

Transport Committee

Oral evidence: Supercharging the EV transition, HC 1593

Wednesday 25 March 2026

Ordered by the House of Commons to be published on 25 March 2026.

[Watch the meeting](#)

Members present: Ruth Cadbury (Chair); Steff Aquarone; Dr Scott Arthur; Mrs Elsie Blundell; Jacob Collier; Olly Glover; Alex Mayer; Rebecca Smith.

Environmental Audit Committee member present: John Whitby.

Questions 68 - 105

Witnesses

I: Toby Poston, CEO, British Vehicle and Rental Leasing Association; Dr Vicky Edmonds, CEO, EVA England; Marc Palmer, Head of Strategy and Insights, Autotrader; and Colin Walker, Head of Transport, Energy and Climate Intelligence Unit.

Written evidence from witnesses:

- [Autotrader](#)
- [British Vehicle and Rental Leasing Association](#)
- [Energy and Climate Intelligence Unit](#)
- [EVA England](#)

Examination of witnesses

Witnesses: Toby Poston, Dr Vicky Edmonds, Marc Palmer and Colin Walker.

Q68 **Chair:** Welcome to this morning's evidence session. This is the second session of our inquiry into the transition to electric vehicles. We are also joined today by John Whitby MP, who is guesting from the Environmental Audit Committee. We are hosting two panels today. During our first panel, we will be focusing on cars, and during our second panel, we will be focusing on larger vehicles. Please could I ask the first panel of witnesses to introduce themselves?

Dr Edmonds: I am the chief exec of EVA England. We are the voice of the electric vehicle driver in the transition. We are a member association with drivers as our members, so we represent and are paid by drivers.

Marc Palmer: I am head of insight at Autotrader. Autotrader is the UK's largest automotive marketplace, which gives us access to a wealth of data that tells us how the transition is going in the UK.

Toby Poston: I am chief executive of the British Vehicle Rental and Leasing Association. Our members own and operate around 4.5 million cars, vans and trucks. We buy over 50% of new vehicles registered in the UK, including about 80% of vehicles made and sold in the UK. We have about three quarters of a million electric vehicles on fleet currently.

Colin Walker: I am head of transport at the Energy and Climate Intelligence Unit. We are a group of analysts who try to inform all the debates that surround the technologies involved in the UK's net zero transition.

Q69 **Chair:** Thank you and welcome. You can all answer this question, but generally through the session, could you keep your answers brief? If you agree with what somebody else has already said, that is fine, just say so. My first question to you all is what is the current state of the EV car market? Are sales giving a misleading impression of market penetration, given the importance of fleet and company cars?

Dr Edmonds: From the drivers' perspective, 25% of new car sales are electric, but only 5.5% of the wider car parc is currently electric. We know from our drivers' data that when drivers get into these cars, they love them. Some 95% of EV drivers would recommend their car to their family and friends, but over 90% of these drivers have driveways and only 28% earn less than £50,000. In terms of wider penetration at the moment, we are creating a two-tier electric vehicle transition. We are perhaps too focused on chasing targets through the ZEV mandate and charge point numbers, and perhaps less focused on thinking about the transition and whether it works for people, and how to get more people into them.

We need to create a market that supports a wide range of incomes into these cars. There are lots of lower-middle income households that would



HOUSE OF COMMONS

like to go electric and cannot afford it still. We need to make sure that if you do not have access to private charging, you are able to access affordable charging. We all know that those without driveways can sometimes pay up to 10 times more for their charging costs than those with driveways. We really need to focus on that charging infrastructure, and we need to make sure that those with disabilities find this transition as easy as those without.

Marc Palmer: The pace of adoption of new electric cars has grown over the last few years, but it has been fairly static over the last three or four quarters. We are talking solely about new car registrations. Electric cars now make up about 22% of all new car registrations each quarter, and that has been the case for the last six to nine months. While we have seen improvements year on year, we are starting to see it flatten out.

The introduction of the electric car grant made a difference in the relatively short term. We saw an increase in interest both in the market in terms of registrations, but also on Autotrader's platform. There was a short-term boost, which has now stabilised. We have not really seen that continue at the rate at which we would like it to go. There has been an awful lot of investment from manufacturers in discounting: discounts on electric cars are higher than on any other type of car, and they are growing as manufacturers try to hit their requirements under the ZEV mandate. There is some growth, but it is not as quick as we would like it to be. Each year we are falling a little shorter of the requirements set out in the mandate.

Just to pick up on the point Vicky just made on an equitable transition, we are still seeing new electric cars being taken by people who can afford to buy them, or who take them through salary sacrifice schemes, company car schemes and things such as that, which Toby will come on to. Only one in four electric car registrations is what we would call private. We are really, really reliant on the fleet sector for the transition. That is new.

In the used market, we are seeing uptake increase as more supply comes into the market, but again, there is a disparity between those who can afford to adopt an electric car and those who cannot. We ran some research recently and found that we are at risk of people in middle and lower-income households being priced out of the transition. They rely on the used market; they do not tend to buy new cars. Even at the moment, the choice in used cars is not there for them to make the transition.

Toby Poston: Regarding the ZEV mandate, at the moment you can only say that we are there or thereabouts in terms of hitting the targets, but that totemic figure really hides a very unstable picture if you delve a bit deeper into what is happening. To give you some examples, I spoke about the 750,000 EVs on fleet, but they are predominantly on the company car and salary sacrifice side. That is where the vast majority of these vehicles are. To Vicky's point on salary sacrifice, our data suggests



HOUSE OF COMMONS

that over half of those vehicles—we are talking hundreds of thousands here—are taken by basic rate taxpayers, and over half of them taken by women. There is a really positive democratisation of access happening there.

Some of our members have 100%, 80% or over 50% EV fleets now. You have a massive contrast in other areas. I would probably highlight the van fleet, where it is way behind schedule, but you are going to talk about that later. We can then talk about the car rental sector and the car club sector. Car rental firms are struggling to get above 10% fleet penetration of EVs because there is just zero demand. A recent survey we did of 1,800 rental customers showed that even people who have an EV would not rent an EV abroad. That is a real problem. With car clubs, we have just seen the demise of Zipcar. Things like getting rid of the congestion charge in London have really seen that fleet reduce as a proportion with EVs on it.

The price we pay for that instability is depreciation, and that has been rampant. It has been relentless for three or four years, and it is costing our sector billions of pounds. The last survey done in 2024 showed that profits were down by 92%. I really want to make the panel aware that vehicle manufacturers talk about the billions they are paying in discounts; vehicle owners are paying billions. That is going to continue as we try to ramp up these targets.

Colin Walker: It is worth pointing out some good news stories on the UK's EV transition. I believe that, of the world's 10 largest car markets, we are second only to China when it comes to EV market penetration at around 23%. As has also been mentioned, EV sales have been increasing. They increased 24% in 2025, and they increased 21% in 2024. However, as with any major technological transition, it faces barriers, and I am sure we will focus on some during the course of this session. A particular barrier that we are concerned about is the impact of EV misinformation and how that might be holding people back from making a transition to EVs.

The last point I would like to mention, in terms of the Government's EV sales targets and the zero emission vehicle mandate, is that it is worth noting that the car industry has been successful in achieving compliance with the mandate's targets in 2024. Analysis suggests that it has also been successful in doing so in 2025. We can maybe get into this in more detail, but that is largely down to flexibilities that have been built into the mandate, which mean that the credits they need to earn to hit the zero emission vehicle targets do not have to come solely from the sale of EVs. They can also come from the sale of relatively low carbon dioxide-emitting petrol and diesel cars. That has the effect of lowering the percentage of EVs that a manufacturer needs to hit.

For example, in 2024, when the headline target was 22%, the car industry actually needed to hit only 18% EV sales to reach compliance. It



actually hit 19.6%; it exceeded the targets it needed to reach. That story is sometimes missed. It is over-reported that the car industry is falling short of its targets, when it is actually exceeding them. That is an example maybe of some misinformation in this debate that may be holding the transition back.

Q70 Chair: Do any of the other panellists have anything else to add—or disagree with, maybe—on the ZEV mandate? Is it on course? Is it achieving the aim of providing sufficient choice for consumers?

Toby Poston: Yes. What we need to do, though, is not look at the ZEV mandate as a sole indicator of the health of the transition. It is a supply-side measure that ensures we have an increasingly strong array of different price points and different types of vehicles coming into the UK. That is a success. We also need to assess the supply side that is matching that demand. As I said, that is where we have the imbalances and where we need to focus our attention, in terms of making sure that we do not let that imbalance grow.

Dr Edmonds: Just from the consumer side, it is really important that, without the ZEV mandate, there would be no consumer market for electric vehicles such as that. It is an important instrument for driving production of cars that people want to buy. Our point as a consumer body is that you have to support not just the ZEV mandate but the wider transition, by making sure that you are supporting everyone who wants to access these vehicles into them, whatever their income and whatever their living circumstances.

Q71 Dr Arthur: Marc, can I rewind a little to the point you were making about democratisation of car ownership and low earners buying EVs? Of course, the reality is that the vast majority of people on low incomes cannot afford a car. If they can afford a car, it is a used car. Realistically, people on low incomes are not buying EVs new. Just to clarify what you said. I would never dare to correct you.

Marc Palmer: That is absolutely right. There are 8 million used car transactions in any given year, versus 2 million new. The market is largely a used car market when we take it in totality. To Toby's point, we need to be careful. If we are talking about an overall transition or decarbonisation of cars on the road, we need to take into consideration the used market and the new market. We should talk about how the used market is important to the overall health of the new market—used effectively underpins new.

The ZEV mandate is focused only on a new car target. If we are talking about an overall transition and decarbonisation, we need to think about the whole market. If the question is, is the ZEV mandate working? Then that applies only to new, and you are right, only to people who can afford those vehicles. Most people do not buy new cars; they will always buy used cars. There is a risk that as more and more of those vehicles come



into the market, even though they would like to, they are unable to afford to make that switch. That is the point I was making.

There are two separate things there. If we only look at the transition through the prism of the ZEV mandate, we miss what else is going on in the wider market, which is really important to understand because, as I said, a healthy used market will ensure that new is able to sustain itself.

Q72 Dr Arthur: Toby is nodding vigorously because he has made his point about the depreciation of used cars. Just to push back on that a little, a few years ago the vehicles were holding their value really well. I cannot remember anybody from the sector coming along to tell us how great this news was and perhaps share this fantastic news, but we hear a lot about the vehicles not holding their value just now. Are these just fluctuations? Is it the case that when times are bad, you want to talk about it, but when times are good, you are holding parties for your members?

Toby Poston: That is a very common question. I completely understand why you have asked it. Yes, like most markets, for decades the automotive sector has been built on this system where you would have good years and bad years, and it would be relatively predictable. You could base your acquisitions of fleets on that. Whether you were a dealer, a fleet owner or a manufacturer, you would know that for every bad year, you would have a good year, and then it would be pretty stable.

That ended pretty rapidly after covid, after that supply shortage led to residual values rising. Autotrader is one of the most reputable sources of this data, which shows that there have since been 38 months of consecutive year-on-year falls in vehicle values, ranging between 1% or 2% to up to 7% a month. That is insidious; it is relentless. Every time a vehicle goes under auction, it crystallises a loss of between £4,000 to £6,000 per car on average, up to £12,000. I spoke to a member last week up in Yorkshire who sold 30 EVs in January, and they lost £200,000 in one month. Imagine that has been going on for three years, and it is only going to continue as a glut of new vehicles come in via the incentives and grants.

Yes, part of the industry is on steroids. We are pump-priming the market, trying to accelerate it with new vehicles coming in, and there is zero support for the used buyer, aside from a bit on charging infrastructure. What you are getting is a wave of discounted or grant-incentivised vehicles that have hit the market. Some 90% of them are on finance, so they all tend to hit the used market after three years. Dealers are rightly saying that there are not enough buyers. As one stat shows, the number of used BEVs that came on to the market at three years old in January was up 48%, but as we saw from the SMMT figures, demand for new vehicles was up 0.1%. There is that disconnect.

Q73 Dr Arthur: These grants push down the new price, but they instantly push down the used price as well because of the differential. Like you say, when your traders buy an EV, they have to know they can sell it



quickly, otherwise the depreciation is just going to catch up with them, is it not? And they cannot make money.

Toby Poston: It is that competition. We see manufacturers either discounting vehicles, which again tends to lower the residual value—the used price—or you get knee-jerk reactions to the ZEV mandate, where you might get a manufacturer pumping a load of electric vehicles in one month at a ridiculous rate because they need to sell them. Then three years later, all those cars come back to the market in the same month or the same couple of months. Again, that is a classic case of oversupply, then prices plummet. That instability just destroys confidence across the whole automotive sector, whether you are a dealer, a vehicle owner, or a used buyer who just thinks, “I’m going to wait another few months because it’s only going to get cheaper.”

Q74 **Dr Arthur:** With all this happening—I am tempted to use the word turmoil, but I am not going to—within the industry, are we on track to phase out ICE vehicles? What is that going to do to the industry up to 2030? How do you see that unfolding? Are we on track? If we hit it, what state is the industry going to be in because of these impacts?

Toby Poston: That is the question a lot of people are asking themselves. We are accelerating the transition, but that costs a lot of money. No one knew when the Government designed the ZEV mandate, but you have OEMs that are paying billions. Again, they are going to have to pay more and more as we go from 33% this year to 38% next year and 52% in 2028, when we are introducing eVED, by the way. At the same time as OEMs paying billions, our members are losing billions on depreciation. The Government are having to come up with billions of pounds of grants.

How long can those three groups continue to fund this more and more? What we need is a stable transition that is automatically working. It becomes a natural market where the used market supports the new market, Government do not have to intervene, OEMs do not have to intervene, and we do not have to lose billions of pounds.

Marc Palmer: Just to come back, there are some positives here. Toby is absolutely right. What we are finding is that by the time a used electric car hits about three, four or five years old, the pricing is much more stable. We see a lot more demand to meet the supply in that part of the market. For a number of months—six to seven months at the back end of last year—three to five-year-old electric cars were the fastest selling of any type of car, whether that be petrol, electric, plug-in, hybrid or whatever. Once those cars reach a certain price, they are very attractive and great value for drivers. There is a real opportunity. That gives us our pricing level. There is easily enough demand to meet that supply.

To Toby’s point, the counter is how did those vehicles reach that level? The depreciation from the price they were at new, which is under some pressure, of course, because of the ZEV mandate and manufacturer discounting, which drop those prices. The damage to that pricing is done



in the first three years. They are a really attractive proposition at four or five years, which means that the market—the retailers and traders—is happy to engage with them at that point, but somebody is funding the depreciation in the first three years of the vehicle's life.

That is where the cost comes in. You will hear auto traders say that there is positive news on the used electric car market. That is once the car has taken the depreciation that it will take, but that is being funded by either the manufacturer or, in many cases, the lease company, the fleet.

Toby Poston: These companies would get fired if they kept losing that amount of money. They would lose their jobs if they kept having profits down by 92%. What is gradually going to happen is that depreciation will be covered by putting up lease rates. In a way, it is a vicious cycle where you keep discounting, which destroys the residual value, which means to cover that depreciation you have to put up the future lease rate, which means you have to discount it more.

That is the danger we are in now. I am already seeing lease rates go up more than the price of the new vehicles because of having to cover that depreciation. Again, that is something we need to try to avoid. We predict already that, between 2023 and 2027, there will probably be 300,000 fewer EVs sold because of that inflation on lease rates due to the depreciation.

Q75 **Dr Arthur:** It is important that we reach 2030 with a diverse and competitive market for people to buy cars in. The danger is we will lose some providers.

Colin Walker: I have every sympathy from the perspective of leases and where the BVRLA is coming from on this, but just to add slightly to the good news story about electric vehicles, the market is growing quite rapidly. According to SMMT data, the second-hand EV market grew by 48% in 2025 and 57% the year before. One of the main things we have heard over the last few years as a barrier to entry to EV ownership is the disparity between the cost of a new petrol car and its electric equivalent. However, in many parts of the second-hand market, we have now reached price parity, which means the savings that can come from ownership can be enjoyed the moment you drive the vehicle off the forecourt. Our own analysis has shown that second-hand EVs can save their owners coming up to £1,400 a year in total ownership and running costs, compared with a petrol equivalent.

One of the consequences of the depreciation we are talking about in EVs is that it has brought EV ownership into reach of more and more households, particularly households that constitute the majority of the UK population, who rely on the second-hand market to make that transition. But I fully appreciate the challenges that depreciation offers to new sales and how those two markets interact with each other.

Q76 **Dr Arthur:** We are talking about low-income households, but again I am



HOUSE OF COMMONS

guessing that the savings you are talking about are predicated on people being able to charge their vehicles at home. Low-income households are probably the people who are least able to do that because they do not have driveways.

Colin Walker: Yes, they are. The majority of households in the UK have access to private off-street parking. Those kinds of savings are available to a majority, but there is a very sizable minority who do not, as you point out. We will touch on that.

Chair: We will come on to those.

Dr Edmonds: We take a slightly different view. When we talk to drivers—Marc has already said this—75% to 80% of the driving population buy used, but less than a quarter of EV owners have bought on the used market. It is not yet as attractive as the used market could be. The used EV market is not keeping pace with the wider used market. Marc is absolutely right, but when the price is right, people choose these vehicles. We always say that cost is absolutely essential in this.

For lower-middle income households, that third to seventh decile—£26,000 to £42,000 incomes—the market still is not there. You are right that many of them do not have driveways, and we will deal with that later. It needs to be much cheaper. As an organisation, along with one of our partners, Transport and Environment, we have been focusing very much on how to get these households into cars through schemes such as the French—

Chair: We have a series of questions on that, and our second panel will be covering it.

Q77 **Rebecca Smith:** I am just conscious that what I wanted to ask possibly comes into the others. I am particularly interested in what Colin has just said about the parity between petrol, diesel and EVs. I am also interested in what you said about the majority having access to off-street parking. Certainly, where I live, that is not the case.

I have asked this before. There is still an inequality piece around lower-income households inasmuch as, ultimately, are we not discounting these cars for people who could afford the higher price at the moment? There is also the issue of charging that Vicky mentioned. We can talk until the cows come home about discounting these vehicles and making it easier for people who can probably already afford an EV, but it is that issue for people who cannot.

My concern is that the prices of petrol and diesel cars will tip in the other direction because it is a heck of a lot easier for somebody who lives in a low-income area to drive to a garage and fill up their car with petrol and diesel. Regarding the point you made about parity, Colin, do you think that there is a point where it could tip in the other direction?



Colin Walker: I am not sure about that tipping point, and it would be interesting to see what other panel members think. On the charging point, yes, there are various figures out there, but it is generally estimated that between 60% and 70% of households have access to private off-street parking. Obviously, there is huge variance. If you are living in London, that percentage—

Q78 **Rebecca Smith:** No, if you are living in any town or city where you have terraced housing, you do not have private off-street parking, or you have lost your garden to get it, which is a whole other thing.

Colin Walker: Right, but as we have touched on, there are solutions for some households to be able to access the ability to charge their vehicles from their home supply, which obviously unlocks incredibly cheap EV charging tariffs.

Marc Palmer: I would just like to come back on the price parity point. I am talking about new cars here, rather than used. They are very, very separate propositions. Maybe a way to characterise it is that you have people who buy cars that are either new or up to three years old used. Those are still quite expensive cars. Then the vast majority of people buying used cars are buying them at three, four, five years or older. There are not that many used cars in the market to buy that are seven, eight, nine or 10 years old. There is very little choice for lower-income households in that part of the market. The concern is that when we get there, will there be the right choice at the right price, and can they charge those cars? But we are not there yet because of supply.

The question really is whether there is parity at the front end to enable more people, not even on lower incomes but on middle incomes, who might be attracted to a new car. If we go back a couple of years, the average price of a new electric car was about 35% more than an equivalent petrol car. That has now dropped to about 15%. The introduction of new, more affordable models—this is before discounts—has driven much greater affordability in the new market. Manufacturers are then discounting those prices to get them to almost parity. There has been huge progress made in new electric car affordability.

It used to be the case that the choice was between lots of big cars that cost £50,000, which is not really much choice. Now we are seeing smaller cars with different ranges, that are much more affordable, with loads of different use cases. There are more cars that cost under £30,000, which is a lot of money, but that is a bit of a sweet spot in the new car market.

Affordability in the new and younger used is working quite well. When we get into the three or four-year-old cars, we find many instances where the electric car is the same price or cheaper than the equivalent petrol car, as Colin said. There is loads of value for those sorts of drivers, and new is improving. Price parity is probably another two or three years away, at a total market level, on new.



Colin Walker: I was just going to say that it is worth noting that we are beginning to see a couple of individual examples of new electric cars at price parity with their petrol equivalents. The best new car in the UK is the Ford Puma. The electric version is the same price as the petrol. The electric MINI is pretty much the same price as the petrol version. When I last looked, the Renault 5, which is proving to be hugely popular, is pretty much the same price as a petrol VW Polo. Those are examples of those smaller, more entry-level, more affordable vehicles. The Climate Change Committee estimated that price parity on the new market might be hit any time between 2026 and 2028. We are beginning to see individual models start hitting that milestone, which is quite significant.

Chair: Vicky and Marc, do you think there will be a similar time period on price parity? Yes, you do. Sorry, the next question has just been answered.

Q79 **John Whitby:** Grants have been around for roughly 15 years, on and off. How effective have they been in driving the transition to EVs?

Dr Edmonds: As other panel members have said, if you are a wealthy household, a high-income household, and you buy on the new car market, then those grants have definitely put more people into these cars and had knock-on impacts on the market. As I said, it is really important that they are there because they help create that market. They help manufacturers across the market start discounting, and they just become a more attractive proposition.

If you are not in that income bracket, they do not do much for you. As I said, we have lots of drivers who really want to enter the EV market but simply cannot afford it. These are households that are in the 50%, middle-income bracket. The analysis that we have done with T&E suggests that you would need to double the current grant size to attract those families. They spend around £100 a month on their motoring costs. The lowest leasing cost is £140 a month, and most of them are above £200. This is not a market that is applicable to that 50%. More needs to be done to attract those people, because they want it but just cannot access it at the moment.

Q80 **John Whitby:** Is it encouraging people who were going to buy anyway? Is that what you are saying, to some extent?

Dr Edmonds: Probably, yes. It is hard to say for sure, but yes, you see from some schemes in other countries that cost is a big entry point. When we talk to EV-sceptical drivers who suddenly have an EV, they have that EV because their company has a salary sacrifice scheme that makes it cheaper for them to get into. It is favourable to get into an EV because of the benefit-in-kind rates, so they go electric.

Cost is almost certainly a really big incentive for people to transition across. If you are buying at the new car market price point and the EVs are cheaper, then yes, it will attract you in, or you just want them



HOUSE OF COMMONS

anyway. If you are on the used car market, prices are still too high. If you lease, leasing costs are still too high if you are in that middle-income bracket. More needs to be done to bring leasing costs below around £100 a month, and then it would open up the market to another 50% of incomes.

Marc Palmer: There are two real types of incentives. Toby will talk better to benefit in kind. On the electric car grant, the announcement was made by the Government last July. Prior to that, the penetration of electric cars into the new car market was about 18% to 19% on a quarterly basis. Immediately, in quarters three and four and in quarter one of this year—since the announcement of the grant—that figure has jumped to 22% or 23%. There has been a noticeable impact on penetration of electric cars. At the same time—

Q81 **John Whitby:** Has it extended as more cars have come into that higher tier? It has been a slow burn, has it not?

Marc Palmer: That is right, it has. On the face of it, that is a positive picture. To the point I made a moment ago, there are more affordable models coming into the market, which will have also driven some penetration. There are other factors at play. It is hard to say, "Right, we have this much money as a discount on these types of cars, and therefore, now the penetration has gone up." There are other things at play. Generally, things have become more affordable. Discounts themselves have increased from the manufacturers. It is hard to pinpoint the exact level of success of those grants, but they have had an impact. Are they solely responsible for that increase? I would probably say no.

Q82 **John Whitby:** Have grants had an effect on manufacturers that have not been able to get it?

Marc Palmer: Yes, that is a good point. It has stimulated more competition in the market. Some manufacturers benefiting from the grant have seen prices fall, and they become very competitive. Other manufacturers have then responded with discounts of their own. The grant has been to the benefit of a brand such as Ford, for example. It has benefited, and then you have seen others respond with greater levels of discount to make sure they remain competitive; therefore, prices have come down. It has had a knock-on effect through the market. Still, if we think about incentives in a broader sense, you would have to say that the fleet market is where the stimulus has been most successful.

Toby Poston: You need to remember that there are two reasons for the electric car grant. First, there is making electric vehicles cheaper for consumers. However, most people are aware that the main reason is as a support for the automotive market, to keep UK manufacturers based in the UK and to try to attract further investment into that really important sector. Who knows whether that has been a success? I cannot speak to that.



HOUSE OF COMMONS

When it comes to grants and incentives, it is worth noting that the big incentive that has driven the transition so far is not the electric car grant or the plug-in car grant: it is benefit in kind. It is that tax incentive for people who get a vehicle supplied via their employer—again, I have spoken to them and a lot of them are basic rate taxpayers—being used to power the transition. The Government are missing a trick here because if the used vehicle market is where we need to stabilise and turn the transition into a sustainable one, we should be extending the electric car grant to the used market. We should be using that very successful benefit in kind mechanism and make it available to used leasing.

John Whitby: We will be coming on to those.

Chair: John, do you want to pick up that question now, as we are on it?

Q83 **John Whitby:** The second-hand market was something I was going to ask about. Are we going to get to mass adoption of EVs without Government intervention in the second-hand market?

Toby Poston: I am biased, but no. All the evidence I have seen, all the evidence that my members show me, suggests that we are not. We have talked about affordability and things such as that, but we need to look at the whole in-use cost of ownership. It is one thing supporting those vehicles when they are new, but if you do not have a driveway to charge it, or if you are losing thousands of pounds when you use it, it is going to destroy the market.

If we talk about the housing market, if people are lucky enough to afford to buy a house, they spend £300,000, £400,000 or £500,000. They know that asset is hopefully going to hold its value and not depreciate too much. If you are spending £30,000, £40,000 or £50,000 on an electric car, you are seeing that asset lose around 70% of its value in three years. It is absolutely terrifying. To use the example of some cars you have mentioned, such as a Peugeot, a Kia e-Niro or a MINI, these vehicles are typically—at least when you bought them three years ago—£12,000 or £15,000 more to buy as an electric than a petrol version. If you are buying them now, they are cheaper. That is the extra loss in value you have taken, and that is insidious. Those messages get around.

This is about vans, but it is a good story. I was with a member last week who had a van rental company in Nottinghamshire. He went heavy into the electric van market about three years ago. He had customers in London who were using them to do courier journeys. Unfortunately, the company that used those customers moved, so they lost their business. They had to give the vans back. He could not sell them; he could not give them away. He was trying to let people rent them for free so he could demonstrate the value. He has now lost that business. He has gone into administration.

There are loads of fleet businesses around the country with people my age and above who are really scared now because of that depreciation



HOUSE OF COMMONS

risk, that loss in value. They are maybe thinking of retiring in 10 years' time; do they really want to be investing in an asset that they are terrified is not going to keep their businesses afloat?

Q84 John Whitby: Marc, you said that the three to five-year-old second-hand market is the best performing. Do we need more incentives to help that market?

Marc Palmer: To come back to your original question about whether the transition could happen in the used market, as cars age and come through the parc, there will be cars for everybody to buy: it will, but it will be very, very expensive if it is left the way it currently is. There is real value for the driver as those cars reach three, four or five years old. That is great, but funding that gap is where the challenge really lies.

This is the crux of the issue when it comes to used. Once it has reached that point, it manages itself quite well. We are seeing increasing numbers of traders beginning to sell electric cars and see the opportunity there, and working with buyers. That feels okay, but how you get there and the sustainability of that depreciation, that drop, is where the challenge really lies. How much longer can businesses such as the ones Toby talks about continue to fund that? That is really the question. It is good news for consumers—for drivers—at that point. There is lots of value. But it is very difficult for businesses to sustain that over the longer term.

Q85 John Whitby: But the solutions are there.

Dr Edmonds: I am not sure if we have been clear enough. The issue with residual value drops is that if you buy outright on the second-hand market, yes, it is good news, you get cheaper pricing, but actually that drop in residual values drives up leasing costs. Since the way most people are getting into their EVs now is through salary sacrifice and leases, that just drives up the leasing costs, again, beyond the reach of many households. It is in everyone's interest to make sure that we have a stable second-hand market that is affordable to more and more people. We are not going to get there without intervention and a redirection of the electric car grant in some way, but not in just extending the grant across the second-hand market.

Q86 John Whitby: What is the intervention in the second-hand market going to look like?

Dr Edmonds: From our perspective, it is about making those leasing costs drop below £100 a month, which is where you then open up the market to the 50% household income bracket in the UK. We touched quickly on the French social leasing scheme. It subsidised that market and sold out within six weeks, because when the price is right, these households go into them. If you have access to private charging, there are considerable running cost savings. For many, many households, this is an attractive proposition. Subsidising lower-cost leases and longer leases for low and middle-income households, so that they drop below the £100 a month level, would open up the market significantly.



The other recommendation relates to how this is a really complex emerging technology. You are not just talking about owning a new car, you have to get your head around the battery. We have not talked about batteries, but a battery health standard would be really good to give people confidence in the battery. You are also having to learn a completely new way of refuelling your car through charging. People do not understand it. Everyone going into a dealership and everyone on online platforms has lots of questions about charging. They do not understand it; they do not understand how to use charge points; they do not understand how to install them. When you get out on to the public charging network, it can be quite difficult to use them. Some 30% of drivers still say, "I don't like the idea of charging," and it is a real psychological barrier.

John Whitby: They are so non-standard. For me anyway, but there you go.

Dr Edmonds: With leasing bundles, you already think about insurance, maintenance and the leasing cost itself. Rolling charging credits into that would suddenly create a much simpler market for families. They do not have to worry about, "How am I going to charge, and how much is it going to cost me?" A leasing package of under £100 a month that also includes charging credits with a particular provider would make an enormous difference to many of these households.

Q87 **Chair:** That is what I was about to ask you. Is that the French model?

Dr Edmonds: I do not think the French one includes charging. Our recommendation is to take the French one and then think about having a wider package and an all-in-one bundle targeted at this income distribution.

Q88 **Chair:** Do the others have a response to that proposal?

Toby Poston: Yes, the answers to solving the used issue are already there. I have talked about benefit in kind. If we extend that to support the used market, our sector is ready. It is already trying to lease used vehicles. The trouble is that the tax you pay for a used leased vehicle is based on the new price, not the 70% depreciated price after three years. That is a very quick switch we could enable now, which would turbocharge that market again, and then extend the car grant. We have really strong writing-down allowances—100% first-year allowances for electric vehicles—but they are not available for the leasing market. Again, it would be very simple to enable it for the leasing market. You would turbocharge people who are using leasing to get the electric vehicles.

Marc Palmer: Also, the grant is applicable to new car registrations that it maybe does not have to be. There are certain types of registration, such as demonstrator vehicles or vehicles that the manufacturer registers to their own drivers or for their retailers to conduct test drives and things like that. All those cars can benefit from the electric car grant in the same



HOUSE OF COMMONS

way that the grant can be applied to a driver like you and me. That does not need to happen. The money is not always going to a private driver; it is going to other types of registrations: the Motability scheme and others like that. A redirection or some form of exclusions on sales channels that do not go to private drivers would be an option, to use some funds and transfer them to the used market.

Colin Walker: Not all the levers available to Government to support the second-hand market necessarily have to be financial. There are things that can be done to help possibly improve access to private charging for people without private driveways, or to bring down the cost of public charging, which will help enhance the economic case for people who are considering getting an EV on the second-hand market. A lot of them come at these things from the perspective of EV misinformation, but one of the things that seems to concern a lot of drivers about getting an EV on the second-hand market is concerns about the vehicle's battery health.

All the evidence shows that EV batteries will significantly outlast the lifetime of that vehicle, but there is plenty of misinformation out there suggesting otherwise. Besides your house, getting a new car is probably one of the most significant financial purchases you will ever make. You are likely to be vulnerable to claims that you are going to find yourself having to fork out thousands of pounds for a replacement battery a year or two after purchasing a second-hand EV.

When you look at the levers that may be available to Government to counteract the impact of that misinformation, the commitment the Labour party made in its manifesto to introduce standardised battery health checks is an example of something specific that can be done. It can offer that reassurance, enhance consumer confidence, and encourage them that second-hand EV ownership is an option for them. I just wanted to flag that.

Q89 Rebecca Smith: I would like to look again at solutions. Colin, sorry to keep coming back to you. A lot of the challenges that people face are in the fact that other parts of Government are not necessarily keeping track of what is needed to roll out EVs, whether second-hand or not. For example, I am from Plymouth. I have been a cabinet member for planning in the past, and the council would not develop a policy for on-street parking, cables or anything. I pushed and pushed and pushed, and it was not interested. It is now finally doing something, but as someone who lives there, I have no idea what the policy is because it is not particularly well advertised.

What more do you think local authorities can do to make sure they enable that transition as well? I appreciate the 60% to 70% figure, but genuinely, where I live there are rows of terraced houses. You do not get to park outside your house. We do not have a London system of lamp posts because the funding has never gone into that. We were supposed to have a supercharging car park somewhere in the city, which seems to



have just disappeared into the ether. Also, social housing providers often do not provide the charging points for those people who might have a Motability vehicle or need an entry-level one.

What have any of you seen as good practice or levers that we could be suggesting Government need to use to speed up on the other side? It is all very well having all these funding systems to do this, but I go back to the point that we are effectively subsidising people who would already be buying them anyway. What do we need to do in other bits of Government to make sure that continues, particularly for the lower to middle-earning people who do not have that access?

Chair: It is a very important question, but I would like very, very brief list answers. No more than three.

Dr Edmonds: Cross-pavement solutions. It is much safer to put one in than let people trail cables everywhere because that is what they are doing, and our reports show that. Make sure the local authorities take them seriously. Make sure that when local authorities are rolling out LEVI, they are genuinely thinking about how to build the cost to the resident into their contracts with the charging providers. Are they thinking about how much it is going to cost people? There is also workplace destination charging. They can be much cheaper alternatives.

Can I have a fourth? The cost of public charging review really needs to deliver structural reform that brings down charge point prices. VAT is not the only answer here. We are talking about proper structural reform in standing capacity charges because they have gone up over 400%. They are responsible for a decent chunk of that. Unless that happens, we are not going to see public charge point prices come anywhere near the tipping point where suddenly it becomes cheaper than running your petrol and diesel car.

Q90 **Chair:** Are there any that Vicky did not mention?

Toby Poston: I saw today that British Gas has rolled out a new communal, shared-use charging project with a charge point company, which looks to have some really good value charging. It is worth looking at.

Colin Walker: I have nothing to add.

Chair: Excellent. Well done, Vicky. Let us now move on to vehicle excise duty.

Q91 **Dr Arthur:** What do we think of the plans for the eVED? In a way, it seems inevitable that we are going to be charged per mile, does it not? It has been coming for a long time. Maybe the Government should have acted sooner. Is this the right time, and is it the right approach?

Toby Poston: I have given evidence at this Committee previously on road pricing. I agree there is a lot of inevitability about it, but this tax is being introduced in the wrong way at the wrong time. What do I mean by



the wrong time? We are trying to introduce it in 2028 in a way that is just going to damage the transition, at a period when we are really trying to accelerate it. I am sure Colin can make a very good argument that the cost of EV motoring is still lower, despite the addition of the charge. However, the message to electric vehicle drivers—particularly ones who have already made a choice to go electric—is moving to, “You’re going to start getting punished for this.” This is at a time when we are trying to accelerate it.

The way it is being done, with the worry about estimating mileage and then reconciling it a year later, has that hassle and stress factor. It is also extremely fleet hostile. If you are operating thousands of vehicles, these vehicles are typically under three years old, so they never get an MOT. You lease them or rent them out, you do not see them, but you then have to go and get hold of the estimated mileages, reconcile them and get those mileages verified.

We have done a survey of members, and they estimate that the cost of supplying that information is about 10p in administrative costs for every £1 of tax raised. The downtime of sending these vehicles to be mileage verified is a further cost: we reckon it is about 45p for every £1 raised through the tax. HMRC’s target is 0.5%, so 0.5p of every £1. It is hundreds of millions of pounds.

Q92 Dr Arthur: The Chair is asking that we focus on solutions. If the charge is inevitable, how would the industry want to see it implemented?

Toby Poston: We have had some constructive discussions so far, and I hope they get followed up. You need to use technology. Why can you not report mileages in bulk? If you are a rental company, you know what mileages your vehicles do on average. Can you not just have a standard amount, so you do not bother with per vehicle, but you say, “Roughly, our vehicles do this many miles a year, we will pay you this amount”?

Can you reconcile when you dispose of the vehicle? We do that with vehicle excise duty now. When you de-fleet and sell that vehicle, can you just do your reconciliation then? Can we use technology and APIs? We could also not apply it retrospectively but apply it for new vehicles only. That is going to be a massive boost to the used market, if the vehicle you already have on the market now would benefit from no eVED.

Marc Palmer: I have just one thing. The timing of the announcement came two months before the start of the Government’s campaign to try to persuade people to make the transition. Running costs are a really good way into electric. That was a theme around the campaign, but we are also saying, “Actually, we’re going to make you pay more, and we’re going to reduce the benefit of running these cars.” It does not speak to a cohesive plan.

In terms of solutions, technology needs to be the answer. We have exactly the same challenge with motor retailers. There is every chance



that the estimate for somebody's mileage is wrong; it will inevitably be wrong. As that vehicle is then traded in with the retailer, the burden of what to do about that will fall upon the retailer. The administration will be a real headache. There are ways around it. As Toby has just described, we should see that mandated. That should be a definite part of the implementation: using technology as far as we possibly can to make sure that things are done in real time, and time is not wasted chasing money or funding it even if the retailers need to do that.

Q93 Dr Arthur: Real-time is interesting, because there is an opportunity here for people to pay not just per mile, but when and where they are driving. That is an opportunity, is it not? Let us not go down that road. Vicky, did you have something to add?

Dr Edmonds: We ran probably our biggest driver survey—our driver surveys are quite detailed—with 2,500 drivers, on the design of eVED. We really tried to focus on it. Some 76% rejected any form of technology. They do not want to be tracked and monitored, due to privacy concerns. The 24%—

Chair: Yet they are driving cars.

Dr Edmonds: The 24% who were willing to consider it were very clear that if it was a benefit to them, and if it was simple, then maybe, but it would have to be very, very carefully restricted to just their actual mileage rather than tracking them. Some other big things are the way the scheme has been designed; it does not work for drivers. When we go out and survey drivers, 70% of them are very, very clear that they do not want to be estimating and paying for their mileage upfront. Many of them have jobs where mileage changes significantly during the course of the year. The scheme at the moment does not look to have a serious refund regime. The idea is that it rolls credits into the next year, and they all say, "We will never see our money back."

You cannot have a scheme where drivers will be out of pocket, where they are paying into the Exchequer, and then overpaying and never seeing the money back. The scheme has to be reworked to think about payment in arrears. I do not know why that has not been thought about. Why can drivers not pay for their actual mileage on checking? There has to be a rapid, robust refund regime in place so that drivers can recoup their money, and they are not penalised for going electric.

The other big finding is that 77% of drivers do not want a third party—including a leasing company—handling their eVED for them, because they are worried about having the knock-on costs of implementing the scheme passed through to them. They think that companies are simply going to charge them administrative fees on top of the eVED charge. That data gets worse when you go to those drivers without driveways, who are already potentially going to be paying more for the transition than those without and are going to have an added cost on top. As it has been designed, the scheme has not been consulted on with drivers yet. This is



HOUSE OF COMMONS

the first time we have seen it, and it does not work for them in the way that it has been put together.

Toby Poston: A similar scheme was introduced in Iceland. This eVED was announced in November, and in December we went to Iceland. It introduced a similar scheme in January 2024. Iceland is the perfect EV environment: it is all geothermal energy, it has a reasonably small grid and good charging, but its market halved. EV registrations halved in a year. It is still not back to where it was.

Q94 **Steff Aquarone:** We have talked about how it would be charged. What about what is actually charged? Should there be different pricing or exemptions depending on vehicle age? We have touched on this a little. Are there any other ways around a per-mile charge in principle that could be made more palatable in practice?

Marc Palmer: There might be ways. However, I would suggest that the simpler the scheme, the better in any implementation. We are probably going to enter a more pointy phase of information and misinformation as the decade wears on. The change is likely to become increasingly difficult, hotter and more politicised the closer we get to 2030, so the simpler the better.

Q95 **Steff Aquarone:** Some EVs are already paying vehicle excise duty because they are classed as luxury vehicles, which is a bit of a stretch when the market entry price for a large car until quite recently was, by definition, paying high-value excise duty.

Marc Palmer: That is right. Another thing is probably fuel duty. Whatever the solution, the messaging around this is really important. Of course, it will happen; it must happen because we need to replace fuel duty. However, fuel duty is not very well understood by the general public. People do not realise they are already paying loads of tax on fuel. We need to make sure that the pros of eVED are laid out quite simply. I would not advocate for scaled charging; that would confuse the consumer. Vicky might have research on this, but it would definitely be confusing and give more reason for it to be challenged.

Dr Edmonds: Anything that makes this more complex is a bad idea. Marc is absolutely right. At the moment, EV drivers think they are being penalised. They think they are going to pay more than plug-in hybrid drivers because nobody understands that fuel duty already costs them 6p per mile. That is new information for everyone, and it has not cut through; people do not get it. Exemptions are tricky because, again, you have to think about who is exempt. I suspect this is administratively very complex, and that is why it is not being thought through. The point at which you do this should be when we are through the worst part of the ZEV mandate: 2028 is way too soon; 2030 is when the market should be looking more stable and when consumers might be more confident in these cars. You should consider replacing fuel duty with pay-per-mile so that everyone understands the price they are paying, and that those in



HOUSE OF COMMONS

petrol and diesel cars always pay more and know that they pay more than those in battery electric vehicles.

Q96 **Steff Aquarone:** Wrong thing, wrong way, wrong time. Any builds on those, gents?

Colin Walker: Unfortunately I am not that involved in it to offer solutions, but I will come back to the concerns about the impact it has on consumer confidence and messaging. I fully agree that 2028 is probably a bit too soon; we are still quite early on in the transition. As Toby alluded to, when we have done analysis for people who can charge their cars at home, this does not materially change the ability of the EV that they own to deliver significant cost savings over petrol and diesel cars. However, there is a reason why the OBR has concluded that it will result in 440,000 fewer EVs being sold by 2030-31 and a reason why the Energy Systems Catapult has suggested that the figure will rise to 1.5 million by 2035. There are concerns that this is mixed messaging.

In 2025 there was a general sense that the Government had their foot on both the accelerator and the brake when it came to the EV transition. On one hand you have had the return of the electric car grant. That is good news and something that will help drive the EV transition, but you also had a weakening of the mandate. The International Energy Agency specifically singled out the zero emission vehicle mandate as being behind the surge in EV sales in the UK; that mandate has effectively weakened. Organisations such as Transport and Environment have estimated that it will result in 500,000 fewer EVs on the road. Later in the year, you had the announcement of the introduction of eVED. It is worth remembering the impact of that tax will not come into effect when the tax is introduced in 2028; it starts to play a role from the moment it is announced. We are still pretty early in the transition.

Q97 **Steff Aquarone:** I do not want to anger the Chair and a witness at the same time, but is this not a chance to be simple and say that road tax is road tax and that we need to look at road charging to make up the revenue deficit?

Toby Poston: My colleagues have made all the right points around fairness, not just how it impacts people in the pocket but how it appears at a time when we are pushing people to go electric. There are mixed messages, and they have all made a very good point: we need to go back to the drawing board and look again at this in terms of how and when.

Steff Aquarone: That could lead to looking at road charging rather than recovering—

Chair: Sorry, Steff, can I ask the road charging question in a different way?

Steff Aquarone: Yes, of course.

Q98 **Chair:** It is potentially very difficult in all jurisdictions, not just the UK,



but it was put to me by somebody in tech that we could consider bringing in road charging initially by choice in the way we did with water charging. We tend to think it was more or less a done thing to have water meters because it was initially brought in by choice. Are there any responses to that? Vicky, I do not know whether you specifically asked that question.

Dr Edmonds: We asked that question specifically. It comes out of the questions around the use of technology to support eVED. You have just under a quarter of drivers willing to think about use of technology but it has to be done very fairly and in consultation with drivers. They have to know what they are opting into and what the benefits are to them.

Chair: I am very conscious of the time. Some of these points have come up from witnesses, so we are moving on to consumer confidence.

Q99 **Jacob Collier:** Battery health is one of the main concerns that people have regarding electric vehicles—particularly battery longevity—as we know that the lithium-ion battery deteriorates over time. What do you think can be done to address this?

Marc Palmer: This is an area of massive misinformation and misunderstanding. All the data that we see shows that batteries do not degrade to anywhere near the level that people might perceive. You are right; it is the No. 1 barrier to people. About two thirds of people who reject used electric cars do so because they are worried about battery degradation and battery health; there is a real difference between reality and perception. To overcome that, the market is trying to handle the problem itself. Sellers of used electric cars go to battery certification providers and pay for cars to be tested. They make sure the potential buyer can see the certificate and the state of health of the battery while they are doing their research so that it is not a barrier; they can get the information they need.

That is a good thing. The market is doing what it can to overcome that problem. The challenge is that there are many different methodologies for testing. There is no standardisation in the metric for the health of a battery. The market has been able to manage itself and do what it likes, and that is probably not the right way to go. There are standards being discussed at EU level, and we would hope they will be implemented as soon as possible. We need standardisation of testing and metrics and easy provision of the data to a central database so that any user or business can see how a car is performing.

Dr Edmonds: I agree with Marc. It is a UN standard; it is there. We have not translated it into the UK, and it is badly needed. As Marc said, from a consumer perspective you go into a dealership; you get a battery certificate from someone; you do not know how good that certificate is. Until there is some kind of battery standard in the UK, consumers are never going to have confidence that the products they are buying are the products they think they are buying in terms of battery range.



HOUSE OF COMMONS

Q100 **Jacob Collier:** We know that lithium-ion batteries can create big fires that are difficult for the fire service to put out. Do you think those concerns around fire safety are justified?

Colin Walker: This is probably one of the most frequent bits of misinformation we have to deal with at the ECIU. The stats show that EVs are significantly less likely to catch fire than petrol cars. Data from the Swedish Civil Contingencies Agency suggests that EVs are 20 times less likely to catch fire than petrol and diesel cars, while data from Australia suggests that they are 80 times less likely to catch fire. There are particular challenges presented by an EV once it catches fire, but the reality is that they are much less likely to. However, that does not stop regular spikes of misinformation surrounding EVs. It is clearly a story that a lot of newspapers like to jump on and tell.

I am not sure if you remember a significant fire at a Luton Airport car park. On the day, Bedfordshire Fire and Rescue Service reported that the car that caught fire was not an EV, but that did not stop reporting and social media speculation that it was an electric vehicle. I can give a few examples of the things we are up against: last year there was a car fire at Heathrow. Four articles in the *Daily Express*, *Daily Mail Online*, *The Sun* and *The Mirror* reported that the burning vehicle was electric despite the fact that the London Fire Brigade confirmed that morning that it was in fact a diesel vehicle. There was another example in Abergavenny where a local person on Twitter speculated that the vehicle involved was an EV. That was considered by a number of local media outlets to be sufficiently robust evidence to report that it was an EV fire. We are successful in going to those newspapers and sometimes IPSO to get the corrections made, but the damage has already been done. Many more people see the headline than see the correction pasted at the bottom of the article. The problem is significantly overstated, but we often hear people say, "I don't want one of those because it might spontaneously burst into flames," which it will not.

Marc Palmer: Just to add to that, we surveyed people about a year and a half ago and found that two thirds of people had heard that electric cars catch fire. Some 45% said it made them less likely to consider an electric car, 39% had heard that car parks could collapse because electric cars are heavier than petrol cars, and 19% said it made them less likely to buy.

Colin Walker: We polled non-EV drivers, and even though EV cars are significantly less likely to catch fire than petrol and diesel cars, only 23% of petrol car drivers correctly identified that statement as true. The majority thought EVs are more likely to catch fire than petrol, which shows how the misinformation around EVs is affecting people's understanding of the realities of EVs and EV ownership.

Q101 **Olly Glover:** I was going to ask about examples of misinformation relating to electric vehicles as a barrier to adoption, and you have covered some of those. What do you think can be done to tackle that



HOUSE OF COMMONS

misinformation, whether by Government or anybody else? Can we have a one-sentence idea from each of you?

Colin Walker: Straight in to how to tackle it. Obviously, IPSO exists. It has a code that clearly requests that the press takes care not to publish inaccurate and misleading information about electric vehicles. The fact is that misinformation exists, which suggests that either the press is not adhering to the code or it is not being effectively enforced. Our general ask would be that more is done to correct not only inaccurate information about EVs but also misleading information. There is this notion of paltering, in which a statement that is true is used to give a misleading impression. A good example of that is a report in *The Telegraph* that suggested that EV fires had increased by 77% in two years. The context that EVs on the road had increased by 105% during that time was not included; the actual prevalence of EV fires had fallen. That is a classic example of misinformation.

Olly Glover: A total abuse of statistics.

Colin Walker: Yes. We have plenty of examples where we have been successful in going to newspapers or IPSO and getting corrections made to inaccurate information. We cannot find one in which we have been successful in getting a misleading report corrected. We put in a complaint to IPSO about that example and it was not upheld.

Q102 **Olly Glover:** That is a more widespread challenge about press accuracy, which speaks to the Leveson inquiries and all that. Does anyone else have any quick thoughts about how to tackle misinformation? What would your recommendation be?

Toby Poston: Government communication. We were really pleased to see the “Get that electric feeling” campaign, and there were some myths on there that were bust. When you see logos of lots of respectable organisations then a local independent dealer can use it and put it in someone’s face. If the customer does not believe the Arthur Daley they are buying the car from, they will believe a bit of paper or a website that has reputable people saying it is true.

Dr Edmonds: Friends and family. People trust friends and family more than anyone else; I think Colin will attest to that. Get more people into the cars; make the system work for more drivers.

Olly Glover: Word of mouth and creating ambassadors through their actual use and experience of it.

Colin Walker: Can I add to that one quickly?

Olly Glover: Very briefly.

Colin Walker: We polled non-EV drivers on which sources of information they trusted for accurate information about EVs. They do not trust Government, industry, the media or social media. The one group they



HOUSE OF COMMONS

trust is friends and family. If you are looking for levers by which the Government could help combat misinformation, do more to accelerate the transition and get more people in those cars, then you will accelerate that word-of-mouth effect.

Chair: Given the disparity in income levels of who is or is not buying, that is quite a challenge, but it is not insurmountable.

Q103 **Mrs Blundell:** Insurance costs are obviously at the forefront of the minds of many drivers, especially when the cost of everything else is through the roof. We know some reasons why premiums are higher when it comes to EVs: more expensive components and limited specialist repair capacity. How do you think the issue of significant additional insurance premiums for EVs could be addressed? Dr Edmonds, I would like to start with you from the consumer perspective.

Dr Edmonds: A few years ago, a lot of drivers spoke to us about insurance costs. In the last few years, other issues have become more dominant in their decision to transition to EVs. It is not that they are not higher; the premiums are there, but a lot of them are wrapped into leasing bundles. That is the main way people are getting into the cars, so the noise around insurance has gone down; when we survey drivers, it does not really come up as much. The issue that comes up all the time is cost of public charging and additional costs through eVED. The worry about the charging divide is paramount in people's minds in trying to address that, and now there is added concern around eVED. We hear from drivers that there are other things preventing them from making the switch, and insurance on top will just compound those cost issues.

Colin Walker: I have seen something similar to what Vicky has seen: the number of newspaper articles calling out this issue seems to have declined. The most recent figures from MoneySuperMarket suggest that the average insurance premium for a petrol vehicle is £513, while the average electric vehicle insurance premium is £577. There is a difference, but I do not think it is anywhere near as great as it appears. It is 12.5% higher, but there are other elements to EV ownership that are cheaper: maintenance, servicing and, for many people, fuelling costs that more than offset those increased insurance premiums. I would agree that there are probably other issues that animate people more.

Mrs Blundell: It is possibly an issue of perception on insurance.

Colin Walker: Yes.

Marc Palmer: We have seen and heard the same thing in our surveys. One thing that might be done to make sure that continues is to ensure that the number of skilled technicians managing the vehicles that are coming back into the market continues to grow and that there is support for that. A lot of progress has already been made, we just need to make sure that continues. If we have a relatively small number of technicians who can conduct the work that is needed, there will inevitably be a price



impact. Making sure that those things are in balance is important, and there are loads of schemes under way to help with that.

Toby Poston: We just have to accept that the pace of change in the automotive industry is so fast, with new technology, battery technology and materials, that there is the potential for insurance to be volatile. As the insurance industry said to me, "Manufacturers are now building cars they don't know how to repair." In the old days, technology was the same for decades. Now it is moving so fast that there is this degree of uncertainty around how much vehicles cost to repair and whether there are the right skills in the sector. We just have to accept that that is the cost of the pace of change; it is a bit more unpredictable these days.

Q104 **Alex Mayer:** Midway through our inquiry, President Trump started a war in Iran. That has obviously caused petrol prices at the pumps to rise considerably. Has that already changed the comparative running costs between EV cars and petrol cars, and are there any early signs it is changing public perception?

Colin Walker: We crunched some numbers on that. We looked at the past relationship between the price of a barrel of oil and the price of a litre of petrol, and there is a correlation. If oil stays at \$100 a barrel, petrol would be £1.50 compared with £1.32 before the conflict started. That would add £140 a year to the cost of fuelling a petrol car. We have seen some speculation that oil could hit \$150 a barrel. In that situation, petrol would likely hit £1.90. That would add over £500 a year to the cost of petrol. We know that oil and energy volatility will also affect charging costs, but I know Transport and Environment UK has done some analysis of the situation in Europe and found that the cost for petrol car drivers will increase five times more than it will for electric vehicle drivers as a result of that volatility.

While petrol prices are going up, Octopus has announced that, for people on its existing tariffs, the price of charging their car at home will actually come down on 1 April, and they will then be locked in for 12 months; the price cap is in place until the end of June. EV drivers are enjoying a degree of protection and insulation from the impact of these effects that is not available to petrol car drivers. Our point would be that one of the best ways the UK can end its drivers' exposure to the volatility of markets over which we have no control is to accelerate our transition to vehicles that do not rely on oil to move and are powered by electrons generated by British wind and solar farms instead. That is one of the best ways we can improve our energy security and protect our drivers.

Chair: That was a very long yes. Does anyone else have anything to add?

Marc Palmer: Drivers self-select. When petrol prices increase rapidly, you see more people taking an interest in electric cars. It happened back in 2022. The price of petrol is actually about the same as it was a year ago, but in 2022 it was nearly £1.90 a litre. We saw a record increase in



HOUSE OF COMMONS

interest in electric cars as that filtered through to people's pockets when they came to the pump. We would expect an increase. Since 28 February—the date you talk about—we have seen a 15% increase in inquiries about used electric cars and a 28% increase in inquiries about new electric cars. As petrol prices go up, EV interest will follow.

Chair: That is not exactly an endorsement for President Trump, but every cloud—

Marc Palmer: It was an unintended endorsement.

Q105 **John Whitby:** Has the take-up of EVs so far been mostly among enthusiastic adopters, or have inroads been made into a more representative consumer base?

Toby Poston: It has been mainly via the fleet sector—company-provided vehicles through salary sacrifice—which has grown 1,000% in the last five years. That is where the real difference is being made on a demographic basis. As I said before, over 50% are basic rate taxpayers; 50% are women; there has been a huge take-up in the public sector. It could be improved. There are certain obvious gaps in the public sector where it is not allowed to take advantage of these schemes. We are absolutely seeing that EV take-up is growing in some of those areas that were harder to reach in the past for new technology but it is imbalanced.

Marc Palmer: Our data shows that at the end of 2022, 56% of those who were interested in electric cars on our platform were in the household income category of over £50,000. That figure is now 37%. We have seen a real change in the composition of people interested in electric cars.

Dr Edmonds: I agree. Leasing packages are driving more people into the cars than previously. It has gone beyond the enthusiast, but we are not at mass market yet; it is only 5.5% of the wider driving parc, so we still have a long way to go. A lot of people are still very sceptical. Up to 40% of drivers in our surveys will not consider an EV as their next purchase, so we still have a long way to go to get more people into these cars.

Chair: Thank you very much. That brings our first panel to an end. Thank you for the evidence and the time you spent preparing to come to us today. I am going to suspend the meeting for a few moments while our next panellists take their places.