

Ben charity ready for a new era of support

Business conditions are tough in auto retail, with rising costs, lower consumer demand, margin squeeze, new technologies and new political leaders. However, people working in the automotive industry are also facing record levels of health and wellbeing issues.

The question now confronting every senior leader in this sector is stark: are you doing enough to protect the wellbeing of your staff?

Ben, the automotive industry charity, has recently published its annual Health & Wellbeing Survey. With nearly all of the more than 1,100 automotive workers surveyed reporting being personally affected by a health and wellbeing issue in the past year, the findings should serve as a wake-up call for everyone in the automotive industry.

Speaking exclusively to Auto Market Insight, Rachel Clift, CEO of Ben, underscored the scale of change required. "The industry is evolving rapidly, but our care for the people within it hasn't always kept pace."

Clift describes a seismic shift in Ben's role, with the charity evolving into a wellbeing partner offering everything from trauma counselling to proactive resistance training.

■ Full story – see page 6

The tax benefits of exiting via Employee Ownership Trusts

If you are looking to exit your business, or thinking about your succession plans, then you may be considering a sale. You may be able to do this to a third party. However, you could consider selling to the trustee of an Employee Ownership Trust (EOT).

They allow shareholders to sell a controlling interest in their company to the trustee of an EOT for full market value without incurring any capital gains tax liabilities. Furthermore, there are substantial non-tax benefits in working for a company controlled by an EOT.

Numerous market issues have contributed to a substantial spike in the number of shareholders looking to sell to the trustee of an EOT. The EO sector is now the fastest-growing SME business model with, on average more than two companies becoming EO every single day.

■ Full story – see page 10

Inside the Amazon Autos US marketplace model

Fan Jin is director and general manager of Amazon Autos. The online giant's journey into automotive, she explained, has been underway longer than many realise – it actually started three years before its market launch in December 2024.

"We heard from customers, who told us they wanted to do more online, with more transparency and ease of use in car buying. And when we talked to dealers, we thought there could be something here, where Amazon helps to match the dealer and customer."

Speaking at the Automotive Forum 2025, she explained how Amazon Autos has developed in the UK over the past three years – including embracing retailers with a dealer council, ensuring all businesses had a chance to feed back to the tech giant. This will be vital as Amazon Autos expands into its next big milestone – used cars.

■ Full story – see page 12

In this issue

RETAILERS

Foray Motor Group	3
Inchcape	4
Jameel Motors	4
Pentagon	4

PEOPLE

Chris Bond	10
Tom Carney	4
Rachel Clift	6
Carlos Ghosn	8
Adam Harkin	16

Mike Hawes	22
Fan Jin	12
Gary Lan	5
Stella Li	16
Jonny Miller	3
Marc Palmer	19
Jonathan Parsons	9
Stuart Pearson	18
David Peel	4
Ian Plummer	23
Sue Robinson	22

Louis Schweitzer	8
Simon Vessey	14

OEMS & BUSINESSES

Amazon	12
Arthur D. Little	14
Auto Trader	3, 18, 22
BCA	18
BDO	10
Ben	6
BYD	16

Carwow	18
CAP HPI	19
CitNOW	13
Fiat	17
Genesis	3
Jaecoo	3, 5
NFDA	22
Nissan	8
Omoda	5
Renault	8
SMMT	22
Stellantis	4



Auto Market Insight: your monthly print magazine offering strategic intelligence and insight into the auto retail industry.

Do you know that we also produce a weekly business briefing delivered to your inbox at 7pm on Sunday? Scan or call 01962 392153 and find out more about an Auto Sunday subscription.



EDITORIAL DIRECTOR

Tristan Young
tristan@autosunday.co.uk
01276 855556

EDITOR

Richard Aucock
richard@autosunday.co.uk
07967 823529

DATA ANALYSIS

Nicola St Clair

DESIGN AND PRODUCTION

Concept Creatives
design@conceptcreatives.co.uk

ADMINISTRATION

Eirini Marou
hello@autosunday.co.uk
01962 392153

MARKETING

Polly Wedgbury
hello@autosunday.co.uk

COMMERCIAL

Jamie Ashman
jamie@autosunday.co.uk
01962 392153

ADVISOR

Al Clarke
al@autosunday.co.uk

PUBLISHED BY

Ennis & Co Group
The Orchard
Sunnyside View
Stockbridge Rd
King's Somborne
SO20 6PH

SUBSCRIPTIONS

Call: 01962 392153

ISSN 2977-6600

Brand clarity is a non-negotiable

The UK new car and van market has never been more saturated or more fragmented. With more than 60 brands (excluding the niche supercar names) now vying for attention of buyers, the sheer breadth of choice is both a symptom and a challenge of an industry in flux.

Electrification, new entrants and sub-brand expansion are all fuelling a product surge. But in this increasingly noisy marketplace, survival won't be about product alone. It will hinge on clear, distinctive and consistent messaging.

Legacy OEMs can no longer rely on brand equity and customer loyalty. New entrants can't rely on price and tech alone. What will separate winners from those that, ultimately, quit the market is the ability to articulate a unique proposition that cuts through the clutter and connects with a specific buyer mindset.

That means answering, simply and powerfully the question: Why us? Too many brands still rely on tired slogans and generic claims such as 'premium quality', 'affordable luxury' or 'designed for the future'. None of it sticks.

Meanwhile, those that have clear brand storytelling, rooted in either

technology, value, service or innovation, can resonate powerfully if the message is consistently delivered across retail, digital and product experience. For franchised retailers working on their brand portfolios to work out which brand is worthy of investment and which will have to be dropped, the message is clear – align with brands that know who they are and where they're going. Ask whether your brands can tell a distinctive story in 30 seconds and then back it up in the showroom.

In an age of abundance, clarity is a must. The market doesn't need more brands, but it will get them. What it needs are stronger identities. Those who invest in building and communicating a razor-sharp proposition will endure. The rest will fade, however strong the metal or history might be.

Tristan Young,
Editorial Director
tristan@autosunday.co.uk

Data Indicators

- Current inflation rate: 3.4%
- Target inflation rate: 2%
- Interest rate: 4.25% (next due 19 June)
- GDP: 0.7%
- Savings ratio: 12%
- Unemployment rate: 4.5%
- Number of pre-reg cars on Auto Trader: 27,624

Source: ONS, Bank of England, Auto Trader – figures at 5 June 2025. Pre-reg defined as used cars with less than 100 miles and less than a year old

Genesis plots premium path with strategic expansion

After four years on sale in the UK, Genesis, the premium arm of Hyundai, is taking decisive steps to evolve its presence in the UK automotive market.

Initially launching with a fully-owned direct sales model with no sales target, Genesis last year moved to an agency model in order to boost registrations by forming closer ties with retailers and the Hyundai network.

Speaking to Auto Market Insight, Jonny Miller, director for Genesis UK, revealed that 2024 marked a turning point in the brand's operational strategy as it transitions from a purely direct-to-consumer model to a hybrid agency-led approach with strategic retail partners.

After three years of selling approximately 1,000 units annually via a centralised, concierge-style model, Genesis recognised the limitations of its original format. "Operationally, very complex, time consuming. We couldn't get to enough customers," Miller admitted, describing the logistical challenge of delivering cars and service via Genesis Personal Assistants (GPAs) and a single central compound in Tilbury.

"So the plan is to go from [this to] a mix, we call it the hybrid system, half doing it ourselves, direct to consumer, half with a retail partner who have demos, people and process that they can deploy in their area of influence much, much quicker," he said.

This means the appointment of 12 key retail partners across the UK. These partners – many of whom are large-scale groups with Hyundai affiliations – will act as agents. "Strategically placed, these 12 partners allow us to get to a customer within an hour."

Importantly, these are not just sales outposts. Each partner is expected to operate a full-service Genesis experience, combining retail showrooms with access to a broader authorised repair network. Through partnerships with dealer groups such as Arnold Clark, Genesis will also leverage existing Hyundai infrastructures and back-end systems, to broaden coverage without bloating the physical footprint.

Each of the 12 retailer partners will anchor a wider spoke-and-hub operation, using satellite facilities and mobile capabilities to offer Genesis's hallmark "we come to you" proposition. But as Miller emphasised, the physical sites matter. "The big thing for us is a facility... a reference point that gives customers confidence in the brand's longevity."

The retailer strategy is designed not only for customer access but for commercial viability. While Genesis is adamant that it will remain a niche player and won't chase volume for volume's sake, Miller reassured retailers: "Yes, it will be enough volume for retailers to make sensible money doing this. That's partly why it's limited to 12."

The emphasis remains on incremental, sustainable growth, not exponential expansion. "We are not looking for every customer to want a Genesis. But those who do will get something different," Miller said.

Data insight Auto Market Insight sister title Auto Sunday each week includes the latest data insights retailers need to be aware of. Recent stories include:

Savvy EV owners save on tax

£48m: Amount the Treasury lost by EV owners renewing their VED before 1 April, when electric cars lost their £195 a year tax-free status. Renewals for EVs surged 1,467% in March.

Tesco cuts opening hours to offset NIC hit

£235m: Rise in Tesco's National Insurance contributions in the latest financial year. It will close some stores an hour earlier to offset the extra costs – and is expected to have fewer staff running them when open, reports The Telegraph.

UK workers avoiding tax 'cliff-edge'

1 million: the number of taxpayers positioned just below the £50,270 higher rate tax bracket to avoid losing childcare benefits. The Times reports the number is up 50% in five years.

Jaecoo 7 an in-demand new car says Auto Trader

3rd: Jaecoo 7's position in Auto Trader's most in-demand new car models during May 2025, based on enquiries and leads. Another new entrant, BYD, was sixth, with the Seal U. The Range Rover Sport and Volkswagen Golf topped the list.

Ford retailer Foray profit dips £300k in 2024

£1m: Ford retailer Foray Motor Group's profit before tax in the year ended December 2024. Turnover fell from £174.3m to £159.5m, due to reduced passenger car volumes.

Professional split in hybrid working

52%: Proportion of all UK workers who never work from home. For highly-skilled workers, this falls to 29%. * Read Ennis & Co founder and CEO Lynda Ennis on Flexible working – business killer or corporate cure? in the latest Auto Market Insight via a link on the Ennis & Co website, ennisco.com.

Lessons from David Peel on leading retail and OEM

David Peel is one of a rare group of senior leaders that have spent time both on the retail side of the automotive industry and on the manufacturer side within national sales companies. After promising himself an early retirement when he started his current (and final) role in 2021 as managing director of Pentagon Motor Group, at age 60 he's leaving after a four-year stint.

His experience working for the manufacturer-owned retailer Robins & Day and latterly PSA Retail, plus working directly for parent company PSA in the Peugeot brand in a host of roles including managing director for more than five years, Peel has a unique view of level of recent upheavals and the outlook for the industry.

"The industry changed forever with the pandemic," says Peel, who made his move from Peugeot to Pentagon at the height of the Covid outbreak.

It was a catalyst for a complete reset of manufacturer-retailer dynamics and a wake-up call on product mix and brand resilience including OEMs investigating agency and direct sales. "It's not like 10 years ago. You've got EVs, new brands coming in, changes in customer behaviour. If you don't adapt, you'll get left behind."

New entrants
Pentagon has recently embraced Chinese OEMs, with Peel overseeing the addition of BYD to the portfolio, with more expected soon.

"We've got three BYD sites," Peel says. "I've been to China; it's mind-blowing. The scale of BYD is just astonishing." The appeal is not just volume, it's product quality, he says. "I drive a BYD myself. It's half the price of some of the other EVs we offer, but it drives fantastically. The build quality, the interiors... they've nailed it."

He compares BYD's rapid progress with some established OEMs that are "really struggling for the right product at the right time in the right place." Some have "gone from being completely solid to leaving you asking, 'how did it get to this point?'" he says.

Pentagon's shift is visible in the numbers. "Four years ago, over 50% of

By Tristan Young
Editorial Director of
Auto Market Insight

We have a position that we need multiple sites with our brand partners, and an OEM needs to have at least 3% market share

our portfolio was Stellantis. And now, it's reduced to just over a third," Peel reveals. "Not because of Stellantis – they still have some of the best products, especially around powertrain choice – but you simply can't ignore what's coming out of China."

Retailers, he argues, now need to spread-bet in order to balance traditional partners with newer, nimbler entrants. "You've got to be ready to adjust. And we've now multi-franchised almost every site."

But Peel is methodical. "We have a position that we need multiple sites with our brand partners, and an OEM needs to have at least 3% market share."

However, his methodology for selecting which new brands to partner with is simple: "Put yourself in the customer's shoes and say 'Would I buy it? Would I recommend it to my family?' if the answer's 'yes' then it should succeed."

Electrification
While new EV sales in the retail market are still not at the level required by government, the used EV market tells a different story. "Used EVs have been the hottest property in the last 6-12 months. I don't think it's all price-related, but I think when it's priced correctly, there are people who want to buy an electric car. The depreciation has already hit."

Still, profitability for the network and OEM is a concern. "It's more expensive to build EVs, margins are smaller and I think a lot of OEMs are struggling with profitability on what they're selling. Tesla and BYD can subsidise with their tech and credit trading, others can't."

Infrastructure investment is also looming. "We're fine for small EV chargers, but BYD is launching 1,000kW chargers that can add 400km of range in five minutes. That's commercial petrol-station-level tech. However, for EV charging upgrades, getting additional power to sites will be a massive challenge for most retailers."

Former Inchcape director Carney to replace Peel

David Peel will be succeeded by Tom Carney from the start of next month. Carney spent most of his career at Inchcape UK, starting in 2013 and finishing as commercial and retail operations director in November 2024. For the first six months of 2025, Carney was the managing director of Jameel Motors.

Efficiency

While digital retailing continues to evolve, Peel believes the fundamentals haven't shifted as radically as some believe. "People still want to touch and feel the car, especially something this expensive," he says. "Yes, they do their research online, but that final interaction still matters."

That said, showroom formats are changing. "OEMs aren't asking for massive glass palaces anymore. Three or four cars in the showroom is now becoming more acceptable. And we've got a BYD site with a robot that's programmed for that particular showroom, so it knows exactly where everything is and does product demos. Customers love it."

Needing less space per brand means that multi-franchising is essential to

lower overheads and is now close to becoming ubiquitous.

As with every employer, Pentagon, which has 1,200 staff, has felt the bite of wage inflation and cost increases. "April's rise in National Insurance and minimum wage was a huge jump," says Peel. "It's difficult; you want to pass on those costs, but you've still got to stay competitive."

So where are the efficiencies? Pentagon's staff retention is way up, which means lower recruitment costs. The growth in multi-franchising has also seen the group look for more commercial vehicle operations.

He adds: "We're now signing up with Kia for three new PBV [Kia EV van] sites. The van market is under pressure, but that's a growth opportunity."

Peel also aims to have all franchises and sites in the top two quartiles of any brand's ranking. "This is from the days when I was the OEM, that's how I measured the dealers. And today we've got, I think, mid 80% of our dealers in the top two quartiles of our balance scorecards."

"I feel as if from a Pentagon perspective, with all of the changes we've got coming, I think we're ready, with some really strong foundations. I feel quite proud that I am handing something on which a lot of preparation has gone into. "I always want to look back and think what I'm leaving is better than what I started with."

"I'd like to think I definitely did that in Peugeot. And I feel as if I've done that at Pentagon in what has been really quite challenging times."

Omoda puts retailer margin ahead of price cuts

New entrant brand Omoda will increase its retail network to 100 franchise points by the end of the year – but will grow with existing partners rather than add new dealer groups.

Speaking exclusively to Auto Market Insight at the launch of the Omoda 9, UK CEO Gary Lan said the Omoda network stood at 73 sales points by the end of May operated by 47 retail partners.

Lan started working for Chery, the parent company to Omoda and sister brand Jaecoo, in February after working for Lincoln and Ford in China, including a stint as director of network strategy. Lan, however, started his career at Mazda in his home country Taiwan.

Commenting on the UK Omoda network, Lan said his job was to ensure the retailers were able to run profitably on new cars alone.

"It's very important the dealer network is profitable, especially in the UK, as many investors are suffering from the current state of the market," said Lan.

"Of course we have a vision to grow the volume, but we want that to be a sustainable and healthy growth, not just for us, but also for the dealer body, which means that we should accomplish a product-driven growth rather than by price sacrifice, especially in the UK. The residual value is super-important. It's a fundamental of the brand."

Lan said his previous experience would help the UK expansion: "In China, I was running the Lincoln brand. There's a similar issue, it's a new brand, so less profit from aftersales and used cars. So you need to make sure the new car margin is healthy enough."

"That's probably the only way, right? Other things, like car parc, need some time to accumulate for used cars. Maybe we can do some fleet and business [sales] to accelerate the remarketing process."

"That's something I have in my mind, but I know I need to approach this with care, extra care, because that may harm the residual value."

Omoda and sister brand Jaecoo are launching a host of new models in the coming months and there is speculation Chery will bring its Lepas brand to the UK in the next 12 months too. While Lan refused to comment on the additional brand, he was confident of improving awareness and sales of Omoda through marketing, including using traditional TV ads.

Lan knows that Omoda needs to build trust with the UK car buying public in order to succeed. "At launch, we already had 60 dealers – we didn't launch the brand with just 20 dealers."

He claimed Omoda was positioned to appeal to a younger car buyer by offering much higher standard equipment levels and a bigger car for the same price as a segment lower.

He gave the example of the Omoda 9, a D-segment PHEV SUV, that is priced at £44,990, just above traditional C-segment rivals, but which has better standard kit.

"We don't have a so-called entry level model to hook customers going to a showroom – that just makes the customer struggle," he said.

Quizzed if there was room in the pricing to allow for price cuts should new entrant rivals cut their prices, Lan said he could introduce lower specification models at a lower price, but that was not his plan. In China, the equivalent car, badged Exeed Yaoguang, costs approximately £24,000.

Automotive charity Ben ready for a new era of support

Business conditions are tough in auto retail, with rising costs, lower consumer demand, margin squeeze, new technologies and new political leaders. However, beyond the commercial and financial pressures, people working in the automotive industry are facing record levels of health and wellbeing issues.

By Tristan Young

Editorial director,
Auto Market Insight

Working in the dealership "is no longer enjoyable", one respondent shared. Another was more blunt: "Our aftersales manager is a bully. He is aggressive and verbally abusive"

The question now confronting every senior leader in this sector is stark: are you doing enough to protect the wellbeing of your staff?

Silent emergency

Ben, the automotive industry charity, has recently published its annual Health & Wellbeing Survey; the findings should serve as a wake-up call. Nearly all (99.8%) of the more than 1,100 automotive workers surveyed reported being personally affected by a health and wellbeing issue in the past year. The top concerns were: stress (57%), poor sleep (52%) and anxiety (44%). These are figures that have, unsurprisingly, trended upward year-on-year.

Retail employees are particularly hard-hit. Workers in showrooms, workshops and the wider retail environment reported some of the worst mental health scores in the industry, with wellbeing ratings falling.

Working in the dealership "is no longer enjoyable," one respondent shared. Manufacturer targets, CSI, EV, customer reviews online, long hours, very small margins, very high costs, extreme stress.

"Immense pressure to achieve financial targets... Immense pressure trying to ensure that all policies and procedures are followed."

Another was more blunt: "Our aftersales manager is a bully. He is aggressive and verbally abusive." The result? One in four workers is actively considering leaving the industry, and half of them cite mental health as the main reason.

Turning Point

Speaking exclusively to Auto Market Insight, Rachel Clift, CEO of Ben, underscored the scale of change

required. "The industry is evolving rapidly," she said, "but our care for the people within it hasn't always kept pace." Clift describes a seismic shift in Ben's role, from a traditional benevolent charity offering care homes and financial aid, to a wellbeing partner offering everything from trauma counselling to proactive resilience training.

Clift's own promotion from health and wellbeing director for the charity to CEO at the end of 2024 highlights the direction Ben is heading.

Over the past few years, demand for Ben's services has quadrupled, with thousands turning to the charity for mental health support, coaching, therapy, and emergency interventions. Despite this, only 1 in 6 people in the automotive industry have unprompted awareness of Ben, a figure that has slipped in recent times. It's a figure that could be costing businesses their best people.

Survey results

Mental health is no longer a "nice-to-have" CSR priority. It's a frontline business issue impacting productivity, staff retention, absenteeism and brand reputation.

According to Ben's 2025 survey:

- Only 46% of automotive workers believe they have a good work-life balance, compared to 62% of UK workers nationally.
- A staggering 78% have come into work while mentally or physically unwell, up from 60% the year before.
- And NPS scores for employers based on wellbeing support have dropped for a third consecutive year, with many workers citing a lack of genuine care from leadership.

“

The increasing complexity of the world impacts working professionals, with more individuals seeking support due to struggles with their children's mental health, which in turn affects their own wellbeing

46%

Automotive workers who say they have a good work-life balance. The national average is 62%

One worker captured the prevailing sentiment: "Profit is my employer's number one priority. My health and wellbeing isn't even on the radar." This perception is dangerous. Staff who feel uncared for are more likely to disengage, burn out, or leave entirely. With a national skills shortage, particularly for technicians, businesses simply cannot afford to ignore this issue.

Challenges

Beyond mental health concerns, the impact of broader societal challenges is also keenly felt within the industry. Clift points to the "squeeze that working age people are having between young dependents and older dependents". The increasing complexity of the world impacts working professionals, with more individuals seeking support due to struggles with their children's mental health, which in turn affects their own wellbeing.

The post-pandemic era has seen a "knock-on impact... on relationships and families", leading to an increase in demand for interventions in these areas. The cost of living crisis has also driven more people to seek financial support, underscoring the interconnectedness of financial, mental, and physical wellbeing.

Perhaps one of the most sobering challenges highlighted by Ben is the need for urgent on-site support following traumatic events, particularly those involving loss of life, including suicide. This free service to

employers helps workforces cope, guides managers on communication, and fast-tracks access to specialist services, demonstrating the extreme end of the support spectrum required within the industry.

Spectrum of support

In response to these escalating challenges, Ben has transformed its approach to one providing seamless access to support based on need, rather than financial eligibility. Clift outlines five main ways Ben provides support:

1. Online and digital resources: This includes self-help content on their website and through a digital platform. A key offering is Silver Cloud, a digital cognitive behavioural therapy (CBT) platform, leveraging technology to make support more accessible.

2. Helpline services: The helpline serves as the single point of contact for anyone seeking support. It offers information, advice, guidance, signposting, and assesses urgent needs, such as inability to pay bills, homelessness risk, or domestic violence situations.

3. Case management: For individuals with more complex, often multi-faceted needs, Ben's internal case management team conducts rapid needs assessments, develops action plans, and connects individuals with internal services, statutory services, or other charities. Crucially, case managers also provide a consistent, empathetic listening ear during difficult times.

4. Specialist services: This encompasses a broad range of support, from general wellbeing and lifestyle coaching to highly intensive therapies for trauma, bereavement, relationship issues, and neurodiversity. Ben offers in-house life coaching for those looking to make positive life changes, regardless of existing mental health issues. They also partner with external associates for more specialised or higher-intensity talking therapies, adapting the number of sessions to individual need. This includes the unique urgent response service for employers dealing with on-site traumatic events.

5. Paid-for services and training: While the majority of Ben's services are free to beneficiaries, they also offer paid-for health checks for larger employers and a suite of training products. These include courses on managing mental health in the workplace, mental health first aid, coping with stress and pressure, resilience, and fuelling wellbeing. Ben is also providing free health checks to SMEs as a charitable impact project.

Awareness

Despite the breadth and depth of its services, Ben faces a significant challenge: awareness. Clift candidly admits that "awareness is our biggest issue". While the need for support is ever-present, many within the automotive sector are simply not aware of the full scope of Ben's offerings, often perceiving the charity as solely for crisis intervention or financial aid. Ben's own brand tracking shows a drop in spontaneous awareness, indicating a crucial need to re-engage the industry.

Ben's strategic objectives for the coming years directly address this, aiming to double their income, significantly raise awareness (from one in six to one in three), and triple their charitable impact (measured by the total number of individuals supported).

Achieving these ambitious goals requires the proactive engagement and financial support of automotive retail leaders.

For senior leaders, supporting Ben is an investment in human capital. A healthier, more resilient workforce translates to improved productivity, reduced absenteeism, and a more positive work environment. Ben's shift to a service-led model means that support is now readily available for a wide spectrum of issues, from having a bad day to a life-threatening crisis, moving toward a more proactive and preventative approach.

Health and wellbeing of employees in the automotive retail industry is no longer a peripheral concern; it is central to business success and sustainability.

Louis Schweitzer on Nissan and Ghosn

Louis Schweitzer was the mastermind behind Renault's 1999 alliance with Nissan. Pointedly not a merger or acquisition, it saw the companies joined through a cross-sharing agreement; individual brand identities and corporate cultures were retained, while each company acted in the financial interest of the other.

By Richard Aucock
Editor, Auto Market Insight

Nissan, in the absence of a strong, dedicated leadership team, came back to the problems I had known and seen in 1999

”

With Nissan in the headlines, Schweitzer recently spoke of how the 1999 agreement came about. "Renault at the time was prosperous, having a very good run with good models. But we were almost exclusively a European car manufacturer – we were not present in the Asian market, and were not in the US.

"My view was that we needed a partnership. So, I looked at Asian manufacturers in Korea and Japan. We were not so rich, so couldn't afford to buy a Toyota or a Honda. But then we saw Nissan, which was not doing well. Its leadership and management wanted a partnership which could bring money, new ideas and new management techniques, so we opened discussions with them and made a thorough analysis of the problems.

"We found the factories were good, and the workers were productive, efficient and delivered good quality. The engineers were good. But there was a lack of energy in management and, therefore, product had slipped, motivation had slipped and the company was going down. Therefore, my strong view was that Nissan was a good company with a management problem.

"You can't turn around a bad company with bad workers, but if the problem is management, a turnaround can be achieved over a very reduced period of time. So, I sent Carlos Ghosn with a very small team of about 30 people – not large for a company with more than 100,000 employees. And for the first few years, he managed a remarkable turnaround of Nissan.

"After the turnaround was achieved, Nissan expanded... but, after some years, things started not going as well."

What went wrong?

Schweitzer first cites the lack of synergies between Renault and Nissan. There were two reasons. "The first is engineers, who are very attached to their usual way. The people of Nissan did not want to converge in engineering with the people of Renault.

"Second, I believe Carlos wanted to stay as head of Nissan, which was not my plan. I believed Carlos should be head of the group and appoint a new CEO of Nissan whom the people would recognise as their boss. But he decided to make himself CEO of the company – and I think that was an impossible thing to do. A car company needs to have a boss it recognises as its own boss. Having the same boss for two companies simply doesn't work." Schweitzer believes Ghosn should have concentrated on developing a leadership team made up of both Japanese and foreigners.

"With time, I think Carlos – who had managed successfully with a very hands-on policy – got less involved in the management and this also does not work. Nissan and Renault, instead of converging to become one leadership group – two companies within one group – started to drift apart more than working together. And Nissan, in the absence of a strong, dedicated leadership team, came back to the problems I had known and seen in 1999 when we made our deal."

What Nissan should do now

Schweitzer said he does not know new Nissan boss Ivan Espinosa, so cannot have an opinion. "What I can say is that I have no reason to believe the workers, the employees and engineers of Nissan are not good anymore. But they must have strong leadership, and I strongly hope the new management of Nissan is able to manage this turnaround.

"Managing turnarounds is something quite specific. It's a bit different to managing a successful company. You have to take difficult measures, such as reducing headcount, or reducing volumes, or looking again at your pricing policies. Nissan has made mistakes in the past, such as trying to make too much volume in America, which was disastrous. But there's no reason to believe that the new management cannot make it."

Schweitzer rejects mergers – again

Schweitzer was asked about the failed merger talks with Honda, and what options may be open for the firm going forward. "I believe that you need technical agreements and cooperations, because the car industry is changing so rapidly because of the Chinese. The world is a bit more difficult – so, cooperation, certainly; but mergers? I'm a bit wary.

"I don't believe in mergers of equals. I have never seen one in my whole life. The company which loses its personality has a loss of motivation, a loss of pride. That is a big problem.

"I have driven Nissan cars recently – you know, when you rent cars at an airport and such things. And Nissan cars are good. I believe the engineers are good, the workers are good. I don't think the company is dead."

■ Louis Schweitzer, who was Renault CEO between 1992-2005, was speaking to the AUTOBEST organisation, of which Auto Market Insight editor Richard Aucock is the UK member. Find out more at www.autobest.org

Is your team's mood ruining the customer experience?

Checking out of a hotel recently, the computer monitor of the staff member serving me had a prominently-placed corporate sticker reading "Smile, Be positive, Show warmth." The guy was exceptionally helpful, but I doubt it had anything to do with his sticker.

By Jonathan Parsons
HR leader, www.alpenhr.com

A study across 230 organisations found that companies with highly engaged employees outperform competitors by 147% in earnings per share

”

Reflecting on the need to have to remind your staff to be decent to your customers caused me to wonder about their culture and the levels of morale in their organisation that had led to this 'initiative'.

Great customer service is like a well-run meeting. It ends on time, everyone contributes and there is clarity afterwards. But it is tough to define the magic formula.

The magic ingredient of a satisfied customer is morale. Or, as it's more fashionably called on planet HR, 'engagement'. Call it what you like, but the truth is brutal: if your team is disengaged, your customers won't experience the magic.

'Customer-centric culture' myth

Sales and marketing executives love to talk about customer-centricity. You hear it in town halls, press releases, and enough PowerPoint decks to flatten a Land Rover Defender. But walk into a retailer or call a customer service line, and the reality often lands somewhere between passive-aggressive and 'couldn't care less'.

Why? Because happy teams create

happy customers. And disengaged ones create chaos.

You can spend millions optimising NPS dashboards and digital journeys, but if the employee at reception has mentally quit, and the service advisor is tangled in systems spaghetti, none of it matters. You can't fake warmth. You can't automate empathy.

Morale is the engine room of service

If your front-line staff feel overworked, underpaid, and ignored by their leadership teams, the very best they'll offer is compliance. They will do the job, they will follow the process and read the script, they'll smile and do whatever it says on the sticker above their monitor – but it won't reach their eyes.

Customers pick up on that. Instantly.

Car buying and servicing is emotional. For most people, it's the second-biggest purchase they'll ever make. It's tied to pride, lifestyle, identity. But if the person representing your brand is flat, transactional, and unmotivated, the customer experience sinks like a stone.

The ripple effect of bad morale

As Wilson and Kelling described in their Broken Windows Theory, once one person stops caring, soon no-one does. One poor attitude affects the team. That impacts handovers, collaboration, urgency. And soon enough, customers are waiting three weeks for callbacks and wondering why no one seems to care.

So, what's actually going wrong?

- 1. Disconnected leadership:** Leadership teams that are talking about customer obsession while staff on the ground are being treated like headcount rather than humans.
- 2. KPI overload:** Teams that are drowning in metrics that don't connect to real-world service. Poorly linked measures that mean you can hit 100% on the CRM dashboard and still leave customers disappointed.

3. Lack of recognition: The role models who go above and beyond, but their x-factor disappears into the void. They lose energy and fall back into the herd.

The brands that get it right

You know them when you meet them. The salesperson who genuinely listens. The service advisor who calls when they said they would. The technician who fixes something small without being asked. These aren't lucky hires – they're the product of a culture that supports and values its people.

The best brands in automotive know that internal culture drives external perception. They invest in coaching, not just compliance. They reward attitude, not just sales. And crucially, they give their teams a reason to care – beyond the short-lived motivational effect of money.

What to do instead

Forget the clichés and gimmicks. This isn't about granola stations or inspirational stickers. It's about basic leadership hygiene:

- **Talk to your people:** Not just surveys. Actual conversations. Ask how it feels to work here. Listen and act on the feedback.
- **Remove the rubbish:** Stop forcing frontline teams to serve five masters and three reporting systems. Simplify and give them autonomy.
- **Reward effort:** Spot and celebrate the human touches that make customers remember you. Not just the invoice total.
- **Hardwire magic into your hiring:** Review what you are really looking for (hint: shiny happy people) and then design a selection process that objectively chooses them.

And above all: give people a reason to be proud of the badge they wear. You can't expect them to champion the customer if they feel like they're being treated like disposable parts.

The tax benefits of exiting via Employee Ownership Trusts

If you are looking to exit your business, or thinking about your succession plans, then you may be considering a sale. You may be able to do this to a third party. However, if that doesn't work out, or if you are otherwise minded, you could consider selling to the trustee of an Employee Ownership Trust.

By Chris Bond
Tax partner, BDO,
Head of Motor Retail

The upcoming changes to inheritance tax to cap the amount of business property receiving 100% relief to £1 million from April 2026 is a significant change for family-owned or private companies which will have a wide impact across the sector

Since September 2014, shareholders have been able to sell a controlling interest in their company to the trustee of an Employee Ownership Trust (EOT) for full market value without incurring any capital gains tax (CGT) liabilities. The EOT creates an immediate purchaser for a trading company of any size operating in any sector. The EOT will then hold those shares in the company for and on behalf of the company's employees.

There are substantial non-tax benefits associated with working for a company that is controlled by an EOT. In addition, companies can make tax-free payments to their employees.

Market issues
The upcoming changes to inheritance tax to cap the amount of business property receiving 100% relief to £1 million from April 2026 is a significant change for family-owned or private companies which will have a wide impact across the sector. So, while many shareholders previously held shares until their death and then passed them to family members without triggering an inheritance tax (IHT) charge as an efficient method of passing the business down the generations, if the value of their business exceeds £1 million, then this may no longer be the best way to pass it on. This change has resulted in many shareholders considering whether they wish to sell.

The UK M&A market has been impacted by comparatively high interest rates and weak economic growth, but sales to either a trade buyer or private equity are still taking place. In the motor retail market, there has continued to be activity because of consolidation and interest from overseas investors. However, that is also now starting to slow down.

For business owners, this means CGT at 24%, or 14% where business asset disposal relief (BADR) applies (increasing to 18% from April 2026). However, keep in mind that, even after a sale, IHT issues remain significant and require careful attention.

Sale to an employee ownership trust
The market issues highlighted above have contributed to a substantial spike in the number of shareholders, across all sectors including motor retail, looking to sell to the trustee of an EOT. When the legislation was first implemented in 2014, many of the companies that sold to EOTs were based in more traditional manufacturing and construction companies. However, we have seen a gradual change in the dynamic of the companies that are being acquired by EOTs.

The total number of UK employee owned (EO) businesses towards the end of 2024 was c.2,250, a c.60% increase on 2023, with a total of 800 new EO business across 2024. This means that the EO sector is now the fastest-growing SME business ownership model with, on average, more than two companies becoming EO every single day.

Top five reasons business owners choose to sell to an EOT rather than a standard trade sale are:

1. A quick and smooth transition of the company to the employees, thus allowing management to focus on running the business rather than becoming embroiled in complex and time-consuming sale negotiations
2. Shareholders can receive full value for their business without the need for earn-outs (a proportion of earn-outs never pay out the extent expected by shareholders)



UK resident shareholders are able to sell shares in their company for a full commercial market value and claim a complete UK CGT exemption. The transaction would also not be subject to IHT

3. Utilising the power of employee-ownership to lock-in, engage and motivate the workforce to take the company to the next level
4. Substantially lower transaction fees
5. Full UK capital gains tax exemption on the disposal

How does a sale to an EOT work?
There are three key steps:

1. A qualifying EOT will be established with a UK resident corporate as the trustee of the EOT (the Trustee Company).
2. The shareholders sell their shares to the Trustee Company under a share purchase agreement. The shareholders and the Trustee Company will jointly engage a share valuation expert to value the company: the Trustee Company will use this value as the basis for determining the purchase price.

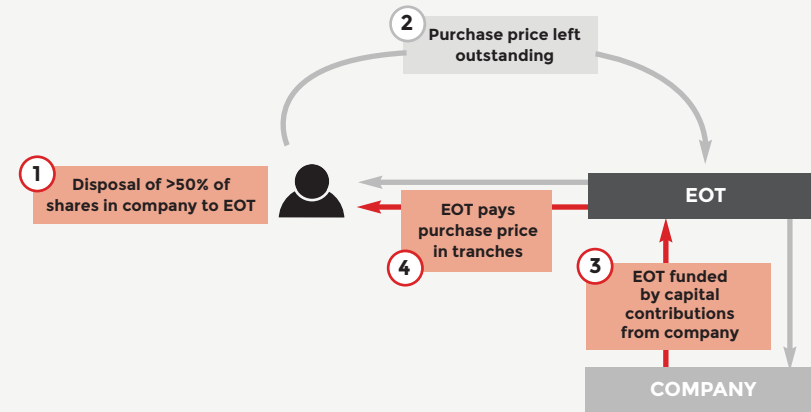
On the sale of the shares, the purchase price will create a debt owed by the Trustee Company to the shareholders which will be left outstanding (see diagram). If you have tried a sale on the open market, which then falls through and you therefore move on to a sale to an EOT, the value that was agreed as part of the original sale will be a relevant factor in determining the market value for the purposes of the sale to the trustee of the EOT.

From October 2024, a requirement was brought in for EOT trustees to be UK-resident, not controlled by the former shareholders and to take reasonable steps to ensure sale at no more than market value.

3. The company will continue to generate trading profits each year and it will use these profits to make contributions to the EOT.
4. The EOT will use these contributions to repay the outstanding purchase price that it owes to the shareholders.

Key qualifying conditions
To carry out a qualifying sale to an

Illustrating how a sale to an EOT works



EOT, there a number of conditions to meet, including:

- **Trustee:** At least 50% of EOT trustees (and persons "connected" to them) must not be "excluded participators"; and the company must not be under the "control" of excluded participators.
- **Ownership:** The EOT must hold a controlling interest in the company, meaning it owns more than 50% of the shares. If the company is part of a group, the trust must hold a controlling interest in the principal company of the group.
- **All-employee benefit:** The EOT must operate for the benefit of all employees on an equal basis.
- **Trading requirement:** The company must be a trading company or the principal company of a trading group.

Tax implications of a sale to an EOT
UK resident shareholders are, subject to satisfying certain statutory conditions, able to sell shares in their company for a full commercial market value and claim a complete UK CGT exemption. The transaction would also not be subject to IHT.

Employees can receive annual tax-free cash bonuses of up to £3,600 per employee per year, and share-based

incentive awards. Arguably one of the most important benefits of being an EO business is that employees have a stake in their company and the greater employee engagement and commitment that results from this. Many companies have also found that moving to an EO model has been a 'game changer' for their ability to attract and retain key talent.

Is employee ownership right for you?
Deciding whether to sell your business to an EOT is a significant decision. A good starting place is to reflect on your long-term vision for the company. If you want to ensure the business remains independent and continues to operate in line with your values, an EOT might be suitable.

Consider if it would it work within your company culture - an EOT can enhance motivation and loyalty by giving your employees a stake in the business. Alongside these considerations, will the business be able to fund the purchase of shares?

With increased employment costs, once a company is employee owned, the tax benefits for your employees can help you offer a more attractive package to incentivise your staff.

Inside the Amazon Autos US marketplace model

Fan Jin is director and general manager of Amazon Autos. The online giant’s journey into automotive, she explained, has been underway longer than many realise – it actually started three years before its market launch in December 2024.

By Richard Aucock
Editor, Auto Market Insight

She envisages Amazon Autos to be part of a retailer’s online channel that’s seamless, “low-lift” and “a real win” – especially in cost management, with low overheads and staffing for an ecommerce channel

“We heard from customers, who told us they wanted to do more online, with more transparency and ease of use in car buying. And when we talked to dealers, we thought there could be something here, were Amazon helps to match the dealer and customer.”

The premise was clear, she explained at Automotive Forum 2025, but the route to it was not. “When we started, we knew nothing. Well, we knew the customer pain points we wanted to solve, but didn’t know about the dealer business.” So, Amazon spent the next three years “building human capital and expertise as well as software.

“We have a dealer council – we learnt this very early on, in order to get their voice directly, not filtered through an OEM.” Amazon also acknowledged its plans would not be for everyone – “it’s a paradigm shift”. Indeed, she said, some dealers “freaked out” that Amazon wants to own the dealer franchise model.

“I say, don’t freak out! It’s human – you hear the word Amazon, that it’s doing something in your industry, and it can be a general fear. But we have taken the dealer-centric approach as we realise early on that it’s the only way to work. Amazon doesn’t want to be a dealer, with local service points, relationships and loyalty. We wanted a marketplace model to attract as many dealers as possible.”

The dealer council involves a mix of PLCs, medium retailers and small independents. “The end goal is for something that all dealers can participate in – and for it to be general enough for all dealers.”

What’s in it for retailers?
For retailers, explained Jin, there are two key areas they can benefit from. The first is the scale and size of Amazon. “It brings those shoppers into a trusted environment for car shipping.

They are familiar with it, have trust in it. They’ll learn that Amazon Autos can find cars from local dealers... this behaviour will find a lot of customers.”

The second is the software behind it. It is an end-to-end e-commerce platform for dealers. She acknowledged there are already lots of dealer tools and software: “I’ve heard all the pain points and fragmentation. But she envisages Amazon Autos to be part of a retailer’s online channel that’s seamless, “low-lift” and “a real win” – especially in cost management, with low overheads and staffing for an ecommerce channel.

Early feedback from customers, she says, is positive. “They tell us how much they love the experience. ‘I saw it on the news, I was at the gym... in between reps, I traded in a car and bought a new one.’ It takes the anxiety out of buying a car and we have a high Net Promoter Score.”

For retailers, she admits, reviews have been more mixed. “They like the sales – the ease of it – but they say we need to improve profitability on a per-deal basis, improve onboarding, and make operating the channel easier.” These are now all areas of future focus, she said: “profit, onboarding, operations.”

Improving profit is about adding more ways to buy – leasing was recently launched, for example. Amazon is adding dealer markups on lending, adding more lenders, facilitating joint credit applications – “there a whole list of experiments queued up.”

Making onboarding and operations better for retailers is the responsibility of the software teams, said Jin. Today, retailers have to onboard into three different systems – an Amazon system, a third-party trading system and a desktop system. “It’s a lengthy process, with lots of different types of trading, and we’re not satisfied with it as a status quo.

“It’s clunky right now – retailers have lots of tabs to keep open, and different notifications to watch. We need to put it all into one place, as a hub, so dealers can operate it efficiently – to see which vehicles are getting traffic, which have been added to a cart and so on.”

Used is next big milestone
Jin has said that used cars is the next big milestone for Amazon Autos, something that is based on retailer feedback; they are more profitable on used, she said, so want to figure out how they can list on Amazon – with the ability to list a lot of inventory. “We want to be the place where there’s a lot of selection.”

But unlike buying a new car, customers will have more trepidation about buying used – so the expectation is that used cars will be omnichannel. They might see it on Amazon, go in for a test drive, go back

to Amazon to get a trade-in, then complete the purchase in a retailer.

There’s also the famously generous Amazon returns policy to consider. “30 days is not going to happen for cars! But we want to find a balance that gives them peace of mind while making sure they they get the business. It’s a marketplace approach, and dealers are the sellers of record. They’re the retailer, they set the pricing, what inventory to list and so on.”

She added that a key metric for Amazon is the customer service aspect. “We need to have dealers with wonderful customer satisfaction. We take this very seriously – we do a lot of training with the dealers we onboard to understand the high customer bar. If we see variances, dealers will be retrained. Amazon is a valuable consumer brand so we want to

protect customer trust.”

This, she said, will help retailers build even more loyal customers over time through Amazon Autos – “the dealer as their ally in a car purchase. We are building features to help dealers maintain relationships over time.”

Amazon, of course, has already been running with Hyundai for more than a year. Jin said that this showed to them the best approach will be a dealer marketplace. “The revenue model for Amazon is that we don’t take a cut of the sale, we expect to make money from dealer advertising.

“We want both dealers and OEMs to find this to be a valuable channel, with lots of customers they can go and target and advertise: those revenues will power our costs. We’ll welcome additional OEMs, but our focus is really on dealers.”

When first-time fixes fail, so does the customer experience

No one likes returning to the dealership. Customers expect their vehicle issues to be resolved on the first visit.

In the competitive aftersales market, failing to fix issues first time damages trust and impacts operational efficiency. The first-time fix rate reflects how much a dealer values its customers.

Service retention is crucial. Repeat visits create bottlenecks, limit productivity, and inflate costs. Each unnecessary return wastes time that could be spent on new jobs, affecting revenue and capacity planning, and ultimately improving profitability and productivity.

Improving first-time fix rates
Having an effective pre-diagnostic customer communication platform in place can be powerful and help workshops stay one step ahead. CitNOW Triage improves ramp utilisation, reduces wasted time and labour, and empowers retailers to pre-order parts or seek further input, so vehicles are fixed right the first time.

A recent trial of CitNOW Triage with a major dealer group uncovered significant boosts in productivity - up to 48 hours of repeat workshop labour saved every month. That’s a monthly saving of £4,800, based on an average labour rate of £100 per hour.

But the real impact? Over one year, that has the potential to unlock up to £57,000 in additional revenue from higher-value vehicle servicing and non-repeat repairs. It’s a clear win for both operational efficiency and the bottom line.

Why do first-time fixes fail?
Often, it comes down to one of three things:

- Insufficient diagnostics: If the root cause isn’t identified properly, the symptom may return.
- Parts availability: Missing parts can lead to incomplete fixes and delays.
- Information gaps: Without full vehicle history or clear customer communication, technicians can lack key information.

Whatever the cause, the outcome is the same: the customer must make multiple visits to the dealership and their confidence in the workshop starts to erode; costing the workshop in time and operational efficiency.

Future-proofing diagnostics and dealer operations
The road ahead calls for a more intelligent approach to workshop management. Leading retailers are addressing first-time fix challenges head-on with CitNOW Triage – its fully automated workflow streamlines issue identification, accelerates repair processes, and reduces operational costs. By eliminating manual effort and improving diagnostic accuracy, it empowers workshops to resolve issues faster, enhance customer satisfaction, and maximise aftersales efficiency.

CitNOW Triage – benefits at a glance
CitNOW Triage streamlines operations and enhances customer satisfaction with higher first-time fix rates, reduced costs, quicker turnaround times, and happier customers.

It stands out with high-quality image and video capture to illustrate issues, guided customer questionnaires for accurate diagnostics, and a seamless, branded customer experience with fast, clear communication.

■ For more information on CitNOW Triage, visit the [CitNOW website](#) or contact help@citnow.com

ZEV Mandate update: winners, stragglers... and challenges

Earlier this year, I published an analysis showing the scale of the ZEV mountain many OEMs had to climb in 2025. Last year, all the major OEMs managed to avoid fines through a combination of actual BEV sales, and use of available flexibility mechanisms, although two OEM groups had to rely on high-cost fleet – primarily Motability – to generate enough sales to cross the line, with almost 50% of their BEV sales coming from this channel vs an all-brands average of just 16%.

By Simon Vessey
Partner, Arthur D. Little
Global Automotive Practice

Following the rule changes in April, 90% of ZEV compliance this year can be generated from CO2 credits, rather than just 45% under the original regime

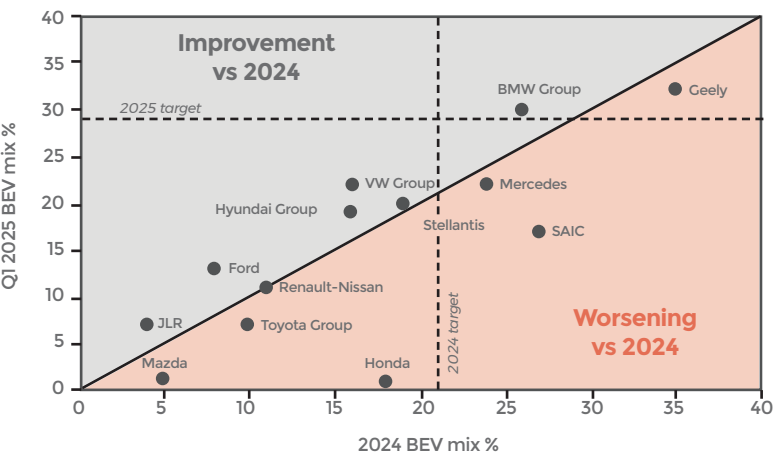
Overall, just 20% of BEV sales were generated via the retail channel in 2024. Although this rose to 23% in Q1 of this year, the reliance on fleet sales for BEV volume is continuing. Against a headline target of 28% zero emissions vehicles in the mix for 2025, leasing and direct fleet sales were at a 39% BEV mix in Q1, vs just 12% of retail cars being BEV.

Perhaps recognising that the industry had scraped home by the skin of its teeth, the government launched a consultation on what changes to the original ZEV mandate might help the sector going forward. However, while acknowledging the scale of the challenge faced by the industry in creating consumer demand for BEVs, the government's response to concrete suggestions on how to boost demand was confined to reiterating its current policy position, confirming its commitment to the ZEV transition, and side-stepping pleas to reintroduce the Plug-in Car Grant for passenger cars.

There was much better news on changes to the flexibility mechanisms. These are relatively complex, and difficult to model for individual OEMs without insider information, particularly now they include interchangeability between cars and vans, which will further complicate OEM's S&OP activities. In my previous analysis, I highlighted the cap on using CO2 credits as particularly problematic, and suggested that Renault-Nissan, Toyota, Ford, Mazda and JLR (representing 27% of the passenger car market) faced a very challenging 2025, even with this particular flexibility mechanism maxed out.

In this article, I focus on the relaxation of this cap – following the rule changes in April, 90% of ZEV compliance this year can be generated from CO2 credits, rather than just 45% under the original regime.

FIGURE 1: BEV SALES MIX ACHIEVED Q1 2025 VS 2024, PASSENGER CARS



Source: SMMT, Arthur D. Little analysis

How much difference is this going to make?

The BEV sales mix is evolving rapidly as many brands are bringing new models to market, particularly in the popular B segment, where there has been limited choice on offer. Figure 1 shows the BEV mix position of a number of OEM groups as of the end of Q1 2025, compared to how they finished 2024.

Now for some rough-and-ready estimates of what the new flexibility means. Let's take a baseline position for 2025 in which the BEV mix for each of the OEMs in Figure 1 remains at the Q1 2025 value, and total sales for this year are forecast (simplistically) as four times the Q1 figure.

Now we can re-ask the following question: if making use only of the CO2 credit flexibility mechanism (with credits obtained from overperformance against non-ZEV fleet CO2 targets), how much do Q2, Q3, and Q4 BEV sales have to improve by, relative to Q1, in order to hit this year's ZEV mix target of 28%?

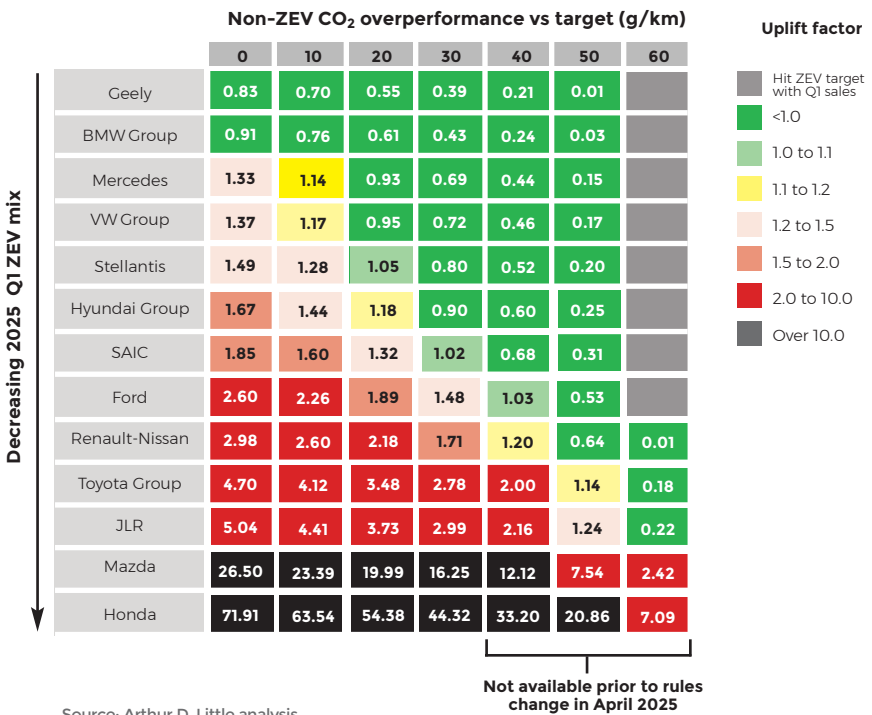
Of course, this depends on how much each OEM is able to overperform on non-ZEV CO2, by selling HEVs, and PHEVs, and shifting their mix towards smaller, lighter vehicles. Figure 2 shows some scenarios.

The way to read this chart is as follows, taking Hyundai Group as an example. If Hyundai Group does not manage to overperform at all on its non-ZEV fleet CO2 emissions vs its baseline (which in turn is based on 2021 average emissions), then its BEV sales for the rest of the year (Q2 through Q4) need to be at least 1.67 times its Q1 BEV sales, in order to hit the 2025 ZEV target. This is a big ask: to put this into perspective, Hyundai Group actually managed to grow like-for-like BEV sales by factor of 1.3 in Q1 2025 compared to Q1 2024.

On the other hand, if Hyundai Group manages to overperform on non-ZEV fleet emissions by 10g CO2 per unit sold on average, it 'only' needs a multiplier of 1.44 times Q1 BEV sales for the other three quarters of the year. However, if it can get to 30g CO2 overperformance, it can actually afford to take its foot off the gas a bit. BEV sales for the last three quarters of the year could sit at just 0.90 times the Q1 volume, and it would be OK.

There are three main points to note about this analysis.

FIGURE 2: NECESSARY UPLIFT IN BEV SALES VS Q1 TO HIT 2025 ZEV TARGET RELYING SOELY ON NON-ZEV CO2 OVERPERFORMANCE



Source: Arthur D. Little analysis

1. The change allowing up to 90% of ZEV credits to be covered by non-ZEV CO2 overperformance, rather than just 45%, opens up a large area of this table that was not previously available. Pre-April, the rules in effect capped the "usable" overperformance at 34g. Now up to 60g is available to turn into ZEV credits. This potentially allows OEMs who are already in a reasonable position to actually throttle back their BEV sales efforts this year, in order to concentrate on maximising profits by selling HEVs and PHEVs. This could happen in any scenario where the implied multiplier factor is less than 1.00 (dark green areas of the chart).

Furthermore, in actuality, the thresholds will be less than the figures quoted, because of the other flexibility mechanisms that are available. It will be interesting to see at the end of the year whether any OEMs behaved in this way, or whether – alternatively – they simply managed to benefit from banking a lot of credits to sell to others.

2. The primary potential beneficiaries of the change to the CO2 credits regime (in terms of the intended consequence, namely helping OEMs meet this year's targets) are three of

the big players identified as clearly in trouble at the start of the year, namely: Ford, Renault-Nissan, and Toyota Group.

3. JLR and Mazda – already in a difficult position at the start of the year – are not substantively helped by this rule change; their problems are fundamentally related to lack of BEV product in their portfolios. While they wait for new models to arrive, their choice this year is between buying credits, paying fines, or borrowing heavily from the future then going for broke in coming years to earn enough credits to pay back what they borrowed. To this group we can now add Honda, which has gone from being close to hitting the 2024 target through actual BEV sales, to nowhere.

As we now look to the second half of 2025, the real question is how OEMs will choose to navigate the widened path provided by the enhanced ZEV mandate flexibility mechanisms post-April. While some may use this breathing space to press their advantage and grab market share, others might see an opportunity to slow the transition and focus on short-term profitability by moving the overall sales mix back towards retail.

BYD Dolphin Surf aims to shake up sub-£20k EV sector

The BYD Dolphin Surf is another significant new arrival for the fast-growing Chinese brand. Billed as its most affordable car yet, it's already been named World Urban Car 2025, while its home Chinese market equivalent, the Seagull, was BYD's second best-selling model overall last month with more than 60k registrations in May alone.

We know that the Dolphin Surf is ready for Europe, and we believe Europe is ready for the Dolphin Surf

In Europeanising the Seagull, the Dolphin Surf has grown slightly overall, due to the extra safety engineering BYD has undertaken to meet EU legislation (it's expected to perform well in Euro NCAP testing – better than the Dacia Spring, if not quite to five-star standard). BYD executive vice president Stella Li – the 2025 World Car Person of the Year – led glittering reveal events seemingly held in most major European cities simultaneously.

“We’ve been answering questions about this car for many months, and we know how much demand there is for more accessible electric cars in Europe.

“We’re delighted that the Dolphin Surf is now available to European customers.”

Li cited the design, practicality, urban-friendly dimensions, performance and “great cabin technology” as all having

appeal to customers “who want a vehicle that’s easy to use around town but brings no compromise on features... we know that the Dolphin Surf is ready for Europe, and we believe Europe is ready for the Dolphin Surf”.

There are three variants, called Active, Boost and Comfort. Active has a 30kWh battery, for a range of 137 miles; Boost and Comfort feature a more useful 43.2kWh battery, for a range of up to 200 miles. Both have DC rapid charging capability – it’s not the fastest, but enough to take both of them up to an 80% charge in around 30 minutes.

Measuring 3,990mm long, the BYD Dolphin Surf is just a little smaller than a Vauxhall Corsa and Volkswagen Polo – and almost 300mm longer than a Dacia Spring. This pays dividends inside, where there’s a comfortable driving position and decent rear seat space for a small car. There’s even a 308-litre boot, again Corsa-sized. Quality is surprising and the drive is grown up and refined.

Prices are coming soon but the range is expected to start from around £18,695, or around £21k for the bigger battery option. This will place it in direct competition with the new Citroen e-C3, another electric supermini – but Dacia believes the Dolphin Surf’s many extra features as standard will help give it an edge.

All versions get a 10.1-inch touchscreen with Apple CarPlay and Android Auto. As with other BYDs, it rotates from landscape to portrait at the press of a button. Its high-tech features extend to unlocking via smartphone, using the NFC keyless entry system. It also has vehicle-to-load technology, allowing devices up to 3.3kW to be powered – such as a coffee machine or electric grille on location, suggests BYD. BYD adds that the vibrant Lime Green launch colour is also standard.

It has the same advanced engineering as larger BYD too. It’s based on the firm’s e-Platform 3.0, which incorporates the ultra-safe Blade Battery that promises higher levels of

safety and durability than traditional EV batteries – and doesn’t use any cobalt.

Even the powertrain is futuristic; it’s the first mass-produced ‘8-in-1’ electric powertrain system, combining drive motor, reducer, charger, DC converter, high-voltage power distribution box, battery management controller, vehicle control built and the motor controller into a single unit. Yet more proof of how far ahead Chinese brands are with EVs right now.

Along with the Dacia Spring, which starts from £14,995 with a 33kWh battery and £15,995 for a 48kWh setup, the BYD Dolphin Surf will also rival models such as the Vauxhall Corsa Electric (from just under £27k) and exciting new Renault 5 E-Tech (from £22,995 or £26,995 with a 52kWh battery). With growing evidence that affordable electric cars are starting to switch buyers on, will the imminent arrival of the Dolphin Surf provide further power to BYD’s UK sales growth?

BYD puts retail building blocks in place

BYD is such a new brand, it doesn’t yet have an NFDA DAS ranking, or any solus authorised repairers. It does, however, have 74 new car sales points, with a target of 120 by the end of 2025. Adam Harkin, who previously spent seven years at Ford in fleet, parts distribution and regional sales management roles, is leading network development.



BYD RETAIL NETWORK: DATA FILE

Brand	BYD
New car sales points	74
Brand owned sales points	0
Authorised repairers (solus)	0
Retail partner total (groups)	30
Fleet specialits	14
Network average return on sales	No data yet
Min showroom size (cars or m2)	400m2
Min charge point requirement per site	8
Network development contact	adam.harkin@byd.com
UK MD (name and time in role)	Bono Ge, since March 2023
NFDA DAS position & score	-
Retail mix %	40%
EV mix %	57.0%
Registrations 2024	8,788
Registrations 2025 (forecast)	57,000*

* Auto Market Insight data

Hybrid Fiat Panda offers offers a value-priced EV alternative

Fiat is following up the launch of the electric Grande Panda B-segment crossover with a much-anticipated hybrid version that will start from just £18,035 – around £3k less than the EV model.

“Starved of new product for so long, things could be looking up for Fiat at last

Utilising the Stellantis 48-volt mild hybrid system combined with a 1.2-litre three-cylinder petrol engine and eDCT gearbox, the company is claiming up to 0.6 miles’ electric-only driving at speeds under 18mph. It will have e-launch, e-creeping and e-parking – basically, near-guaranteed electric drive at low speeds – and should serve up plenty of real-world fuel economy gains.

It looks almost identical to the electric Fiat Grande Panda, with the same super-distinctive styling and genuinely appealing interior design. It’s more than roomy enough by small car standards and the worry-free nature of hybrid drive will make it an interesting new entrant charged with helping address Fiat’s ongoing sales slump due to a dearth of new product.

It won’t be the first new hybrid Fiat alternative to an electric model either. Later this year, the Fiat 500e – designed from the ground up as an EV – will get a petrol hybrid version, thanks to a rapid development project by the firm. It will even have a manual gearbox, and should be priced way below the £25k starting point of the current 500e.

Starved of new product for so long, things could be looking up for Fiat at last. But can retailers capitalise on this belated product drive in the face of ever-sterner value-priced competition from the likes of BYD? Here’s hoping.

The Fiat Grande Panda Hybrid is expected to arrive here later this summer.

Used cars continue to buck seasonal trends

Used car trade values held up well during May, despite the industry now in a period where wholesale demand has traditionally been a struggle, with BCA reporting strong levels of engagement across all stock.

We are seeing consistent demand, seven days a week, across our nationwide online sales programme – any notion of what used to be prime time has long since disappeared

While the average used car value was down 3.6% month-on-month, performance against price guides was slightly up, while year-on-year values rose 1.8%. Importantly, both sold volumes and sales conversions continued to buck seasonal trends.

The market saw a particular lift in bidding activity for prime 3-5-year-old stock, due to ongoing challenges around sourcing such vehicles. Reflecting this, many buyers are now looking outside their typical product portfolio to fill forecourt gaps, says BCA – with anecdotal reports that this practice has uncovered valuable new revenue streams for some retailers.

BCA CCO Stuart Pearson described it as “another strong month for the used car sector with values and volume well ahead of the same period in 2024. Over the last two months, buyer engagement has remained excellent and stock churn reflects a healthy marketplace.

“We are seeing consistent demand, seven days a week, across our nationwide online sales programme – any notion of what used to be prime time has long since disappeared.” Even periods that typically impacted demand, such as school holidays and public holidays are now seeing almost normal trading.

Retail demand

Auto Trader confirmed that retail demand is strong, with an overall 1% boost in used car transactions – and a 4% surge for independent retailers as appetite for older cars increases. Consumer demand for 5-10-year-old vehicles is up 4.5%, and demand for over-10-year-old cars has risen by a noteworthy 10.4%. “As a result, these age groups are recording price increases well ahead of the wider market with the average price of a 5-10-year-old car rising 1.4% year-on-year (£13,705), and those aged over a

decade 2.6% year-on-year (£6,555).” However, added Auto Trader, demand for 1-3 and 3-5-year-old cars fell 2.4% and 9.1% respectively. Compared to the overall 30-day average used car selling time, 5-10-year-old cars took just 28 days, while those aged 1-3-years took 34 days to sell.

Again, the biggest growth in consumer interest is for used electric cars, up 31% in May due to the ongoing softening in prices. The average cost of a used EV, at £24,370, fell 7.4% year-on-year, compared to respective growth of 0.5% and 2% for used petrol and diesel cars.

The disparity is even more pronounced with 3-5-year-old cars, with EVs dropping 11.6% while petrol and diesel grew 3.1% and 2.4%

CARWOW'S TOP FIVE USED CARS IN MAY

Top 5 used car listing views

- 1 Tesla Model 3
- 2 Kia Sportage
- 3 Hyundai Tucson
- 4 Volvo XC40
- 5 BMW 3 Series

Top 5 used car enquiries

- 1 Kia Sportage
- 2 Hyundai Tucson
- 3 Tesla Model 3
- 4 Nissan Qashqai
- 5 Jaecoo 7

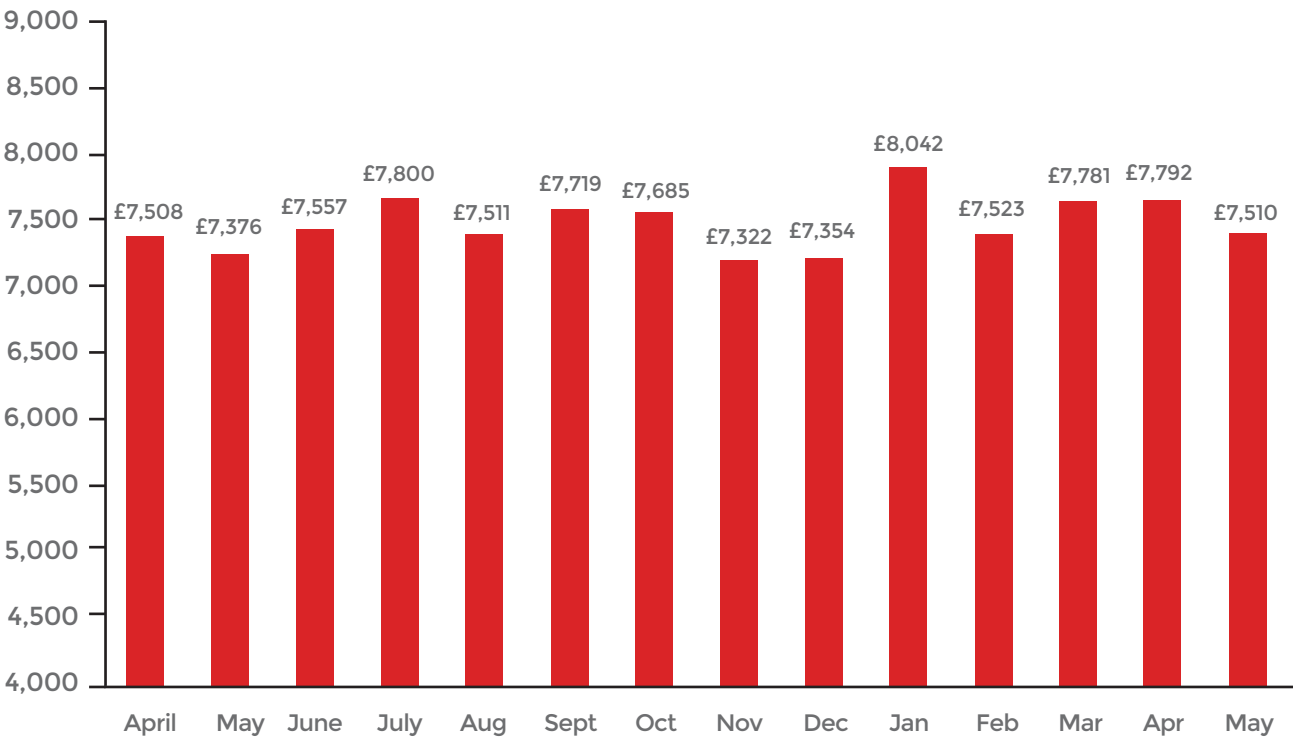
Top 5 highest-converting vehicles

- 1 Jaguar F-Type
- 2 Volvo XC90
- 3 Mazda 3
- 4 Kia Rio
- 5 Mercedes-Benz GLB



Remarkably, this means that a 3-5-year-old electric car is, at £18,266, currently cheaper than a petrol car of the same age (£18,731)

BCA ONLINE: MONTHLY AVERAGE SOLD VALUE - CARS



Source: BCA Valuations

respectively. Remarkably, this means that a 3-5-year-old electric car is, at £18,266, currently cheaper than a petrol car of the same age (£18,731). “Retail prices are stable, demand is healthy, cars are selling at pace, and on our platform, we’re seeing huge volumes of highly engaged car buyers,” said Auto Trader head of strategy and insights Marc Palmer. “For those retailers able to source sufficient quantity and quality of in-demand stock, this is proving to be a strong combination, with overall transactions ahead of where they were last year.

“The market may be very nuanced, but there are clearly areas of profit potential available, and so I’d urge retailers to make full use of the tools and data we’ve developed to spot the best opportunities for their forecourts.”

June 2025 outlook

CAP HPI is predicting a relatively healthy used car market in June – with, continuing a theme, movements

“slightly favourable to typical seasonal patterns.

“Condition continues to be key, with parts availability and refurb capacity continuing to reduce while costs inevitably increase, and the cleanest vehicles are generally expected to continue to perform well.

“Retail demand will remain constrained over the short term as the reality of the ongoing cost-of-living squeeze continues to make itself felt, and concerns remain over the impact of current interest rates on mortgage costs, even if rates were to reduce again in the next few months.

“Used car volumes are now predicted to remain relatively similar to the last few months, staying low compared to historic levels, with used values expected to remain relatively robust through much of this year.

“As we move through 2025, we will continue to see the positive impact of

reduced used car supply as a result of almost three million fewer cars registered since the start of the pandemic – particularly from fleets, which are approximately two-thirds of the shortfall. However, this will reduce through this year, become close to ‘new normal’ in 2026 and then we will start to see increases in used car volume by 2027 and into 2028.

£18,266

Average price of a 3-5-year old electric car – cheaper than a same-age petrol

MANUFACTURER PROMOTED RETAIL FINANCE OFFERS								
MAKE & MODEL	OFFER OTR	DEAL	ELECTRIC ⚡	DEPOSIT	TERM	MONTHLY PAYMENT	FINAL PAYMENT	APR
AUDI	Some big dealer contributions but APR is unimpressive							
A1, Sportback	£24,605	PCP, £900 dealer contrib		£4,896	48	£275	£11,699	9.9%
A3, Saloon	£30,895	PCP, £1,875 dealer contrib		£6,054	48	£344	£13,780	9.9%
A5, Avant Sport	£45,285	PCP, £5,225 dealer contrib		£8,762	48	£464	£19,062	9.9%
A6, Saloon Sport	£51,335	PCP, £4,250 dealer contrib		£9,967	48	£619	£18,669	9.8%
A8, Sport	£85,710	PCP, £15,000 dealer contrib		£16,442	48	£1,019	£20,858	9.8%
Q2, Sport	£30,340	PCP, £3,300 dealer contrib		£5,968	48	£341	£11,191	9.9%
Q5, Sportback	£53,910	PCP, £1,800 dealer contrib		£10,602	48	£616	£25,264	9.9%
BMW	BMW offering generous money off its electric car range							
120, M Sport	£34,525	PCP		£4,551	48	£399	£15,627	4.9%
i4, eDrive40 M Sport	£58,424	PCP, £3,325 off	⚡	£8,074	48	£749	£20,638	3.9%
iX, xDrive45 M Sport	£79,215	PCP, £3,132 off	⚡	£9,688	48	£949	£29,179	3.9%
iX2, eDrive20 M Sport	£47,960	PCP, £2,000 off	⚡	£7,777	48	£569	£17,931	3.9%
i5, M60 xDrive	£92,255	PCP, £5,500 off	⚡	£10,183	48	£1,179	£35,767	3.9%
i7, xDrive60 M Sport	£114,051	PCP, £6,193 off	⚡	£11,391	48	£1,499	£43,510	3.9%
BYD	New Sealion 7 electric SUV already has money off							
Dolphin, Active	£24,880	PCP, £1,324 off	⚡	£279	48	£279	£11,209	0.0%
ATTO 3, Comfort	£37,705	PCP, £1,837 off, £3,100 dealer contrib	⚡	£399	48	£399	£13,216	0.0%
Seal U DM-I Boost	£31,953	PCP, £1,361 off		£2,800	48	£349	£15,952	3.9%
Seal Design	£43,444	PCP, £2,260 off, £500 dealer contrib	⚡	£3,750	48	£479	£18,427	1.0%
Sealion, 7 Comfort	£45,869	PCP, £1,130 off	⚡	£5,000	48	£489	£19,737	1.9%
CITROEN	An electric e-C3 is just £40 a month more than a petrol one							
AMI, Coupe 6.3 kWh	£7,695	PCP	⚡	£2,054	36	£99	£3,483	9.9%
C3, Plus Turbo	£18,305	PCP, £520 dealer contrib		£299	48	£299	£8,614	9.9%
e-C3, Plus 44 kWh	£22,095	PCP, £884 dealer contrib	⚡	£339	48	£339	£8,345	5.9%
e-C3 Aircross, PLUS 44kWh	£23,095	PCP, £152 dealer contrib	⚡	£359	48	£359	£10,156	6.9%
C4, You! Hybrid	£22,595	PCP, £716 dealer contrib		£369	48	£369	£9,052	7.9%
DACIA	Electric Spring is £175 down and £175 a month – but most customers will prefer a Sandero							
Sandero, Essential Bi-Fuel	£14,725	PCP		£3,681	24	£158	£8,205	4.9%
Spring, Expression Electric	£15,995	PCP, £1,000 dealer contrib	⚡	£175	48	£175	£6,431	0.0%
Jogger, Extreme	£21,120	PCP		£5,280	24	£183	£12,888	4.9%
Bigster, Expression	£27,465	PCP		£6,866	24	£191	£17,940	4.9%
FORD	Puma Gen-E is £44 a month more than a regular Puma							
Puma, ST-Line	£28,780	PCP		£4,893	36	£356	£11,375	1.9%
Puma, Gen-E Select 43kWh	£30,795	PCP	⚡	£5,235	36	£400	£11,854	1.9%
Focus, ST Line X, 1.0 EcoBoost	£32,560	PCP		£5,535	36	£415	£12,049	0.0%
Explorer, Premium 77kWh	£46,085	PCP, £3,000 dealer contrib	⚡	£7,834	48	£384	£16,809	0.0%
Mustang, Mach-E Select 72kWh	£47,490	PCP, £7,490 off	⚡	£8,073	36	£569	£18,914	0.0%
GWM	New Haval Jolion Pro has a decent PCP deal							
Haval Jolion, Pro Premium Hybrid	£23,995	PCP		£4,662	48	£269	£9,244	4.9%
Ora PURE	£24,995	PCP, £595 dealer contrib		£4,998	48	£299	£7,149	3.9%
HYUNDAI	Zero deposit on electric Ioniq 5							
i10, Advance 1.0	£16,600	PCP		£2,700	48	£255	£6,532	4.4%
i20, Advance 1.0	£22,100	PCP, £1,500 dealer contrib		£1,500	48	£311	£7,879	6.9%
Inster, 49 kWh	£25,055	PCP, £1,000 dealer contrib	⚡	£4,000	36	£279	£9,979	0.0%
Ioniq 5, 63kWh	£39,910	PCP, £2,000 dealer contrib	⚡	£0	36	£615	£15,770	0.0%
JEEP	0% finance on Avenger petrol							
Renegade, E-Hybrid 1.5 North Star	£39,929	PCP, £2,250 dealer contrib		£7,570	48	£369	£11,062	7.9%
Compass, E-Hybrid 1.5 Summit	£38,335	PCP, £6,000 dealer contrib		£7,530	48	£399	£11,730	7.9%
Wrangler, Rubicon 2.0	£66,835	PCP, £4,750 dealer contrib		£16,925	48	£609	£27,776	7.9%
KIA	Low deposit on EV3 but this means monthly payments are steep							
Picanto 3, 1.0	£18,015	PCP, £500 dealer contrib		£1,801	36	£300	£7,677	7.9%
Ceed Sportswagon 2, 1.5	£24,070	PCP, £1,000 dealer contrib		£2,407	36	£409	£9,496	7.9%
Sportage, 2 1.6	£30,170	PCP, £1,000 dealer contrib		£3,017	36	£393	£15,724	5.9%
EV3, Air 81 kWh	£36,005	PCP	⚡	£3,600	36	£518	£16,647	3.9%
Niro 2, 64kWh Long Range	£37,335	PCP, £1,500 dealer contrib	⚡	£3,733	36	£546	£15,239	3.9%
LAND ROVER	Evoque looks good value with £3k dealer contribution and £369 a month							
Evoque, D200 S	£45,435	PCP, £3,000 dealer contrib		£9,809	48	£369	£20,106	4.9%
Velar, Dynamic SE	£60,395	PCP, £3,000 dealer contrib		£13,273	48	£599	£24,896	6.9%
Sport S	£76,350	PCP, £3,000 dealer contrib		£16,247	48	£719	£35,321	6.9%
LEXUS	Electric RZ looks fair value for those with the £11k deposit							
LBX, Urban 1.5 Hybrid	£30,915	PCP, £750 dealer contrib		£3,091	42	£396	£14,332	4.9%
UX 300h, Urban	£35,245	PCP, £1,000 dealer contrib		£3,524	42	£524	£12,892	4.9%
RZ, Urban All-Electric	£49,995	PCP, £4,500 dealer contrib	⚡	£11,217	48	£399	£15,525	0.0%
RX, 350h Premium 2.5 Hybrid	£63,595	PCP, £1,500 dealer contrib		£6,359	42	£932	£24,288	4.9%

MANUFACTURER PROMOTED RETAIL FINANCE OFFERS								
MAZDA	CX-30 is a mere £10 a month more than the Yaris-based Mazda 2 Hybrid							
2, Hybrid Centre-Line	£25,130	PCP		£4,734	36	£269	£10,980	0.0%
MX-30, R-EV Prime Line	£31,605	PCP, £3,000 dealer contrib		£4,991	48	£319	£11,318	3.9%
CX-30, Prime-Line	£26,735	PCP, £1,750 dealer contrib		£4,311	48	£279	£9,923	3.9%
CX-60, Exclusive-Line	£47,290	PCP, £1,200 dealer contrib		£8,627	48	£439	£16,830	0.0%
MERCEDES-BENZ	Big money off saving on the electric EQA							
A 200, Sport Executive Saloon	£31,780	PCP, £2,750 off		£5,561	48	£354	£13,900	5.9%
CLA 180, AMG Line Executive Coupe	£34,910	PCP, £4,000 off		£6,109	48	£355	£16,125	4.9%
C 200, AMG Line Saloon	£40,900	PCP, £4,500 off		£7,157	48	£444	£18,550	5.9%
EQA 250+, Sport Executive	£42,260	PCP, £7,500 off	⚡	£7,395	48	£413	£19,200	3.9%
GLE 450d, Urban Edition	£72,660	PCP, £8,000 off		£12,715	48	£755	£34,775	5.9%
MG	MG55 EV SUV slots neatly into the range at just £30 a month more than the MG4 hatch							
3, Hybrid+ SE 1.5	£18,995	PCP, £250 dealer contrib		£2,832	48	£229	£8,262	6.9%
ZS, Hybrid+ SE 1.5	£22,495	PCP, £500 dealer contrib		£3,326	48	£269	£9,675	6.9%
4 EV, SE 51kWh	£26,995	PCP, £1,000 test drive voucher	⚡	£5,203	48	£269	£9,670	2.9%
S5, SE 49kWh	£28,495	PCP	⚡	£4,978	48	£299	£11,205	2.9%
HS, Plug-in Hybrid SE 1.5	£31,495	PCP, £250 dealer contrib, £1,000 test drive voucher		£3,469	48	£349	£14,661	4.9%
NISSAN	Same deposit but Ariya is a huge £240 a month more than a Qashqai							
Juke, DIG-T N-Connecta	£26,045	PCP, £1,750 dealer contrib		£1,500	48	£342	£9,626	4.9%
Qashqai 1.3 DIG-T Mild Hybrid N-Connecta	£33,085	PCP, £2,500 dealer contrib		£5,000	48	£348	£13,182	5.4%
Ariya, 87kWh Nismo	£56,630	PCP, £1,500 dealer contrib	⚡	£5,000	48	£588	£24,158	1.4%
X-Trail, N-Connecta e-4FORCE	£42,780	PCP, £3,500 dealer contrib		£5,000	48	£471	£16,818	4.9%
OMODA	0% finance on electric Omoda E5							
5, Noble	£27,715	PCP		£5,344	48	£269	£10,989	1.9%
E5, Comfort	£33,065	PCP	⚡	£5,099	48	£359	£11,092	0.0%
9, Luxury	£44,990	PCP		£5,050	48	£548	£18,176	3.9%
PEUGEOT	208 Style is now back under £200 a month							
208, Style 1.2	£19,995	PCP, £750 dealer contrib		£4,125	48	£199	£9,182	6.9%
2008, Allure 1.2	£28,540	PCP, £3,950 dealer contrib		£6,008	48	£249	£11,011	6.9%
308, Allure Hybrid	£32,925	PCP, £1,500 dealer contrib		£9,488	48	£319	£11,621	6.9%
3008, Allure Hybrid	£36,790	PCP, £1,000 dealer contrib		£10,189	48	£299	£17,484	6.9%
POLESTAR	Polestar 4 just £20 a month more than Polestar 2, for those who can cover the £4,600 extra in deposit							
2, Standard Range	£45,150	PCP, £2,000 off	⚡	£8,700	48	£399	£15,298	0.0%
4, Long Range	£58,000	PCP, £2,000 off	⚡	£13,300	48	£419	£24,588	0.0%
RENAULT	Electric Renault 5 is the same per month as a Clio – and the deposit is lower							
Clio, E-Tech Full Hybrid Techno	£23,495	PCP, £1,000 dealer contrib		£4,137	48	£259	£9,819	6.9%
Captur, Evolution	£22,195	PCP, £500 dealer contrib		£4,127	48	£249	£9,951	7.9%
5, Techno Urban 40kWh	£24,995	PCP, £250 dealer contrib	⚡	£3,941	48	£259	£10,866	3.9%
Scenic, Techno Long Range 87kWh	£40,995	PCP, £1,250 dealer contrib	⚡	£6,212	48	£339	£20,425	2.9%
SEAT	Hard to see the appeal of an Ibiza when an Arona is only £2 a month more							
Ibiza, FR 1.0 TSI	£22,785	PCP, £1,000 dealer contrib		£4,507	48	£233	£8,815	4.9%
Arona, SE Technology 1.0 TSI EVO	£24,205	PCP, £2,500 dealer contrib		£4,791	48	£235	£8,226	4.9%
Leon, FR Sport 1.5 TSI	£32,050	PCP, £3,000 dealer contrib		£6,360	48	£327	£10,485	4.9%
Ateca, FR 1.5 EcoTSI	£34,435	PCP, £2,000 dealer contrib		£5,206	48	£399	£12,267	4.9%
SKODA	Electric Elroq is a punchy £322 a month							
Kamiq, SE Edition 1.0 TSI	£25,685	PCP, £2,500 dealer contrib		£4,623	48	£264	£9,742	6.9%
Octavia Hatch, SE 1.5 TSI	£27,610	PCP, £3,000 dealer contrib		£4,969	48	£272	£10,710	6.8%
Karoq, SE Edition 1.0 TSI	£30,940	PCP, £2,750 dealer contrib		£5,569	48	£326	£11,632	6.9%
Elroq, SE 50 55kWh	£31,510	PCP, £3,000 dealer contrib	⚡	£5,671	48	£322	£12,172	6.9%
SUZUKI	Swift no longer looks a bargain as rivals tighten their supermini deals							
Swift, Motion 1.2	£19,699	PCP, £500 dealer contrib		£3,274	48	£229	£8,834	7.9%
TOYOTA	A Corolla at £514 a month isn't particularly appealing							
Aygo X, Edge 1.0	£18,995	PCP, £300 dealer contrib		£1,000	36	£282	£8,955	2.9%
Yaris, Design 1.5 Hybrid	£24,495	PCP, £800 dealer contrib		£1,000	36	£374	£11,025	2.9%
Corolla, Design 1.8 Hybrid	£32,445	PCP, £2,000 dealer contrib		£1,000	36	£514	£13,275	2.9%
VAUXHALL	Well-equipped Corsa Yes is only £2 a month more than a Suzuki Swift. Much lower deposit, too							
Corsa, YES	£18,490	PCP, £700 dealer contrib		£2,000	48	£231	£8,131	6.9%
Mokka, Design	£24,700	PCP, £500 dealer contrib		£2,000	48	£342	£10,568	6.9%
Frontera, GS	£26,395	PCP, £400 dealer contrib		£2,000	48	£373	£12,809	8.9%
New Grandland, Design	£35,405	PCP, £900 off, £1,000 dealer contrib		£2,000	48	£513	£14,633	6.9%
VOLKSWAGEN	0% finance on electric ID.3, ID.4							
Polo, R-Line 1.0	£21,470	PCP, £1,400 dealer contrib		£3,220	48	£251	£8,991	7.9%
Golf Hatch, Life 1.5 TSI	£28,010	PCP, £3,000 dealer contrib		£4,201	48	£311	£11,084	7.9%
ID.3, Pure Essential 52kWh	£30,860	PCP, £2,500 dealer contrib	⚡	£6,172	36	£312	£11,265	0.0%
ID.4, Pure 52kWh	£39,590	PCP, £4,000 dealer contrib	⚡	£7,918	36	£393	£13,897	0.0%
T-Cross, Style 1.0 TSI	£28,770	PCP, £1,650 dealer contrib		£4,315	48	£342	£12,042	7.9%
Tiguan, 1.5 eTSI	£35,385	PCP, £1,850 dealer contrib		£5,307	48	£434	£14,349	7.9%
T-Roc, R-Line 1.5 TSI	£35,515	PCP, £3,250 dealer contrib		£5,327	48	£399	£14,540	7.9%

May registrations grow – thanks to EV discounting

May 2025 new car registrations rose 1.6% year-on-year but this was only due to the heavy discounting of electric cars and retail sales still fell 2.3%.

By Richard Aucock

Editor,
Auto Market Insight

EV registrations duly rose 25.8% in May, firming up the fuel as Britain’s second-favourite powertrain – although, even with such discounting, this performance tracked behind the year-to-date EV gain of 33.4%.

It will be lost on no-one that the May EV market share of 21.8% was also, despite the ongoing cost of driving EV sales, well shy of 2025’s headline ZEV Mandate target of 28%.

SMMT chief executive Mike Hawes remains concerned about the sheer level of discounting going on in the marketplace. “A return to growth for new car registrations in May is welcome, but manufacturer discounting on new products continues to underpin the market, notably for electric vehicles.

“This cannot be sustained indefinitely as it undermines the ability of companies to invest in new product development – investments which are integral to the decarbonisation of all road transport.

“Next week’s Spending Review is the opportunity for the government to double down on its commitments to Net Zero by driving demand through fiscal measures that boost the market and shore up our competitiveness.” The asks are familiar; halve the VAT on new EV purchases, remove EVs from the Expensive Car Supplement and equalise VAT paid on public charging to that levied at home.

NFDA chief executive Sue Robinson is also looking forward to the Spending Review, commenting that “it provides a prime opportunity to clarify its objectives to reach the ZEV Mandate

TOP 15 FLEET/RETAIL REGISTRATIONS BY BRAND, MAY 2025

	Month End		Month End	Month End Last Year		Month End Last Year
	FLEET	PRIVATE		FLEET	PRIVATE	
VOLKSWAGEN	8,533	5,029	13,562	8,072	5,431	13,503
BMW	5,324	4,003	9,327	6,237	4,116	10,353
KIA	5,503	3,076	8,579	6,173	2,744	8,917
FORD	4,978	3,511	8,489	4,059	3,461	7,520
AUDI	4,356	3,735	8,091	6,007	4,666	10,673
SKODA	5,697	1,737	7,434	4,824	1,847	6,671
HYUNDAI	4,754	2,505	7,259	5,277	1,830	7,107
MERCEDES	4,087	2,999	7,086	3,990	3,768	7,758
VAUXHALL	5,159	1,857	7,016	3,006	3,020	6,026
NISSAN	5,202	1,682	6,884	4,629	1,973	6,602
MG	3,775	2,850	6,625	5,446	1,777	7,223
TOYOTA	3,206	3,275	6,481	3,364	3,470	6,834
PEUGEOT	5,224	929	6,153	3,570	934	4,504
RENAULT	3,091	2,125	5,216	2,246	1,552	3,798
VOLVO	3,664	1,270	4,934	3,625	2,082	5,707

SALES BY CUSTOMER TYPE, MAY 2025

May	Total	Private	Fleet	Business
2025	150,070	56,131	90,102	3,837
2024	147,678	57,453	86,871	3,354
% change	1.6%	-2.3%	3.7%	14.4%
Mkt share '25		37.4%	60.0%	2.6%
		38.9%	58.8%	2.3%
Year to date	Total	Private	Fleet	Business
2025	850,903	330,388	502,598	17,917
2024	827,500	315,257	494,537	17,706
% change	2.8%	4.8%	1.6%	1.2%
Mkt share '25		38.8%	59.1%	2.1%
Mkt share '24		38.1%	59.8%	2.1%

and wider net zero targets”. If there are major developments in it, look forward to reading expert analysis of them in next month’s Auto Market Insight.

It’s plug-in hybrids that made real inroads in May, growing 50.8% year-on-year, almost double the rate of growth for EVs. With nearly 18k registrations, PHEVs were less than 2,500 units behind HEVs last month. If such momentum continues, how long

before PHEVs become the UK’s third most popular powertrain? Another British new car market boast is that electrified sales took a combined 47.3% market share in May.

Of course, it’s fleet sales driving this, growing 3.7% in May, compared to a 2.3% decline for retail. This is why petrol and diesel market share both fell by double-digit figures last month. May saw the landmark of more than half a

million fleet sales reached year-to-date, with retail back on 330k. Business sales were up an impressive-sounding 14.4%, but the numbers are so relatively small, you have to wonder why the SMMT continues to split them out.

Auto Trader commercial director Ian Plummer still has an upbeat outlook. “Despite recent geopolitical volatility, the fundamentals of the car market remain sound and the sharp rise in electric vehicle sales against last year demonstrates real momentum. Around one in four of all new cars viewed on our website is electric and we know that when the price is right, drivers are keen to make the switch.”

Winners and losers

As the year ticks on, surprises in the top 10 best sellers are becoming fewer. At the top, there’s the battle between the Ford Puma and Kia Sportage, while the Nissans Qashqai and Juke vie with the Vauxhall Corsa in the top five rankings.

Despite Volkswagen only having one model in the top 10 last month – the Polo, down in seventh place – its strength in depth saw it sit firmly at the top of the brand rankings. BMW stumbled slightly, with a 9.9% decline, but still held off Kia for second place, while Ford saw some welcome growth with a 12.8% improvement.

Audi was a big surprise, dropping more than 24.1% last month. This means it is down 17.7% year-to-date with just under 44k registrations compared to BMW’s near-53k. Mercedes-Benz was down too, falling 8.6%, meaning it has yet to break the 40k mark year-to-date, but its monthly decline was still in single figures. Will there be concerns at Audi about its dramatic drop, given the relative age of its crucial volume EV model, the Q4 e-tron?

If you’re familiar with 2025’s ongoing sales, you won’t be surprised to see BYD, Omoda and Jaecoo all tearing up the rankings. With 3,025 registrations, BYD nipped ahead of Mini, Mazda, Dacia and Tesla, while Jaecoo now sells almost as many cars as a slumping Seat (at least Cupra was up 32.6%). Omoda actually outsold Honda last month. Combined, Omoda and Jaecoo were actually clear of BYD, with 3,171 registrations in May.

Suzuki sales, down 28.3% year-to-date, plunged 43.8% last month, leaving the brand behind Polestar, which grew 273.8%. MD Matt Galvin continues to do wonders for the rejuvenated EV brand. Another EV brand, Tesla, was ‘only’ down 36% last month, which is

BEST SELLERS

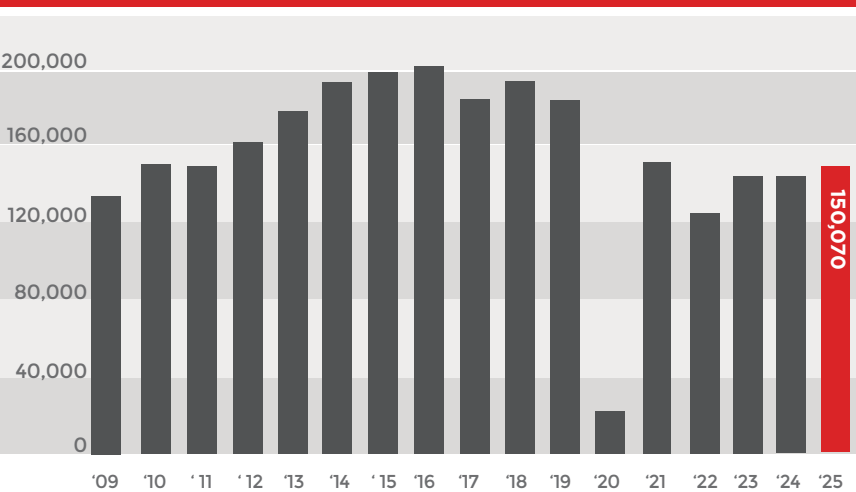
May-25			YTD		
1	Ford Puma	3,695	1	Ford Puma	21,936
2	Kia Sportage	3,256	2	Kia Sportage	19,636
3	Nissan Qashqai	3,088	3	Nissan Qashqai	17,077
4	Nissan Juke	2,876	4	Vauxhall Corsa	16,545
5	Vauxhall Corsa	2,693	5	Nissan Juke	15,249
6	MG ZS	2,624	6	Volkswagen Golf	14,198
7	Volkswagen Polo	2,295	7	MG ZS	12,918
8	Hyundai Kona	2,189	8	Volkswagen Tiguan	12,634
9	Peugeot 2008	2,096	9	Volvo XC40	12,606
10	Mini Cooper	2,079	10	MG HS	12,548

SALES BY FUEL TYPE, MAY 2025

MAY	2025	2024	% change	Mkt share - 25	Mkt share - 24
Petrol	71,291	81,508	-12.5%	47.5%	55.2%
BEV	32,738	26,031	25.8%	21.8%	17.6%
HEV	20,351	19,053	6.8%	13.6%	12.9%
PHEV	17,898	11,866	50.8%	11.9%	8.0%
Diesel	7,792	9,220	-15.5%	5.2%	6.2%
Total	150,070	147,678	1.6%		

Year to date	2025	2024	% change	Mkt share - 25	Mkt share - 24
Petrol	416,811	465,391	-10.4%	49.0%	56.2%
BEV	177,487	133,062	33.4%	20.9%	16.1%
HEV	122,942	108,605	13.2%	14.4%	13.1%
PHEV	85,657	64,918	31.9%	10.1%	7.8%
Diesel	48,006	55,524	-13.5%	5.6%	6.7%
Total	850,903	827,500	2.8%		

MAY NEW CAR REGISTRATIONS 2009-2025



in contrast to its dire performance in other markets. Insiders told us the pre-facelift Model Y is now sold out, with customers waiting for the revised model that will begin deliveries in earnest later this month.

Speaking of dire performances, Skywell actually registered zero cars last month, despite the Chinese new entrant officially still being on sale in the UK. At least Jaguar, the other brand on zero, has an excuse, even if

the strategy of choosing to go off sale for more than a year is not the most convincing for some.

XPeng, distributed by IM Group, registered just six cars, with its other brand, GWM, on a mere 33; the Ora and Haval company is down 74.3% year-to-date. These four brands showing that not all Chinese new entrants are succeeding in the UK. How enviously they must be looking at BYD, Omoda and Jaecoo...

NEW CAR REGISTRATIONS, MAY 2025

Marque	MAY					YEAR-TO-DATE				
	2025	% Market share	2024	% Market share	% Change	2025	% Market share	2024	% Market share	% change
Volkswagen	13,562	9.04	13,503	9.14	0.44	77,192	9.07	68,094	8.23	13.36
BMW	9,327	6.22	10,353	7.01	-9.91	52,972	6.23	56,280	6.80	-5.88
Kia	8,579	5.72	8,917	6.04	-3.79	51,962	6.11	50,045	6.05	3.83
Ford	8,489	5.66	7,520	5.09	12.89	50,198	5.90	48,239	5.83	4.06
Audi	8,091	5.39	10,673	7.23	-24.19	43,914	5.16	53,388	6.45	-17.75
Skoda	7,434	4.95	6,671	4.52	11.44	35,489	4.17	31,108	3.76	14.08
Hyundai	7,259	4.84	7,107	4.81	2.14	38,669	4.54	37,206	4.50	3.93
Mercedes-Benz	7,086	4.72	7,758	5.25	-8.66	39,872	4.69	42,873	5.18	-7.00
Vauxhall	7,016	4.68	6,026	4.08	16.43	39,549	4.65	39,076	4.72	1.21
Nissan	6,884	4.59	6,602	4.47	4.27	39,638	4.66	45,805	5.54	-13.46
MG	6,625	4.41	7,223	4.89	-8.28	35,055	4.12	35,732	4.32	-1.89
Toyota	6,481	4.32	6,834	4.63	-5.17	37,926	4.46	40,049	4.84	-5.30
Peugeot	6,153	4.10	4,504	3.05	36.61	40,603	4.77	30,100	3.64	34.89
Renault	5,216	3.48	3,798	2.57	37.34	27,278	3.21	22,585	2.73	20.78
Volvo	4,934	3.29	5,707	3.86	-13.54	28,132	3.31	24,139	2.92	16.54
Land Rover	4,643	3.09	4,730	3.20	-1.84	29,575	3.48	27,600	3.34	7.16
Cupra	3,037	2.02	2,289	1.55	32.68	15,274	1.80	11,256	1.36	35.70
BYD	3,025	2.02	596	0.40	407.55	14,807	1.74	2,207	0.27	570.91
Mini	2,883	1.92	2,679	1.81	7.61	18,444	2.17	17,580	2.12	4.91
Mazda	2,641	1.76	2,171	1.47	21.65	15,178	1.78	11,175	1.35	35.82
Dacia	2,159	1.44	2,691	1.82	-19.77	13,397	1.57	13,349	1.61	0.36
Tesla	2,016	1.34	3,152	2.13	-36.04	15,002	1.76	16,272	1.97	-7.80
Seat	1,847	1.23	3,572	2.42	-48.29	10,642	1.25	18,155	2.19	-41.38
Jaecoo	1,679	1.12	0	0.00	0.00	5,967	0.70	0	0.00	0.00
Lexus	1,496	1.00	1,340	0.91	11.64	6,943	0.82	6,521	0.79	6.47
Omoda	1,492	0.99	0	0.00	0.00	5,596	0.66	0	0.00	0.00
Honda	1,434	0.96	1,781	1.21	-19.48	11,542	1.36	15,493	1.87	-25.50
Porsche	1,388	0.92	1,315	0.89	5.55	7,944	0.93	7,579	0.92	4.82
Citroen	1,302	0.87	2,100	1.42	-38.00	6,649	0.78	13,582	1.64	-51.05
Polestar	1,174	0.78	314	0.21	273.89	5,728	0.67	2,082	0.25	175.12
Suzuki	1,142	0.76	2,032	1.38	-43.80	8,082	0.95	11,286	1.36	-28.39
Jeep	1,083	0.72	297	0.20	264.65	5,983	0.70	3,132	0.38	91.03
Fiat	1,006	0.67	523	0.35	92.35	5,379	0.63	6,957	0.84	-22.68
Genesis	169	0.11	57	0.04	196.49	629	0.07	373	0.05	68.63
Alfa Romeo	159	0.11	234	0.16	-32.05	1,109	0.13	682	0.08	62.61
DS	141	0.09	54	0.04	161.11	371	0.04	493	0.06	-24.75
Subaru	116	0.08	182	0.12	-36.26	1,032	0.12	1,223	0.15	-15.62
KGM	101	0.07	131	0.09	-22.90	686	0.08	873	0.11	-21.42
Bentley	98	0.07	68	0.05	44.12	460	0.05	409	0.05	12.47
Leapmotor	98	0.07	0	0.00	0.00	399	0.05	0	0.00	0.00
Smart	94	0.06	148	0.10	-36.49	651	0.08	927	0.11	-29.77
Alpine	39	0.03	19	0.01	105.26	138	0.02	197	0.02	-29.95
GWM	33	0.02	101	0.07	-67.33	157	0.02	611	0.07	-74.30
Ineos	29	0.02	25	0.02	16.00	106	0.01	121	0.01	-12.40
Abarth	25	0.02	38	0.03	-34.21	184	0.02	347	0.04	-46.97
Maserati	24	0.02	40	0.03	-40.00	138	0.02	239	0.03	-42.26
Xpeng	6	0.00	0	0.00	0.00	51	0.01	0	0.00	0.00
Maxus	3	0.00	1	0.00	200.00	35	0.00	3	0.00	1,066.67
Jaguar	0	0.00	1,363	0.92	0.00	1,725	0.20	9,451	1.14	-81.75
Skywell	0	0.00	0	0.00	0.00	9	0.00	0	0.00	0.00
Other British	190	0.13	179	0.12	6.15	1,518	0.18	1,251	0.15	21.34
Other Imports	162	0.11	216	0.15	-25.00	893	0.10	1,096	0.13	-18.52
Total	150,070		147,678		1.62	850,903		827,500		2.83