

WHAT ARE ‘IN-CAR CONNECTED SERVICES’?

In-car connectivity is an umbrella name which encompasses a range of technologies that allow devices and systems within a vehicle to connect with one another, as well as with other external or remote systems. Basic examples of such technologies which have been widely adopted in recent years include Bluetooth, audio streaming and DAB digital radio. More recently, manufacturers have identified an opportunity to introduce more complex functionality through the use of connected applications. Such applications allow drivers to ‘connect’ with their vehicles through computer and smartphone apps, and can provide services such as breakdown/roadside, service reminders and service booking, diagnostic information and vehicle tracking. The range of services available varies from manufacturer to manufacturer, and whilst some manufacturers may offer certain connected services for free, others may charge a fee from the outset or following an initial introductory period. Manufacturers may ask the driver to sign terms and conditions that might not be considered appropriate or legally binding on the Fleet Manager or the owner of the vehicle (the finance company) when they are not party to the contract.

THE FINANCE COMPANIES APPROACH

In order to provide the very best possible service to our customers, our finance companies have taken the decision to opt out of any connected technologies which may conflict with the services they offer. This may include services such as breakdown/roadside assistance, accident services and the arrangement of any servicing or repairs. Our finance companies have been liaising with each manufacturer to understand their individual connected technology systems and to advise them that they will not be utilising such systems. Feedback so far has been extremely positive with one manufacturer confirming that Almost all leasing companies have adopted the same approach (i.e. opting out of such technology in their vehicles) in order for them to manage their customers’ driver experience in line with their contracted responsibilities. In terms of the wider industry and the implications of connected technology systems, we have engaged in ongoing dialogue with both the BVRLA (British Vehicle Rental and Leasing Association) and the SMMT (Society of Motor Manufacturers and Traders) to highlight our concerns. We will continue to work closely with industry bodies and update customers with any significant developments at the appropriate time.

WHY HAVE THEY DECIDED TO OPT OUT OF CERTAIN CONNECTED SYSTEMS?

The finance companies have carried out thorough and comprehensive reviews of the connected systems available and have concluded that the only way we can ensure customers receive the level of service they have to come to expect of them is by ensuring that they retain control of (and responsibility for) any third party service providers with whom we interact. This includes manufacturers, dealers, breakdown assistance providers, our replacement tyre provider and other third party service providers. The use of connected systems could give rise to the use of external service providers with whom we have limited or no experience and are therefore unable to guarantee service levels for our customers.

HOW DO CONNECTED SYSTEMS CONFLICT WITH SERVICES OFFERED?

Examples where connected systems could conflict with services offered by them (and thereby negatively impact service levels) include:

Breakdown/roadside assistance: The service provides customers with a single point of contact throughout the life of their agreement, ensuring they receive the quickest recovery possible and a relief vehicle for 48hrs if required. Whilst this is included as standard, it is doubtful that the same level of service can always be supported by manufacturers directly via connected technologies or in some cases could be a chargeable service. Furthermore, some manufacturer-led offerings may require sight of a driving licence or payment of a deposit – neither of which is a pre-requisite with the finance houses. Additionally, should a vehicle fault not be remedied quickly, they have a dedicated Vehicle Downtime Management team who will work directly with the relevant manufacturer to expedite parts and/or repair, minimising the amount of time a customer’s vehicle is off the road.

Maintenance/servicing: For ad-hoc or routine maintenance we choose our service partners strategically, placing our vehicles on a case-by-case basis. Not only does this help to minimise vehicle downtime for our customers, but also allows us to manage our costs as effectively as possible and thereby pass on those benefits to our customers through competitive SMR rentals. By leveraging the economies of scale that come with being the largest vehicle leasing company in the UK, we are able to pass on those financial and logistical benefits to our customers.

FACTS ABOUT IN-CAR CONNECTED SERVICES

Q. With this technology becoming more prevalent, will the finance companies change their systems or operational model to allow for the use of connected systems?

A. They will continually review all available information and work closely with vehicle manufacturers to improve their systems and assess the feasibility of connected technologies for leased vehicles. However, where such services are in conflict with our operational model – which is geared towards ensuring the best possible service for customers at the most competitive price – we cannot compromise on what is in the best interests of our customers and must therefore remain opted out. We will of course seek to incorporate any future service offerings which can assist in delivering an exceptional customer experience.

Q. How can customers keep abreast of future manufacturer offerings?

A. We recommend that customers and drivers research their chosen vehicles thoroughly before placing an order. As always, your Account Director is on hand should you have any questions, and will work with you to communicate any update in our position as regards connected systems or any new technologies which may affect customers.

FREQUENTLY ASKED QUESTIONS

Q. Can manufacturers not switch off any conflicting services and thereby allow drivers to access only certain options (such as fuel level checking or vehicle pre-heating)?

A. They are currently investigating the feasibility of this with the individual manufacturers, though it would appear that for some manufacturers it is not possible to access only certain aspects of connected services. For example, Mercedes-Benz have confirmed that they cannot differentiate between individual services within their connected system. Other manufacturers such as Jaguar, Land Rover and Vauxhall are currently investigating whether this is possible.

Q. Have they communicated the rationale for opting out of connected services to the appropriate manufacturers?

A. Yes. All the finance companies work very closely with all major manufacturers and we have already been in touch to discuss the subject of in-car connected technology. We will continue to liaise with manufacturers to review their current or future offerings and make suggestions as to how they can integrate with leasing company business models and data protection requirements.

Q. Can customers approach manufacturers directly to have connected services activated, or sign a separate agreement with the manufacturer to agree to their Terms & Conditions?

A. No. As the title and ownership of the vehicle belong to finance companies, no such agreements can be entered into on our behalf.

Q. eCall – the emergency call system – will be mandatory for all new cars from April 2018. Will the eCall application which shares data with emergency services in the event of an accident be active?

A. Yes. As a mandatory safety feature on new cars from April 2018, eCall functionality will be activated irrespective of the utilisation of other connected services.

Q. Will the decision to opt out of connected systems mean customers will be eligible for a refund or a lower monthly rental?

A. No. All pricing is based on the fact that connected services will not be activated on any of the vehicles. If we had to be bound by any connected services on offer, it is highly likely that our costs would increase and we would have to pass on the increased cost to our customers through increased monthly rentals.

Q. How can I tell if a particular vehicle/model has in-built connected technology?

A. At present, manufacturers do not always include such details in the description of individual vehicles, making it difficult to highlight where this technology is in place. If you are unsure as to whether this option has been chosen, please check with the manufacturer. It is essential that this is checked as connected technology functionality will not be available on the vehicle.