

Vehicle Scrappage Scheme

Selected Support for Big Business

Vic Farron RFT EXPRESS

Vehicle 'Scrappage' scheme

The new vehicle scrappage scheme is a voluntary scheme for motor dealers and manufacturers. If your dealer agrees to participate in the scheme from mid May, they will allow you £2000 off the price of a car or van up to 3.5t gross, as long as you agree to them scrapping your vehicle

Your vehicle must have a current M.O.T. and be first registered in the UK on or before 31st July 1999, and have been registered to you continuously for the last 12 months, with a UK address on the registration document.

The vehicle you are buying must be a car or van max 3.5t, first registered in the UK on or after mid May 09, and it must be new at first registration in UK, with no former keepers.

The reason the scheme is voluntary as far as the individual dealer is concerned, is that they have to stand £1,000 themselves, and the government are paying the other £1,000. So don't expect the dealers who are discounting vans by 40% or more to give you £2,000 scrappage allowance, and those vans which dealers pre register, in order to encourage buyers will not be eligible for the scrappage scheme.

In general the only dealers who will benefit from the scheme, are those that have maintained the manufacturers selling price, and have discouraged people from trading in older vehicles. Buyers, who are aware of the large discounts available from some dealers, will not benefit.

Scrappage scheme, a big hit.

The Scrappage Scheme, announced in last month's Budget, is intended to boost consumer confidence and kick-start demand for new cars.

The Government announced that within the first 2 weeks of the scrappage scheme starting, more than 35,000 new cars were ordered. According to Mr. Mandelson, all the car manufacturers have signed up to the deal, as well as other companies.

RFT Express staff posed as potential buyers and found a vast difference in what was on offer. Vauxhall tried to talk people out of the scrappage scheme in favour of 6 and 12 month old vehicles. Ford was indifferent offering the minimum. Peugeot and Citroen came out tops offering up to £3,800 against new cars. Problem was there

were no vehicles available for at least 2 weeks. Toyota had a minimum 12 week wait on most models.

Eventually all the car dealers participated, the highest "Scrappage Allowance" RFT found was for the 4x4 double cab pick-ups at £8,600 allowance being offered. The cost to the environment to produce, and run these vehicles, defeated the underlying government objective of reducing carbon emissions.

The Fiat Panda was highest seller in the scheme, and I am sure that Fiat and Italy appreciated the boost from the British tax payer.

The UK dealers welcomed the massive boost in profits, some of which was used to build new bigger and better showrooms. The scheme encouraged the UK population to further increase their debt with the burden of extra Hire Purchase payments. [I was under the impression that debt was the cause of the world wide recession].

The biggest winners were as expected, the banks. They own or control virtually all of the finance companies, that plus the money the UK tax payers invested in the banks, made sure they made good profits, and high bonus payments. Congratulations to the UK Tax payers, you will be paying higher taxes for many years.

The cost of fuel was reduced during the world recession, at the first sign of recovery it will go up in leaps and bounds. We will soon be reminiscing about petrol only being £5 a gallon.

Article by Vic Farron RFT Express