

Driver UK Multi-Compartment S.A., Compartment Private Driver UK 2020-1's Auto ABS Class A Notes Assigned Rating

December 29, 2021

Ratings List

Class	Rating	Amount (mil. £)
A	AAA (sf)	506.80
B	NR	59.80
Sub. loan	NR	105.97

NR--Not rated.

PRIMARY CREDIT ANALYST

Alice Delemarle-Charton, CFA
London
+ 44 20 7176 3594
alice.delemarle
@spglobal.com

Overview

- We have assigned our 'AAA (sf)' rating to Driver UK Multi-Compartment S.A., Compartment Private Driver UK 2020-1's class A notes.
- The transaction closed in 2020 and after a renewal in March 2021 is currently in a revolving phase.
- The collateral comprises auto loans that Volkswagen Financial Services (UK) originated for its customers in England, Scotland, and Wales.

LONDON (S&P Global Ratings) Dec. 29, 2021--S&P Global Ratings today assigned its 'AAA (sf)' credit rating to Driver UK Multi-Compartment S.A., Compartment Private Driver UK 2020-1's class A notes. At closing, the issuer also issued unrated series class B notes.

This is a revolving transaction and, as permitted under the transaction documentation, in March 2021 the issuer extended the revolving period by 15 months, to June 2022.

The transaction can grow to a maximum size of £1.0 billion. Assets are bought above par. They pay an interest rate stripped from a set percentage paid to the seller, calculated to leave no excess spread.

The transaction pays according to a combined waterfall and can pay class A and class B notes pro rata as long as triggers monitoring cash reserve levels, delinquencies, dynamic net loss, and cumulative net loss are not breached.

A combination of subordination, overcollateralization, and a cash reserve provides credit enhancement.

Our analysis indicates that the class A notes' available credit enhancement is sufficient to withstand losses that are commensurate with a 'AAA' rating.

Our rating in this transaction is not constrained by the application of structured finance sovereign risk, counterparty, or operational risk criteria (see "Related Criteria").

Potential effects of proposed criteria changes

Our ratings are based on our applicable criteria, including our global auto ABS criteria. However, these criteria are under review (see "Request For Comment: Global Auto ABS Methodology And Assumptions," published on Nov. 30, 2021).

We will evaluate the market feedback, which may result in further changes to the criteria. As a result of this review, our future auto ABS criteria may differ from our current criteria. The criteria change may affect the ratings in this transaction. Until such time that we adopt new criteria, we will continue to rate and surveil these notes using our existing criteria (see "Related Criteria").

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | ABS: Methodology And Assumptions For European Auto ABS, Oct. 15, 2015
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria | Structured Finance | ABS: Global Methodology And Assumptions For Assessing The Credit Quality Of Securitized Consumer Receivables, Oct. 9, 2014
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009
- Criteria | Structured Finance | ABS: European Consumer Finance Criteria, March 10, 2000

Related Research

- Request For Comment: Global Auto ABS Methodology And Assumptions, Nov. 30, 2021
- Credit Conditions Europe Q3 2021: Late-Cycle Redux, June 29, 2021
- ESG Industry Report Card: Auto Asset-Backed Securities, March 31, 2021
- 2017 EMEA ABS Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

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