

FCA Motor Finance Redress Scheme

***Governance Support
for Firms & Senior Managers***

Financial Services Regulatory Team
October 2025

Norton Rose Fulbright LLP



The starting point



The FCA's Consultation Paper CP25/27 on a motor finance redress scheme was published on 7 October 2025 with two deadlines for responding:

- **4 November 2025** for the proposed extension of time for responding to complaints;
- **12 December 2025** for the redress scheme proposals.



The FCA is expected to publish final redress scheme rules in **Q1 2026**.

Firms will then have **6 weeks** to provide the FCA with a redress scheme delivery forecast including details of the Senior Manager responsible for oversight and delivery and appropriate Senior Manager attestations confirming that their firm has robust systems and controls in place.



We have developed a range of **governance support packages** to assist firms and senior managers with their implementation projects including independent check and challenge with regards to design and delivery of a remediation programme and preparation and verification of attestations. We draw on our wealth of experience of advising clients on consumer credit remediation and meeting regulatory expectations in this area and lessons learned from FCA enforcement action.

If you instruct NRF,
you will benefit from:

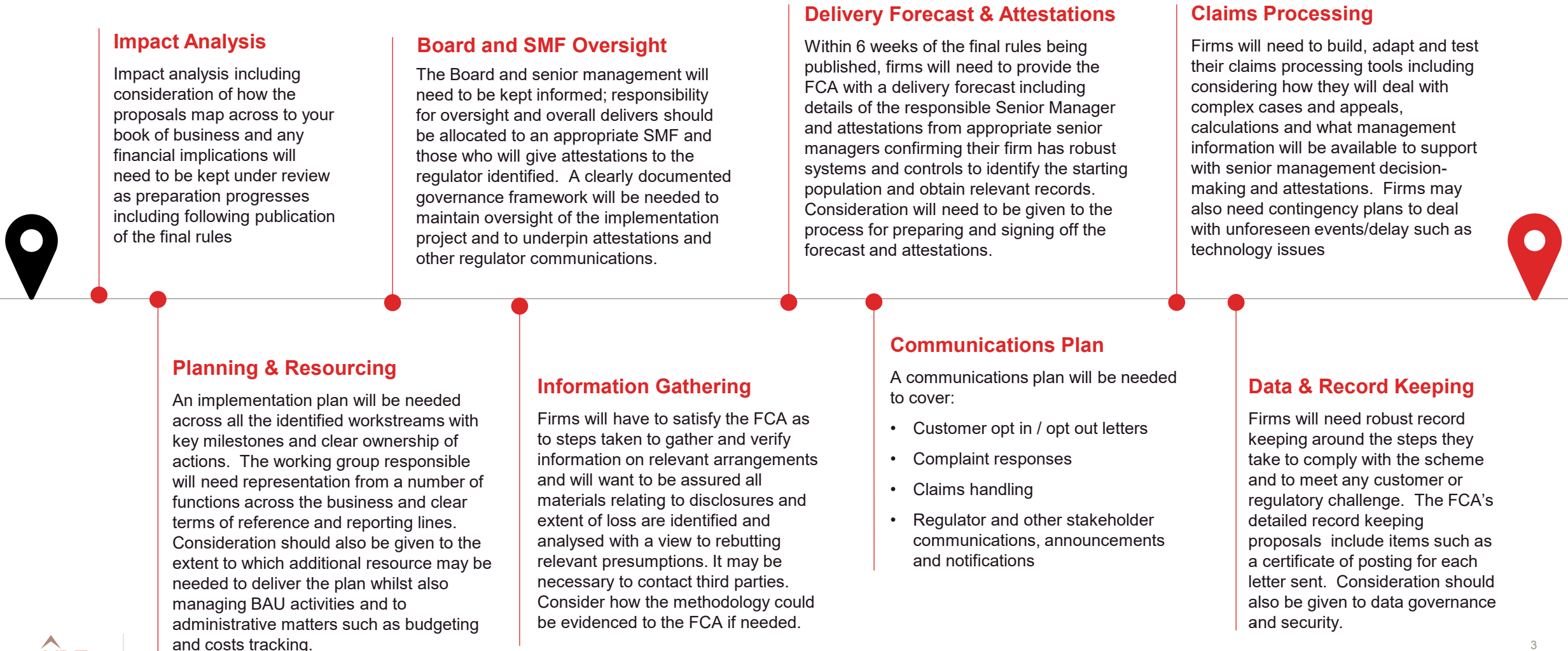
— A multi-disciplinary team including lawyers and compliance professionals

— A team with deep market experience of advising on governance and consumer credit remediation

— Flexible and fixed fee arrangements

— Advice that can benefit from legal privilege and protection from disclosure

Implementation project: key steps



Governance support options

Governance stress testing



We can review your governance framework and help you benchmark against your peers and meet regulatory expectations. This can include consideration of your MI and data reporting to support decision-making. Getting your governance framework right from the start can avoid many of the pitfalls that have led to regulatory enforcement action in the past and set you up for successful implementation of the project.

Independent review



We can provide privileged legal advice on your implementation plan, delivery forecast and claims processing methodology, including mapping of the FCA Scheme to your business and scoping by reference to particular customer cohorts. This can provide additional assurance to the Board regarding the extent to which your proposals are likely to be acceptable to the regulator and will achieve fair and appropriate customer outcomes.

Attestation verification



We can assist with verifying senior manager attestations including that they contain all relevant information and accurately reflect and are supported by adequate underlying documentation and that appropriate steps have been taken to underpin the confirmations being given. This provides senior managers with confidence to deliver required attestations.

Communication support



We can review your communication strategy for responding to claims and complaints both within and outside the FCA Scheme including those in other areas of the business which may see an increased level of customer engagement. We can also support sign-off of template communications and advice on other communications including with regulators, insurers and the market.

Resource augmentation



We can provide additional resource to support your internal teams across a range of areas including customer communications; complaints handling and adjudications; project management and record-keeping. This resource can be made available on a flexible basis as needed.

Evidencing compliance



We can help you to maintain adequate records of the steps you have taken to comply with the redress scheme rules including through decision-trackers; minuting discussions; action plans and communication logs. This will help you to build up your compliance dossier and effectively deal with any queries that arise in future, guarding against loss of corporate knowledge.

Motor Finance Commission Arrangements

Our consumer finance credentials

Adjudications

We have been appointed by the High Courts to run adjudication services in connection with a number of high-profile schemes of arrangement put in place to deal with customer claims for compensation in respect of historic consumer credit loan arrangements. This has involved detailed consideration of complex issues arising in connection with the methodology for claims handling and implementing a large-scale review process for decision-making in respect of contested claims.

Remediation: design and delivery

Advising on the design and delivery of a significant customer remediation exercise, following the identification of consumer credit and FCA Handbook breaches, identified through an internal review of a sample of customer files. We also advised on associated issues such as: communications with the regulator; governance and lessons learned; interaction with the FOS; a related insurance claim; potential contractual claims and other routes to recovery; and tax payable in connection with the remediation.

Early-stage disputes advice

Advising a payment processing company (operating globally) on early-stage disputes with merchants arising out of the client's global merchant services agreements. These disputes spanned multiple jurisdictions including the UK, France, Hong Kong, Japan and Russia.

FOS complaints strategy and handling

We have worked with a client to respond to complaints relating to actions taken in respect of a market dislocation event in the investment business sector; supporting across numerous aspects including in relation to contractual analysis, regulatory conduct and engagement, client communications and submissions to the Ombudsman.

'Present state' assessments

We have supported a client to improve 'present state' governance arrangements surrounding AR oversight, in light of a historic review of arrangements, and to update them in light of present regulatory standards and guidance.

Whistleblowing: establishing policies and procedures

We have supported clients across regulated sectors, including banking institutions, to develop and implement whistleblowing policies, as well as the procedural frameworks necessary to meet legal and regulatory requirements.

Whistleblowing: responding to internal whistleblowing

Conducting a quasi-166 governance review for a distributor of insurance products, following a whistleblowing report to the FCA regarding its oversight of an appointed representative and implementation of the Consumer Duty.

Section 166 skilled person reviews: advising the firm

Advising on a section 166 skilled person review, required by the PRA, into the bank's UK business, focusing on systems and controls, risk management, risk culture, governance, credit risk, and liquidity. In advance of the Skilled Person review commencing, we conducted an expedited in-depth review to ascertain the potential areas of exposure for the bank that might be identified, including those in which the bank could look to make enhancements in the short and longer term.

Section 166 skilled person reviews: advising the firm

Advising a bank on its successful solvent wind-down, interacting closely throughout with the PRA, the FCA, and the PRA-appointed Skilled Person. This mandate involved advising the bank on transfer instruments for specific banking assets and liabilities, as well as on data protection issues relating to the sharing of personal data of depositors and liaising with the FCA in relation to queries raised in relation to the client's data protection compliance.

Wind-down planning and execution

We have provided full-service support to a UK bank to wind-down its operations over a period of years, and to eventually achieve the cancellation of its permissions. We have also supported non-bank consumer finance firms to implement arrangements relating to historic liabilities and to work towards wind-down, as well as supporting a range of regulated firms in relation to the wind-down of business units.

Internal reviews and 'lessons learned' exercises

Advising in connection with a significant regulatory investigation and remediation project, arising from a customer complaint in respect of a mortgage loan. We also conducted a 'lessons learned' review, to identify the root causes of the identified issues, and made detailed recommendations regarding remediation of the relevant findings.

Internal reviews and 'lessons learned' exercises

Conducting a review for a private bank regarding conduct giving rise to a customer remediation programme, including considering breaches of consumer credit and regulatory requirements and implications in terms of systems and controls, making recommendations to address relevant issues and advising on individual accountability in relation to senior managers.

Internal reviews and 'lessons learned' exercises

Conducting a 'lessons learned' review for a bank in respect of consumer credit and regulatory issues arising from pricing activity in relation to retail and business customers, including considering the conduct of senior management.

Why partner with Norton Rose Fulbright?

Our multi-disciplinary team is uniquely placed to help you with your motor finance commissions project.



A global, multi-disciplinary team of experts

An integrated global team that comprises both legal specialists and non-legal advisors with a broad range of expertise, including risk management, regulatory compliance, corporate governance, investigations and disputes. We prioritise acting as a commercial partner to our clients, ensuring that we provide the technical excellence that they expect whilst delivering pragmatic and highly usable legal, regulatory and risk advice to support their business needs.



Flexible fee arrangements

We can structure advice and implementation projects in a variety of ways and offer a range of fee arrangements including fixed fees and monthly retainers. We will work with you to design a support package that meets your needs and have a number of tools to assist with budgeting for your project.



A team with deep market experience of advising firms on all issues relating to consumer lending

Our team regularly advises the largest firms on consumer lending issues.

We have deep experience of both compliance program design / implementation and regulatory investigations, remediation and redress exercises and related litigation. We also have significant experience in defending compliance programs to regulators and other authorities.

Our breadth of experience means we can help with benchmarking your approach in relation to your peers.



Advice that can benefit from legal privilege and protection from disclosure

Depending on how our work is structured and managed, you may be able to assert privilege over communications with us in relation to your project and protect certain materials from disclosure to third parties including prosecutors. We can advise on the best way of achieving this.

“They are engaged with the industry and bring innovative insights on industry trends. The team members are well versed in their subject matters and are excellent communicators.”

Chambers, 2025

“They are reliable, careful and solid in their advice. They have a thoughtful and measured approach and have comprehensive coverage and expertise of regulatory issues.”

Chambers, 2025

“The team take time to understand their clients’ business, culture and appetite for risk. They are practical and focus on the big issues.”

Chambers, 2025

“In-depth knowledge of the sector with lawyers at top of their game. They are pragmatic, commercial and not afraid to suggest innovative solutions.”

Legal 500, 2024

Key contacts



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