

## UK Supreme Court Rejects Treasury's Intervention in Motor Finance Claims

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As set out in our previous *Cabinet News & Views* issue of December 2024 [here](#), the Court of Appeal has found that some commissions paid to car dealerships for arranging loans were potentially unlawful as the loan agreements did not disclose the amount of commission the lender was paying to the broker with sufficient clarity, and adequate customer consent was not received.

The Court of Appeal also held that, in certain circumstances, lenders would be liable as principals. As noted at the time, there are concerns that these issues may have a wider implication for other consumer credit loans, and the need for finance providers to recognise and forecast for provisions for potential compensation.

The UK Treasury had applied to make representations when the Court of Appeal's decision is appealed by the Supreme Court in April 2025. Though the Supreme Court has been refused this right, it is still open to the Financial Conduct Authority to intervene.

Pending the hearing of that appeal, our recommendation would be to continue to provide for potential liability when dealing with consumer lending, and we will continue to update following the Supreme Court hearing in April.