

Value Assessment

As of March 2023



A photograph of a lush green field under a blue sky with scattered white clouds. In the center of the field, a large, dense arch of green leaves and vines frames the sky. The arch is made of thick, leafy branches, creating a natural tunnel effect.

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Message from our Chair

As the Chair of Intelligent Car Leasing, and on behalf of the board of directors, I would like to express our gratitude for your interest in our annual Assessment of Value report.

This report is an important part of our regulatory responsibilities, and it reflects our ongoing commitment to setting high and transparent standards of value for our contract hire customers. It also aligns with our mission, in conjunction with our parent company Fleet Alliance, to provide affordable, sustainable, and suitable mobility solutions to as many people as possible across the UK.

At the heart of our business lies the conviction that our service proposition must provide fair value. I am pleased to report that this year's assessment shows that the majority of our evaluated customers, including those who did not ultimately lease a vehicle, felt that we have delivered on this promise.

We trust that this document will address any queries you may have regarding our broker service offering.

Martin Brown
Chair



Martin Brown

**Chair,
Fleet Alliance & Intelligent Car Leasing**



We've successfully served customers in the UK for over 20 years. Our mission is simple – to help as many people as possible gain access to **more affordable and sustainable mobility solutions**. Our customers trust us to help them make the right financial decisions, and to maintain this trust, we must deliver value.”

Andy Bruce

CEO
Fleet Alliance & Intelligent Car Leasing

What is our Value Assessment Statement?

Our Value Assessment Statement is a regulatory document that we produce each year reviewing our performance, charges, advice and overall service to our clients.

In this report, we provide details of **how we deliver value, the actions we've taken over the past 12 months, and where we can do more.**



Section 1

An outline of our service



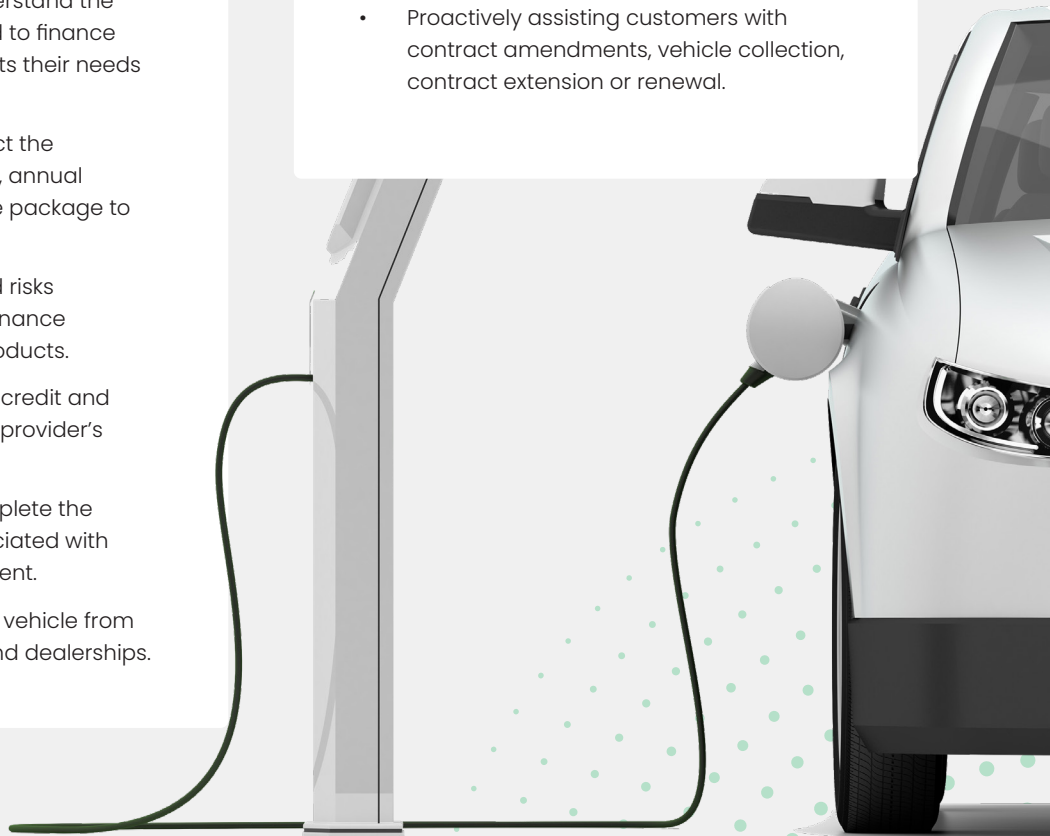
What we offer

Intelligent Car Leasing (ICL) provides vehicle leasing to personal and small business customers throughout the UK. We connect customers with a finance provider to get them a competitive lease for their vehicle.

Our service includes:

- Helping customers to choose a suitable vehicle that meets their needs and requirements.
- Helping customers to understand the contract hire product used to finance their vehicle so that it meets their needs and requirements.
- Helping customers to select the appropriate contract term, annual mileage and maintenance package to suit their needs.
- Explaining the benefits and risks associated with different finance providers' contract hire products.
- Helping customers secure credit and be approved by a finance provider's underwriting process.
- Helping customers to complete the required documents associated with their contract hire agreement.
- Sourcing and securing the vehicle from our network of suppliers and dealerships.

- Allowing the customer to access discounts on vehicles negotiated using our purchasing power.
- Ensuring customers find the lowest cost option available to them in the market through our competitive tendering process on our panel of finance providers.
- Access to a dedicated account manager throughout the research and buying process.
- Offering our Customer Services support throughout the life of the contract hire agreement.
- Proactively assisting customers with contract amendments, vehicle collection, contract extension or renewal.





Intelligent Car Leasing is passionate about great service, offering the right solutions to the right customers and helping them to make an informed choice. We prioritise complete transparency by clearly communicating the benefits as well as any potential limitations of our products.

Whilst our detailed [benefits and risks document](#) covers the pros and cons of contract hire, we wanted to extend this further by addressing some of our potential service limitations.

Service limitations

We only offer contract hire products

Our service only offers Personal and Business Contract Hire agreements, which are designed to provide our customers with flexibility and affordability. While you won't own the vehicle at the end of the lease, our contracts offer a host of benefits, including lower upfront costs and fixed monthly payments. We don't offer other ownership-based products, such as Hire Purchase, Personal Contract Purchase, or Lease Purchase. These products require a large capital investment and have uncertainty of resale values, which the products we offer do not.

Non-financial costs

We understand that any new financial commitment can have an impact that extends beyond monetary considerations. Non-financial costs, such as the impact on your time and privacy, should be taken into account.

Regarding your time, searching for a deal, negotiating an agreement, amending a contract, or cancelling an order can all be time-consuming processes that require careful consideration. As a broker, our aim is to alleviate

this burden by providing advice, direction, and support throughout the entire leasing journey.

Concerning your data, as a broker, we may collect and use your personal data for purposes such as marketing or to improve our service. This may raise privacy concerns, as your data may be shared with third parties. However, we alleviate these concerns by ensuring that our use of customer data is limited to fulfilling our service requirements and that marketing literature is only sent with your consent. You can view our [privacy policy](#) for more information on how we use your data.



Supporting Vulnerable Customers

How do we support those with vulnerabilities?

All of our customer-facing staff are trained to recognise vulnerability in customers and how to support them. Our staff are trained to tailor their approach to meet the customer's needs so that they experience outcomes as good as other customers and receive consistently fair treatment.

We continually gather feedback from our customers so that we can understand their needs. We regularly review the design of our sales and support services to ensure they continue to meet the needs, characteristics and objectives of our target market, including those customers with characteristics of vulnerability. We design our communications to be clear, fair and not misleading and review them regularly. Where we identify actual or potential harm we take action to address this.

We have various ways of monitoring whether we are meeting the needs of vulnerable customers which include assessing the quality of our interactions with customers, reviewing resolutions to complaints, analysing the root cause of every complaint and monitoring key indicators of harm for different customer types.



Section 2

How we assess Value

Overview

At Intelligent Car Leasing, we prioritise providing excellent value to our customers. To ensure we meet this goal, we assess our value proposition by evaluating our unique selling points, core values, pricing competitiveness, and service quality.

Over the past two decades, we have established comprehensive processes for reviewing our business performance, pricing strategies, and services for personal and small business leasing customers. With the FCA's Assessment of Value requirements, we have enhanced these procedures by enforcing greater transparency and rigor to our pre-existing processes.

Our Value Assessment in Practice

Our commitment to delivering value in practice is straightforward: we offer competitive pricing backed by personalised, first-class service. Our dedicated Account Managers work closely with customers to ensure their vehicle requirements are met, from selecting the most suitable vehicle to arranging credit and delivery.

All our sales and support staff undergo thorough induction training before interacting with customers, and their competency is signed off by their line manager.

Additionally, all staff must complete mandatory training modules approved by our industry body, the BVRLA, throughout the year. Customer-facing staff attend quarterly compliance training sessions, covering topics such as the Consumer Duty, Vulnerability, Conduct, and Complaints Handling.

To ensure consistent, high-quality service, our management team regularly monitors the performance of our customer-facing staff. Each month, line managers review a sample of calls and files to ensure compliance and an excellent customer experience. Our Compliance team oversees this process, providing an additional layer of assurance, and reports the outcomes to our Board.



Section 3

How good has the service been?

Quality of Service

Intelligent Car Leasing aims to provide great-value service, that is measured by the following channels and methods:

1

Price and Value MI

Comprehensive suite of internal reports managed by senior management.

2

TrustPilot

An automated, independent reviews platform.

3

Complaints

Daily, weekly and monthly reviews.

4

Net Promotor Scores (NPS)

Capturing satisfaction scores from all enquirers.

1. Price & Value Management Information (MI)

We go beyond surveys and data gathering to track customer outcomes at every stage of their leasing journey. This information helps us identify areas for improvement in our systems, processes, and people. An example of areas that we monitor include: rates of customers who terminate a contract early or are charged excess mileage fees, and our customer service levels.

Whilst comprehensive, we are continually assessing whether new Management Information reports are required and we will likely add to this throughout the coming 12 months period, and by our next value assessment review.

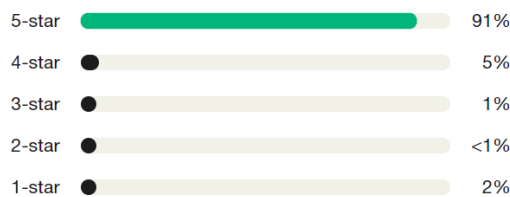
2. Trustpilot

We survey **all new customers** automatically, following every order with a Trustpilot feedback form/review.



Our customer feedback score is amongst the best in the leasing industry with an 'Excellent' 5-star rating (4.8 out of 5 score).

As detailed in the table below, 96% of our customers leave a 4-star review or above (91% being 5 stars):



3. Complaints

In our most recent complaints review for last year, the business once again performed very highly, with only 21 complaints being recorded.

Furthermore, no complaints were referred to the Financial Ombudsman Service (FOS), British Vehicle Rental & Leasing Association (BVRLA) or Financial Conduct Authority (FCA).

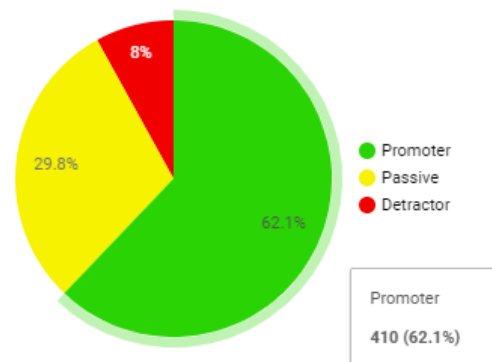
The average time it took us to resolve a complaint in 2022 was 7 days.

Once again, this demonstrates the high level of service our customers received in 2022, with any issues identified being promptly resolved.

4. Net Promotor Scores (NPS)

In addition to our 'excellent' Trustpilot rating from existing customers, we conduct a feedback campaign for lost sales, which is managed by an external agency. This campaign involves conducting a telephone survey of non-customers who have not yet placed an order or have chosen not to lease a vehicle from us, to capture their NPS score and satisfaction rating.

Our NPS score from this group of non-customers is an impressive 54.09, with 62% being Promoters, 30% being Passive, and only 8% being Detractors, as shown below.



For context, a score between 0 and 30 is considered Good, and 30 to 70 is considered Great. Given our "excellent" Trustpilot rating from existing customers and a strong NPS score from non-customers who have interacted with our business, it is clear that our sales and sales support teams are **providing exceptional value**.



Section 4

Fees and Charges



Our Income Model

Commission & Remuneration: We receive a fixed and/or variable commission for introducing you to a funder. Our commission is added to the base rental rate quoted by each leasing company in our panel of funders. It is included in the total price of the monthly rentals you pay, which is published on our website. We set our commission at a level that is market competitive in order to make an offer attractive to our customers. Our commission levels are capped and monitored by our Compliance team and the Board.

The commission or fees we earn does not influence our decision on who we introduce you to. The commission we receive is included in the price you pay. You can ask for information about the commission we receive for introducing you to the funder, including the amount, by emailing us at any time at compliance@intelligentcarleasing.com

Administration fee: We charge a fee of £250 including VAT for our services. These services include:

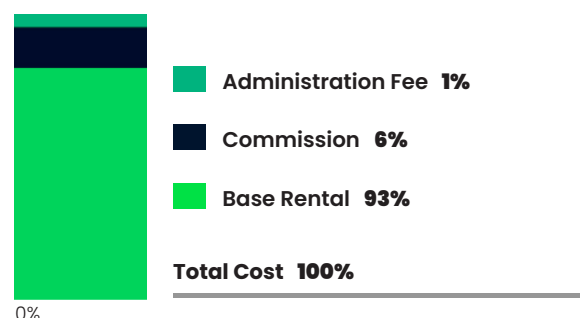
- Helping you to find a suitable vehicle that meets your needs and requirements.
- Helping you to understand the contract hire product used to finance your vehicle so that it meets your needs and requirements.

- Helping you to select the appropriate contract term, annual mileage and maintenance package to suit your needs.
- Searching the market to find you a competitive price
- Sourcing and securing your vehicle from our network of suppliers and dealerships.
- Offering our Customer Services support throughout the life of your lease.
- Proactively assisting you with contract amendments, vehicle collection, contract extension or renewal.

The administration fee is charged to cover the administration of the sales and support service and the ongoing provision of the best available lease rates through our website. It is not for introducing you to a funder or for any part of the service which is covered by the commission. This fee is one of the most competitive administration fees in the market.

Our income as a percentage of the total cost

100%





Costs to provide our service

Running a car leasing service can be a complex and expensive undertaking for leasing brokers, and there are several costs that we incur, as part of our service to customers, that need to be considered.

Marketing costs: To attract customers, ICL promotes our service through various channels such as social media, online ads, print ads, and other forms of marketing. These costs are ongoing, and also include the cost of hiring a marketing team and agencies.

Website and technology costs: Leasing brokers need to have a functional website that is easy to use and provides all the necessary information to potential customers. This requires web design and development, hosting, and ongoing maintenance costs.

Staffing costs: As a leasing broker we need to hire staff to manage various aspects of the business, such as customer service, sales, administration and compliance. Staffing costs include salaries, benefits, training, and other associated expenses.

Administrative costs: ICL also has costs for office space, office equipment, and supplies. Additionally, there are costs for accounting and legal services that we utilise to ensure compliance with regulations.

Overall, the costs of providing a car leasing service can be substantial. However, the revenue generated from leasing fees (our income model) can offset these costs and provide a profitable and sustainable business model.



Ensuring our customers pay competitive prices

The amount of commission that can be charged is controlled by both the panel of funders ICL uses, as well as our own internal policy. Our panel of funders have each set caps on commission levels, which varies slightly from funder to funder, however commission levels will never exceed 10% of the P11D value (comprised of the list price of a vehicle, including VAT, and vehicle delivery charges, but excludes first registration and annual road tax). Some funders also have caps on the total amount of commission that can be charged. These caps typically vary from £1,500 to £5,000 dependant on the funder, however the average amount of commission we earn is well below these caps at circa £1,000. The commission or fees we earn does not influence our decision on which funder we introduce you to.

In addition to these rules, our internal policy is to cap the commission on any order to no more than 10% of the P11D value of the vehicle. This ensures that there is no incentive for our sales staff to recommend a funder based on the commission that can be earned rather than the best price for the customer. This metric is rigorously monitored by our compliance team and the results are reported to the Board.

There is a further metric in place to monitor the cash value of the commission regardless of the percentage and the focus is on monitoring individual deals where this is over £4,000. This is based on the average 10% commission of the average P11D value of a vehicle.

Where management and the Board see evidence of these limits being exceeded an internal review takes place and remedial action is taken.

We have an additional system control that forces sales staff to add a justification for not selecting the cheapest funder, for example if the customer didn't pass the cheapest funders credit check. There are exception reports that flag this to management.



Economies of Scale

By leveraging our size and scale, ICL can achieve significant cost savings, which can then be passed on to our customers in the form of lower leasing fees. For example, when we are able to purchase cars in bulk, we are then in a position to negotiate lower prices from the manufacturers or dealerships, which reduces our overall acquisition costs. This cost-saving can then be passed onto our customers in the form of lower monthly payments for the vehicles being leased.

For instance, by buying a car for £1,000 less than the retail price, a leasing company could save up to £33.33 per month. Such cost-savings allow ICL to offer lower rental rates and more attractive leasing deals to our customers, passing on some or all of the savings.

Overall, economies of scale can help leasing companies to provide a more affordable and attractive leasing service to customers while still generating a fair and sustainable profit.

The car leasing site.



Summary

We have concluded that customers across the UK have benefited from a great value leasing and vehicle contract hire service with Intelligent Car Leasing.

Aside from our strong results and excellent feedback received from our customers, the nature of a broker is to search the market, and in return this creates a competitive environment with better deals and pricing for our customers.

As a broker we are regulated by the Financial Conduct Authority (FCA) meaning that we follow strict processes to ensure our customers are treated fairly. We are also a BVRLA member, which means we adhere to an additional industry code of conduct and audit regime, which is backed up by a free dispute resolution service.

We also have the appropriate controls in place to ensure commissions taken on sales are never excessive.

ICL essentially provides a service to consumers to help them achieve a competitive price in this complex market. We also advise customers on potential risks such as early termination penalties, end of contract mileage and vehicle condition charges, which helps prevent them experiencing harm. We assist them with the credit underwriting process and lease contract documents, organise delivery and assist with disposal and/or collection of their old vehicles. As such, the value that we provide to our customers is in this service.

This is achieved by us investing in skilled staff to advise our customers, backed up by an investment in technology and systems to facilitate the contracts.

The alternative would be for the customer to scan the market for themselves and navigate all of the listed variables and complexities highlighted on their own, which would represent a significant challenge for a retail customer.

Ensuring our service proposition provides fair value will therefore continue to remain at the very heart of what we do as a business, and we look forward to reviewing the value we've delivered in our next assessment.

We will continue to help as many people as possible, across the UK, access affordable, sustainable and suitable mobility solutions.

Glossary of Terms

Administration Fee

A fee that is charged to cover the administration of the sales and support service and the ongoing provision of the best available lease rates through our website.

Business Contract Hire (BCH)

Business Contract Hire is available to business owners and employees. As with PCH, you are able to drive a new vehicle over an agreed period of time and mileage.

BVRLA

British Vehicle Rental & Leasing Association.

Commission

An additional monthly cost added to the end prices for introducing you to a funder, that is set at a level that is market competitive in order to make an offer attractive to the customer.

Financial Conduct Authority (FCA)

The conduct regulator for around 50,000 financial services firms and financial markets in the UK.

Financial Ombudsman Service (FOS)

A free and easy-to-use service that settles complaints between consumers and businesses that provide financial services.

Hire Purchase (HP)

A finance method that allows you to spread the cost of a vehicle over a set amount of monthly payments. You will own the car at the end of your finance term.

Key Performance Indicator (KPI)

A quantifiable measure of performance over time for a specific objective.

Lease Purchase

This is a form of Hire Purchase requiring you to take ownership of the vehicle after all payments have been made.

Management Information (MI)

Data or statistics which is collected and used to measure performance in given areas of a business – and drive change for improvement where needed.

Net Promoter Score (NPS)

A customer loyalty and satisfaction measurement taken from asking customers how likely they are to recommend your product or service.

Original Equipment Manufacturer (OEM)

The original producer or manufacturer of a vehicle or vehicle's components.

PIID Value

The list price of a car including VAT and any delivery charges but it does not include the first registration fee or road tax.

Personal Contract Hire (PCH)

Personal Contract Hire is a car lease that allows you, a personal customer, to drive a new vehicle over an agreed period of time and mileage.

Personal Contract Purchase (PCP)

This works similar to a loan, where you have a car to use in exchange for monthly repayments. After an initial deposit, and a contract you honour, you have the option of making a balloon payment to buy the car outright or return it.

Trustpilot

A leading consumer review platform that offers free accounts to consumers and businesses.

Value Added Tax (VAT)

Is a tax added to most products and services sold by VAT registered businesses.

