

NEWS BRIEF

Presented by **Crendon Insurance Brokers Ltd**

DVLA Ditches Paper Tax Discs

The Driver and Vehicle Licensing Agency (DVLA) is ditching the paper tax disc and going completely electronic starting 1 October 2014. UK drivers will still need to tax their vehicles, but after 1 October they no longer need to display tax discs on their windcreens—all records will be digital.

Drivers will still receive a renewal reminder in the post when their vehicle tax is set to expire. Drivers will be able to tax their vehicle in the following ways:

- Online: www.gov.uk/tax-disc
- By phone: 0300 123 4321
- At the local Post Office—find yours here: www.postoffice.co.uk/branch-finder

How Can I Check My Tax Status?

You can check if a vehicle is taxed by using the DVLA's free online enquiry service located at: www.gov.uk/check-vehicle-tax. Police and other authorities will use this online register to verify that a vehicle is taxed, rendering the tangible paper tax disc obsolete.

How Does This Change Buying a Vehicle?

After 1 October, when you buy a used vehicle, the tax will not transfer along with the vehicle, meaning you will no longer be able to benefit from any extra months on the seller's tax disc.

Therefore, when buying a used vehicle, you must renew your tax disc immediately or risk paying an £80 fine for driving an untaxed vehicle and also any back taxes. There will be no grace period.

How Does This Change Selling a Vehicle?

The abolition of paper tax discs promises to streamline the process of selling a vehicle. Simply notify the DVLA that you are selling your vehicle according to these steps: www.gov.uk/notifying-dvla-if-you-sell-your-vehicle, and the DVLA will

automatically issue you a refund for any full calendar months left on your vehicle's tax. You will no longer need to submit a separate refund form.

As the vehicle seller, you must notify the DVLA of the ownership change immediately or face a possible £1,000 fine.

What is Direct Debit?

Along with abolishing paper tax discs on 1 October, the DVLA will begin offering an additional way to pay for vehicle tax called Direct Debit. This service enables customers to make automatic vehicle tax renewal payments. Drivers can use Direct Debit to tax their vehicle annually, bi-annually or monthly.

Provided that a customer's MOT remains valid, payments will continue automatically until the customer cancels the Direct Debit with his or her bank, tells DVLA he or she no longer has the vehicle or declares that the vehicle is off the road via the Statutory Off Road Notification. Paying by Direct Debit will not be available to first registration vehicles, fleet vehicles licensed in bulk schemes and HGVs that pay the Road User Levy.

Why is DVLA Making the Change?

The UK government has relied on paper tax discs since 1921 to provide visual confirmation that a vehicle is taxed. But with more sophisticated technology such as expanded digital records and automatic number plate recognition cameras to help spot untaxed vehicles, the police no longer need to rely on visual confirmation.

The government predicts that removing the paper tax disc will help eliminate tax dodgers from the road and drive down motor insurance premiums. For more information on the latest UK insurance industry news, contact **Crendon Insurance Brokers Ltd** today.

