



Name and address
of finance company

16 October 2025

To whom it may concern,

Re: UK Car Finance Commission Redress Scheme – Applicability in the Channel Islands

I am writing on behalf of the Jersey Consumer Council regarding the redress scheme recently announced by the UK's Financial Conduct Authority (FCA) in connection with discretionary commission arrangements in car finance agreements.

As you may be aware, following a prolonged investigation, the FCA concluded that many consumers in the UK were unknowingly charged higher interest rates on car loans due to commission structures that incentivised brokers or dealers to increase the cost of credit. These arrangements were not always disclosed to consumers, raising serious concerns around transparency and fairness in the motor finance market.

As a result, the FCA has imposed a temporary pause on certain complaints and claims while it assesses the extent of consumer harm, with a view to implementing a formal redress scheme. It is expected that, where such practices are confirmed, firms will be required to reimburse affected customers.

While this scheme is being implemented in the UK, many of the same lenders and intermediaries also operate within the Crown Dependencies, including Jersey and Guernsey. Given the structural and commercial similarities in the way vehicle finance is offered across these jurisdictions, and the common practice of using UK-based finance companies and brokers, we are seeking clarification on the potential implications for consumers in the Channel Islands.

Specifically, we would appreciate your response to the following:

- 1. Please could you confirm whether your operations extend to Guernsey?**
- 2. Please could you also indicate whether you are part of a wider group, franchise or organisation which has offices in the UK or operates within the UK?**

3. **Does your organisation fall within the scope of the UK FCA's redress scheme for car finance commission arrangements, particularly in relation to agreements offered to customers in Jersey and/or Guernsey?**
4. **If your company is not legally required to comply with the FCA's redress scheme in the Channel Islands, do you nevertheless intend to honour the same principles of consumer protection and transparency by extending equivalent redress to affected customers in these jurisdictions?**
5. **Can you confirm whether, historically or currently, your company has paid commission to car dealerships, brokers, or individual sales representatives as part of any car finance agreements offered to customers in Jersey and/or Guernsey? If so, were these commission structures disclosed to the customer at the time of entering into the agreement?**

The Jersey Consumer Council has received early indications of public concern on this matter and we are seeking to assess the level of potential exposure for consumers in our jurisdiction. Transparency around these practices is essential to restoring public trust in motor finance and ensuring that Jersey consumers are treated equitably.

We would welcome your response by **16 November 2025**, in order to help us assess whether similar compensation or redress measures may be necessary or expected locally, and to give clarity to consumer.

We appreciate your co-operation on this matter and look forward to your response.

Yours faithfully,



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