

# Distance selling

## Information for dealers

To play our part in respecting the lockdown and protecting the safety and wellbeing of customers, from 6<sup>th</sup> April we will only pay out on new finance deals to 'essential and key workers' to help keep them mobile. For everyone else, we're still open for business – we are underwriting finance proposals in between 6 and 12 minutes and we'll keep it valid for 60 days. Pay outs will only be made to non- essential workers after the lockdown is lifted to keep everyone safe and at home.

To support you to accommodate home delivery of vehicles for essential and key workers, we have pulled together some handy information on distance selling. This is a complex concept and it is important to understand the requirements of the legislation in this space. We recommend firms get their own specialist legal advice from someone who has a detailed understanding of how their business operates.

As a digitally enabled motor finance business, we have also outlined within this information the tools that we have available to support a digital car buying journey.

**DISCLAIMER** – This document is intended to signpost dealers to information to support distance selling. We recommend dealers also seek their own guidance. This material is intended for information only and no reliance is to be placed on the content by any part other than MotoNovo Finance Limited. Businesses that wish to engage in distance selling should obtain their own specialist legal advice.

## Distance selling: what is it?

Distance selling is the selling and buying of goods – in this context, vehicles – without direct face to face contact with the customer during the conclusion of the contract. Under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (which applies to the sale of goods at a distance), the supplier must provide the consumer with certain information in order to conclude the agreement and provide for certain cancellation rights for the consumer. It's worth noting that this applies to all distance car sales although the cancellation rights differ for vehicles financed on hire purchase, personal contract purchase and conditional sale.

### Key requirements of the Regulation

- **Before an order is placed** – businesses are required to provide the customer with a list of information that must be easy to understand and in paper format, email or other format the customer can save for future reference. This information can be found in Schedule 2 of the legislation.
- **If an order is placed online** – businesses are required to bring certain information to the customer's attention immediately before the customer places an order.
- **After an order is placed** – provide a copy of the contract no later than when the goods are delivered containing all the details set out in Schedule 2 of the legislation.
- **Cancellation rights** – businesses will need to get up to speed on the cancellation rights afforded by the legislation and the effects of not telling customers about these. Instructions for cancellation can be found in Schedule 3 of the legislation but in summary, customers who purchase vehicles at a distance with cash or a personal loan can cancel the purchase up to 14 days after delivery and are not required to provide a reason. If customers are not told about their right to cancel, they can cancel any time in the next 12 months. For Regulated Hire Purchase/Personal Contract Purchase Plan, these cancellation rights do not apply. The customer has the right of withdrawal within 14 days of execution of their agreement under the Consumer Credit Act. Repayment of the advance plus daily interest is paid to the lender (***note that for MotoNovo Finance, our regulated agreements provide this right for all advance levels.***)

It's worth remembering that other legislation such as the Consumer Rights Act still applies. Firms need to consider how they would go about continuing to meet their obligations to both their customers and the regulator in light of a change to their business model; including the identification of vulnerable customers and the appropriate suitability of the products.



## Combatting fraud

At times like these, fraudsters will be looking for ways to exploit the crisis to their advantage, especially given the lack of face-to-face contact due to the drive to socially distance, self-isolate and work remotely. Noting this, businesses will need to pay particular attention to how they go about validating the identity of their customers and agree on a process with the lender.

In particular, lenders will need to consider how they will deal with the risk of customers impersonating other individuals.

## Financial crime and home delivery

The Joint Money Laundering Steering Group Guidance (**"JMLSG"**) sets out what is expected of regulated businesses, such as Motor Finance companies & Motor Dealers, to prevent money laundering and mitigate fraud in higher risk areas. The FCA would expect Motor Dealers that are regulated entities to follow this guidance.

For Motor Finance specific guidance on transactions where a home delivery service is required, please refer to the [Joint Money Laundering Steering Group guidance \(Part 2, Chapter 11\)](#).



# Navigating your way through MotoNovo's digital car buying journey



## Research phase

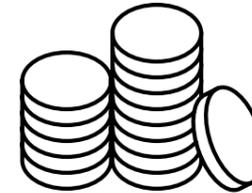


## Payout process



### MotoClick:

Sign finance documents electronically, receive faster pay-outs and manage consumer outcomes; our electronic signature device.



## Service & support

### MyMotoNovo Money Manager:

An online portal that allows customers to manage their arrears by either making a full payment, part payment or an arrangement based on their personal circumstances.

### findandfundmycar.com:

Bridges the gap between customers searching for their perfect used car and considering dealer finance to fund that purchase, helping combat the erosion of market share and enhance the potential reach of dealer finance.



## Finance application process

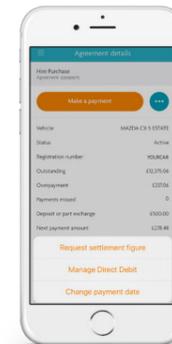
### findandfundmycar.com

#### Self-serve:

Facilitates the customer's need to be in control of the finance process and future-proofs the dealer's business.

#### Quote & Propose:

A finance calculator embedded within a dealer's website that allows the customer to apply for finance directly from the vehicle page — at any time of the day or the night.



## Post-sale

### MyMotoNovo:

Every MotoNovo Finance customer has access to their own secure online dashboard through MyMotoNovo - which is available as an app or online. With MyMotoNovo customers can update their personal details, change payment dates, make additional payments, check settlement figures, discuss their account and more.

# MotoNovo products that support distance selling

## Self-Serve

Enabling dealers to send motor finance quotes to customers via email using the Nexus 2 proposal system.

Self-Serve is an online finance application, which provides customers with the ease and convenience of applying for finance in the comfort of their homes. Once a customer has found their vehicle, dealers can send a motor finance quote directly to the customer via an email using our Nexus 2 system. Customers can complete and submit the application whenever and wherever they wish.

More information on the Self-Serve process can be found [here](#).

## MotoClick Split Sign Process

Enabling customers to sign documentation on their own device remotely.

MotoClick is our electronic signature product. The split sign process within this tool supports dealers to provide a home delivery service by enabling the dealer and the customer to sign the agreement at their own leisure. The customer part of the e-signing process is sent via an email to their private email address with a 30 day expiry. Once the customer has fully completed their section, the system sends the dealer a link to finish the signing process and submit the document to MotoNovo. The vehicle should then be delivered to the customer at their current address.

Before the vehicle is handed over, the customer should provide the dealer with a Driving Licence/Passport that the Dealer can take a copy of and certify the likeness to the customer. **It's essential that the Photo ID document contains details that are consistent with the application to ensure the person receiving the vehicle is the person applying for finance - this process should be followed for all deals.** Please note, this guidance will vary for a full non face to face transactional process.

More information on MotoClick can be found [here](#).

# Showroom vs home delivery process

Standard Showroom Process			MNF KYC Checks	MNF KYC Checks	Dealer KYC Checks	
	Sale of vehicle	Sale of finance	Proposal	Acceptance	Payout (Single Link)	Drive Away
Home Delivery Process			MNF KYC Checks	MNF and separate Dealer KYC Checks	MNF KYC Checks	Dealer Fraud Check
	Sale of vehicle	Sale of finance	Proposal	Acceptance	Payout (Split sign process)	Delivery (must be to customer home address)

In relation to transactions that are completely non face-to-face, please ensure you conduct your own **'Know Your Customer' checks** in line with your normal BAU processes prior to sale as well as ensuring you are satisfied that the individual to whom the car is delivered is the customer who you have verified prior to pay-out.

## Useful links

- [Government advice on distance and online selling](#)
- [The Consumer Contracts \(Information, Cancellation and Additional Charges\) Regulations 2013](#)
- [The Joint Money Laundering Steering Group Guidance \("JMLSG"\)](#)

# Contact us

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