New Automotive's Response to the Consultation on the Introduction of Electric Vehicle Excise Duty (eVED)

About New AutoMotive

New AutoMotive is a think tank and data consultancy which works to increase the pace of the clean energy transition, focusing on road transport. We use analysis to inform the public and influence policy development. We publish regular data and research reports detailing the switch to electric and what the UK government needs to do to make this happen.

1) Do you have any views on the government's proposal for the design and scope of eVED?

In summary, we oppose the proposed design of eVED because it risks weakening the UK's electric vehicle transition by taxing electric miles in a way that undermines the incentive to drive them.

Is there a fiscal 'black hole'?

The premise of this consultation is that the decline of fuel duty revenues, as the car parc electrifies, has created a fiscal shortfall which needs to be replaced through a new form of usage tax.

In Vehicle Taxation: The Next 25 Years, we constructed a comprehensive accounting of vehicle-related revenues and the public and social costs associated with motoring. Rather than isolating fuel duty, we examined the full tax base: VAT on vehicle purchases, VAT on fuel, fuel duty, and vehicle excise duty. This was compared to road expenditure and to the principal externalities of motoring: greenhouse gas emissions, local air pollution, and congestion costs (restricted to genuine third-party impacts rather than transfers between motorists).

Using official datasets and 2023 prices, we found that total vehicle-related revenues of approximately £57.7bn broadly align with total public and social costs of approximately £55bn. On that basis, the system is broadly fiscally balanced[1].

The findings have two implications. The first one is it demonstrates that motoring is not structurally under-taxed and that there is no immediate fiscal "black hole" that needs to be filled. Secondly, as electrification progresses, fuel duty revenues decline, but so too do the environmental externalities fuel duty implicitly prices in. Road transport greenhouse gas emissions alone are currently valued at over £30bn annually[2]. As more EVs enter the car parc that harm value decreases, the reduction in revenue therefore reflects a reduction in harm. Replacing declining fuel duty pound-for-pound with a new EV specific mileage charge assumes that the social cost remains constant, our modelling based on Government cost benefit analysis assumptions, shows that it does not.

The fiscal challenge associated with electrification is therefore gradual and transitional rather than structural and immediate. It does not justify the introduction of EV-specific mileage taxation at this stage of the transition.

Nor is the suggestion that fuel duty must be replaced to "pay for the roads" a new one. When motoring taxes were first introduced, they were briefly tied to road spending. David Lloyd George assured Parliament that:

> "A guarantee is given in the method and control of the expenditure that the fund so raised will not merely be devoted exclusively to the improvement of the roads, but that they will be well and wisely spent for that end."[3]

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[1] New AutoMotive, September 2024, Vehicle Taxation: The Next 25 Years

[2] The value of greenhouse gas emissions has increased in recent years, reaching £252 per tonne of CO2 equivalent (2020 prices), which equates to £307 in 2023 prices. With 100.8m tonnes of road transport emissions in 2022 (the last year for which data is available), this equates to £30.9bn in greenhouse gas emission costs.

[3] Hansard, 1909, Budget Statement

That principle did not endure. Winston Churchill rejected the notion that motorists should enjoy permanent fiscal ring-fencing:

> "Entertainments may be taxed; public houses may be taxed; racehorses may be taxed…and the yield devoted to the general revenue. But motorists are to be privileged for all time to have the whole yield of the tax on motors devoted to roads. Obviously this is all nonsense."[4]

Since the interwar period, vehicle taxation has flowed into the Consolidated Fund and road spending has been financed from general taxation. The idea that fuel duty receipts must be replaced therefore rests on a premise that has not formed part of the UK's fiscal settlement for nearly a century.

Decarbonisation Occurs Through Displaced Miles, Not Vehicle Ownership

The central weakness in the proposed design of eVED is that it taxes electric driving rather than targeting fossil fuel use.

Decarbonisation is delivered through the displacement of petrol and diesel miles with electric miles. Emissions reductions are a function of utilisation, not ownership. An electric vehicle contributes to decarbonisation only to the extent that it replaces ICE driving.

Fuel duty currently embeds a substantial marginal cost into petrol and diesel use. That marginal cost signal performs an economic function: it discourages fossil fuel consumption and increases the relative attractiveness of driving an EV. The difference in per-mile operating cost between fossil fuel vehicles and EVs is a core mechanism through which fossil fuel miles are displaced. An EV-specific mileage charge changes the offering given to motorists to make the switch.

By imposing a per-mile cost on electric driving, eVED reduces the relative operating cost advantage of EVs over petrol and diesel vehicles. Currently BEVs remain a minority of the car parc, this reduces the incentive to allocate higher mileage to BEVs and weakens the economic driver of this displacement.

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[4] Winston Churchill, 1926, Memo.

This is particularly important because the UK is still in the scaling phase of transition. Policy that reduces the marginal advantage of electric miles slows the rate at which those fossil fuel miles are replaced.

The proposal therefore risks misaligning taxation with environmental objectives. If the policy objective is to reduce emissions, the tax system should continue to discourage fossil fuel use while preserving the economic incentive to drive electric miles. Introducing a mileage based charge on EVs before electrification is mature moves in the opposite direction.

If the Government concludes that mileage-based taxation is required in the long term, its introduction should be timed for a stage when EVs constitute the majority of the vehicle parc and fossil fuel displacement is structurally embedded. Introducing such a charge while electric vehicles remain policy-sensitive increases transition risk without delivering immediate fiscal necessity.

The Long tail of miles

A flat per-mile charge has an unavoidable feature: it concentrates costs on those who must drive further. Travel patterns are not evenly distributed across England, and higher mileage is often not a discretionary choice but an outcome of where people live and where employment, services and transport alternatives are located.

Evidence from the Department for Transport's National Travel Survey illustrates this clearly. In 2021, residents of rural villages, hamlets and isolated dwellings travelled on average double as far as some of those in urban areas[5]. This gap reflects both longer journey distances and greater reliance on private vehicles. Rural households are also significantly more likely to own multiple cars and far less likely to be car-free.

Commuting behaviour reinforces this structural dependence. In 2023, outside London, the car remained the dominant commuting mode, and reliance was highest in rural areas: 81% of commuting trips by rural residents were made by car,

[5] Gov.UK, 2022, National Travel Survey 2021: Travel by region and rural and urban classification of residence

compared with 70% for residents in urban areas outside London[6]. In practice, this means a mileage charge falls most heavily on households with the least flexibility to reduce mileage without reducing access to employment, education, healthcare and other essential services.

Evidence from DVSA MOT test records shows that driving patterns are also highly uneven within the current electric vehicle fleet. Using mileage recorded at MOT tests, BEVs can be grouped into deciles of roughly equal size, each containing around 52,500 vehicles. In total, the dataset below therefore represents approximately 525,000 BEVs currently on UK roads.

The variation in annual mileage across these groups is substantial. Drivers in the lowest mileage decile travel on average around 1,483 miles per year, while drivers in the highest decile travel on average 26,480 miles per year. Applying a representative eVED rate of 3p per mile produces the following distribution of annual tax liabilities.

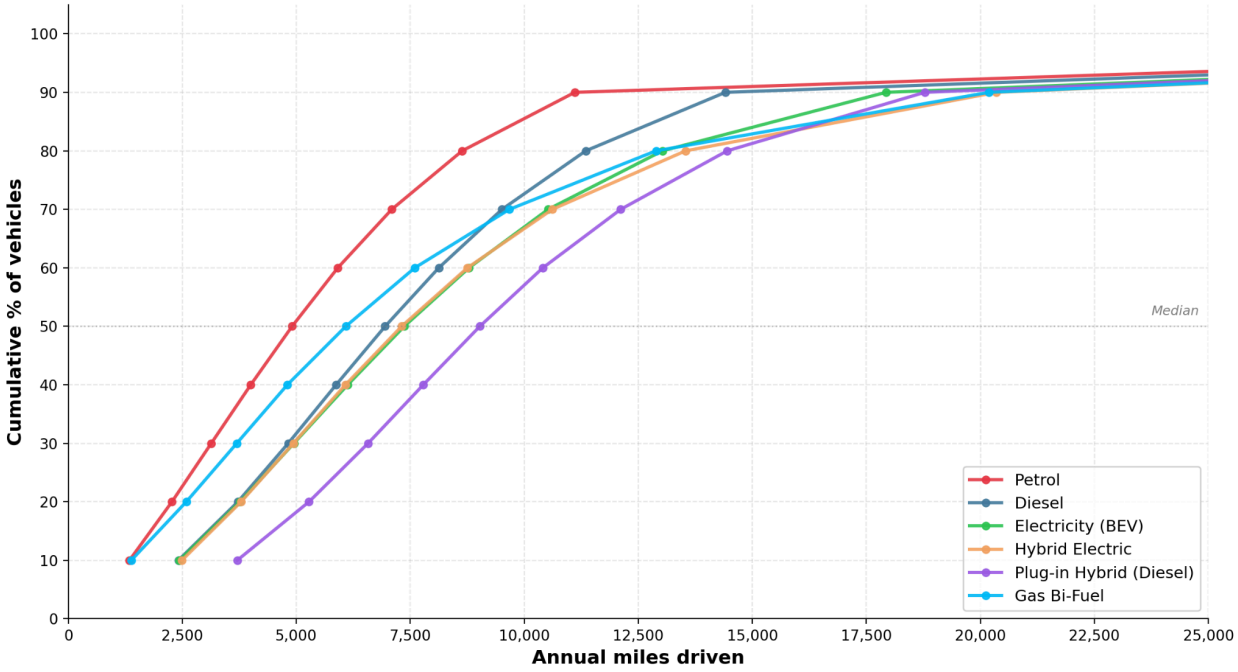

Figure 1: Cumulative Distribution of Annual Miles Driven by Fuel Type

[6] Gov.uk, 2024, NTS 2023: Introduction and main findings

Decile	Vehicles	Average miles/year	Estimated eVED (£0.03/mile)
1	52,595	1,483	£44
2	52,595	3,124	£94
3	52,595	4,361	£131
4	52,595	5,535	£166
5	52,595	6,738	£202
6	52,595	8,058	£242
7	52,595	9,615	£288
8	52,595	11,681	£350
9	52,595	15,109	£453
10	52,595	26,480	£794

Figure 2: Table showing rates to be paid per decile of BEV driver miles.

Even at relatively modest rates, the structure of a flat per-mile charge concentrates the burden on a relatively small group of high-mileage drivers. Drivers in the highest mileage decile would pay roughly four times as much as the median EV driver and around eighteen times as much as those in the lowest decile. Oftentimes these drivers are doing so out of necessity.

There is also a long upper tail within the highest mileage group itself. Some vehicles in this decile record annual mileage approaching 50,000 miles per year, which at a rate of 3p per mile would imply annual tax liabilities approaching £1,500.

In other words, the drivers most reliant on their vehicles would also face the largest increases in marginal driving cost. This is particularly significant because fuel duty currently operates as a largely embedded tax, incorporated gradually into day-to-day expenditure through fuel purchases. A mileage charge, by contrast,

would create a highly visible annual payment linked directly to driving behaviour. For some motorists, particularly high-mileage users, this could amount to a four-figure annual tax exposure that is far more visible than the current system.

This "long tail" exposure is not a marginal design issue; it goes to the political and practical viability of the proposal. A per-mile system makes tax burdens highly visible and mechanically linked to distance travelled regardless of income, accessibility, or the availability of alternatives. That is particularly sensitive during the EV transition, because the policy objective is not merely to tax vehicle use, but to accelerate the displacement of petrol and diesel miles.

If eVED raises the marginal cost of electric driving most sharply for drivers who must travel further (including rural households and high-mileage users) it risks slowing the shift in precisely the parts of the country where car dependence is highest.

At minimum, this implies the scheme cannot be designed as a uniform national per-mile charge without complementary measures that recognise these structural differences. Options could include targeted relief linked to rural, income or accessibility metrics, protections for essential high-mileage users, and ensuring the wider tax system does not compound inequity (for example where drivers rely on public charging and already face higher VAT).

The wrong time for an EV-specific usage tax

Even if the Government concludes that mileage-based road taxation will ultimately be necessary, the question of timing is critical. Introducing a usage-based tax targeted specifically at BEVs at this stage risks mis-sequencing reform.

Electric vehicles remain a minority of the UK car parc. The transition is still in its scaling phase. Fleet uptake underpins the second-hand market, consumer confidence remains sensitive to operating cost assumptions, long-term policy signals continue to shape investment, as well as the transition operating under an arguably hostile media[7].

[7] ECIU, August 2025, New analysis finds widespread misinformation around EVs in UK newspapers

Tax reform during a transition requires careful timing. Historically, the UK has adjusted taxation once technological shifts are mature and embedded, not while they remain policy dependent. An EV specific mileage charge while electric vehicles remain a minority of the fleet risks signalling that early adopters are being penalised before the transition has stabilised.

There is also a symmetry issue. Petrol and diesel vehicles remain subject to fuel duty. Introducing a new, distinct usage tax on EVs during transition creates an asymmetry in tax structure that may be difficult to justify when electrification is a core public policy objective.

If mileage-based taxation is to be introduced in the long term, it would be more coherent to do so once electric vehicles constitute the majority of the fleet and fossil fuel displacement has already occurred. At that stage, reform can be technology-neutral and designed around road use and efficiency.

Sequencing matters. Introducing EV-specific usage taxation before electrification is mature increases transition risk while addressing a fiscal challenge that remains gradual rather than immediate.

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

In developing guidance for motorists to estimate mileage, Government should consider both the administrative burden placed on motorists and the behavioural consequences of introducing new compliance requirements. The issue is not simply whether motorists are technically capable of estimating mileage, but the cumulative process required to do so and the perception of that process.

Unlike fuel duty, which is embedded automatically in the price of fuel and requires no action from the driver, the proposed system would require motorists to actively participate in estimating, reporting and reconciling their driving behaviour.

The practical process required of motorists

Estimating annual mileage would introduce a new administrative burden for motorists. Drivers would need to estimate their expected mileage, taking into account past travel patterns and potential changes in behaviour over the coming year. They would then need to calculate their tax liability, monitor mileage during the year, and reconcile estimates with actual mileage through verification mechanisms such as MOT records.

While each step may appear manageable individually, together they create a compliance process that does not currently exist for motorists, and the perception of complexity may be as important as the reality.

Administrative burden and compliance costs

Tax compliance research consistently shows that complexity increases administrative costs for taxpayers and can affect perceptions of fairness within the tax system[8]. OECD research on tax compliance has found that increasing complexity raises compliance costs[9] and can negatively affect taxpayers' perceptions of fairness, which in turn affects willingness to comply.

Administrative costs do not only arise from direct financial costs. They include the time spent understanding rules, gathering information, estimating liabilities and interacting with administrative systems. Research also finds that the total hours spent complying with taxes represents a measurable economic cost, as time spent on administrative tasks cannot be used for other productive activity[10].

In the context of eVED, these compliance costs would be distributed across millions of motorists. Even small amounts of additional time required per driver would therefore translate into significant system-wide administrative cost.

The perception of administrative burden

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[8] OECD, 2014, Measures of Tax Compliance Outcomes A Practical Guide
[9] OECD Papers Volume 3, No. 10 Special Issue on Taxation
[10] Tax Foundation, 2024, Tax Complexity Now Costs the US Economy Over $546 Billion Annually

Equally important is the perceived burden of compliance. Behavioural research shows that individuals' willingness to comply with tax systems is shaped not only by the financial cost of taxation, but also by perceptions of fairness, complexity and administrative effort[11].

Taxes (such as fuel duty) that are automatic and embedded in everyday transactions generate relatively little admin because motorists do not actively experience the process of paying them. Taxes that require active reporting or estimation create visible administrative friction. These tasks increase saliency of the tax and some research shows that can influence attitudes toward the system[12].

This distinction between embedded taxes and active reporting is important. Even if the time required to estimate mileage were modest, the perception that motorists must actively calculate and declare their driving behaviour introduces a level of friction that does not currently exist.

Compliance Burden

Under the current system, the cost of administering motoring taxation is largely handled through fuel suppliers and existing tax systems. By contrast, the proposed system would shift part of that burden onto individual motorists.

In practice, this means that the administrative responsibility for estimating and reporting mileage would fall disproportionately on those who have already adopted electric vehicles. This creates a situation in which motorists who have adopted a new technology are required to undertake additional administrative steps that other drivers do not face.

When introducing new tax systems, policymakers should consider not only the fiscal outcome but also who bears the administrative burden of making the system work.

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[11] Economies, August 2023, Nudges, Boosts, and Sludge: Using New Behavioral Approaches to Improve Tax Compliance

[12] JISR management and social sciences & economics, December 2023, Tax Salience: A Review of the Literature

Implications for guidance design

If Government proceeds with the proposed approach, guidance would need to prioritise simplicity and minimise the steps required of motorists. This includes providing clear examples of how to estimate mileage, allowing wide tolerance bands between estimated and actual mileage, and avoiding punitive treatment of estimation errors.

However, even well-designed guidance cannot fully remove the administrative burden created by a system that requires motorists to estimate and report their own mileage. The design of the tax itself therefore remains the primary determinant of complexity.

3) How could technology make eVED easier and simpler for businesses and motorists to comply with?

We do not support eVED, but if government proceeds, technology should be used only to reduce friction and error. Any solution should (i) avoid location/time tracking, (ii) minimise data collected and retained, (iii) offer low-tech alternatives (manual odometer submission) of equal convenience, and (iv) include robust audit and error-correction pathways. Fleet users would particularly benefit from APIs to reduce administrative burden and duplicate reporting. Again, the simpler the system the better.

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

The default should remain odometer-based reporting without location or trip data, and participation in any data-enabled option must not become compulsory.

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

Differences between estimated and actual mileage are likely to be a widespread part of the proposed system. Under the current system, most motoring taxation is collected automatically. Fuel duty is embedded in the price of fuel and does not require motorists to estimate, report, or reconcile their driving behaviour. The proposed system would introduce an entirely new compliance process, requiring motorists to estimate mileage in advance and later reconcile those estimates against actual driving.

The need to design a complex system for managing under and over payments highlights the extent to which the burden of administering the tax would shift onto motorists themselves.

More broadly, the Government should consider how the perceived administrative effort associated with the system may influence behaviour during the transition. Behavioral research consistently shows that even small amounts of additional effort or complexity can discourage adoption of new systems, because individuals tend to favour the status quo when switching involves perceived hassle or uncertainty.

If Government proceeds with the proposal, reconciliation should be designed to minimise engagement from motorists. Adjustments should be calculated automatically using verified mileage data where possible, and applied through existing tax collection mechanisms. Requiring motorists to actively monitor mileage, initiate corrections, or dispute calculations would introduce significant additional administrative burden.

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

In designing any system that relies on mileage verification through MOT testing, Government should ensure that the introduction of eVED does not impose additional financial or administrative burdens on MOT garages beyond those that already exist within the testing framework.

MOT garages currently operate within a tightly regulated fee structure, with the maximum MOT test fee set by Government. Any additional requirements associated with verifying or reporting mileage for the purposes of taxation would therefore represent a new responsibility placed on garages within a system where their ability to recover costs is constrained.

If mileage checks are to form part of the administration of eVED, Government should ensure that any associated costs are fully recognised and appropriately funded. Garages should not be expected to absorb these costs within existing MOT fees or through additional administrative work that is not directly related to vehicle safety testing.

More broadly, the introduction of eVED should not alter the primary purpose of the MOT system, which is to ensure vehicle safety and roadworthiness. Any role played by MOT garages in supporting the administration of the scheme should therefore be limited, clearly defined, and designed so that garages do not bear additional financial or operational burdens as a result of the policy.

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

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

The absence of an independent mileage verification point prior to the first MOT illustrates one of the practical challenges associated with administering a mileage-based tax in the early years of a vehicle's life.

In practice, there are limited alternatives to self-reporting during this period. Options such as introducing additional inspections, requiring dealership reporting, or relying on vehicle telematics would all introduce new systems and administrative processes for motorists, garages, manufacturers or government. These approaches would increase complexity and could create additional financial and operational burdens across the vehicle ecosystem.

For this reason, self-reporting until the first MOT verification point is likely to be the least burdensome option. Allowing motorists to report an odometer reading directly avoids the need to create new verification infrastructure during the first three years of a vehicle's life and relies instead on a simple declaration that can later be checked against the first MOT record.

If self-reporting is used, it should be designed to be as simple as possible. Reporting should involve a straightforward odometer reading submission through a government platform and should not require motorists to undertake additional tracking or record-keeping. The system should also assume a degree of estimation error, with the first MOT acting as the point at which mileage can be verified.

Requiring those motorists that are leading the transition to have to go for additional checks before their first MOT in the third year is likely to exponentially increase the perception of admin and the 'hassle factor'. . Ensuring that the pre-MOT process is limited to a simple self-reported odometer reading would help minimise that perception and avoid creating unnecessary friction during the transition.

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

The role of fleets in the EV transition

Fleet purchasers play a central role in the UK electric vehicle market. The majority of new car registrations in the UK are fleet and company vehicles, and this is particularly pronounced for BEVs.

This structure has been important in enabling the EV transition to accelerate. Fleet operators purchase vehicles at scale and absorb the upfront costs and uncertainties associated with new technology. Once these vehicles reach the end of their initial leasing cycle, they enter the second-hand market, making EVs accessible to a much wider group of motorists who do not purchase new cars. The development of a healthy used EV market therefore relies heavily on fleet purchasing.

This dynamic means fleet buyers have taken on a disproportionate share of the early risk associated with EV adoption, particularly around residual values and depreciation. As with any emerging technology, uncertainty around resale values has been a key consideration for leasing companies and fleet operators when determining lease rates and total cost of ownership.

Introducing a new mileage-based tax structure during this stage of the transition risks increasing that uncertainty. Policy changes that affect the lifetime running costs of vehicles can directly influence residual value assumptions and leasing calculations. When introduced without long lead times, such changes can increase the risk profile of fleet EV purchases.

Policy uncertainty and leasing risk

Leasing structures are particularly sensitive to uncertainty because lease pricing is based on long-term assumptions about operating costs, depreciation and residual value. If policy changes alter those assumptions after vehicles have already been

leased, the resulting financial risk is often borne by leasing companies and ultimately passed through to consumers via higher lease costs.

Introducing eVED without a long transition period may increase perceived risk for leasing companies and fleet purchasers who have been instrumental in driving EV uptake to date. This risk is not purely theoretical. International experience suggests that changes to EV taxation structures can have a noticeable impact on market behaviour. Both Iceland and New Zealand introduced distance-based charging for electric vehicles in recent years, and both markets experienced sharp declines in EV registrations shortly afterwards[13].

While these cases involved multiple policy changes occurring simultaneously, they illustrate how sensitive EV markets remain to changes in operating cost structures and policy signals. Because fleets and leasing companies operate on long planning horizons, policy stability and predictability are particularly important.

For these reasons, Government should consider carefully how the proposed approach could affect the risk environment for fleet operators and leasing companies. These actors have played a critical role in scaling EV adoption in the UK over the past several years, and additional uncertainty in vehicle taxation could affect their willingness to continue absorbing early-stage transition risks.

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

Government should ensure that the introduction of eVED does not create additional administrative responsibilities for fleet operators and leasing companies beyond those that already exist within current vehicle taxation and fleet management systems. Any system that requires businesses to collect, monitor or report additional mileage data would introduce new operational processes across large vehicle fleets and increase administrative costs. As with motorists, the perception of added

[13] Energy and Trasport, 2025, Andy Palmer: Pay-per-mile EV levy risks shattering EV transition

complexity also matters. Fleet and leasing companies have played a central role in scaling EV adoption, and introducing new administrative requirements specifically linked to electric vehicles risks reinforcing the perception that operating EVs involves greater bureaucratic effort than internal combustion vehicles. Minimising both the actual and perceived administrative burden should therefore be a core design principle.

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

With these proposed changes the government is asking that drivers undertaking the same activity (in this case driving on the UK road networks), be treated differently depending on the technology being used.

If the principle underlying eVED is that road use should be taxed on the basis of distance travelled, then applying such a system only to electric vehicles creates an inherent asymmetry within the tax system. EV drivers would face a new mileage-based tax and associated reporting requirements, while drivers of petrol and diesel vehicles would continue to contribute through fuel duty collected automatically at the point of fuel purchase.

This raises questions of fairness, particularly given that electric vehicles remain a minority of the vehicle parc and their adoption remains a core policy objective. As outlined earlier in this response, our modelling suggests that there is not an immediate fiscal “black hole” created by electrification. In that context, introducing a new usage-based tax applied only to EV drivers is difficult to justify on fairness grounds.

If mileage-based taxation is considered necessary in the longer term, fairness would suggest that it should be introduced as part of a technology-neutral system applying to all vehicles using the road network. Introducing such a system selectively during the transition risks creating unequal treatment within the tax system and

placing additional administrative obligations on those who have adopted a new technology.

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

Driving patterns can change for a wide range of ordinary reasons over the course of a year, including changes in employment, commuting distance, family circumstances, health, or relocation. Any system based on estimated mileage should therefore allow motorists to adjust those estimates easily and without the need to provide detailed justification.

Requiring drivers to explain or evidence routine changes in travel behaviour would introduce unnecessary administrative friction into a system that already relies on forward estimates. If adjustments are permitted, they should be simple to make, accessible through existing digital systems, and not contingent on motorists providing specific reasons for the change.

13) Do you agree with the proposed approach for car lifecycle events?

The proposed approach raises important questions for the functioning of the second-hand vehicle market. Under the proposal, prepaid or unpaid mileage would remain attached to the vehicle and transfer to the next owner when the car is sold, with the expectation that any mileage credit or deficit would be reflected in the sale price.

This approach assumes that buyers and sellers will be able to accurately interpret and price eVED mileage balances when vehicles change ownership. In practice, the UK used car market is extremely large and diverse, with over 7.6 million vehicles

changing hands in 2024 alone[14]. Transactions occur through dealerships, auctions and private sales, often involving buyers with limited information about a vehicle's full cost profile. Introducing a transferable tax liability linked to mileage risks adding another layer of complexity to these transactions.

The second-hand market is particularly important in the context of electric vehicles. Fleet and leasing purchases supply a large share of vehicles into the used market after their initial ownership cycle, enabling EVs to reach a much wider group of motorists who do not buy new vehicles. Growth in used EV availability has been a key factor in expanding adoption, with demand for second-hand BEVs rising by more than 46% in 2025[15]. Ensuring that the used market functions smoothly is therefore critical for the broader EV transition.

Attaching mileage liabilities to the vehicle rather than the owner may create uncertainty in second-hand transactions and could complicate price discovery for used EVs. Given the importance of the used market in enabling EVs to diffuse beyond early adopters, Government should carefully consider whether introducing additional complexity into these transactions risks unintended consequences for the development of the second-hand EV market.

14) Is there anything further the government should consider when designing the arrangements for car lifecycle events?

[14] Hey Car, September 2025, Car sales statistics 2026 - UK & worldwide
[15] Hey Car, February 2026, UK used electric car market hits record high – here's what it means for you

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

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

The penalties framework should distinguish clearly between genuine attempts to comply with the system and deliberate avoidance. Minor discrepancies or reporting errors should not trigger punitive enforcement action, particularly during the early years of implementation when motorists are becoming familiar with the new system.

More broadly, the regime should avoid creating a perception that the system is overly punitive or complex. A penalties framework that appears draconian risks undermining public confidence in the scheme and could discourage engagement with the system. Ensuring that enforcement is proportionate, transparent and focused on genuine misuse will be important in maintaining fairness for motorists