

SCHEME VEHICLE RECOVERY PROCESS



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When an employee leaves the employment of your dealership and they are in possession of a CBS scheme vehicle for which they have not settled the outstanding balance in full, it can sometimes be difficult to get the employee to either settle the outstanding debt or return the vehicle, especially if they did not leave the employment on favourable terms.

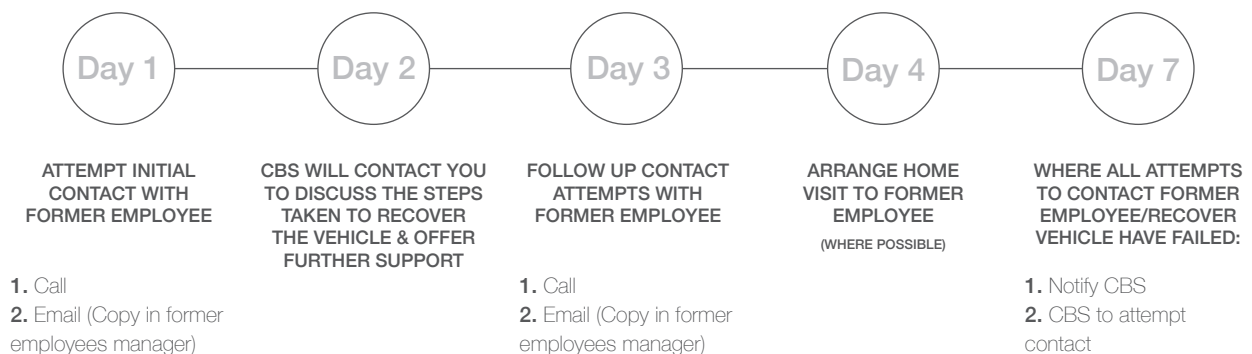
Often an employee, who has had their employment terminated, feels that by keeping their vehicle they are effectively 'hurting' their former employer. Or, they feel that their employer 'owes' them and keeping the vehicle is a fair trade.

In these situations, early communication with the former employee is key to getting a quick resolution.

HOW CAN YOU HELP?

PREPARATION

- 01** | Ensure that your HR department are made aware of any employees in possession of a scheme vehicle, this way they will know to consider this when managing an employee's exit from the business. It is important that the list of employees in CBS scheme vehicles is reviewed each month to ensure that all employees are still current and that monthly CBS invoices are reconciled to payroll deductions.
- 02** | Have an agreed policy in place for the management of leavers from notification from the HR department right through to the logistics and timings of returning the physical vehicle. The return of the scheme vehicle should be included within your leaver process. CBS can assist in scoping this policy.
- 03** | The employee will be aware that their scheme vehicle is only available by virtue of their employment so when this ceases, the vehicle must be returned, or the loan balance settled in full. This is the same for **ALL** leavers irrespective of circumstance.
- 04** | All attempts should be made for the vehicle to be returned before the last week of employment. This will ensure that final condition checks can be completed and any resulting costs can be settled from the employees' final salary.
- 05** | In the event of an employee leaving the company with their scheme vehicle, the company should assist in the vehicle recovery under their Operating Agreements' 'Best Endeavours' clause.
- 06** | You should complete the 'Driver Management' section on the CBS scheme website, to provide details of the former employee. There is a link to the 'CBS Vehicle Management' form, which should be completed and submitted to the CBS Credit Risk Manager, at day one.
- 07** | Non-Return Vehicle Protocol:



WHAT HAPPENS NEXT?

CBS Credit Risk Manager will make every effort to contact the former employee, via email, letter and phone calls to advise them of their legal obligations and their options regarding returning the vehicle or settling their Agreement in full.

If CBS are not successful in making contact with the former employee, a Default Notice will be issued, which will give them 16 days to either pay the outstanding balance on their Credit Sale Agreement or exercise their 'buyback' option.

If still no response after 16 days, the former employee will be issued a solicitors letter with a demand for payment of the full outstanding balance.

Where the vehicle is confirmed as being at the home address, the services of a Visit Agent, to fully explain the situation will be engaged, the aim of which would be to get the former employee to surrender the vehicle to the Agent.

If this is unsuccessful, CBS will pursue legal action to recover the full settlement amount owed. This is likely to result in a County Court Judgement (CCJ) against the former employee.

The dealership will be kept informed of progress at all relevant stages of engagement.

For queries on this process, please contact **collections@carbenefitsolutions.co.uk**

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