

*These notes refer to the Vehicles (Crime) Act 2001  
(c.3) which received Royal Assent on 10 April 2001*

# VEHICLES (CRIME) ACT 2001

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## EXPLANATORY NOTES

### INTRODUCTION

These explanatory notes relate to the Vehicles (Crime) Act which received Royal Assent on 10 April 2001. They have been prepared by the Home Office in order to assist the reader of the Act. They do not form part of the Act and have not been endorsed by Parliament.

2. The notes need to be read in conjunction with the Act. They are not, and are not meant to be, a comprehensive description of the Act. So where a section or part of a section does not seem to require any explanation or comment, none is given.

### SUMMARY

3. The Act is in four Parts:

*Part 1, Regulation of Motor Salvage Operators:* introduces powers to regulate the motor salvage industry and require motor salvage operators to register with local authorities, keep records and for the police to have right of entry to registered premises without warrant.

*Part 2, Regulation of Registration Plate Suppliers:* requires number plate suppliers to register, to make suitable checks before selling a number plate and to keep records of transactions.

*Part 3, Other Provisions Relating to Vehicle Crime:* this Part:

- enables a vehicle which has been written off by an insurance company to be required to have an identity check if the Driver and Vehicle Licence Agency (DVLA) receives a request for it to be allowed back on the road. This will prevent the identity of stolen vehicles being disguised by that of other, legitimate, vehicles. It also provides a power to prescribe the form and manner in which information other than registration marks on number plates must appear;
- amends the Scrap Metal Dealers Act 1964 so as to enable scrap metal dealers disposing of motor vehicles to be obliged to notify the destruction to such persons as are specified (the main intended recipient of the notification being the DVLA);
- includes a provision which will have the effect of allowing the police bulk access to a motor insurance industry database and thus enable them to identify more easily uninsured drivers;
- includes a provision extending the time limit for bringing prosecutions for the offence of taking a mechanically propelled vehicle without authority. This enables proceedings for summary offences to be commenced (subject to a general time limit of three years) at any time within six months from the date on which sufficient evidence came to the knowledge of the prosecutor; and

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- enables the Secretary of State to make payments in respect of a public authority's expenditure on the prevention and detection of speed and red light offences and any related enforcement action.

*Part 4, Supplementary:* this Part has a number of standard provisions relating to financial arrangements, consequential amendments and orders and regulations as a result of the Act.

## **THE ACT**

### ***Explanatory Notes for the Vehicles (Crime) Act***

4. The explanatory notes are divided into parts reflecting the structure of the Act. The background and summary of each subject area are detailed, followed by the commentary on sections in number order.

## **SUMMARY AND BACKGROUND**

### **Part 1: Regulation of Motor Salvage Operators**

5. A consultation paper with proposals to regulate the salvage industry was issued on 27 April 2000. The consultation paper put forward three options:
  - to rely on present statutory controls, which are limited as the motor salvage and dismantling industry is only regulated for environmental purposes;
  - to rely on a voluntary Code of Practice developed by the insurance industry and aimed at the responsible disposal of those vehicles written-off by insurers;
  - to introduce additional statutory regulation.
6. Twenty-six organisations replied to the consultation document. Of these twenty-two endorsed the proposal for more statutory regulation. In the light of the responses to the consultation document the Home Secretary decided that the preferred way forward was to bring the motor salvage industry within a proper framework of statutory regulation.
7. The aim is to reduce the opportunity for disposing of stolen vehicles within the salvage industry by, for example:
  - giving the identity of legitimate vehicles which have been seriously damaged or written-off to stolen vehicles (a process known as "ringing");
  - breaking up stolen vehicles for their component parts which are then re-used to repair other vehicles or sold into the market for second hand spares;
  - disposing of vehicles and then fraudulently reporting them as stolen to insurance companies.
8. The scale of this problem can only be estimated. However, official statistics (Criminal Statistics: England and Wales, 1997) indicate that about 70% of stolen vehicles are recovered. The problem is measured by those vehicles which are not recovered. The Motor Salvage Regulation Task Force of the Home Office Vehicle Crime Reduction Action Team estimated that 25% of these non-recovered vehicles were used for "ringing" and 40% were broken for their parts. In addition, a further 20% are thought to be the subject of insurance fraud.
9. This suggests that up to 78,000 vehicles every year are likely to have been used for "ringing" or broken up for parts. To this figure can be added a proportion of insurance frauds, estimated at up to 12,000 vehicles.
10. By regulating this industry it is believed that up to 39,000 vehicle thefts and 6,000 fraudulent insurance claims could be avoided per year.

## **Part 2: Regulation of Registration Plate Suppliers**

11. The main objective of this Part of the Act is to regulate the supply of number plates in order to combat vehicle "ringing" and vehicle cloning (using the identity of an existing or scrapped vehicle to disguise another).
12. Many criminals using vehicles to carry out criminal activity use false plates to avoid detection. Such activity can range from terrorism, the use of getaway cars by armed robbers to burglars using vehicles to transport stolen goods.
13. Prior to this Act there were no controls over the supply of plates. Suppliers were not required before supplying a set of plates to check the identity of purchasers or their entitlement to use plates containing particular registration marks. The objective of this Part is to ensure that plates are issued only to those with a genuine reason for having the plates and that they are issued for the correct vehicle.
14. This Part provides for the registration of persons carrying on the business of a number plate supplier; the charging of a registration fee; a power by which a court may remove or suspend registrations; and a power to prosecute for contravention of the statutory requirements. It also allows the Secretary of State to remove from the register persons whom he believes to have ceased carrying on the relevant business.
15. **Part 2** creates a number of new offences: making a false application for registration as a number plate supplier, making such an application while suspended from registration by an order of the court, knowingly selling plates which purport to be registration plates but are not, knowingly supplying plates to a person who is in the business of selling fake registration plates, and knowingly supplying components or plates to an unregistered number plate supplier unless that supplier is an exempt person.

## **Part 3: Other Provisions Relating to Vehicle Crime**

16. The incentives for criminals arise if they can obtain a low-value accident-damaged or scrapped vehicle (salvage) and subsequently sell a similar stolen vehicle to an unsuspecting purchaser at a much higher price. One of the main objectives of this Part of the Act is to make it harder for such criminals to obtain new registration documents for "rung" vehicles. Additionally, this Part provides enabling powers for the introduction of vehicle identification features on number plates. This will link number plates to the vehicles to which they have been assigned, thereby making it more difficult to switch plates between vehicles. It will also make plates more secure and more difficult to duplicate for illegal purposes.
17. Swapping vehicle identity involves transferring vehicle-specific identification plates from the damaged vehicle to the stolen vehicle and the introduction of vehicle identity checks is intended to detect and deter this crime (and, in turn, vehicle ringing).
18. One of the issues vital to the successful implementation of vehicle identity checks is the mechanism for ensuring that vehicles are submitted for test. This will be achieved as a result of a combination of factors:
  - the destruction of the registration document for salvage vehicles (which is something that is already provided for under a Code of Practice which applies where a vehicle insurer makes a 'total loss' payment to a policyholder);
  - ensuring that a vendor transfers the relevant part of the vehicle registration document to the new keeper of a vehicle (which will be achieved either by making a minor change to secondary legislation or by a review of current registration and enforcement procedures).
  - making it a requirement for motorists to produce either their vehicle excise licence renewal notice or registration document in order to re-license their vehicle (thereby making it harder for criminals to 'legitimise' a ringed vehicle);

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- introducing a requirement for the identity of a 'salvage' vehicle to be checked before a replacement registration document is issued to a new keeper.
19. The risk of "ringing" affects a wide range of vehicles. Consequently, although the initial objective is to apply the requirement for vehicle identity checks to higher value, more recently registered, vehicle salvage, the requirement could also be extended to other vehicle classes.
  20. Under section 127 of the Magistrates' Courts Act 1980, magistrates' courts cannot try a summary offence unless proceedings are started within six months of the day when the offence was committed. The commencement of proceedings for taking a mechanically propelled vehicle without authority is covered by this time limit. Advances in forensic science (particularly fingerprints and DNA) mean that it is possible reliably to match an offender with a crime after the current prosecution time limit has expired. This Part of the Act extends this time limit. This will mean that proceedings, relating to the unauthorised taking of a vehicle, can be commenced at any time within six months from the date on which sufficient evidence to bring a prosecution came to the knowledge of the prosecutor, subject to a general time limit of three years from the day the offence was committed.
  21. Finally, this Part of the Act gives the police bulk access to a motor insurance industry database which will allow them to identify more easily people driving without insurance. It also allows the Secretary of State to make payments to public authorities in respect of their expenditure on the prevention and detection of speed and red light offences and on enforcement action relating to such offences. This will in turn enable money from fixed penalties imposed for such offences to be recycled to fund such future prevention, detection and enforcement activities.

#### **Part 4: Supplementary**

22. This Part of the Act has a number of standard provisions relating to financial arrangements, consequential amendments and orders and regulations as a result of the Act.

### **COMMENTARY ON SECTIONS**

#### **Part 1: Regulation of Motor Salvage Operators**

##### ***Sections 1, 2, 3, 4, 5, 6 and 13: Registration***

23. The intention of these sections is to require motor salvage operators to register with the local authority. A person, including a body corporate, who carries on a business as a motor salvage operator will be required to register with the local authority. Local authorities will be responsible for maintaining registers, which will contain details to be prescribed by regulation. Such details are likely to include the name of the person and the address of the premises where the business is conducted. Local authorities will determine the fee to be paid on application for registration. The fee must, however, be set only at a level which recovers reasonable costs of administering the registration scheme. Registration will lapse after three years, although it can be renewed.
24. The registration authority will have the discretion to decide whether a person is "fit and proper" to carry on business as a motor salvage operator. If it decides that a person is not "fit and proper", it can refuse or cancel registration. If registration is refused or cancelled on this ground, the local authority need not consider a further application for registration from the applicant for a period of three years.
25. A person is entitled to make representations to the local authority where that local authority is minded to refuse an application for registration or the renewal of a registration, or where the local authority is minded to cancel a registration. If the

local authority proceeds with the refusal or cancellation, the person may appeal to the magistrates' court.

***Sections 7 and 8: Keeping of Records etc.***

26. Any registered motor salvage operator must maintain records to be specified in regulations. Such records will need to be kept for three years. Further, registered motor salvage operators will be obliged to notify the destruction of any vehicles to such persons as are specified (the main intended recipient of the notification being the DVLA).
27. A person who does not maintain the appropriate records, or notify as required, will be guilty of an offence and liable on summary conviction to a fine.

***Sections 9, 10, 11 and 12: Supplementary Provisions and Offences***

28. **Section 9** gives the police powers of entry to registered premises without warrant. For entry to unregistered premises, or entry to registered premises where entry has previously been refused, a warrant issued by a justice of the peace can be obtained to secure entry with the use of force if necessary.
29. A police constable may inspect any motor vehicles or salvaged parts kept at the premises and inspect or copy any records which the motor salvage operator is required to keep.
30. **Section 10** makes it an offence knowingly or recklessly to supply materially false information in an application for registration as a salvage operator. It allows a higher penalty for such an offence where the offender has previously been refused registration or had his registration cancelled.
31. **Section 11** requires the person registered or applying to be registered to notify the local authority of any changes affecting the accuracy of information provided within 28 days of the changes occurring. Failure to do so will be an offence, although there is a due diligence defence.
32. **Section 12** makes it an offence for a person to give a false name or address when selling a motor vehicle to a registered motor salvage operator.

***Sections 14, 15 and 16: General***

33. **Section 14** provides for the police or local authorities to bring prosecutions. Prosecutions by anyone else must have the consent of the Attorney General. **Section 15** allows the Secretary of State to amend or repeal any private or local Act if it appears to conflict with this Act.
34. **Section 16** defines the terms used in this Part of the Act including what constitutes carrying on a business as a motor salvage operator in the area of a local authority and a motor salvage yard.

**Part 2: Regulation of Registration Plate Suppliers**

***Sections 17, 18, 19, 20, 21, 22 and 23: Requirement of registration of registration plate suppliers***

35. **Section 17** requires any person who carries on a business as a registration (number) plate supplier in England or Wales, and is not an exempt person, to be registered by the Secretary of State. It would be an offence to conduct business as a registration plate supplier without being registered.
36. **Section 18** requires the Secretary of State (in practice the DVLA) to establish and maintain a register of registration plate suppliers containing particulars to be prescribed

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by regulation. The Secretary of State may disclose information from the register and may charge a fee for such disclosure.

37. **Section 19** provides for applications for registration and empowers the Secretary of State to charge a fee to recover reasonable costs.
38. **Sections 20 to 23** provide for the removal or suspension of a registration by a court where a person has been convicted of an offence under this Part and for the cancellation of a registration where the Secretary of State is satisfied that a registered person has not been carrying on business as a registration plate supplier for at least 28 days. An intention to cancel must be notified and the supplier given a reasonable opportunity to persuade the authority not to proceed. In the event of cancellation the supplier has a right of appeal exercisable within 21 days.

#### ***Sections 24 and 25: Keeping of Records etc.***

39. **Section 24** enables the making of regulations to provide for the keeping of records by registration plate suppliers. It will be an offence to fail to keep records as prescribed, subject to a due diligence defence.
40. **Section 25** requires registration plate suppliers to obtain prescribed information from prospective purchasers. It will be an offence to fail to obtain this information before completing a sale, subject to a due diligence defence.

#### ***Sections 26, 27, 28 and 29: Supplementary Provisions and Offences***

41. **Section 26** gives a police officer or a person appointed by a local authority the right to enter and inspect the premises of a registered business. A police officer or a person appointed by a local authority may enter other premises where he suspects that there is an unregistered business, provided that a justice of the peace has issued a warrant. Reasonable force may be used in pursuance of the warrant.
42. **Section 27** requires a registered person to notify within 28 days any changes to details held on the register or the cessation of business as a registration plate supplier. Failure to notify will be an offence, subject to a due diligence defence. **Section 28** makes it an offence knowingly or recklessly to sell as a registration plate a device which is not a registration plate. It also makes it an offence knowingly to supply components to a person who is in the business of selling fake registration plates for the purposes of that business.
43. **Section 29** makes it an offence in certain circumstances to supply a plate to an unregistered person, other than an exempt person, who is carrying on business as a registration plate supplier.

#### ***Sections 30 and 31***

44. The police or local authorities may bring prosecutions. Prosecutions by anyone else must have the consent of the Attorney General. Prosecutions may be brought against corporate bodies and against senior employees of those bodies. **Section 31** defines the terms used in this Part of the Act, including the terms “carrying on a business as a registration plate supplier” and “registration plate”.

### **Part 3: Other Provisions Relating to Vehicle Crime**

#### ***Section 32: Vehicle Licence Applications***

45. **Section 32** amends section 7 of the Vehicle Excise and Registration Act 1994 to enable the Secretary of State to specify documents and other evidence which must be produced in support of a vehicle excise licence application. Corresponding amendments are also made to section 22 of the 1994 Act in relation to nil licences.

### ***Section 33: Vehicle Identity Checks***

46. The main intention of this section is to require a compulsory vehicle identity check of any 'written-off', scrapped vehicle, prior to the issue of replacement registration documents to the vehicle keeper.
47. The purpose of the vehicle identity check is to help prevent a criminal from swapping the identity of a vehicle he has stolen with that of a written-off or scrapped vehicle ("ringing").
48. **Section 33** inserts new regulation-making powers after section 22 of the Vehicle Excise and Registration Act 1994 (registration regulations). They ensure that the Secretary of State:
  - can refuse to issue a registration document in respect of a vehicle if he is not satisfied that the vehicle is the registered vehicle; and
  - can make regulations to provide for the examination of vehicles for the purpose of ascertaining whether they are the registered vehicles.
49. **Section 33** also ensures that the vehicle identity check regime can apply to the issue of new registration documents in place of surrendered documents.

### ***Section 34: Registration Plates***

50. This section provides for the inclusion of additional information to be held on registration plates. It provides a power to make regulations to prescribe the form and manner in which such information may be held. The purpose of this provision is to enable the Secretary of State to prescribe that registration plates should contain information that would link the registration plate to the vehicle for which it is intended, making the registration plate more secure and difficult to copy.

### ***Sections 35 and 36: Information Requirements***

51. **Section 35** enables regulations to be made obliging scrap metal dealers registered under the Scrap Metal Dealers Act 1964 to notify specified persons if they finally dispose of a motor vehicle. The intention is to ensure that the DVLA are notified of such destructions, with the aim of preventing the re-registration of a stolen motor vehicle which has been given the destroyed motor vehicle's identity. The provision mirrors the provision in section 8 applying to registered motor salvage operators.
52. **Section 36** will have the effect of enabling the police to have bulk access to an insurance industry database which will help them to detect people driving without insurance.

### ***Sections 37 and 38: Miscellaneous***

53. **Section 37** amends a time limit in the Theft Act 1968 so that proceedings relating to the unauthorised taking of a mechanically propelled vehicle may be commenced at any time within six months from the date on which sufficient evidence to bring a prosecution came to the knowledge of the prosecutor. It is subject to a general requirement that any prosecution must be brought within three years of the offence taking place.
54. **Section 38** allows the Secretary of State to make payments to public authorities in respect of their expenditure on the prevention and detection of speed and red light offences and on enforcement action relating to such offences. This will in turn, with the agreement of the Treasury, enable money from fixed penalties for such offences to be recycled to fund such future prevention, detection and enforcement activities. In practice this will enable resources to be directed towards the installation and use of safety cameras.

## **Part 4: Supplementary**

### **Sections 39, 40, 41, 42, and 43: General**

55. **Section 39** - if an offence under this Act, committed by a body corporate, is proved to have been committed with the consent of, or is attributed to, a director, manager, secretary or other relevant officer, this person may be prosecuted, as well as the body corporate.
56. **Section 40** relates to the service of documents required or authorised by the Act, and enables documents to be served by electronic means where appropriate. **Section 41** states that any order making powers or regulations as a result of this Act will be exercisable by statutory instrument. All statutory instruments made under the Act apart from commencement orders are to be subject to the negative resolution procedure.
57. **Section 42** ensures that sums received by a Minister of the Crown in consequence of the Act are paid into the Consolidated Fund. **Section 43** refers to the Schedule to the Act which lists the consequential amendments to other Acts as a result of this Act.

### **Sections 44, 45, and 46: Final**

58. The substantive provisions of this Act will come into effect when it is decided appropriate by the Secretary of State who will issue a commencement order. Different dates might be considered appropriate for different parts of the Act or in respect of different geographical areas.
59. **Parts 1 and 2** and sections 35, 37 and 38 extend to England and Wales only. **Section 36** extends to England and Wales and Scotland. Sections 32 to 34 inclusive extend to England and Wales, Scotland and Northern Ireland.

### **Schedule**

60. The Schedule provides details of the consequential amendments to other legislation as a result of this Act.

## **COMMENCEMENT**

61. The substantive provisions in this Act will come into effect when it is decided appropriate by the Secretary of State who will issue a commencement order. Different dates might be considered appropriate for different parts of the Act or for different geographical areas.

## **TERRITORIAL EXTENT**

62. **Parts 1 and 2** and sections 35, 37 and 38 extend to England and Wales only. **Section 36** extends to England and Wales and Scotland. Sections 32 to 34 inclusive extend to England and Wales, Scotland and Northern Ireland.

## **HANSARD REFERENCES**

<b>STAGE</b>	<b>DATE</b>	<b>HANSARD REFERENCE</b>
<b>HOUSE OF COMMONS</b>		
Introduction & Publication	7 December 2000	Vol. 359 Col. 134
Second Reading & Money Resolution	18 December 2000	Vol. 360 Col. 22-129
Committee	9 January 2001	Standing Committee A
	11 January 2001	



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<b>STAGE</b>	<b>DATE</b>	<b>HANSARD REFERENCE</b>
	16 January 2001	
	18 January 2001	
	23 January 2001	
Third Reading and Report	30 January 2001	Vol. 362 Cols. 197 -280
<b>HOUSE OF LORDS</b>		
Introduction	31 January 2001	Vol. 621 Col. 692
Second Reading	15 February 2001	Vol. 622. Cols. 364-398
Committee	5 – 6 March 2001	Vol. 623 Col. 109
		Vol. 623 Col. 133
Report	20 March 2001	Vol. 623 Col. 1370
Third Reading	27 March 2001	Vol. 624 Col. 134
<b>Royal Assent</b>	10 April 2001	
House of Lords		Vol. 624 Col. 1057
House of Commons		Vol. 366 Col. 848