FleetNews

FN50 2024

Funded fleet record broken again as five new names enter the top 50 biggest leasing companies. Full analysis inside

FOR THE TOP 50 TABLE CLICK HERE


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WELCOME

There's no escaping the massive impact falling electric vehicle residual values are having on the leasing landscape – a near-two-year drop with the BVRLA forecasting further declines in values potentially for the rest of the decade should the Government not step in to support the used market.

Leasing companies, which, admittedly, have been reaping the rewards of a two-year buoyant used car market for petrol and diesel cars created by stock shortages until volatility took hold a year ago (ICE values have since stabilised), have seen their profits hit hard, as we report here.

On the back of record £2 billion profits registered by the FN50 in 2023, this year saw £645 million wiped off the bottom line.

For context, the collective £1.39bn profit is only slightly down on 2022's £1.5bn, but it represents a big hit at a time of significant investment in new IT systems, AI tech and customer support services.

Those profit shortfalls are also a stark contrast to record revenues and, more interesting, a new record high in the FN50 funded fleet.

Blasting through the 1.8 million vehicle threshold for the first time eclipses an FN50 record set only a year earlier. And this time, growth was registered in both the car and van totals, the latter marking a return to growth after last year's drop.

So there are plenty of good signs for the leasing sector.

This year we welcome five new names to the top 50 – the most in a single year that I can remember. And we also saw the highest level of change at the top, with eight of last year's 45 leasing companies appointing new leaders.

With brokers entering the list after launching own-book funding, this year's FN50 underlines once again just how dynamic the sector is, with mergers, new launches, product development and new leaders providing a constant catalyst for change and improvement.

Stephen Briers,
group editor,
Fleet News

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FN50 BY NUMBERS

1,802,127 FN50 total funded fleet size

1,334,924 number of funded cars

467,203 number of funded vans

28,084 number of funded trucks

Larger than usual influx of fresh names in FN50 as five make debut

But the top eight companies on the list remain unchanged. *Stephen Briers* studies the figures

Two years ago, we unveiled the FN50 with just 49 companies in the table as mergers and acquisitions reduced the size of the sector.

We pondered whether this was the start of the much-mooted market contraction with fewer companies providing the funding for the national car, van and truck fleets.

However, a year later, we were back to 50; this year, 53 companies completed the FN50 survey, resulting in three companies now waiting in the wings for next year, growth permitting.

One of the reasons why more leasing companies are pushing for their place in the FN50 is the trend for brokers to start considering own-book funding.

Take the likes of FN50 new entrant Rivervale (No 45). In a recent interview with *Fleet News,* CEO Vince Pemberton said: "It seemed a natural progression if we were to grow our business."

It's not the only one: AMT, ICR Leasing and Multi-fleet Vehicle Management (formerly RunYourFleet) all have their roots in either the broker or rental sectors. Each recognised the opportunities offered by extending their services.

It isn't a risk-free strategy, however, as a couple of former members of the FN50 have found. Recent residual value volatility, particularly on electric vehicles (EVs), has forced them to exit the market, off hire their funded vehicles and focus instead on growing their broker business.

They leave behind an FN50 enjoying a purple patch post-Covid. Last year's record funded fleet size has again been surpassed, with the class of 2024 adding more than 60,000 vehicles to top 1.8 million cars and vans for the first time (1,802,127).

Unlike last year, though, both cars and vans contributed to the increase. Leasing companies arrested the decline in funded vans to register more than 12,000 additional units, taking the fleet size to 467,203.

Meanwhile, cars were up by more than 43,000 to 1,334,924, continuing a trend stretching back to 2020.

The only category registering a year-on-year reversal is trucks, but the reason is largely down to the absence of Prohire which had 1,463 trucks last year. With HGVs accounting for the majority of its funded fleet (last year it had 924 vans and 12 cars), the company declined to participate this year.

Consequently, the number of trucks funded by FN50 companies has dipped from 29,714 to 28,084 with 13 companies providing figures (14 companies in 2023). However, the average per respondent has risen slightly from 2,123 to 2,160, on the back of growth reported by Novuna Vehicle Solutions and Holman.

Zenith remains the largest truck funder in the FN50 on 15,250, despite a small decline on its 2023 figures.

The other noticeable absentee in this year's listing is Affinity Leasing, which sat in 39th position in 2023 with a fleet of 2,185, mainly cars. It did not reply to the survey this year.

Those absences opened the door to a larger than usual number of new entrants this year, with five companies debuting, two more than 2023. Despite this, much of the listing has an air of familiarity.

The top eight companies are unchanged from 2023; indeed the only change in the top 10 is Leasys, moving up one place to ninth, and salary sacrifice specialist Tusker which enters following a stellar year under its new owners, Lloyds, with an impressive 55% leap in fleet size.

It replaces Arnold Clark Finance in the top 10.

Last year, Tusker funded just less than 33,000 vehicles, primarily cars; this year it tops 51,000. For additional context, in 2022, it was funding just more than 22,000 vehicles.

Speaking recently to *Fleet News,* Tusker managing director Kit Wisdom said the growth illustrated the growing popularity of salary sacrifice.

"Our customer base is growing and getting bigger, because the product's interesting to benefit leads, and payroll and HR teams," he said.

This view would be supported by another salary sacrifice specialist Octopus Electric Vehicles, had it not declined once again to provide figures for the FN50.

On its website, the company claims to supply 5,000 employers, while back in February, chief executive Fiona Howarth told the *Daily Telegraph* that Octopus was funding 14,000 vehicles, up from 6,000 a year earlier, sufficient to put it inside the top 20.

FN50 YEAR-BY-YEAR

Position	2021		2022		2023		2024		Change 2023/24	% Change 2023/24
	Combined size	% of FN50	Combined size	% of FN50	Combined size	% of FN50	Combined size	% of FN50		
1 to 5	980,570	59%	967,105	57%	1,116,868	64%	1,124,283	62%	7,415	0.7%
6 to 10	370,744	22%	455,132	27%	320,574	18%	322,531	18%	1,957	0.6%
11 to 20	200,842	12%	184,721	11%	199,851	11%	232,884	13%	33,033	16.5%
21 to 30	68,359	4%	68,268	4%	70,999	4%	75,450	4%	4,451	6.3%
31 to 40	28,134	2%	28,092	2%	30,282	2%	35,402	2%	5,120	16.9%
41 to 50	14,772	1%	7,340	0%	7,952	0%	11,577	1%	3,625	45.6%
TOTAL	1,663,421	100%	1,710,658	100%	1,746,526	100%	1,802,127	100%	55,601	3.2%

932,535
cars/vans/trucks under fleet management

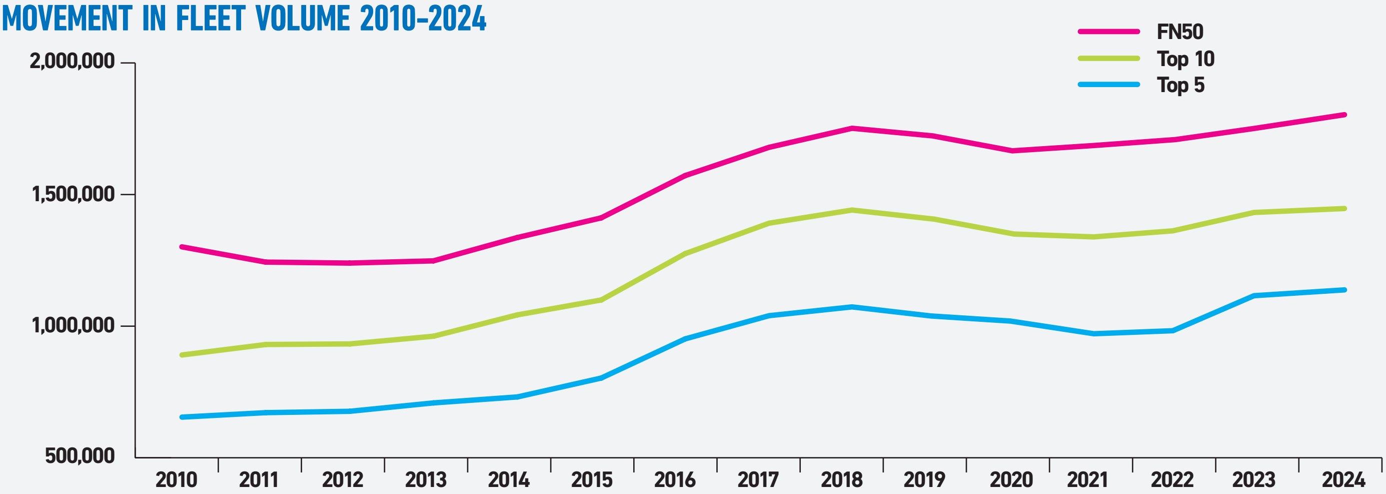
638,117
cars/vans/trucks under accident management

294,538
biggest fleet (Ayvens)

509
smallest fleet (Fleet4You)

5
Number of new entries

MOVEMENT IN FLEET VOLUME 2010-2024



It is now reportedly targeting a fleet size of 30,000, with a big focus on used EVs, after securing a £500m debt deal.

Just one top 10 leasing company saw a reduction in fleet size, newly rebranded Ayvens which is juggling the challenges of integrating leasing giants ALD and LeasePlan, challenges faced by many major mergers before, notably Lloyds TSB Autolease and Lex Vehicle Leasing.

However, one year on from providing its first set of amalgamated FN50 figures, Ayvens is performing well, with only a moderate 6% dip in fleet size, equating to 18,611 vehicles, of which almost 10,000 were cars. History shows that others have fared rather more poorly in the initial years.

Aside from Tusker, nine companies enjoyed double-digit growth in fleet size. The most dramatic was retail-focused funder BMW Financial Services, with a 163% rise to 2,839, almost all cars.

Among the larger funders, Select Lease by Mobilize and Holman both exceeded 20% increases.

The former, a business partnership between Renault-owned Mobilize Financial Services and independent broker Select Car Leasing, is starting to deliver on the long-term goal of chief executive officer Alice Altemaire with a 20.2% rise to almost 38,500 vehicles.

She told *Fleet News* in May that "we want to be top five in the UK", an ambitious target that would require adding more than 100,000 extra vehicles based on this year's FN50.

Meanwhile, American-owned finance lease specialist Holman continues to show there is a market for its distinct offering with a 21.8% increase to almost 14,000 vehicles, lifting the company three places to 16th.

Only Novuna Vehicle Solutions and Ayvens offer more vehicles on finance lease.

Notable year-on-year growth was also achieved by Ford Fleet Management, which is funding almost 1,500 more vehicles for a 38% increase to 5,172. It moves into the top 30 in 29th place, up four.

WOMEN AT THE HELM

Alongside Altemaire, just four other leasing companies are led by women, a new high, but still far below the level expected across a group of 50 organisations. That modest group also includes one acting managing director, Claire Timms at Total Motion, who has boosted her CV by masterminding a near 17% rise in fleet size year-on-year.

Lakshmi Moorthy is the only one running a leaseco inside the top 10, currently in her fourth year at Arval, while the longest serving by far is Samantha Roff who took the reins at Venson Automotive Solutions 18 years ago. Venson continues to hold its ground at just more than 10,000 funded vehicles, prioritising customer service and profits over pure growth.

Patricia Wolfe, in her sixth year heading Athlon, also oversaw an upwardly mobile business, rising by 3.9%.

Despite the record FN50 fleet size, not every leasing company posted an increase in their individual figures.

An unlucky 13 were in the negative, although most were only marginally down on 2023.

Besides Rivervale, two other leasing companies entered the FN50 for the first time in the lower echelons. Fleet4You sneaked in at No 50, although its fleet of 509 vehicles is substantially larger than the 144 posted by last year's occupant, Leasing Plus which has exited the top 50.

Three places higher is Pure Leasing with 778 vehicles.

Entering further up the table is Global, which goes straight in at No 34 with a fleet of 4,078, of which 3,271 are cars.

The highest new entry, in 28th place, is Drivalia Lease UK. Similar to Global, cars dominate its fleet accounting for 5,055 of the 5,550 total.

With its origins in car rental, Drivalia is another of those companies expanding its reach into own-book funding. It has a strong relationship with leasing broker Leasing Options and ambitious plans for further growth.

One other interesting development is worth noting: there has been an unprecedented level of change among the MDs and CEOs in charge of FN50 companies.

Eight of the 45 leasing providers from last year's FN50 have new people at the helm, which could result in new directions and strategies for some.

They include Tim Laver, who replaces the retiring Alfonso Martinez at Ayvens (Laver was previously MD at ALD and then deputy of the merged business under Martinez), Kit Wisdom at Tusker, replacing Paul Gilshan, Phil Wilbraham at Pendragon with Neal Francis leaving, and Chris Nightingale at TCH Leasing, who replaced the long-serving and now retired Mark Hammond.

Fleet News will be assessing their influence, their successes and any missteps over the 12 months to the 2025 FN50.

■ Thanks to all the FN50 companies who supplied figures this year, enabling us to produce this report into the latest trends. The data was collated by *Fleet News* and analysed by the *Fleet News* editorial team.

Long challenges list emphasises the complexities of fleet

Regulation, cybersecurity, interest rates, electric transition and downtime management all cited by leasing bosses as concerns over the next 12 months, reports *Stephen Briers*

The list of challenges facing fleet decision-makers over the next 12 months is as extensive as it was a year ago, according to leasing companies, although many of the issues have changed from those outlined by bosses in 2023.

The one consistent is the transition to electric, particularly for light commercial vehicles (LCVs). However, uncertainty caused by a new Labour Government, the fear of regulatory and taxation changes, cybersecurity worries and high interest rates are all cited by multiple FN50 companies as concerns.

Nevertheless, electrification of vehicle fleets remains the dominant challenge, with 33 of 35 companies highlighting it.

The main themes include electrifying vans fleets, slumping residual values (RVs), pricing volatility, benefit-in-kind (BIK) tax uncertainty and the impact of cheaper imports from China.

With the Labour Government confirming plans to consult on its intention to bring forward by five years the ban on the sale of new petrol and diesel cars to 2030, several leasing companies pointed to the stresses this is putting on fleets.

John Wright, managing director at Ford Fleet Management, describes the phasing out targets as "ambitious" and adds: "Despite growth in charging infrastructure, there are still gaps, particularly in more rural areas. Costs for infrastructure set-up, though essential, can be substantial and there are plenty of economic uncertainties such as fluctuating energy prices and inflation to contend with."

The ZEV Mandate, which requires manufacturers to achieve increasingly stringent full electric sales targets as a proportion of the total UK registrations, starting with 22% of cars and 10% of vans this year, is forcing some manufacturers to take actions that could unsettle the market.

According to Liquid Fleet, these include "imposing EV ratios on all orders", forcing fleets to accept a minimum proportion of full-electric vehicles on all bulk purchases.

"Evolving manufacturer tactics – such as the short-term strategy of heavy discounting to move units – may disrupt supply chains and market stability," says Alphabet chief sales officer Ian Turner. "While discounts can help in the short term, they often undermine the long term value of fleet."

Leasys UK marketing director Shane Coomber adds: "As the ZEV Mandate takes hold, we will see further restrictions on internal combustion engine (ICE) vehicle supply and companies are likely to have the need to transition to electric vehicles (EVs) quicker than anticipated."

Kinto UK believes the ZEV Mandate could act as "a catalyst" for greater battery electric vehicle (BEV) competition and price realignment (list price reductions and increased discounts).

"It has opened the door to other OEMs (Chinese) who have not traditionally distributed in the UK and, along with OEMs developing agency models, will undoubtedly change the face of the UK marketplace," says Kinto commercial director Lee Hamlett.

There is some scepticism about the pace of change, with Alliance Asset Management stating its primary concern is "the constant drive to reduce CO_2 regardless of the science and/or the impact on the industry".

Weakening RVs and lack of demand in the used market for EVs is exercising the minds of many FN50 leasing companies.

Agility Fleet lays some of the blame at the door of the pricing guides for not reacting quickly enough to the plummeting RVs.

"EV residual values are still too high – we are all writing business based on unrealistic RVs," says the company. "Operators are also extending EV contracts to defer/mitigate the loss. All this is going to do is falsely depress the supply, which is kicking the can further down the road."

Volatility in EV pricing, driven by RV volatility as well as OEM price changes will be a major

"THERE ARE PLENTY OF ECONOMIC UNCERTAINTIES SUCH AS FLUCTUATING ENERGY PRICES AND INFLATION TO CONTEND WITH"

JOHN WRIGHT, FORD FLEET MANAGEMENT

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challenge in the coming year, according to Lex Autolease commercial director Paul Hyne.

"The ability to define policies/employee grade or bandings/costs for company car policies or LCV total cost of ownership (TCO) comparisons to support CO_2 reduction and sustainability policies with any sort of confidence or stability will be very difficult," he says.

RVs will remain an issue for the next three-to-four years, predicts Ogilvie Fleet.

Sales and marketing director Nick Hardy is calling on fleets to work closely with leasing companies and other suppliers to ensure the balance between costs and employee retention is aligned.

"As always, this will mean some degree of compromise on all fronts and it's the balance of that compromise and the mitigation of increased costs that will be keeping fleets busy this next 12 months and beyond," he says.

"We're recommending to clients that they extend existing contracts, review holding terms, realign mileages and reconsider/realign choice lists and parameters. With drivers having the benefit of extremely low BIK on EVs, they also therefore have some room for additional contributions if needed."

One reaction by fleet and some leasing companies to residual value volatility in the electric market is to agree longer leasing terms as a cost-saving measure. However, this "may backfire" if the market shifts unfavourably, states SG Fleet.

Chris Salmon, its commercial director, says: "Conservative approaches to vehicle selection, combined with manufacturers beginning to restrict ICE vehicle supply and force EV quotas, add further complexity. The key to navigating these challenges lies in staying adaptable, continuously assessing options and working closely with a flexible, committed supplier," he advises. "This partnership will be crucial in helping fleets pivot as necessary to new approaches in funding, vehicle choice and operational strategies."

Pure Leasing managing director Zaf Iqbal predicts a "massive swing" in favour of Chinese brands such as BYD who have "a lower capital cost of entry and residuals that appear to be stable and in the right ballpark for the second-hand car market".

Radius Vehicle Solutions believes it could put additional pressure on RVs "if cheaper Chinese imports flood the market".

Ayvens, the rebranded ALD Automotive and LeasePlan merger, believes many companies will now be grappling with their pledges to achieve net zero by a fixed deadline. With renewal cycles of 48 months or more, the next year will be "crunch time" for organisations targeting 2030, it says.

With much of the low hanging fruit already plucked, companies with employees who are unable to charge at home will face a transition dilemma.

"Electric costs for public charging – and how you can reimburse employees for this – continue to be a problem," says Arval UK managing director Lakshmi Moorthy. "20% VAT on public charge is a problem for personal drivers who would only pay 5% at home."

In addition, public charging means taking time out of the working day, says Ayvens, as well as costing "around four times" as much as charging at home.

"For some businesses and fleets, that will make some portion of their fleet uneconomical to run on EVs, meaning they face a difficult decision about what to do and when," the company says.

LCVs are a particular problem with the TCO of electric vans much higher than diesel models. The operational difficulties "are even more acute", says Ayvens. "Few fleets have electrified van fleets to any great extent, and those that have find that

"VOLATILITY IN EV PRICING, DRIVEN BY RV VOLATILITY AS WELL AS OEM PRICE CHANGES WILL BE A MAJOR CHALLENGE IN THE COMING YEAR"

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reduced payloads, less-than-advertised electric ranges, high levels of charging downtime and/or limited capacity for depot charging place major constraints on the extent to which existing fleet operations can be replicated using EVs."

Alphabet's Turner adds: "A limited pool of models, particularly those that can handle heavy payloads and towing with a reasonable range, is restricting the transition to eLCVs. Infrastructure is a major issue, too, as many drivers cannot charge at home and there are still too few usable charging bays, especially for larger vehicles."

However, van and truck specialist Novuna Vehicle Solutions highlights the heavier assets as being the most challenging for fleets.

Paulo Larkman, Novuna fleet consultant, points to the "attractive tax regime" for cars which is accelerating the transition to electric, while there is a growing number of electric van options available in the UK.

"There are very limited opportunities to decarbonise heavy goods vehicles through electrification," he says.

"The challenge is to identify journeys that could be undertaken in an EV (as the charging infrastructure is present and growing) and to identify lower-emitting drivetrains where electrification is not possible, such as hydrogen."

While electric transition is undoubtedly a "significant challenge", according to VMS (Fleet Management), it also points to the Vehicle Emissions Testing Standards Mandate, with Euro 7 rules due to come into effect across Europe in July 2025.

This will add another layer of complexity, says the company, "requiring fleets to meet stringent emissions standards, which often necessitates additional investment in new technologies and infrastructure while forcing percentages of new fleet on clients".

VMS also highlights delays in franchised dealer repairs, especially for warranty issues, and "problematic" performance of breakdown operators, "except in cases where manufacturers manage their own in-house services".

Other challenges raised by a minority of leasing companies included rising maintenance costs and downtime management (Grosvenor Contracts Leasing), the continued ramifications of Brexit (Kinto) and the growing burden of Environmental, Social and Governance (ESG) reporting (Alphabet).

Alphabet also threw cybersecurity risks into the mix as vehicles become more connected.

"With the increasing use of digital systems, telematics and vehicle connectivity, the threat of cyberattacks is becoming more pronounced," says Turner. "Robust cybersecurity measures and protocols will be crucial to protect sensitive data and maintain fleet integrity."

Meanwhile, SG Fleet is keen not to overlook the age-old fleet macro challenges of securing the right vehicle for the right price, avoiding cost leakage, managing financial and operational risks, reducing vehicle downtime and keeping employees satisfied.

"The nature of these challenges can shift over time, and they often cycle in response to broader industry trends," says Salmon.

"However certain elements remain constant: ensuring optimal vehicle manufacturer availability, managing funding costs and interest rate fluctuations and dealing with residual value market variations."

Amid the myriad national concerns, one localised political issue was also broached, with a warning from Lime Leasing that it could become a national concern under the Labour Government.

"The new Government have made it clear that they will be targeting the motorist," says the company, which sits just outside the FN50. "Wales has had a Labour Senedd for more than 20 years: they have 20mph blanket limits, no new roads built, etc. This is coming down the road for all the UK."

"THE CHALLENGE IS TO IDENTIFY JOURNEYS THAT COULD BE UNDERTAKEN IN AN EV AND TO IDENTIFY LOWER-EMITTING DRIVETRAINS WHERE ELECTRIFICATION IS NOT POSSIBLE, SUCH AS HYDROGEN"

PAULO LARKMAN, NOVUNA VEHICLE SOLUTIONS

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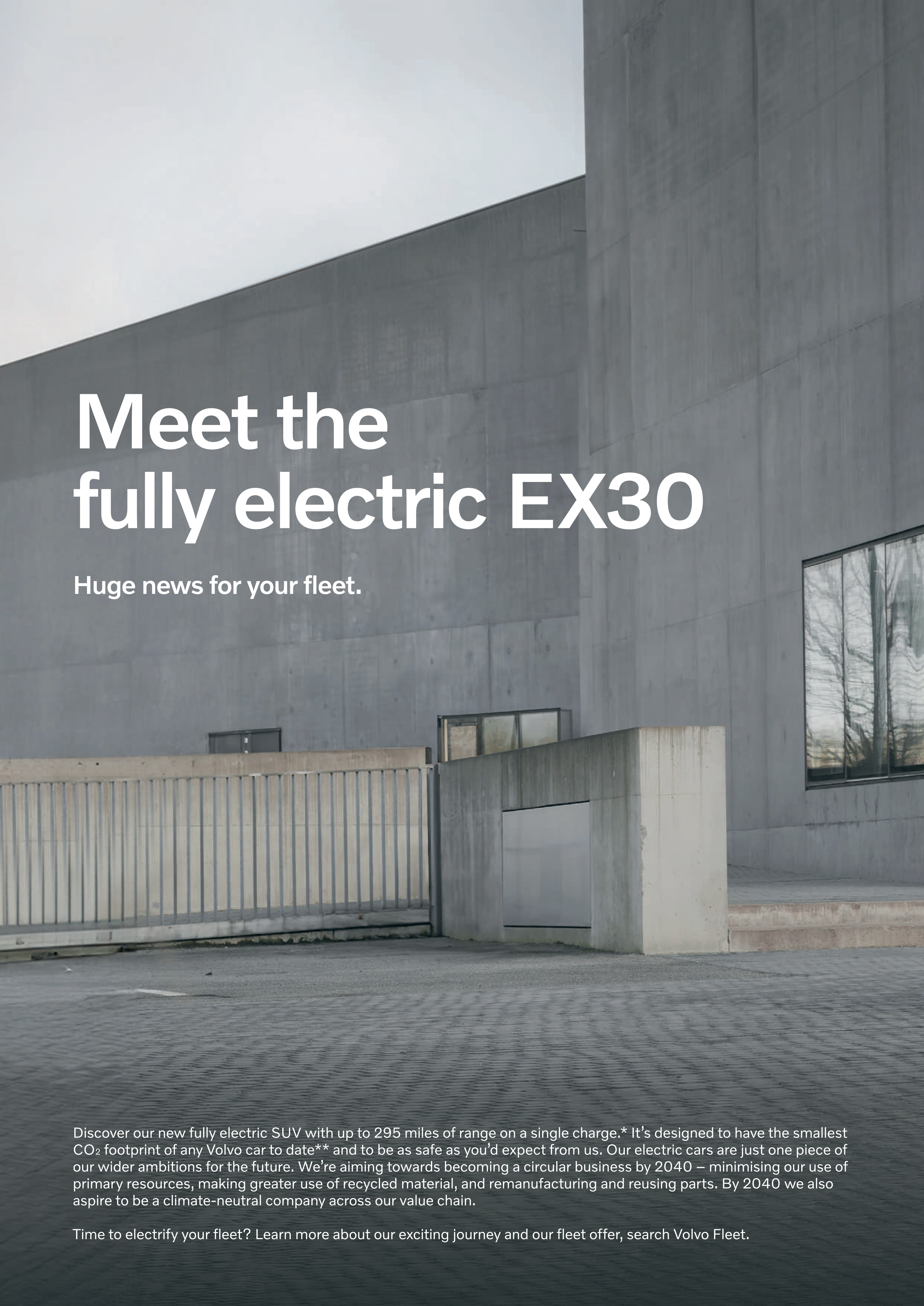
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*Fuel economy and CO_2 results for the Volvo EX30: Mpg (l/100km): Not applicable, CO_2 emissions: 0 g/km, electric range 209.4 – 295.8 miles.

These figures were obtained after the battery had been fully charged. The Volvo EX30 is a battery electric vehicle requiring mains electricity for charging. The electric range shown was achieved using the new (WLTP) test procedure. Figures shown are for comparability purposes. Only compare fuel consumption, CO_2 and electric range figures with other cars tested to the same technical procedures. These figures may not reflect real life driving results, which will depend upon a number of factors including the starting charge of the battery, accessories fitted (post-registration), variations in weather, driving styles and vehicle load.

*Based on lifecycle CO_2 emissions over 200,000 kms of driving using charging electricity from the EU27 energy mix. Relates to globally available products.

Collapse in used electric vehicle values impacts leasing profits

But revenues for the FN50 reach record high. *Gareth Roberts* reports

Pre-tax profits for the FN50 have fallen by almost a third (31.6%) year-on-year after hitting £2 billion for the first time last year.

Record-breaking used car prices, driven by the semiconductor shortage, had pushed FN50 reported pre-tax profits to a new high in 2023. However, a collapse in battery electric vehicle (BEV) used values has adversely impacted the financial performance of the FN50 this year.

Collectively, the FN50 reported pre-tax profits of £1.39 billion* – down £645 million on the £2.04bn achieved last year and slightly less than the £1.5bn reported by the FN50 in 2022.

While the slump in residual values (RVs) drove the decline in profits, FN50 companies actually reported record revenues in 2024.

The turnover of FN50 companies reached £13.6bn* – a £1.65bn (13.7%) increase on the £12bn reported last year.

Record revenues not being matched by increasing profits has therefore negatively impacted the FN50's average profit margin – a ratio derived from a company's profit divided by its revenue. FN50 2024 figures suggest it has fallen from 17% in 2023 to 10% this year.

Industry trade body, the British Vehicle Rental and Leasing Association (BVRLA), says that the UK's vehicle leasing industry is facing an "existential threat" due to the collapse in used BEV values.

Thomas McLennan, director of policy and public affairs at the BVRLA, says: "Pricing a vehicle on what it may be worth in three or four years' time, as leasing companies do, is a deeply challenging proposition.

"We are certainly seeing that the market has not yet found its feet, which is proving hard to foresee how to make it work in the long term. Volatility is the issue. Prices are moving a lot more than many expected."

"THE FLEET AND LEASING SECTOR IS UNDERPINNING THE TRANSITION TO EV"

PHILIP NOTHARD, COX AUTOMOTIVE

INCENTIVES FOR USED EVs

On average, values of used EVs for cars at the same age and mileage point have more than halved in value since September 2022, having fallen for 24 consecutive months.

The price of a lease is designed to account for the depreciation of a company car over the typical three-year lease period, based on estimated RVs.

But, if second-hand prices end up being lower than anticipated when the lease ends, leasing firms take a financial hit when they get the vehicle back.

Philip Nothard, insight and strategy director at Cox Automotive, says: "The fleet and leasing sector is underpinning the transition to EV, but how long is that sustainable for?

"They need a very strong and viable remarketing secondary usage. That isn't there right now and, with the onset of new entrants and price wars, that makes it even more challenging."

Falling confidence in used EV values is already pushing up lease rates.

With FN50 companies responsible for 75% of ➲


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WLTP figures shown are for comparability purposes. Actual real world driving results may vary depending on factors including weather conditions, driving styles, vehicle load, starting charge of the battery (for EV) or any accessories fitted after registration. 5 Year / 100,000 miles (whatever comes first) Manufacturer Warranty for the LCV range Unlimited mileage for Paintwork, Nissan Genuine Parts & Accessories, Roadside Assistance & Corrosion. Nissan warranty doesn't cover all converted parts. For more details, please contact your Nissan dealer or www.Nissan.co.uk.

new EV registrations, the BVRLA says the status quo is unsustainable.

It is urging the Government to act now to strengthen demand for used EVs, by using EV-targeted grants, tax incentives and a confidence-building communication campaign, which would boost demand and stabilise prices.

If ministers fail to intervene, research commissioned by the BVRLA suggests that used EV prices will carry on falling over the rest of this decade.

It predicts that, between 2024 and 2030, used EV car prices will fall by a further 28%. A fragile electric van market will also see used prices drop, by 12%.

'EXCEPTIONALLY CHALLENGING' YEAR

FN50 leasing companies have highlighted the challenges faced by the collapse in EV used values and they have also been illustrated by their individual financial performance.

In February, vehicle leasing giant Ayvens reported a 22.2% drop in global pre-tax profits year-on-year, down from £1.42bn to £1.1bn.

Figures suggested a £341m year-on-year decline in used car sales, with Ayvens blaming falls in RVs.

The FN50's biggest leasing company, which is majority-owned by French bank Société Générale, has a risk fleet of 294,000 cars and vans in the UK and a global fleet of 3.4 million cars of which about 10% are EVs.

Ayvens says it is now leasing EVs for longer than internal combustion engine (ICE) cars to reduce resale risks.

In the summer, Lex Autolease, part of the Lloyds Banking Group, reported that its pre-tax profits had plummeted by more than £400m year-on-year.

It posted a pre-tax profit of £124.4m for 2023, a dramatic fall on the £544.2m reported for 2022.

The fall in profits came despite Lex Autolease's revenue increasing over the same 12 months from £2bn to £2.2bn as new vehicle supply improved.

Blame, in part, was levelled at lower profits on the disposal of vehicles "due to market conditions" and increased interest expense on its borrowings.

Profits on vehicle disposals were also behind a challenging year for Zenith. Its annual financial results showed turnover was £788.4m, up 16.1% year-on-year, from £679m the previous year. However, adjusted gross profit was £134.4m, down 8.5% year-on-year, from £147m.

The figures also revealed that its average termination profit per vehicle was down 40% year-on-year as a result of weak used vehicle prices both for BEV and ICE vehicles.

At the time, Zenith CEO Tim Buchan told *Fleet News* it had been an "exceptionally challenging year" for the automotive sector, with much uncertainty about the ban on ICE vehicles, including the five-year delay to the 2030 deadline.

"I'm proud of the way we are responding to the challenges, finding ways to mitigate the risks and impact on our business," he added.

"Extending leases within our existing battery electric vehicle fleet, launching new products to new markets and ensuring our fleet has a healthy balance of BEV and ICE vehicles, all help to meet the needs of our customers while driving the success of our own business."

To mitigate losses, Zenith is targeting lease extensions where losses may be anticipated on the sale of individual vehicles, enabling additional lease rentals to be received during a period of lower depreciation.

Called Project Volt, it is targeting 3,000 lease contracts which are due to end during the next financial year (FY25).

Several leasing companies have also launched used car leasing products, with the BVRLA recently reporting that demand was up 7.7% for used EV leases.

Kit Wisdom, managing director of Tusker, told *Fleet News* that its secondhand EV salary sacrifice scheme was being launched with five businesses from its 2,500-strong customer base, before being rolled out more widely.

**The combined pre-tax profit and total turnover figures are estimates, with pre-tax profits based on the reported figures for 81% of the risk fleet, and revenues based on returns for 84%.*

Genesis GV60 Sport Plus 180 kW RR + 180 kW FF (490 PS) - electric energy consumption (combined): 19.1 kWh/100 km; CO_2 emissions (combined): 0 g/km; electric range based on a full charge (combined): 289 miles. The consumption and emission values are based on the Worldwide Harmonised Light Vehicle Test Procedure (WLTP). Further information on the WLTP measurement procedure can be found at https://www.genesis.com/uk/en/wltp.html. The GV60 Sport Plus is a battery electric vehicle requiring mains electricity for charging. Figures are intended for comparison purposes. Only compare fuel consumption, CO_2 and electric range figures with other cars tested to the same technical procedures. These figures may not reflect real-life driving results, which will depend upon a number of factors including the starting charge of the battery, accessories fitted (post-registration), variations in weather, driving styles and vehicle load.

Salary sacrifice continues growth trajectory as car fleets explore alternative funding options

Contract hire share down, but easily remains most popular funding method, reports *Tom Seymour*

Salary sacrifice (sal/sac) continues to grow as it reaches its highest market share ever totalling almost 83,000 units, accounting for 6.2% of cars on the FN50 risk fleet.

The funding type, which allows employees to 'sacrifice' part of their salary in return for a new car, has steadily been increasing its market share since 2020 and has nearly doubled since the Covid-19 pandemic.

In some cases sal/sac is replacing traditional contract hire as more organisations look to offer flexibility and a more affordable route into electric or lower emission vehicles.

The Government's Zero Emission Vehicle (ZEV) Mandate requires increasing percentage shares of car manufacturers' new car sales to be zero emission and fleet is a vital sales channel to achieve targets to avoid costly fines.

Contract hire (operating lease) accounted for the vast majority of the FN50s car risk fleet, with a market share of 85.8%, which is continuing to see share erosion, down from 88.2% last year, as a result of the gain from salary sacrifice.

The number of sole supply deals is rising, with leasing companies reporting that 44% of their customer contracts, on average, are on solus agreements, compared with 40% last year.

There's a trend for those leasing companies within the top 10 of the FN50 to be heavily weighted towards traditional operating lease contract hire.

For six of the top 10, contract hire accounts for more than 90% of their funded fleet volume, with two reporting that all of their cars are funded on contract hire agreements.

Lex, which is the second largest leasing provider in the FN50, has seen a switch between funding products, rather than what Ashley Barnett, senior manager strategic consultancy at Lex Autolease, says would be described as a "decline in popularity of traditional contract hire".

SAL/SAC UPTURN

Barnett explains: "We're seeing an upturn in the use of salary sacrifice among those who have previously opted for traditional company car schemes so vehicles that would previously have been recorded as contract hire will now be sal/sac.

"In addition to this we are seeing previous company car drivers who opted out during rising benefit-in-kind (BIK) taxation move into sal/sac.

"We're also seeing an uptake in used car leasing/ used salary sacrifice, which is not only attractive from a cost perspective, but also improves sustainability and flexibility with shorter leases available."

Barnett believes traditional contract hire will continue to dominate as the main funding method for the wider fleet sector as it is the most understood and established route.

However, he acknowledges the funding landscape is showing signs of a shift as fleet operators explore alternative solutions.

"This trend is, in part, driven by evolving operational needs and an uncertain economic environment, but also the different tax advantages that can be gained using some finance products versus others," he says.

"Rising costs, sustainability goals, and vehicle technology advancements, particularly the growth of electric vehicles (EVs), are also influencing changes."

The British Vehicle Rental and Leasing Association (BVRLA) says in its latest *Leasing Outlook* report this summer that the cost-of-living crisis, allied to the 'sticker shock' of new lease rentals being much more expensive than for the cars they replace is driving a change in the way fleets approach funding.

The BVRLA has seen the salary sacrifice fleet increase by 63% year-on-year, with some funding executives believing the growth could be even higher than that due to brokers of public sector framework agreements classing the funding type under business contract hire.

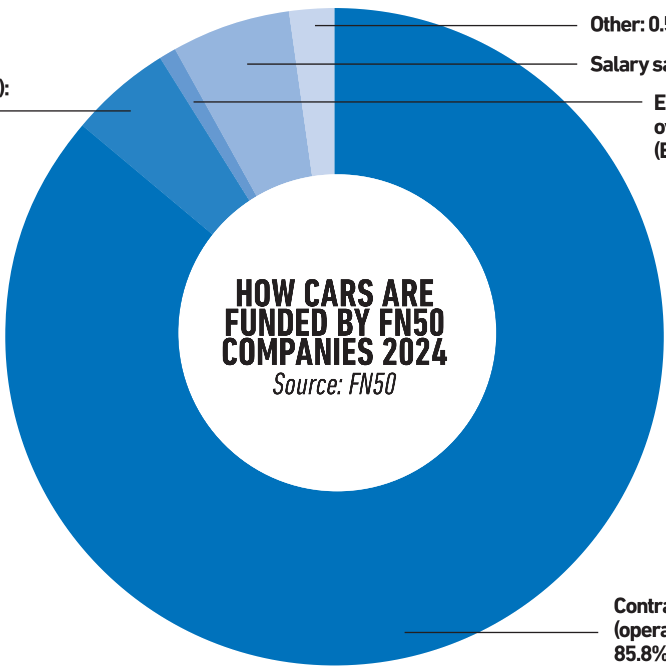
Tusker continues to be the sal/sac market leader in the UK, representing 96.7% of its business.

Tusker is positioned as parent company Lloyds Banking Group's sal/sac specialist, while Lex focuses on its core business of contract hire.

Tusker says it has recorded a "major turning point" for salary sacrifice over the past two years, with both large and smaller companies introducing

"WE ARE SEEING PREVIOUS COMPANY CAR DRIVERS WHO OPTED OUT DURING RISING BENEFIT-IN-KIND TAXATION MOVE INTO SAL/SAC"

ASHLEY BARNETT, LEX AUTOLEASE



schemes specifically as a way to attract or retain employees.

Kit Wisdom, Tusker managing director, says the continued growth for sal/sac has been due to the strong interest in electric vehicles.

Approximately 80% of Tusker's orders in 2024 have been for EVs and 15% have been for hybrids.

Wisdom says: "We're seeing a mixed, balanced approach where companies are using both contract hire and salary sacrifice to offer their drivers cars which meet their needs and requirements.

"Contract hire remains crucial for traditional company cars, especially for those driving high mileages.

"Running alongside this is salary sacrifice, which opens up opportunities for the broader workforce, including perk and cash allowance drivers, to access EVs while also reducing their tax liability."

Wisdom says the growth of sal/sac can also be attributed to more employees outside of the traditional company car sector becoming aware of the schemes and EVs more generally. He says that while there is still the need for conventional company car schemes, salary sacrifice opens up the chance of a vehicle for all permanent employees, provided their salary doesn't drop below the National Living Wage following the sacrifice.

REPORTING CHANGES

Sal/sac will see some changes in the next couple of years as HMRC brings in new rules around how company cars and expenses are reported.

HMRC has announced changes to the reporting and paying of tax and Class 1A national insurance contributions (NICs) on benefits-in-kind.

The removal of the need to report benefits on P11D forms, set to take effect from April 2026, will impact both employers and employees.

The changes will actually simplify and remove frustrations for some that have felt there have been inconsistent tax deductions and delayed payments.

So, while employers will need to prepare for the changes, Tusker is predicting a continued increase in salary sacrifice, particularly with the 2035* deadline for the ban on the sale of new petrol and diesel vehicles looming as employers look to familiarise employees on EVs.

Tusker also expects to see additional growth from salary sacrifice with used cars.

The business launched its pre-loved car offering in September in order to bring down the price of entry to newer vehicles for a broader range of employees.

Changes to future BIK rates could be a potential risk factor for the continued growth of EVs with fleets, including sal/sac as a funding method.

Wisdom adds: "Foresight of these BIK rates are key for drivers to know what they'll be paying post-April 2028. Keeping BIK rates low for EVs will be crucial for the continued success of EV adoption in order to meet the ZEV Mandate's targets."

* This date may revert to 2030 based on Labour election pledges.

Nearly 90% of van fleets are choosing operating lease as preferred funding method

Finance lease loses a little ground as appetite for risk shows slight change. *Tom Seymour* reports

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Operating lease has recovered ground in the past 12 months to take a nearly 90% share of the market in terms of the ways van fleets have chosen to fund their vehicles through the top 50 leasing companies in the UK.

Operating lease accounted for 88.4% funding for vans this year, an increase of almost two percentage points compared with 86.6% last year.

It means finance lease has lost the bit of the ground it made up last year, falling from 11.7% to 10.3% this year.

It hints at a slight change in appetite for risk from a fleet perspective. Finance lease sees the fleet take the residual value (RV) and depreciation risk, as well as having responsibility for settling the final balloon payment.

That means if a vehicle exceeds its forecast value, the fleet gets the benefit of the profits, but if it drops below its projected value the fleet will have to make up the shortfall.

With operating lease, the leasing company takes on the risk, which could be particularly important for fleets that are looking to take on more electrified vans, but are unsure of where things stand in terms of their future values on the used market.

Ashley Barnett, Lex Autolease senior manager strategic consultancy, says there has been a move away from finance lease for van fleets.

Barnett says this gradual shift has been driven by a stronger appetite and understanding of operating lease for vans.

He says: "We tend to see companies stick to the funding product they're used to unless they have a supportive finance team behind them that can help unpick the intricacies of funding methods outside of operating lease."

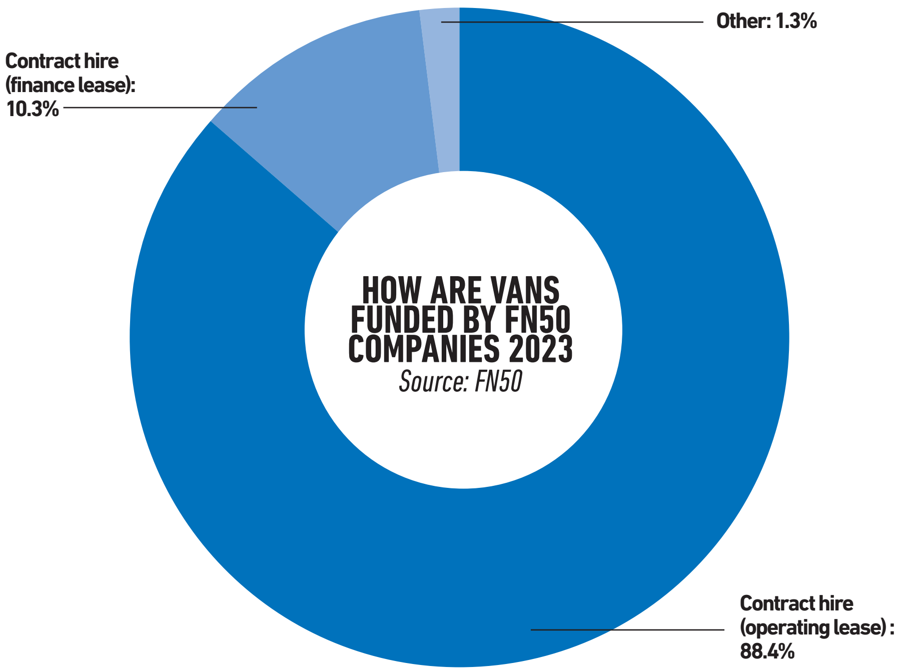
For many, operating lease is the comfortable, 'go-to' option – especially as new environmental regulations come into play and more businesses adopt electric vans.

The potential unpredictability surrounding the RVs of vans, particularly those used for high-mileage or heavy-duty purposes, may make finance leases less attractive.

Lex, which does have a proportion of its van fleet through finance lease, has seen some customers weigh up the risk reward when disposing of vehicles. Fleets that have the necessary dedicated focus and support may see bigger returns at end-of-contract disposals.

These fleets might choose funding options, such as finance lease, that enable them to retain and dispose of the asset at the end of its contract.

Barnett explains: "In contrast, operating leases provide more predictable costs, without the concern around what will happen on disposal or having the resource to deal with the administration."



ELECTRIC CAVEAT

There is a caveat with thoughts around electric vans, however, particularly in terms of this switch influencing changes in funding methods.

While many forward-thinking fleets are looking to make the switch, the latest *Leasing Outlook* report from the British Vehicle Rental & Leasing Association (BVRLA) does note that the complications of running electric light commercial vehicles (e-LCVs) is prompting some operators to schedule another cycle of diesel vans, rather than make the switch to zero tailpipe emissions.

Or, in some cases, fleets have made the switch to EV for some vans and had to return them ➲

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early due to them being too challenging operationally.

Contract hire (operating lease) continues to be the most popular option for van fleet funding as it provides low initial financial outlay, fixed costs, protection from depreciation risk and there is also the ability to reclaim some of the VAT associated with the lease.

However, finance lease can offer a bit more flexibility operationally for van fleets as they don't run on a fixed mileage, compared with operating lease. With operating lease, the fleet has to agree to a certain number of miles per year.

The top 10 FN50 all have a heavy weighting towards contract hire (operating lease) representing the largest proportion of their business for vans.

TAKING THE RISK

Four of the top 10 have 100% of their van fleet through operating lease, while two others are pretty close behind at more than 95% each. It means the vast majority of funded van fleets are seeing leasing companies taking the RV risk, compared with finance lease.

There are some outliers within the FN50 with one top five business diversifying its funding portfolio with two-fifths of its van customers through finance lease.

However, Holman UK continues to be the van finance lease specialist in the UK with 100% of its business using this funding method. The business has thousands of cars on its books, but a larger proportion of its client base is running commercial vehicles.

It allows Holman to concentrate on offering solutions to fleets based on flexibility and data.

Holman believes transparency is a key reason why it has won 20 customer contracts in the UK this year, accounting for around 4,000 vehicles, as well as the much-publicised BT contract which went live more than a year ago.

The business now sits in 16th place within the FN50 after being catapulted into the list of the largest leasing companies in the UK for the first time last year at 19th.

Rory Mackinnon, Holman commercial director, says: "I think the fluctuations year-on-year are much of a muchness generally between operating lease and finance lease.

"When we look at our customers, we know they're looking for flexibility and control over the asset. Finance lease allows you to terminate the contract when you need to. You can exit at the right time when taking into account the residual value or maintenance and vehicle off-road curve for vans.

"Finance lease gives fleets the power of choice."

DEDICATED TEAM

Mackinnon acknowledges that traditionally finance lease may require a business to have a dedicated fleet and transport team to manage more associated with running vehicles compared with operating lease.

However, Holman has built its business upon offering the convenience of an operating lease, with the flexibility that a finance lease affords.

Mackinnon says: "Over the past couple of years we've taken on around 70 clients that have converted from operating lease to finance lease and they haven't reverted back."

"THE DESIRE FOR OPERATIONAL SIMPLICITY AND COST MANAGEMENT, ESPECIALLY IN UNCERTAIN ECONOMIC CONDITIONS, IS PUSHING THIS TRANSITION (TOWARDS ZEVs)"

ASHLEY BARNETT, LEX AUTOLEASE

He believes there has actually been a "bit of an over-correction" with regards to electric vehicle prices, but managing the residual risk for eLCVs is possible, often by extending the lease over a longer term and keeping a close eye on data.

While second-life leasing is also looking to address the leasing industry's challenges around managing used EV RV fluctuations, this solution does pose a trickier ask for electric vans.

The first e-LCVs are being significantly outperformed by newer models in terms of range and payload, which is making their useability on the second-hand market or for a second or third lease more questionable compared with cars.

Barnett thinks the increased adoption of electric vans is prompting some fleets to reconsider their funding options.

He says: "Since EV technology in the van space can be considered still relatively new, there are many unknowns and possibly misconceptions around residual values, battery life, and the rapid pace of technological advancement which may make outright purchases and finance leases less attractive.

"Operating leases allow businesses to transfer the financial risks associated with these uncertainties to the leasing company, reducing exposure to fluctuations in vehicle residual values."

The FN50 research also shows that the percentage of contract hire agreements with maintenance for vans has actually fallen slightly over the past 12 months, moving from 62% down to 57%. The trend is reflected for trucks too, with HGVs with maintenance falling from nearly 80% last year, all the way down to 60% for this year's FN50 data.

HIGHER RENTALS

The BVRLA says that while fleets do appreciate the peace of mind and budgeting allowed by including maintenance with their contract hire agreements, leasing executives have made no secret of the fact that every element of a contract is being scrutinised for potential cost savings as customers are grappling with higher rentals due to fluctuating RVs.

There's also an EV element here around electric vans for those fleets taking them on, as they have fewer moving mechanical parts, so don't need to visit the workshop as often (although wearables like brakes and tyres are, of course, still a big consideration).

The BVRLA suggests the reduction in moving parts and seeming better predictability around service, maintenance and repair (SMR) costs may have led some fleets to feel more comfortable switching to a pay-as-you-go arrangement.

Barnett adds: "Whichever option fleets choose they can benefit from including maintenance and repair services.

"These funding options can often reduce the administrative and financial burden on businesses, making them more appealing in a market where the transition to zero emission vehicles is growing in line with the ZEV Mandate.

"The desire for operational simplicity and cost management, especially in uncertain economic conditions, is pushing this transition."

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Andrew Holgate, Chief Executive Officer, Jaama

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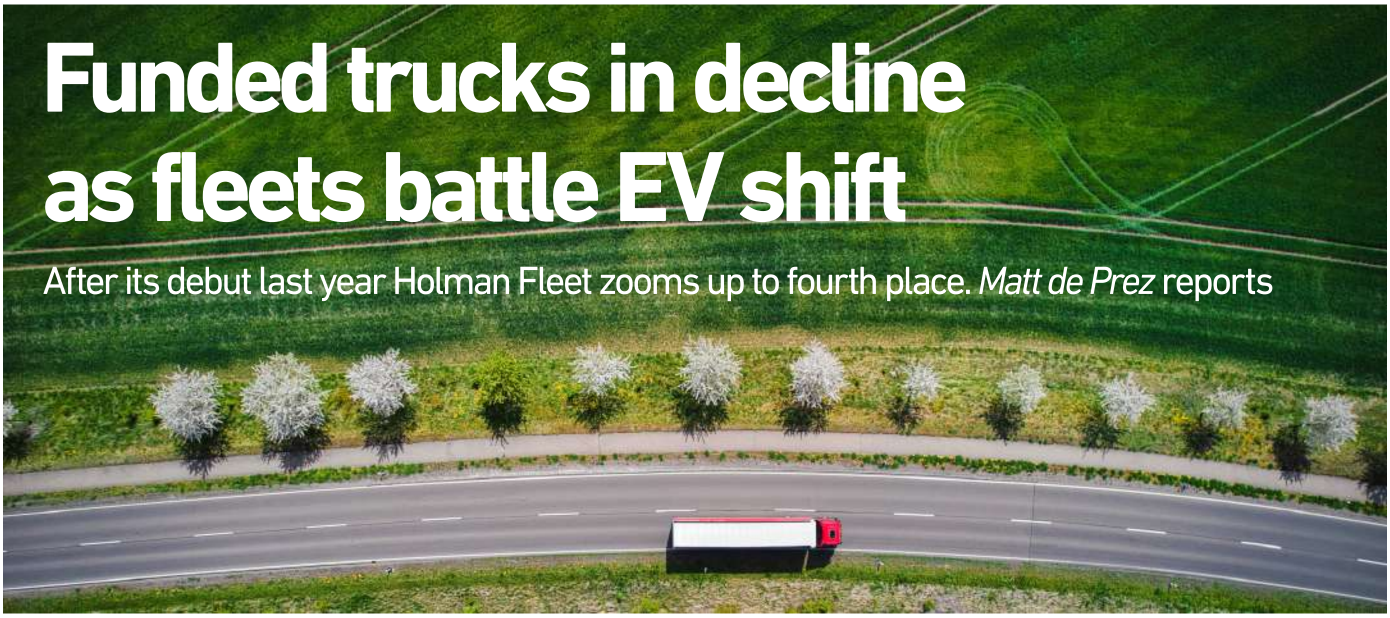
Pure energy from Statkraft

Funded trucks in decline as fleets battle EV shift

After its debut last year Holman Fleet zooms up to fourth place. *Matt de Prez* reports



The number of trucks funded by FN50 leasing companies has declined year-on-year, reversing the upwards trend seen in the previous two years.

As a result, FN50 leasing companies now operate a total of 28,084 trucks, down on the 29,716 recorded last year. However, this is mainly down to the FN50 exit of Prohire, which last year funded 1,463 trucks. It declined to participate this year.

Looking at the top five funders specifically, total truck fleet size has fallen 2.3% in the past 12 months.

Zenith has seen the biggest decline, yet it remains the largest truck funder in 2024 – a position it has held for the past three years following its acquisition of the Cartwright Fleet Services, finance sales and rental businesses. The company has 15,250 funded trucks and also the largest volume of managed trucks at 40,735.

Novuna Vehicle Solutions is the second-largest truck funder in this year's FN50. It has achieved consistent growth in recent years and now has a funded truck fleet of 5,971 vehicles.

Close Brothers occupies third place with 3,972 trucks, up 25% on last year, meaning the top three is unchanged from 2023.

Holman Fleet surges into fourth, after appearing in the FN50 for the first time last year. It currently has 1,153 funded HGVs, up from 358 in 2023.

The business signed a seven-year fleet management deal with BT Group last year, which included all of its light commercials, large commercials and specialist vehicles, HGVs, plant and ancillary equipment – the majority of which reside in the Openreach division. These vehicles were previously managed by Rivus, which has since entered administration.

Earlier this year, Holman picked up another former Rivus contract when it signed a deal with National Highways.

While its risk fleet has increased, Holman has reduced its managed fleet from 16,496 to 4,654. Part of this cut came after it lost a fleet management contract with Travis Perkins to Zenith.

The managed truck fleet among FN50 leasing companies is down overall in 2024, at 48,285 versus 53,275 in 2023. Zenith not only has the largest managed fleet, but it also has grown its managed fleet by the most vehicles in the past year, gaining more than 6,000.

It is expected that leasing firms will see further growth in their truck fleets in the coming years as more fleets seek electric or other alternative fuel vehicles. The upfront costs, along with residual value uncertainty, mean fewer operators want to own these vehicles outright – as has previously been commonplace in the heavy sector.

Specialist Fleet Services (SFS), which has a risk fleet of 475 trucks, supplies vehicles to numerous local authorities who are under pressure to electrify their fleets. The company is working closely with its customers to help them meet this challenge.

Bob Sweetland, managing director of SFS, says: "We have developed our expertise over time, according to what our customers need to meet the changing requirements of the services they provide.

"We invest a lot of time getting to know our customers' operations inside out and we go to great lengths to stay ahead of the curve regarding new developments in vehicle technology, regulatory requirements, and Government policies, so we can guide our customers through the challenges ahead.

"The electrification and decarbonisation of fleets is a major area of focus for the future for most councils and we are helping our customers lay the foundations for alternative-fuelled fleets. As part of this we have installed two electric refuse vehicles at CTS Hire that councils can rent for three months to try out the technology on rounds in their own area and make informed decisions about their refuse collection fleet."

ZERO-EMISSION TRUCK SALES NEED TO ACCELERATE

Zero emission truck registrations have reached record levels but still only account for a fraction of the entire HGV market.

Uptake rose by 30.0%, according to data from the Society of Motor Manufacturers and Traders (SMMT), to achieve a 0.6% share of market, up from 0.4% in Q2 last year.

With just more than a decade to go until the end of sale of non-ZEV HGVs weighing less than 26 tonnes, fleet operators continue to face a grant system that is lengthy and covers fewer than half of all available models.

Progress on the roll-out of HGV-specific charging facilities also remains lacklustre, according to the SMMT. While more are expected to come online in the coming months, the UK currently has just one dedicated truck public charging location.

Mike Hawes, SMMT chief executive, says: "The UK's place as Europe's second largest zero emission truck market demonstrates Britain's potential to be a leader in the ZEV truck transition. Delivering that ambition, however, requires compelling incentives and infrastructure which will put operators on a confident path to 2035 and beyond."

Company	Funded/risk truck 2024	Funded/risk truck 2023
Zenith	15,250	16,009
Novuna Vehicle Solutions	5,971	5,886
Close Brothers Vehicle Hire	3,972	3,162
Holman Fleet Limited	1153	358
Venson Automotive Solutions	496	498
Specialist Fleet Services	475	398
VMS (Fleet Management)	406	550
Day's Fleet	136	136
ALD Automotive I LeasePlan UK	117	952
Radius Vehicle Solutions (NI)	76	76

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Neil Wilson, Ford of Britain Fleet Director

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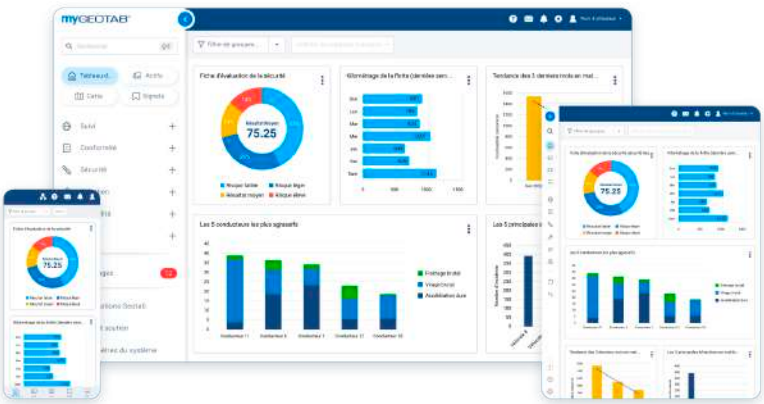

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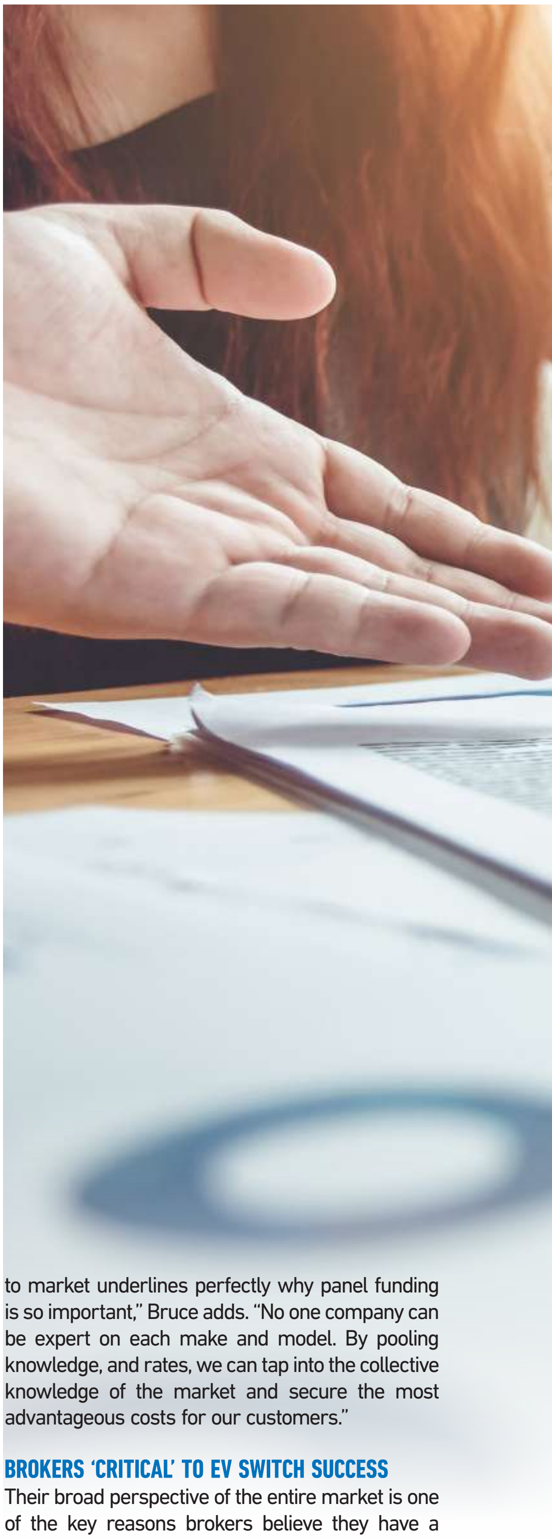
Leasing brokers play critical role in driving growth and EV transition



Broker-derived vehicles in the FN50 represent more than £12bn in new vehicle sales. *John Maslen* reports

Broker channels account for around a quarter of leasing company vehicles, this year's FN50 research reveals, highlighting the importance suppliers play in the success of the industry.

The UK's biggest leasing companies provided data on the proportion of business arriving through broker channels for this year's FN50 survey; the proportion varies significantly by company, from zero to more than 60%.

Overall, 26 of the 43 leasing companies who provided data say they use brokers, with 19 indicating that 10% or more of their fleet is sourced through partners; of these, nine leasing companies say more than 30% of their fleet is broker-related, while for two it is more than 50%.

The largest FN50 companies dominate the broker market, with 70% of the top 10 using indirect sales channels, which typically provide 35% of their fleet. Between them, the top 10 FN50 companies operate 90% of the estimated 400,000 broker-derived vehicles in the FN50 fleet, representing more than £12 billion in new vehicle sales.

According to the bi-annual British Vehicle Rental & Leasing Association (BVRLA) leasing broker survey, business contract hire is the main driver for the sector, representing 95% of the business finance fleet. For consumer finance, personal contract hire dominates, but salary sacrifice (sal/sac) is growing rapidly, with its share of the consumer fleet reaching just more than 1%.

Although the latest broker data points to a dip in new contracts from highs achieved in 2023 (except sal/sac, which continues to grow), brokers remain confident they can overcome any challenges ahead, working in partnership with leasing providers.

> IT IS ALWAYS ABOUT THE ADDED VALUE THAT A PARTNER CAN BRING, NOT JUST THE CHEAPEST PRICE POINT
>
> **GRAHAM LESSLIE, GOFOR**

A POSITIVE OUTLOOK FOR A CHANGING MARKET

Brokers have a positive outlook for the industry as they adopt an agile approach in response to changing customer needs, particularly when it comes to small-to-medium-sized businesses (SMEs) that require high levels of support in an increasingly complex fleet environment.

This includes advice ranging from funding options to fuel choice and curating a selection of the best leasing providers and services on the market, tailored to suit customer needs.

Will Voisey, managing director of Synergy Car Leasing, says: "The right broker partner is an extension of the fleet manager's team, working hand-in-hand to deliver their requirements.

"We are very optimistic about the coming year. As the cost-of-living increase begins to slowly ease, we expect to see renewed confidence in both businesses and private individuals, who may have held back on leasing a new vehicle until now."

It is a view shared by Graham Lesslie, CEO of Edinburgh-based Gofor, which provides funding solutions as part of an array of fleet management services.

He adds: "We are expecting the market to grow, particularly in the business-to-business space where we operate. Businesses need more support with the 'heavy lifting' elements of fleet management. It is always about the added value that a partner can bring, not just the cheapest price point."

THE POWER OF THE PANEL

Delivering the best services at the most competitive price is a key role for brokers and shows the 'power of the panel', according to Andy Bruce, CEO of Fleet Alliance, where chosen funders bid against each other to secure a new vehicle order.

"The concept of panel funding has never been more important," he says. "Over the past 12 months, we have made an average saving of more than 9% for new clients we have onboarded by employing panel funding."

This broader perspective is proving essential to navigating changing market conditions, such as the transition to electric vehicles (EVs). Changes in new vehicle pricing and residual values are creating peaks and troughs in rates that require expert analysis to minimise costs.

For example, Fleet Alliance identified variations of up to £200 in monthly leasing rates among its panel of 11 funders between the highest and lowest quote for the same EV.

"The growing number of new electric cars coming to market underlines perfectly why panel funding is so important," Bruce adds. "No one company can be expert on each make and model. By pooling knowledge, and rates, we can tap into the collective knowledge of the market and secure the most advantageous costs for our customers."

BROKERS 'CRITICAL' TO EV SWITCH SUCCESS

Their broad perspective of the entire market is one of the key reasons brokers believe they have a critical role to play helping fleets to switch to EVs, and also enabling manufacturers to comply with ZEV Mandate targets.

Rod Lloyd, chair of the BVRLA's Broker Committee and CEO of The LCV Group, says: "As a sector, we are already comfortably above ZEV Mandate targets and remain a route for manufacturers to meet their obligations."

The BVRLA's latest broker analysis for June 2024 shows that 27% of the broker car fleet is battery electric vehicles (BEVs), with pure EVs accounting for 45% of the business contract hire fleet.

However, demand slowed in the first half of the

year and Lloyd believes more Government support is needed to deliver market stability.

He adds: "The phase out (in 2030 or 2035) represents a significant risk to us unless we see greater Government support."

This is particularly the case for electric vans, where demand is lagging far behind ZEV Mandate targets.

Global Vans CEO Andrew Hurst believes the industry is 'uniquely positioned' at the heart of the market to enable change, but agrees that further support is needed.

He says: "The Government will need to step in to create EV demand and increase infrastructure to prevent the EV transition stalling."

He adds that a key consideration for slow growth in e-LCVs is that electric vehicles may not be the best solution for all, adding: "We must remind the Government that new ICE (internal combustion engine) vehicles are still better for the environment than older ones."

For Synergy Car Leasing, getting the message across has meant inviting a local MP to its offices to raise awareness of the key role brokers are playing, and campaigning for more Government involvement.

Graham Lesslie, CEO of Gofor, adds: "The industry simply can't meet the ZEV Mandate without brokers on board."

He wants to see more extensive efforts to dispel EV myths, citing YouGov research that found one-third of small businesses have no plans to reduce emissions, adding: "Continued messaging will be key, alongside a strong Government narrative on electrification."

AI IMPROVES GROWTH AND CUSTOMER SERVICE

In addition to electrification, brokers are also grappling with the pace of artificial intelligence (AI) development and its impact on business processes.

Lesslie says: "AI adoption will have a big impact on broker performance for those that use it well.

"AI and data-driven decision-making should allow brokers to offer even better service, while freeing up time to enhance quality and engage in more meaningful customer interactions."

In June, broker software platform MotorComplete announced it was rolling out an automotive AI chat product that has previously proved highly successful with dealers.

Ben Harratt, chief technology officer of partner AI company AutoConverse, says: "It seems like an optimal time to expand to the broker market. The technology has been proven beyond all doubt in the retail sector, where we have seen clients double their leads and halve their costs by switching from human-led chat systems."

However, despite the digital drive, brokers say the personal touch remains vital.

Synergy Car Leasing's Voisey adds: "The customer relationship requires both parties (broker and leasing company) to play their individual roles to the best of their abilities. A bad experience provided by a leasing company reflects negatively on the broker who introduced the customer to that leasing company, and vice versa.

"Retention of customers requires mutual co-operation; we need to give the customer a reason to not have to go elsewhere."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FN50 fleet the cleanest it's ever been

But there is significant variance between leasing firms' exposure to EVs, reports *Jonathan Manning*

The decarbonisation of fleets is making good progress, aided by a tax regime that makes battery-powered vehicles especially attractive

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Few carrots have proved as swiftly successful as the Government's highly supportive benefit-in-kind (BIK) tax regime in its goal of luring company car drivers to convert to zero-emission vehicles.

The past three years have seen a 17% decline in the average CO_2 emissions of cars on the FN50 fleet to just 76.1g/km, and the average for new cars on order is a super-clean 58.7g/km, 22% down on 2023.

Rewind a little further and the transformation is even more dramatic. In 2019, just 2.8% of new orders were battery electric vehicles (BEVs). This year, well in excess of a quarter (27.1%) of deliveries were battery-powered, and the technology's share of future order banks is substantially higher.

Tax-friendly plug-in hybrid cars also grew their market share, up to 16.6% (2023: 13.7%) of the total fleet, and account for 24.7% of orders in the past 12 months, triggering mixed feelings among leasing companies.

For some, these are the natural stepping stones to fully electric cars. For others, they are an engineering abomination that demands the most disciplined fleet management to ensure drivers do actually recharge the batteries.

Among fossil fuel options, new deliveries in 2024 have seen the continued strength of petrol cars, slipping marginally to 26.2% of orders in the past 12 months (2023: 28.5%), while diesel continues its slide to oblivion, down to 8.1% of deliveries (2023: 10.5%).

The destination of zero emission vehicles, at least for business customers, is now clear, although the trajectories of leasing firms vary greatly. A granular inspection of FN50 data reveals a significant divergence in the penetration of EVs on leasing company fleets. Unsurprisingly, those with substantial salary sacrifice businesses have the highest proportion of electric cars (sal/sac schemes work best financially for zero emission cars). But other correlations are evident, too.

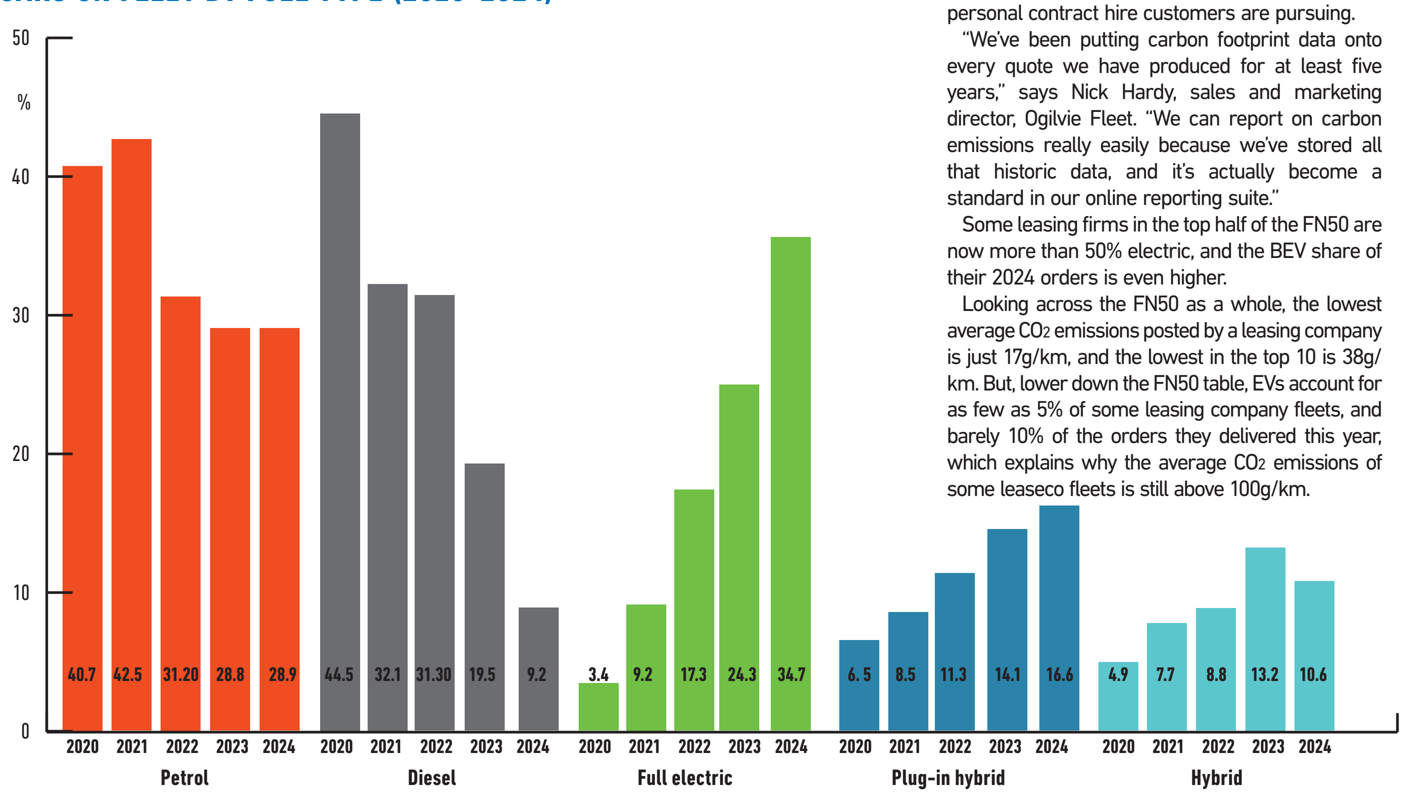
As a rule of thumb, the larger the leasing firm, the higher the percentage of EVs in its fleet. These firms are more likely to supply larger corporate customers, which, in turn, are more likely to have ambitious ESG agendas that require a swifter transition to electric company cars than SMEs and personal contract hire customers are pursuing.

"We've been putting carbon footprint data onto every quote we have produced for at least five years," says Nick Hardy, sales and marketing director, Ogilvie Fleet. "We can report on carbon emissions really easily because we've stored all that historic data, and it's actually become a standard in our online reporting suite."

Some leasing firms in the top half of the FN50 are now more than 50% electric, and the BEV share of their 2024 orders is even higher.

Looking across the FN50 as a whole, the lowest average CO_2 emissions posted by a leasing company is just 17g/km, and the lowest in the top 10 is 38g/km. But, lower down the FN50 table, EVs account for as few as 5% of some leasing company fleets, and barely 10% of the orders they delivered this year, which explains why the average CO_2 emissions of some leaseco fleets is still above 100g/km.

CARS ON FLEET BY FUEL TYPE (2020-2024)



Even for some medium and large fleets, the cost and operational compromises of electrifying company cars remain prohibitive, regardless of the BIK and national insurance contribution (NIC) savings. Once the low hanging fruit has been electrified, the next stage is proving to be exponentially more difficult, especially for drivers unable to charge their cars at home. Public charging costs about four times as much and risks taking time out of a driver's working day, undermining productivity.

"We often talk of fleets within a fleet – cars acting as vans, business-need workhorse company cars, perk company cars and salary sacrifice," says Christopher Caddick, head of business development at JCT600 VLS.

While it's pushing at an open door to switch a driver from a petrol or diesel BMW 3-Series into an i4 or Tesla Model 3, given the tax savings, finding a viable battery-powered car for an employee accustomed to a lower medium sector diesel estate is far more challenging.

"Those vehicles still don't really exist at the right price point," says Caddick. "Do those customers have the deep pockets to invest in the charging infrastructure as well as the cars?

"And can they risk disrupting their business in pursuit of a goal that may be not as important to their shareholders as it is for some large corporates? Possibly not.

"That's why we're spending a lot of time helping customers on that journey, providing demonstrator vehicles, doing cost analyses and developing business cases for different user profiles."

> DO CUSTOMERS HAVE THE DEEP POCKETS TO INVEST IN THE CHARGING INFRASTRUCTURE AS WELL AS THE CARS?
>
> **CHRISTOPHER CADDICK, JCT600 VLS**

Reticence to switch to EVs aside, there's no escaping the clock ticking down to the end to the sale of cars with internal combustion engines. The new Labour Government pledged in its manifesto to restore the 2030 deadline for the ban, and the Zero Emission Vehicle Mandate is forcing the transition.

In 2024, FN50 company deliveries have been well ahead of the 22% share of EVs stipulated by the mandate, and have almost achieved next year's threshold of 28%.

The trouble brewing is that these EV registrations are dominated by company cars, which are running far ahead of the private car market in the transition to electric. The Society of Motor Manufacturers and Traders (SMMT) has repeatedly highlighted this year how fleets are accounting for upwards of three-quarters of EV sales, and once registrations were counted for the important new car registration month of September, the data showed that year-to-date private EV demand is actually down -6.3% on the same period of 2023.

Such a sharp disconnect between fleet and retail sales is causing jitters among residual value forecasters concerned that supply of used EVs will far exceed demand when these lease vehicles are defleeted in three or four years' time (see page 80), perpetuating the disposal losses suffered on EVs this year.

Finally, much as leasing companies and their business customers would like to portray their rapid uptake of EVs as environmentally-driven, most concede that it is BIK tax bills rather than the fate of polar bears and ice caps that have underpinned demand. This report goes to press before the new Government's first Budget, and while HMRC has confirmed BIK rates until 2028, any significant increase beyond this date could seriously jeopardise the pace of progress, warn leasing firms.

"The potential adjustments to BIK rates, fuel duty and other elements in the Budget could reshape the fiscal landscape for fleet operators. These changes could have far-reaching effects on vehicle choice, operational costs and overall fleet management strategies," says Ian Turner, chief sales officer at Alphabet.

FN50 bucks downward trend of e-LCVs

New orders delivered by leasing companies in 2024 exceeded the ZEV Mandate threshold for electric vans, reports *Jonathan Manning*

Leasing appears to hold the key to electrifying the UK's light commercial vehicle (LCV) fleet, with battery-powered additions to the FN50 fleet running well ahead of nationwide figures.

Electric powertrains accounted for a 13.3% share of FN50 van deliveries over the past year, and now represent 9.5% of the total fleet.

The 2024 orders for electric light commercials (e-LCVs) are more than twice as high as last year's 5.8% share, and stand in a stark contrast to national sales. Registrations recorded by the Society for Motor Manufacturers and Traders (SMMT) for the first nine months of this year reveal e-LCV sales to be 9.5% down year-on-year, accounting for just 4.8% of registrations.

This lack of demand throws into jeopardy the Government's Zero Emission Vehicle (ZEV) Mandate, which requires that 10% of a manufacturer's sales are electric this year, rising to 16% in 2025. Stiff financial penalties await manufacturers that miss these targets, which suggest that leasing companies are likely to be important allies for OEMs in the road to net zero.

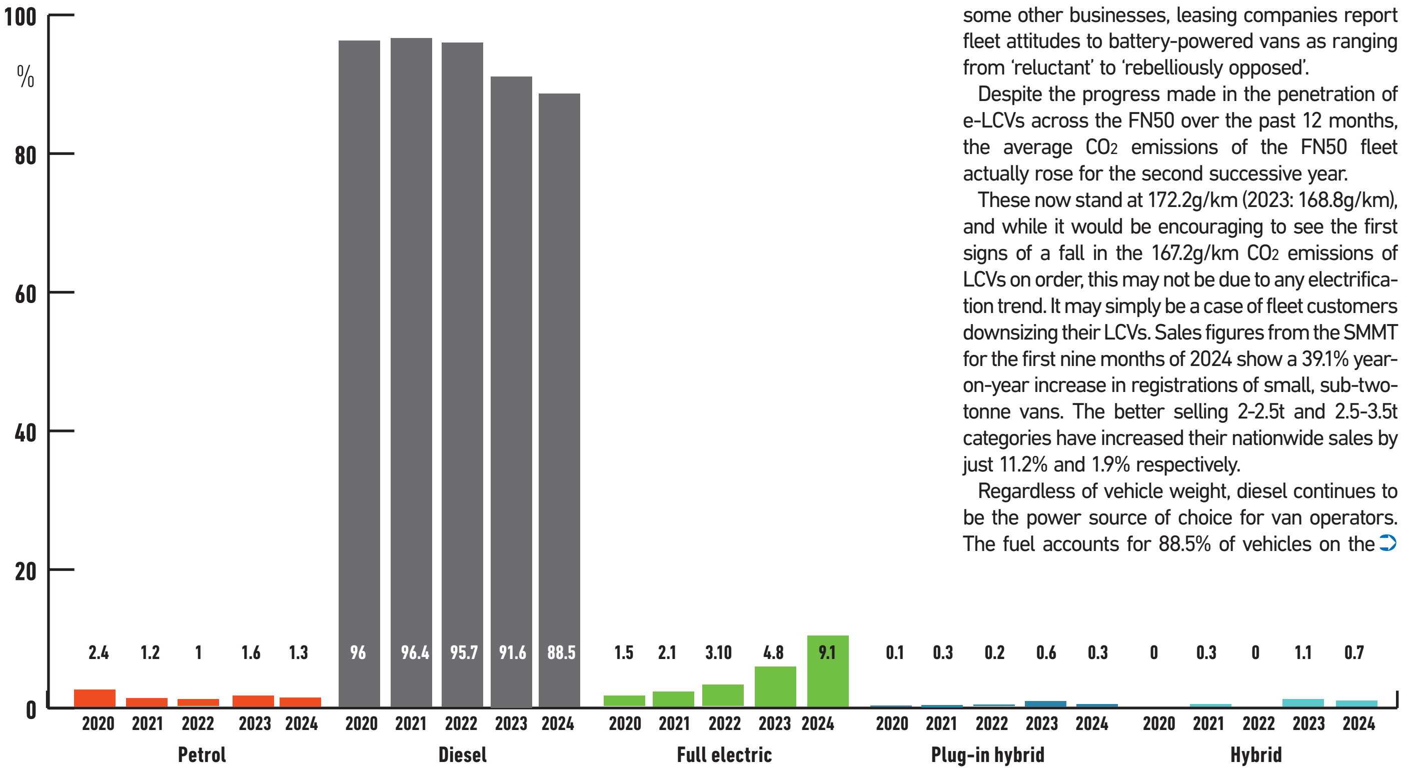
However, aside from a handful of pioneering fleets committed to electrifying their vehicles as early as possible, and a limited number of trials by some other businesses, leasing companies report fleet attitudes to battery-powered vans as ranging from 'reluctant' to 'rebelliously opposed'.

Despite the progress made in the penetration of e-LCVs across the FN50 over the past 12 months, the average CO_2 emissions of the FN50 fleet actually rose for the second successive year.

These now stand at 172.2g/km (2023: 168.8g/km), and while it would be encouraging to see the first signs of a fall in the 167.2g/km CO_2 emissions of LCVs on order, this may not be due to any electrification trend. It may simply be a case of fleet customers downsizing their LCVs. Sales figures from the SMMT for the first nine months of 2024 show a 39.1% year-on-year increase in registrations of small, sub-two-tonne vans. The better selling 2-2.5t and 2.5-3.5t categories have increased their nationwide sales by just 11.2% and 1.9% respectively.

Regardless of vehicle weight, diesel continues to be the power source of choice for van operators. The fuel accounts for 88.5% of vehicles on the

VANS ON FLEET BY FUEL TYPE (2020-2024)



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Commercial Director David Sawford says: "We are proud to once more be Racking Associate Sponsor for the FN50 Awards. The evening recognises the crucial role that leasing companies – and their people – play in keeping the UK economy on the move."

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FN50 fleet, and 80.5% of new orders delivered in the past 12 months, with the internal combustion engine (ICE) alternative of petrol adding another 4%.

While benefit-in-kind (BIK) tax support is rapidly electrifying the company car market, and heavy goods vehicles experiment with hydro-treated vegetable oils and hydrogen as lower carbon alternatives to diesel, for van fleets the only option on the table currently is "electric or bust", says Paulo Larkman, fleet consultant, Novuna Vehicle Solutions.

"If fleets can't get electric to work, then they're procrastinating," he says.

The trouble is that it's easy to find fleets that can't make e-LCVs work. Range, payload, towing, off-road requirements and, especially, the complexity of charging are all conspiring against many like-for-like replacement cycles of swapping a diesel van for an electric model.

"The real-world ranges that we're seeing from empirical evidence of vans on the road indicates that, as a rule of thumb, fleets should halve the WLTP range figure," says Larkman. "The exam question for OEMs is to build a van that can take 800kg for 200 miles and, at the moment, the product's not there."

The exam question for fleet decision-makers involves an intimate understanding of LCV journeys, he adds, "so you know exactly where vehicles are, what are their dwell times, and what's their payload, and you can only get that through a telemetry platform. We're looking at these deep data sets with customers to identify vans that can be electrified, but the challenge is what to do with vehicles that can't be electrified."

New e-LCVs with longer ranges and better payloads are in the pipeline, but their cost and charging complications are going to be problematic.

"ANY BUSINESS DOING 40,000 MILES IN A VAN IS NOT GOING TO BE ABLE TO CONSIDER AN ELECTRIC VEHICLE"

NICK HARDY, OGILVIE FLEET

"For a lot of our customers, the van is the tool for the job that brings in income, and jeopardising that by switching into technology that may or may not work for them is just not reasonable," says Christopher Caddick, head of business development at JCT600 VLS.

"These may be privately-owned businesses, rather than major corporates with a huge investment strategy around sustainable growth. Our aim is to target the low-hanging fruit, those use cases that could electrify, and to start those trials. But the resounding feedback is that electric wouldn't work for higher mileage users, so there is still a lot of work to be done."

There's also mounting pressure from manufacturers for van orders to match the percentages of the ZEV Mandate, which this year means that larger fleets have to order 10 e-LCVs in every 100, and next year 16, but without the support of the heavy discounts apparent in the electric car market.

Naturally, this has led to pushback from customers, reluctant to pay more for a vehicle that offers less.

"To help make e-LCVs affordable, we'll move to a five-year lease, because those customers are unlikely to be doing many miles in them," says Nick Hardy, sales and marketing director, Ogilvie Fleet. "Any business that's doing 40,000 miles in a van is not going to be able to consider an electric vehicle."

With each LCV fleet following its own timeline, Grosvenor Leasing has developed a product called Electric Van Switch to facilitate the transition to e-LCVs as early as possible.

"We appreciate that fleets cannot stand still, so we created this programme which allows businesses that order a traditional ICE vehicle to exit those agreements without penalty and transition to an electric van that's suitable for them, as and when an appropriate vehicle becomes available," says Nick Hughes, Grosvenor Group CEO.

"This provides them with the reassurance that they're not locked into a leasing contract for four years – if technology moves on at pace, they don't necessarily need to miss out on an early transition."

And one thing is for sure, whether the deadline is 2030 or 2035, businesses have no choice but to wean themselves off diesel and onto zero emission alternatives. In fleet terms, that's barely two replacement cycles.

The fleet manager role is more important than ever

Near unanimous verdict from leasing bosses is that professional companies need a professional fleet leader. *Stephen Briers* reports

The role of the fleet decision-maker is more important than ever. That's the clear message from FN50 leasing bosses who believe overwhelmingly that the growing complexity of technology, electrification, energy management, data management, connectivity and regulatory compliance means companies should be employing professional, skilled fleet leaders.

It's a complete reversal on the prevailing views of just a few years ago when the fleet manager was viewed as obsolete for all but the largest, most complex operations.

As reported by *Fleet News,* a growing number of companies have started recruiting their first-ever fleet managers. But the view of Marshall Leasing managing director Greg McDowell will resonate with many when he says: "The role continues to be under-appreciated by some companies."

This observation is reinforced by Arval which claims that "businesses are still slow to catch on" to the need for a fleet manager.

Managing director Lakshmi Moorthy explains: "There has been a trend of removing a dedicated role of fleet manager, and making it part of HR/Reward, Procurement or Facilities, where it forms just part of a role – resulting in a loss of experience and knowledge in the industry. However, it is still strategically important.

"For example, with the rise in connected fleets and data being key in decision-making, it's the art of interpreting this data and how this impacts the wider fleet that is being missed, and decisions may be made that can have a fundamental impact to fleet operations."

However, not every leasing provider is a paid-up member of the fleet manager appreciation society. Three smaller companies feel fleet managers are outdated and no longer relevant.

Adept Vehicle Management declares bluntly that companies should "outsource to fleet management companies for half the cost", a view espoused by Fleet4You which adds that "leasing providers can do more for companies". AMT Vehicle Rental, meanwhile, says the importance of fleet managers is diminishing "due to more advanced systems and AI".

Their opinions are very much in the minority, though, marking a definitive revival of the fleet manager.

Artificial intelligence (AI) is an interesting development (see feature on page 48 for more insight). ICR Leasing also feels it could "potentially" erode elements of the fleet manager role, but adds stoutly: "With such a changing market, fleet managers that really know their stuff and keep up to date are at the cutting edge and are worth more than ever."

And Leasys believes AI could aid fleet managers by providing greater insight into data which would “support some of the roles that the fleet manager would normally manage”, says marketing director Shane Coomber, “freeing them up to focus on more strategic priorities”.

Alphabet is unequivocal that the role of fleet manager “is more important than ever”, driven by a combination of increasing regulatory demands, corporate sustainability goals and ongoing market uncertainty.

Chief sales officer Ian Turner says: “From emissions standards to the potential tax changes in upcoming Budgets, fleet managers must stay ahead of evolving regulations, while balancing costs and efficiency. As more companies commit to net-zero emissions targets, fleet managers are integral to aligning vehicle strategies with broader corporate sustainability goals.

“The increasing availability of vehicle connectivity and data is also transforming the role. With more sophisticated telematics and real-time data, fleet managers can gain new insights into fleet performance, maintenance and driver behaviour. This is particularly game-changing for light commercial vehicle fleets, where operational efficiency and uptime are critical.

“The ability to manage this data effectively requires fleet managers to be not just operational overseers but strategic decision-makers who can translate data into actionable insights.”

The UK’s two largest leasing providers, Lex Autolease, which operates outsourced contracts for a number of companies, and Ayvens both draw a distinction between different fleet profiles.

Lex Autolease feels the role of a fleet manager is less important on car fleets with companies outsourcing, leaving procurement, finance or HR as the main stakeholders.

It adds: “However, the converse applies in LCVs which are becoming more complex, and with the ZEV Mandate focusing attention on electrifying LCV fleets, the ‘in-house’ fleet manager will have the specific knowledge, oversight and responsibility to structure the transition effectively.”

Ayvens takes a similar stance, highlighting differences between perk fleets, where the focus is more on benefits schemes such as salary sacrifice, and business-critical fleets.

“The former have less need of a traditional fleet manager and can be administered by an outsourced fleet manager, reporting into the benefit and reward function of HR,” says the company. “But business-critical fleets have always relied on a fleet manager to ensure smooth and economical operation.

“Fleets must grapple with the real challenges of full decarbonisation, and the organising mind of a good fleet manager will be essential to ensure that the right outcomes are achieved, without losing control of costs or negatively affecting their organisation’s ability to fulfil its core functions.”

Outsourcing only gets a company so far, though, according to Multifleet Vehicle Management.

“It may be beneficial for a business to outsource many elements of the fleet to a competent fleet management business which delivers savings and efficiencies,” it says. “But the business is still responsible for the fleet, and it needs to have a skilled, competent individual to head this up.”

Other leasing companies see less need to distinguish between fleet types when it comes to employing a professional fleet leader.

Drivalia Lease UK commercial and operations director Duncan Green simply says: “Fleet managers are crucial in optimising efficiency, reducing costs and ensuring compliance, making their expertise more valuable than ever.”

And John Wright, managing director at Ford Fleet Management, adds: “Fleet managers have a new host of challenges to face. They can be aided by the advancing technology we are seeing; however, it is the fleet manager, ultimately, that needs to leverage the insights available.”

It is undoubtedly the case that the responsibilities of the modern fleet manager are rapidly evolving which has been the catalyst behind more roles being created.

Venson Automotive Solutions highlights the fact that, despite fleet being the second largest expense after payroll, the role of the fleet/transport manager has been abolished by many companies. It also believes this is now changing.

WITH THE RISE IN CONNECTED FLEETS AND DATA BEING KEY IN DECISION-MAKING, IT’S THE ART OF INTERPRETING THIS DATA AND HOW THIS IMPACTS THE WIDER FLEET THAT IS BEING MISSED

LAKSHMI MOORTHY, ARVAL


ISTOCKPHOTO.COM/ JACOBLUND

"What is the future of the fleet manager?" asks Simon Staton, director of client management.

"Well, it could be reborn as we move into a brave new world of mobility featuring the 'connected' car and eventually autonomous vehicles and 'big data' while traditional fleet suppliers – vehicle manufacturers, contract hire and leasing companies and daily rental providers – evolve into mobility providers.

"The fleet industry has never stood still and has continually adapted to changes in legislation and the way society operates."

Complexity of the role has also meant fleet managers must liaise with – and bring together – multiple stakeholders within the business.

Paulo Larkman, fleet consultant at Novuna Vehicle Solutions, says: The number of stakeholders that fleet managers have to engage with is ever-growing and the scope of fleet delivery is also increasing with time. Efficient fleet operation is therefore becoming more complex and the importance of the effectiveness of the fleet manager is increasing."

And Pendragon Vehicle Management managing director Phil Wilbraham adds: "Having someone within an organisation who understands the challenges and can articulate them internally is extremely powerful."

Pure Leasing highlights three elements of the role which mean fleet managers are in greater demand: cost management/efficiency, regulatory compliance and environmental regulations, while FN50 newcomer Rivervale adds another four: supply chain management, route optimisation, duty of care obligations and SMR.

"These challenges need constant attention," says CEO Vince Pemberton.

Meanwhile, Holman Fleet emphasises the responsibility for controlling huge expenditure, as well as day-to-day management and need to address emissions.

"Balancing all three areas is a challenge but also important for fleet managers to navigate," says commercial director Rory McKinnon.

SG Fleet provides a solid job description for a modern fleet manager in its depiction of the role.

Commercial director Chris Salmon says fleet managers have "always been a critical factor in the success of a fleet operation" but, interestingly, he believes the loss of the role over the past decade can be linked to the reduction of traditional company car fleets.

Nevertheless, Salmon says: "A fleet manager is not only essential for managing suppliers, including manufacturers, convertors and leasing partners, but also serves as a vital source of knowledge and experience, particularly for liaison with internal stakeholders, including finance, operations, HR and the drivers themselves.

"Good fleet managers really understand the intrinsic relationship between the vehicle, the employee and the business. They help the business maximise the benefits of its assets, oversee safety and compliance, control variable costs and optimise supplier relationships. The fleet manager role also involves knowing when and how to adopt emerging technologies within a fleet operation, of which there is a growing abundance.

"Based on this final point alone, and considering the automotive sector is changing more rapidly than ever before, a suitably qualified fleet manager could be instrumental in helping a fleet operation to navigate such a complex, but potentially rewarding, marketplace."

It's a description that could be cut out and pinned to staff notice boards the length and breadth of the country!

An alternative take is provided by Ogilvie Fleet, which suggests the role of the fleet manager is neither increasing nor decreasing in importance; rather it is simply changing.

"As we move into a multi-generational workforce, consisting of Baby Boomers, Generation X, Millennials and Generation Z, there is greater emphasis on diverse perspectives, expectations and work styles. Managing and leveraging this diversity is essential for fostering collaboration, innovation and ongoing employee commitment," says sales and marketing director Nick Hardy.

"Fleet managers (and their employers) who understand these dynamic changes will flourish. Those who ignore it could be challenged. The adoption of fleet strategies that embrace these new employee needs and introduce flexible employee mobility programmes that attract and retain talent will be essential as employers move forward.

"Fleet managers can take a pivotal role here and become a more integral part of a company's future strategic HR and operational plans."

FN 50 2024

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BUILT ON FIRM FOUNDATIONS – WHY SHAREHOLDERS MATTER

Corporate ownership has a major influence on the culture, attitude and approach of businesses, says Nick Hughes, CEO, Grosvenor Group

In association with

In an era of tumultuous change, stability is proving to be a cherished commodity. Over the past three years, fleets have naturally sought a port when faced by the storm of vehicle supply shortages, constant car and van price increases, and bi-monthly interest rate rises, all followed by a precipitous decline in residual values.

Through this tsunami of troubles, Grosvenor Leasing has grown steadily, providing reassuring consistency to a client base that includes many household names.

The company's success is due in no small part to its family-owned structure, which prioritises a long-term approach, said Nick Hughes, Grosvenor Group CEO. In an industry dominated by banks, vehicle manufacturers and private equity firms, with their relentless pressure for profit and growth, the UK's largest privately-owned contract hire and fleet management specialist can instead pursue a different agenda.

"We've never been tempted to grow the fleet in any other way but organically and sustainably, and that's due to our legacy as a family business first and foremost," said Hughes.

The consultants McKinsey & Co define this philosophy as stakeholder capitalism, which is focused on creating long-term value not only for shareholders, but also for customers, suppliers and employees. Profits and returns still matter, but "stakeholder capitalism defines 'value' in broader terms".

Grosvenor customers witnessed this first-hand in the aftermath of the pandemic, when long lead times saw many other leasing companies increase their rentals between order and delivery to cover the cost of higher interest rates and vehicle price rises. Grosvenor honoured the prices it had originally quoted for their legacy customers.

"Customers don't want everything passed on to them, they want their leasing company to be agile and find solutions to buffer some of the pain," said Hughes.

There's further proof of stakeholder capitalism among Grosvenor staff, where almost a quarter of the 85 employees have been with the company for 25 years (Hughes has been with the Grosvenor Group for 40 years), so customers aren't faced by a carousel of ever-changing contacts and account managers. Moreover, in an industry where an increasing number of women have responsibility for their companies' fleets, half of Grosvenor's 12-strong senior leadership team are female.

For all the hi-tech advancements in IT, apps and vehicle connectivity, leasing remains a people business, and "we very much see people as the key to our USP", said Hughes.

Grosvenor Leasing itself is investing a seven-figure sum in a new IT system that will automate and connect a number of manual processes to optimise internal efficiencies. From a customer perspective, the ambitious programme will also integrate online service bookings, bring tighter controls to managing vehicle downtime, and give clients access to all the data and management reports they require at the click of a mouse.

Importantly, the future-proofed IT system will liberate staff time to be proactive and enhance the customer experience. Grosvenor is not and never will

be a business where fleet managers find themselves caught up in an endless call centre loop, dialling one for X and two for Y, when they just want a straightforward answer to their enquiries, said Hughes.

"I can see among the customers that Grosvenor wins that they want the infrastructure and support of a national provider, cutting-edge technology and the automation of certain services, but they're also crying out for personal service," he adds. "They're desperate to be able to talk to somebody and get suitable advice."

Grosvenor's flat leadership structure gives it an agility that allows it to make decisions rapidly, said Hughes, without the convoluted processes and protocols that delay other leasing companies. As a practical example, he suggested that it could take as little as 24 hours for Grosvenor to set up a live salary sacrifice solution, with all of the protections against resignation, redundancy, maternity, paternity and long-term sickness that employers and their drivers could require.

Salary sacrifice has proved a runaway success as businesses have seized the opportunity not only to offer staff a highly prized benefit, but also to green the company car park and cut Scope 3 emissions from commuting.

Demand for fleet management support has also soared since the pandemic, partly due to the financial impact the crisis had on companies and their growing awareness of the time and resource required to run a fleet efficiently, and partly due to the increasing complexity of fleet responsibilities. The idea of one person being able to master the procurement, operation, compliance, data protection and cyber security issues of managing a fleet seems unrealistic, especially when so many executives share their fleet duties with another role.

"Customers are turning to Interactive Fleet Management (part of the Grosvenor Group) precisely because fleet has become so complex that it's stretching people into areas they don't always understand," said Hughes. "So, the decision often comes down to 'why are we doing all of this? Why don't we pass it to the professionals to handle?'"

For the past 15 years, Grosvenor has offered its Panel of Experts service, ready to answer any customer questions about compliance, CO_2, taxation, legal responsibilities, technical details, fleet policy, and health and safety requirements, promising that the advice is just a phone call, email or LinkedIn message away.

For fleet decision-makers, the growing rate and scale of change are only going to complicate the challenges that lie ahead. Supply chains are set to be transformed by manufacturers migrating to agency distribution models, bringing greater transparency to pricing and standardising discounts. The Zero Emission Vehicle Mandate is distorting the availability of some internal combustion engine cars and vans as manufacturers deploy varying tactics to avoid stiff penalties. And pressure is mounting on businesses to establish a decarbonised fleet operation before bans on the sale of petrol and diesel vehicles come into force, potentially as early as the end of the decade.

"Faced with this outlook, fleet managers are looking for a different style of solution to the one they've had before, a solution where they actually talk to real people and have a sensible, stable relationship, rather than constant price changes and constant personnel changes," said Hughes.

"Grosvenor is a very safe pair of hands to be working with through these challenging times."

"Firm foundations that extend beyond shareholder responsibilities. Ownership structure has a major influence on the culture, attitude and approach of businesses"

says Nick Hughes, Grosvenor Group CEO

E-LCV switch when it's suitable

When you've met one van fleet, as the saying goes… you've met one van fleet. Different permutations and combinations of duty cycles, mileages, payloads, towing requirements, and single or multiple driver rosters give each fleet unique characteristics. This makes van fleet management difficult at the best of times, but when electrification and charging complications enter the equation, the challenge increases exponentially. Put bluntly, there is no universal plug-and-play solution to the struggle of transitioning to zero-emission light commercial vehicles (LCVs).

Conscious that these factors mean each LCV fleet is following its own timeline, Grosvenor has developed an innovative product called Electric Van Switch.

"We appreciate that fleets cannot stand still, so we created this programme which allows businesses that order a traditional internal combustion engine (ICE) vehicle to exit those agreements without penalty and transition to an electric van that's suitable for them, as and when an appropriate vehicle becomes available," said Nick Hughes, Grosvenor Group CEO.

"This provides them with the reassurance that they're not locked into a leasing contract for four years – if technology moves on at pace, they don't necessarily need to miss out on an early transition."

He emphasised Grosvenor's determination to put itself in its customers' shoes and fully understand the business and operational issues they face on the road to decarbonisation. No company wants to be paying highly trained engineers to sit idly while their van recharges, or risk late deliveries because a vehicle is still plugged in. The wheels of business have to keep turning, literally and metaphorically.

This means some organisations are having to reconsider their entire operating model in order to meet their sustainability commitments.

"Grosvenor has been working individually with our commercial vehicle clients to offer support, analyse their operations and help them to identify the vehicles that they may be able to transition now and which they will need to delay as they wait for better product," said Hughes. "Plus, we're providing demonstrator vehicles so customers can trial how they could make electric vans work for them."

He has also seen a number of operators start to consider hydrogen vans as a viable alternative to the complications of battery-powered vehicles. Vauxhall is due to start factory production of the Vivaro-e Hydrogen, which promises a range of up to 249 miles, and a three-minute refuelling time, although running the zero emission vehicle will still involve challenges, most notably access to a refuelling network and sourcing 'green' hydrogen.

"LCV operators are taking a balanced approach at the moment and keeping an open mind as to whether an EV is the right solution for them right now, while keeping one eye on what develops with hydrogen," said Hughes.

EValuate: try before you buy

A quick glance at Grosvenor Leasing's order bank reveals that 83% of new additions to its car fleet this year will have a plug, a sizeable increase on the 54% of its current fleet that is either battery-electric or plug-in hybrid.

With every fleet facing the Government-promised 2030 deadline for an end to the sale of petrol and diesel cars, Grosvenor has developed its EValuate product, targeted at the 20% of customers still resistant or reluctant to switch to battery power. The innovative solution offers used EVs over flexible lease terms of one month to three years, so customers can trial zero emission motoring without an early termination penalty if the technology does not satisfy their transport needs.

"Our customers can dip their toes in the water and try an EV without a long-term commitment. If it doesn't work for them, fine, but for most people, once they have a go in an EV, they realise how it can work," said Nick Hughes, Grosvenor Group CEO.

The product is one element of Grosvenor Leasing's multi-award-winning Ozone solution, which has been designed to guide fleets to a more sustainable future, tackling the environmental, operational and financial implications of operating ultra-low and zero-emission vehicles.

The service incorporates EV funding, charging solutions, the establishment of a robust green car policy, and driver education to ensure a smooth transition to cleaner vehicles.

"If it doesn't work for them, fine, but for most people, once they have a go in an EV, they realise how it can work"

says Nick Hughes, Grosvenor Group CEO

How understanding the used vehicle market underpins RVs

With its own megastore retail site for its ex-lease vehicles, Grosvenor Leasing has a direct insight into the used market and the demands of secondhand buyers. The facility plays a key role in helping the company manage its residual value (RV) risk and provide consistency in its contract hire pricing, especially at a time when the entire leasing industry has been rocked by volatile shifts in the fortunes of electric vehicles.

All end-of-contract vehicles pass through Grosvenor's de-hire centre, where they are inspected, triaged for repairs and refurbishment, before being channelled to the company's retail operation or sent to auction.

With an in-house bodyshop, the centre helps Grosvenor minimise its fair wear and tear charges and maximise its remarketing proceeds by presenting vehicles at auction that are ready to retail.

"We don't operate it as a profit centre, but simply a means to an end," said Nick Hughes, Grosvenor Group CEO.

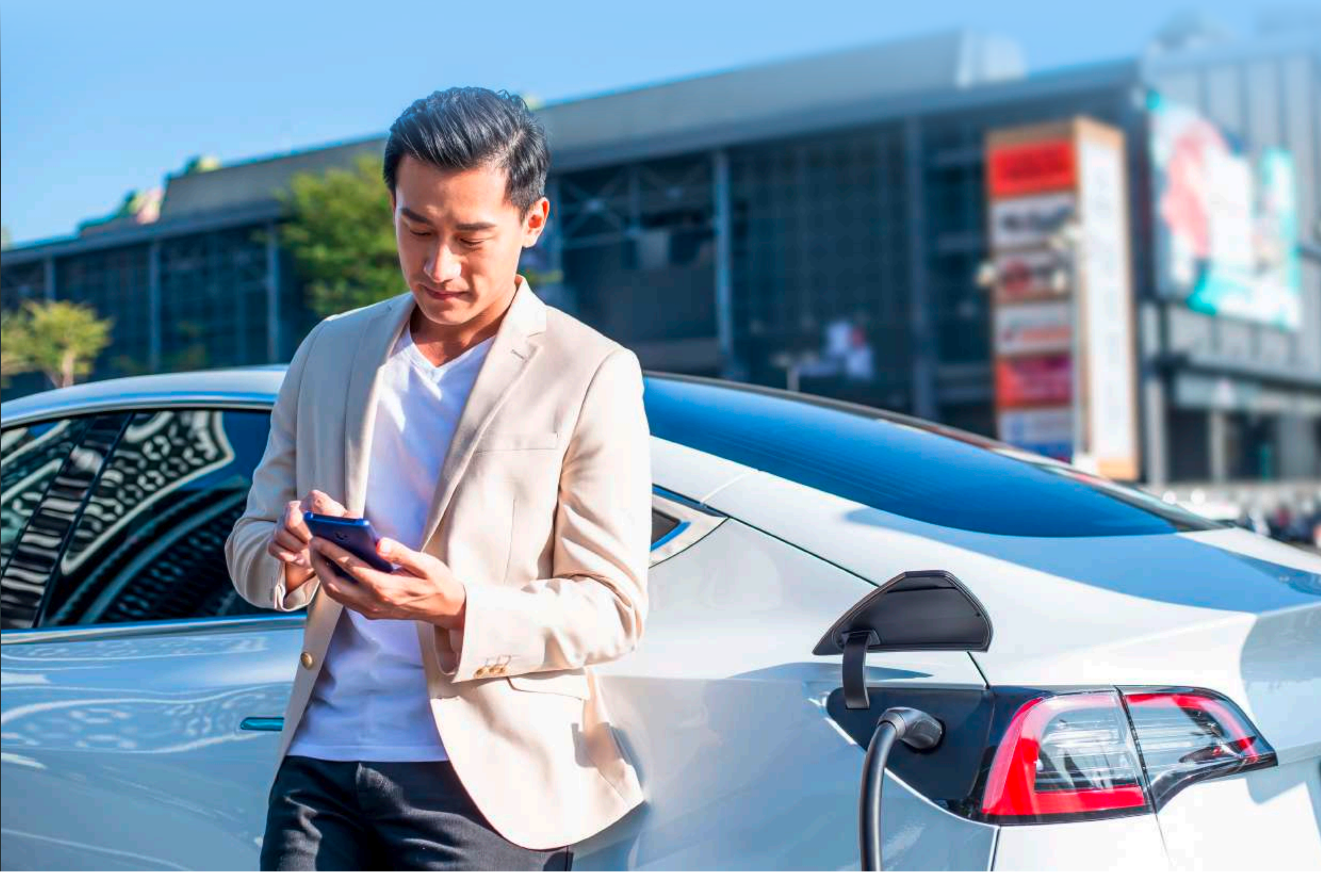
Grosvenor is currently investing heavily in the centre to deal with the rising volumes of vehicles that it will be selling as the company has grown, a volume that includes a rising share of electric models. It is not immune to the residual value pain that has afflicted the industry, but Hughes sees early signs of the long-term decline in EV RVs stabilising. Where a specific make and model has an electric and petrol version, the ICE vehicle is now carrying a slight premium, and "logic tells me that EV vehicles should still hold some sort of premium over ICE", he said.

The market is not yet at this point, but Hughes is more confident in Grosvenor's RV setting than he has been for the past two years, with data from the company's retail site showing that EVs are taking, on average, 28 days to sell, compared with 44 days for ICE vehicles.

"That tells me that consumer demand for used EVs is actually quite robust," said Hughes. "I think retailers' appetite for used EVs is probably less confident than the buyers' appetite."

This is understandable after the experience of watching assets depreciate on forecourts, but there are early promising signs now that EV residual values may have stabilised, he added.

Call: 01536 536 536 or visit: www.thegrosvenorgroup.co.uk



Artificial intelligence: friend or foe?

Widespread possibilities to improve fleet efficiencies, but caveats raised by some leasecos. *Stephen Briers* reports

Some have suggested that artificial intelligence (AI) could make people redundant. Most experts, though, agree that, used correctly, AI will support and complement the fleet manager.

AI can remove more mundane tasks and provide data insight to free up a fleet manager's time, enabling them to focus on strategic priorities armed with greater intelligence.

It is certainly not something to be feared.

Leasing companies have also started to deploy AI across their operations to provider greater support to fleet operators, although it should be noted that 19 FN50 providers have yet to establish the type of role it could play and are sitting back and watching market developments before committing investment.

The comments of Radius Vehicle Solutions are typical of those companies: "AI will play a massive part in the future of fleet management, (but) we will wait and see what progress software providers make in the next couple of years."

Marshall Leasing managing director Greg McDowell says: "No immediate plans, but we are keeping this under review."

"AI IS SET TO PLAY A PIVOTAL ROLE IN THE FUTURE OF OUR INDUSTRY"

CHRIS SALMON, SG FLEET COMMERCIAL DIRECTOR

And Shane Coomber, Leasys marketing director, adds: "We are studying the compliance aspects before we can comment further on how we intend to use this."

Cost of investment is also influencing the speed with which companies are willing to embrace and adopt AI, with Agility Fleet saying: "The OEMs and the dealers will be early adopters. The funders will want to introduce AI to speed up their process. We will look to piggyback as we aren't big enough to invest heavily in this area."

So what progress is being made, and how can AI support fleet operations?

Alphabet has already integrated AI into multiple parts of its business. It believes AI has the "potential to revolutionise fleet management" by making processes and decision-making more efficient, data-driven and customer-centric.

Chief sales officer Ian Turner says: "One of the key areas where we're leveraging AI is in analytics and data interrogation. By utilising advanced AI algorithms, we can process and analyse vast amounts of fleet data in real-time. This enables us to uncover deeper insights into vehicle performance, driver behaviour and operational efficiencies, which might be overlooked with traditional analysis methods. These insights enable fleet managers to make more informed decisions, optimise their fleets and reduce operational costs."

AI is also helping Alphabet in real-time quality assurance. Machine-learning models enable it to proactively predict maintenance needs before they become critical issues. This will enhance vehicle uptime and safety, ultimately saving fleets money.

Turner adds: "AI-powered chatbots and virtual assistants can handle routine questions, freeing up our support teams to focus on more complex issues. This leads to a more efficient and satisfying customer experience.

"We're also using AI to formulate offers based on consumer behaviour. By analysing customer interactions and preferences, AI permits us to tailor our services and offers to meet the specific needs of each business. This personalised approach bolsters customer satisfaction and fosters long-term relationships.

"As part of our commitment to a more digital experience, AI gives us the ability to make quicker decisions by providing immediate access to multiple data sources. This agility is crucial in today's fast-paced business environment, where timely decisions can significantly impact success."

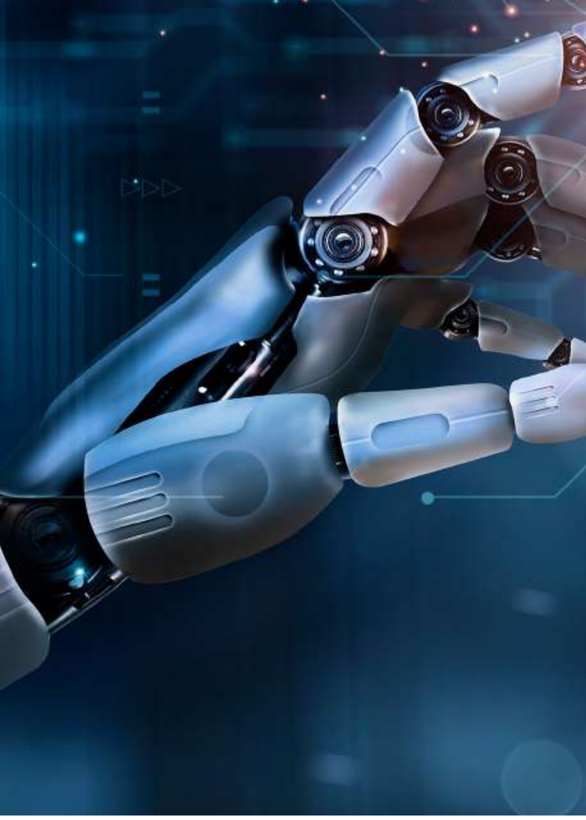
Arval, meanwhile, has developed a five-year AI plan that is intended to enhance and influence the journey of its customers and drivers.

Managing director Lakshmi Moorthy believes AI models will "transform and optimise all our operations and will boost business growth within the next five years".

Arval's strategy has three pillars, she adds:

- **Customer and employee experience:** "Our ambition is to serve our customers 24/7 with the creation of an end-to-end virtual agent along with AI models helping us handle customer requests and feedback more efficiently."
- **Supporting customer offers:** "Using AI to optimise marketing to ensure we are offering the right products and services at the right time in the customer journey. Understanding customer needs better helps us offer more customised solutions."
- **Risk:** "Using AI to improve fraud detection and further protect our customer data through industrialisation of data collection."

It isn't just the largest leasing companies that are investing in AI applications.



FN50 newcomer Drivalia, which sits at number 28, has embedded AI tech within its business, says commercial and operations director Duncan Green, “which already provides benefits to our colleagues, suppliers and customers largely as a decisioning tool in the credit process”.

It is also “keenly implementing” AI in other areas, he adds.

AI is not necessarily all plain sailing, though, and does come with some inherent risks, according to VMS (Fleet Management).

“Implementing AI in critical areas like compliance and maintenance does come with its challenges and risks,” says the company.

“We are looking at the possibilities of where AI will fit in the management of our fleet, but are sceptical at this stage due to the high cost of error. We have been utilising this tech to improve efficiencies in other areas of our business to increase productivity.”

There has also been a consumer backlash against the growing prevalence of AI-based chatbots on websites which are only capable of responding to a limited menu of questions. This will no doubt improve as the technology evolves, but some leasing companies are mindful of the importance of human interaction.

Ogilvie Fleet addresses those concerns head on, with sales and marketing director Nick Hardy stating: “Technology moves fast and the only option is to embrace it and use it as part of our business, while maintaining our stance that real human interaction is an essential tool in the provision of truly first-class customer service.”

Other business applications were also highlighted by leasing companies.

Sogo Mobility expects to use AI in its marketing, end-of-contract and logistics activities, while Total Motion sees real opportunities in voice- and call-handling as well as sales analytics and performance marketing.

Ford Fleet Management intends to incorporate AI into its new FleetVision fleet management platform to assist with fleet utilisation, fuel efficiency, driver behaviour, route optimisation and predictive maintenance using telematics data.

Similarly, Grosvenor Contracts Leasing is developing a new fleet management system that will incorporate AI to generate efficiencies and streamline operations.

Broker-turned-funder Rivervale, meanwhile, is already utilising AI to generate pricing, create quotations and documents “enabling us to streamline our processes and improve customer service”, says CEO Vince Pemberton.

Such is Holman Fleet’s belief in the potential of AI that it has several employees undertaking apprenticeships in AI technology. It is already using AI and robotics within its service offering, supporting how it handles customers and analyses their data.

“AI IS ENABLING US TO STREAMLINE OUR PROCESSES AND IMPROVE CUSTOMER SERVICE”

VINCE PEMBERTON, RIVERVALE CEO

Novuna Vehicle Solutions has been using complex algorithms and machine-learning for some time and is starting to transition into AI, which it believes will provide key fleet oversights, including predictive fleet management. This will be particularly important when aligning job and journey planning to the abilities of electric van and truck charging requirements.

“Efficient journey planning will require the inclusion of vehicle charging (and fuelling events for non-electric vehicles),” explains Paulo Larkman, Novuna fleet consultant.

He adds: “We are also investigating the use of AI for live driver feedback in terms of driving behaviours with a view to improve fleet safety, cut fleet costs and reduce carbon emissions.”

SG Fleet UK, which is current accessing AI, believes the possibilities are “immense”.

Commercial director Chris Salmon says: “We see AI-driven solutions in the supplier market using image analysis to help appraise vehicle condition and damage. Early trials have shown promise, suggesting these are useful in optimal conditions.

“It is clear that AI is set to play a pivotal role in the future of our industry, helping us deliver more efficient, safe and innovative solutions to our colleagues and customers alike.”

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FN 50 2024

The UK's top contra

Rank (2023)	Company	Total RV risk fleet (car/van) 2024 (2023)	Car RV risk fleet 2024	Van RV risk fleet 2024	Truck RV risk fleet 2024	Managing director/CEO
1 (1)	Ayvens	294,538 (313,149)	190,419	104,119	117	Tim Laver
2 (2)	Lex Autolease	281,286 (278,381)	207,017	74,269	0	Nick Williams
3 (3)	Volkswagen Financial Services | Fleet	214,068 (205,176)	177,704	36,364	0	Mike Todd
4 (4)	Arval UK	195,181 (189,243)	147,942	47,239	0	Lakshmi Moorthy
5 (5)	Alphabet (GB)	139,210 (130,919)	114,175	25,035	0	Mike Dennett
6 (6)	Novuna Vehicle Solutions	92,946 (91,838)	54,025	38,921	5,971	Jon Lawes
7 (7)	Zenith	69,492 (69,281)	55,095	14,397	15,250	Tim Buchan
8 (8)	Santander Consumer (UK)	57,000 (55,738)	56,214	786	0	Adam Goldhagen
9 (10)	Leasys UK	51,985 (50,815)	42,346	9,639	0	Matthew Boswell
10 (12)	Tusker	51,108 (32,842)	50,145	963	0	Kit Wisdom
11 (9)	Arnold Clark Finance	49,795 (52,902)	39,969	9,826	0	David Cooper
12 (11)	Kinto UK	42,740 (38,736)	31,502	11,238	0	Matthew Rumble
13 (13)	Select Lease by Mobilize	38,458 (32,001)	30,015	8,443	0	Alice Altemaire
14 (14)	Ogilvie Fleet	23,235 (21,138)	17,109	6,126	0	Gordon Stephen
15 (15)	Athlon UK	17,111 (16,476)	13,517	3,594	0	Patricia Wolfe
16 (19)	Holman Fleet	13,982 (11,484)	5,657	8,325	1,153	Nick Caller
17 (16)	SG Fleet UK	12,983 (13,023)	8,510	4,473	8	Peter Davenport
18 (17)	Marshall Leasing	12,379 (11,883)	8,417	3,962	0	Greg McDowell
19 (20)	Grosvenor Contracts Leasing	11,127 (10,777)	7,455	3,672	0	Lee Brown
20 (22)	Lookers Vehicle Solutions	11,074 (9,982)	7,223	3,851	0	Andrew Collett
21 (18)	Pendragon Vehicle Management	10,293 (11,491)	4,726	5,567	0	Phil Wilbraham
22 (21)	Venson Automotive Solutions	10,290 (10,265)	4,295	5,995	496	Samantha Roff
23 (24)	Total Motion	9,218 (7,894)	7,307	1,911	20	Claire Timms
24 (23)	Day's Fleet	8,687 (8,182)	4,476	4,211	136	Aled Williams
25 (26)	TCH Leasing	7,599 (6,909)	5,711	1,888	0	Chris Nightingale

act hire companies

FN 50 2024

Rank (2023)	Company	Total RV risk fleet (car/van) 2024 (2023)	Car RV risk fleet 2024	Van RV risk fleet 2024	Truck RV risk fleet 2024	Managing director/CEO
26 (25)	JCT600 VLS	7,266 (7,193)	5,437	1,829	0	Ben Creswick
27 (27)	VMS (Fleet Management)	6,260 (6,250)	169	6,091	406	Aaron Laraman
28 NEW	Drivalia Lease UK	5,550 (New for 2024)	5,055	495	0	Alex Hughes
29 (33)	Ford Fleet Management UK	5,172 (3,737)	548	4,624	0	John Wright
30 (28)	Toomey Leasing Group	5,115 (5,160)	3,120	1,995	0	David Houlgrave
31 (29)	Sinclair Finance & Leasing	4,853 (4,891)	3,053	1,800	0	Thomas Jenkins
32 (31)	Radius Vehicle Solutions (NI)	4,506 (4,226)	450	4,056	76	Ben Thompson
33 (30)	Agnew Leasing	4,309 (4,273)	3,064	1,245	0	Graham Thompson
34 NEW	Global	4,078 (New for 2024)	3,271	807	0	Geoff Bloore
35 (32)	SOGO Mobility	3,936 (4,177)	2,682	1,254	0	Tim Duckers
36 (34)	Liquid Fleet	3,037 (3,371)	2,476	561	0	Ismael Aumeerally
37 (35)	GKL Leasing	2,865 (3,081)	2,333	532	0	James Kenning
38 (43)	BMW Financial Services (GB)	2,839 (1,080)	2,758	81	0	Mike Dennett
38 (37)	Hilton Vehicle Leasing	2,839 (2,600)	2,341	498	0	Morgan Devereux
40 (38)	AMT Vehicle Rental	2,140 (2,342)	2,010	130	4	Neil McGawley
41 (36)	Jurni (previously Bridle Group)	2,035 (2,647)	495	1,540	0	Neil Fox
42 (42)	Close Brothers Vehicle Hire	1,618 (1,300)	0	1,618	3,972	Terry Ottey
43 (41)	Agility UK T/A Agility Fleet	1,434 (1,503)	689	745	0	Keith Townsend
44 (40)	Alliance Asset Management	1,408 (1,916)	1,123	285	0	Colin Mather
45 NEW	Rivervale Cars	1,224 (New for 2024)	777	447	0	Vince Pemberton
46 (44)	Multifleet Vehicle Management	1,221 (961)	632	589	0	Steve Whitmarsh
47 NEW	Pure Leasing	778 (New for 2024)	637	141	0	Bob Chamberlain, Zaf Iqbal
48 (46)	Specialist Fleet Services	772 (748)	47	725	475	Bob Sweetland
49 (47)	ICR Leasing	578 (541)	457	121	0	Thomas Ryan, William Chapman
50 NEW	Fleet4you	509 (New for 2024)	329	180	0	Stephen Lowry

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1 ALD Automotive | LeasePlan UK
Brands include: Tesla, Polestar, Kia Contract Hire, Ford Lease, Lombard Vehicle Solutions, Smart
Executive: Tim Laver
Parent company: Ayvens – Société Générale is Ayvens majority stakeholder

2 Lex Autolease
Executive: Nick Williams
Parent company: Lloyds Banking Group

3 Volkswagen Financial Services | Fleet
Brands include: Audi Finance, Seat Finance, Škoda Finance, Volkswagen Finance, Volkswagen Commercial Vehicle Finance, Bentley Finance, Porsche Finance, MAN Finance
Executive: Mike Todd, chief executive officer
Parent company: Volkswagen Finance Overseas

4 Arval UK
Brands include: Honda Contract Hire, Hyundai Contract Hire
Executive: Lakshmi Moorthy
Parent company: BNP Paribas
Financial data: T: £1,619,208,000, PBT: £194,946,000, EBITDA: £296,555,000 (Dec-23 figures)

5 Alphabet (GB)
Executive: Mike Dennett CEO
Parent company: BMW (UK) Holdings
Financial data: T: £1,190,073,314, PBT: £170,684,777 (Dec-23 figures)

6 Novuna Vehicle Solutions
Executive: Jon Lawes
Parent company: Mitsubishi HC Capital UK
Financial data: T: £549.3m, PBT: £62.8m, EBITDA: £444.1m (Mar-24 figures)

7 Zenith
Brands include: ZenAuto, ElectricAuto
Executive: Tim Buchan, chief executive officer
Parent company: Zenith Automotive Holdings
Financial data: T: £788.4m, PBT: £(172.7m), EBITDA: £62.1m (adjusted) (Mar-24 figures)

8 Santander Consumer (UK)
Brands include: Volvo Car Financial Services UK, Hyundai Capital UK
Executive: Adam Goldhagen, CEO

9 Leasys UK
Executive: Matthew Boswell
Parent company: Leasys
Financial data: T: £62,577,000, PBT: £8,190,000, EBITDA: £22,694,000 (Aug-24 figures)

10 Tusker
Executive: Kit Wisdom
Parent company: Lloyds Banking Group
Financial data: T: £337.6m, PBT: £(0.7m), EBITDA: £(0.1m) (Dec-23 figures)

11 Arnold Clark Finance
Brands include: Activa Contracts
Executive: David Cooper
Parent company: Arnold Clark Automobiles
Financial data: T: £534.4m, PBT: £40.5m (Dec-23 figures)

12 Kinto UK
Executive: Matthew Rumble, CEO
Parent company: Kinto Europe
Financial data: T: £294.8m, PBT: £11.6m, EBITDA: £145.0m (Mar-24 figures)

13 Select Lease by Mobilize
Brands include: Mobilize Financial Services, Nissan Financial Services
Executive: Alice Altemaire
Parent company: RCI Bank UK
Financial data: T: £44.2m, PBT: £7.9m, EBITDA: £37.4m (2023 figures)

14 Ogilvie Fleet
Executive: Gordon Stephen
Parent company: Ogilvie Group
Financial data: T: £338,429,190, PBT: £26,156,624, EBITDA: £93,389,131 (Jun-24 figures)

15 Athlon UK
Executive: Patricia Wolfe
Parent company: Mercedes-Benz Mobility

16 Holman Fleet
Executive: Nick Caller
Parent company: Holman Enterprises
Financial data: T: £65,850,946, PBT: £(3,711,554), EBITDA: £(2,728,065) (Dec-22 figures)

17SG Fleet UK
Executive: Peter Davenport
Parent company: SG Fleet Group
Financial data: T: £55,868,000, PBT: £7,457,000, EBITDA: £18,489,000 (Jun-24 figures)

18 Marshall Leasing
Brands include: Marshall Minibus
Executive: Greg McDowell
Parent company: Bank of Ireland (UK)
Financial data: T: £24.9m, PBT: £19.4m (Dec-23 figures)

19 Grosvenor Contracts Leasing
Brands include: Interactive Fleet Management
Executive: Lee Brown, managing director
Parent company: Hardwater Holdings
Financial data: T: £53,518,000, PBT: £10,097,168, EBITDA: £7,900,000 (Dec-23 figures)

20 Lookers Vehicle Solutions
Brands include: Lookers Leasing, Fleet Financial, Get Motoring UK t/a Vehicle Rental Services
Executive: Andrew Collett, director Fleet & Leasing
Parent company: Lookers
Financial data: T: £86,449,000, PBT: £11,303,000, EBITDA: £17,287,000 (Dec-23 figures)

21 Pendragon Vehicle Management
Brands include: Evans Halshaw Leasing
Executive: Phil Wilbraham
Parent company: Lithia UK
Financial data: T: £100.3m, PBT: £26.1m, EBITDA: £23.5m (2023 figures)

22 Venson Automotive Solutions
Executive: Samantha Roff
Parent company: Premier Fleet Management and Contract Hire
Financial data: T: £16,754,297, PBT: £738,617, EBITDA: £7,056,677 (Dec-22 figures)

23 Total Motion
Executive: Claire Timms, acting MD
Financial data: T: £72,651,681, PBT: £1,001,667, EBITDA: £9,023,218 (2024 figures)

24 Day's Fleet
Executive: Aled Williams
Parent company: CEM Day
Financial data: T: £48.5m, PBT: £13.5m, EBITDA: £39m (Dec-23 figures)

25 TCH Leasing
Executive: Chris Nightingale
Parent company: T C Harrison Group
Financial data: T: £37,943,849, PBT: £6,612,314 (Dec-23 figures)

26 JCT600 VLS
Executive: Ben Creswick
Parent company: JCT600
Financial data: T: £46.3m, PBT: £8.1m, EBITDA: £9.4m (Dec-23 figures)

27 VMS (Fleet Management)
Brands include: VMS Vehicle Hire, VMS Refrigeration, VMS Vehicle Solutions, MAR Cooling Solutions, Western Truck Rental
Executive: Aaron Laraman
Financial data: T: £67,824,947, PBT: £2,868,380 (May-23 figures)

28 Drivalia Lease UK
Brands include: Drivalia UK
Executive: Alex Hughes
Parent company: CA Auto Finance UK
Financial data: T: £2,756,199, PBT: £140,093, EBITDA: £1,866,348 (Dec-23 figures)

29 Ford Fleet Management UK
Executive: John Wright
Parent company: Ford Fleet Management

30 Toomey Leasing Group
Brands include: Easyleasedirect.co.uk
Executive: David Houlgrave
Parent company: Laindon Holdings
Financial data: T: £24.9m, PBT: £7.6m, EBITDA: £7.6m (Dec-23 figures)

31 Sinclair Finance & Leasing
Executive: Thomas Jenkins
Financial data: T: £29,595,286, PBT: £3,341,153 (Dec-23 figures)

32 Radius Vehicle Solutions (NI)
Executive: Ben Thompson
Parent company: Radius Payment Solutions
Financial data: T: £79,100,000, PBT: £1,900,000, EBITDA: £33,200,000 (Mar-24 figures)

33 Agnew Leasing
Executive: Graham Thompson
Parent company: Agnew Group/Sytner

34 Gobal
Executive: Geoff Bloore
Parent company: Global Autocare Holding
Financial data: T: £17,844,000, PBT: £8,936,000, EBITDA: £19,322,000 (Mar-24 figures)

35 SOGO Mobility
Executive: Tim Duckers
Parent company: Cambria Investments Holdings
Financial data: T: £28.1m, PBT: £2.7m, EBITDA: £4.9m (Aug-23 figures)

36 Liquid Fleet
Executive: Ismael Aumeerally
Financial data: T: £9,911,861, PBT: £5,161,562, EBITDA: £4,226,801 (Dec-23 figures)

37 GKL Leasing
Brands include: GKL, Windsor Vehicle Leasing, Westward Leasing
Executive: James Kenning
Parent company: Longfox
Financial data: T: £23.5m, PBT: £3.6m (Dec-23 figures)

=38 BMW Financial Services (GB)
Brands include: Alphera Financial Services
Executive: Mike Dennett, CEO
Parent company: Bayerische Motoren Werke
Financial data: T: £7,032,187 (Dec-23 figure)

=38 Hilton Vehicle Leasing
Brands include: Hilton Rental, Hilton Coachworks, Hilton Windscreens, Hilton & Moss
Executive: Morgan Devereux
Parent company: Hilton Group

40 AMT Vehicle Rental
Brands include: AMT Contract Hire and Leasing, AMT Vehicle Rental t/a AMT Asset Management
Executive: Neil McGawley
Parent company: AMT Global Investments
Financial data: T: £24,700,000, PBT: £5,300,000, EBITDA: £13,500,000 (Apr-24 figures)

41 Jurni
Executive: Neil Fox
Parent company: Jurni Capital
Financial data: T: £30,702,406, PBT: £592,001, EBITDA: £531,186 (Dec-24 figures)

42 Close Brothers Vehicle Hire
Brands include: Mercedes-Benz, Daf, MAN, Renault, Iveco, Ford, Peugeot, Fiat
Executive: Terry Ottey
Parent company: Close Brothers Bank
Financial data: T: £89,228,824, PBT: £399,257, EBITDA: £45,425,479 (2023 figures)

43 Agility UK T/A Agility Fleet
Brands include: Agility Fleet Personal Leasing, Windmill Leasing
Executive: Keith Townsend, chairman and CEO
Parent company: Agility Fleet Holdings
Financial data: T: £12,000,000, PBT: £2,200,000, EBITDA: £5,000,000 (Dec-23 figures)

44 Alliance Asset Management
Brands include: AAM Group, MyCarDirect, ONWRD, BestCarFinder, Alliance Leasing
Executive: Colin Mather

45 Rivervale Cars
Brands include: Rivervale Minibus
Executive: Vince Pemberton, CEO
Parent company: Rivervale Holdings
Financial data: T: £2,300,000, PBT: £610,000, EBITDA: £2,400,000 (2023 figures)

46 Multifleet Vehicle Management
Brands include: runyourfleet
Executive: Steve Whitmarsh
Financial data: T: £18,511,627, PBT: £439,061, EBITDA: £1,015,000 (Mar-24 figures)

47 Pure Leasing
Executives: Bob Chamberlain (chairman), Zaf Iqbal (managing director)
Financial data: T: £7,178,073, PBT: £(311,779,) EBITDA: £(251,756) (Mar-23 figures)

48 Specialist Fleet Services
Brands include: SFS, CTS Hire
Executive: Bob Sweetland
Parent company: Paragon Banking Group

49 ICR Leasing
Executives: Thomas Ryan - director, William Chapman - director
Financial data: T: £3,236,473, PBT: £1,108,579 (2023 figures)

50 Fleet4you
Brands include: SVR Go
Executive: Stephen Lowry, fleet director
Parent company: Shelbourne Motors
Financial data: T: £2,947,357, PBT: £316,544

Key: T: turnover, PBT: profit before tax, EBITDA: earnings before interest, taxes, depreciation and amortisation

In association with LEASYS The New Mobility Choice

A STRONG END TO 2024 AND LOOKING TO A BRIGHT NEW YEAR

Multi-brand leasing company Leasys is set to end 2024 on a high, celebrating a record order book and the largest number of contracts in its history

Leasys' phenomenal growth shows no signs of slowing, as the company plans to launch new products and services throughout the coming year to facilitate a smooth transition to electrification for its customers.

Since its formation from a merger with sister company Free2Move Lease in 2023, simplifying processes and partnering with suppliers that share a commitment to high quality customer service have been key priorities.

The company is owned jointly by Crédit Agricole Personal Finance & Mobility and Stellantis, whose brands in the UK include Abarth, Alfa Romeo, Citroën, DS Automobiles, Fiat, Fiat Professional, Jeep, Leapmotor, Maserati, Peugeot and Vauxhall.

Despite its Stellantis association, Leasys offers a multi-channel, multi-brand approach that extends beyond the manufacturer's UK products.

New products and services

In the coming year, Leasys plans to introduce a wide array of new products and services designed to assist fleets in their decarbonisation efforts.

The standout offering is a UK car salary sacrifice scheme, which positions the company to tap into the expanding employee benefits market.

Leasys executives view their substantial investments as essential to advancing electrification and driving growth in electric car sales.

The company car market has turned a corner, partly due to a reported increase in salary sacrifice schemes, with the number of employees paying benefit-in-kind (BIK) tax on vehicles rising by 40,000 year-on-year.

The British Vehicle Rental and Leasing Association (BVRLA) *Leasing Outlook* report, published in April, showed that the volume of cars being delivered through salary sacrifice schemes was up 47% year-on-year.

Allowing employees to get a fully insured and maintained car in exchange for a contractual reduction in their gross pay gives them access to new vehicles for less than if purchased as a private consumer.

The employer also saves on the associated national insurance contributions (NICs) on the salary that is sacrificed.

Another benefit of introducing a salary sacrifice arrangement is it enables greater access to ultra-low emission vehicles across a much wider population of employees than a company car scheme.

Leasys provides a comprehensive range of services that cover every aspect of the decarbonisation journey, helping businesses reduce their carbon footprint and achieve their sustainability goals.

To assist fleets and their drivers in evaluating electric vehicles more effectively, Leasys UK has partnered with a mobility solutions provider to introduce a new short-term rental service.

Through the partnership, Leasys UK's customers can rent a car or van outside of their main leasing agreement for personal or business use for between one and 28 days.

"Our customers are at the forefront of everything we do. We begin our executive meetings by reviewing our NPS. We seek out partners who share our ethos that everything revolves around the customer"

Shane Coomber, marketing director

Commitment to customer service

Delivering best-in-class customer service is ingrained in every conversation that Leasys UK representatives engage in.

Leasys UK marketing director Shane Coomber states: "Our customers are at the forefront of everything we do. We begin our executive meetings by reviewing our Net Promoter Score (NPS). We seek out partners who share our ethos that everything revolves around the customer."

Karen Musacchio, Leasys UK director of customer care and quality, says the company has implemented new processes and invested in additional personnel.

Partnerships for EV support, accident management and fleet safety

Leasys UK's partnership with Octopus Energy's Electroverse offers customers a 'one card, one app' approach to EV charging and simplifies the public charging process by ending the need for drivers to have a confusing plethora of charge points apps.

Similarly, Leasys UK has partnered with EV and business payment solutions provider Allstar so its customers can use Allstar Chargepass, the flexible payment solution that enables businesses to pick features based on their fleet's needs for EV charging and refuelling.

Leasys UK customers also have the option to add Allstar Homecharge, enabling businesses to charge their vehicles at home.

Available either as a combined service or taken separately, a new partnership with FMG provides corporate customers with accident management solutions and both corporates and SMEs with fleet safety services.

The new accident management service provides an end-to-end solution including a full package of operational reporting and the provision of relief vehicles.

The service also works with self-insured fleets, meaning customers can maintain coverage and continue with their existing insurance programme.

Designed to support customers with their health and safety and corporate social responsibility (CSR) requirements, the new Fleet Safety service, meanwhile, uses telematics technology to manage risk, improve driver safety and reduce the risk of accidents.

The service includes a complete driver safety solution, providing fleet managers with a picture of the safety of their vehicles; an online platform with 24/7 access to driver and vehicle status data; and tailored reporting with analysis on how drivers are using their vehicles, including speed, braking, journey times and location.

Data from the Fleet Safety service can be used to inform customers about which drivers and vehicles would benefit from switching to an electric vehicle, as part of the service's EV Suitability Module.

The service can also be integrated with 'grey fleet' vehicles (employee-owned vehicles that are used for work purposes, excluding commuting), enabling customers to assess all their vehicles as needed for CSR purposes.

Leasys UK managing director Matthew Boswell says: "With solutions designed to minimise risk and maximise safety and efficiency, the combined services will support customers via a tailored, convenient accident management approach to fleet safety."

Regarding the selection of partners from a wide array of suppliers, Leasys UK marketing director Shane Coomber says: "These partnerships allow us to help our customers make the transition to EVs much more easily. When we compare our current products and services with where we were 18 months ago, we find ourselves in a very strong position to meet the diverse needs and requirements of larger corporates."

From a fleet perspective, the company can talk to its corporate customers with confidence on having everything that goes from the micro 'A' segment all the way up to six-tonne light commercial vehicles with all forms of powertrain.

The company also adheres to a strict set of service level agreements (SLAs) regarding response times, whether answering phone calls or replying to emails. To ensure accountability, the company measures its performance after each interaction through a brief customer survey.

"Our top priority remains to deliver a brilliant, unrivalled quality service to our customers," Musacchio states. "We take all feedback seriously, whether it comes from our NPS survey, emails, or calls.

"We have appointed a quality executive and now have a head of quality and process improvements to assist us on our consumer duty journey, ensuring that we are transparent, fair and provide advice that is easy for customers to understand."

Another priority is to avoid overwhelming fleet customers with offerings that may seem complicated. "We don't like complexity," Musacchio says. "We prefer simplicity, as it ensures everyone understands their options clearly."

Electrification is biggest fleet challenge

Facilitating the transition to electric vehicles is a top priority for Leasys, helping companies seamlessly adopt sustainable mobility solutions. It is committed to "shaping the future of mobility".

Regarding the challenges faced by current fleet customers, Leasys UK sales director David Robertson says: "One of the biggest is the transition to EVs. Many are now evaluating how much of each fleet can go electric and assessing the impact on charging infrastructure, as well as how it aligns with driver journey times.

"We take a consultative approach with our customers, supported by a fully-trained team ready to answer any questions and guide them in the right direction. Fleet operators understand the need to transition to EVs; the challenge lies in determining when, how and what it means for both them and their drivers."

Robertson describes the process as both "challenging" and "exciting", regardless of where a customer is on their journey.

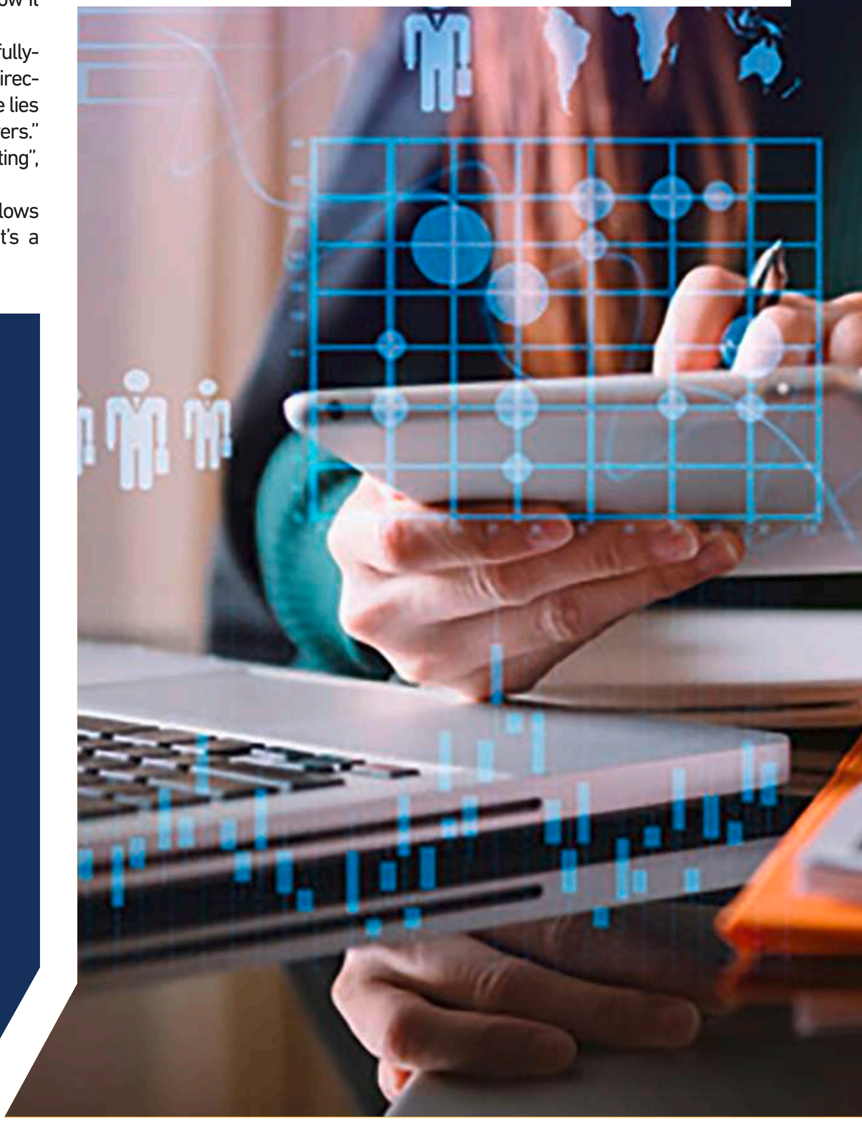
"Some customers have fully embraced the transition," he adds, "which allows us to gather valuable feedback and share best practice with others. It's a collaborative approach that benefits everyone."

Conversations are tailored to each business based on whether they are transitioning to electric cars, electric vans, or both.

Robertson explains: "Car drivers are often concerned with factors like range – how far they can travel on a single charge – and whether the vehicle is suitable for long trips or holidays. For commercial vehicles, the focus shifts to journey times and ensuring overnight charging options are available."

"Fleet operators understand the need to transition to EVs; the challenge lies in determining when, how and what it means for both them and their drivers"

David Robertson, sales director



The future is bright

Looking ahead, Shane Coomber notes that the Government's ZEV (zero emission vehicle) Mandate presents a significant opportunity for Leasys UK to play a key role in supporting the country's transition to electric vehicles.

She adds that contract hire is an excellent solution for fleet electrification.

She says: "As businesses navigate this new landscape, many are hesitant to take on the associated risks, creating a significant opportunity for us. We are well placed to support a wide range of fleets in their transition and general funding requirements."

Robertson agrees, adding: "Electric vehicle and contract hire are very closely linked.

"We've seen reports of a 30% battery electric vehicle (BEV) uptake and that's exceeding ZEV Mandate requirements, not just for this year, but for next year too.

"The fact there are new and emerging brands coming into the market provides a really strong opportunity."

One of the two Leasys stakeholders, Stellantis, has partnered with Chinese EV brand Leapmotor, which recently made its debut at the Paris Motor Show to showcase its cost-efficient 'new energy vehicles' (NEVs).

Leveraging Stellantis' distribution channels, Leapmotor plans to release at least one new model each year over the next three years.

Ambitious global goals

Globally, Leasys has set an ambitious goal of having one million fleet vehicles by 2026. The company is also on track to ensure that 50% of all its new contracts will be on Low Emission Vehicles (LEV: < 50 g/Km of Co2 emissions at tailpipe) by the same year.

Earlier this year, Leasys announced that approximately one-third of its European fleet, comprising 890,000 vehicles, are either battery electric or hybrid.

Leasys UK sales director David Robertson says: "We have very ambitious objectives to achieve and, from a UK market perspective, we are tracking in a very good position year to date. Our orders are up by more than 30% and written contracts have grown by 50%-plus year-on-year.

"We have a very strong and effective team and the new products and services we have now and coming up have helped us on that journey."

Another key service offered by Leasys is providing customers with flexible, tailored access to their information, ensuring they can manage their data in the way that best suits their needs.

While large fleets benefit from a single point of contact, many customers prefer to access their accounts through the My-Leasys online portal. This dedicated space allows customers to access their documents, stay updated on the latest Leasys news and explore special offers.

The portal provides quick access to vehicle information and mileage details, as well as the ability to view and download invoices and other important information at their convenience.

"Customers are always welcome to reach out to us for discussions on more complex matters," Musacchio says. "However, we also aim to provide them with the option to self-serve, allowing for quick and easy access to their accounts at a time that suits them."

Robertson states: "Leapmotor is an emerging brand that we are eager to support. This partnership will enable us to enter the next year with a slightly different product offering and customer base."

The impact of the new Labour Government on the fleet, leasing and contract hire sectors remains to be seen.

Leasys UK representatives collaborate closely with organisations such as the BVRLA to have a say on policy suggestions.

Coomber explains: "We're engaged in numerous projects, including those focused on used battery electric vehicles, as I believe this is essential for the successful adoption of BEVs.

"We don't just sit back; we actively seek opportunities to implement changes. Hopefully, the new Government will be receptive to our suggestions and consider making policy adjustments to support this transition. Infrastructure must be a key priority in all of this."

Robertson adds: "Change is essential. The ZEV Mandate has primarily focused on enforcement, and now we need some incentives to encourage transition. We require carrots, not just sticks, to motivate people to make the shift."

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Charges for car fair wear and tear fall slightly from record high

Average penalty drops 0.5% to £368, while the proportion of cars subject to the charge also declines, reports *Andrew Ryan*

Both the average fair wear and tear charge incurred by company cars (excluding salary sacrifice) and the average proportion of cars which attracted the fees from leasing companies have fallen over the past 12 months.

The size of the average charge has fallen slightly after four years of consecutive growth to sit at £368, a 0.5% drop from last year's record high of £370, and 14% higher than it was five years ago.

The average proportion of cars which attracted the penalties from leasing companies also declined, from 49% in 2023 to 45% in 2024. This is the lowest proportion for five years.

These reductions come despite cars being leased for longer and driven further over the previous year: FN50 research shows the average replacement cycle this year was 38 months/47,265 miles, 6% and 2% increases respectively compared with 2023's average of 36 months/46,000 miles.

This could be because the UK is returning more to 'business as usual' as the Covid pandemic disappears further into the past, with an increasing number of employers wanting to mandate people back into the office full-time.

Although supply shortages caused by the pandemic are easing, they still exist.

"Often with vehicle replacements being delayed, the vehicle is being used for several months more than originally planned," says Simon Staton, director of client management at Venson Automotive Solutions.

"Sometimes this results in fleets delaying getting minor/cosmetic repairs dealt with, which then build up to be a bigger or more costly repair by the end of the lease.

"We've not seen any real differences between internal combustion engine (ICE) and electric vehicles (EVs), other than, very rarely, a charge cable not being returned with a vehicle."

WEAR AND TEAR AVERAGE COSTS

Year	Average % of vehicles charged	Average recharge value £	Average damage waiver (£)
2006	38	215	
2007	35	246	
2008	39	246	
2009	43	278	
2010	43	249	
2011	42	281	
2012	43	263	
2013	41	278	
2014	35	274	
2015	38	280	160
2016	34	289	170
2017	37	308	166
2018	39	322	167
2019	44	326	112
2020	44	324	144
2021	45	338	142
2022	48	355	201
2023	49	370	203
2024	45	368	163

WIDE DISPARITY

This year's FN50 research found a wide disparity between the charges among individual leasing companies as they ranged from £93 to £807; a wider spread than last year's figures, which spanned from £70 to £636.

Looking more closely at this year's figure and dividing them into four equal sections, 30% were between £93 and £272, 33% between £273 and £452, 27% between £453 and £625, and 10% between £626 and £807.

The range of average proportions of cars subject to fair wear and tear charges from individual leasing companies went from 2% to 88%.

Within this spread, 14% were between 2% and 23%, 35% between 24% and 45%, 35% between 46% and 77%, and 16% between 78% and 88%.

The leasing company which had the highest proportion of returned cars subject to fair wear and tear charges also had the highest average charge of £807.

Most leasing companies adhere to the BVRLA Fair Wear and Tear standard to give customers consistency and clarity on the often-contentious issue.

This covers areas such as damage to the vehicle interior and exterior, the state of tyres and wheels, the presence of in-vehicle documentation and – for EVs – the inclusion of charging cables.

When a leasing company receives a vehicle back from a customer at the end of an agreement, it has to then decide whether to repair the car before defleeting it, or whether it makes more economic sense to not repair it but, instead, accept it will sell for less at auction and perhaps take longer for a buyer to snap it up.

If vehicle replacement is delayed this may result in cosmetic repairs also being put back

"We've found that more vendors are choosing to invest in refurb for their stock, particularly older cars with some damage, as they understand the market demand for prime stock is ever increasing," says Gordon Cockle, director of remarketing at Aston Barclay, which grades stock under the NAMA (National Association of Motor Auctions) scheme.

"If we can increase the NAMA grading up at least one band, they will see an increase in bids and, in the majority of cases, vendors will immediately recoup their investment."

LITTLE OR NO DAMAGE

The decision whether to carry out any repairs – as well as lower fair wear and tear charges – can be made simpler if the vehicles are returned with little or no damage in the first place.

Leasing companies, typically, also employ a damage waiver and the average cost of this has fallen £40 to £163 this year; the lowest since 2021.

There is obviously a disparity in the range of average damage waivers between leasing companies. The lowest amount charged by respondents was £100, with the highest £250.

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"WE'VE FOUND THAT MORE VENDORS ARE CHOOSING TO INVEST IN REFURB FOR THEIR STOCK, PARTICULARLY OLDER CARS WITH SOME DAMAGE"

GORDON COCKLE, ASTON BARCLAY

SALARY SACRIFICE

Previous analysis has suggested that the damage incurred on cars leased under salary sacrifice is less than on company cars as drivers perceive them to be more of their own personal vehicle.

It is also considered that leasing companies are less willing to charge individuals than they are organisations.

This year's research supports that: the average fair wear and tear charge for salary sacrifice cars in this year's FN50 research was £334, 9% less than the figure for company cars.

The salary sacrifice figure is, however, 3% higher than in 2023, which, itself, was 11% lower than the previous year.

The spread of average charges among individual leasing companies ranged from £60 to £626. Dividing this disparity into two even sections, 50% were between £60 and £343, with the remaining 50% between £344 and £626.

There were also differences in the percentage of cars charged and the level of the damage waiver.

The data shows the average proportion of salary sacrifice cars subject to the charges was 27%, three percentage points higher than last year. However, it is also significantly lower than the 45% reported for non-salary sacrifice cars.

Individual leasing companies reported average proportions between 0% and 62%. Close to one-in-six (17%) reported average proportions above 50%, with half saying their share was 15% or below.

The average damage waiver for salary sacrifice cars was £225, up £12 from last year. Individual average waivers range from £125 to £500.

Proportion of vehicles subject to penalties declines year-on-year

Figures reveal considerable disparities in individual leasing company performances. *Andrew Ryan* reports

Research for this year's FN50 report has found the average charges and proportion of vans subject to fair wear and tear end-of-contract fees have both fallen from last year's record highs.

The average charge incurred by vans has fallen 9% year-on-year to £540, but it is still the third highest sum on record and 40% higher than five years ago when it was £420.

The average proportion of vans subject to charges among leasing companies is 56%, one percentage point lower than last year, but still six percentage points higher than in 2022. Five years ago the average was 48%.

This year's falls come despite the FN50 research showing that both the length of replacement cycle and mileage travelled have increased slightly compared with last year: 2024's figures were 46 months/71,886 miles, which are up 7% and 1% respectively on 2023's figures (42 months/70,887 miles).

While we have highlighted the headline figures, deeper analysis shows there are great disparities in individual leasing company performances.

For example, within the overall figure for fair wear and tear charges, the lowest average figure from a leasing company is £50, rising all the way up to £1,692 at another.

If we divide this disparity into four equal sections, 29% were between £50 and £460, 55% were between £461 and £871, 13% between £872 and £1,282, and 3% between £1,283 and £1,692.

Elsewhere, the range of average proportions of vehicles subject to charges from individual leasing companies went from 15% to 100%.

Again dividing into four subsections, 19% were between 15% and 36%, 31% were between 37% and 58%, 25% between 59% and 80%, and 25% between 81% and 100%.

Two respondents say 100% of their returned vans were subject to fair wear and tear fines, and they had average charges of £50 and £484 respectively. The company which had the highest average charge of £1,692 says 21% of its vans returned were subject to charges.

“WE'RE WORKING VERY CLOSELY WITH SELLERS TO IMPROVE THE CONDITION OF VEHICLES TO MAXIMISE THE POTENTIAL FOR FIRST TIME SALE”

STUART PEARSON, BCA

Wear and tear average costs

Year	Average % of vehicles charged	Average recharge value £	Average damage waiver £
2015	41 vans; 25 trucks	385 vans; n/a trucks	150 vans; n/a trucks
2016	41 vans; 25 trucks	380 vans; 372 trucks	166 vans; 208 trucks
2017	40 vans; 38 trucks	414 vans; 587 trucks	181 vans; 260 trucks
2018	44 vans; 38 trucks	376 vans; 614 trucks	168 vans; 258 trucks
2019	48 vans; 19 trucks	420 vans; 420 trucks	113 vans; 60 trucks
2020	48 vans; 24 trucks	438 vans; 429 trucks	141 vans; 75 trucks
2021	51 vans; 29 trucks	511 vans; 603 trucks	151 vans; 100 trucks
2022	50 vans; 39 trucks	561 vans; 959 trucks	221 vans; 150 trucks
2023	57 vans; 44 trucks	589 vans; 976 trucks	192 vans; 100 trucks
2024	56 vans; 47 trucks	540 vans; 909 trucks	163 vans; 150 trucks

Returned vans that are ready to go back to work straight away are much sought after

The BVRLA's fair wear and tear standard is widely accepted by the vehicle leasing industry for setting the bar for vehicle condition, giving a reliable reference point for end-of-contract inspections.

Since the previous FN50 report, the industry body has published an updated standard for commercial vehicles, with notable updates including additional references to electric or hybrid vehicles and their charging ports, extra details on clearing customer data and GDPR responsibilities, and more detailed references to load restraints and Ad Blue and direct vision equipment.

Over the past year, the industry has also seen a couple of other updates to grading standards which may influence a leasing company's decision whether to carry out any repairs to vans before defleeting them, or to use any charges to offset the loss in value when the vehicle is sold without the work being carried out.

The easiest way to make this decision is to minimise the damage incurred while it is being used by a fleet, and there a number of ways a leasing company can do this.

“Outlining clearly how 'wear and tear' is dealt with and detailed in the contract is vital,” says Simon Staton, director of client management at Venson

Automotive Solutions. "This helps to avoid unexpected costs at the end of the vehicle's contract term. We use the BVRLA fair wear and tear guidelines with our customers which helps to provide clear guidance and is industry best practice.

"To help customers reduce end-of-contract damages, we encourage them to implement vehicle checks that their drivers can do on a daily/weekly/monthly basis.

"A few simple regular checks can significantly reduce wear and tear costs for the business. For example, daily maintenance checks can help identify issues early and avoid things getting worse and causing further damage.

"Also, not rectifying accident damage quickly after it occurs can result in a significantly higher repair bill at the end of a lease.

"Not to mention exposing the employer to duty of care issues, as a driver could be driving a vehicle that is not be fit-for-purpose, risking their safety and that of other road users."

Vans suitable to be put to work continue to be the most sought after by professional buyers, says remarketing company BCA, and condition and presentation have become increasingly more important across all LCV sectors.

"The gap between the best and worst vehicles has certainly widened, and utilising the data from our latest LCV grading release, we're working very closely with sellers to improve the condition of vehicles to maximise the potential for first time sale," says Stuart Pearson, COO UK of BCA.

"The updates to our Commercial Vehicle Cosmetic Grading are designed to give buyers transparency on the true condition of a vehicle, judged over a range of criteria from minor defects and scratches to severe damage."

NAMA GRADING

Both Aston Barclay and Manheim Auction Services rolled out the new National Association of Motor Auctions (NAMA) grading for LCVs this year.

"Understanding the true influence of grading on price will help sellers make effective decisions on reconditioning and help buyers assess what a vehicle will likely need to fit their purposes," says Matthew Davock, director of commercial vehicles at Manheim parent Cox Automotive.

Leasing companies often also allow customers to add a damage waiver to their contracts, which may cover all the costs on their damage invoice when a commercial vehicle is returned. For example, if a fleet adds a damage waiver for £300, the first £300 of the cost any damage is covered. If the cost is £350, the customer is required to pay only £50.

Among the respondents to the damage waiver question in this year's FN50 research, the average size of the waiver fell 15% year-on-year to £163. This is 26% lower than the record high of £221 in 2022.

There is obviously a disparity in the range of average damage waivers between leasing companies. The lowest amount charged by a respondent was £100, with the highest £250. Of these, 67% say their waiver was £175 or less.

The average proportion of trucks incurring end-of-contract damage charges now stands at 47%, a three percentage point increase compared with last year.

However, the average fair wear and tear charge has fallen: it now stands at £909, a 7% decrease on 2023's figure.

The average damage waiver, however, has risen. This year's figure of £150 is £50 more than last year, although it matches the 2022 waiver.

Year-on-year comparisons, however, are difficult because of the limited response rate to the truck question from FN50 companies.

FMG

THINKING AHEAD

We're getting to know Andrew Chandler, Managing Director at FMG.

WHAT EXCITES YOU MOST ABOUT YOUR NEW ROLE?

It's an incredibly exciting time to be in the fleet industry. The sheer speed of change impacts every aspect of our operating environment, and we're all constantly evolving our operations to meet the ever changing needs of fleet managers. Nobody can afford to stand still and that keeps every day, every project and every conversation fast paced and exciting. I have developed a strong passion for the sector during the past 20 years and it certainly provides ample opportunity, challenge and reward to keep me invested in giving it my all.

WHAT ARE YOUR TOP PRIORITIES FOR FMG?

I'm looking forward to finding new ways to continually add genuine value in our mature market and ensure that the services we provide today are still relevant in 5 years' time. Our solutions must be sufficiently flexible, scalable and technically driven to provide the right outcomes and deliverables required in the future.

We'll continue consulting our customers and clients as well as working closely with the key industry bodies such as the AFP and BVRLA as we decide those next steps that shape our products and services. This will impact upon every element of our service provision, from our supply chain and digital roadmap to our ESG strategy and the different ways we engage with customers.

WHAT IS THE BIGGEST CHALLENGE THE INDUSTRY IS FACING?

We're seeing more fleets moving towards full electrification this year and it's becoming clear that the scale of change required is larger than many expected. It's important for fleet managers to understand the differences between ICE and EV fleets and the many mechanics of transition. EV fleets need access to specialist recovery, repair and mobility supply chains, starting with accurate triage of each incident. EVs need lifting, not towing, and EV repairers need safe storage and battery shut down areas, charging facilities, EV qualified repair technicians and access to EV parts supplies, which in turn require new tooling and training techniques. Even mobility models must change as many drivers expect 'EV for EV' replacement, and so courtesy fleets must adapt accordingly.

This is probably the greatest change our industry has been through in recent decades and these changes will affect repair costs and cycle times. It's important for fleet managers to keep EV transition at the top of fleet agendas and to fully understand the effect of EV transition on total cost of ownership (TCO) models.

"OUR SOLUTIONS MUST BE SUFFICIENTLY FLEXIBLE, SCALABLE AND TECHNICALLY DRIVEN"

WHAT IS FMG'S KEY TO SUCCESS?

In one word, agility. Our business is surprisingly seasonal, and we use sophisticated workforce planning tools to continually adapt our service delivery to meet customers changing expectations throughout the year. This requires a thorough understanding of our customers' businesses, so we can support like a true partner. For example, knowing their busier periods so we can align vehicle repairs to maximise vehicle uptime, whilst proactively encouraging maintenance during the quieter months.

Considering the rate of industry changes, our ability to adapt, flex and innovate has been the secret to our success. When I joined FMG in 2014 only the very early adopters were driving EV's, only top of the range cars required ADAS recalibrations and pearlescent and matte paint blending were unheard of. Today's systems, processes and people involved behind the scenes of accident management have changed beyond recognition to keep up with customer expectations.

HOW WILL YOU ENSURE A HEALTHY COMPANY CULTURE?

My favourite mantra for business success is 'culture over strategy' and I'm pleased to pick up the reins at a time when FMG's colleague engagement, DEI and wellbeing strategies are well established and making a positive difference for our people. Clearly businesses need a balance of both culture and strategy, but it never ceases to impress me, the results that engaged and empowered colleagues can achieve for businesses and their customers. There's no place for ego and elitism, I favour a structure which allows a faster pace of change and decision making and ensures all colleagues have a voice.

WHAT HAS BEEN YOUR PROUDEST ACHIEVEMENT IN YOUR CAREER SO FAR?

Since joining FMG ten years ago, I've been able to play my part in helping the business grow organically, originally as an independent business and, since 2015, as part of ZIGUP plc (formerly Redde Northgate). It makes me proud to step back and consider the positive impact we've had on the local economy. Since joining as colleague number 268 in 2014, today we employ over 900 people in and around Huddersfield, providing stable jobs, secure futures and a strong commitment to being a great place to work. Our 10, 20 and 30 year clubs for long-serving colleagues grow in number monthly and now include 21% of our people. When we celebrate business growth, I appreciate the positivity this brings to the everyday lives of so many people connected to our business.

"BUSINESSES NEED A BALANCE OF BOTH CULTURE AND STRATEGY"

ANDREW CHANDLER - MANAGING DIRECTOR

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Electrification drives trend towards longer leases

Move helps affordability and reflects decline in annual mileages, reports *Gareth Roberts*

The average replacement mileage for cars on the FN50 has increased year-on-year, while more vehicles are being returned on time.

Figures from this year's FN50 show a year-on-year increase of almost 2,000 miles in the average replacement mileage, with cars now being de-fleeted every 47,265 miles, on average, compared with 45,579 miles, last year.

The average distance covered by company cars before being de-fleeted had been on a downward trajectory for several years, having dipped below the 50,000-mile mark for the first time in 2020. It fell by almost 2,500 to 49,944 miles, before continuing to fall over subsequent years.

Home-working and virtual meetings have helped drive down average mileages post-pandemic, but with cars now being kept for longer they have registered an increase.

FN50 figures show a lengthening replacement cycle, despite a good availability of product, which was not the case in previous years.

More than a third of cars (39.9%) leased by FN50 companies were returned on time – up from 36.2% in 2023 – and the proportion of cars returned late has fallen from 52.9% to 43.4%.

Fleets have been driving the new car market, with figures from the Society of Motor Manufacturers and Traders (SMMT) showing that in the first three quarters of 2024 – January to September – more than 925,000 cars have been registered to fleet and business, 125,000 more than were registered in the first nine months of last year.

Cars were replaced on average every 38.2 months, according to this year's FN50, two months longer than the 36.2 reported last year.

Three-year lease agreements now account for 48.8% of the leased car fleet, up from 44.9% in 2023, while almost a third (31.4%) of vehicles are contracted for four years, unchanged year-on-year.

One-in-10 cars – 9.6% of the cars leased by the FN50 – have a 24-month lease, with 6.5% having a lease of up to 12 months.

Just 2.9% and 0.8% of the FN50 car fleet is leased for five and six years, respectively.

GREATER FLEXIBILITY

Shorter replacement cycles can give greater flexibility, allowing fleets to change vehicles more regularly, test EVs on a shorter cycle or take on new vehicles or technology, potentially bringing better fuel consumption and reduced CO_2 emissions.

The downsides include the greater administration and higher lease rates.

Lengthening cycles, meanwhile, driven by greater reliability and lower annual mileages, may reduce monthly outlay, but can be detrimental to driver recruitment and retention.

The most recent data from the British Vehicle Rental and Leasing Association (BVRLA) shows new business contract hire agreements for cars are now, on average, 39 months long and for 50,000 miles.

Tusker launched a longer replacement cycle of five years (60 months) for its salary sacrifice cars in September.

Kit Wisdom, Tusker managing director, explained that the idea had come from collaboration within Lloyds Banking Group, its parent company.

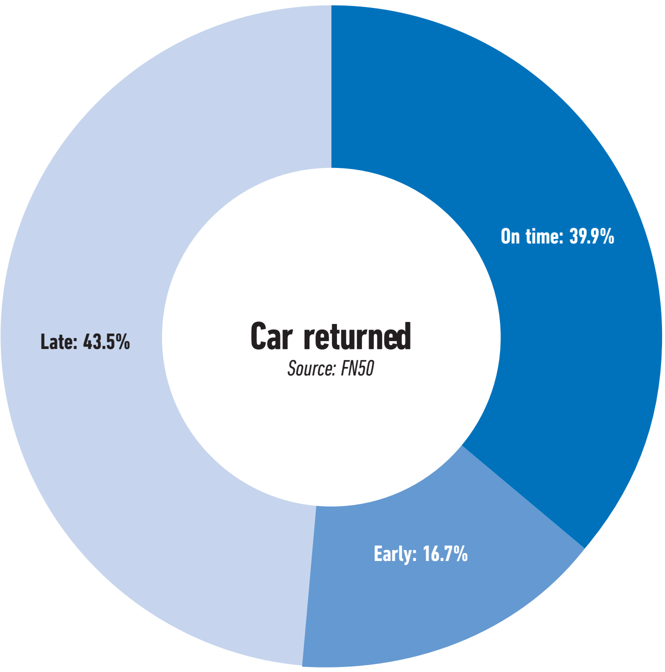
Sister company and fellow FN50 firm, Lex Autolease, has offered five-year leases for several years and, while Wisdom acknowledges it was a lease length Tusker had not been interested in offering in the past, the data convinced it otherwise.

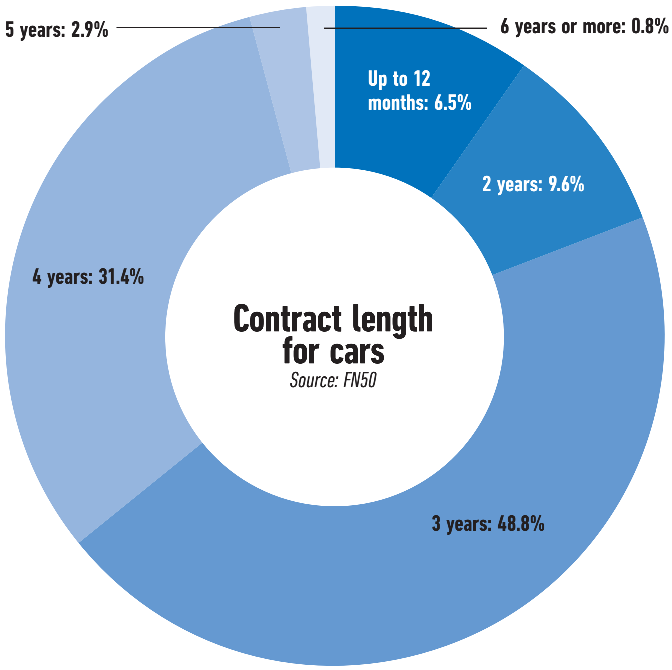
The EV salary sacrifice specialist says that the longer lease is fundamental to keeping lease costs down and to giving drivers certainty.

"About 10% of our orders in July were for 60-month contracts," Wisdom tells *Fleet News*. "That's a really powerful product for us, and I appreciate it's a tweak on an existing product, but it's really quite a powerful tweak."

Currently, its average replacement cycle on its risk fleet stands at 42 months, but Wisdom expects that to lengthen as more employees choose a 60-month term.

With leasing companies suffering huge losses on EV stock, because of a collapse in used values, longer leases offer a way to mitigate any potential downward turn in the future and give customers the chance to access lower lease rentals.





Our dedication to the evolution of automotive safety products

Martyn Nash, Chairman & Founder of vGroup International

This year, we proudly continue our sponsorship of the FN50 Awards, aligning our vision with the event's recognition of industry leaders in fleet management.

As a carbon-neutral organisation, we lead the way in providing finished products and logistics for the car, van and home. Our mission is to engage consumers at every stage of their journey while ensuring that safety, sustainability and innovation.

As we move forward, our focus remains on developing agile solutions that contribute to seamless driver experiences and lasting protection.

We believe that automotive safety should evolve with the needs of our partners and their customers, ensuring that every product supports both the driver and the environment.

OUR STORY...

For more than 30 years, the consistency of driver handover experience, regardless of location, has steered what we do. Our future continues to focus on our commitment to the protection of the driver, the vehicle and your brand. Established in 1992 by Martyn Nash, vGroup International has consistently pioneered aftersales automotive protection. From bespoke car mats and agile registration plates to tailor-made safety kits, we continue to provide breakthrough solutions to meet the evolving needs of our partners.

vGroup International

Vehicle incident? FMG is ready to provide around the clock support

Andy Chandler, Sales Director, FMG

FMG is the UK's leading provider of comprehensive incident management and roadside solutions, delivering 24-hour vehicle and driver support to a portfolio of more than 830,000 cars, LCVs and HGVs.

Established in 1986, FMG operates on behalf of private and public sector fleets, major UK insurers and brokers, leasing providers, 11 police forces and National Highways, continually seeking new and innovative ways to control incident costs and keep vehicle downtime to a minimum.

When incidents occur, FMG's fleet experts are available 24/7/365 to provide vital driver support and manage every aspect, from initial reporting to vehicle recovery and replacement vehicles, repair management, risk reduction services and a range of insurance solutions. Ingenium, FMG's in-house designed and managed platform, drives all services seamlessly and retains tight control over each time-critical process, all incident-related costs and every customer's specific instructions.

FMG's UK-wide network of vehicle repairers offers a range of high-quality options, including one-day SMART and mobile repair and traditional bodyshop repair, all designed to keep vehicle off-road time to a minimum. FMG's automotive engineers ensure the most appropriate repair option is expertly carried out, the costs are fair and repair progress is monitored. Drivers are kept mobile with a suitable replacement vehicle and can track repair progress at any time via FMG Connect, the omni-channel customer portal.

FMG employs more than 800 staff from its Huddersfield headquarters, with all services managed in-house, enabling the seamless and safe sharing of data via integrated systems.

FMG

PART OF ZIGUP

Five-year leases prove popular as fleets keep vans for longer

Average replacement cycle increases to more than 46 months, reports *Gareth Roberts*

Vans are being replaced less often as fleets navigate a path to electrification and a ban on new diesel light commercial vehicles (LCVs).

Figures from this year's FN50 survey show that the average replacement cycle for vans has increased year-on-year, from 43 months to 46.3 months.

Average replacement mileage, meanwhile, has increased from 70,887 to 71,866 miles, after falling for the previous four years.

In 2019, the average mileage of vans exceeded 100,000 miles for the first time, but it fell to 74,724 in Covid-impacted 2020 and continued to fall before registering an increase this year.

The shortest average replacement cycle reported by an FN50 company is 12 months, with an average replacement mileage of 24,000 miles.

The longest average replacement cycle reported by a FN50 company is 69 months, with an average mileage of more than 103,000 miles.

Highlighting how van fleet operators are employing longer cycles, the FN50 data also reveals that the proportion of vans leased over five years has jumped from 17% to 22.5% this year.

More than a quarter (28.9%) of vans leased by the FN50 are contracted for four years, with a similar proportion (28.6%) leased over a three-year term.

One-in-16 vans – 5.9% of the FN50 van fleet – is contracted for six years or more, while one-in-11 – 8.8% of the vans leased by the FN50 – have a lease agreement for two years or less.

"One of the easiest ways to reduce annual expenditure is to extend the life of your assets," says Paul Hollick, chair of Association of Fleet Professionals (AFP).

As a result, many van fleets have reportedly moved to five, six or seven-year replacement cycles. "Product quality is good these days, especially when a vehicle has not done huge mileage," he adds.

The proportion of vans being returned on time has increased year-on-year, according to this year's FN50.

More than one-third (35.5%) of all leased vans were defleeted on time, up from 30.6% last year.

Early returns stayed virtually the same – 11.5% this year versus 11.3% in 2023 – while the proportion of vans being returned late decreased, from 58.1% of vans in 2023 to 53% this year.

The FN50 figures suggest improving availability of product for fleets that had struggled to source new vans following the pandemic and the conflict in Ukraine.

This improving picture is also illustrated in the latest sales figures from the Society of Motor Manufacturers and Traders (SMMT).

The sales figures for September shows that the new LCV market grew for the second month running, up 8.3% to record the best performance for the month in four years.

Some 48,455 new vans, 4x4s and pick-ups were registered as more businesses invested in fleet renewal than any month this year bar March.

SMMT data shows that 267,339 new LCVs have joined UK roads this year, up 3.6% on 2023 and the largest January-September volume since 2019.

However, new fully electric van registrations fell, the fourth successive month of falling demand and the sixth month of decline this year.

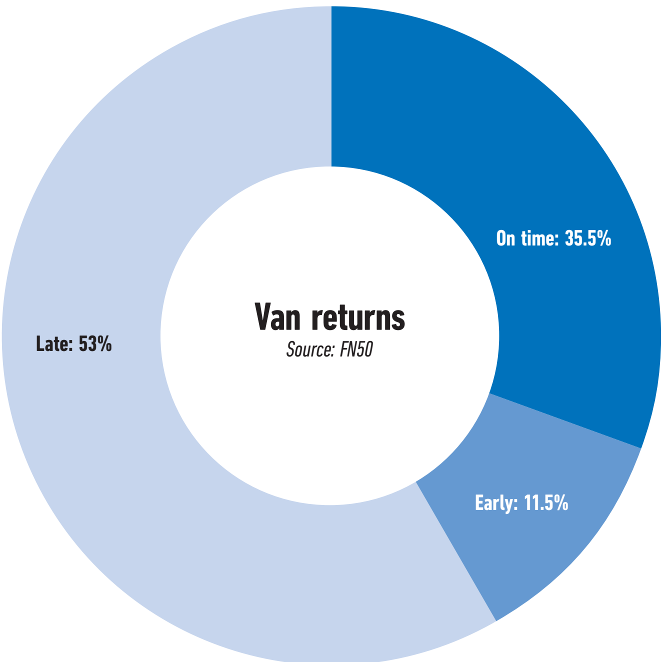
Zero-emission vans now represent just 5.3% of all new LCVs registered in 2024 – just more than half the 10% required by the UK's Zero Emission Vehicle (ZEV) Mandate.

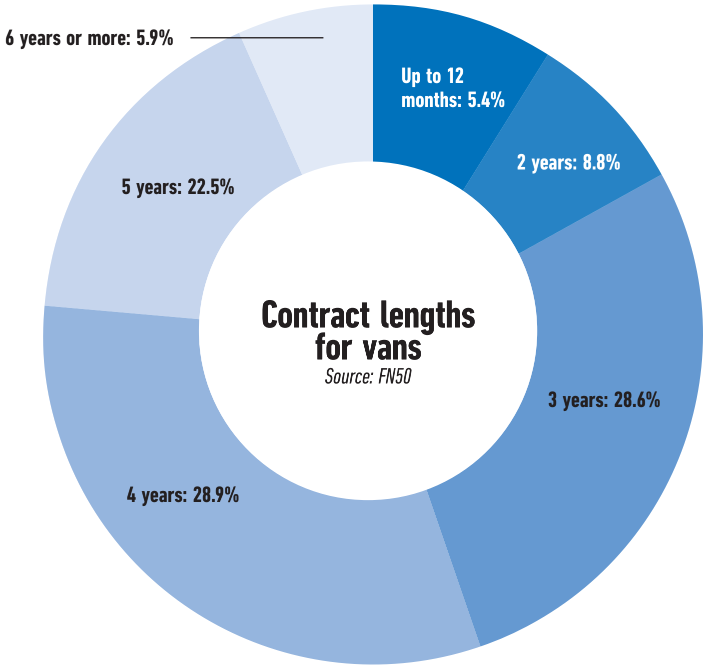
The SMMT says that decarbonisation will only be possible if fleet operators are confident that the switch is commercially viable.

Leasing executives say that electrification is one of the biggest issues for the van sector, with the cost, charging, and payload complications of running e-LCVs prompting many operators to schedule another cycle of diesel vans before the switch to battery power.

OEMs have tried to pressure larger fleets to match the ZEV Mandate percentages in orders, but not to the point where they risk losing valued customers.

The British Vehicle Rental and Leasing Association (BVRLA) says there is now widespread scepticism of the LCV sector's ability to meet the anticipated 2030 ban on diesel sales, and serious doubts about hitting next year's 16% ZEV Mandate.





Leasing firms swamped by Dart Charge fines

Software problems result in penalty backlog creating pressure on fines teams. *Gareth Roberts* reports

Issues with the Dart Charge have proved a huge headache for fleets and leasing companies during the past year, with a backlog of penalty charge notices (PCNs).

Fleet News revealed in May, how problems with the Dart Charge payment system were being blamed for thousands of fines being issued, including more than 2,500 to one fleet operator.

Issues included accounts being suspended, numberplates not being recognised and crossing charges not being automatically paid, despite funds being available.

A new company became responsible for vehicle identification, payment processing and account management for the Dart Charge from July 28, 2023.

Conduent took over the payment system used for journeys using the Dartford Crossing over the River Thames, while Emovis continued to issue and handle enquiries for PCNs.

However, the changeover left many drivers struggling to update their accounts, pay charges or speak to anyone at the call centre with phone lines jammed.

Figures obtained by *Fleet News* through a Freedom of Information (FOI) request show that the

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number of PCNs fell dramatically, following reports of software problems, before increasing significantly at the start of this year.

In the three months prior to the new operator taking over the system, 190,000 PCNs, on average, were being issued each month. The data obtained by *Fleet News* reveals that 512,000 fines were issued in April and a further 492,000 in May alone.

Leasing companies were inundated with hundreds of thousands of PCNs for Dart Charge infringements committed months earlier.

Nicola Carter, customer relationship director at Zenith, tells *Fleet News* it has been a "really big problem" for its fines team.

She explains: "At the start of the year, we were seeing an average lead time of 92 days (for a Dart Charge penalty).

"In June, that went down to about 28 (days) and in the most recent download that we've had, it was eight."

HUNDREDS OF THOUSANDS OF FINES

Leasing companies, which provided data to the FN50, dealt with 815,390 speeding, parking, congestion charge and 'other' fines and penalties – a decline on the 992,622 reported in 2023.

However, taking into account average figures and risk fleet weighting, analysis of the FN50 suggests the total number of fines and charges incurred in 2024 could be more than two million, surpassing a high of 1.9m in 2023.

Penalties incurred through the Dart Charge fall within "others", which also includes fines for clean air zones (CAZs) and London's ultra-low emission zone (ULEZ).

Fleets must navigate a myriad of different CAZs, each with their own rules and requirements, and payment systems.

With the London ULEZ also expanded in August 2023, there were almost 275,000 fines processed by FN50 companies under "others" in 2024.

Based on average fine value of just more than £52, it suggests a collective value of £14.3m, with leasing companies charging an administration fee of £15.84, on average.

Low emission zones in the UK have generated more than £1 billion in fees and penalty charges since April 2019, according to Peugeot.

There are currently 13 clean, low or zero emission zones across the UK, including the London ULEZ.

Peugeot found that nine of these zones charge non-compliant vehicles an entry fee, with PCNs issued to drivers who fail to pay the daily charge.

The London ULEZ issued the majority of fees and fines, accounting for £875m of income generated between April 2019 (when the 24-hour ULEZ was introduced) and June 2024.

In a FOI request submitted by Wessex Fleet, London generates, on average, £12.5 million a month, from ULEZ payments and penalties.

Birmingham comes second, with its CAZ generating £3.6m a month, followed by Bristol (£2.2m) Sheffield (£395k), Bath (£349k) and Newcastle (£239k).

PARKING FINES REMAIN IN TOP SPOT

Parking penalties for FN50 companies continue to be the biggest volume category, with firms charging an administration fee of £16.85, on average, for each fine handled.

> "AT THE START OF THE YEAR, WE WERE SEEING AN AVERAGE LEAD TIME OF 92 DAYS (FOR A DART CHARGE PENALTY)"
>
> **NICOLA CARTER, ZENITH**

Companies report having to process more than 385,000 fines in 2024, worth £59.17 each, on average, and collectively worth more than £22.7m.

They will be hoping a new code of practice for private companies will offer some respite. However, while its authors – the British Parking Association and the International Parking Community – claim it will raise standards and deliver greater consistency, the AA says the "self-authored code doesn't acknowledge the need to cap charges and remove debt recovery fees".

Although it came into force from October 1, private parking operators will also be given until December 2026 to comply.

Zenith implemented a new system for processing parking PCNs earlier this year to support its back-office processing by automating the exchange of details between the issuing authority and leasing company.

The move, it says, significantly reduced the number of physical PCNs it receives and has to deal with manually, on a daily basis. It also reduces errors, which, in turn, saves time and money for fleet companies.

Gilly Brook, Zenith's head of shared services, says: "Not only has it streamlined the processing of PCNs, it's reduced the need for manual intervention which has improved both ways of working and accuracy."

SPEEDING FINES AND CONGESTION CHARGE

Speeding remains the third biggest volume category, with almost 122,000 fines issued in 2024. The average fine value was £42, pointing to a collective value of more than £5m.

The average administration fee for a speeding fine charged by a leasing company was £14.94.

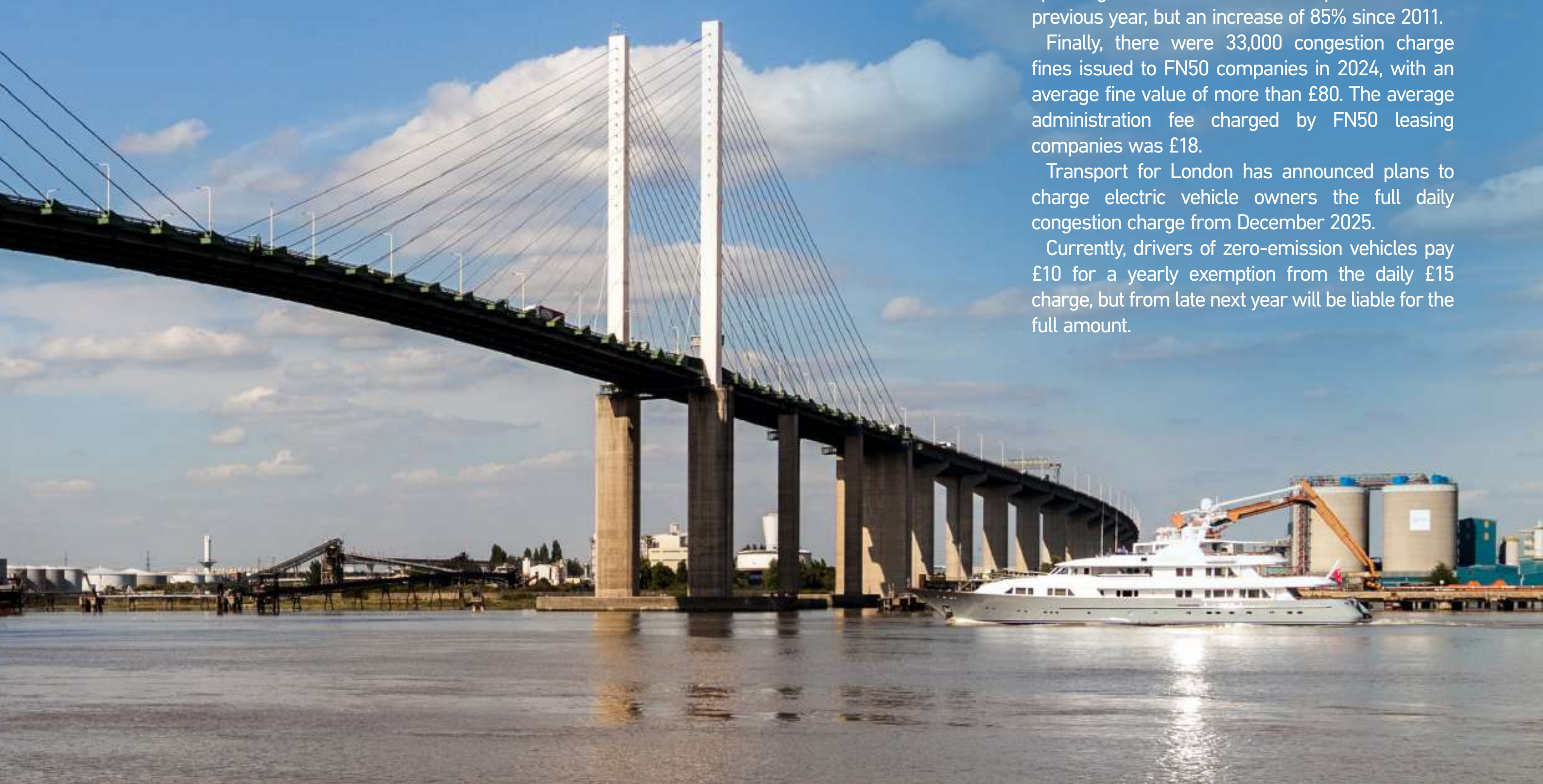
Recently published figures, from the Department for Transport, showed that there was a decrease in the number of drivers found guilty for speeding last year, but an increase in those sent for a speed awareness course.

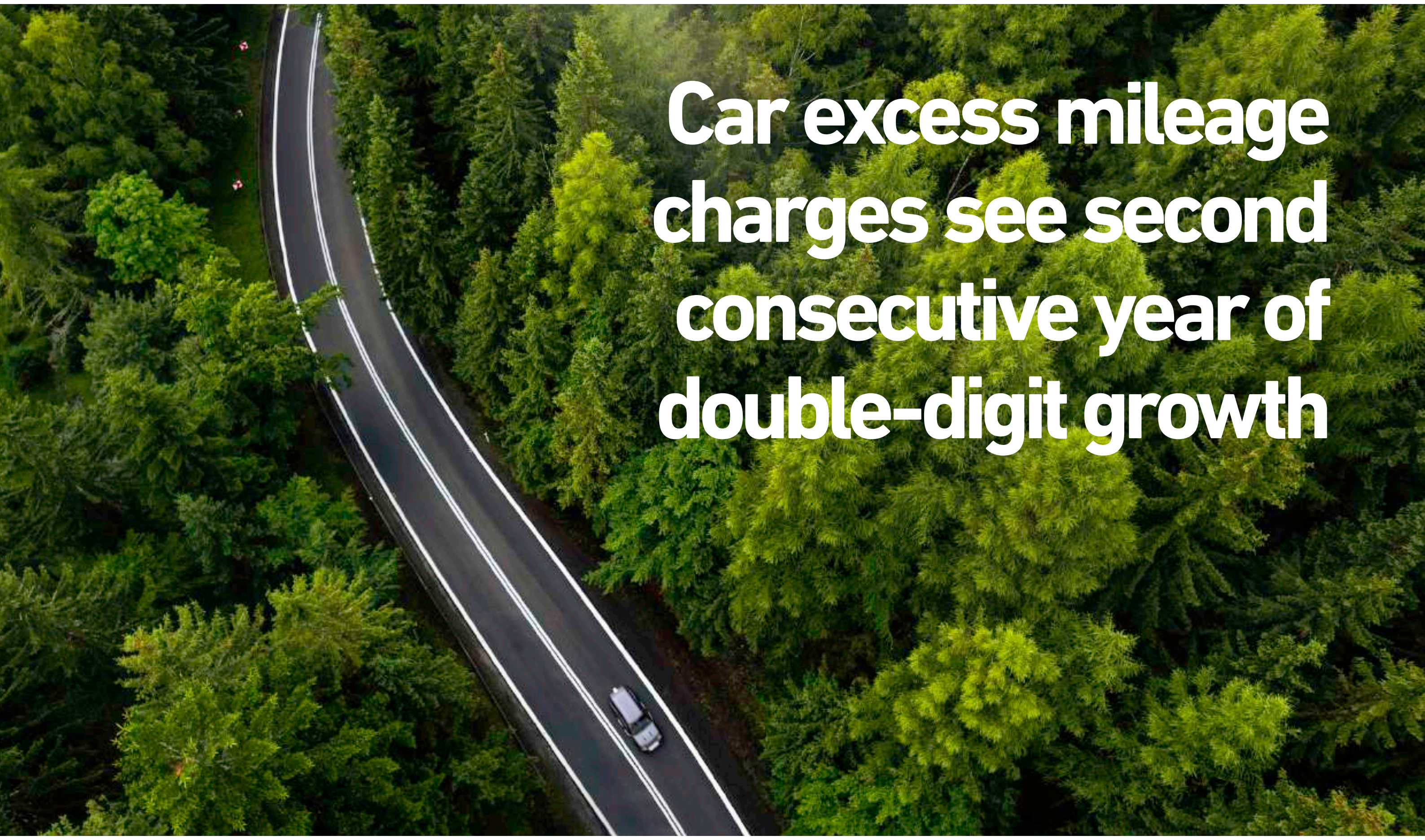
Some 203,801 drivers were found guilty of speeding, a decrease of 8% compared with the previous year, but an increase of 85% since 2011.

Finally, there were 33,000 congestion charge fines issued to FN50 companies in 2024, with an average fine value of more than £80. The average administration fee charged by FN50 leasing companies was £18.

Transport for London has announced plans to charge electric vehicle owners the full daily congestion charge from December 2025.

Currently, drivers of zero-emission vehicles pay £10 for a yearly exemption from the daily £15 charge, but from late next year will be liable for the full amount.





Car excess mileage charges see second consecutive year of double-digit growth

Size of fines and proportions of vehicles affected both grow as impact of Covid lingers on. *Andrew Ryan* reports

The average excess mileage charge for company cars has seen its second double-digit increase in as many years as changes made during the Covid pandemic continue to impact on operations.

Supply shortages meant many organisations extended replacement cycles as vehicles were simply not available, with mileage allowances renegotiated to reflect the drop in car use during the lockdowns.

However, despite many of the changes to working practices becoming embedded, such as working from home and the use of video calls to replace face-to-face meetings, in-person meetings are returning closer to pre-pandemic levels while more people are returning to their offices, leading to a rise in mileage – and often excess mileage charges – in many instances.

This year's FN50 research found the average excess mileage charge rose 11% year-on-year to £586, following a 26% increase in 2023.

The average proportion of vehicles subject to excess mileage charges also increased, with 17% incurring the fines – a rise of five percentage points from last year and the highest in FN50 history.

"We've seen that vehicle lead times and availability of suitable vehicles mean that companies are keeping their vehicles on fleet for longer than planned," says Simon Staton, director of client management at Venson Automotive Solutions.

"So, for some organisations this means extending existing leases or for those that outright purchase vehicles not replacing them."

The danger with this approach is that unless the mileage allowances are managed effectively during the extended lease, they can easily be breached.

Venson works with customers to do this as do many other leasing companies including Athlon, for example, where its account managers proactively review how vehicles are running against contract and use portfolio performance reports to recommend potential amendments to term and mileage/extensions.

Pooling mileage is also a popular solution among leasing companies as it allows a fleet to balance the overall number of miles between vehicles, some of which are exceeding their allocated mileage with those that are well below.

	2022	2023	2024
Average % of returned vehicles incurring excess mileage	10%	12%	17%
Average excess mileage charges	£408	£528	£586
Average charge per excess mile	10ppm	12ppm	11ppm

There remains a huge disparity in the size of the average charges for cars reported by individual leasing companies. These range from £151 to £1,700. The extremes highlighted in last year's FN50 were -£143 to £1,800.

The leasing company reporting the highest charges this year also had the highest in 2023 and 2022.

Breaking down the range of charges into four equal sections for further analysis, we can see that 50% of leasing companies have average charges between £151 and £538, 33% between £539 and £926, 13% between £937 and £1,314, and 4% between £1,315 and £1,700.

The average proportion of cars subject to excess mileage charges has increased by five percentage points to 17% from last year's 12%. This year's figure is seven percentage points higher than 2022 and 2021's record lows of 10%.

As with the size of excess mileage charges, there is a large disparity in the average proportion subject to charges between individual leasing companies. These ranged from as low as 3% to as high as 67%.

Breaking down the average proportions into four equal sections, we can see that 72% of leasing companies have average proportions between 3% and 19%, 18% between 20% and 36%, 3% between 36% and 52%, and 7% between 53% and 67%.

This is the fifth year that data for the actual charge per mile for excess mileage is included in the research. For 2024, the average amount is 11 pence per mile (ppm), 1ppm less than last year, but 1ppm more than in 2022.

The lowest specified charge was 7ppm, with the highest 25ppm. More than half (55%) of respondents said their charge is variable.

Nexus takes a simple approach to solving complex hire needs

Stuart Miles, Chief Revenue Officer, Nexus Vehicle Rental

Nexus is delighted to be sponsoring this prestigious award. As a company that's continually innovating within the vehicle and plant hire industry, we understand the importance of recognising excellence. It's an honour to support an event that highlights those who are making significant strides in shaping the future of the industry.

For more than two decades, Nexus has been the go-to provider for businesses seeking comprehensive vehicle and plant hire solutions. Our tech-led approach and innovative platform, Iris®, are at the heart of what we do.

Iris® seamlessly connects businesses with the largest available fleet across the UK, giving you unparalleled access to vehicles and plant hire when and where they need it most.

At Nexus, we believe in empowering businesses to thrive in challenging environments. Our platform streamlines processes, delivers actionable insights and provides customised solutions, all designed to keep businesses moving.

By transforming complex hire needs into simple, efficient operations, Nexus is driving innovation and helping businesses take control of their mobility solutions.

nexus
Never stop

Leasing Portal: delivering sales efficiency for the leasing industry

Ricky McFarland, Sales Director, Return on Investment Ltd

Leasing Portal provides leasing account teams with instant access to the latest OEM customer terms, alongside critical OEM support functions such as requesting test drives, new terms, signing up for OEM events, and accessing the latest bulletins, product information and vehicle lead times. This enables time savings, quicker response times and better service for the customer.

The UK leasing industry has not only embraced Leasing Portal but also works collaboratively to develop the technology for the benefit of the entire industry. Frequent new releases this year continue to deliver more functionality, further helping the leasing industry provide exceptional service to fleets.

This is why Leasing Portal is growing and is currently represented by 14 OEMs, totalling more than 50% of the UK market, making it easier for OEMs to do business by improving the service they offer leasing account managers.

It supports more than 1,500 users from the FN50 and the companies on Leasing Portal own 97% of all leased vehicles in the UK.

Our sponsorship of the FN50 Awards and Dinner is a small thank you for that support. Thank you and congratulations to all those who were shortlisted and won.

For any questions or to see a demo of Leasing Portal, please contact Ricky McFarland, Sales Director – sales@roiltd.co.uk.

Alternatively if you are an existing user, visit www.leasing-portal.co.uk to log in.

LEASING PORTAL

Excess mileage charges for vans rise for third time in four years

Average fine is 13% up year-on-year although proportion of LCVs subject to penalties falls. *Andrew Ryan* reports

Research for this year's FN50 report has found the average excess mileage charge for vans has risen for the third time in four years.

It now sits at £642, a 13% increase on last year's figure of £567, and is also a 2% increase on 2022's performance.

The average proportion of vehicles subject to the charges among individual leasing companies has, however, fallen. It now stands at 16%, down one percentage point from 2023.

One of the factors which influences excess mileage charges is obviously the length of replacement cycle and the distance a van travels during this time, and this year's research found both have increased slightly compared with last year: 2024's figures were 46 months/71,886 miles, which are up 7% and 1% respectively on 2023's figures (42 months/70,887 miles).

However, increased mileage does not have to mean increased excess mileage charges, as the majority of leasing companies are able to proactively work with customers to manage mileage and instigate measures such as pooled mileage or adjusting the terms of a lease.

Venson Automotive Solutions, for example, works with its customers to fully understand the profile and nature of their fleets.

"This, in turn, enables us to help guide them on how to manage their fleet mileage and vehicle replacement schedule," says Simon Staton, director of client management at Venson.

VEHICLE REASSIGNMENT

"For example, contract reschedules or looking at the option of reassigning vehicles appropriate to the driver's planned journeys.

"Lower mileage vehicles can be used by drivers doing greater miles, while higher mileage vans can be given to those drivers doing shorter journeys."

While we have already highlighted the headline figures, further analysis shows there is a large disparity between the average charges reported by individual leasing companies.

Of the leasing companies which responded to this part of the research, the lowest figure was £89, with the highest £1,297. Last year's figures were £58 and £1,245 respectively. In 2022, these figures were £74 and £2,500.

If we divide this range into four equal sections, we see 32% had charges between £89 and £391, 20% between £392 and £694, 24% from £695 to £997, and 24% between £998 and £1,297.

There is also a significant difference in the average proportions of vans subject to excess mileage charges between individual leasing companies.

The lowest figure was 1%, with the highest 70%. Last year's figures were 4% and 31% respectively. In 2022, these figures were 0% and 30%.

Again, separating the responses into four equal shares, we can see 63% of companies had average proportions between 1% and 18%, 30% from 19% and 36%, 3% between 37% and 54%, and 3% from 55% to 70%.

The past year has also seen the average excess charge per mile for vans fall by 1 pence per mile (ppm) to 10ppm, the same figure as in 2022's survey.

The lowest specified charge was 5ppm, with the highest 25ppm. Of all respondents to this question, almost two-thirds (63%) have variable rates.

The average proportion of trucks which incurred excess mileage charges fell six percentage points to 5% this year.

The highest proportion from an individual leasing company was 9%, with the lowest at 0%.

The average charge was £1,510; £380 less than in last year's FN50 report (£1,890). The highest average charge was £3,420 and the lowest £0.

	2022	2023	2024
Average % of returned vehicles incurring excess mileage (vans)	13%	17%	16%
Average excess mileage charges (vans)	£628	£567	£642
Average charge per excess mile (vans)	10ppm	11ppm	10ppm
Average % of returned vehicles incurring excess mileage (trucks)	9%	11%	5%
Average excess mileage charges (trucks)	£966	£1,890	£1,511
Average charge per excess mile (trucks)	7ppm	7ppm	14ppm

A SPECIAL REPORT BROUGHT TO YOU BY FleetNews

CRAFTED FOR BUSINESS

Mazda's multi-solution strategy delivers efficiency, sustainability, and driving pleasure for fleet customers

In association with

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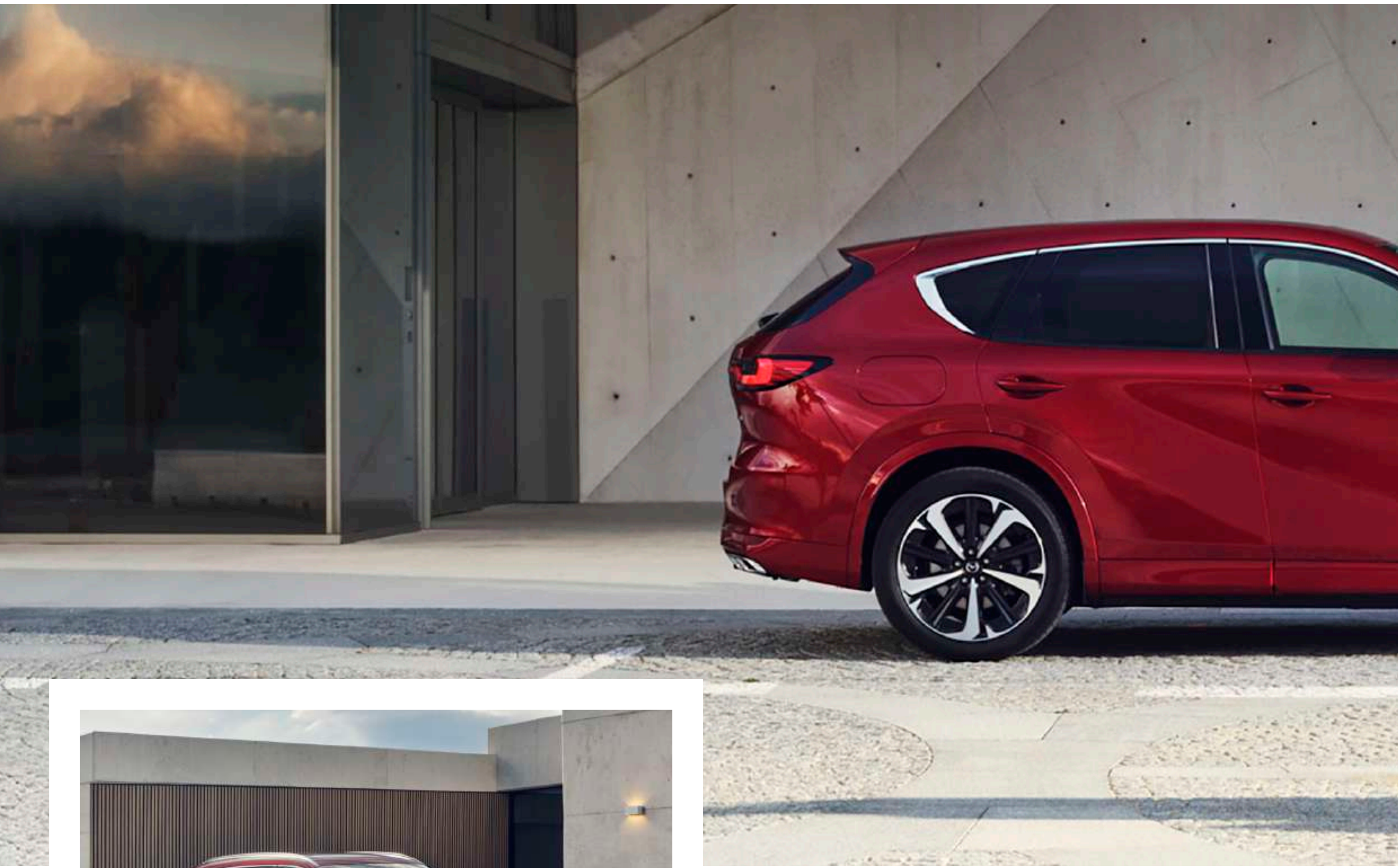


The Mazda CX-80 is the new flagship seven-seat SUV

With unique Japanese craftsmanship and advanced electrified powertrain technology, Mazda's growing line-up has a lot to offer fleet and business customers.

Excellent whole-life costs and strong residual values bring financial credibility, while class-leading efficiency and excellent driving dynamics ensure drivers won't be disappointed.

"Mazda is a unique brand that has many loyal fans among its Fleet and Retail customer base," says Steve Tomlinson, Head of Fleet Operations at Mazda UK.

From the compact Mazda2 to the versatile CX-30 and CX-5 SUVs, Mazda's model range is expanding – most notably with the recent introduction of the CX-80 as its new flagship seven-seat SUV. The new model follows the introduction of the CX-60 and both are offered with plug-in hybrid powertrains.

Tomlinson adds: "While it may not be one of the first brands that springs to mind, those individuals and companies that have taken the time to explore what Mazda is all about are regularly surprised by the craftsmanship of our cars, and by the levels of standard specification in a Mazda, often including items that are paid options with other brands.

"In addition, our engines are among the cleanest and most efficient on the market. We may have a small team, but are easy to do business with and offer great levels of customer service. Our product range includes mild hybrid, hybrid, plug-in hybrid (PHEV), battery electric vehicles (BEVs) and diesel models so can meet the needs of customers who require a multi-solution approach to their fleet."

By offering a full variety of sustainable technologies, ranging from BEVs and PHEVs to highly efficient petrol and diesel engine models, Mazda is convinced that a multi-solution strategy is the best way forward to achieving carbon-neutral mobility and improving air quality.

"We view the period leading up to 2030 as the dawn of electrification," explains Tomlinson. "But transitioning to electrification is not just about replacing automotive technology with BEVs. It requires the evolution of the entire supply chain which includes country-specific regulations, the development of charging infrastructure, the availability and cost of rare minerals, advancements in battery technology, consumer acceptance, pricing and recycling. Only when all these factors are in place can consumers confidently make their purchasing decisions.

"We do not expect consistent and smooth progress on all these fronts. In fact, we anticipate significant volatility, and believe that the pace of electrification will vary widely from country to country. Therefore, by 2030, our goal is to equip all vehicles with some form of electrification and set a target of BEVs to reach 25%-to-40% of global sales."

Ready for the deadline

In the UK, Mazda will meet the 2030 zero-emission requirements expected to be mandated by Government. It plans to introduce a number of new electric cars to market ahead of the anticipated deadline.

As part of its electrification journey, Mazda has recently partnered with Panasonic to create a supply of next-generation cylindrical lithium-ion batteries for its upcoming BEVs from 2027.

But not every company car driver or fleet is ready, or indeed able, for the switch to a fully electric car yet.

For those customers, as the world transitions to electric power Mazda will continue to develop the internal combustion engine to ensure the ICE legacy fleet is as clean and efficient as possible to achieve global reduction in CO_2.

Tomlinson says: "Infrastructure, pricing, and taxation are just a few of the variables that a fleet must consider. As such, embracing a suite of practical motoring solutions offers more of a 'something for everyone' outcome which should help control costs and improve staff retention as drivers have more flexibility when it comes to choosing their next company car."

The Mazda CX-60 has a plug-in hybrid powertrain

"Those individuals and companies that have taken the time to explore what Mazda is all about are regularly surprised by the craftsmanship of our cars, and by the levels of standard specification in a Mazda"

Steve Tomlinson, Mazda UK Head of Fleet Operations

Mazda CX-60: Challenging convention

With its sophisticated design, cutting-edge technology and a focus on sustainability, the Mazda CX-60 embodies the brand's commitment to delivering an engaging driving experience while maintaining practicality and efficiency.

Using plug-in hybrid technology, and with a specification full of luxurious features, the Mazda CX-60 is a compelling choice for company car drivers looking for a stylish yet cost-effective SUV.

At first glance, the CX-60 impresses with its bold and elegant exterior design. Mazda's signature Kodo design language is evident in the SUV's sculpted lines, sleek profile and refined aesthetics. The front features a prominent grille flanked by sharp LED headlights, giving the vehicle an assertive presence on the road. Its long bonnet and balanced proportions add to its sophisticated look, aligning it with the more luxurious end of the SUV market.

The interior is just as impressive, designed with premium materials that enhance comfort and refinement. Soft-touch surfaces, genuine wood accents, and plush seating contribute to a cabin that feels upscale. The spacious interior provides ample legroom for passengers and, with generous cargo space, the CX-60 is as practical as it is stylish, making it suitable for both daily commutes and weekend family duties.

One of the standout features of the Mazda CX-60 is its e-Skyactiv plug-in hybrid (PHEV) powertrain. Striking a balance between performance and efficiency, a 2.5-litre four-cylinder petrol engine is combined with an electric motor, delivering a total system output of 327PS and an impressive 500nm of torque.

A 17.8kWh battery provides up to 39.77 miles of electric-only range, placing the CX-60 e-Skyactiv PHEV in the 8% benefit-in-kind (BIK) tax bracket. This zero-emission capability not only makes the CX-60 ideal for short commutes and city driving, where emissions and fuel consumption can be minimised, but also makes it more cost effective as a fleet vehicle.

The plug-in hybrid powertrain contributes to an enhanced driving experience thanks to its combination of silent and smooth electric running and muscular power output. When the engine and electric motor work together to deliver full power, acceleration from 0-62mph takes just 5.8 seconds.

Like every car in the Mazda range, the CX-60 has been engineered to provide a dynamic and engaging drive. This is based on the principle of Jinba-ittai, which refers to the intuitive connection between a Mazda and its driver. The Japanese phrase translates as "horse and rider as one". Everything from the stiffness of the body and the calibration of the suspension, to the position of the steering wheel and pedals, has been considered to give drivers the most immersive experience possible.

Safety is a top priority and Mazda's i-Activsense suite of driver assistance systems offers comprehensive protection in all CX-60 models. Features such as driver attention alert, lane-keep assist, blind spot monitoring, and automatic emergency braking are standard, helping to keep both the driver and passengers safe on the road. The CX-60 has also been designed with an advanced chassis structure that enhances crash safety while maintaining a lighter overall vehicle weight for better efficiency.

Steve Tomlinson, head of fleet at Mazda UK, says: "The Mazda CX-60 plug-in hybrid puts forward a strong case for fleet customers. With an emission-free range of 39.77 miles which allows the model to qualify for the 8% BIK tax bracket, this system works in conjunction with the advanced petrol engine to offer not only low CO_2 figures, but it also remains true to Mazda's driver-focused reputation by offering engaging driving dynamics and advanced technologies.

"Like all Mazda cars, it is also packed full of plenty of equipment as standard like the head-up display, heated front seats and steering wheel, dual-zone climate control, and a hands-free tailgate.

"Another standard feature and a personal favourite of mine is the cabin preconditioning which allows you to set the cabin temperature of your vehicle through the MyMazda app before you get into the vehicle. This is a particularly welcome feature in the colder months."

Pricing for the CX-60 e-Skyactiv PHEV starts at just £45,420 on-the-road (OTR) in Exclusive-Line trim. Standard features include 18-inch alloy wheels, leather upholstery, front and rear parking sensors, reversing camera, smart keyless entry and wireless Apple CarPlay® & Android Auto™.

The Homura grade starts at £48,170 OTR and includes 20-inch wheels, gloss black exterior accents, a 12-speaker Bose sound system, ventilated front seats and heated outer rear seats.

Range-topping Takumi is the most luxurious trim level, priced from £49,520 OTR, and comes with white nappa leather upholstery, white maple wood interior accents and 20" Black Diamond Cut alloy wheels.

Mazda CX-80: Roomy and versatile

The Mazda CX-80 is the new flagship of the Mazda line-up, sitting above the Mazda CX-60 in its growing SUV range.

Featuring three-row seating, it's the most spacious SUV ever offered by Mazda in the UK. With its high-quality cabin, technically advanced drivetrains and elegant design, the CX-80 is for those seeking a larger, family-oriented SUV, while still wanting the spirited driving experience Mazda is known for.

Dimensionally, the all-new Mazda CX-80 sees the wheelbase grow by 250mm compared with the CX-60 to deliver the extra space needed for a practical three-row interior. It is also 30mm taller.

With sleek lines, a bold front grille, and distinctive LED headlights, the Mazda CX-80 is visually matched to its CX-60 sibling, using the same Kodo design language. In profile, its elongated body gives the CX-80 an imposing appearance and strong road presence.

The extended side windows feature thicker surrounds that are straighter at the D Pillar to emphasise the presence of the third row of seating, while the seamlessly integrated roof rails further highlight the length of the CX-80's cabin.

The passenger space is refined, featuring premium materials and meticulous attention to detail in its design. Both comfort and practicality were considered during development, ensuring the CX-80 provides ample space for up to seven occupants and also a generous boot.

To maximise customer choice, the CX-80 is available (depending on specification) with a choice of three middle row configurations: a three-person bench seat, two captain's seats with a walk-through space or two captain's seats with a fixed centre console.

Access to the third row is enhanced with Mazda's one-touch walk-in feature, which automatically moves the second-row seat bench (when equipped) for optimal access.

The Mazda Connect infotainment system is delivered via a 12.3-inch central display and includes smartphone connectivity via Apple CarPlay and Android Auto, giving access to all the information and entertainment services.

Impressive performance is delivered by the e-Skyactiv PHEV powertrain, which

combines a 2.5-litre petrol engine with an electric motor. It delivers a combined output of 327PS and 500nm to all four wheels via an eight-speed automatic transmission.

Efficiency comes in equal measure, thanks to its 17.8kWh battery. The CX-80 e-Skyactiv PHEV has a zero-emission range of 38 miles. This places it in the 12% benefit-in-kind tax band.

Steve Tomlinson, head of fleet at Mazda UK, says: "Building on the same benefits that make the Mazda CX-60 a standout vehicle in its class, the Mazda CX-80 extends the platform with the addition of a third row that has space for adults as well as children.

"Featuring the same plug-in hybrid powertrain, our newest model becomes our most versatile too, with an impressive 38 miles of emissions-free electric range and, like the Mazda CX-60, a towing capacity of 2,500kg.

"Another feature shared across both models and available as standard on the Homura and Takumi trim levels, or as part of the Comfort Pack on the Exclusive-Line trim level, is the Driver Personalisation system that uses facial recognition to automatically adjust the steering wheel, mirrors, head-up display, and seating position to their saved position."

The CX-80 e-Skyactiv PHEV is priced from £48,920 on-the-road (OTR) and is offered in five trim levels. The range starts with Exclusive-Line, which includes useful features such as parking sensors, smart keyless entry and heated front seats.

Homura offers a sportier aesthetic, with 20-inch black alloy wheels and gloss black exterior details. It also features a 12-speaker Bose sound system and electric seat adjustment. Prices start at £52,070 for the Homura or £54,720 for the Homura Plus. The latter adds extra features such as a panoramic sunroof and adaptive cruise control.

For a more luxurious experience, the Takumi offers white Nappa leather upholstery and 20" Grey Diamond Cut alloy wheels when compared with Homura. It is available from £53,020, while Takumi Plus brings the same broader array of equipment as Homura Plus for £55,670.

Going green has left leases in the red

The relentless decline in the residual values of electric cars is proving a nightmare for leasing companies. *Jonathan Manning* reports

Green at the tailpipe, but red on the balance sheet, there's no escaping electric cars as the primary topic of conversation among residual value (RV) risk takers. The 20-month decline in the used prices suffered by ex-lease electric cars has destroyed the profitability of first generation contracts and inflated the rentals of new agreements.

While few experts expected the lofty used prices achieved in 2022 to continue, the speed of the decline has been "brutal", in the words of forecasting specialist Cap HPI, which has tracked cumulative used value reductions of more than 60% since September 2022.

Leasing companies started baking these higher depreciation costs for EVs into their lease rates from the second half of 2023, although it's this year when rentals really started to rise. These uplifts, however, can do nothing to alleviate the four- and even five-figure losses being suffered on the first wave of EV leases from 2020 and 2021.

The cushion for these balance sheet blows has been the continued strength of demand for used petrol and diesel cars, which has kept disposal prices well above their original forecasts, although this cushion is more like cotton wool than a sprung mattress, says Nick Hardy, sales and marketing director of Ogilvie Fleet.

The disposal loss from a single EV outstrips the combined windfalls from three or four sales of internal combustion engine (ICE) cars, whose values have also fallen significantly from the bumper returns of 2023. This year, 69% of FN50 leasing companies recorded a decline in RVs, and only a quarter reported an increase.

There is at least some reassurance that the outlook for used ICE cars remains buoyant, with the constrained supply of three- and four-year-old cars set to continue for the next year-to-18 months, according to Derren Martin, director of valuations, Cap HPI.

"There were 3.1 million fewer cars registered between 2020 and 2023, due to the pandemic and semi-conductor shortage, than there were in the four years prior to Covid, which is limiting supply. Demand has been steady-to-strong," he says. "If you compare values now, to where they were at the start of 2021, before they went up so much, they're now about 15% higher, on average."

This is reflected in a reduction in defleet days among FN50 companies, from an average of 20 days last year to 18 days this, with traders eager to source ex-lease cars in good condition, regardless of age and mileage.

Yet, even in this buoyant market for ICE cars, leasing companies are in a constant quest to identify their optimum sales channels. The FN50 survey reveals online auctions narrowly lead physical auctions and direct sales to dealers as the most commonly used route to market.

Given the prices achieved in the used EV market, however, leasing companies are doing everything to avoid selling cars. Customers are happy to extend contracts when the alternative is a substantially higher lease rate for a like-for-like new EV. And second-life leases are gathering momentum in the SME, personal contract hire and salary sacrifice space as a means to reduce the cost of electrification, while at the same time allowing leasing companies to amortise depreciation over an extra three or four years.

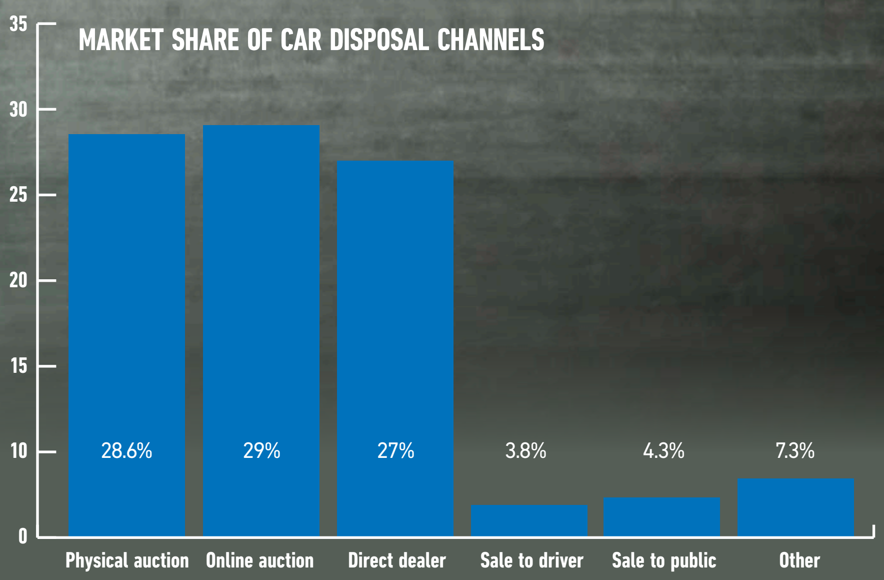
Interestingly, when EVs are being remarketed, sales to drivers are twice as high for EVs as for ICE cars, with a cocktail of cheap home charging, smooth driving experience and environmental conscience convincing the converted to stick with zero emission technology.

The challenge lies in persuading the uninitiated private buyer to transition to battery-powered secondhand cars, without any of the benefit-in-kind (BIK) tax sweeteners that have persuaded company car drivers to make the switch.

Although it may be traders rather than private drivers who need convincing.

For Grosvenor Leasing, which retails 80% of its ex-contract hire cars via its own megastore, EVs are now taking 28 days to sell, significantly fewer than the 44-day figure for ICE models, says Nick Hughes, CEO Grosvenor Group.

"That tells me that consumer demand for used



EVs is actually quite robust; it's retailers' appetite for used EVs that is less confident," he adds.

This is unsurprising given the experience of dealers who have watched inventory on their forecourts suffer hand-over-fist depreciation. Why take a gamble on stocking a used EV when there is guaranteed demand for used ICE models?

But with petrol and diesel models now carrying a premium over electric equivalents, and Cap HPI reporting that franchised dealers and supermarkets are slowly recognising the potential profitability of stocking BEVs, there are industry hopes that the EV market has 'bottomed out'. Prices of three-year-old EVs rose marginally in September, although this positive movement masked wide variations – EVs below the £18,000 retail sweet spot are faring better than more expensive models.

Between leasing companies there are still wide variances in RV forecasts for electric cars, with a number of factors creating a disorderly market. Chief among these is the Zero Emission Vehicle Mandate, which is forcing some manufacturers to push their EV sales to levels well beyond 'natural' demand through discounts and special offers.

EV car sales have more than tripled in recent years, from 108,205 in 2020, to 190,727 in 2021 and a forecast 364,000 this year, and, as the mandate ratchets up, manufacturers will be under even more pressure to push their EV registrations.

"It's oversupply through Government interference, which is inflating the market well ahead of consumer demand," says Andy Shields, Indicata's global business unit director.

Put bluntly, there are no incentives beyond a climate conscience for a private driver to go green. Not only will EVs be liable for £190 Vehicle Excise Duty from next April, but many will incur the additional £410 luxury car tax for vehicles costing more than £40,000, adding £50 per month to ownership costs. This prospect is generating fears of a sharp price realignment of new EVs as manufacturers convert today's discounts into RRP cuts to ensure their cars squeeze under the £40,000 expensive car threshold. When Tesla cut thousands from its official list price, the knock-on impacts in the used EV market were serious.

And with fleets accounting for more than three-quarters of EV registrations, according to the SMMT, and the first wave of EVs already causing an over-supply situation in the used market, how will the industry cope when numbers are three times higher?

"Building a stronger second-hand marketplace by boosting demand for used EVs is one of the key areas which must be addressed to achieve the EV transition at scale," said Jon Lawes, managing director, Novuna Vehicle Solutions. "It's vital policy-makers take bold action to reinforce business and consumer confidence in the long-term feasibility of the EV ecosystem."

New entrants shake-up established order, but cheaper BEVs are coming

BYD, Great Wall and Omoda to be followed by Leapmotor and Changan next year, but European OEMs react with slew of smaller, cheaper electric cars

With BYD, Great Wall Motors (GWM) and Omoda now selling cars in the UK, and Leapmotor and Changan scheduled to join them next year, fleet and leasing companies have a rapidly expanding choice of electric cars to consider adding to their user-chooser lists.

So far this year, BYD has registered 5,260 cars (up 367% on 2023), and GWM Ora 1,072 (up 18%), while in its first two months on sale, Chery-owned Omoda UK has already registered 1,127 units, although almost half are as demonstrators.

Added to that total are the established Chinese-owned brands such as SAIC's MG and Maxus, and Geely's Volvo and Polestar, underlining the significant impact they are already having on the UK landscape.

Buoyed by strong marketing campaigns, including BYD's sponsorship of the UEFA Euro 2024, awareness is growing, according to data from Auto Trader, with customer engagement levels also strengthening.

Speaking on episode four of the Fleet News Quarterly Market Insight sponsored by Auto Trader, director of automotive finance Rachael Jones said: "12 months ago, awareness was 4% for these brands, and now they're up at 16%."

> "China has the capability, the product, the patience to disrupt internationally. They've got 150 brands, 100 of which are selling EVs already"
>
> **Rachael Jones, director of automotive finance, Auto Trader**

BYD is generating the highest level of interest, more than Ora and Omoda combined

"With these new brands, in terms of kind of what learnings we're seeing, one thing is certainly around customer loyalty," Jones said, pointing to greater extremes with electric vehicles versus ICE.

"When we ask consumers about the next car you're going to buy, what brand will it be, around a third tend to say, I'm going to stick with the same brand I've got. That's not the case for EVs; it's much smaller, less than a fifth."

She added: "The other learning is China has the capability, the product, the patience to disrupt internationally. They've got 150 brands, 100 of which are selling EVs already. So, the market is producing a vast amount of batteries for the globe, I think 75%.

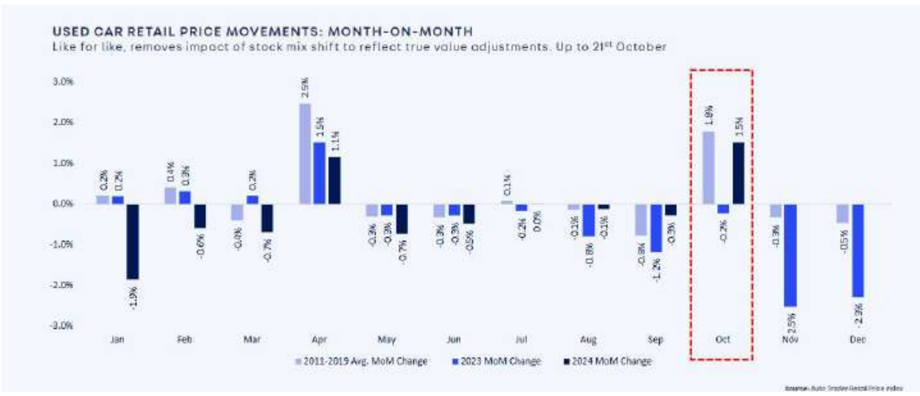
"The price and quality of the vehicles is very good. They're not compromising on quality, because they've got a very solid supply chain. And the average price of an EV is 14% less than an ICE vehicle. That's not the same over here; it's about 35% up on prices."

The tide shows no signs of turning back as demonstrated by the number of manufacturers exhibiting at Paris Motor Show. None seems particularly distracted by EU tariffs.

"Five or 10 of them were actively expressing that they're going to be launching into Europe next year, which just shows that flow of more brands coming into market," Jones said.

"Even the potential of tariffs being imposed, I don't think that's going to stop them coming, because they can look to absorb that cost, or potentially even look to open up factories in Europe as well."

Leapmotor, a joint venture with Stellantis, has already announced plans



to make its entry level T03 city car at its partner's plant in Poland.

"When we look at UK specifically, we're a favourable market for new entrants," Jones explained. "There's no sight of tariffs at the moment, and the new entrants have already developed, or are developing, right-hand drive versions. They've got Thailand on their doorstep that they already produce for so there's knowledge and products available to ship out."

One key takeaway from the Paris Motor Show was the proliferation of smaller, cheaper electric vehicles from the European manufacturers. This could open up the addressable market, while recent price reductions in the cost of lithium batteries will also enable more competitive pricing.

Manufacturers recognise, and are reacting to, the threat from new entrants, but they also have the challenge of meeting the ZEV Mandate in the UK and the EU emissions targets in Europe.

"The pressure just keeps ramping up," said Jones. "Even 22% this year has been tough, and we are likely to see some more action in the final few months to get there, so 28% (in 2025) for some brands is going to be very hard.

"OEMs are going to be looking at all the sales channels to work out their best route to market in an efficient, affordable way for fleet and leasing. It will be a huge focus because if you look at the SMMT stats, 75% of EV sales have been through fleet and leasing channels.

Six topics shaped episode 4 of the Fleet News Quarterly Market Insights sponsored by Auto Trader. Here you can go straight to them, or watch the 20-minute video in full

- **How new entrants from China may reshape the market: 2:04**
- **Thoughts from Paris – the brands and models making an impact in 2025: 6:16**
- **How will the ZEV Mandate affect the market next year? 9:29**
- **Pressures caused by rising insurance premiums: 12:08**
- **Residual value pressures on nearly new values: 14:32**
- **Market confidence next year: 16:35**

"The level of discount available from OEMs is going to be a big topic of conversation."

Push discounts too hard and it could further unsettle a used car market which has suffered persistent falls in residual values over the past 18 months, particularly for electric vehicles.

However, there are nuances with older values starting to harden and retail prices generally quite stable, performing in line with seasonal norms, according to Auto Trader data.

In September, stock levels were down just more than 5% while demand was up 8% on the Auto Trader platform, resulting in a healthier balance from an RV perspective.

"We've been tracking pricing since 2011 and, on average, in September, prices tend to go back around 0.6%; this September, they only went back 0.3% so it feels quite good at the moment," Jones said.

"Looking ahead to next year, we don't see any sign of these dynamics changing massively. We map out the car parc and look at the cycles of change and what supply is coming back into market from new car and so on.

"We don't see the supply side changing too much. And there's no reason for demand to drop off a cliff either. So, we think pricing should remain pretty stable."

However, Jones added a note of caution: "That's dependent, of course, on everyone playing sensibly. Last year, we saw a massive change in the market on a pricing perspective, when the market moved to follow the wholesale trends in markets. If that doesn't happen, then we'll be in more stable place."

For more information, contact Rachael directly at rachael.jones@autotrader.co.uk

AutoTrader

Used LCV prices start to normalise

The highs of the post-pandemic period are in the rear-view mirror, as buyers seek better condition used vans. *Jonathan Manning* reports

As a bellwether of the UK economy, trading conditions in the new and used van markets should give pause for thought to a new Government committed to growth.

Values of used vans have fallen steadily throughout 2024 as supply has exceeded demand, while registrations of new light comercial vehicles (LCVs) were only 2.7% up year-on-year for the first eight months of the year.

The figures suggest that businesses have simply been replacing ageing LCVs, rather than growing their fleets. The shortages in the used market that elevated prices to giddy heights in the pandemic (when anecdotal evidence suggested a boom in self-employed last-mile delivery operators in search of a van) have now become distant memories.

"For what seems like an eternity we have been reporting that the market has been over-supplied with high mileage, so-called vanilla stock, a high proportion of which are damaged," comments Ken Brown, Cap HPI LCV valuations editor.

> FOR WHAT SEEMS LIKE AN ETERNITY WE HAVE BEEN REPORTING THAT THE MARKET HAS BEEN OVER-SUPPLIED WITH HIGH MILEAGE 'VANILLA' STOCK
>
> **KEN BROWN, CAP HPI**

Trade buyers have, understandably, steered clear of these vehicles, even if vendors have priced them realistically, conscious that delays in sourcing spare parts and long bodyshop lead times mean buyers face the risk that prices will fall even further by the time a vehicle is ready for the forecourt, adds Brown.

As 2024 entered its final quarter, Cap HPI had tracked a -22.8% realignment in the value of three-year, 60,000-mile vans since January, although the average age and mileages of vans reaching auction halls is significantly higher.

Regrettably, a proportion of the three-year-old vehicles being defleeted is proving to be unattractive due to their base specification – during Covid-19, manufacturers stripped back vehicle features in order to maintain production while components and microchips were in short supply.

This is focusing buyer attention on vehicle condition, prioritising LCVs that can be prepared and sold the quickest. Both BCA and Manheim report buyers being willing to pay for cleaner vans that require minimal preparation.

"The delta between the best and worst condition is likely to increase further," says Stuart Pearson, BCA COO.

He expects greater movements in the significant

pricing realignments that have already taken place over the past few months.

This tallies with feedback from FN50 companies, among which 59% have reported a decrease in van residual values this year, and only 13% enjoyed an increase.

More striking still is the differential between accounts of the rise or fall of LCV used prices. While the most optimistic FN50 company recorded a 7.5% increase in residual values, several companies suffered double-digit declines stretching up to -20%. Overall, the results have seen FN50 companies achieve an average of 98.3% of Cap Clean when selling end-of-contract vans.

"Values have been down this year on last year, and that was down on the year before, so the market is normalising," says Guy Mason, operations director SG Fleet.

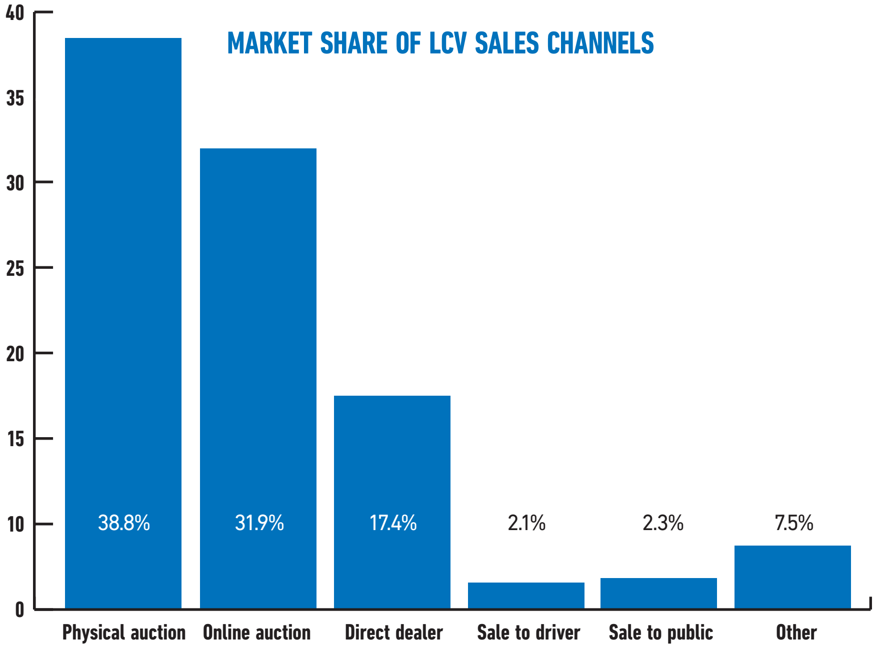
Reassuringly, the lost volumes of new van sales during the Covid and semi-conductor years should ensure that the supply of used vehicles does not tip into oversupply in the next couple of years.

"We expect residual markets to remain strong due to this shortfall in used supply combined with higher pricing of new vehicles and also potentially more limited volumes of traditional LCVs as manufacturers move away from ICE (internal combustion engine) production," says Martin Ward, CEO, ZIGUP (the new name for Redde Northgate) in the company's results.

But vans are taking substantially longer to sell, requiring an average of 31 days to defleet in 2024, compared with 22 days last year, according to FN50 data.

Multi-channel remarketing routes are high on leasing company agendas, although the traditional solution of physical auctions has regained its position as the premier disposal channel this year. Auction halls accounted for 38.8% of defleeted vans in 2024, a sizeable five points rise from 33.7% last year. To some extent the gain has been at the expense of online auctions, where volumes have slipped marginally, accounting for 31.9% of ex-lease vans, down from 33.8% in 2023.

The new NAMA grading system, which provides buyers with a more detailed and transparent appraisal of the condition of a van, including its body, load area and interior, should bolster buyer confidence in remote sales, although as leasing companies have disposed of older, higher mileage vehicles due to contract extensions, many traders have still felt the need to see the vans in the metal.



The vast majority of all of these end-of-contract vehicles are powered by diesel, but focus is naturally turning to the current and future values of electric LCVs, after the turmoil witnessed in the car market.

Despite minimal volumes that should mitigate against any oversupply situation, demand for used first generation electric vans ranges from weak to non-existent, according to vendors. Where used electric car values appear to hit a virtual floor when they reach parity with ICE equivalents, secondhand e-LCVs keep descending.

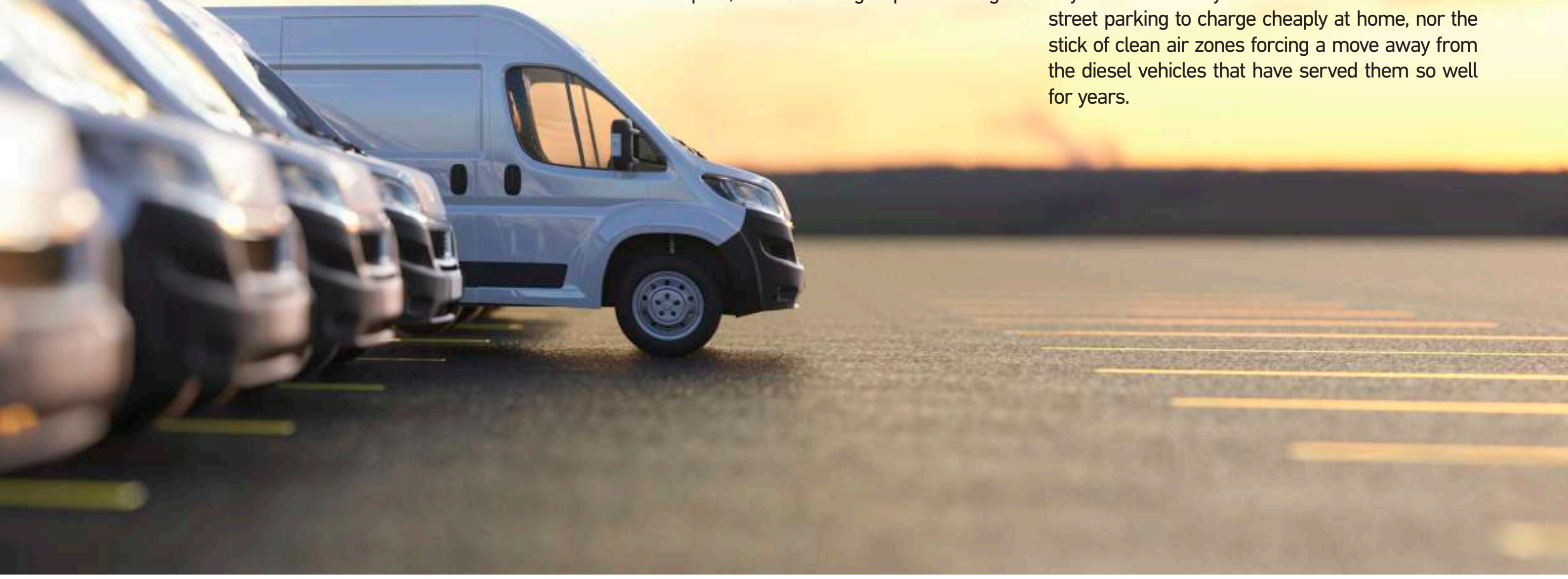
"There's no sign of a used electric van delivering any value at the moment. Nobody seems to want them brand new and nobody wants them second-hand," says Mason.

Used e-LCVs appear to be caught in a vicious downward spiral, with dealer groups and large retail operations steering clear of them. "Nobody wants to stock them because their values keep dropping," says Mason.

"If you went to a car showroom, you'd see a load of ICE vehicles and a handful of electric cars, but if you visit a van showroom, you won't see any electric vans. So, if the trader won't stock them, how is the used van buyer going to buy one?"

This poor secondhand performance starts a negative feedback loop, with current resale values used as a basis for future residual value forecasts. The optimism and bombast surrounding early eLCV leases has disappeared amid the current losses, and the only consolation for leasing companies is the willingness of customers to extend contracts. Lease rates for replacement electric vans are substantially higher, due to sharp inflation in acquisition prices and fears of depreciation on the same scale as suffered by electric cars.

The same range, payload, towing and charging issues that act as impediments to new van buyers apply to the small businesses and tradesmen who buy used vans. They have neither the carrot of off-street parking to charge cheaply at home, nor the stick of clean air zones forcing a move away from the diesel vehicles that have served them so well for years.



Growth of used EV schemes continues

UK leasing industry calls on Government to strengthen demand for used electric vehicles. *Mike Roberts* reports

More than half of respondents to this year's FN50 survey offer a used car leasing product, up from around two-fifths last year. For vans, 44% of respondents now offer a used vehicle product, up from 31% last year.

The increases should come as no surprise as the leasing industry continues to look at ways to protect its exposure to residual values, particularly for electric vehicles.

Trade body the British Vehicle Rental and Leasing Association (BVRLA) is warning that the UK vehicle leasing and rental industry is facing an "existential threat", because of the collapse in used EV values and is urging the UK Government to step in.

Many leasing companies this year report profits have been impacted by the performance of second-hand EVs.

The BVRLA says that between 2024 and 2030, used EV car prices are predicted to fall by a further 28%, on top of an existing slump that has already seen them lose half of their value over the past two years.

In a bid to boost demand and stabilise prices, the BVRLA wants the Government to:

- Launch an information campaign to counter negative EV myths.
- Support standardised battery health certificates to reassure used EV buyers.
- Launch a targeted used EV plug-in grant.
- Cut VAT on used EVs by 50% for four years.
- Provide a special 0% benefit-in-kind tax rate for used EVs for four years.
- Allow the Civil Service to access used EV salary sacrifice schemes.

BVRLA chief executive Gerry Keaney says: "The crisis we are seeing in the used EV market is a direct threat to the Government's ambitious ZEV Mandate and ICE phase-out targets.

> USED EVs ARE STUNNINGLY CHEAP AND GETTING CHEAPER, BUT SOMEONE NEEDS TO PAY FOR THIS PRICE GAP
>
> **GERRY KEANEY, BVRLA**

"New EVs are expensive while used EVs are stunningly cheap and getting cheaper, but someone needs to pay for this price gap.

"It is motor finance companies and new EV drivers that are footing the bill, through massive depreciation and increased lease rates.

"These are the fleets and customers that have been responsible for driving demand for EVs up to now. We cannot afford for them to lose confidence in the transition."

Tusker is the latest leasing company to launch a used car leasing scheme, starting with five businesses from its 2,500-strong customer base, before being rolled out more widely.

Managing director Kit Wisdom says: "We see that as real growth area for us, particularly around making sure we're able to access and address all of our eligible employees in a better way."

He expects a used salary sacrifice lease could be anywhere up to 20% cheaper, dependent on the make, the model and what the cost of a new car is at that moment in time.

Novuna head of decarbonisation Jonny Berry says it is important to share EV performance information and data with consumers to help build confidence.

He adds: "You can buy a luxury premium used EV for the same price as a budget new EV. So why wouldn't you?"

Steve Jones, customer services director at Ayvens, says: "Logic tells you that at some point there will be an uptick in consumer demand, ideally driven by Government action that makes a used EV a more attractive option, like they have for new."

Phil Wilbraham, managing director of Pendragon Vehicle Management, says: "Traditional retail customers have not been on the same journey at the same pace as a fleet customer, and certainly not had the same incentives."

Greg McDowell, managing director of Marshall Leasing says it is critical that the UK Government listens and responds to the BVRLA's proposals to "buoy and cement some of the early stability that we are seeing".

WHY THE HUMAN TOUCH IS VITAL

IT investment may be transforming the automation and delivery of its services, but Zenith is just as focused on the personal elements of its customer service and consultancy

It's an unusual place to start, admittedly, but there's an element of excitement at Zenith when one of its customers' drivers encounters a difficulty. It's not that the largest independent leasing company in the FN50 wishes a breakdown or accident on any driver, but these are the incidents that allow the business to showcase its USP – people-focused customer service.

This is a philosophy baked into the DNA of the business, a conviction that the funding and management of cars, vans and HGVs is not an impersonal, off-the-shelf product, but an individualised service. Armfuls of awards, including the 2023 Fleet News Award for Leasing Company of the Year, provide abundant evidence that Zenith's customers agree, too.

In an industry that appears fixated on fleet size, it feels highly illustrative that Andy Wolff, commercial director of Zenith's corporate division, glosses over the seven percent growth in the company's corporate fleet in the past year, and instead presents a different set of measures of success.

"We retained 97% of our B2B customers in the past year, which in the blue chip, sole supply market where we operate, is an extraordinary performance," he said, adding that seven of Zenith's largest 10 customers, each with fleets running into thousands of vehicles, have signed up until at least 2027, if not longer.

Procurement professionals at major corporates often seek competitive tension in their purchasing arrangements, pitting rival suppliers against each other, which makes Zenith's success as a long-standing sole supplier all the more impressive.

"We will happily ensure that clients have a right to price benchmarking or that we establish contractual parameters around the construct of a deal, which reassures clients that we are competitive and will remain so," said Wolff.

"But the real value comes from having one partner with one data set. We can then use our expanded relationship team and consultancy team to engineer policy for the customer that has immediate impact, because we control the whole fleet and can drive efficiencies."

Wolff is equally proud of the statistics emerging from Zenith's driver services team, responsible for service bookings, MOTs and accident notifications.

"The average call wait time is 12 seconds, and we're answering four out of five calls in 20 seconds, across a function that receives about 30,000 calls a month. Our call abandonment rate is sub 2%," he said.

Yet the company has deliberately avoided the call boards, rolling statistics and red lights of a call centre, focusing instead on the quality rather than quantity of calls. There's no lengthy options tree requiring drivers to dial one for X and two for Y, no mind-numbing muzak, and no infuriating message pretending that 'your call is important to us'.

"Customers need a trusted advisor more than ever today, whether that's to support them on their electrification journey, or to derive efficiencies from their fleet policy in order to reduce cost in a difficult economic landscape," said Wolff.

"Our customers would say that we are responsive, we're available, and our proportion of right-first-time resolutions in customer service is high."

"We're trying to make the process of interacting with Zenith as human as possible," said Wolff. "You get through to a human being who knows your business, knows the backstory of your policy decisions and knows the pressure points in your organisation."

A multi-million IT investment programme has developed the cutting-edge process automation, driver apps, portals and fleet management reporting ➲

systems that customers would expect from a top 10 supplier in the UK leasing market, but at heart it's Zenith's human involvement that stands out.

Quarterly review meetings with customers address progress towards strategic corporate objectives alongside Zenith's service delivery. Drivers are automatically surveyed after every interaction with the leasing company.

Unlike any other company in the top 10 of the FN50, Zenith has neither a bank nor a manufacturer as shareholder, which means it can be agnostic in funding type and vehicle advice, and free to focus solely on what is right for its customers.

Every client has a dedicated relationship manager, who reports into one of three customer relationship directors, all tasked with the primary responsibility of customer retention. Customers meet their designated relationship manager during the sales or tender process, and the manager remains a constant throughout the onboarding process and service delivery, ensuring a seamless experience for customers. On average, Zenith retains its customers for 11 years, equivalent to three fleet cycles, and an impressive roster of clients, including major banks, insurers and three of the UK's Big Four professional services firms, is testament to the investment the company has made in this side of its business.

The leasing firm has also invested in developing a broad portfolio of services, from corporate company cars to a booming salary sacrifice offering, personal contract hire, as well as funding and management of both light and heavy commercial vehicles. This product mix offers the firm a diversity of markets in which to operate, and provides customers with a single point of contact for all of their vehicle requirements.

The chief challenge facing fleets of all size and vehicle type is the urgent need to decarbonise. Road transport is rapidly changing to help prevent the worst effects of climate change, supported by Government deadlines to end the sale of vehicles with internal combustion engines. Practising what it preaches, Zenith has been carbon neutral since 2021, and was an early advocate of fleet electrification, signing up to the Climate Group's EV100 pledge to transition Zenith's employee company car scheme to zero emission vehicles by 2025 (already achieved) , and to support its customers to do the same by 2030.

"We're now heavily involved in consulting with our customers on their transition to BEVs, focusing on policy and cost optimisation, and frequently both," said Wolff. "Quite often we're taking ownership for building out their electrification strategy, and working with the relevant departments in the organisation to look at charging infrastructure support and employee engagement."

Given the complexities of corporate environmental objectives, new automotive technologies and ever-wider driver choice, Zenith's commitment to a partnership approach cascades down to its relationship with company car and salary sacrifice drivers, said Charlotte Clewes, customer relationship director, Zenith.

"We are very conscious that employees now have an expectation of a retail feel, so our website is slick and quick, with all the imagery that you'd expect from a manufacturer site," she said.


Charlotte Clewes, Zenith's customer relationship director

"But you can't always quite get all the answers you want from a computer, so our sales executives have to be trusted advisors. They are there to hand hold the driver as much as the driver wants, right from the start of the process. They work to understand the employee's mobility needs, the journeys they make, and to identify how they could make an electric vehicle work. It's that kind of conversation that our customers really value alongside a very slick, web-driven process that leads to a brilliant driver journey from start to finish."

A diverse and inclusive workforce

"It's the right thing to do for colleagues; the right thing to do for customers; put bluntly, it's simply the right thing to do."

Zenith is unequivocal in the importance it attaches to diversity and inclusion, prioritising the issue to an extent rarely seen in the leasing industry.

The firm now has six diversity and inclusion groups, staffed by volunteers committed to deliver change throughout the company and create a more inclusive working environment.

"These developments have been fantastic to see and evolved so much over the past 24 months in direct response to employee feedback," said Charlotte Clewes, customer relationship director, Zenith.

"Everybody is encouraged to be involved in different activities and information sessions that run on a regular basis to drive forward this agenda."

The leasing company has a wholehearted commitment to be as diverse as the communities it represents, which all plays into the importance the firm attributes to the human aspect of its work.

"How we interact with our customers' drivers demands relatability, so one of the areas we work on a lot in our customer service setting is

empathy and understanding," said Andy Wolff, commercial director of Zenith's corporate division.

Whether a driver is reporting an accident from the roadside or informing Zenith of a change in circumstances that might mean they need to return a vehicle, the company is determined to treat the situation with kindness and compassion.

"It's the right thing to do; the right thing to do for our customers; and the right thing to do for our colleagues, who benefit from working in an organisation that takes diversity and inclusion so importantly. I'm particularly proud of the fact that Zenith still has that same cultural feel as it did many years ago, even though we have grown dramatically," said Wolff.

"I'm particularly proud of the fact that Zenith still has that same cultural feel as it did many years ago, even though we have grown dramatically"

Andy Wolff, corporate division commercial director

25 years of salary sacrifice

With a quarter of a century's experience of offering its staff a salary sacrifice car scheme, PwC has some valuable insights for other employers

It's tempting to think of salary sacrifice car schemes as a recent phenomenon facilitated by the advantageous benefit-in-kind (BIK) tax treatment of zero emission cars. But PwC would beg to differ. The professional services giant has this year marked the silver anniversary of its salary sacrifice scheme, with almost 2,000 employees now opting into a benefit first offered to staff in 1999.

Today, more than 250 employees have been in the scheme for 15 years or longer, which makes it the ideal case study for other organisations considering the introduction of a salary sacrifice policy, or wondering why their own has generated so little appetite from employees.

Gaynor McNicholas

The financial literacy of PwC's staff no doubt helps, but the firm has worked hard with Zenith to create and promote a scheme that works for employees and employer alike, said Mark Avery, business services & travel leader, PwC.

Staff enjoy the peace of mind of an 'all inclusive', tax-efficient car, with finance, maintenance and insurance bundled into the monthly payment. And PwC wins by supporting employee reten-

> **"It's really important that people understand how a scheme works and what they're committing to"**
>
> Gaynor McNicholas, customer relationship director

tion, fulfilling the firm's long-established commitment to be "a great place to work".

The scheme is also raising employee awareness of the company's goal to be net zero by the end of the decade as well as boosting its progress, thanks to the widespread selection of zero emission cars – 82% of PwC's fleet are battery electric and 93% have a plug.

Furthermore, the salary sacrifice cars help PwC with its duty of care responsibilities – the firm does not run a traditional company car fleet, but any business miles driven by salary sacrifice drivers will be in safe, modern, well maintained cars with appropriate insurance.

And while there are small internal admin tasks, such as arranging payroll reductions and deductions, Zenith ensures that the supporting pay files and reports make this a slick and simple process.

"A salary sacrifice scheme doesn't have to be a financial burden to a business," said Avery. "It can work out beneficially for both the employee and employer."

Salary sacrifice cars are, however, highly emotive, he added. Employees are paying with their own money, so their expectations are high. Unlike PwC's other flexible benefits, the car scheme is open all year round, reflecting the fact that drivers' current motor finance agreements might end at any time.

Employees can select vehicles from a dedicated PwC app or portal into Zenith's new salary sacrifice platform, with the option of two-, three- or four-year leases. PwC has negotiated an aggregated mileage policy across the fleet, so individual drivers don't have to worry about excess mileage charges at the end of the contract. And Zenith's damage waiver minimises wear and tear charges.

"Our relationship with Zenith is important," said Avery. "This isn't just a supply agreement, because we're working on this together with a common goal. We want our people to take vehicles, and Zenith wants the business."

The two companies work together to promote awareness of the scheme via mailshots, webinars and roadshows, with the marketing messages boosted by staff discussions on internal social networks.

Clear communication is key to the success of any salary sacrifice scheme, said Gaynor McNicholas, customer relationship director, Zenith.

"It's really important that people understand how a scheme works and what they're committing to," she said. "Employees need to know what they can expect

and what their potential liabilities are, so it's vital that there is a really clear and accessible policy in place and that the end user has read it and understood it."

Zenith structures its salary sacrifice schemes to eliminate unexpected costs to the driver, "so there's very little that an employee has to pay over and above their monthly salary deduction," said McNicholas.

The leasing company is currently enhancing the affordability of its salary sacrifice offer by introducing the option of used electric cars.

"This is something that a lot of customers are keen to explore, because they want to ensure that the benefit is open to as many employees as possible," said McNicholas.

www.zenith.co.uk

German brands dominate fleet car dealer network performance as BMW secures sixth consecutive win

Ford maintains leadership for sales and servicing of van fleets. *Tom Seymour* reports

BMW continues to dominate the fleet market as it has once again been ranked as the brand with the best rated dealer network within the FN50.

It's the sixth consecutive year the German manufacturer has topped the list in this crucial survey category, which gauges fleet operators' opinions of car dealer networks' performance based on enquiry response times, vehicle lead times, the accuracy of delivery date forecasting, the level of on time deliveries and the service fleets receive for servicing, maintenance and repair (SMR).

German brands dominated the top four positions within the top 10, with BMW followed by Audi, Volkswagen then Mercedes-Benz.

It means Kia, which placed third last year, has slipped back to fifth place.

It should also be highlighted that Audi should be commended for maintaining its place in second for a remarkable six years.

Third place has shifted over the years, but Audi has always been there, pushing for that top position.

Interestingly, Mercedes-Benz, which adopted the agency model at the start of 2023, has worked its way back into fleets' good books after slipping down to eighth last year.

The agency model, which sees car brands take the lead on sales, with dealers paid a set handover fee, continues to be a point of contention for fleets, with the Association of Fleet Professionals (AFP) continuing to raise concerns about franchised dealer network service levels.

The AFP said earlier this year that the adoption of the dealer agency model appears to be leading to poorer quality vehicle deliveries in at least some instances.

AFP members have complained of a fall in standards, with electric vehicles (EVs) being delivered with little charge and internal combustion engine (ICE) cars with only a small amount of fuel.

Paul Hollick, chair at the AFP, says: "Under the old system, fleets would simply take their business to another dealer holding the same franchise but now that is not really possible, with the local dealer effectively having a monopoly over local deliveries.

"How this situation is resolved is difficult to say although there are some signs that the future of agency within the motor industry is in flux. It certainly adds to the long list of gripes that fleets

Best car dealership

	2024	2023	2022	2021	2020
1	BMW	BMW	BMW	BMW	BMW
2	Audi	Audi	Audi	Audi	Audi
3	Volkswagen	Kia	Mercedes-Benz	Mercedes-Benz	Mercedes-Benz
4	Mercedes-Benz	Ford	Volvo	Volkswagen	Volkswagen
5	Kia	Volkswagen	Toyota	Toyota	Kia
6	Toyota	Volvo	Volkswagen	Volvo	Toyota/Lexus
7	Seat	Toyota	Kia	Kia	Volvo
8	Škoda	Mercedes-Benz	Škoda	Škoda	Ford
9	Volvo	Hyundai	Hyundai	Hyundai	Seat
10	Ford	Seat	Nissan	Ford	JLR

currently have when it comes to their relationships with some manufacturers."

The AFP operates a 28-point Dealer Standard, designed to ensure that fleet cars and vans are delivered in excellent condition to the end user, who is then shown the fundamentals of how to operate the vehicle and always treated courteously.

Dealer groups have been signing up to the AFP standard and the FN50 data shows this could perhaps be influencing a positive resurgence from brands such as Mercedes-Benz, as well as Volvo, which is still within the top 10 best fleet brands.

Seat has climbed the rankings since last year by leapfrogging more established fleet brands such as Ford and Volvo.

Martin Gray took over as national fleet manager at Seat and Cupra UK in April this year, with the task of continuing to challenge the norm in UK fleet.

It's a strategy that is clearly resonating with fleet managers and their drivers.

Overall, franchised dealers have seen their market share for the fleet-critical areas of SMR increase, boosting their share for cars from 62.7% up to nearly two-thirds at 65.6%.

Meanwhile, franchised dealers' share of the van market has remained almost static, creeping up by the slightest of margins from 56.1% to 56.2%.

Best van dealership

	2024	2023	2022	2021	2020
1	Ford	Ford	Mercedes-Benz	Mercedes-Benz	Volkswagen
2	Volkswagen	Volkswagen	Ford	Volkswagen	Mercedes-Benz
3	Mercedes-Benz	Mercedes-Benz	Volkswagen	Ford	Ford
4	Vauxhall	Nissan	Vauxhall	Peugeot	Vauxhall
5	Renault	Toyota	Peugeot	Renault	Renault
6	Toyota	Renault	Citroën	Vauxhall	Peugeot
7	Nissan	Citroën	Renault	Citroën	Citroën
8	Citroën	Peugeot	Toyota	Toyota	Nissan
9	Peugeot	Vauxhall	Nissan	Nissan	Isuzu
10	Maxus	Fiat	Iveco	Iveco	Iveco

BMW CONTINUES FLEET MARKET LEADERSHIP

BMW has continued to rapidly grow its range of electric models, but they're not the only option available to drivers.

In the past year alone, BMW has introduced the iX2, i5 and new derivatives of iX1 and i4.

Behind these flagship EVs sits a more conventional line-up of petrol and plug-in hybrid variants.

It means drivers don't have to feel pressured to take an EV if they don't want one. But, equally, those that do can have one with no real compromises.

The majority of BMW EVs look and feel identical to their ICE-powered counterparts.

The strategy is clearly resonating well with fleet customers. BMW recorded the third-largest true fleet sales last year and was voted Fleet Manufacturer of the Year for the sixth consecutive year, at the 2024 Fleet News Awards.

Furthermore, the new BMW 5 Series was named Best Executive Car, solidifying its position as a leading choice for business users in the UK.

BMW is supported by a network of "Corporate Certified" dealerships that aspire to provide industry-leading service and tailored support to fleet managers, company car drivers and leasecos.

FORD'S VAN CONSISTENCY

Ford has taken the top spot for dealer network performance for vans for the second year in a row after displacing Mercedes-Benz in 2023.

While BMW has held a tight grip on car dealer network fleet performance, the van market has seen more change, with both Mercedes and Volkswagen jockeying for the top spot over the past five years.

Once again, the Fleet News Awards has acted as a bit of a precursor to the FN50 data, as Ford took the top gongs for its Ford Transit Custom and Ford Transit in the Best Medium Van and Best Large Van categories, as well as the coveted Fleet Van Manufacturer of the Year.

Neil Wilson, fleet director, Ford of Britain, told *Fleet News* earlier this year that the business is striving to provide the "optimum service" for fleets by introducing initiatives to help simplify the business of running vehicles.

Key to this has been the Ford Pro dealer network, which was launched in 2021 alongside a suite of support services, including telematics to assist fleet customers beyond simply supplying vehicles.

Wilson says: "We support our Ford Pro network in their relationship with their customer and we can also reach out to the dealer to see if they need support. We join the dots to provide the optimum solution for customers."

Entering the top 10, as it has for the most reliable van brand (see page 100), is Maxus, the SAIC-owned van specialist.

With more than 60 dealers now in the UK, including a number of commercial vehicle specialists, the manufacturer has an expanding range of electric vehicles which has seen it put greater focus on the fleet sector.

Among the Stellantis-owned brands, Vauxhall takes the plaudits after rising five places to fourth. Stablemates Citroën and Peugeot are eighth and ninth respectively, each dropping one place, while Fiat has slipped outside the top 10.

Threat of tariffs raises questions over Chinese electric takeover

Influx of cheap EVs could be stalled if Government chooses to act. *Matt de Prez* reports

Chinese car makers are expected to make a significant dent in the UK car market over the next few years, bringing an influx of cheaper electric vehicles (EVs) to our shores.

FN50 leasing companies were confident, in last year's survey, that these new brands would gain market share from pricier European rivals.

However, that could all change should the Government decide to implement stringent import tariffs on Chinese-built models.

It's a tactic that has already been implemented by the European Union, in a bid to level the playing field for legacy carmakers in the region.

Following an investigation, the European Commission concluded that Chinese car brands benefited from unfair Beijing subsidies that were keeping prices artificially low.

Now tariffs of up to 45% will apply to new EVs imported from China into the EU over the next five years.

China is banking on a massive European expansion to support its growing automotive industry. Should these tariffs cause sales to slump in EU countries, China could pivot its strategy to supply more vehicles to the UK.

The UK Government has not outlined its position on the tariffs – yet.

Ian Turner, chief sales officer at Alphabet, says: "The arrival of new Chinese OEMs in the UK market will undoubtedly have a significant impact on the fleet landscape, particularly in the EV segment. These new entrants are likely to increase competition, especially with their strong focus on affordability, which could disrupt traditional market dynamics.

"One of the immediate effects will be increased pressure on pricing in the EV market. Chinese manufacturers are known for their ability to produce cost-effective vehicles, which may drive prices down and make EVs more accessible to a wider audience.

"This could accelerate the transition to electrification for both corporate fleets and retail customers, potentially helping to achieve the critical mass needed to further EV adoption, stabilise residual values and reshape the marketplace.

"However, this influx of new OEMs is not without challenges. The potential introduction of tariffs on Chinese imports could impact the overall cost structure, as well as fleet decision-making, necessitating careful planning around pricing strategies."

In response the EU tariffs, some Chinese carmakers have already started to change their business model. BYD has announced it will open a European production facility.

Chinese OEMs have also formed strategic partnerships with European carmakers, which could complicate how tariffs are imposed.

Stellantis, for example, has invested £1.3 billion to acquire approximately 20% of Leapmotor, while forming Leapmotor International, a 51/49 Stellantis-led joint venture that has exclusive rights for the export and sale, as well as manufacturing, of Leapmotor products outside China, starting with Europe.

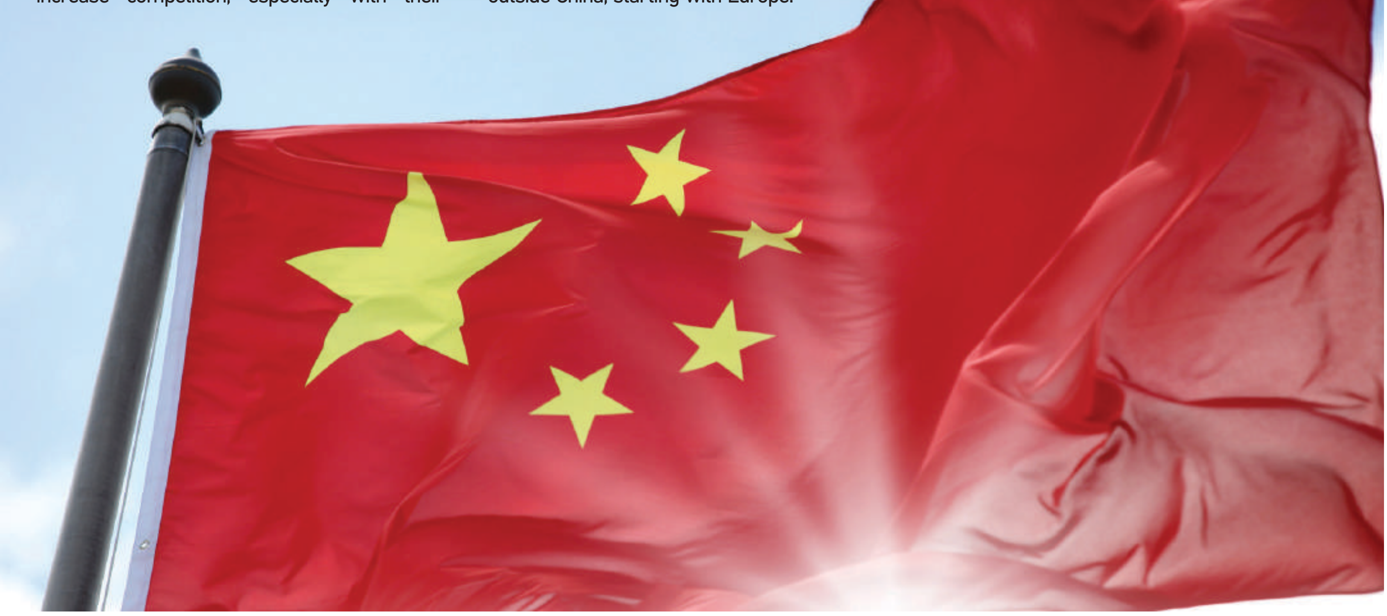
STRONGER AFTERSALES SUPPORT NEEDED

While a majority of FN50 leasing companies remains convinced that Chinese car brands will become more prevalent in the UK, fears remain over their longevity and the availability of after-sales services. Especially if the UK ends up being the only market for certain vehicles outside of China.

While there are some brands with established channels already, such as SAIC's MG, leasing companies want more assurance that newcomers will be able to provide ongoing support.

Holman commercial director Rory Mackinnon says: "The introduction of Chinese OEMs brings new competition into the market and widens the options fleets have to choose from, especially in the EV space. Unfortunately, a lot of these OEMs do not have strong aftersales support in terms of the network or parts supply available, this needs to be considered when analysing choices on both car and LCV acquisition."

During 2024, the automotive sector has already witnessed the rise and fall of Fisker. While not a Chinese brand, the newcomer entered the UK market with promise. Only a limited aftersales provision was created before the company filed for bankruptcy. Fisker owners are now left with no warranty provision and an undeniable SMR challenge.



Procurement software that leads to efficiencies and reduces errors

Lee Jones, MD and Founder, Fleet Procure

Fleet Procure is proud to again support the FN50 this year as the procurement partner and sponsors of the Customer Service award categories.

Our procurement software solutions are revolutionising the industry, driving forwards efficiencies and cost savings for our growing customer base.

Leasing companies, OEMs, rental operators and leasing brokers are all benefiting from implementing our easily integrated cloud-based platform.

VEHICLE PROCUREMENT

Is Excel, phone and email procurement really fit for purpose in today's market?

Through an innovative live data vehicle configurator linked directly to supplying dealer and OEM support terms, you no longer have to wait for vehicle tenders, the pricing is instantly available!

Couple this with integrated vehicle lead time, dealer instant messaging and vehicle delivery booking, you can provide the fast and efficient service your customers demand.

STOCK MANAGEMENT

Our ground-breaking Stock Manager module has evolved the way stock is managed with the first truly live stock management system, which adds the benefits of asset value tracking, live days, predicted sell-out date, plus advanced reporting into how many vehicles have been delivered versus how many have not. Already implemented by leading leasing companies Alphabet, Drivalia and Leasys, along with larger leasing brokers such as Carparison, Rivervale Group and Wessex Fleet, Stock Manager has become the leading stock management platform of the FN50.

ADVANCED REPORTING AND AUDIT TRAIL

An extensive reporting suite provides useful insight data in just a few clicks, in an array of metrics and areas. With all messages and dealer engagements recorded for audit trail.

A Windscreen Company Run By Windscreen People

Sarah Harper, National Sales Manager, Allscreens

Allscreens Nationwide is a leading windscreen repair and replacement company that is proudly operated by a dedicated team of professionals who are truly passionate about automotive glazing solutions.

Founded more than 30 years ago, Allscreens Nationwide has become a trusted partner to the fleet sector.

Our commitment to delivering exceptional service and quality products has allowed us to build lasting relationships with our clients, ensuring that their needs are met efficiently and effectively. We understand the intricacies of the fleet market, which enables us to provide tailored solutions that meet the unique demands of our customers.

As an exciting and dynamic business, we are not resting on our laurels. We have ambitious plans for further expansion and are constantly seeking new opportunities to enhance our services and reach a broader audience. Our focus on innovation and customer satisfaction drives us to improve continuously and explore new technologies and methods in the windscreen industry.

In summary, Allscreens Nationwide differs from other windscreen companies, we are a team of dedicated windscreen experts committed to delivering an exceptional customer journey, with a vision for ongoing growth and development.

A Windscreen Company Run By Windscreen People.

BMW reclaims top spot as the UK's most reliable car brand

Munich maker scores it nine-out-of-10 in past decade for best reliability. *Matt de Prez* reports

BMW has regained its place as the most reliable car manufacturer, according to this year's FN50 survey. The Munich brand lost out to Toyota last year, slipping into third place after an eight-year stronghold of the top position.

In keeping with BMW's return to form, the 3 Series ranked above all other models – with the UK's largest leasing companies awarding it top spot as the most reliable car in 2024.

The G20 3 Series continues to dominate, despite BMW's fleet sales shifting in favour of the electric i4. The latter appears in the table for first time, albeit in seventh. The 330e remains a credible company car and now comes with a larger battery, enabling it to sit in the 8% benefit-in-kind (BIK) tax band.

Toyota falls to second place, still putting in a strong performance, after slowly climbing the table over the past five years.

Key to its ranking is the Corolla, which remains the second most reliable model in this year's survey.

The Corolla ranked fourth in 2022 and eighth in 2021. It's an impressive performance for the hybrid model, which launched in 2018 and was updated last year.

Audi falls to third place overall after five years in second. The drop coincides with the poor performance of its ageing A4, which fell from fourth place in 2023 to 11th this year.

The current A4 has reached the end of its life and there's a new A5 model set to take over. The electric Q4, which has been the brand's key fleet seller in the past 12 months enters the reliability table in 14th place. The A3 hatch hangs on to eighth for the second year running.

Tesla becomes the fourth most reliable brand, leapfrogging Mercedes-Benz, thanks to improved results for both its Model 3 and Model Y. The Model 3 underwent a major overhaul last year and the improvements have clearly paid off as it slips into third place. The Model Y, which is currently the best-selling full-electric company car, ranks fourth.

Volkswagen remains the fifth most reliable car brand, despite none of its cars appearing among the most reliable models. In fact, the Golf, ID3 and ID4 have all slipped out of top 15 since last year.

Volvo also retains its mid-table position, despite the XC40 drifting out of the top 10. The XC60 makes a significant jump to become the fifth most reliable model, however. The mid-size SUV is one of the

Most reliable car brand		
1	(3)	BMW
2	(1)	Toyota
3	(2)	Audi
4	(7)	Tesla
5	(5)	Volkswagen
6	(6)	Volvo
7	(4)	Mercedes-Benz
8	(8)	Hyundai
9	(10)	Honda
10	(9)	Kia
11	(13)	Škoda
12	(14)	Lexus
13	(11)	Polestar
14	(15)	Seat
15	(12)	Ford

Most reliable car model		
1	(1)	BMW 3 Series
2	(2)	Toyota Corolla
3	(6)	Tesla Model 3
4	14)	Tesla Model Y
5	(-)	Volvo XC60
6	(7)	Honda Civic
7	(-)	BMW i4
8	(8)	Audi A3
9	(5)	Kia Sportage
10	(-)	Škoda Octavia
11	(4)	Audi A4
12	(9)	Volvo XC40
13	(-)	Toyota RAV4
14	(-)	Audi Q4 e-tron
15	(3)	Hyundai Tucson

2023 position in brackets

oldest cars in the list, having launched in 2018. It's only been given minor updates since.

Mercedes-Benz remains on a trajectory of decline, having held third place in 2019 and 2020. It slips into seventh, this year, just above Hyundai.

Korean brands performed poorly this year. The Hyundai Tucson fell from third to 15th, while Kia's Sportage fell from fifth to ninth. As a result, Kia just hangs on to a top 10 position at the foot of the table.

Honda puts in a more positive performance, with the Civic moving up one slot in the model ranking. Overall, the Japanese brand secures ninth place.

Rounding off the top 10 most reliable model list is the Škoda Octavia, which ranks for the first time since 2019.

The popular mid-size car was facelifted earlier this year. The achievement allowed Škoda to improve its overall performance in 2024, although it didn't quite make it into the top 10.

Top tech and quality people at the core of Nexus' service

In the fast-evolving world of vehicle and plant hire, Nexus is spearheading change with its technology-driven approach and strategic leadership.

With access to more than 550,000 vehicles across 300-plus supply partners, Nexus stands out not only for its vast market reach but also for its commitment to delivering the best-in-class rental solutions through technology and expertise.

Nexus has achieved record growth which has seen it double down on investment in technology, which is already supporting nine out of the FN50 top 10, as well as other businesses within that list of the largest leasing companies across the UK.

The Leeds-based company recruited Gerry McCaig, Nexus' chief operating officer and Stuart Miles, chief revenue officer earlier this summer to lead the business into the future with a refreshed look and focus to further leverage the technology that underpins the business.

Leading through technology: Iris® at the core

At the heart of Nexus' operation is Iris®, an advanced, real-time platform that revolutionises how businesses manage vehicle and plant hire.

Offering unparalleled access to the UK's largest network of vehicles, Iris® enables automated, efficient rentals, reducing downtime and ensuring businesses always have the vehicles they need when they need them.

It means businesses can access the right vehicle quickly and efficiently when scaling up their fleet to ensure they never stop moving.

The platform processes more than 350,000 bookings annually, translating to four million-plus rental days. Impressively, 92% of these bookings are processed within just 30 seconds.

Nexus has invested heavily in the continuous development of Iris®, positioning it as the go-to platform for companies that rely on flexible vehicle hire to keep their operations running smoothly.

The platform's predictive insights allow businesses to better manage their fleets, reduce costs, and make more informed decisions, which are increasingly important in today's unpredictable market.

McCaig explains: "We're trusted by a large percentage of the FN50 because we remove an awful lot of the pain points for leasing companies around rental.

"Leasing companies are looking for a supplier they can work with that can help control costs and efficiently manage how rental solutions factor into their mobility ecosystem to keep customers moving.

"We've made significant strides in automating the booking process through Iris®, but the platform also helps customers forecast their needs, especially in the face of supply chain challenges.

"With data-driven decision-making at the forefront, Iris® ensures that customers can optimise vehicle availability and rental efficiency."

Nexus is ready to step in to support the fleet industry with its biggest challenges, one of which is around electric vehicles (EVs) and managing their residual value (RV) risk.

It's no secret that leasing companies have experienced fluctuations in RVs with electric vehicles, but Nexus is working on solutions to turn these challenges into opportunities.

Miles says: "We're working with leasing partners on where we can offer support and facilitate some rental solutions.

"We work closely with our leasing partners to support them with any challenges that may arise with solutions we can deliver through our platform and the rich data we have at our disposal."

Powered by tech, delivered by people

While technology is at the heart of Nexus, the company also prides itself on its personalised service.

Nexus is committed to delivering solutions through its "powered by tech, delivered by people" approach, ensuring that customers receive expert support alongside the efficiency that Iris® brings.

"MY FOCUS IS ON ENSURING THAT, AS WE GROW, WE MAINTAIN THE HIGH STANDARDS OF SERVICE OUR CUSTOMERS EXPECT

GERRY McCAIG, CHIEF OPERATING OFFICER

Every customer is assigned a dedicated point of contact, providing human interaction that complements the platform's capabilities.

Miles says: "Customers want the speed and convenience of digital platforms, but they also need reassurance that there is someone they can talk to when necessary.

"We've built a strong team that works alongside the technology to offer the best possible service."

"WE'VE BUILT A STRONG TEAM THAT WORKS ALONGSIDE THE TECHNOLOGY TO OFFER THE BEST POSSIBLE SERVICE

STUART MILES, CHIEF REVENUE OFFICER

Strategic leadership and growth

The growth of Nexus has been nothing short of exceptional, and the recent addition of experienced leadership has only accelerated this trajectory.

Both McCaig and Miles were brought on board to help take the business forward.

McCaig, who previously led operational transformation in other industries, sees many similarities in Nexus' growth journey.

"Nexus is at a pivotal point in its development. The growth we've experienced is phenomenal, but it also brings challenges in terms of scaling operations efficiently.

"My focus is on ensuring that, as we grow, we maintain the high standards of service our customers expect while also expanding into new markets," he says.

The leadership team has a clear vision for the future.

In addition to continuing its expansion within the UK, Nexus is looking to enter adjacent markets, including Europe and, potentially, the US.

This growth is backed by ongoing investments in technology and talent, ensuring that Nexus can meet the demands of a changing global market.

Nexus' role in sustainability and data-driven decision-making

Sustainability is at the forefront of many businesses' agendas, and Nexus is no exception. By leveraging the data captured through Iris®, Nexus is helping customers make more sustainable choices.

The platform provides insights into vehicle usage, CO_2 emissions, and other key metrics that allow businesses to align fleet management with their environmental goals.

"Customers are increasingly looking at sustainability when it comes to vehicle hire," says Miles. "Iris® offers businesses the ability to choose the greenest option available, whether that's based on the proximity of the vehicle, its fuel type, or its overall environmental impact."

In addition to helping customers reduce their carbon footprint, Nexus is also focused on improving the sustainability of the rental ecosystem itself. By optimising vehicle availability and minimising downtime, Nexus ensures that vehicles are used more efficiently, which reduces waste and supports long-term sustainability goals.

Continuous investment in people/technology

Nexus is not only investing in its technology but also in its people. The company recently opened a new a new business hub in the centre of Leeds, bringing together a team of engineers and tech specialists to drive the continuous improvement of Iris® and develop new solutions for the market.

The hub is part of a broader strategy to position Nexus as a leader in both vehicle hire and technology.

McCaig says: "We've recruited heavily in our tech division because we know that staying ahead of the curve requires constant innovation.

"We're working on several exciting projects that will ensure Iris® remains the best solution for vehicle and plant hire, including new artificial intelligence (AI)-powered integrations and expanded capabilities for handling complex bookings.

"The opportunity for Nexus is incredible but it will be grasped by the investment in Iris® and the data we have access to."

nexus
Never stop

www.nexusrental.co.uk/about-us | **www.nexusrental.co.uk/technology**

Volkswagen emerges as the UK's most reliable van maker

VW Transporter replaces Mercedes-Benz's Sprinter as the top model. *Matt de Prez* reports

Volkswagen Commercial Vehicles has climbed to the top of the FN50 reliability index this year, relegating last year's champion Ford to second place.

In a double victory for VW, the manufacturer's Transporter has also been recognised as the most reliable model.

The Transporter, which was second last year, overtakes the Mercedes-Benz Sprinter ending its nine-year stronghold at the top of the reliability ranking.

While the current Transporter has reached the end of its life, it remains both a strong seller and a dependable workhorse.

The next generation model is due to launch in 2025 and has been co-developed with Ford, alongside the new Transit Custom, as part of a collaboration agreement between the two giants. Ford is leading the project and both vehicles will use the same powertrains.

Further success for VW comes from its Caddy model, which jumps from sixth to third, and the return of its largest van, the Crafter, into the top 10.

Ford's reliability ranking took a hit this year after it emerged that some of its older diesel engines were suffering with premature timing belt failure. The issue prompted Ford to revise the service schedule for affected models, primarily Customs and Transits older than five years.

Consequently, the Ford Transit was deemed less reliable than last year. It fell four places to seventh. However, the Transit Connect managed to improve its reliability score, ranking fourth, as did the Transit Custom which now ranks fifth. Both models sell in large numbers, and with the issue affecting older models, the impact on leasing companies is likely to be minimal. Hence Ford, as a brand, only dropping one place in the rankings.

Mercedes-Benz becomes the third most reliable van maker, having topped the table in 2022. Its ageing Vito model drops out of the top 10 model list, while the Citan – introduced two years ago – is also absent from the rankings.

Stellantis brands Vauxhall and Peugeot hold the fourth and fifth positions, while Citroën climbs one place to sit as the eighth most reliable brand. The entire Stellantis model range was updated this year, bringing enhanced technology, new styling and a full range of electric powertrains.

The Vauxhall Vivaro was recognised as the most

Most reliable van brand		
1	(3)	Volkswagen
2	(1)	Ford
3	(2)	Mercedes-Benz
4	(4)	Vauxhall
5	(5)	Peugeot
6	(8)	Renault
7	(6)	Toyota
8	(9)	Citroën
9	(7)	Nissan
10	(-)	Maxus

Most reliable van model		
1	(2)	Volkswagen Transporter
2	(1)	Mercedes-Benz Sprinter
3	(6)	Volkswagen Caddy
4	(7)	Ford Transit Connect
5	(9)	Ford Transit Custom
6	(5)	Vauxhall Vivaro
7	(3)	Ford Transit
8	(-)	Volkswagen Crafter
9	(4)	Toyota Proace
10	(-)	Renault Trafic

**2023 position in brackets*

reliable Stellantis model, this year, managing sixth place. Last year, the Toyota Proace sat in fourth position, with the Vivaro taking fifth. Both vans are based on the same platform.

Toyota lost ground overall, as the Proace slips into ninth position this year. While Toyota's vans are based on existing Stellantis models, the brand provides a stronger aftersales proposition with dedicated LCV dealers and a 10-year warranty offer.

Renault, meanwhile, moves up the reliability table securing sixth place and leapfrogging alliance partner Nissan, which falls to ninth.

Renault was one of the fastest growing van brands in 2023, following the introduction of the all-new Kangoo. This year it introduced a new Master as part of an evolving line-up. The older Trafic was Renault's best performing van in this year's reliability survey, however, slipping to 10th.

Maxus enters the top 10 most reliable brands list for the first time, displacing Fiat. The Chinese brand, which replaced [illegible] in 2020, has been growing its model line-up considerably. While sales volumes remain low, Maxus has models in the three core size categories and offers multiple electric options.