

**The driver's view
on pay per mile (eVED)
for EV drivers**

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March 2026

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Electric Vehicle Association England

About Electric Vehicle Association England

As a members' association, EVA England is the only organisation in the country solely dedicated to current and future electric vehicle (EV) drivers' interests, independently of the EV manufacturing and charging sectors.

We focus our data gathering and policy formulation on driver perceptions: the appetite for EVs across the driving community; how current EV drivers are responding to improvements in charging and fluctuations in purchasing and charging costs; and where barriers remain, dissuading more drivers from switching to electric.

We regularly run driver surveys and member workshops to gather feedback on what aspects of the transition work well for consumers and where improvements still need to be made.

Foreword

The EV sector is growing rapidly. There are around 1.9 million full battery electric vehicles (EVs) on UK roads¹; a quarter of new car sales were fully electric in February 2026²; and there are now over 118,000 chargers (nearly 90,000 devices) across the UK³. And, most importantly of all, EV drivers love their cars. EVA England annual surveys of thousands of EV drivers consistently show that 95% of us would recommend our vehicle to our family and friends. They are easy to drive, fit better within our lives, and for many of us, can save up to £1,400 a year on the costs of running our cars.

But the battle for wider public confidence in and acceptance of EVs has not yet been won. EVs still make up only 5.5% of the wider car parc on UK roads; and nearly 40% of petrol and diesel drivers taking part in our surveys say they will never consider going electric. That number rises to 60% for households without access to private charging, who face high and uncertain costs for recharging their vehicle on the public charging network.

Drivers' views on switching to electric, and their experiences, matter. The success of the EV transition depends on increasing levels of public confidence in electric vehicles, on maintaining a clear and certain narrative that these cars are the future of road transport, and on fixing the affordability and accessibility issues that prevent many drivers from making the switch.

The introduction of a new pay per mile scheme for EV drivers alone (eVED), and the discussion surrounding it, has led to substantial confusion amongst consumers about whether EVs are the right choice for them. Whilst the majority of EV drivers believe they should ultimately pay for their use of UK roads, only 78% will currently recommend an electric vehicle to family and friends because they are unsure what the implications of eVED will be on household budgets. And nearly all drivers have real concerns that if the scheme goes ahead in its current form, it will leave them out of pocket.

The Government cannot go ahead with its proposed eVED scheme unless it works for drivers. That means delaying it until successful action has been taken to reduce public charging costs and make EVs an affordable and accessible choice for all households. That

1 Zapmap, [UK EV Market Share 2026: Latest electric car registration stats](#), March 2026
2 New Automotive, [Market Report for February 2026](#), March 2026
3 Zapmap, [UK EV Market Share 2026: Latest electric car registration stats](#), March 2026

means re-designing it so that drivers are not being forced to pay upfront for miles they may never do, and then run the risk of never seeing that money back. And that means looking at replacing fuel duty with a pay per mile tax for petrol, diesel and plug-in hybrid drivers – that is always at least twice what EV drivers pay – so that all drivers are clear on the costs they are paying to use the roads.

Drivers are central to a successful transition to electric. Their views matter, and on this, the most critical policy affecting their choices to date, they must also be central to Government decision-making.

Dr Victoria Edmonds

CEO, EVA England



The government's proposal for the design and scope of eVED

The Government has proposed introducing a new pay per mile tax for EV drivers (eVED) from April 2028.

Petrol and diesel drivers currently pay for use of UK roads through fuel duty, which is already accounted for in the price paid at the petrol pump. As the number of electric vehicles on UK roads increases, the Government believes that now is the right time to introduce a new tax that ensures EV drivers also pay for their use of the roads – a tax that will eventually, as EVs become dominant on UK roads, replace the current fuel duty system.

If it goes ahead, it is proposed that full battery electric vehicle (EV) drivers pay 3p per mile, and plug-in hybrid (PHEV) drivers 1.5p per mile. The latter price reflects the fact that, on average, PHEV drivers drive half in electric mode, and half in petrol mode and will still be paying fuel duty on their petrol mileage.

EV drivers will therefore pay half of what petrol and diesel drivers pay through fuel duty – which is around 6p per mile. For example, an EV driver doing around 8,000 miles per year will pay around £20 per month (£240 annually) in eVED compared to a petrol and diesel driver, who would pay around £40 per month in fuel duty (£480 annually) for the same mileage.

Under current proposals, drivers would estimate their annual mileage when renewing their Vehicle Excise Duty (VED). Annual MOT readings would then be used to verify mileage and adjust payments through a balancing charge or credit if needed.

Vehicles under three years old, which do not yet require an MOT, would need to complete a mileage check at an accredited provider, likely an MOT test centre.

Alongside the proposed eVED scheme, the Government also announced a parallel Cost of Public Charging Review, aiming to tackle the current high energy costs driving up public chargepoint prices and ultimately bring those prices down. This Review will report in the Autumn.

The Government also announced additional funding to continue to support consumers in switching to electric, including another £1.3bn top-up to the Electric Car Grant and an extra £200m for charging infrastructure.

The Government has just closed a consultation on the design of the eVED scheme, and this document summarises EVA England's response to that consultation – shaped by drivers, for drivers.

EVA England's response - the driver's view

EVA England, as the independent members' association representing electric vehicle (EV) drivers, believes that the Government's proposal to introduce a new pay per mile tax for EV drivers is being introduced at the wrong time in the EV transition, and in a form that, as currently designed, does not work for drivers themselves.

Our response to the Government's eVED consultation is drawn from one of EVA England's largest driver surveys to date, undertaken between 11 February and 11 March 2026, which received **2,448 responses, including over 1,800 from battery electric vehicle (BEV) drivers**. Drivers' initial reactions to the Government's eVED proposals through this survey were further unpicked in a member's Town Hall and follow-on workshop.

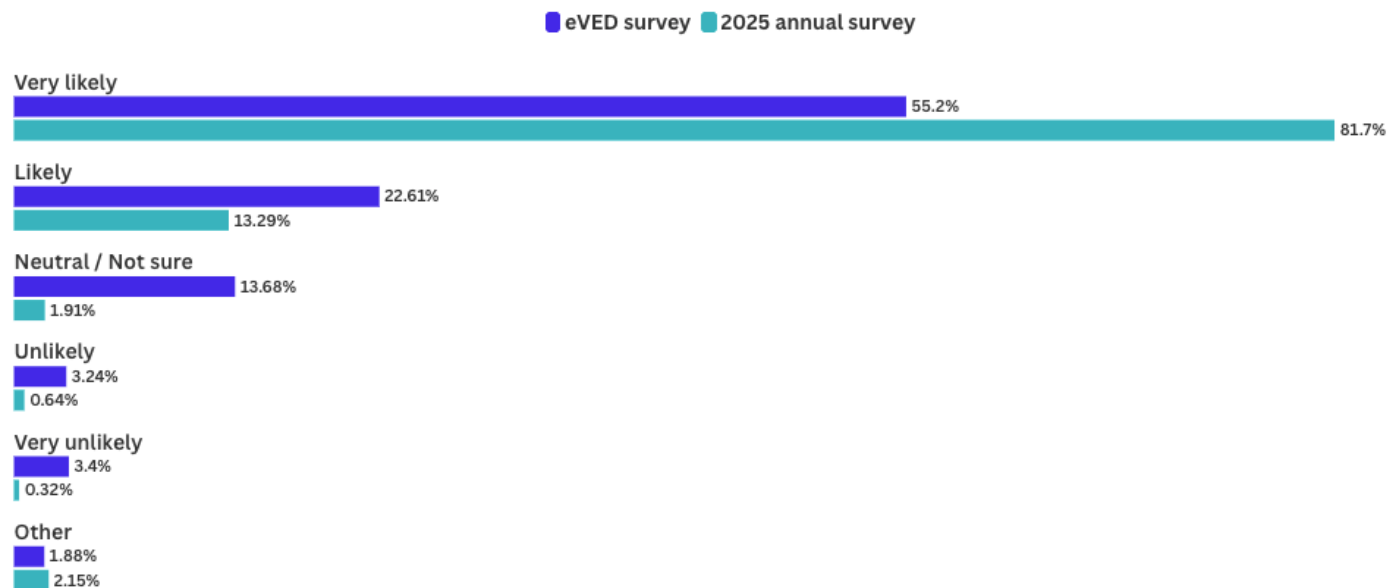
Whilst many EV drivers believe that they should ultimately pay for their use of the roads, the majority strongly believe that the introduction of a pay per mile scheme as early as 2028 is creating a level of messaging and policy uncertainty that will have a negative and lasting impact on the transition to electric vehicles – an impact that has likely been underestimated in the Government's Office for Budgetary Responsibility forecasts.

Nearly all expressed frustration that the initial scheme design has been put together without consultation with drivers, and that their needs have not been taken into account. They have real and significant concerns that the current scheme proposals will leave them substantially out of pocket.

Impact on the transition

Strikingly, 95% of EV drivers responding to previous EVA England surveys said they would recommend an EV to friends and family, with 82% highly likely to do so. However, this figure falls to 78% when households factor in the uncertainty that eVED brings to the overall costs of running their EV, with only 56% still highly likely to recommend their EV to others.

How likely are you to recommend getting an EV to your friends and family?



67% of EV drivers selected cheaper running costs as one of their primary reasons for originally choosing electric, emphasising that any new tax where they need to forecast mileage will create real uncertainty over their ability to predict those costs going forward.

EV drivers point to eVED increasing costs for them at a time when public confidence in EVs is still incredibly shaky – with only 5% of the full driving community currently driving electric and 39% of non EV drivers responding to our surveys saying they are unlikely to switch to an EV; **and at a time when public charging costs can be significantly higher than the costs of refuelling a petrol or diesel car⁴** meaning that, according to our driver surveys, 50% of EV drivers without access to cheaper, private charging are already paying more to run their EV than their previous petrol or diesel car. 75% of EV drivers believe the current high cost of public charging is creating the biggest barrier to choosing electric for many households.

⁴ The maximum cost of charging from a domestic electricity supply is 27p per kWh but can be as little as 7p per kWh; the average price of a standard, residential public chargepoint is 54p per kWh. The tipping point (from end February 2026 data) where an EV becomes cheaper to run than a petrol or diesel car is 47p per kWh | Zapmap, [UK Charging Price Index](#)

One driver commented:

"I am a community nurse and have to do a lot of driving in my job going from patient to patient. I got a lease car through my job to save me costs in wear and tear on my own car. I do not have a charger at home and cannot get one as I do not have a driveway. I have to use public chargers up to 3 times a week maybe more if I have done a lot of driving. At each of the chargers I have to pay 20%VAT on top of the cost of the charge. For the government to then also want to charge me per mile on top of that is disgusting. I am fed up with been lectured on green issues and been told to be more environmentally friendly then punished for doing exactly that."

These experiences, and the risks they highlight, are exacerbated by the fact that 2028 is the year with the largest increase in sales targets for car manufacturers to hit ZEV mandate compliance. Adding uncertainty to consumer confidence in EVs at this time increases the likelihood that these targets will be hard to meet – which in turn continues to feed consumer uncertainty through negative press coverage and confusing messages for drivers.

Impact of scheme design on drivers and household finances

If eVED does not work for drivers, it should not be introduced.

Drivers who have limited flexibility in how far they drive – for work or caring responsibilities – have real concerns that they will be hit the hardest.

Amongst drivers travelling over 250 miles a week, 74% are concerned about estimating and paying for mileage up front, and only 56% now say their next vehicle will be fully electric, compared with 67% for drivers travelling 50 –100 miles a week.



The message presented by the Government at Budget 2025 that fuel duty costs drivers 6p per mile is not cutting through. High mileage drivers and those that rely on their vehicles will continue to feel unfairly treated by the new tax scheme if they switch to electric – further adding to the potential impact of the proposed scheme on the transition.

Drivers commented:

"This policy will make work unaffordable, increase cost to business and make rural areas more isolated. A terrible poorly thought through unfair policy."

"Disabled drivers should not have to pay the 3p per mile charge as they rely on their vehicles!"

"I'm a taxi driver and do an average of 35 to 40,000 miles a year this EV tax could end up costing me over £1200 a year in duty so I'm not happy about it because I would have to pass this cost onto my customers which could potentially lose me customers."

Indeed, that absolute lack of wider understanding around the cost of fuel duty per mile is also leading drivers to believe that it

will be cheaper to switch to a plug-in hybrid (PHEV) vehicle, at 1.5p per mile, than to a fully electric vehicle at 3p per mile.

As one driver put it:

"I cannot understand why PHEV have lower eVED than fully electric cars. Doesn't make sense."

70% of drivers responding to our survey, and nearly all drivers taking part in our Town Hall and workshop discussions, **have real and significant concerns about estimating and paying for their mileage upfront.**

Most of these concerns centre around a lack of clarity over whether they will be able to recoup their money through any sort of refund regime. These fears are greatest among respondents with household incomes below £26,000, where 76% are concerned about paying based on estimated mileage upfront, compared with 56% of those earning over £150,000.



As one respondent explained:

"Upfront/annual based on estimate is inefficient, requires correction and is difficult for household cashflow."

Another wrote:

"I suspect getting the money back if I overestimate could take a long time."

Drivers are unanimous that the scheme must include a rapid refund process, that applies across a wide range of circumstances. Changes in personal circumstances can quickly lead to significant reductions or increases in miles driven during the tax year. Illness,

injury, disability, employment changes, caring responsibilities, bereavement, moving home, retirement, financial hardship, rural travel needs, overseas travel and selling a vehicle can all impact drivers' mileage.

These are common, not exceptional or marginal, events, and across all these cases, drivers should be able to access prompt refunds on any eVED overpayments.

77% percent of respondents say they do not want another party (leasing provider, insurance provider or manufacturer) paying eVED on their behalf, with concerns centred around the fact that **intermediaries will likely introduce additional administrative fees** to allow them to pass on the costs of updating their systems to drivers.

Furthermore, drivers already find it difficult to give accurate estimates of mileage to leasing companies in the first place, adding to fears they will not see their money again if they end up overpaying; and rates of reimbursement for business drivers are lower for EVs than for petrol and diesel drivers.

Drivers also raised a lack of clarity over how eVED would work for them under different leasing arrangements – for example, where drivers lease their vehicle from a pool of vehicles, rather than being the registered keeper.

Any additional surcharges for spreading payments monthly are seen as an additional unfair tax on those families that cannot afford upfront payment.

Drivers who have to drive their cars abroad – particularly drivers in Northern Ireland driving into the Republic of Ireland – also feel a **real sense of unfairness** that they will pay a UK-based eVED payment to drive on roads paid for and maintained by another country, as well as pay any additional road tolls or charges, where drivers from those countries will not be paying a tax for use of UK roads. Some have questioned the legality of this.

The use of a proposed technological or telematics solution, where drivers' mileage data is recorded by the car, generated a mixed response from drivers. 43% were clear they would not want any form of telematics to be introduced, citing privacy concerns; but 25% would opt in to use of such technologies, feeling it would alleviate their concerns around estimating mileage, and allow for a scheme that exempted international miles, as long as only their mileage was recorded, and not their movements. 28% are unsure.

EVA England asks of Government:

1. The Government should delay the introduction of eVED until at least 2030:

a time when the largest increases in new EV sales, driven by the ZEV mandate, will have been achieved and helped to stabilise consumer acceptance of EVs; and when sufficient action can and has been taken to reduce the costs of the transition for consumers – including public charging costs, and upfront purchase costs for lower and middle income households.

2. The Government should consider replacing fuel duty with a pay per mile tax for non-EV drivers at the same time as for EV drivers.

By moving all road users onto the same road tax system, the Government could create a much clearer policy environment where all drivers – whether they drive electric, petrol or diesel – know how much they are paying for use of UK roads, and so that drivers are incentivised to switch to electric, not put off by feeling penalised or unfairly treated.

The Government should guarantee a clear continued differential between the rates per mile for EV, PHEV and non EV drivers so that EV drivers always pay less than PHEV drivers, and half, or less than half, of the price per mile that non EV drivers do.

3. Any final scheme must be preceded by urgent and successful measures to reduce the price of public charging to levels closer to those seen for home charging, including:

- targeted regulatory reform that reduces longer-term energy costs to chargepoint operators;
- equalisation of VAT rates between domestic and public charging;
- incentivisation of the use of dynamic pricing models for public charging so that residents can take advantage of cheaper time of use tariffs;
- regulatory reform to reduce grid connection costs across rural areas, multi-unit dwellings and destination charging sites; and
- targeting the additional £200m of EV charging infrastructure funding announced at Budget 2025 to areas where it is most needed, including chargepoint connections in multi-unit dwellings, and installation of affordable workplace chargepoints across more public sector sites, particularly NHS sites.

Above all, the Government must ensure that its current Cost of Public Charging review delivers cheaper prices for consumers at the chargepoint.

4. The final proposed scheme must also be preceded by targeted measures to increase the affordability of the EV market for more households.

A recent analysis carried out by Cambridge Econometrics on behalf of EVA England and Transport & Environment, concluded that the existing Electric Car Grant, salary sacrifice, and benefit in kind incentives would not work for lower and middle income households – who generally buy on the used car market, and where salary sacrifice schemes tend to be targeted towards higher income rate households.

Instead, the additional £1.3bn for consumer incentives announced at Budget 2025 should be used to:

- Subsidise extended lower cost leasing packages that apply to both the new and used EV markets – with the study showing that bringing leasing costs below £100 a month would bring them in range of the price low and middle income households can typically afford to pay for running their cars.
- Incentivise all-in-one leasing bundles which bring together leasing, insurance, maintenance and charging costs into a simple, affordable and easy to understand package for households – making switching to electric far more attractive.
- Consider exempting low and middle income households from eVED until such a time as the price of EVs is equivalent to the price that these households typically pay for a petrol or diesel vehicle.

5. The scheme design must work for drivers. The design of any future scheme should be changed so that drivers pay for actual mileage in arrears rather than estimated mileage upfront.

The scheme must also include:

- **A transparent refund regime** that allows drivers to recoup overpayments within a fixed timeframe of no greater than a week. This is absolutely necessary to take account of the fact that personal circumstances and mileage can change significantly and rapidly, and to give consumers confidence that they will not be out of pocket should their mileage substantially decrease as a result, or should they choose to sell their vehicle mid tax year.
- **Protection for drivers against additional charges by third parties** – including MOT and services centres, leasing companies, insurance providers and manufacturers offering to handle eVED payments on behalf of drivers.

- Removal of any surcharges for paying eVED in instalments over the course of the tax year.
- **An exemption for international mileage**, with clear guidance around how to apply for that exemption and record relevant mileage.
- **Before proceeding with any plans to start trialling or making use of telematics technologies, a proper consultation with drivers on their use**, including plans for providing adequate privacy protections.

**Annex
EVA England's response to the
Government's specific questions
on the design of eVED**



1. What should the government consider when developing guidance that supports motorists to estimate their mileage?

Drivers responding to our survey are clear in their need for guidance, and for it to be simple, practical, and cover as many driver use cases as possible. 46% of drivers wanted support and advice on paying for the charge, including payment plans; 46% also wanted a list of accredited centres; and 39% wanted advice on how to estimate and report mileage.

If and when it goes ahead, switching the scheme around so that it asks drivers for payments in arrears based on accurate mileage readings would alleviate a number of driver concerns.

In any event, **as a minimum**, the guidance must:

- **Help drivers estimate mileage** using previous MOT readings, annual servicing, and app data where available. Clear worked examples for people with steady, variable and high and low-mileage use should be included, as well as worked examples for drivers needing to record international mileage.
- **Provide drivers with clear guidance on how to pay for their mileage**, including walking drivers through different ownership cases and providing examples of recommended, accredited or acceptable payment plans in each case. It must cover cases where they are the registered keeper, legal owner, are under different leasing arrangements and financing plans, or loan or share vehicles.
- **Provide drivers with clear guidance on their protections and rights** – for example:
 - Provide drivers with a list of accredited centres for checking mileage;
 - Be transparent and clear that there should be no additional charges for mileage readings at these MOT centres and service stations;
 - Provide drivers with guidance on how to avoid any additional charges or surcharges over and above the eVED mileage payment itself, particularly with third parties.
- **Specify how to handle vehicle mileage upon resale**, taking drivers through the process, how to record and 'hand over' mileage upon resale, and how to recoup refunds from over-payment at the start of the tax year.
- **Provide clear instructions on how to apply for refunds**, including expected maximum time for handling requests.
- **Provide clear details on an appeals process** surrounding the scheme, including the circumstances under which drivers can

appeal their eVED payments or charges, and the process that they must go through.

Driver feedback includes:

"A rational and fair way of paying the Charge for the actual miles you do, not estimate. Also an explanation of how an upfront payment would work if you sell your car."

"If I could just use a web site to submit my mileage and pay it there [in arrears] and then - analogous to reading my own electricity meter - that would enable me to manage the cost. It would mean I didn't need to estimate a whole year where my driving habits may change, e.g. by changing job or moving house".

"It needs to be simple and clearly explained otherwise people will get it wrong."

"Clear guidance would be needed on how to estimate and what happens if you get it wrong."

"What happens if I sell half way through, how do I get my overpayment back."

2. How could technology make eVED easier and simpler for businesses and motorists to comply with?

Would you support the consideration of technological solutions on an opt-in basis, in future?

Our survey evidence suggests that the majority of drivers are extremely wary of the use of technology for supporting mileage estimates. 43% said no outright, and 28% were unsure, with many citing privacy concerns and believing this is a slippery slope to a world where abuse of their privacy will be made easier.

25% drivers are open to mileage capture if it is limited, optional and respects their privacy by not tracking their movements. They believe it should only be used where it genuinely reduces burden, for example in allowing motorists to view and submit mileage easily, exempt international miles, update estimates during the year, manage payments, and receive quick reconciliation or refunds.

It should support simplicity, not create another complicated process.

Drivers' specific views includes:

"Depends on privacy. I'd have very serious concerns about that!"

"No. I object to government tracking my vehicle use. It's a massive invasion of privacy."

"OK to track mileage, but not OK to track route - privacy!"

"Record mileage yes then bill monthly based on actual mileage completed.. What would be the purpose of recording route, seems too big brother ish."

"Overall mileage, yes. Routes and other data, not sure."

"I would be ok with mileage tracking, but not full route tracking for privacy reasons".

3. What should the government consider when designing the system for managing under and over payments of eVED?

This is the single most important technical issue for drivers. Any scheme must ensure drivers are not left out of pocket, are not penalised for genuine estimation errors, and can correct their position quickly when circumstances change.

A next-year credit, with refunds only in specific circumstances, is not enough and is currently not viewed as workable or fair for drivers.

If and when it goes ahead, the scheme must be re-worked to allow drivers to pay in arrears rather than upfront. This will allow drivers to pay for actual mileage and prevent them from being left out of pocket, whilst also reducing risks of fraud, and the costs of having to retrospectively refund drivers and manage appeals. It would also provide a more appropriate system for cars under three years old.

As specified above, there should be:

- prompt refunds available in all circumstances,
- the ability to update estimates in-year,
- clear and transparent treatment for vehicles on re-sale, and
- no surcharge for paying in instalments.

The survey evidence here is strong. Drivers are feeling frustrated about what they perceive as unfair treatment. 70% are concerned

about paying estimated mileage upfront, including 48% who are very concerned.

That concern is particularly strong among lower-income respondents. Among those with household incomes below £26,000, 76% are concerned about paying based on estimated mileage upfront, including 55% who say they are very concerned. Concern is also highest among drivers with heavier travel needs: 74% of those driving more than 250 miles per week are concerned about paying upfront.

Reflecting that people's individual circumstances often drive whether they will need to spread their payments out over the course of the year, 35% would prefer to pay monthly, compared with 30% who would prefer to pay upfront. But drivers are clear they should not be penalised or unfairly treated for needing to do so, by being asked to pay a monthly surcharge.

Drivers comments are especially stark:

"I would prefer to pay it retrospectively when actual mileage is known for each year, so we're not messing around with overpayment refunds or extra charges."

"Not a fair system. Don't want the government keeping my money."

"There is too much risk of overpaying and not getting the money back quickly."

"I would be worried about overestimating and then having to wait a long time to get a refund."

4. The government intends to engage with garages on MOT fees and the costs of mileage checks. Are there other steps the government should take to support MOT garages to prepare for eVED?

Yes. Government should fund system changes, training and administration rather than expecting garages to absorb the burden and risk passing those costs on to motorists. It should also provide a clear accreditation framework, standardised processes, digital tools to reduce manual errors, and very clear public information and guidance to drivers so that garages do not become the first line of explanation for an overly complex scheme.

Survey responses suggest drivers are worried about the burden and cost to garages and service centres being shifted onto them.

46% said they want a list of accredited centres, while 46% want support and advice on paying. That points to a need for clarity and consistency from the start.

Guidance around the scheme must be clear and transparent on protections and rights of drivers, and address their concerns. As set out in above, as a minimum, it must:

- Provide drivers with a list of accredited centres for checking mileage;
- Be transparent and clear that there should be no additional charges for mileage readings at these MOT centres and service stations;
- Provide drivers with guidance on acceptable payment terms and plans, including how to ensure any additional charges or surcharges over and above the basic eVED payment, particularly with third parties, are avoided.

One driver said:

"This shouldn't be passed onto another party as it'll result in them increasing their costs to cover administration."

5. Do you agree that MOT garages are well placed to be accredited providers of mileage checks?

Most drivers are in agreement that MOT garages are the most practical accredited providers for vehicles already within the MOT regime, because they are familiar and already capture mileage. But the key test will be whether the process is simple, consistent and free at the point of use.

6. Are there alternative approaches for checking mileage in the first three years after a car is registered (pre-MOT age)?

Half of drivers responding to our survey (51%) said checks for under-three-year-old vehicles are necessary – particularly to prevent introduction of a regressive tax regime, where wealthier households likely to lease or buy new cars and then turn them over for another car under three years old would in effect be continually

exempt from paying an accurate amount of eVED, and leave the system open to real fraud and social inequity.

Respondents felt that using annual services as a way of checking mileage would be necessary; but stressed again that paying for mileage in arrears would prove less complicated, and less costly for drivers and service centres, and that whatever happens, this service must be provided free of charge and at an accredited centre.

Drivers should also be provided with guidance on acceptable payment terms and plans, including how to ensure any additional charges or surcharges over and above the basic eVED payment, particularly with third parties, are avoided.

Common comments included wanting an “Annual service” and “For first 3 years, use dealer networks to capture mileage as part of annual service/check”.

Other drivers felt that they should not have to make an extra trip just to check mileage and suggested there should be another method of capturing mileage data for vehicles under three years, for example:

“Self accreditation website for vehicles less than 3 years old, with first MOT verification of mileage stated in first three years.”

7. What impact will the proposed approach for eVED collection have on fleets and leasing businesses?

What should the government consider to minimise administrative burdens and complexity for these businesses?

Whilst the proposed collection model risks adding complexity for fleets, leasing providers and salary sacrifice arrangements because the registered keeper, payer and day-to-day driver may not be the same person, there are clear knock-on risks around liability, administration, pricing mark-ups and confusion for drivers.

Our driver's survey indicates strong resistance to any form of third-party involvement in estimating and paying for eVED on behalf of drivers. 77% said they would not want another party paying eVED on their behalf. That is particularly relevant given that around 20% of respondents have a PCP arrangement, 5% have personal leasing, 2% business leasing and 6% an employer-led scheme. These cannot be treated as edge cases.

Drivers have real concerns that leasing businesses will pass the costs of updating their processes to allow them to handle eVED onto the driver, and that, as well as the basic level of eVED, consumers will pay the additional costs of implementing and delivering the scheme.

Drivers must be protected from these additional costs. Government should provide a clear single point of liability, avoid duplication between driver and provider, and prevent administrative costs from simply being passed through to motorists. It should also ensure that any fleet or lease model is transparent to the end driver, especially where vehicles change hands or contracts end mid-year.

Drivers must be able to access clear guidance on how to estimate and pay for mileage through third parties and in different use case depending on the nature of their leasing arrangements, including how to look out for and avoid extra costs.

There must also be a clear appeals process around the scheme to allow drivers to report concerns around third-party handling and recoup any unforeseen payments.

Driver comments underline this concern:

"This shouldn't be passed onto another party as it'll result in them increasing their costs to cover administration."

Another said:

"That's a nonsense questions because the cost will only be deferred by any third party, then marked up so it will cost drivers more if any third party paid it."

8. What should the government consider to ensure the overall approach to tax reporting and collection is fair?

Drivers have been clear that the scheme must not leave them out of pocket. 70% are concerned about upfront estimated payments; and 77% do not want another party – including leasing providers – paying on their behalf.

This means ensuring a system that does not penalise drivers for genuine estimation errors, and allows them to correct their position quickly when circumstances change. It also means a system

where the costs of implementing the scheme by third parties are not passed through to the driver.

A next-year credit, with refunds only in specific circumstances, is not enough.

The scheme should be re-designed to allow drivers to pay in arrears rather than upfront. This will allow drivers to pay for actual mileage and prevent them from being left out of pocket, whilst also reducing risks of fraud, and the costs of having to retrospectively refund drivers and manage appeals. It would also provide a more appropriate system for cars under three years old.

And as specified above, there should be:

- A prompt refund system available in all circumstances, with a parallel, transparent, complaints and appeals process;
- The ability to update estimates in-year;
- Clear and transparent treatment for vehicles on re-sale;
- No surcharge for paying in instalments; and
- Protections for drivers from bearing the burden of administrative costs by third parties, including MOT and service centres, leasing, insurance providers and manufacturers.

Concern about fairness is also linked to income. Among respondents earning under £26,000, 64% say eVED affects whether they would recommend an EV, compared with 39% among those earning £150,000 or more. This suggests the current scheme design risks having the greatest impact on drivers with the least financial flexibility.

One driver said:

"Upfront/annual based on estimate is inefficient, requires correction and is difficult for household cashflow."

9. Which life events and other considerations should the government consider when building flexibility for changes in circumstances into the eVED scheme?

A range of circumstances can lead to increased or reduced mileage year on year, and in the middle of the tax year. These circumstances include illness, injury, disability, employment changes, caring responsibilities, bereavement, moving home,

retirement, financial hardship, rural travel needs, overseas travel and selling a vehicle. These are not marginal scenarios; they are normal life events that can materially change mileage and should not be treated as exceptional.

Higher-mileage drivers, for example, are particularly exposed to the risks of inaccurate estimates. Among respondents driving over 250 miles per week, 54% say they are very concerned about paying based on estimated mileage upfront.

Throughout our survey, responses made clear that drivers' individual circumstances had a big potential impact on whether this policy would work for them.

For example:

"I live in rural Wales and I'm disabled I have to travel long distances for hospital appointments and normal shopping, so this is going to hit hard."

"My mileage changes depending on where I'm working and if I move house during the year it could change completely."

"I care for a disabled family member and some weeks we have lots of hospital trips and some weeks none, so estimating mileage for a whole year would be impossible."

"I am recently retired and my driving habits are still changing, so I wouldn't be confident estimating a full year of mileage yet."

"Money is tight at the moment and having to pay upfront based on a guess would be stressful if I got it wrong."

Payment in arrears would work better for drivers across these circumstances; and there should be no additional surcharges for drivers wishing to spread their payments across the tax year.

At a minimum, any scheme should also include:

- A prompt refund system available in all circumstances, with a parallel, transparent, complaints and appeals process;
- The ability to update estimates in-year;
- Clear and transparent treatment for vehicles on re-sale;
- No surcharge for paying in instalments; and
- Protections for drivers from bearing the burden of administrative costs by third parties, including MOT and service centres, leasing, insurance providers and manufacturers.

10. Do you agree with the proposed approach for car lifecycle events? Is there anything further the government should consider when designing the arrangements for car lifecycle events?

Drivers responding to our survey have expressed significant concerns around waiting until the end of the tax year to get any overpayments back on selling a vehicle or taking it off road. Only 53% of drivers responding say the proposed process of paying for upfront mileage, and then receiving a credit at the end of the tax year, works for them.

Drivers said:

"What happens if I sell half way through, how do I get my overpayment back."

"This is too restrictive, penalises changing cars when I want to and assumes no change in circumstances which could lead to 11 months out of pocket".

The scheme cannot leave drivers out of pocket for months on end. Serious consideration should be given to the scheme asking for payments in arrears based on accurate mileage, rather than estimated mileage upfront.

The scheme must also have in place an appropriate refund regime which allows drivers to recoup prompt payments in the middle of the tax year; and a parallel transparent complaints and appeals process where drivers can raise and have prompt response to issues around accessing repayments.

Drivers wrote:

"How to sell my EV and not loose too much money I mistakenly paid."

"A rational and fair way of paying the Charge for the actual miles you do, not estimate. Also an explanation of how an upfront payment would work if you sell your car."

11. What should the government consider when developing an overall compliance approach to prevent user error, avoidance and fraud?

What should the government consider when designing the penalties regime within eVED, to ensure fairness to all motorists?

The compliance and penalties regime should be proportionate, distinguish clearly between deliberate evasion and normal estimation error, and include warnings, correction windows and accessible appeals. There should be no added costs to drivers, and no penalties simply because a driver's mileage changed during the year or surcharges because they choose a monthly payment plan.

Above all, there must be a transparent complaints and appeals process that allows drivers to query and seek immediate redress to penalties.

Drivers broadly confirmed this sentiment:

"As long as there is no penalty for spreading payments."

"I would prefer to pay it retrospectively when actual mileage is known for each year, so we're not messing around with overpayment refunds or extra charges."



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