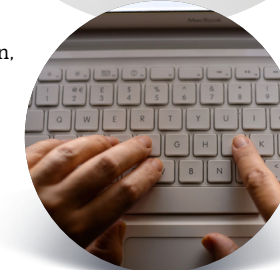
Millions of people nationwide have been affected by these social-distancing measures and 'stay at home' messages, and as some of you may have seen, the government has given guidance and assistance to mortgage, loan and credit card companies on how to manage their customers from a forbearance perspective. While this has not yet been provided for HP or PCP, nor have they requested additional forbearance for these customers, we, as a 'customer-driven' company, have taken the stance that if any of our customers have been hit financially because of Covid-19, we are going to assist them as much as possible.

Unfortunately, this pandemic will affect credit files and the way companies read them in the future, with new credit file measures and markings being put in place. So, when businesses do fully resume, we'll probably see some other changes in the motor finance market, a possible slowdown in auto-decisioning, and some companies may well require a much more manual process than before in our industry.

Consumer buyer behaviour may also be on the move to a more online process, with more dealers delivering vehicles rather than via the usual face-to-face sale.

I would like to offer support to all of our business partners – please get in contact with me or your account manager should you need any assistance.

'The past couple of weeks have been interesting, uncomfortable and challenging. However, we have adapted.'



Ben Garside is marketing manager for First Response. Call him on 07817 518739 or email ben.garside@frfl.co.uk

Head to page 59 for our look at finance suppliers

WE ARE HERE FOR YOU



TALK TO US TODAY.

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0115 946 6260

enquiries@frfl.co.uk

First Response
take care of your finance

IT IS A TIME FOR US TO OFFER SUPPORT AND A FRIENDLY VOICE

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take care of your finance

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Focus on.

Finance



The partners poised to help you adapt, survive and thrive

As dealerships face an almighty upheaval, it's good to know there are firms that are doing all they can to assist.

The finance sector is one of the most competitive parts of the automotive industry at the best of times. However, the economic ramifications of the coronavirus pandemic are set to resonate deeply for a good while longer, meaning competition is undoubtedly going to get a lot fiercer.

Physical deals were swiftly brought to a halt, leading to a 44.4 per cent drop in new car sales alone in the critical plate-change month of March, as reported on page 68 in this issue. Manufacturing similarly ceased, with many plants turning to produce vitally needed health equipment instead.

Dealerships can, of course, still sell via online channels. But as and when movement and social-distancing restrictions are relaxed, there will undoubtedly be a massive pent-up demand to be met by dealers – it's already in evidence in China, which was the epicentre of the crisis and has started to recover.

Until manufacturing gets back up to speed, the used car industry will increasingly become the



by **JOHN BOWMAN**
john@blackballmedia.co.uk

focus of buyers – especially if they've been on a reduced income and may no longer be able to afford the new car that they'd been thinking of buying just a couple of short months ago.

As such, finance partners will become an even more important cog in the dealership machine, as sales staff look to get those all-important signatures on the dotted lines. But which ones should dealers be talking to and why? What exactly can they offer dealers to improve the chances of getting their customers accepted?

In this special section of Car Dealer Magazine, we highlight three finance companies that dealers should be seriously considering doing business with as the industry navigates its way through these turbulent waters.

Close Brothers Motor Finance has been in the industry for more than 30 years and last year alone it helped more than 80,000 people

buy their wheels. Overleaf, it details how it's been addressing these current extraordinary circumstances and what it's doing for its dealer partners to help ensure they can still rack up those sales, among other measures to help them.

As **Mann Island Finance** itself says, it may well be the new kid on the block when it comes to lending, but as a business it's worked with and supported the dealer community for nearly 30 years now. Fuelling finance is its passion, and it remains as fully committed as ever to all customers and dealers. Extra interim underwriting measures have been brought in, and it's also come up with a seven-point digital action plan for dealers as part of its support.

Meanwhile, **Startline Motor Finance** takes a long, hard look at the sector's future landscape. What is going to happen to the current market segmentations? And will motor finance companies suddenly find themselves having to rethink how they assess a person's creditworthiness as personal financial situations become more complicated to read?

FEATURED SUPPLIERS

Close Brothers Motor Finance

Giving support through the pandemic and beyond

p60

Mann Island Finance

Always up for a challenge – and the current crisis is no different

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Startline Motor Finance

Big changes are on the way, predicts near-prime specialist

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Focus on.

Close Brothers Motor Finance

We're still on your side through these difficult times

CLOSE BROTHERS MOTOR FINANCE

W: closemotorfinance.co.uk

At Close Brothers Motor Finance, we're proud to be a leading finance company with 32 years in the industry. Our relationships, personal service and expertise are why our dealer partners choose us. We're hands-on, we understand how dealerships work, and we know the value of a business partnership – one committed to sustainable growth.

Part of the Close Brothers Group, we work with over 8,000 dealers and brokers to offer flexible finance solutions to customers wanting a new or used car, motorcycle or light commercial vehicle.

We're here to help dealers sell more vehicles, to more customers, more frequently.

Supporting the people and businesses of Britain through the coronavirus pandemic and beyond

As true business partners, we're here for dealers when times are tough. We want to reassure our partners that we're still on their side through these difficult times.

We're there when it matters

Close Brothers has a proven track record and a long history of lending through the economic cycle, continuing to support the customers and businesses of Britain through challenging times.

We're still open and here to help you and your customers

We've made changes to the way we operate to minimise the impact to service levels for customers and partners, whilst most importantly keeping our 400 colleagues and their families safe. We continue to monitor guidance from the Government, FCA and FLA to ensure we're doing the right thing by our colleagues, customers and dealer partners alike.

Our underwriting criteria and credit risk appetite remains consistent

Our expert underwriters are working remotely, continuing to support those customers and partners who need us. Our advice to dealers is to continue monitoring the Government advice themselves to make sure they're running their businesses in accordance with the latest updates.

Our 100-strong sales team are still working to support dealers

Staying safe at home, our account managers are in

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frequent contact with our dealer partners, staying close to their specific business challenges and helping them navigate the road ahead.

Our teams are also working round the clock to continue supporting our customers – many of whom have been affected by coronavirus and many of whom are key workers on the front line – to agree solutions to relieve the financial strain wherever possible.

What are we doing for dealers?

- Our funded dealers are being offered interest rate reductions or fee-free extensions on their stocking plans to alleviate pressure on cashflow.
- We're enhancing our Showroom proposal platform so dealers can issue quotes remotely and allow customers to apply for finance ensuring critical transactions can still happen without customers having to leave their homes.
- We're issuing regular communications to all dealer partners to inform them of key developments they need to know and sharing useful resources and advice for small-to-medium-sized business owners to help protect their future.

What are we doing for customers?

- We've diverted a number of our teams to

support inbound customer calls so we get to speak to as many concerned customers as quickly as possible.

- We're prioritising customer calls based upon when their next payment is due, to allow us to help customers most in need.
- We've set up dedicated customer support teams solely focused on helping customers who have been financially impacted by coronavirus.

What are we doing for colleagues?

- Our team of 400 are all working remotely with the tools they need to do their jobs safely from home. Colleagues with family and childcare commitments are being fully supported to allow them to flex their hours and workload as necessary.
- We're making no temporary redundancies.
- We're regularly communicating openly and honestly to colleagues with a real focus on well-being, mental health support and keeping a social element to the workplace.



 **Close Brothers**
Motor Finance



WE'RE OFF THE ROAD, BUT STILL ON YOUR SIDE.

A strong and secure partner when you need it most.

 **Close Brothers**
Motor Finance

closemotorfinance.co.uk/dealer/covid19

Side by side with the dealer community

MANN ISLAND FINANCE

W: mannisland.co.uk T: 0370 600 6668

Mann Island Finance Support

Mann Island is fully committed to servicing all customers and dealers as ever. The business has moved to a fully operational remote-working basis and all systems are working fine. All Mann Island lending products and services are available.

In the exceptional circumstances, some additional interim underwriting measures have been introduced including to confirm that sales are going ahead and that deliveries have happened.

This is to ensure that all customers are treated fairly and are not put into the situation where they are paying for a vehicle that they haven't

As a lender, Mann Island Finance may be the new kid on the block, but as a business, we have worked with and supported the UK's motor dealer community for almost 30 years. The Covid-19 virus may be unprecedented, but as we have shown in previous difficult trading conditions, our team is always up for a challenge. We stand ready to help.

Best wishes, John Hughes, Managing Director



received, and this will apply to all cases whilst we go through this period.

Duty of care as a lender

As a lender, Mann Island is proud to recognise its duty of care to support those people to whom the business has lent money.

The impact of Covid-19 on many people's incomes may have caused, and might continue to cause, concern about their ability to meet their motor finance commitments. If this is the case, Mann Island can offer a range of support options tailored to each person's circumstances.

The business's aim is to ensure customers

can maintain their finance agreement on an affordable basis; this includes payment holidays and reduced payment options. In such unprecedented circumstances, this individual approach is designed to provide reassurance to people who could never have anticipated the speed and impact of this terrible virus.

Dealers contacted by customers concerned about their agreement with Mann Island should direct them to customerservice@mivf.co.uk

The Mann Island team is ready to speak to every customer, listen to their concerns and reassure them that they will receive support throughout the crisis.

Supporting the dealer network

We are very aware of the challenges facing our motor retailer customers.

Personal service goes hand in hand with personal relationships and, while our field team may be grounded, we are striving to provide as much help and one-to-one contact as we can.

We are working to ensure that dealers are aware of all the support options that can help them and their business and sharing best practices across our network.



by **ANDY MUIR**
Head of sales, Mann Island Finance

Our account managers are at your service

One area in which I'm sure we can help is by offering access to our highly experienced team across the UK. We have always made our team available to talk directly with customers, notably on the more complex finance agreements for business users but, right now, I believe they may

be able to do more. Inevitably, there will be some essential workers who may find that they need to change their car or van.

At the same time, with many people 'locked down', potential customers are browsing online in ever greater numbers.

Could our team become part of your team, at least on a remote basis, if a customer needs finance support and help you to create some future pipeline business?

Looking forward

How best to survive the unprecedented market conditions faced today can include how to adapt and emerge from this crisis successfully. As well as managing the daily 'urgent' tasks, it's important to start planning ahead and this means acting now. This is the clear guidance emanating from the world's largest car market, China.

Having seen sales fall 92 per cent year on year at the peak of its Covid-19 lockdown in mid-February, the year-on-year fall was almost halved to 47 per cent after the first 15 days of March. Less than ideal certainly, but a clear sign recovery had commenced. The analysis of the recovery reported by Autocar on March 20 pointed to the importance of action during the crisis as being

critical. The key observation by those on the ground contributing to the report was that they didn't stop working, notably on digital platforms to reach the many people confined to home.

Action by OEMs and retailers focusing on building future sales by increasing online activity and digital communication to engage with customers is an example.

One contributor noted: 'The number of online sales went from a few hundred to thousands and thousands. It sounds obvious, but we have been waiting for online sales channels to really take off – now I think we can say they have, because even as people have come out again the growth has continued.'

Some action thoughts....

- The market will bounce back – even if not

Digital action plan

Many customers are at home and while changing their car may not be at the top of their minds, one thing is for sure: many will be surfing the web to idle the time away, and many will be looking at cars because browsing for cars is one of the most popular searches in normal times. So, what will they find when they visit your website?

Now is the ideal time for dealers to review their digital presence (website and social media) to see just how good it is. There may be some technical 'optimisation' things that are missing, but, ahead of these, a few Covid-19-specific situations websites could convey include:

1. Does the site say prominently 'we are open even if the showroom is closed' with a banner

referencing the current Covid-19 situation, and are you providing full information on what open means, ie, working from home, workshop open, etc?

2. Are your current online contact points all up to date, including any mobile numbers, and are you geared up to respond to them all quickly, especially any online enquiries?

3. Do you provide information about your opening health and safety standards?

4. Are you offering online sales and delivery (subject to any government restrictions)? If not, could you, or can you hold and reserve a car/van for someone?

5. Are you highlighting prominently any local good citizen support, ie, the collection and

Summary of government business support schemes

There are a range of support schemes that may be available to dealers from central and devolved governments and local authorities. These include:

- Coronavirus Job Retention Scheme
- The Coronavirus Business Interruption Loan Scheme – supports SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5m and for up to six years
- Cash grants options for businesses that pay business rates of between £10,00 and £25,000. The notes for England outline that 'Car/caravan showrooms and second-hand car lots' are included. Similar schemes are available in Scotland, Wales and Northern Ireland and may apply to car retailers
- VAT payment deferral option (three months)
- Statutory Sick Pay (SSP) supports businesses paying sick pay to employees
- SMEs with up to 250 employees will be able to reclaim SSP paid-for sickness absence due to Covid-19, covering up to two weeks per eligible employee
- Support for businesses paying tax: Time to Pay service

Up-to-date information at gov.uk

back to 'business-as-normal' levels straight away

- The digital change in car buying that we always knew was coming just got accelerated
- Dealers can help themselves by reaching out to customers now

delivery of medicines for the vulnerable in your community?

6. Can you update content on the dealership itself, not just the cars, but focus on service, time in business, expertise, people, reviews, etc? With time on their hands, people are focusing on more than just the car – they are likely to want to know more about you.

7. Is finance and affordability clear and obvious – ensuring that it complies with financial promotional requirements?

If you don't know how to update your site, contact your web provider. For financial promotional help, your local Mann Island Finance account manager will be able to put you on the right path.

For help and support, contact the Mann Island Finance Team at enquiries@mannisland.co.uk

Focus on.

Startline Motor Finance

Coronavirus crisis 'could radically alter the motor finance industry'

STARTLINE MOTOR FINANCE

W: startlinemotorfinance.com



The motor finance sector could look massively different after the coronavirus crisis, according to Startline Motor Finance.

The near-prime specialist predicted that unemployment would see a 'significant jump', and with millions also needing government help with their personal finances, the methods currently used to credit-score applicants may end up being much less relevant.

Chief executive Paul Burgess said: 'Whenever things return to relative normality, we'll be looking at a UK working population, both employed and self-employed, whose personal financial situation will not be as simple to read as previously.'

'Motor finance companies will very likely have to think again about how they assess individual creditworthiness, and we may well find that the market segmentations that we use now such as prime, near-prime and sub-prime have shifted.'

And he said that despite the unprecedented financial intervention by the government,

there would probably be a fairly major rise in unemployment.

'We're seeing predictions of the unemployment rate doubling from its pre-crisis rate to about seven per cent, which is clearly a significant jump. The perception that employment has become more precarious will also create difficulties.'

Burgess added that an increasing number of motor finance companies might find themselves having to adopt a business model that resembled more closely Startline's approach, talking more to individuals about their finances rather than simply using a 'one-size-fits-all scorecard approach'.

He said: 'Our whole near-prime business model is based on being able to use a combination of technology and people skills to recognise applicants who remain good



credit risks despite some points in their finances that don't match a traditional prime lender template.

'We believe that this is going to be an extremely useful skillset for us in the post-crisis world. While it is difficult to predict how the used car market will bounce back, there will undoubtedly be a degree of pent-up demand released, so the motor finance situation is something that may need to be resolved quite quickly and at short notice.'

'We may well find that the market segmentations that we use now such as prime, near-prime and sub-prime have shifted.'

Paul Burgess

Because not all car buyers are the same



In recent years, Startline has brought the concept of near prime motor finance into fashion, approving many used car buyers who have been rejected by principal lenders while offering comparable terms.

Our Finishline product takes this a step further.

Designed for people who don't quite fit the conventions of our core hire purchase product, it satisfies a neglected need for mid-market motor finance that is below prime but a long way from the punishing rates and conditions of sub-prime.

Finishline means we can say yes to more used car buyers – and are already doing so for some of the largest, most forward looking dealers in the UK.

It embodies the whole Startline approach – more flexible motor finance, competitively priced, with excellent service standards. Why not get in touch to find out how our products could look just right for many of your customers?

enquiries@startlinemotorfinance.com
www.startlinemotorfinance.com

startline
MOTOR FINANCE



Beyond finance

"I'm more like a consultant, taking time to understand the dealership so that we can add real value to their business."

Watch Aimee's video to see how:
blackhorse.co.uk/beyondfinance

Aimee Winder
 Account Manager
 North East Region

A better way of doing business



Stock falls and shares tumble as coronavirus crisis deepens

Companies are now worth roughly half what they were at the start of 2020, reports **Mike Jones**.

If the average share price drop in February of 7.2 per cent seemed like a big discount, it was nothing compared to the devaluation during March as the full extent of the coronavirus crisis hit the UK.

The average motor retail stock declined by 41 per cent as investors processed the implications of closed showrooms during the busiest month of the year. It looks like there will be no sustained recovery until we see the light at the end of the lockdown tunnel and investors are confident over the medium-term success (and indeed survival) of the businesses. As a portfolio, the companies are now valued at practically half of their prices at the start of the year, with **Lookers** hardest hit, losing more than 70 per cent of its market capitalisation.

Financial performance

Practically all of the companies have issued coronavirus trading updates detailing the cost-saving measures they have taken, including reductions in executive pay and halting of share buyback and dividend plans.

All have closed their showrooms in line with government guidelines, furloughed large proportions of their workforce, and are operating skeleton staffs to look after key workers.

Prior to the full extent of the crisis, we saw full-year results announced by **Pendragon** with an

	Share price movement during Mar 2020	Share price movement since Jan 1, 2020
Pendragon	-47.5%	-51.2%
Vertu	-34.9%	-44.6%
Lookers	-64.6%	-71.7%
Inchcape	-24.9%	-38.6%
Cambria	-45.4%	-48.2%
Caffyns	-30.0%	-30.0%
Marshall	-44.3%	-44.1%
Motorpoint	-37.5%	-35.4%
Auto Trader	-16.2%	-26.2%
FTSE 100	-12.9%	-24.8%

underlying loss of £16.4m. The second half of the year did show an improvement in performance with a profit of £15.8m.

There was another big goodwill write-down within the results (£102.4m) and an impairment of property plant and equipment of £25.9m.

Marshall also announced its results, with a creditable outperformance of the market.

Its like-for-like operating profit was down just 4.1 per cent and the announcement contained a

positive view on how its March order book was building.

Auto Trader also gave a trading update on its full-year results to the end of March, which were to be in line with expectations. 2020/21's results will be hit by the waiving of its advertising fees, initially just for April, which is expected to result in an operating loss of between £6m and £7m for the month.

Other announcements

Even before the coronavirus lockdown there were more problems at **Lookers**, with potential fraudulent trading being announced on the eve of the posting of its financial results and the departure of chief operating officer Cameron Wade the following day.

Teleios Capital increased its holdings in **Pendragon** to 19.05 per cent towards the end of March, although it appears to have stopped short of using the currently depressed share price to launch a full attempt to take the company private.

Auto Trader announced a share placing for five per cent of its stock, and **Inchcape** said it was exploring whether or not to use the government's corporate finance facility for large businesses to raise funds as a contingency and to maximise its ability to take advantage of future opportunities.



Mike Jones is chairman of dealer profitability specialist ASE Automotive Solutions. You can read his column here every month.

The statistics

/ SMMT SALES DATA /

SMMT sales data

March/year to date



THE CORONAVIRUS EFFECT

New car sales suffer as March figure drops by 44.4 per cent

New car registrations for the key plate-change month of March were down 44.4 per cent at 254,684 units, the SMMT has announced. With car dealerships closed by the government as part of the UK-wide lockdown introduced on March 23, the last few days of this critical month for the motor trade were badly hit.

The SMMT says the fall was steeper than the financial crisis and the worst March since the late Nineties when the market switched to the current biannual plate-change system.

As a result, the trade body has downgraded its interim market outlook for the year to 1.73m registrations – a 25 per cent decline on the 2.31m units registered in 2019.

Some 203,370 fewer cars were registered in March compared with March 2019.

Lockdowns on continental Europe have seen registrations hit badly there too, with Italy down 85 per cent, France down 72 per cent and Spain down 69 per cent in March. The countries went into lockdown at varying times.

Mike Hawes, SMMT chief executive, said: ‘This decline will come as no surprise. Despite this being the lowest March since we moved to the biannual plate-change system, it could have been worse had the significant advance orders placed for the new 20-plate not been delivered in the early part of the month.’

‘We should not, however, draw long-term conclusions from these figures other than this being a stark realisation of what happens when economies grind to a halt. How long the market remains stalled is uncertain, but it will reopen and the products will be there. In the meantime, we will continue to work

with the government to do all we can to ensure that the thousands of people employed in this sector are ready for work and Britain gets back on the move.’

Experts warn April could see new car registration figures fall by as much as 95 per cent as dealerships remain shut.

Before the lockdown began there was some good news, though, as registrations of battery-electric vehicles were up threefold, with 11,694 units accounting for 4.6 per cent of the market. Plug-in hybrids grew by 38 per cent.

The best-selling car for the month was the VW Golf, followed by the Ford Fiesta and the Mini in third.

The Tesla Model 3 – more commonly known as ‘other’ in SMMT registration charts – was ninth.

Sue Robinson, director of the National Franchised Dealers’ Association, said: ‘The majority of franchised dealerships’ showrooms were closed for a week or longer in the second half of March, which is when a large percentage of new cars are registered. As a result, the decline in new car sales does not come as a surprise. We remain hopeful that the market will recover and franchised retailers will be able to continue their support for consumers on their vehicle purchasing and servicing needs.’

Mike Jones, chairman of dealer profitability specialist ASE Automotive Solutions, said: ‘Coronavirus could not have hit the motor retail sector at a worse time, forcing the suspension of sales for the second half of the busiest month of the year.’

‘The overall drop of 44.4 per cent is not surprising given the massive disruption we saw to trading. Digging into the data shows that the vast majority of the UK’s fall took place after the shutdown.

‘Registrations were down just four per cent on 2019 as we came out of the last normal trading weekend on March 23, with only another 43,000 cars registered in the rest of the month.

‘We expected there to be a larger-than-normal surge in the second half of March, as cars were registered in advance of the WLTP-based road tax increases – however, the final week of March saw an 82 per cent drop in registration levels compared with the prior year. The job for retailers and OEMs is to ensure that this pipeline is kept live, ready to be released once the lockdown is lifted.’

Heycar chief commercial officer Karen Hilton commented: ‘Such a dramatic decline in registrations is proof that Covid-19 will ricochet through the industry for weeks and months ahead.

‘However, the current situation offers an opportunity for dealers to become fully digitally operational and nurture customers online. And we are already seeing this come into practice. Dealers are using this time wisely to accelerate their digital capabilities, which is allowing them to maintain a level of trading at this difficult time.

‘We know more people are looking online than ever right now, browsing and deciding what their next car is going to be when better times return.


‘The heycar site has seen record traffic levels since the country went into lockdown. It will be the used car market that bounces back quicker, with more buyers looking for reliable used or nearly new models, and cars being returned from PCP agreements and part-exchanges entering back into the market.’

In February, the new car market was down 2.9 per cent.

Top 4

Most-improved manufacturers in March
(NB: Only four registered a positive percentage change.)


'Other'	+636%
MG	+51%
Alpine	+18%
Porsche	+13%



Bottom 5

Worst-performing manufacturers in March

Smart	-86%
Subaru	-72%
Abarth	-68%
Vauxhall	-67%
Citroen	-64%



Marque	March 2020		March 2019		% change	Year-to-date (YTD)				
	2020	% market share	2019	% market share		2020	% market share	2019	% market share	% change
Abarth	278	0.11	867	0.19	-67.94	628	0.13	1,232	0.18	-49.03
Alfa Romeo	330	0.13	615	0.13	-46.34	644	0.13	1,023	0.15	-37.05
Alpine	26	0.01	22	0.00	18.18	37	0.01	43	0.01	-13.95
Audi	16,424	6.45	28,132	6.14	-41.62	30,669	6.34	41,876	5.97	-26.76
Bentley	171	0.07	254	0.06	-32.68	391	0.08	429	0.06	-8.86
BMW	17,530	6.88	30,330	6.62	-42.20	34,262	7.09	46,753	6.67	-26.72
Chevrolet	0	0.00	1	0.00	0.00	0	0.00	3	0.00	0.00
Citroen	3,950	1.55	11,023	2.41	-64.17	9,152	1.89	17,136	2.44	-46.59
Dacia	3,010	1.18	7,443	1.62	-59.56	5,055	1.05	10,926	1.56	-53.73
DS	292	0.11	763	0.17	-61.73	717	0.15	1,074	0.15	-33.24
Fiat	3,358	1.32	8,325	1.82	-59.66	6,166	1.28	10,956	1.56	-43.72
Ford	18,996	7.46	40,755	8.90	-53.39	43,835	9.07	67,774	9.67	-35.32
Honda	4,631	1.82	10,043	2.19	-53.89	9,620	1.99	15,485	2.21	-37.88
Hyundai	7,279	2.86	16,317	3.56	-55.39	13,753	2.84	24,777	3.53	-44.49
Infiniti	0	0.00	45	0.01	0.00	0	0.00	93	0.01	0.00
Jaguar	4,794	1.88	8,182	1.79	-41.41	7,967	1.65	11,294	1.61	-29.46
Jeep	379	0.15	986	0.22	-61.56	1,006	0.21	1,547	0.22	-34.97
Kia	12,957	5.09	18,345	4.00	-29.37	22,295	4.61	29,954	4.27	-25.57
Land Rover	12,381	4.86	16,680	3.64	-25.77	20,075	4.15	23,840	3.40	-15.79
Lexus	2,594	1.02	3,137	0.68	-17.31	4,470	0.92	4,406	0.63	1.45
Lotus	22	0.01	26	0.01	-15.38	33	0.01	33	0.00	0.00
Maserati	83	0.03	155	0.03	-46.45	178	0.04	276	0.04	-35.51
Mazda	4,193	1.65	8,791	1.92	-52.30	7,166	1.48	13,058	1.86	-45.12
Mercedes-Benz	16,981	6.67	33,536	7.32	-49.36	33,856	7.00	51,873	7.40	-34.73
MG	2,736	1.07	1,814	0.40	50.83	5,465	1.13	3,016	0.43	81.20
Mini	8,720	3.42	12,992	2.84	-32.88	12,998	2.69	18,134	2.59	-28.32
Mitsubishi	2,024	0.79	3,612	0.79	-43.96	3,834	0.79	5,516	0.79	-30.49
Nissan	12,524	4.92	19,962	4.36	-37.26	23,563	4.87	29,402	4.19	-19.86
Peugeot	6,985	2.74	16,318	3.56	-57.19	15,053	3.11	25,242	3.60	-40.37
Porsche	1,838	0.72	1,630	0.36	12.76	2,755	0.57	2,415	0.34	14.08
Renault	5,684	2.23	13,723	3.00	-58.58	9,908	2.05	19,030	2.71	-47.93
Seat	7,772	3.05	12,682	2.77	-38.72	15,669	3.24	20,635	2.94	-24.07
Skoda	9,172	3.60	13,637	2.98	-32.74	17,330	3.58	21,992	3.14	-21.20
Smart	143	0.06	1,015	0.22	-85.91	248	0.05	1,706	0.24	-85.46
SsangYong	252	0.10	438	0.10	-42.47	435	0.09	712	0.10	-38.90
Subaru	180	0.07	632	0.14	-71.52	253	0.05	880	0.13	-71.25
Suzuki	3,462	1.36	6,224	1.36	-44.38	6,277	1.30	11,980	1.71	-47.60
Toyota	15,363	6.03	20,874	4.56	-26.40	27,006	5.58	31,981	4.56	-15.56
Vauxhall	12,473	4.90	37,769	8.25	-66.98	26,841	5.55	54,924	7.83	-51.13
Volkswagen	22,950	9.01	38,335	8.37	-40.13	45,095	9.33	59,519	8.49	-24.23
Volvo	6,196	2.43	10,420	2.27	-40.54	12,105	2.50	16,204	2.31	-25.30
Other British	316	0.12	493	0.11	-35.90	614	0.13	830	0.12	-26.02
Other imports	5,235	2.06	711	0.16	636.29	6,133	1.27	1,057	0.15	480.23
Total	254,684		458,054		-44.40	483,557		701,036		-31.02

Figures supplied by SMMT

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'CRISIS'

Van sales plummet to lowest level in 20-plus years

VAN sales tanked by 54 per cent in March to their lowest level in more than 20 years as the market suffered the early effects of the pandemic.

UK light commercial vehicle registrations were just over 30,000 as the nationwide lockdown began to affect dealers' ability to deliver.

Demand fell in double digits across most segments with only the relatively small 4x4 sector registering an increase, namely 18.4 per cent.



by **JAMES BAGGOTT**
@CarDealerEd

It was a disaster for the rest, though, with pickups and smaller vans under two tonnes recording 57.8 per cent and 64 per cent falls respectively.

Vans between 2.5 and 3.5 tonnes – which make up the majority of registrations – were down 56

per cent at 17,925. Mike Hawes, SMMT chief executive, said: 'The commercial vehicle market is a barometer for the wider economy, so March's decline to the lowest level in more than 20 years is stark evidence of a crisis of truly unprecedented proportions.'

He urged the government to continue doing all it could to safeguard the market so it can help operators and the nation 'get back to business'.

Registrations of new commercial vehicles less than 3.5 tonnes

Figures supplied by SMMT

Marque	March 2020		March 2019		% change	Year-to-date figures				
	2020	% market share	2019	% market share		2020	% market share	2019	% market share	% change
Ford	9,634	31.85	23,077	34.90	-58.25	22,444	33.05	34,951	34.02	-35.78
Volkswagen	3,495	11.55	6,977	10.55	-49.91	6,807	10.02	11,154	10.86	-38.97
Peugeot	3,450	11.41	6,220	9.41	-44.53	6,906	10.17	9,788	9.53	-29.44
Mercedes	2,625	8.68	5,534	8.37	-52.57	5,604	8.25	8,816	8.58	-36.43
Citroen	2,301	7.61	4,722	7.14	-51.27	5,415	7.97	7,828	7.62	-30.83
Vauxhall	2,080	6.88	5,301	8.02	-60.76	6,641	9.78	8,373	8.15	-20.69
Nissan	1,217	4.02	2,619	3.96	-53.53	2,607	3.84	3,734	3.63	-30.18
Renault	1,142	3.78	4,012	6.07	-71.54	2,383	3.51	5,654	5.50	-57.85
Toyota	1,028	3.40	1,473	2.23	-30.21	2,388	3.52	2,410	2.35	-0.91
Fiat	918	3.04	1,684	2.55	-45.49	1,847	2.72	2,575	2.51	-28.27
Isuzu	630	2.08	910	1.38	-30.77	1,028	1.51	1,253	1.22	-17.96
Mitsubishi	523	1.73	2,398	3.63	-78.19	1,450	2.14	3,940	3.83	-63.20
Iveco	350	1.16	334	0.51	4.79	733	1.08	793	0.77	-7.57
Land Rover	226	0.75	180	0.27	25.56	374	0.55	313	0.30	19.49
MAN	198	0.65	170	0.26	16.47	331	0.49	272	0.26	21.69
Isuzu Trucks	136	0.45	114	0.17	19.30	255	0.38	197	0.19	29.44
Renault Trucks	129	0.43	176	0.27	-26.70	322	0.47	334	0.33	-3.59
LDV	89	0.29	30	0.05	196.67	212	0.31	88	0.09	140.91
SsangYong	44	0.15	130	0.20	-66.15	106	0.16	177	0.17	-40.11
Fuso	32	0.11	35	0.05	-8.57	54	0.08	55	0.05	-1.82
Hyundai	0	0.00	27	0.04	0.00	0	0.00	38	0.04	0.00
	30,247	100.00	66,123	100.00	-54.26	67,907	100.00	102,743	100.00	-33.91

Registrations of new commercial vehicles 3.5 tonnes to 6.0 tonnes

Figures supplied by SMMT

Marque	March 2020		March 2019		% change	Year-to-date figures				
	2020	% market share	2019	% market share		2020	% market share	2019	% market share	% change
Ford	259	28.75	25	2.20	936.00	419	22.49	69	3.75	507.25
Fiat	225	24.97	326	28.72	-30.98	405	21.74	511	27.76	-20.74
Mercedes	180	19.98	260	22.91	-30.77	501	26.89	453	24.61	10.60
Peugeot	148	16.43	398	35.07	-62.81	337	18.09	529	28.73	-36.29
Volkswagen	29	3.22	7	0.62	314.29	40	2.15	14	0.76	185.71
Iveco	21	2.33	63	5.55	-66.67	44	2.36	159	8.64	-72.33
MAN	21	2.33	6	0.53	250.00	24	1.29	12	0.65	100.00
Other imports	10	1.11	0	0.00	0.00	10	0.54	0	0.00	0.00
Citroen	5	0.55	14	1.23	-64.29	77	4.13	27	1.47	185.19
Vauxhall	2	0.22	24	2.11	-91.67	3	0.16	43	2.34	-93.02
Isuzu Trucks	1	0.11	3	0.26	-66.67	1	0.05	4	0.22	-75.00
Renault	0	0.00	8	0.70	0.00	2	0.11	17	0.92	-88.24
Renault Trucks	0	0.00	1	0.09	0.00	0	0.00	3	0.16	0.00
	901	100.00	1,135	100.00	-20.62	1,863	100.00	1,841	100.00	1.20

The hidden risks of distance selling

Social media, website and email marketing are even more critical now because of the Covid-19 restrictions but they bring their own dangers. Leon Bosch explains how dealers can avoid them

We are certainly in uncharted waters with the outbreak of coronavirus/ Covid-19. The restrictions imposed by the UK government, albeit necessary, are putting pressures on business to change their working practices to survive. As is always the case, necessity is the mother of invention. Many businesses are adapting to the changes so they can cater for their existing customers in new and innovative ways, attract new customers and in some instances enter new markets.

In the automotive sector, repair and maintenance businesses are changing working practices to account for social distancing, for instance by using remote diagnostics software. In retail, it is a very different story as showrooms close to protect the public and the dealership employees. So now, more than ever, utilising social media, website and email marketing is critical to ensure client engagement. Distance/e-selling is being maximised by dealerships who have always had this as a distribution channel. This is increasingly being adopted by smaller dealerships who previously relied on face-to-face interaction and footfall to the dealership. However, as with any change to working practice there are different risk exposures.

Buying a car is often the second biggest purchase any of us will make and so customers

are rightly cautious, and many will be uneasy making a purchase of this magnitude without the usual comfort of physical interaction. As a result, if anything goes wrong then the fallout is likely to be considerable as now customers have access to social media, review sites and other means of voicing their opinion. All of this creates a significant risk for lasting reputational harm, which could seriously interrupt future sales.

So what could go wrong?

Aside from allegations of misselling/ misrepresentation of a vehicle by a disgruntled customer, there are a number of risks that could cause issue:

Lost data: In transacting in this manner, in fact in just marketing, dealers will now hold increasing amounts of personal information on customers.

Since the introduction of GDPR, the rights and freedoms of individuals have been clearly set out with regard to data. Examples of data loss include: lost/stolen devices, compromised databases, allowing unauthorised access to systems, or even accidentally emailing our marketing/other databases, forward/reply all/ Outlook pre-populating the wrong email address.

Should data be lost, then the business could be exposed to severe penalties from the Information

Commissioner's Office, litigation from claimants and certainly a damaged reputation, which can affect other customers' willingness to engage with the business.

Denial-of-service attack (DoS attack): This is a cyber-attack in which the perpetrator seeks to make a machine or network resource unavailable to its intended users by temporarily or indefinitely disrupting services of a host connected to the internet. It is common for hackers to target businesses who are dependent on e-commerce sales, bringing their systems/ business to a halt.

Ransomware: Ransomware is one of the most common forms of cyber-crime in the UK. It is a form of malware in which rogue software code effectively holds a user's computer hostage until a 'ransom' fee is paid. Usually, ransomware attacks are the result of clicking on an infected email attachment or visiting hacked or malicious websites. The WannaCry ransomware that affected the NHS amongst other global businesses was a ransomware attack that exploited an unsupported version of the Microsoft Windows operating system.

Social engineering: Trading online exposes businesses to the actions of organised crime gangs, money launderers and opportunist criminals. We are seeing several instances of

sophisticated scams being deployed in the distance selling market, including:

Push payment fraud: This is when fraudsters deceive consumers or individuals at a business to send them a payment under false pretences to a bank account controlled by the fraudster. As payments made using real-time payment schemes are irrevocable, the victims cannot reverse a payment once they realise they have been conned.

These approaches taken by the fraudsters are not new. They use social engineering techniques and may hack into email and other systems in order to set up their victims.

There are various examples of cyber criminals posing as suppliers and asking for amended payment details to be processed. More commonly, customers are duped into paying the wrong businesses.

Imagine a hacker accesses a dealer's system, identifies a mark or number of marks, and spoofs correspondence from the dealer, either an email/ letter/automated text message to arrange for deposits or balance payments to be paid to an alternative payment destination.

In such an instance, the bank is not necessarily liable as it has acted on the instructions of the account holder in good faith. In these unfortunate instances, it is often the business

that bears the brunt of the customer's anger, as questions are raised as to whether this could have been prevented.

Regardless, there is certainly a risk for reputational harm if this is highlighted.

How can you help protect your business and what messages can you share with your clients?

- Always question unexpected approaches and requests and highlight this to your customers
- Always verify all payment requests verbally in a separate phone call before sending any money
- Remember that your bank will never:
 - o Call to ask you for your PIN or full banking password
 - o Ask you to withdraw or transfer money for safekeeping
 - o Send someone to your home to collect cash, a PIN, cards or cheque books
 - o Ask you to buy something on your card and hand it over for safekeeping
 - o Ask you to share any sensitive information about yourself or your account, such as your PIN
 - o Ask you to move your money out of your accounts and into a different account
- Always question who you're talking to.

Remember that fraudsters may know basic details about you and can fake phone numbers, names and email addresses. Hang up the phone and get

in touch with the company directly using known contact details.

- Take your time. Fraudsters will often try to pressure you into sending money or revealing details. An organisation that you trust will never try to panic you.
- Have the confidence to say no. Listen to your instincts and leave the conversation if something feels off.
- Speak to your insurance broker – cyber and crime insurance policies can provide indemnity for costs and awards for lost data, business interruption, lost money/assets, and also provide support and access to a suite of tier one specialists such as forensic IT investigators, system remediation support, legal and PR/ communications support, and even support for clients to prevent a lasting reputational issue, including ongoing credit monitoring.

The regulations around distance selling are different to traditional sales, recognising the nuanced interaction and indeed risks. These are clearly explained in this [helpful FAQ shared by the Motor Ombudsman](#).

Would you like to talk?

For more information, please get in touch with the Gallagher Automotive Team. Call 0800 612 2284 or email automotive_enquiries@ajg.com

Leon Bosch is the managing director of the automotive practice at commercial insurance broker and risk management specialist Gallagher.



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Automotive Ecommerce

GForces
W: gforces.co.uk
T: 01622 391904
Info: GForces delivers class-leading ecommerce solutions. We work with global vehicle manufacturers, the world's largest dealer groups and independent retailers around the planet.

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Real World Analytics
W: realworldanalytics.com
T: 0808 1890 617
E: auto@realworldanalytics.com
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Close Brothers Motor Finance
W: closemotorfinance.co.uk/
Info: Close Brothers Motor Finance are a specialist finance provider, working with over 8,000 dealer partners to offer flexible finance solutions for car, motorcycle and LCV customers.

Finance

First Response
W: firstresponsefinance.co.uk
T: 0115 946 6317
E: marketing@frfl.co.uk
Info: First Response is an award-winning UK finance company providing simple financial solutions. Get in touch and let us help increase your profits.

Finance

Forza Finance
W: forzafinance.co.uk
T: 01245 245678
Info: Benefit from Forza Finance's expertise, choice of products and lenders. Their personal approach will help you achieve higher levels of finance penetration and, ultimately, sell more cars.

HR & People Management

HR Manager
W: hrmanager.co.uk
T: 01480 455500
E: info@hrmanager.co.uk
Info: HR Manager is Lawgistics' new digital compliance portal designed to assist employers manage their legal obligations, responsibilities and duties.

Key Control

Keytracker
W: keytracker.com
T: 0121 559 9000
E: sales@keytracker.com
Info: Established in 1996 and based in the UK, Keytracker Ltd provide an extensive range of key and asset management systems for a wide range of businesses.

Key Control

Traka
W: traka-automotive.com
T: 0333 355 3726
E: automotive@traka.com
Info: Bespoke software and electronic key management cabinets to deliver the most effective solution to dealerships to manage their keys and vehicles.

Lead Management

GardX AD-Vantage
W: gardx.co.uk/gardx-ad-vantage
T: 01243 376426
E: goforaspin@gardx.co.uk
Info: The award-winning 360 service offers an engaging display of the vehicle while additionally presenting profitable F&I products to a consumer.

Lead Management

iVendi
W: ivendi.com
T: 0330 229 0028
E: tellmemore@ivendi.com
Info: iVendi delivers a fully connected platform that engages consumers, converts buyers and manages transactions of vehicles online and in the showroom.

Legal & Compliance

Lawgistics
W: lawgistics.co.uk
T: 01480 455500
E: sales@lawgistics.co.uk
Info: The legal experts for the motor trade, giving advice and support to our industry for over 15 years. Not anti-consumer, just pro-trader.

Marketing, PR & Video

OnCue Communications
W: oncuecomms.com
T: 023 9252 2434
Info: We are a leading provider of PR, video and events services to the automotive industry. The PR team has a proven track record of securing high-value, big-impact media coverage.

Marketing, PR & Video

Marketing Delivery
W: marketingdelivery.co.uk/
T: 01892 599911
E: getintouch@marketingdelivery.co.uk
Info: Our SocialStock helps target prospects with tailored stock remarketing and social media advertising tools, and automated lead capture for Facebook.

Oil & Lubricants

Mobil™
W: mobil.co.uk
T: 0800 0857 420
Info: Whether using Mobil 1™ or Mobil Super™, Mobil™ engine oils meet or exceed the latest standards of the oil industry and vehicle manufacturers.

Recruitment

WeRecruit Auto
W: werrecruitauto.co.uk
T: 01603 550041
Info: Permanent recruitment - here to assist businesses within the automotive sector find the best fit for their company in terms of skillset, experience and culture.

Trade Bodies

Ben
W: ben.org.uk
T: 0808 131 1333
Info: Ben is a not-for-profit organisation that partners with the automotive industry to provide support for life to its people and their families.

Vehicle Photography

Dealer 360
W: dealer360.co.uk
T: 01270 780855
E: nicky.spratt@ukturntables.com
Info: UK makers of photo booths incorporating our turntables for car, van and motorcycle dealers. Our software controls turntable and cameras - a one-stop solution.

Vehicle Tracking

Meta Trak
W: metatrak.co.uk
T: 020 8867 2340
E: enquiries@metatrak.co.uk
Info: Total vehicle security. Clever tracking technology, advanced immobilisation, 24/7 monitoring and an easy-to-use app. Security. Connectivity. Peace of mind.

Warranty Providers

Autoprotect
W: autoprotect.co.uk
T: 01279 406888
E: sales@autoprotect.net
Info: AutoProtect offers a full portfolio of award-winning protection products, including GAP. We lead the market with an 'Excellent' rating on Trustpilot.

Warranty Providers

Car Care Plan
W: carcareplan.com
T: 0344 573 8000
Info: Car Care Plan is a leading provider of motor protection products, trusted around the world to deliver quality protection with integrity and a customer-oriented outlook.

These Listings Work!

More Sales For You
W: Your website address
T: 023 9252 2434 (that's us!)
E: sales@blackballmedia.co.uk
Info: The Suppliers Guide lets dealers find the companies they need to help them with their business. Make sure you're here. Contact us via the above number.

Warranty Providers

Momentum Warranties
W: momentumwarranties.co.uk
T: 0330 445 0059
E: support@momentumwarranties.co.uk
Info: How long does your warranty company make you wait? We pay claims into your bank within 45 minutes. The most advanced warranty programme in the UK.

Warranty Providers

Warranty Administration Services
W: warrantyadmin.co.uk
T: 01522 515600
E: tellmemore@warrantyadmin.co.uk
Info: Unlock new profit and aftersales flexibility with Crystal Clear Warranty. Ideal for franchised dealers, groups and independents.

Warranty Providers

Warrantywise
W: warrantywise.co.uk/dealer
T: 0800 001 4551
E: dealers@warrantywise.co.uk
Info: Warrantywise sells over 100,000 warranties per year. Quentin Willson personally designed Warrantywise to be the UK's best used car warranty.

These Listings Work!

More Sales For You
W: Your website address
T: 023 9252 2434 (that's us!)
E: sales@blackballmedia.co.uk
Info: The Suppliers Guide lets dealers find the companies they need to help them with their business. Make sure you're here. Contact us via the above number.

Warranty Providers

WMS
W: wmsgroup.co.uk
T: 01844 293810
E: sales@wmsgroup.co.uk
Info: Open 24/7, we offer award-winning warranty products for FCA- and non-FCA-registered dealerships.

Website Design & Digital Marketing

Bluesky Interactive
W: blueskyinteractive.co.uk
T: 01926 651000
Info: Bluesky Interactive drive dealer websites and digital marketing forward thanks to game-changing innovation, the latest technology and our exceptional relationships with our clients.

Website Design & Digital Marketing

Haswent
W: haswent.com
T: 020 3920 6164
E: hello@haswent.com
Info: Composer is a next-gen automotive platform. You have extensive stock management options, and you'll gain a brilliantly responsive new website.

To have your details included email sales@blackballmedia.co.uk and ask for Suppliers Guide listings

COVID-19 CORONAVIRUS

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LATEST FROM THE FLEET...

Skoda Superb iV

We've been handed the keys to a new Skoda Superb hybrid – but how are things to begin with?



by **DAVE BROWN**
@CarDealerDave

You probably don't need me to tell you that Skoda has made enormous strides as a car manufacturer in recent years. Any jokes cracked at the Czech manufacturer's expense belong firmly in the last millennium and it's entering the 2020s with confidence, thanks to a range of excellent cars such as the clever and compact Citigo, the eye-catching Fabia supermini and the seven-seat Kodiaq SUV.

The most recent new car sales figures show the brand is increasingly popular, too. UK registrations of new Skodas in the 12 months to the end of February were up a solid eight per cent against a market that was down three.

And as part of the Volkswagen Group, Skoda is moving with the times.

VW is investing a staggering £56bn in new technology and electrification over the next five years, making the dark days of dieselgate a distant memory.

All of which brings us to the latest model to join our fleet of long-term loan cars: a Skoda Superb Hatchback iV – an example of the first electrified model to be marketed by the carmaker and one of the first from its iV 'sub-brand', of which more later.

It's been available to order since the start of the year and, put simply, is a facelifted Superb (the name's been around for a while) equipped with advanced tech and a low-emission hybrid engine. Combining a turbocharged 1.4-litre TSI petrol unit and 85kW electric motor, the car delivers a total performance of 215bhp and CO₂ emissions of less than 35g/km.

It also offers a zero-emission drive of more than 30 miles and can travel up to 578 miles on a full tank and a fully charged battery when in hybrid mode.

It certainly looks pretty sleek and stylish, although with its black pearl-effect paint job, I have been asked if I've been moonlighting as the local mayor of the town in which I live!

Over the next few months, there will be time to discuss all kinds of things about this car, but for this introductory report we'll look at the practicalities of everyday life with KY69 MPF.

First up: Does it work well as a pure EV?



Our Superb certainly looks smart, only revealing its hybrid credentials via a flap in the grille...

THE KNOWLEDGE

Model:	Skoda Superb iV SE L
Price (as tested):	£34,755
Engine:	1.4-litre petrol plug-in hybrid
Power:	215bhp
Torque:	400Nm
0-60mph:	7.6 seconds
Top speed:	138mph
Fuel economy:	217.3-148.7 mpg (weighted combined)
Emissions:	34g/km CO₂
Mileage:	150

THIS MONTH'S HIGHLIGHT:

Getting used to a new electrified way of life!

Answer: Absolutely – as long as you don't want to travel more than 35 miles or so before the car switches to petrol power.

Mind you, venturing very far afield won't really be possible for a while anyway because of the movement restrictions imposed as a result of the coronavirus pandemic.

Charging couldn't be simpler either, thanks to an easily accessed socket behind the car's grille. Two cables are supplied – one with a three-pin plug on the end for a home-style socket, the other a 'type 2' cable designed to be used at public charging points or with a wall box.

There's no need to think about where to store the cables, by the way. A nifty compartment in the boot provides plenty of room for both.

In E-mode, the car is powered exclusively by its battery, while in hybrid mode, the electronics optimise the balance between the petrol engine and the electric motor.

The three-pin cable worked fine whether I was using the charging point in the office car park or



the socket in my garage at home. A quick trip to our local Asda saw me put the type 2 cable to good use, with the help of a BP Chargemaster/Polar Plus card.

After 10 days behind the wheel, I didn't have to add any unleaded to the tank – and needless to say, not having to spend anything on petrol is a very nice feeling!

Finally, a word about that iV moniker – the two letters representing the Skoda sub-brand, which I mentioned earlier.

I was wondering what the two letters meant so made a few inquiries. The 'i' apparently stands for the characteristics that make iV models stand out, such as innovative and intelligent, iconic and inspiring. The 'V' simply stands for... vehicle! Stands to reason, I suppose.




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