



UK LEGAL GUIDE

# Motor credit hire

Fourth edition

Kennedys

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# Introduction

Welcome to the fourth edition of Kennedys' motor credit hire guide.

Since the early 1990s, the battle between defendants and the credit hire industry has waxed and waned. The subject is as relevant today as it was 20 years ago.

Recently, credit hire claims have again been very much under the spotlight both in court and, earlier, as part of the Competition and Markets Authority's (CMA) review of the private motor market.

The CMA report had very little impact on the motor market but the final implementation of the 'whiplash reforms' may very well further impact on credit hire claims.

Recent decisions have seen a welcome move with the higher courts siding with the paying motor insurer rather than the credit hire organisations (CHOs), who continue to pursue recovery of often exorbitant claims for hire charges through the court system.

Recent years have also seen a number of insurers and CHOs unsubscribe from the ABI GTA (see below) and attempt to reach bilateral agreements instead to avoid the significant costs of litigation and further reduce friction and lifecycle in resolving these claims. The ABI GTA, once again, seems to be threatened.



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