

*These notes refer to the Vehicles (Crime) Act 2001
(c.3) which received Royal Assent on 10 April 2001*

VEHICLES (CRIME) ACT 2001

EXPLANATORY NOTES

SUMMARY AND BACKGROUND

Part 1: Regulation of Motor Salvage Operators

5. A consultation paper with proposals to regulate the salvage industry was issued on 27 April 2000. The consultation paper put forward three options:
 - to rely on present statutory controls, which are limited as the motor salvage and dismantling industry is only regulated for environmental purposes;
 - to rely on a voluntary Code of Practice developed by the insurance industry and aimed at the responsible disposal of those vehicles written-off by insurers;
 - to introduce additional statutory regulation.
6. Twenty-six organisations replied to the consultation document. Of these twenty-two endorsed the proposal for more statutory regulation. In the light of the responses to the consultation document the Home Secretary decided that the preferred way forward was to bring the motor salvage industry within a proper framework of statutory regulation.
7. The aim is to reduce the opportunity for disposing of stolen vehicles within the salvage industry by, for example:
 - giving the identity of legitimate vehicles which have been seriously damaged or written-off to stolen vehicles (a process known as "ringing");
 - breaking up stolen vehicles for their component parts which are then re-used to repair other vehicles or sold into the market for second hand spares;
 - disposing of vehicles and then fraudulently reporting them as stolen to insurance companies.
8. The scale of this problem can only be estimated. However, official statistics (Criminal Statistics: England and Wales, 1997) indicate that about 70% of stolen vehicles are recovered. The problem is measured by those vehicles which are not recovered. The Motor Salvage Regulation Task Force of the Home Office Vehicle Crime Reduction Action Team estimated that 25% of these non-recovered vehicles were used for "ringing" and 40% were broken for their parts. In addition, a further 20% are thought to be the subject of insurance fraud.
9. This suggests that up to 78,000 vehicles every year are likely to have been used for "ringing" or broken up for parts. To this figure can be added a proportion of insurance frauds, estimated at up to 12,000 vehicles.
10. By regulating this industry it is believed that up to 39,000 vehicle thefts and 6,000 fraudulent insurance claims could be avoided per year.

Part 2: Regulation of Registration Plate Suppliers

11. The main objective of this Part of the Act is to regulate the supply of number plates in order to combat vehicle "ringing" and vehicle cloning (using the identity of an existing or scrapped vehicle to disguise another).
12. Many criminals using vehicles to carry out criminal activity use false plates to avoid detection. Such activity can range from terrorism, the use of getaway cars by armed robbers to burglars using vehicles to transport stolen goods.
13. Prior to this Act there were no controls over the supply of plates. Suppliers were not required before supplying a set of plates to check the identity of purchasers or their entitlement to use plates containing particular registration marks. The objective of this Part is to ensure that plates are issued only to those with a genuine reason for having the plates and that they are issued for the correct vehicle.
14. This Part provides for the registration of persons carrying on the business of a number plate supplier; the charging of a registration fee; a power by which a court may remove or suspend registrations; and a power to prosecute for contravention of the statutory requirements. It also allows the Secretary of State to remove from the register persons whom he believes to have ceased carrying on the relevant business.
15. **Part 2** creates a number of new offences: making a false application for registration as a number plate supplier, making such an application while suspended from registration by an order of the court, knowingly selling plates which purport to be registration plates but are not, knowingly supplying plates to a person who is in the business of selling fake registration plates, and knowingly supplying components or plates to an unregistered number plate supplier unless that supplier is an exempt person.

Part 3: Other Provisions Relating to Vehicle Crime

16. The incentives for criminals arise if they can obtain a low-value accident-damaged or scrapped vehicle (salvage) and subsequently sell a similar stolen vehicle to an unsuspecting purchaser at a much higher price. One of the main objectives of this Part of the Act is to make it harder for such criminals to obtain new registration documents for "rung" vehicles. Additionally, this Part provides enabling powers for the introduction of vehicle identification features on number plates. This will link number plates to the vehicles to which they have been assigned, thereby making it more difficult to switch plates between vehicles. It will also make plates more secure and more difficult to duplicate for illegal purposes.
17. Swapping vehicle identity involves transferring vehicle-specific identification plates from the damaged vehicle to the stolen vehicle and the introduction of vehicle identity checks is intended to detect and deter this crime (and, in turn, vehicle ringing).
18. One of the issues vital to the successful implementation of vehicle identity checks is the mechanism for ensuring that vehicles are submitted for test. This will be achieved as a result of a combination of factors:
 - the destruction of the registration document for salvage vehicles (which is something that is already provided for under a Code of Practice which applies where a vehicle insurer makes a 'total loss' payment to a policyholder);
 - ensuring that a vendor transfers the relevant part of the vehicle registration document to the new keeper of a vehicle (which will be achieved either by making a minor change to secondary legislation or by a review of current registration and enforcement procedures).
 - making it a requirement for motorists to produce either their vehicle excise licence renewal notice or registration document in order to re-license their vehicle (thereby making it harder for criminals to 'legitimise' a ringed vehicle);

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- introducing a requirement for the identity of a 'salvage' vehicle to be checked before a replacement registration document is issued to a new keeper.
19. The risk of "ringing" affects a wide range of vehicles. Consequently, although the initial objective is to apply the requirement for vehicle identity checks to higher value, more recently registered, vehicle salvage, the requirement could also be extended to other vehicle classes.
 20. Under section 127 of the Magistrates' Courts Act 1980, magistrates' courts cannot try a summary offence unless proceedings are started within six months of the day when the offence was committed. The commencement of proceedings for taking a mechanically propelled vehicle without authority is covered by this time limit. Advances in forensic science (particularly fingerprints and DNA) mean that it is possible reliably to match an offender with a crime after the current prosecution time limit has expired. This Part of the Act extends this time limit. This will mean that proceedings, relating to the unauthorised taking of a vehicle, can be commenced at any time within six months from the date on which sufficient evidence to bring a prosecution came to the knowledge of the prosecutor, subject to a general time limit of three years from the day the offence was committed.
 21. Finally, this Part of the Act gives the police bulk access to a motor insurance industry database which will allow them to identify more easily people driving without insurance. It also allows the Secretary of State to make payments to public authorities in respect of their expenditure on the prevention and detection of speed and red light offences and on enforcement action relating to such offences. This will in turn enable money from fixed penalties imposed for such offences to be recycled to fund such future prevention, detection and enforcement activities.

Part 4: Supplementary

22. This Part of the Act has a number of standard provisions relating to financial arrangements, consequential amendments and orders and regulations as a result of the Act.