

EXPLANATORY MEMORANDUM TO
THE ROAD VEHICLES (REGISTRATION AND LICENSING)
(AMENDMENT) (No. 2) REGULATIONS 2015

2015 No. 1657

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 These Regulations further amend the Road Vehicles (Registration and Licensing) Regulations 2002 (“the 2002 Regulations”) (S.I. 2002/2742) to replace the requirement for a vehicle that has been involved in an accident, to undergo a vehicle identity check before a new registration document can be issued by the Driver and Vehicle Licensing Agency (DVLA). The new process is simpler and does not require a physical check of the vehicle. The amendments also make provision for transitional arrangements to apply as the current scheme is wound down.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 The Vehicle Excise and Registration Act 1994 provides that the Secretary of State may by Regulations make provision with respect to the registration of vehicles. The relevant Regulations are the 2002 Regulations, Part 3 of which sets out the requirements for the registration of vehicles and the issue of registration documents in various circumstances, including when a vehicle identity check (“VIC”) has been undertaken.

4.2 These Regulations make the following changes to the 2002 Regulations:

- From 26th October 2015 a new simpler process that will not require a VIC inspection will apply whenever an application for a new registration document is made in respect of certain categories of vehicle that have been involved in an accident and where the insurer has categorised the vehicle as suitable for repair.
- In order to ensure the smooth implementation of the new scheme transitional arrangements will apply from the 1st October 2015 to the 26th October 2015 to make sure that VIC inspections can be completed for vehicles already in the system and there is no backlog of inspections to be completed after 26th October 2015.

- These Regulations also make other minor and consequential amendments to clarify and update the 2002 Regulations.
- The new provisions are to be subject to a review every five years.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- What is being done and why

7.1 When a vehicle has been involved in an accident and an insurer has determined that the vehicle is to be written-off, the insurer will request the vehicle registration document from the registered keeper and destroy the document. If the registration document is held by the registered keeper, the keeper is required to send the registration document to the Driver and Vehicle Licensing Agency (“DVLA”) who carry out the Secretary of State’s functions in relation to the 2002 Regulations. The DVLA will put a VIC marker on the vehicle record to prevent a new registration document being issued until the marker is removed following a VIC.

7.2 If the reason why the vehicle is written-off by the insurer is that the pre-accident value of the vehicle is less than the cost of repairing it, the current rules permit the keeper to repair the vehicle and apply for a new registration document. DVLA will require the vehicle to undergo a VIC inspection, for which the keeper is required to pay a fee, before a new registration document may be issued.

7.3 The purpose of the VIC scheme is to deter vehicle crime. However, since its inception in 2003, VIC inspections have been an unnecessary procedure in the overwhelming majority of cases where they were carried out and they have had a disproportionate effect on low income groups who are more likely to own low value and older vehicle types.

7.4 The new procedures replacing VIC inspections provide a simple process through which keepers of damaged vehicles deemed suitable for repair by an insurer can apply for registration documents free of charge. At the same time it will no longer be possible for the keeper of a vehicle that is deemed as being not suitable for repair to apply for new registration documents with respect to that vehicle.

7.5 These Regulations also introduce transitional arrangements to manage the winding down of VIC inspections for vehicles deemed suitable for repair. The arrangement provides that applications for a VIC inspection received between 1st October 2015 and 26th October 2015 from the keepers of such vehicles may be treated as if they were made under the new provisions which commence on 26th October 2015.

- Consolidation

7.6 No Consolidation is currently planned by the Department.

8. Consultation outcome

8.1 The consultation leading to these amendments titled, "[Future of the Vehicle Identity Check Scheme](#)", was published on the Department for Transport website and responses were requested over a 12 week period from 17th July 2012 to 22nd October 2012.

8.2 In total 24 responses were received from trade associations, vehicle repairers and individuals, as well as police and vehicle identity officers. The responses highlighted a diverse range of experience and opinion about the VIC scheme, though all were agreed on the importance of road safety measures to combat vehicle crime. Only one response was in favour of keeping the scheme in its current form with the majority recognising the need for change. Four respondents expressed preference for the VIC scheme to be abolished.

8.3 Following consideration of the consultation responses the Department announced in June 2014 that the scheme would be abolished from October 2015. The Department engaged with stakeholders including the Driver and Vehicle Standards Agency (DVSA), Driver and Vehicle Licensing Agency, Home Office, Motor Vehicle Dismantlers Association, British Vehicle Salvage Federation and the Society of Motor Manufacturers and Traders Limited about the consequences of the abolition and has taken their concerns into account in preparing these Regulations.

9. Guidance

9.1 Information will be available via the GOV.UK website and also through links on the DVLA and Driver and Vehicle Standards Agency home pages. There will also be communications with the insurance, salvage and repair industries to ensure that they highlight the changes to their customers on their web pages.

9.2 Consumer guidance is being produced in conjunction with the insurance industry to protect the public when purchasing a used vehicle.

10. Impact

10.1 The impact on business, charities or voluntary bodies is considered to be deregulatory.

10.2 The impact on the public sector is considered to be small.

10.3 An Impact Assessment is attached to this memorandum and will be published alongside the Explanatory Memorandum on the legislation.gov.uk website.

11. Regulating small business

11.1 The legislation applies to small business.

11.2 To minimise the impact of the requirements on firms employing up to 20 people, the approach taken means that transactions with the DVSA and DVLA are made easier and regulatory burdens are reduced.

12. Monitoring & review

12.1 The Department for Transport will monitor and review the policy. The main outcome sought from the Regulations is to reduce the cost and administrative burden on motorists and businesses that need new registration documents for repairable vehicles. The extent to which this is achieved by these Regulations will be a key success measure. The DfT will monitor for side-effects of the abolition of the scheme and will check adherence by the industry to the Code of Practice for the Disposal of Motor Vehicle Salvage to identify if any future Government intervention is required. It will work with other Government departments to monitor vehicle crime figures.

12.2 A post-implementation review is planned in 5 years.

13. Contact

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