

Discretionary Commission arrangements

This information is also available on the Financial Conduct Authority (FCA)'s website [Car finance complaints | FCA](#)

Before January 2021, some lenders allowed brokers (individuals that arrange loans, such as car dealers) to adjust the interest rates offered customers for car finance.

The broker's commission was determined by the interest rate (APR) - the lower the interest rate, the lower the commission, and vice versa. This was known as a discretionary commission arrangement.

Discretionary commission arrangements created an incentive for brokers to increase how much people were charged for their car loan.

The FCA banned this practice in 2021. There have since been a high number of complaints from customers about how much they were charged before the ban.

The FCA is currently assessing the extent of the problem to make sure that, if customers are owed compensation, they get it in the best way possible.

Who this applies to:

This applies to you if:

- you used car finance to buy a motor vehicle, for example a car, van, campervan or motorbike, before 28 January 2021 (this includes hire purchase agreements, such as Personal Contract Purchases)
- your lender and broker had a discretionary commission arrangement

This doesn't apply if:

- you used car finance to buy a car on or after 28 January 2021
- you used a hire agreement, such as a Personal Contract Hire

How do I contact you about a potential Discretionary Commission Arrangement?

The majority of agreements provided by KINTO are 'Personal Contract Hire' which is outside of the discretionary commission model complaints issue and the scope of the FCA review.

Should you wish to contact us for any related queries regarding your agreement please use our contact form [Contact us - Kinto \(kinto-uk.com\)](#) or call us on 0333 222 0966