ELECTRIFICATION REACHES OPERATIONAL MATURITY

The Europcar Sustainability Report 2026

Europcar

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FOREWORD

The early adoption phase is over

2025 marked a decisive shift in the evolution of sustainable mobility. Organisations moved from early-stage electrification designed to tick the corporate social responsibility box, to full operational integration as a core financial strategy. Businesses also began focusing not just on acquiring electric vehicles but on optimising how they are deployed, charged and managed. This transition reflects a wider reality: sustainability and operational efficiency are now inseparable.

The year delivered major gains – from rising battery electric and plug-in hybrid electric vehicle adoption, to improved driver attitudes and the rapid evolution of UK charging infrastructure, including the growth of ultra-rapid hubs. Meanwhile, the UK market matured into a phase of operational readiness, with businesses embracing electrification at scale.

As we look ahead to what the rest of 2026 holds, regulatory pressure from the ZEV Mandate, Scope 3 emissions requirements and upcoming Benefit-in-Kind changes heightens the need for smarter fleet management. The priority now is optimisation: right-sizing fleets, leveraging telematics, adopting Mobility-as-a-Service models, and shifting from vehicle ownership to energy and utilisation-focused strategies.

This report outlines the trends and strategic tools that will define a more efficient, affordable, and future-proof approach to fleet sustainability in 2026, as the UK market moves from a phase of 'early adoption' to 'operational maturity.'

Tom Middleditch

Head of B2B Marketing and Sustainability spokesperson

Europcar Mobility Group UK

KEY FINDINGS

- **EV adoption continues to accelerate,** with BEV and PHEV registrations all increasing between 2024 and 2025.
- **Public charging infrastructure grew by 23% in 2025,** with a major shift toward ultra-rapid hubs supporting commercial fleet readiness.
- **Driver barriers have declined,** with fewer motorists citing cost or infrastructure as obstacles to EV adoption.
- **Electric vans reached new viability,** with 200-mile ranges and increasing payload capability driving significant sales growth.
- **The BiK tax advantage for EVs remains strong compared to hybrid, petrol and diesel vehicles,** though gradual increases post-April 2026 prompted businesses to accelerate the switch and benefit from maximum savings.
- **The used EV market is entering a period of major affordability,** fuelled by the influx of lease returns and improved battery-health transparency.
- **Rental is becoming a strategic tool,** supporting EV trials, bridging delivery delays and enabling seasonal or project-based scaling. Long-term EV rental removes the residual value risk of vehicle leasing or ownership and provides businesses with on-going access to the latest technology.

2025 RECAP: THE YEAR OF PRACTICAL IMPLEMENTATION

In the journey towards zero-emissions mobility, 2025 saw a significant gear-change.

With the approaching deadline for the ban on the sale of new petrol and diesel cars fast-approaching, businesses have begun a wholesale move from small-scale low and zero-emissions fleet pilots to full-scale integration. Undoubtedly, they have been encouraged by the range of electric models increasing and drivers becoming more open to electric driving. 2025 was defined by de-risking the transition to greener fleets.

Overall, both new and used battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) increased in popularity in 2025.

23.9%

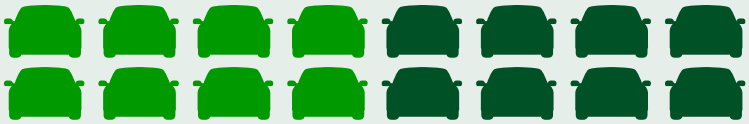
BEV sales increased 23.9% in 2025[1]

23.4%

EV market share was 23.4% of all new car registrations in 2025, up from 19.6% in 2024

11.1%

PHEVs made up around 11.1% of new car sales in 2025



Almost half of all new car sales in the UK in 2025 were electrified vehicles (BEVs, PHEVs and HEVs)

52%

Used EV sales increased by 52% year on year according to Autotrader

The evolution of e-Vans

The last year wasn't all about electric cars; 2025 brought about a breakthrough in Electric Light Commercial Vehicles (e-Vans).

Manufacturers were finally able to deliver one-tonne payloads and real-world ranges of more than 200 miles, making commercial electric fleets viable for more than just "last-mile" urban delivery.

SMMT figures show 2025 saw sales of e-Vans of up to 3.5T increase by more than 22% between January 2024 and January 2025, while the same period saw e-Vans of 3.5-4.24T rise by more than 65%.

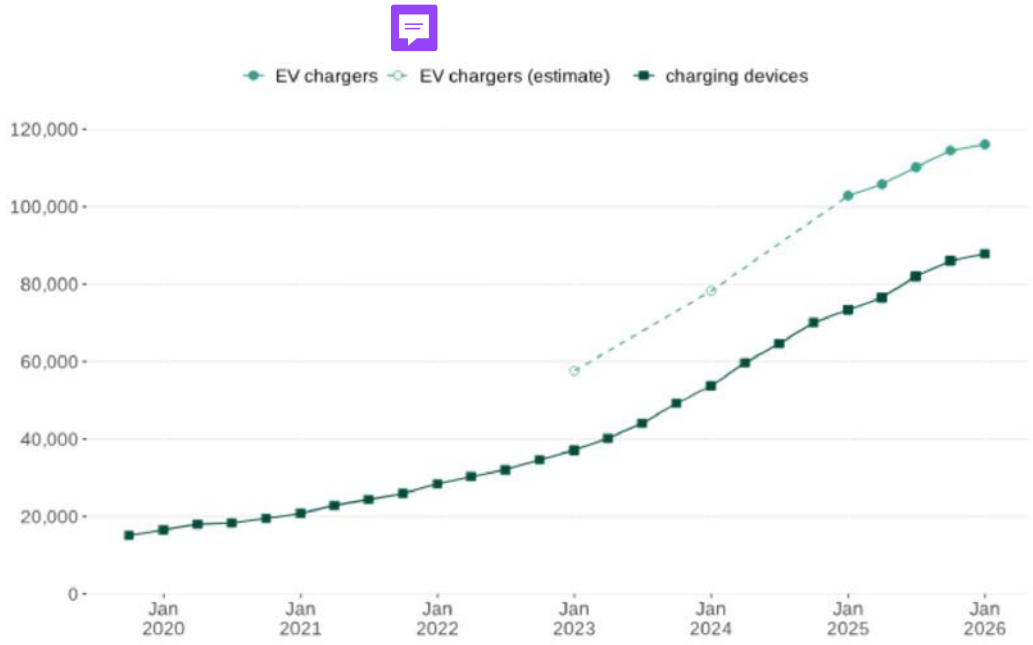
2026 is expected to see sales of e-Vans reach around 45,000, representing a significant increase of 50% compared to 2025.

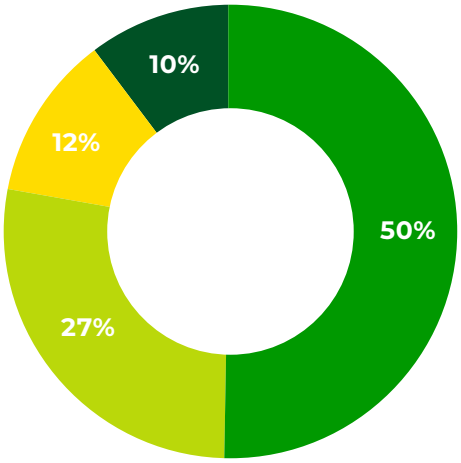
Infrastructure "smartening"

To support the growing parc of electrified vehicles, the UK charging network grew by 20% in 2025. But it wasn't just about more chargers; it was about better ones, with a heavy shift toward Ultra-Rapid Hubs at retail parks and motorways rather than slow street-side posts.

The latest government EV charger data (as of 1st March 2026) shows there are now more than 118,000 public electric vehicle charging devices in the UK. This figure represents an increase of 12,550 devices from April 2025, or 12%.

23% of these charging points, 27,009 devices, have 50kW of power or above. 50% of these charging devices were in the lowest power rating banding, 3kW up to 8kW, , while 27% were rated 8-49kW.

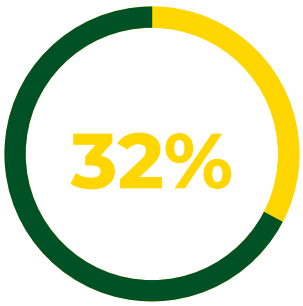




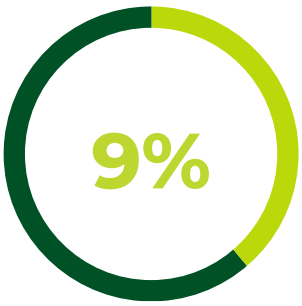
Total EV chargers – 116,052

- Standard - **50%**
- Standard plus - **27%**
- Rapid - **12%**
- Ultra rapid - **10%**

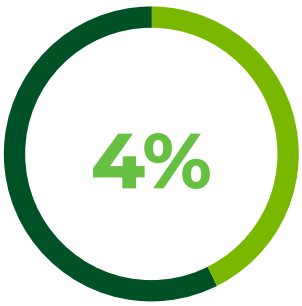
~~of chargers were classed as~~ destination EV chargers



~~were classed a~~ on-street EV chargers



~~were classed as~~ -route EV chargers



~~were classed as~~ other EV chargers, located at workplaces or dealership forecourts etc

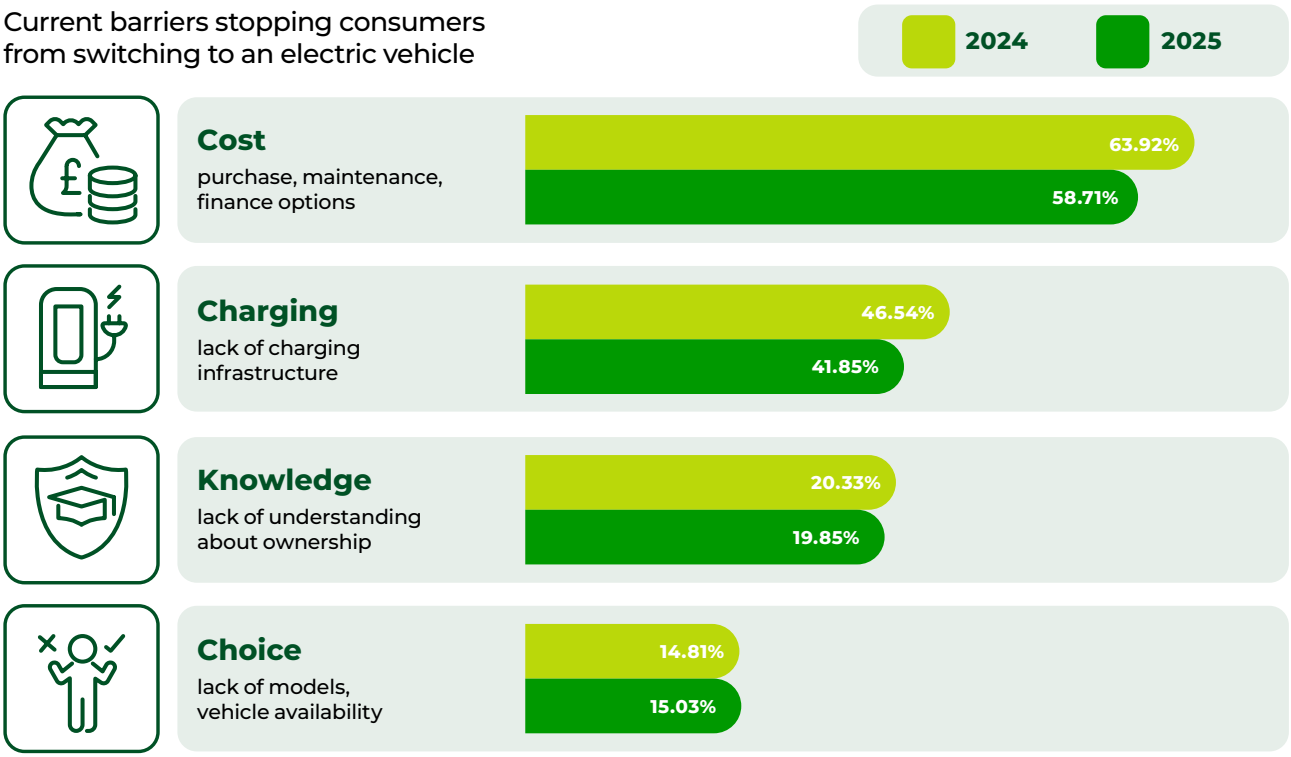
Changing attitudes to EV

Analysis of the 2025 Europcar UK electric vehicle (EV) barometer paints a positive picture for EV adoption amongst private motorists and business drivers, with fewer barriers holding drivers and businesses back from making the switch. More private and professional drivers said none of the barriers cited applied to them in 2025 than in 2024.

Among private motorists, 13% said there are no barriers - up from 10% in 2024. For business drivers the figures are even more positive. 20% now say no barriers apply, compared to 11% in 2024.

EV Barometer - Private Motorists

Current barriers stopping consumers from switching to an electric vehicle



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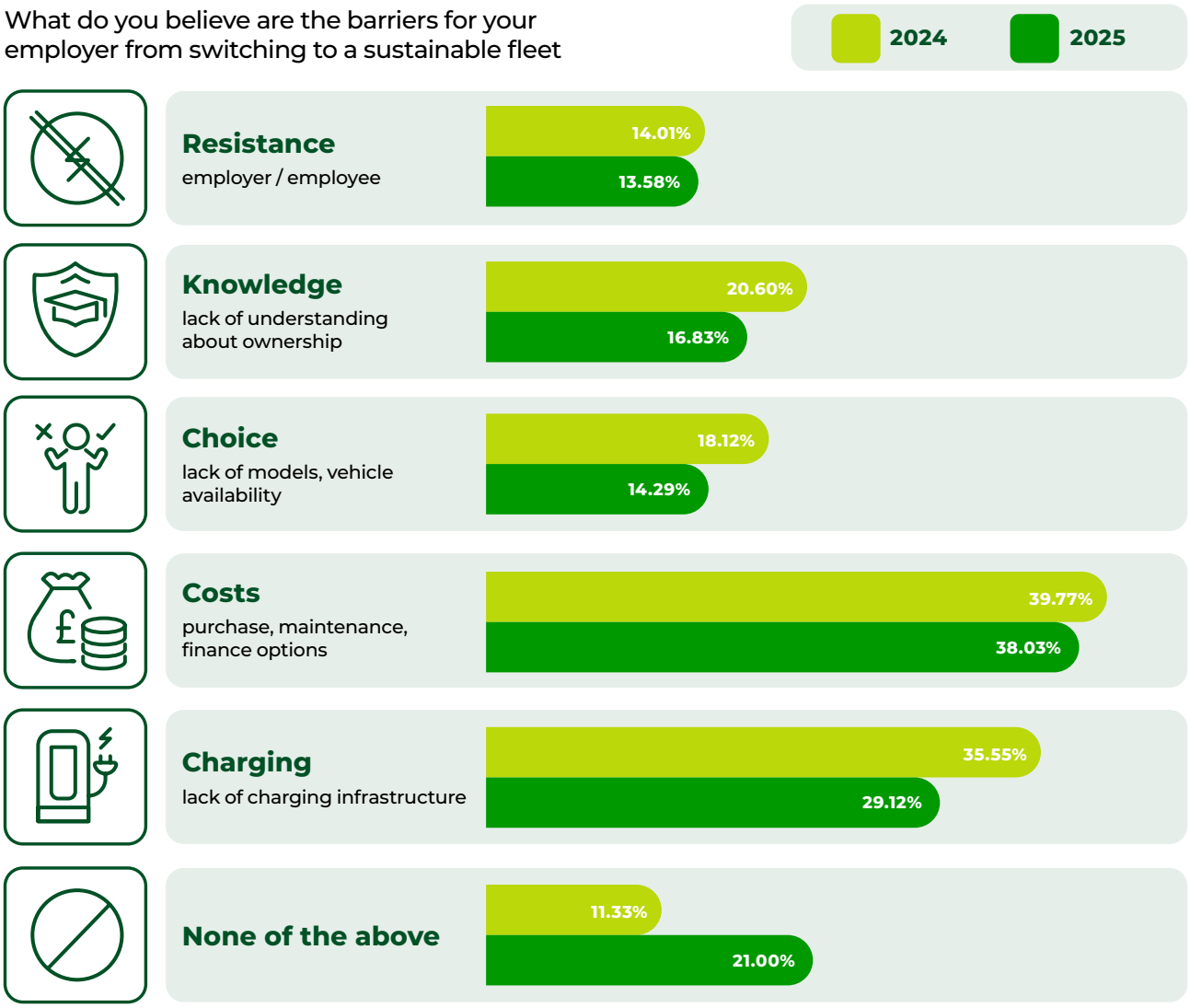
EV Barometer - Business Drivers

What do you believe are the barriers for your employer from switching to a sustainable fleet



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Rental as a safety net

To avoid the high upfront costs and rapidly changing battery technology, many businesses used rental as a commitment free way to bring zero tailpipe emissions into their operations.

As a leading proponent of electric motoring, Europcar has led the way in delivering mobility solutions that enable organisations to operate efficiently, effectively and sustainably without being tied into long-term lease agreements or residual value risks of ownership. By using rental, fleet managers can pivot quickly as workload demands and personnel resources change. Corporates can also begin to integrate zero tailpipe emissions into their mobility strategies without being committed to electric technology that will quickly be superseded.

Key initiatives in 2025 included:

Tackling BIK

– giving the flexibility of rental with the vehicle model certainty of leasing, Flex Model choice offers specific makes and models from Europcar's comprehensive BEV and PHEV fleet. Available to book for a minimum of 3 months and up to 12 months at a fixed monthly rate, the service eliminates the long-term commitments and early penalties of leasing. It also means employers can accurately allocate vehicles and forecast Benefit-in-Kind tax expenses.

Europcar's expert sales team work with each customer to identify the makes and models that suit their use cases, including the length of time they expect to need the vehicles. The long wait times typical of leasing are also eliminated - vehicles are usually available within just 5 working days, anywhere in the UK.

Removing cost barriers

– taking a significant step towards accelerating electric vehicle (EV) adoption among business customers, Europcar introduced price parity between EVs and equivalent petrol or diesel (ICE) vehicles for business account customers in April 2025.

Putting rental EV charging on the map

– a first-of-its-kind rental partnership with Octopus Electroverse gives EV customers instant access to over one million chargers across Europe along with route-planning tools and a seamless charging experience.

Electroverse has been designed to take the hassle out of EV charging, making it easy for drivers to power up without juggling multiple apps or accounts – a key benefit for rental customers. Drivers can find chargers, plan routes in real time, and start charging via the app or with an RFID card. Its user-friendly interface delivers the benefits of going electric, from discounted charging prices to hassle-free payments.

Making EV rental easier for first-timers

- new smartphone tool puts expert EV guidance in drivers' pockets. Accessed by scanning a QR code on the rental key fob, EV Assist puts a host of knowledge at a motorist's fingertips. This includes checking the driving range of the vehicle being rented, tips on how to get the most out of the battery, and step-by-step guidance on how to charge. It also provides direct links to support for breakdowns, accidents, or any rental queries, giving drivers peace of mind throughout their journey.

Delivering the knowledge

~~the~~ free Digital EV Guide, and Knowledge Hub has been regularly updated to answer the most common questions and helps drivers make sense of all the buzzwords and acronyms. It also explains how switching to an EV will help save money and reduce emissions. Importantly, the guide covers EV incentives available and details how to charge an EV, including explaining the different types of chargers.

73.4%

of Europcar branches have been electrified

The Europcar EV fleet grew by over

70%

year-on-year

EV fleet share is now in excess of

15%

BEV accounted for 400,000 rental days

EV on rent grew by 88% year-on-year

Business customers account for an average of 86% of On Rent volume of electric vehicles

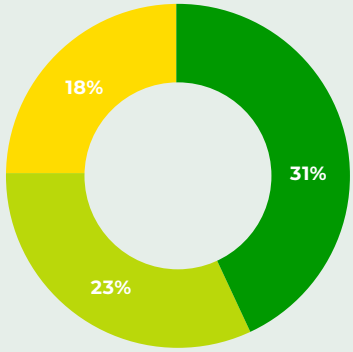
An investment of more than

£750,000

net was made on physical infrastructure –

2,325,870.61 kWh

completed on the Europcar AC network.



EV rental categories by popularity

- Standard - **31%**
- Compact - **23%**
- Compact SUV - **18%**

Analysis of Europcar's Net Promoter Score (NPS) for electric rentals also showed improvement. Calculated from customer satisfaction and likelihood to recommend a service to friends and family, the average monthly NPS for EV rental in 2025 was 8 points up compared to 2024.

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2026 TRENDS: WHAT TO WATCH

The experimental phase of sustainable mobility is officially over. The UK market is moving from a phase of 'early adoption' to 'operational maturity.' For businesses and fleet managers, the landscape is shaped by tighter regulations and a shift toward smarter, data-driven management.

Further accelerating the shift to lower emissions mobility, sustainability is no longer a separate goal – it is now synonymous with operational efficiency. If a fleet isn't data-driven and flexible, businesses are likely to be overpaying.

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A growing number of shifts within the ecosystem are impacting fleet and corporate take-up of electric and plug-in hybrid vehicles, including:

ZEV mandate pressure

The Zero Emission Vehicle (ZEV) mandate is hitting its first major acceleration point this year - manufacturers must now ensure that 33% of new cars and 24% of new vans sold are zero-emission. Not only does this mean manufacturers are offering attractive incentives; they have also had to launch a wider variety of models to appeal to all customers.

OEM brands need to meet these quotas, meaning 2026 should see more competitive pricing on electric cars and vans compared to last year.

Scope 3 emissions

Scope 3 emissions are indirect greenhouse gas emissions from sources within supply chains that a business does not own or control, but that are still related to their activities. Such emissions are becoming an urgent talking point, and scrutiny of supplier activities, upstream and downstream, will come under the spotlight in 2026, including transportation and distribution.

Businesses will be examining their supply chains more closely to ensure that emissions are being managed and reduced wherever possible, including across mobility. Suppliers with older and more polluting vehicles are therefore at risk of missing out on lucrative contracts with major businesses that are focusing on their Scope 3 emissions.

A shift from fleet growth to rightsizing

2026 is about efficiency. Instead of simply buying more vehicles, companies are "rightsizing". This is the strategic process of optimising the fleet by aligning the number and type of vehicles in a fleet with actual operational demand to minimise costs, improve efficiency and reduce environmental impact. And many businesses are utilising Mobility-as-a-Service (MaaS) to reduce fleet emissions and costs – utilising options such as e-bikes, public transport and flexible vehicle hire to either replace or supplement a more traditional fleet.

Tech and AI

The latest tech isn't just making better vehicles with longer battery range available, it is also helping fleet managers to run their fleets more efficiently and cost-effectively.

AI is now able to predict vehicle maintenance requirements, meaning repairs can be arranged at convenient times to minimise downtime.

Tech can also be utilised for Smart Charging, whereby chargers integrated with the UK grid charge vehicles only during off-peak times, when energy prices are lowest. Across a fleet, this can significantly cut business energy bills.

Tax evolution - the BiK cliff

In the UK, the Benefit-in-Kind (BiK) rate remains a massive incentive encouraging businesses to switch to zero-emissions vehicles, but the rate is now beginning its gradual climb. Until April 2026, the BiK rate for fully electric vehicles remains at 3%, after which it increases by 1% each year until 2029 when it will be capped at 9%.

Rates for hybrid, petrol and diesel vehicles are also increasing and will remain significantly higher than the rate for BEVs, reaching 39% for non-electric vehicles by 2029, meaning the incentive to switch to zero-emissions fleets remains extremely strong.

Forward-looking businesses have been rushing to lock in leases before the increase, so as to maximise the salary sacrifice savings before these incremental increases take hold from April. While the benefit may be slightly smaller after this point, it is far better than for ICE vehicles and businesses that onboard electric vehicles after this deadline will still benefit greatly from the lower BiK rate. That is true for rental as well as leasing.

2025

3%
Electric vehicles

13%
Hybrid vehicles

37%
Non-electric vehicles

2029

9%
Electric vehicles

19%
Hybrid vehicles

39%
Non-electric vehicles

The used EV leasing revolution

As a result of an estimated 215,000 EVs coming to the end of their 1-3 year leases, following the surge in EV leases seen from 2022-25, the second-hand market is set to be flooded with quality EVs from now until at least 2028. Used EV prices have already gone through significant correction, but this extra availability will drive prices down further while offering high quality, well-maintained vehicles.

Leasing providers are also beginning to offer used vehicles, to provide drivers with a wider range of affordable options. With State-of-Health (SoH) certificates becoming standard in the UK, leasing companies can now provide diagnostic reports to prove battery longevity, addressing the primary concern of used EV buyers.

Electric vans (e-Vans) to gain traction

Continuing the trajectory of 2025, take up of electric vans is set to increase rapidly in 2026, with year-on-year growth of 50% predicted after years of lagging behind cars. More models with the magic 200-mile+ range and 1-tonne payload will be available to help manufacturers meet ZEV mandate quotas, and increased competition should cut prices and increase incentives.

However, the harsh reality is that the numbers are still small compared to electric car take-up. The 2035 deadline for the ban on the sale of new petrol and diesel vans, combined with continued uncertainty about productivity impact have undoubtedly affected business appetite for making the switch.

Public and workplace charging cost challenges

Affordable charger installation has accelerated EV adoption for businesses, as charging became simpler and more cost-effective for the entire fleet instead of just for a few vans or cars. And the government recognised the financial pressures that are barriers to businesses and private motorists switching to electric with its increase in the grants for flat owners, landlords, renters and businesses to £500 per chargepoint announced at the end of February.

However, the other critical factor is the cost of charging and the lack of any move by the government to deliver VAT parity for public and workplace charging with home charging. Currently the VAT applied at public chargers and business locations is at 20%, and home charging at 5%. However, the recent case brought by Charge My Street (CMS) could bring some, if not all, public charging in line with home charging.

Mixed messages from Government

~~However, the~~ messages coming from government - central and local - still present businesses with a confusing picture.

The removal of the 100% exemption from the Congestion Charge in London for battery electric vehicles from January 2nd 2026 was disappointing. The proposed introduction of a pay per mile charge for electric vehicles – currently in consultation - is another deterrent to EV adoption. Yet at the start of the year, the government invested in a national advertising campaign - Get that electric feeling - to educate motorists on the benefits of driving electric.

On the one hand private motorists and businesses are being urged to make the switch to zero tailpipe emissions. On the other, the incentives to make the switch are being rapidly diminished although the market is still relatively immature. There seems to be a battle between clean air and revenue – and if we wait for strong enough government action, clean air is not likely to be the winner. Thankfully, there are actions businesses and individuals can take now to change this outcome for the better.

THE FUTURE OF SUSTAINABLE MOBILITY STARTS TODAY

Making the switch to zero-emission mobility is no longer about buying vehicles, instead it is about buying miles. For businesses, affordability and accessibility are now driven by a mix of strategies that make the transition easier to integrate.

~~These include:~~

1. Utilising rental as a strategic sustainability solution

With business mobility requirements changing, many permanent fleets are being downsized to reduce the financial commitments of purchase or leasing and replaced with long-term rental. This not only removes the financial pressure of upfront acquisition; it also removes significant costs of ownership including maintenance and depreciation.

Micromobility such as e-scooters, bikes or mopeds along with public transport may be employed for short-term travel needs, but for the longer-term operational requirements of an organisation the role of rental is coming into its own. Providing the flexibility to fit exact business needs and avoiding the risk of committing to electric technology that is changing almost daily, long-term rental of electric cars and vans is being adopted by numerous businesses.

2. Leveraging "Salary Sacrifice"

For drivers able to make a long-term financial commitment, Salary Sacrifice allows employees to pay for a car out of their gross (pre-tax) salary. This is, therefore, a useful tool for employers to offer a brand-new EV for 20–50% less than a private lease. With the UK Benefit-in-Kind (BiK) rate rising to 4% in April 2026, there has been a surge in businesses locking in 3 or 4 year agreements to maximise savings before the rate hits 5% in 2027.

3. Second-life leasing

For SMEs with tighter margins but the ability to make a mid-term financial commitment, the used EV market has finally reached maturity. With some leasing companies now offering used EVs on 12-to-24-month contracts, the "new car" depreciation hit can be eliminated and monthly payments are more affordable.

4. Lowering the cost of charging

Infrastructure can be a hidden deal-breaker for affordability in electrification. Businesses can currently still benefit from the government grants for charger installation.

For those businesses with chargers installed, or where employees charge at home, smart charging at cheaper off-peak rates overnight is helping cut the cost of filling batteries. AI-driven smart charging can help fleets cut energy costs by roughly £400–£600 per vehicle per year.

Actionable strategies for sustainable mobility

Strategy	Best for...	Primary benefit
Salary Sacrifice	All employees able to make long-term financial commitment	20–50% cost reduction via tax savings.
Used EV Leasing	SMEs & Cost-conscious fleets open to mid-term financial commitment	Access to EVs at "petrol car" monthly prices.
Flexible Rental	Removing a long-term financial commitment from electric fleet adoption	Zero long-term risk; operational flexibility.
Smart Charging	Depot-based fleets	Massive reduction in per-mile "fuel" costs.

THE ROLE OF ELECTRIC CAR AND VAN RENTAL

While rental still plays an important role in topping up fleets and providing an important back up if there is a sudden increase in fleet demand, it has significantly evolved beyond this point. Rental is now seen by many businesses as a strategic tool to streamline and accelerate the transition to zero-emissions mobility.

In 2026, rental serves several critical functions for businesses with fleets:

1. Myth-busting

Many drivers who have yet to make the switch to electric motoring still suffer from range anxiety as well as other concerns around charging and the cost of ownership and maintenance. As the latest Europcar EV barometer showed, both individuals and businesses are still held back from switching by lack of knowledge, concerns about charging and the cost of purchase and ownership.

Rather than a dealership test drive, short-term rental of between one and four weeks allows employees to test out an EV in their actual daily and weekly routine. It allows them to navigate their local area and try out chargers and maybe some longer journeys to increase their confidence before the business commits to a long-term lease.

With a detailed handover of a carefully selected electric vehicle to suit the needs of the job or journey, even previous EV-sceptics can be converted to zero tailpipe-emissions vehicles. And with rental, businesses have the confidence that there is no long-term commitment if a particular model isn't right for a driver's typical journeys. Indeed, Europcar has found that a first electric rental almost always removes or at least reduces the concerns and anxieties surrounding EV-driving

2. Delivering Scope 3 emissions compliance

With many businesses now seeing Scope 3 emissions as a key criteria for contract awarding, EV rental enables organisations to demonstrate compliance without having to make long-term commitments to vehicle leasing or ownership. EV rental can be used to quickly and affordably ~~to~~ help an organisation meet customer Scope 3 requirements when a fleet is not compliant and there is a risk of missing out on a contract.

3. Bridging the delivery gap

With the ZEV Mandate forcing manufacturers to hit high electric sales targets, lead times for popular EV models can still fluctuate. Flexible rental allows a business to keep its team mobile in a zero tailpipe emission vehicle while waiting for a permanent fleet delivery, so the delay doesn't negatively impact business emissions.

4. Scaling without commitment

Flexible rental (often called "Mini-Lease") allows businesses with seasonal demand or project-based work to add or remove EVs from their fleet as often as necessary. This avoids the costly financial implications of having an expensive asset sitting in a car park during quiet periods.

END OF NEW ICE SALES

To prepare for the end of new Internal Combustion Engine (ICE) sales in 2030 for petrol/diesel cars and 2035 for all new non-zero emission vehicles (including hybrids), fleet and business travel managers must pivot from buying cars to managing energy and data.

Below is a strategic roadmap to reduce emissions and future-proof fleets.

1. Secure subsidised infrastructure before the 2027 deadline

The most immediate priority for 2027 is the Workplace Charging Scheme (WCS).

- **The Deadline:** The government grant is currently confirmed until 31 March 2027.
- **The Benefit:** It covers up to 75% of the purchase and installation costs, capped at £500 per socket (up to 40 sockets per applicant).
- **Action:** Businesses should audit office and depot sites immediately. Although businesses may not have a full EV fleet yet, installing the infrastructure while it is subsidised will avoid significant capital expenditure further down the road.

2. Shift to "mobility-as-a-Service" (MaaS)

A more flexible mobility policy can reduce the number of depreciating assets as well as integrate electric vehicles cost-effectively.

- **On-Demand EV Rental:** Instead of a 1:1 ratio of cars to employees, using on-demand EV rental for occasional travel reduces the number of depreciating assets sitting in business car parks.
- **A "Digital First" Policy:** Integrating a policy that questions the "value of travel" will also help businesses cut out unnecessary journeys and the associated costs. If a meeting can be a high-quality video call, the emissions are zero

3. Transition to "Total Cost of Ownership" (TCO) modelling

Traditional fleet management looks at monthly lease costs, but 2026 is already seeing travel managers moving to a TCO model that includes:

- **Energy vs. Fuel:** Electric miles are roughly 60–70% cheaper than diesel miles when using smart, off-peak charging.
- **Maintenance:** EVs have fewer moving parts, leading to an average 25–40% reduction in service and repair costs.
- **Residual Value:** As 2030 approaches, the resale value of ICE vehicles will likely plummet. TCO helps prove that a "more expensive" EV lease is actually cheaper over 3–4 years.

4. Implement AI-driven "rightsizing"

Jumping to replace every ICE vehicle on fleet with an EV alternative is not right for every business. Telematics can help businesses to 'clean' their travel profile first and make a strategic gradual switch to a zero-emissions fleet over time.

- **Duty cycle analysis:** Telematics data can identify which vehicles travel under 150 miles a day per – the "easy wins" for immediate electrification. And EV rental provides the flexibility to introduce zero tailpipe emissions without committing to long-term cost.
- **The blended fleet:** For 2026, many managers are keeping Plug-in Hybrids (PHEVs) on fleet for long-range, unpredictable higher-mileage roles, while moving the bulk of vehicle usage to Battery Electric Vehicles (BEVs). In both cases, EV rental delivers the flexibility that is critical.

5. Utilise salary sacrifice where it fits

For businesses with company car schemes, salary sacrifice is another tool for helping employees switch to zero-emissions in 2026.

- **Tax Efficiency:** Even with the BiK rate rising, there are savings compared to traditional ICE cars once employees are ready to make a long-term commitment to an electric vehicle.
- **Accessibility:** Salary sacrifice helps to transition employees who commute in high-emission personal vehicles.

Fleet Manager's 2026 checklist

Task	Deadline	Goal
Claim WCS Grant	31 March 2027	Save 75% on charging hardware
Introduce Mobility-as-a-Service policies		Reduce 1:1 company vehicle dependency
Select a vehicle rental partner that is EV ready now		Ensure mobility providers are already delivering zero tailpipe emissions solutions.
Launch a salary sacrifice EV scheme		Cut the cost of EV purchase for employees
Install Telematics		Identify "EV-ready" routes and driver behaviours
Update Travel Policy		Mandate EV-first for all short-term rentals
Review Lease Cycles	Ongoing	Ensure no ICE leases extend past 2029; for leases finishing earlier use EV long-term rental as a cost-effective and flexible fleet gap filler

Europcar

Talk to us now to find out more about how we can help you move to electric.

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