

Road Tax changes after April 1st... MORE EXPLANATION ...what a nightmare this is turning out to be! Bloody hell! It's appropriate this is an April 1st thing. What a joke :)

At the time I write this, it's almost impossible to get exact finance rental prices to include new road tax regime that will be introduced by HM Government in April.

The reason the Government are changing Road Tax is that they have lost a lot of revenue due to cars having less and less CO2 emissions. So everyone will be stung by this, for new cars registered after April 1st.

Cars registered before 1st April WON'T be affected by this.

Cars registered after 1st April WILL be affected by this.

Vans won't be affected at all by this.

Because it's a tax, all finance companies have to pass on changes in Road Tax to customers. Even though Road Tax is included in your pricing, if it changes then pricing has to change. That's because although it looks "free", in reality it's better to say it's "taken into account" or "included" in pricing.

One finance company told me: *"We have prepared our leasing platform for this change and we will ... include these new charges sometime in February. We have yet to set the date for this as we are very conscious that you will have a considerable volume of business to quote and deliver against preApril pricing i.e. for cars registered before the end of March. We appreciate this is not an ideal situation."* Too right it's not ideal!

So, for cars registered after April 1st, pricing will probably go up slightly, but no-one knows by how much, yet.

I have an indicative table, but it's guesswork, and really doesn't help. It shows most car rentals for "average cars" going up by between 80p/month and £12/month, while a few rentals come down slightly. For cars that have a retail price over £40,000 incl options, increases will be greater, somewhere between £12 and £30 a month over the term.

So, if your car is a post-April delivery, bear in mind there will be changes when the fin cos work it all out.

This Road Tax would apply however you get a car (eg: pay cash in full, HP, Lease etc) so the best I can say is that it affects every UK new car customer who has a new car registered after April 1st. It's not unique to a) me, b) you, c) leasing or d) cash purchases. It affects them all. So, (please) no moaning if you get a slight rental increase.

Let me just mention that I can't trade on the basis that *"I am mad about road tax increases so I want to cancel my car"* or *"you misrepresented a lower price"*. I'd go bust. So PLEASE don't react in a knee-jerk way. It's a tax, it's the Government, so I can't magic a solution, so sorry. Everyone has to pay tax.

Also, I can't magic cars to be built faster, or delivered faster, however much anyone shouts at me. This will annoy people on the cusp of April 1st who will have more Road Tax to pay simply because their car is registered just after April 1st.

As soon as I have revised figures for each individual car registered after April 1st, I'll let all customers that it affects, know.

Hope this helps explain the situation. As I said, it's a nightmare. Prepare your budget to include a slight rise in your rentals (even though you have already agreed the current rental) if your car is registered after April 1st.

Ling.