

28 MAY 2025












Fitch Affirms Driver UK Master S.A. - Compartment 6 on Revolving Period Extension

Fitch Ratings - London - 28 May 2025: Fitch Ratings has affirmed Driver UK Master S.A. - Compartment 6 notes, as detailed below.

The affirmations follow the extension of the transaction's revolving period by 12 months..


Rating Actions

ENTITY/DEBT	RATING	RECOVERY	PRIOR
Driver UK Master S.A. - Compartment 6			
• Class A 2023-1 XS2596590518	LT AAAsf ●	Affirmed	AAAsf ●
• Class A 2023-3 XS2711333240	LT AAAsf ●	Affirmed	AAAsf ●
• Class A 2023-4 XS2711333836	LT AAAsf ●	Affirmed	AAAsf ●

ENTITY/DEBT	RATING		RECOVERY	PRIOR
<ul style="list-style-type: none"> Class A 2024-1 XS2783778736 	LT	AAAsf 	Affirmed	AAAsf 
<ul style="list-style-type: none"> Class A 2024-2 XS2810275813 	LT	PIFsf	Paid In Full	AAAsf 
<ul style="list-style-type: none"> Class B 2023-3 XS2711355136 	LT	A+sf 	Affirmed	A+sf 
<ul style="list-style-type: none"> Junior Schuldschein Loan 2023-1 	LT	A+sf 	Affirmed	A+sf 
<ul style="list-style-type: none"> Junior Schuldschein Loan 2023-2 	LT	A+sf 	Affirmed	A+sf 
<ul style="list-style-type: none"> Senior Schuldschein Loan 2023-1 	LT	AAAsf 	Affirmed	AAAsf 

ENTITY/DEBT	RATING	RECOVERY	PRIOR
<ul style="list-style-type: none"> Senior Schuldschein Loan 2023-2 	AAAsf 	Affirmed	AAAsf 
<ul style="list-style-type: none"> Senior Schuldschein Loan 2023-3 	AAAsf 	Affirmed	AAAsf 

RATINGS KEY OUTLOOK WATCH

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Transaction Summary

The transaction is a 12-month revolving securitisation of auto loan receivables originated by Volkswagen Financial Services (UK) Ltd in England, Scotland, Wales and Northern Ireland. The portfolio consists of personal contract purchase (PCP), hire purchase and lease purchase loans, financing predominantly VW Group brand vehicles. The transaction includes notes and Schuldschein loans. Notes and Schuldschein loans of the same seniority rank equally with each other.

The revolving period, which was scheduled to end in May 2025, has been extended by one year and will now end in May 2026.

The GBP60 million class A series 2024-2 notes were cancelled and rolled into the class A series 2023-1 notes at the renewal date. Consequently, the class A series 2023-1 has increased to GBP227.2 million from GBP167.2 million.

KEY RATING DRIVERS

Low Credit Losses: Fitch maintained its remaining life default rate assumption at 1.2%. The base case acknowledges the strong performance helped by the prime nature of the borrowers, but also incorporates Fitch's view that persistent cost of living pressures will continue to weigh on household finances. The 'AAA' default multiple has been maintained at 7.0x. Fitch's base case recovery rate and

'AAA' recovery haircut are unchanged at 65% and 45%, respectively.

Used-Car Price Exposure: Loans regulated by the Consumer Credit Act provide obligors with voluntary termination (VT) rights, allowing them to return the vehicle before maturity. PCP loans also provide the option of returning the vehicle at maturity instead of paying a balloon amount. The issuer is exposed to the risk of declines in used car prices, as proceeds from the sale of returned vehicles may be lower than the outstanding loan balance. Fitch assumed a total residual value (RV) and VT loss of 23.5% at 'AAAsf', and 15.8% at 'A+sf'.

Fitch maintained its base case sale proceeds assumption at 98%, in light of declining used car prices in the UK. Fitch expects reduced recovery rates for loans originated at the peak of the RV market. Given the pool has a high RV share combined with a relatively short weighted-average life, RV losses may be higher than historical levels.

Sensitivity to Pro-Rata Period: The transaction features pro-rata amortisation of notes and Schuldschein loans if certain over-collateralisation conditions are fulfilled and performance triggers are not breached. The length of the pro-rata period and therefore outflow of funds to junior positions on the waterfall is driven by lifetime losses, combined with the default and recovery timing. Smaller losses with back-loaded timing may lead to a later switch back to sequential amortisation and could be more detrimental for the notes than larger losses with a front-loaded timing.

Seller-Related Risks Addressed: Commingling risk is mitigated by a cash advance mechanism that comes into effect upon the seller losing eligibility as defined in Fitch's Counterparty Criteria. Payment interruption risk is addressed by liquidity from the cash reserve fund, while Fitch views servicer continuity risk as adequately reduced by the high availability of replacement servicers in the UK market.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/ Downgrade

Rating sensitivity to increased defaults

Increase base case by 10% / 25% / 50%:

Class A notes/ senior Schuldschein loans: 'AA+sf' / 'AA+sf' / 'AA+sf'

Class B notes/ junior Schuldschein loans: 'A+sf' / 'A+sf' / 'Asf'

Rating sensitivity to reduced recoveries

Reduce base case by 10% / 25% / 50%:

Class A notes/ senior Schuldschein loans: 'AA+sf' / 'AA+sf' / 'AA+sf'

Class B notes/ junior Schuldschein loans: 'A+sf' / 'A+sf' / 'Asf'

Rating sensitivity to increased defaults and reduced recoveries

Increase defaults and reduce recoveries by 10% / 25% / 50% each:

Class A notes/ senior Schuldschein loans: 'AA+sf' / 'AA+sf' / 'AA+sf'

Class B notes/ junior Schuldschein loans: 'A+sf' / 'Asf' / 'Asf'

Rating sensitivity to reduced net sale proceeds

Reduce net sale proceeds by 10% / 25% / 50%:

Class A notes/ senior Schuldschein loans: 'AAsf' / 'A+sf' / 'BBB+sf'

Class B notes/ junior Schuldschein loans: 'A-sf' / 'BBBs-f' / 'BBs-f'

Rating sensitivity to multiple factors

Increase defaults by 10% / 25% / 50% and reduce recoveries and net sale proceeds by 10% / 25% / 50% each:

Class A notes / senior Schuldschein loans: 'AAsf' / 'Asf' / 'BBB-sf'

Class B notes / junior Schuldschein loans: 'A-sf' / 'BBB-sf' / 'BB-sf'

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Rating sensitivity to reduced defaults and increased recoveries and net sale proceeds by 10% each:

Reduce defaults by 10% and increase recoveries and net sale proceeds by 10%:

Class B / Junior Schuldschein Loans: 'AAsf'

The class A notes / senior Schuldschein Loans are at their maximum achievable rating and cannot be upgraded.

USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

DATA ADEQUACY

Driver UK Master S.A. - Compartment 6

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pool and the transaction. Fitch reviewed the results of a third-party assessment conducted on the asset portfolio information and concluded that there were no findings that affected the rating analysis.

Overall, and together with any assumptions referred to above, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

REPRESENTATIONS, WARRANTIES AND ENFORCEMENT MECHANISMS

A description of the transaction's representations, warranties and enforcement mechanisms (RW&Es) that are disclosed in the offering document and which relate to the underlying asset pool was not prepared for this transaction. Offering Documents for this market sector typically do not include RW&Es that are available to investors and that relate to the asset pool underlying the trust. Therefore, Fitch credit reports for this market sector will not typically include descriptions of RW&Es. For further information, please see Fitch's Special Report titled 'Representations, Warranties and Enforcement Mechanisms in Global Structured Finance Transactions'.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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Applicable Criteria

[Consumer ABS Rating Criteria \(pub.11 Oct 2024\) \(including rating assumption sensitivity\)](#)

[Consumer ABS Rating Criteria - Residual Value Addendum \(pub.11 Oct 2024\) \(including rating assumption sensitivity\)](#)

[Global Structured Finance Rating Criteria \(pub.18 Nov 2024\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub.28 Nov 2023\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub.28 Nov 2023\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub.19 Jun 2024\)](#)

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub.24 Oct 2024\)](#)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Consumer ABS Asset Model, v1.1.0 [\(1\)](#) [\(2\)](#)

Multi-Asset Cash Flow Model, v3.1.1 [\(1\)](#)

Voluntary Termination (VT) Risk Model, v1.6.1 [\(1\)](#) [\(2\)](#)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

Driver UK Master S.A. - Compartment 6 UK Issued, EU Endorsed

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