



James

Email us at: [foi@dvla.gov.uk](mailto:foi@dvla.gov.uk)  
Website: [www.gov.uk/browse/driving](http://www.gov.uk/browse/driving)

Your Ref:  
Our Ref: FOIR9094

Date: 4 June 2021

Dear James

### **Freedom of Information Request**

Thank you for your email of 9 May requesting information under the terms of the Freedom of Information Act 2000 (FOIA).

You asked:

**You have the following charging schemes for car tax, example being 143g/km:**  
**6 months £93.50**  
**12 months £170**  
**Or with Direct Debit:**  
**Monthly £178.50 (£14.88 pcm)**  
**6 months £89.25**  
**12 months £170**

#### **Questions:**

- 1) Why do you penalise those that can't afford to pay for a whole 12 months**
- 2) Utility companies are happy with a monthly direct debit to provide the lowest cost, why does the government not do this- what is the policy?**

We do not consider that your questions are requests for recorded information under the terms of the FOIA. However, it may be helpful if I explain that the direct debit scheme allows motorists to spread their vehicle tax costs and have the convenience of having their vehicle tax renewed automatically each year.

To ensure we can offer this convenience and limit the impact to the public finances, a surcharge is levied on monthly and 6 monthly direct debit payments. No surcharge is

applied to vehicle tax which is paid in full on an annual basis, whether via direct debit or via other channels.

I should clarify that the DVLA administers and collects vehicle tax on behalf of HM Treasury. All decisions on vehicle tax, whether structure, rates or alternatives are a matter for the Chancellor of the Exchequer and are not set by the DVLA.

Further details on how to contact HM Treasury can be found on [GOV.UK](https://www.gov.uk)

### **3) what percentage is in each financial payment category?**

On 13 May you clarified question 3 as follows:

**What percentage of people pay 6 months £93.50  
And what % pay 12 months £170 Etc and for the below three categories  
Or with Direct Debit:  
Monthly £178.50 (£14.88 pcm)  
6 months £89.25  
12 months £170**

We have taken your question as referring to payments made by card and direct debit. The information held by the DVLA within the scope of your request is provided below. While you have not asked for a specific time-period, the information provided relates to the financial year 2020-2021.

Of the customers who paid for their vehicle tax by debit or credit card, the percentage who paid for a 6 and 12 month licence is as follows:

6 months - 20%  
12 months - 80%

Of the customers who paid for their vehicle tax, by direct debit the percentage who paid monthly, 6 and 12 monthly is as follows:

12 monthly payments - 85%  
6 months single payment - 5%  
12 months single payment - 10%

It may also be helpful to explain that in addition to these payment methods, customers can still pay for their vehicle tax as a single 6 month or 12 month payment at a Post Office that provides this service.

The information which follows concerns the procedures for making any complaint you might have about the reply. Please quote the reference number of this letter in any future communications about it.

Yours sincerely



pp Robert Toft  
Head of Data Protection Policy & Freedom of Information Team

## **Your right to complain to DVLA and the Information Commissioner**

If you are not happy with the reply to your request, you can ask DVLA to re-consider the response you received by writing (within two calendar months of receiving this response) to either [foi@dvla.gov.uk](mailto:foi@dvla.gov.uk) or DVLA Freedom of Information Team, DPP/FOI, C2W, DVLA, Swansea SA6 7JL.

DVLA will acknowledge and consider your request, re-visiting the response provided. This is known as an Internal Review and will be considered by a staff member not involved with the original reply.

If you disagree with the outcome of the Internal Review, you have the option to complain to the Information Commissioner's Office (ICO). The ICO's offices are currently all closed, but you can contact them on this link - <http://ow.ly/oWiW50yU9Xb>