

Electric cars could be cheaper to run than you think – and finance cases have more than doubled since 2019

- **Data from Volkswagen Financial Services UK (VWFS) shows that average annual running costs for electric vehicles are approximately 50%* of comparable petrol and diesel cars, according to its EV-4-Me tool, an online quiz for consumers to discover how an electric car could fit in to their lifestyle**
 - **The research was conducted to mark World EV Day on 9th September and reveals that UK drivers can expect annual running costs of £866* when behind the wheel of an EV, compared to yearly running costs of £1,577* for petrol cars and £1,508* for diesel cars**
- **Volkswagen Financial Services UK is set to pilot a ‘try before you buy’ experience via its Rent-a-Car business, where customers can test drive an electric Volkswagen ID.3 for up to seven days**
- **Research conducted by Volkswagen Financial Services UK earlier this year found that 63% of all people considering making the switch from combustion cars to an EV look into the running costs**

Electric vehicles can cost around half as much to run as petrol and diesel cars, says one of the UK’s leading automotive finance companies.

To mark World EV Day on 9th September, Volkswagen Financial Services UK (VWFS) has released data from its online EV-4-Me quiz, designed for consumers to discover how an EV would fit into their lifestyle, which shows that drivers can expect average annual running costs of £866* when behind the wheel of an electric vehicle.

This is a whopping £711 cheaper than a comparable petrol car (£1,577 annual cost) and a substantial £640 less expensive than a diesel car (£1,508 annual cost).

Volkswagen Financial Services UK’s data insights team can also reveal that annual finance cases for electric vehicles are up 128% so far this year compared to the whole of 2019.

Research conducted by Volkswagen Financial Services UK earlier this year found that 63%** of all people considering making the switch from combustion cars to an EV look into the running costs, so it is clearly an important topic.

The UK government is due to ban sales of new petrol and diesel cars from 2030 and Volkswagen Financial Services UK’s findings are broadly reflective of the government’s Advisory Fuel Rates (AFR)***.

Rebecca Whitmore, EV Senior Product Owner at Volkswagen Financial Services UK, said: *“It’s great to see the growth of EV adoption in the UK, with more electric vehicles registered than diesel cars for the second month in a row in July this year.*

“Our digital tools such as EV-4-Me and the EV&Me app are great places to start researching electric cars.

“Our customer research tells us that customers really value the experience of an EV test drive, as of those who took a test drive in a recent study, 95% said that it was important in helping with their decision to purchase an EV. Our try before you buy proposition takes this one step further, giving customers a chance to experience what it’s like to live with an EV before making the commitment to buy.”

How do we achieve more mainstream adoption of electric cars?

As part of the Government’s Road to Zero strategy, all new rapid charge points installed since spring 2020 should provide debit or credit card payment, to encourage greater EV uptake. Up until that point consumers were restricted to charging using the relevant provider’s charge card or app.

Mike Coulton, EV Consultant at Volkswagen Financial Services UK, said: *“There are more than 25,000 charging points in over 15,500 locations across the UK[^], but with multiple charge point operators (CPOs) asking motorists to sign up to their individual subscription or membership services to charge their EV, access can be an issue. This fragmented marketplace can make it difficult for individuals and business fleets looking to make the switch to EV, which is why a universal payment app, such as Volkswagen Financial Services Fleet’s Charge&Fuel product, helps to ease this burden considerably.*

“When it comes to combating range anxiety, it is worth noting that the all-electric Volkswagen ID.3 Tour with its 77kWh battery can travel up to 340 miles on a single charge on the WLTP (combined) cycle, whilst cheaper variants with the 58kWh battery can still achieve 264 miles on the same cycle.”

Volkswagen Financial Services UK’s research shows this aligns with the minimum mileage people would want an electric vehicle to travel without having to charge en-route to a destination. Volkswagen Financial Services UK data shows that 75% of people would expect their electric vehicle to travel up to 300 miles on a single charge.

Mike Todd, CEO at Volkswagen Financial Services UK, said: *“The case for making the switch to electric is getting stronger all the time and some of the anxieties that drivers may have around cost, range and charging are proving to be less of an issue as EV technology continues to evolve at pace. I think a big part of boosting mainstream adoption of electric cars is reminding people of how we actually travel in our everyday lives.*

“The average length of each car journey in the UK is fewer than 10 miles, and with public charging stations being installed at supermarkets, gyms and elsewhere, frequent top-ups rather than big weekly charges are likely to be the norm for many, especially those without off-street parking. One analogy I like to borrow is that charging an EV should be approached in the same way we top up a smartphone battery – something that’s much easier if you have multiple chargers dotted around your house.”

For more information on whether switching to an electric car is the right move for you, visit Volkswagen Financial Services’ dedicated EV hub: <https://customer.vwfs.co.uk/vwfs-uk---electric-vehicles/is-an-ev-right-for-me-.html>

Try before you buy

Volkswagen Financial Services UK is set to pilot a 'try before you buy' experience through its Rent-a-Car business at Johnsons Birmingham this month, where customers can test drive an electric Volkswagen ID.3 for up to seven days.

The experience has been designed to give people considering switching to an EV an extended period to understand what driving an electric car is all about. Uniquely, if the customer then buys a new or used Volkswagen ID.3 from the retailer within 30 days they will get their full rental costs refunded.

It's hoped this pilot will eventually be rolled out to all Volkswagen Financial Services UK Rent-a-Car locations.

How can you finance an electric vehicle?

People looking to make the switch to an electric vehicle can read about the Volkswagen Financial Services UK Lease&Care package, which has been designed to make switching to an electric vehicle simpler for customers.

The flexibility of this finance plan means all servicing and car costs are covered in one easy, single monthly payment. This product is available across Volkswagen and ŠKODA EV models.

For more information, head to: <https://customer.vwfs.co.uk/car-finance-options/lease-care.html>

Similarly, consumers are invited to download the EV&Me app, which Volkswagen Financial Services UK created to demonstrate to customers how an electric or plug-in hybrid Audi or CUPRA vehicle could fit into their lifestyle. By analysing driving behaviour, the app can give insight into how many journeys can be driven without stopping to charge and the cost savings that come from the switch to electric.

To find out more, click here: <https://customer.vwfs.co.uk/vwfs-uk---electric-vehicles.html>

ENDS

Note to editors:

*EV-4-ME is designed to offer guidance on which fuel type might be most appropriate for you, based on your answers to the questions provided. It should not be relied upon solely to inform your buying decision. We advise speaking to your local dealer and carefully considering your personal circumstances before making a final decision. Running costs, predicted emissions, benefit-in-kind rates and Plug In Vehicle Grant calculations have been based on representative vehicles for each of the fuel types. The indicative running cost is an annual figure, based on the fuel costs for a given MPG or kWh/mile and servicing costs for a representative model of each fuel type, plus the London Congestion Charge savings based on your answers. The figure of £866 is based on a vehicle budget of up to £30,000, driving fewer than 10,000 miles annually and up to 30 miles daily, and does not take into account the London Congestion Charge.

**The data for this study was collected in February 2021 and comprises responses from 259 EV considerers composed of a mixture of members of the public and customers.

***Data from <https://www.gov.uk/guidance/advisory-fuel-rates>. Advisory fuel rates are the government's recommended rates for reimbursing employees' fuel costs while driving a company car on business. Currently, a diesel car driver can receive between 9p-13p per mile, whilst a petrol car driver can claim between 11p-19p per mile. However, an electric car receives just 4p per mile – roughly a third of what can be claimed for a petrol vehicle.

^Data from independent website www.zap-map.com

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Information for editors:

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