



Supreme Court motor finance ruling

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S & U PLC **("S&U" or "the Company")**

Announcement following Supreme Court motor finance ruling of 1 August 2025

S & U PLC, the specialist financier, and parent of Advantage Finance, the motor finance business, welcomes last week's Supreme Court decisions on motor finance commissions as a "victory for common sense".

On Friday 1st August 2025 the Supreme Court rejected the Court of Appeal's decision of October 2024 that motor dealers owed a fiduciary duty to borrowers when selling cars and arranging their finance, and that the payment of commission by motor finance lenders to them or other brokers constituted a "bribe". The Supreme Court, however, did uphold the lower court's view that commission paid by lenders which was inflated relative to the total cost of credit or which misled unsophisticated customers, may lead to an "unfair relationship" under section 148 of the Consumer Credit Act. Advantage notes that the FCA has announced its intention to consult on a redress scheme which covers both DCA arrangements and cases possibly involving an unfair relationship. Advantage reiterates that it has never used discretionary commission arrangements and feels very confident that its longstanding quality of customer service will mean that any unfair relationships found would be minimal.

Commenting on the decision, Karl Werner, Chief Executive of Advantage Finance, said: "The Supreme Court's decision provides legal clarity for the motor finance industry and is entirely consistent with the level and quality of the service Advantage has been proud to provide its customers for over 25 years. We therefore welcome this ruling and the firm platform it gives us to continue the strong and consistent recovery we are enjoying this year."

Anthony Coombs, Chairman of S&U, concluded: "This decision is a victory for common sense. It will significantly boost confidence throughout the motor finance industry and benefit lenders and consumers alike in attracting investment and increasing competition. As such, it is entirely consistent with the Treasury's recent emphasis on regulation which encourages growth and which will, in the words of the Financial Conduct Authority, "ensure the integrity of the motor finance market, so that it works well for future consumers."

S&U will issue a Trading Update on 12 August 2025.

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