CONTINUED STRONG GROWTH IN MOTOR FINANCE

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New figures released today by the Finance & Leasing Association (FLA) show that the point-of-sale consumer new car finance market saw new business grow 27% by value and 22% by volume in February, compared with the same month last year.

The percentage of private new car sales financed by FLA members through the point-of-sale reached 81.9% in the twelve months to February 2016, up from 81.7% in the twelve months to January.

The point-of-sale consumer used car finance market also saw strong growth in February, with new business up 23% by value and 18% by volume.

Commenting on the figures, Geraldine Kilkelly, Head of Research and Chief Economist at the FLA, said:

“February saw the point-of-sale consumer new car finance market report its twelfth consecutive month of growth in new business volumes. For the first time on record, annual new business volumes in this market surpassed the 1 million mark, with the majority of these purchased on finance secured against the car.”

Table 1: Cars bought on finance by consumers through dealerships

New business	Feb 2016	% change on prev. year	3 months to Feb 2016	% change on prev. year	12 months to Feb 2016	% change on prev. year
New cars						
Value of advances (£m)	806	+27	2,960	+24	16,544	+17
Number of cars	51,207	+22	178,864	+19	1,000,838	+12
Used cars						
Value of advances (£m)	1,163	+23	3,083	+17	12,475	+15
Number of cars	109,305	+18	289,770	+13	1,175,496	+11

Table 2: Cars bought on finance by businesses

New business	Feb 2016	% change on prev. year	3 months to Feb 2016	% change on prev. year	12 months to Feb 2016	% change on prev. year
New cars						
Number of cars	29,966	+17	102,257	+2	512,241	+7
Used cars						
Number of cars	3,328	+20	10,009	+5	38,882	-4

Note to editors:

1. In 2015, FLA members provided £110 billion of new finance to UK businesses and households. £81 billion of this was in the form of consumer credit, almost a third of total new consumer credit written in the UK in 2015. £37 billion of it supported the purchase of new and used cars, including over 80% of private new car registrations.

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