

Complaints About Discretionary Commission Models

If you would like to make a complaint, or have any questions regarding commission complaints, we have a dedicated email inbox: commissioncomplaints@toyota-fs.com.

If you have already sent us a complaint about discretionary commission, we will acknowledge your complaint and confirm when you should expect to receive a response.

Frequently Asked Questions

What is Discretionary Commission?

Prior to January 2021, certain lenders permitted brokers (individuals who arrange loans, such as car dealers) to adjust the interest rates offered 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 arrangement was referred to as Discretionary Commission. However, as of January 2021, this commission model is no longer allowed.

When it comes to car finance agreements, there are various factors to consider, and the APR agreed is just one of them. These factors may include the car's transaction price, the deposit amount, the agreement term, the trade-in vehicle's value, and the inclusion of optional extras or special equipment.

I am a Toyota Financial Services customer; do I have an eligible complaint?

You may have an eligible complaint if:

1. You entered into a Toyota Personal Contract Purchase (PCP) or Toyota Hire Purchase (HP) agreement before 7th January 2021.
2. Your agreement included a discretionary commission arrangement.

Personal Contract Hire agreements (PCH) are not impacted.

When can I expect a response from you?

The Financial Conduct Authority (FCA) announced on 11th January 2024 that they would be conducting an industry review and pausing the 8-week deadline for handling complaints relating to vehicle finance discretionary commission models. This is to allow them time to design, consult on and introduce an alternative way of dealing with DCA complaints, such as a consumer redress scheme if the FCA thinks that's appropriate.

This temporary change means that firms don't need to provide Final Response Letters to discretionary commission complaints during the pause period beginning 17th November 2023 and currently due to end on 4th December 2025.

This means that the 8-week deadline to send you a Final Response Letter does not start until the end of this pause period.

Toyota Financial Services will provide further details to you once the FCA have had an opportunity to carry out their investigations and reached a conclusion.

Why has the FCA extended the pause period?

The FCA originally expected the pause of the 8-week deadline for handling complaints relating to vehicle finance discretionary commission models would end on 25th September 2024.

The FCA confirmed on the 24th September 2024 that the pause will now be extended and is currently due to end on 4th December 2025.

The FCA has extended the pause as it needs further time to review the data, they have been collecting from vehicle finance lenders and also to assess the outcome of an impending Judicial review of a Financial Ombudsman Service final decision published against a lender, Barclays Partner Finance, on 11th January 2024 and also other relevant cases that have recently been in the Court of Appeal

Does this apply to just new vehicles, or used as well?

Both new and used vehicles which were financed prior to 28th January 2021.

Is the FCA's review only looking at Personal Contract Purchase (PCP) agreements?

FCA's review covers Hire Purchase (HP) and Personal Contract Purchase (PCP) agreements.

If I log a discretionary commission complaint, when will I get a final decision from you?

The FCA paused the requirement to respond to discretionary commission arrangement complaints while they undertake their review and decide what action, if any, will be required by firms for these complaints.

The pause is currently due to end on the 4th December 2025.

If you submit a relevant complaint, you will receive a final response from Toyota Financial Services after the pause has ended. The FCA has taken this step to ensure complaints are dealt with consistently by all motor finance providers.

This pause is limited to only discretionary commission arrangement complaints. There are no changes to the timescales in place for all other complaints.

Can I take my complaint to the Financial Ombudsman?

It's important you contact the Financial Ombudsman by the date given in our final response letter, or they may not be able to help.

- If you're sent a final response between 12th July 2023 and 29th April 2025, you'll now have until 29th July 2026 to take your complaint to the Financial Ombudsman.
- If you're sent a final response between 30th April 2025 and 29th January 2026, you'll have 15 months from the date the final response is sent to refer your complaint to the Financial Ombudsman.

Why haven't you responded to my complaint about a discretionary commission arrangement?

We're currently dealing with a high volume of enquiries so it may take us longer than usual to respond to some customers. We apologise for the delay.

Why haven't you been able to find my agreement with the information I submitted?

If the information you provide doesn't match our records, we won't be able to find your agreement.

Common reasons for this include:

- If you've moved house.
- If your agreement was taken out more than six years ago, we're more likely to find it if you provide the agreement number.
- If you've changed your name.

To be able to match your complaint with a historical finance agreement we need the following information:

- Agreement number OR vehicle registration
- Date of birth
- Full name (as at the end of your agreement)
- Address and postcode (as at the end of your agreement)