

NAMA NEWS APRIL 2019

Dear Colleagues,

NAMA Grading Appraiser Courses

We have dates available at Stephenson College for our Appraiser Courses. If you would like to book a space, please contact Susan Munslow on 01788 538 304.

PR and monthly newsletter

We would like to include more of our members 'good news stories' in the monthly newsletter, as well as sending regular press releases to trade contacts on key areas affecting your business. We would be particularly interested in reports from your business that might include record sales week's, sales with interesting vehicles or vendors, employee achievements, charity events or anything you would like to share with your fellow NAMA members or the wider automotive industry. Please email any stories you want included in the newsletter by the 20th of each month to our press officer rupal.rawal@rmif.co.uk

NAMA Convention and AGM 2019

Finally, I am looking forward to seeing everyone in a few weeks at this year's AGM at the Pine Cliffs Resort in Portugal. If there is anyone not attending and would like to come, there are still a few places available so please contact us.

If you would like to be involved in the initiatives above or have any further queries, please let us know on 01788 538336 or email louise.wallis@rmif.co.uk.

Louise Wallis
Head of NAMA

BCA JOINS DRIVE MY CAREER

BCA has become the first NAMA member to sign up to the Drive My Career initiative, which was launched by the NFDA last year.

Drive My Career is a unique, industry-first initiative launched to help automotive employers connect with young people looking to start their professional careers. It is a web-based platform which promotes exciting career opportunities available in the automotive industry, attracts young people and redirects them to automotive online career portals.

Candidates use the website where they enter their postcode and see all the automotive groups that operate in their local area. By clicking on the logo of any of the groups appearing on the finder map, they will be redirected to the career page of the selected group. There, they will be able to apply for the preferred vacancy.

It is positive to see that BCA has seen the value in Drive My Career and has signed up to help promote the career opportunities available in the automotive sector.

Despite all the different, exciting career paths the industry offers, the automotive industry can lose many talented young people due to the lack of information about the range of roles available and the potential for career development. With Drive My Career, the whole industry has come together in a unique way and one that will enable businesses to connect with the workforce of the future.

DMC welcomes BCA on board and hope to see more NAMA members joining the initiative.

For more information on how to join Drive My Career or if you have any questions about the initiative, please email info@drivemycareer.co.uk or call 01788 538303.

AUCTIONEERS EXPECT VOLUMES TO INCREASE IN APRIL

Following an increase in new car sales in plate change month March where a high number of part exchanges were generated, auctioneers are expecting to see a surge in vehicle volumes this month.

Findings show that most auction houses expect to see petrol and diesel car values remain stable, with only 5% of respondents expecting a decrease in petrol prices and 15% expecting a drop in diesel. Values of Alternative Fuel Vehicle (AFV) which include hybrid and electric vehicles are thought also to remain steady during April, although unlike petrol and diesel, some members have indicated that these values could actually increase as demand for them steadily rises.

Average age and mileage look set to remain steady over April, although over 35% of respondents have indicated that both could increase. Conversion rates are expected to soften during April with 35% of members expecting them to fall. However, this is most likely

to be due to the seasonal increase in volumes of vehicles at market than weakening demand.

The Euro-6 market looks set to be strong with over 40% of members expecting an increase in values with a further 50% expecting values to remain stable. The continued growth of Low Emission Zones is expected to keep demand for these vehicles strong. In the pre-Euro-6 market, over 70% of respondents are expecting to see values of remain steady or increase.

The used car market has generally performed in line with our expectations in the first quarter of 2019. Values have remained stable, and there has been a steady stream of buyers bidding competitively across all market sectors, both at auction and online. We are expecting this buoyant market to continue into Q2.

To request a copy of the March NAMA Market Report, please contact rupal.rawal@rmif.co.uk.

UK CAR MARKET FALLS IN MARCH AS UNCERTAINTY UNDERMINES BUYER CONFIDENCE

UK new car registrations declined by -3.4% last month, as political and economic uncertainty and continuing confusion over diesel affected demand. March is a crucial month for the new car market, as the plate change drives buyers into showrooms, with new car demand often seen as a bellwether for consumer confidence and the health of the wider economy.

Demand fell in both the private and business sectors, with registrations down -2.8% and -44.8% respectively, while fleet demand was stable, up 0.3%. Declines were seen across almost every vehicle segment, including popular Dual Purpose (-1.8%) and small family cars (-4.0%). However, superminis – Britain's favourite vehicle type – saw a 4.3% increase in demand, taking a third (33.7%) of all registrations.

Following the trend of recent months, diesel registrations fell -21.4% while petrol demand grew 5.1%. Meanwhile, demand for Alternatively Fuelled Vehicles (AFVs) increased by 7.6% with 25,302 registered, the biggest March volume on record. With almost 40 plug-in models on the market in the UK, and over 20 more expected to arrive in 2019, demand for these new technologies is expected to continue to grow.

BEST SELLERS

MARCH 2019			YEAR-TO-DATE		
①	Ford Fiesta	14,676	①	Ford Fiesta	23,474
②	Vauxhall Corsa	13,244	②	Vauxhall Corsa	17,647
③	Volkswagen Golf	11,072	③	Volkswagen Golf	17,412
④	Mercedes-Benz A-Class	10,805	④	Ford Focus	16,668
⑤	Nissan Qashqai	10,701	⑤	Mercedes-Benz A-Class	16,632
⑥	Ford Focus	9,734	⑥	Nissan Qashqai	16,420
⑦	MINI	8,896	⑦	Volkswagen Polo	13,089
⑧	Volkswagen Polo	8,614	⑧	MINI	11,969
⑨	BMW 1 Series	7,986	⑨	Toyota Yaris	11,400
⑩	Toyota Yaris	7,853	⑩	Ford Kuga	10,805

March	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2019	458,054	120,677	312,075	25,302	222,115	223,288	12,651
2018	474,069	153,611	296,945	23,513	228,503	222,634	22,932
% change	-3.4%	-21.4%	5.1%	7.6%	-2.8%	0.3%	-44.8%
Mkt share '19		26.3%	68.1%	5.5%	48.5%	48.7%	2.8%
Mkt share '18		32.4%	62.6%	5.0%	48.2%	47.0%	4.8%

Year-to-date	Total	Diesel	Petrol	AFV	Private	Fleet	Business
2019	701,036	191,784	468,415	40,837	330,613	353,696	16,727
2018	718,489	240,646	442,237	35,606	333,143	356,818	28,528
% change	-2.4%	-20.3%	5.9%	14.7%	-0.8%	-0.9%	-41.4%
Mkt share '19		27.4%	66.8%	5.8%	47.2%	50.5%	2.4%
Mkt share '18		33.5%	61.6%	5.0%	46.4%	49.7%	4.0%

Image source: SMMT

CLAIMS MANAGEMENT COMPANIES ENTER FCA REGULATION



From 1 April 2019, the Financial Conduct Authority (FCA) has begun regulating the claims management industry.

All claims management companies (CMCs) in England, Scotland and Wales will now have to demonstrate they meet and maintain minimum standards set by the FCA. All existing and new CMCs will need to apply to the FCA for authorisation. More than 900 CMCs have registered for 'temporary permission' to continue operating while they go through the FCA authorisation process.

The new FCA regime aims to boost consumer protection and the professionalism of the sector by driving up standards in the industry. The FCA wants CMCs to be trusted providers of high quality, good value services that help consumers pursue legitimate claims for redress.

New FCA requirements will benefit consumers by ensuring that CMCs give people the information they need to make informed decisions.

The new FCA requirements include: due diligence on lead generation and rules to prevent firms encouraging customers to make fraudulent, frivolous or vexatious claims or claims which have no good basis; providing clear, upfront information to customers about the fees they charge and the services they will provide; giving customers a summary document about the services they will provide before the customer signs a contract.

For more information, see Claims management companies enter FCA regulation today - <https://bit.ly/2VrqkrE>

LEGAL UPDATE



BREXIT – IMPLICATIONS FOR EMPLOYMENT LAW

This note outlines the expected implications for UK employment law of the UK's withdrawal from the EU.

The government has published draft legislation intended to implement its commitment to protect workers' rights after Brexit. On 6 March 2019 the government published 'Protecting and Enhancing Worker Rights after the UK withdrawal from the EU'. In the accompanying press release the government stated that it has committed 'not to reduce the standards of workers' rights from EU laws retained in UK law' and that it will 'ensure that new legislation changing those laws will be assessed as to whether they uphold this commitment'. The draft legislation provides, among other things, that whenever the government introduces a new Bill that may affect employment rights, a Minister will be required to consult workers' and employers' representatives and then make a statement to Parliament before Second Reading. The statement must either be to the effect that, in the Minister's view, the Bill will not result in the regression from any pre-exit EU workers' right, or that, although the

Minister is unable to make such a statement, the government nevertheless wishes the House to proceed with the Bill. The draft legislation also includes provisions requiring the government to report on new, post-Brexit EU workers' rights, such as those introduced by future EU Directives, and to state whether domestic law includes the same kind of right and, if not, whether the government intends to take any action. The government will be obliged to consult with workers' and employers' representatives before making such reports. As part of the policy paper there are also proposals to introduce a single enforcement body to protect vulnerable and agency workers.

EU-derived employment law

A significant proportion of the UK's employment laws have their basis in UK legislation. EU employment law provides a minimum standard below which domestic employment law must not fall. Examples include: - rights relating to discrimination, maternity rights, equal pay, temporary agency workers' rights, limitations on working time and protections on the transfer of undertakings.

Subject to the provisions of the EU withdrawal agreement or subsequent trade agreement, withdrawal from the EU would mean that UK employment rights currently guaranteed by EU law would no longer be so guaranteed. However, the existing government has made a commitment to ensure that workers' existing rights are retained.

Draft withdrawal agreement

- The draft withdrawal agreement endorsed by leaders at a special meeting of the European Council on 25 November 2018 provides that workers will continue to enjoy the following:-
- The right not to be discriminated against on the grounds of nationality as regards employment, remuneration and other conditions of work and employment
- The right to take up and pursue an activity in accordance with the rules applicable to the nationals of the host State or State of work
- The right to equal treatment in respect of condition of employment and work, in particular as regards remuneration, dismissal and in case of unemployment, reinstatement or reemployment
- Collective rights
- The right for their children to be admitted to the general educational, apprenticeship and vocational training courses under the same conditions as the national of the host State or State of work, if such children are residing in the territory where the worker works.

Agreement has been reached that the transition will be 30 March 2019 and 31 December 2020. This is the government's formal indication of its plans both legally and operationally in relation to settled status, however the final position may be subject to change:-

- EU citizens and their family members will be able to apply for settled status (indefinite leave to remain) or pre-settled status (limited leave to remain) under the scheme if there are resident in the UK on or before 31 December 2020, and
- In the case of settled status applicants, they have lived in the UK continuously for 5 years or more

- In the case of pre-settled status applicants, they do not meet the residence requirements for settled status
- In the case of those who have been issued with a permanent residence document, they have not been absent from the UK for a continuous period of more than 5 years

Legal mechanism for ending the free movement regime

The government has stated that it would be bringing forward an Immigration Bill in the next Parliament to 'repeal the EU-derived free movement provisions so as to be able, on our exit from the EU, to bring EU citizens fully within the scope of UK law'. This might aim to put in place the foundations for a new immigration regime for EU citizens (who currently do not require leave to enter the UK). It is currently unclear as to what is the government's precise intention as regard how and when the existing EU free movement regime will be terminated, and as to the transition. It is likely that many key issues will be the subject of negotiation with the EU (such as, in particular, whether or not there should be a preferential immigration regime for EU citizens as against nationals of other countries). Both the government and the EU have indicated a wish to negotiate at least some reciprocal arrangements for the movement of persons.

Priorities for employers

A suggested priority would be an examination of the organisation's current staffing in the UK to see what potential immigration issues might arise post-Brexit. Businesses should also consider how many EU (non-UK) citizens they employ and whether the business is heavily dependent upon EU employees, either skilled or unskilled. Employers should work with their HR teams to understand the needs and concerns of their workforce and the impact any loss of ability to retain or employ non-UK employees might have on the business.

Brexit continues to be an ongoing transitional process and should be monitored and actively reviewed by employers.

Source: Motor Industry Legal Services (MILS)

COX AUTOMOTIVE MARKET OVERVIEW – MARCH 2019

Retail - summary

- As expected, March new car registration figures made for disappointing reading, with the market down -3.4%. The Diesel share recovered marginally by 2% on February although -11% down YoY
- Consumer confidence index remains level at -13 as overall new car registrations decline -3.4%; however, private registrations remain stable year to date at -0.8% YoY
- Two-thirds of respondents reported in the March Monthly Market Survey* a decline in consumer demand whilst half cite that retained margins remain similar to the same period last year
- Challenges continue to face the new car market, as a quarter of dealers indicate an increase in consignment stock. Used car strength produces encouraging results in the March Monthly Market Survey,* as 76% of dealers report a decrease in overage and 62% report a reduction in days in stock

- In a time of uncertainty, 30% of dealers remain positive over the economic condition over the coming months whilst 54% report in the March Monthly Market Survey* that they expect it to decline. Nearly half optimistic that sourcing stock will improve
- Concerns on margin pressures expressed in February's dealer survey have lessened in March, but this is likely to be a continued theme in the coming months
- Political uncertainty in the key plate change month had a big part to play, but private registrations have held relatively steady YTD, down just 1% year-on-year
- According to the latest dealer sentiment survey from Modix, almost 60% of retailers feel that consumer demand was down in March compared to the prior year
- The new car fleet registration headline figures don't necessarily tell the full story, and manufacturers have worked hard to maintain a stable market by using all the sales channels available
- The used car market sentiment reports of a fall in demand in March, but dealer sentiment around days in stock suggests that this area of the market is still performing strongly

Wholesale - summary

- The introduction of WLTP and ongoing uncertainty around taxation in the fleet sector is continuing to cause owners to hold on to their cars for longer, and as a consequence, the wholesale market is seeing older, higher mileage vehicles
- Part-exchange vehicle volumes rose by 10% month-on-month (MoM), while the average part-exchange price was up 1.7% to £4,150 and the average age increased by 2.6% to 87 months
- Petrol and diesel prices fell year-on-year (YoY) in March, likely to be influenced by an increase in vehicle age and mileage. The average price of Alternative Fuel Vehicles (AFV) increased by 2.3%
- Manheim report a double-digit increase in part-exchange volumes through its physical and digital wholesale channels in March
- Manheim saw the number of part-exchange vehicles rise by 10% month-on-month, while the average part-ex price was up 1.7% to £4,150
- March was a month of two halves in the wholesale market - strong prices and demand in the first two weeks, particularly for ready-to-retail stock, but the market was more challenging in the latter part of the month, possibly as a reaction to political uncertainty over Brexit
- WLTP and ongoing uncertainty around taxation is causing owners to hold on to their cars for longer, and we're seeing older, higher mileage vehicles entering the wholesale market
- Majority of manufacturer's sales continue to hit the dizzy heights of 90% conversion with cap prices close to 100%

Funding - summary

- The wholesale stock funding business recorded an average cost per unit of £7,958, up 5% month-on-month and a 12.8% increase on March 2018

- Average holding days funded increased 5 days YoY with a minor decrease of 3 days from February 2019
- Four out of five dealers* surveyed said they considered integrated technologies either 'important' or 'very important'. In contrast, only one in ten considered it 'fairly important but not essential' to their business
- The average age of funded units reduced marginally from the 6.9 years in 2018 to 6.1 years, while the average mileage dropped below 60,000

The Monthly Market Report includes our 2019 outlook for retail, wholesale and funding sectors as below:

Retail 2019 Outlook

- Increasing appetite for Manufacturers and Dealers to embrace eCommerce
- Demand grows for advanced vehicle imagery solutions to drive online buyer confidence
- Dealers investing in PPC advertising to drive sales as consumers turn to online for their next vehicle

Wholesale 2019 Outlook

- Demand for retail-ready stock will drive efficiencies in vehicle services, assisted by enhanced imagery
- An increasingly agnostic approach to physical and digital sales streams will emerge to complement changing buyer behaviours
- Buyers will expect increased transparency to drive stock confidence, leading to more detailed vehicle descriptions and assurance checks

Funding 2019 Outlook

- A strong appetite for growth means cash flow remains a priority for dealers
- An increased focus on digital integration is helping dealers to purchase stock hassle free from a variety of sources
- Ease and flexibility remains key for dealers

WHAT CAR? INSIGHT REPORT APRIL 2019

This month the What Car? Insight report highlights include:

- An interview with Peter Smyth, group director of the Swansway Group
- The most popular new car reviews and first drives this month
- Insight into the public response to EU's new vehicle regulations
- An overview of the most popular brands and models in What Car? lease searches
- The most efficient estates and MPVs tested on our real-world True MPG cycle
- Insight into the discounting trends across the new car market
- The top 20 most popular used car reviews this month
- Alternatives being considered by potential buyers of the Mazda CX-5 and Volvo XC40

- Cars and brands generating the most New Car Buying leads via whatcar.com

[To download a copy of the full report please click here](#)

BANK OF ENGLAND AGENTS' SUMMARY OF BUSINESS CONDITIONS - 2019 Q1

This publication includes a summary of economic reports compiled by the Bank of England's Agents in the first quarter of 2019. It generally makes comparisons with activity and prices a year earlier.

This publication also includes a summary of information gathered by the Bank's Decision Maker Panel survey.

- Contacts reported a further softening in activity over the past few months compared with a year ago.
- Growth in consumer demand slowed a little further, especially for major household purchases.
- A majority of contacts in the Agents' Brexit survey said they were making contingency plans in case of a 'no deal' Brexit.
- Investment intentions continued to weaken, particularly in manufacturing.

Full report available here: [Agents' summary of business conditions 2019 Q1](#)

NAMA MEMBERS IN THE NEWS

Marshall and Manheim team up for a record-breaking mega-week

Manheim sold more than 850 vehicles for Marshall Motor Group in a single week this month as part of a hugely successful mega-week event.

The five-day event saw more than 1,100 high-quality vehicles from Marshall Motor Group go through Manheim's auction lanes.

More than 1,900 buyers registered for auction events at Manheim's Bristol, Wimbledon, Colchester, Northampton and Mansfield centres, or logged on to buy through Manheim Online.

Across the week, Manheim sold 853 vehicles, beating its previous mega-week record of 815, and achieving a combined sales value of £4.6 million.

Full Press Release: <https://bit.ly/2UPp2Cm>

Wilson Auctions sees profits and turnover rise

Wilson's Auctions, which has a site at Dalry in Ayrshire, has reported growth in turnover and profit for last year, which it said consolidates its position as the largest independent auction house in the UK and Ireland.

Its turnover increased 15% to £28.1 million in 2018, while its operating profit was up 6% to £2.9m.

Wilson's Auctions now holds more than 2,000 auctions per year covering everything from cars and vans, plant and machinery and property to general goods. It also auctions more luxurious items, such as planes, yachts, gold bars, supercars, designer goods, prestigious watches and expanded its offering to cryptocurrency this year.

Full Press Release: <https://bit.ly/2DDfPrg>

HR Owen renews BCA remarketing deal by two-years

HR Owen has signed a new two year exclusive renewal deal with BCA to manage the remarketing of its part-exchange vehicles arriving at its network of supercar and luxury car showrooms.

BCA Blackbushe will stage a sale of HR Owen vehicles on alternate Wednesdays, building on the existing programme that forms part of the regular Top Car event.

BCA's major account manager, Suzanne Spencer, said: "H.R. Owen is a respected brand synonymous with luxury, prestige and performance models and these sales generate a genuine buzz with our Top Car buyers, who know they will be presented with an exceptional choice of vehicles."

The programme has generated a "loyal following" of buyers both in-lane at Blackbushe and via Live Online, with an average sale price of £32,000 and an 87% first-time conversion.

Full Press Release: <https://bit.ly/2DADR60>

Aston Barclay to manage Vauxhall Finance used cars

Vauxhall Finance has signed a remarketing contract with Aston Barclay.

Aston Barclay will manage its end-of-contract disposals.

From May 2019, Aston Barclay will manage up to 5,000 used cars each year, which are a mix of contract hire and PCP returns, as well as voluntary terminations and repossessions.

It will appraise, photograph and upload vehicles to be sold as part of a fortnightly fleet sale programme to spread used stock nationwide.

Vauxhall Finance remarketing manager Dafydd Ryder-Owen, said: "Our contract returns require sensitive management.

"We recognise that Aston Barclay is at the forefront of revolutionising the remarketing sector, so we look forward to exploring how its range of digital solutions can help us increase bids and improve conversion rates."

Neil Hodson, Aston Barclay's group CEO, added: "We are pleased to welcome Vauxhall Finance to the Aston Barclay family.

Full Press Release: <https://bit.ly/2INRrHt>

2019 DATES FOR YOUR DIARY

NAMA AGM 2019

17 - 18 May

Pine Cliffs Resort, Algarve, Portugal

NAMA National Executive

Tuesday 9 July

201 Great Portland Street