

# MOTOR CREDIT HIRE GUIDE



Kennedys

# Introduction

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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.

The last year has seen a change, with the higher courts siding with the paying motor insurer rather than the credit hire organisations (CHOs), who have pursued claims for recovery of the credit hire costs as subrogated claims through claimants in civil litigation.

The same year has also seen a number of insurers and then some 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.

A credit hire flowchart is included at Section 15 of the guide.



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