T&E UK Policy Briefing

Weakening the ZEV mandate will hit household budgets

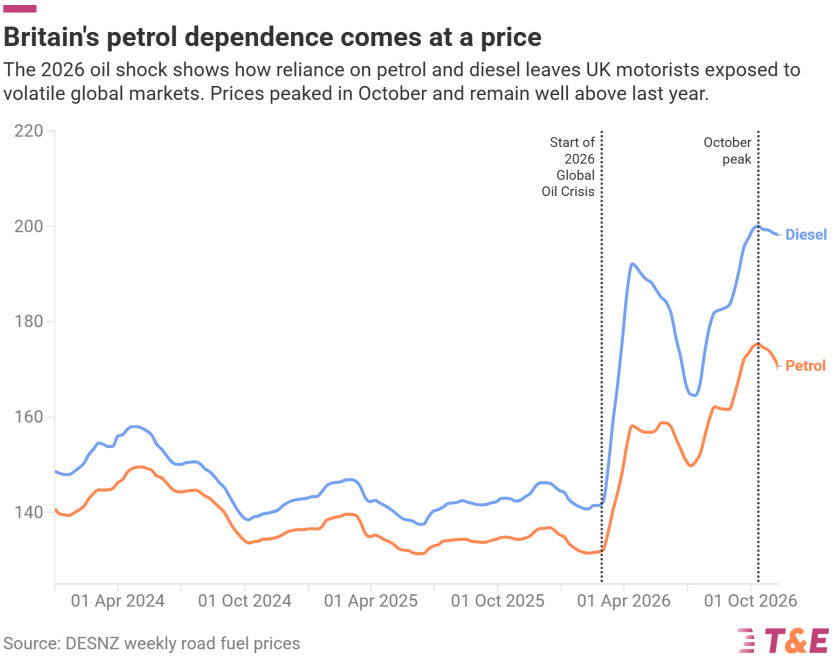
In the midst of a cost-of-living crisis, the Government is looking to weaken legislation that provides an easy cost-cutting win for households. Recent reports claim that ministers may cut the 2030 EV sales target from 80% to around 60%.

This would slow the shift to cheaper-to-run electric vehicles and leave drivers more exposed to volatile petrol prices. This is likely to particularly impact lower-income households, locking them into combustion vehicles for longer and leaving them vulnerable to international fuel markets.

Key Facts:

- Filling an average 50-litre petrol car cost up to £87.64 at October's peak, around £20 more than a year earlier. Today, it still costs £13 more than the same time last year.
- UK petrol drivers have been 4 times more impacted by the oil crisis than electric vehicle drivers, while diesel drivers are 9 times as impacted.
- At today's prices, a year of petrol would cost the average driver about £227 more than last year.
- Drivers could save nearly £17 a week on fuel by switching from a petrol car to a BEV, putting over £870 a year back in drivers' pockets.
- Rapid vehicle electrification is the clear solution to cut costs for drivers and protect households from current and future oil price spikes.
- Weakening the ZEV mandate would slow the roll-out of mass-market affordable EVs, leaving lower-income households reliant on costly petrol and diesel cars.

Britain's petrol dependence costs consumers as prices have skyrocketed



This anticipated change to the ZEV mandate comes at a time when drivers are already facing significantly higher petrol and diesel costs, as a result of global conflict. The cost of filling an average 50-litre petrol car is now £80.98, £12.95 more than the same week last year. This was even greater at October's peak, costing a driver £87.64, £20 more than last year. At today's prices, a year of petrol costs the average driver about £227 more than a year ago, according to T&E analysis, significantly increasing the cost of living for households dependent on driving.

These sharp cost increases are a result of the UK transport sector's alarming dependence on international oil, with this sector responsible for 58% of the UK's total oil imports. By contrast, most of the UK's electricity is generated in the UK from renewable sources, and its price has remained relatively stable throughout the same period.

Electric cars save households around a thousand pounds a year and are less susceptible to global oil shocks

Drivers could save about £870 a year on fuel by switching to a BEV

That is about £17 a week, and nearly £1,000 a year at October's petrol price peak.



Source: T&E analysis of DESNZ weekly road fuel prices • Based on DESNZ weekly petrol prices as of 23 November 2026 (161.96p a litre), 7,000 miles a year, 80% home charging (half on a 6.5p/kWh overnight EV tariff, half at the 26.32p Ofgem cap) and 20% public charging at 54p/kWh.

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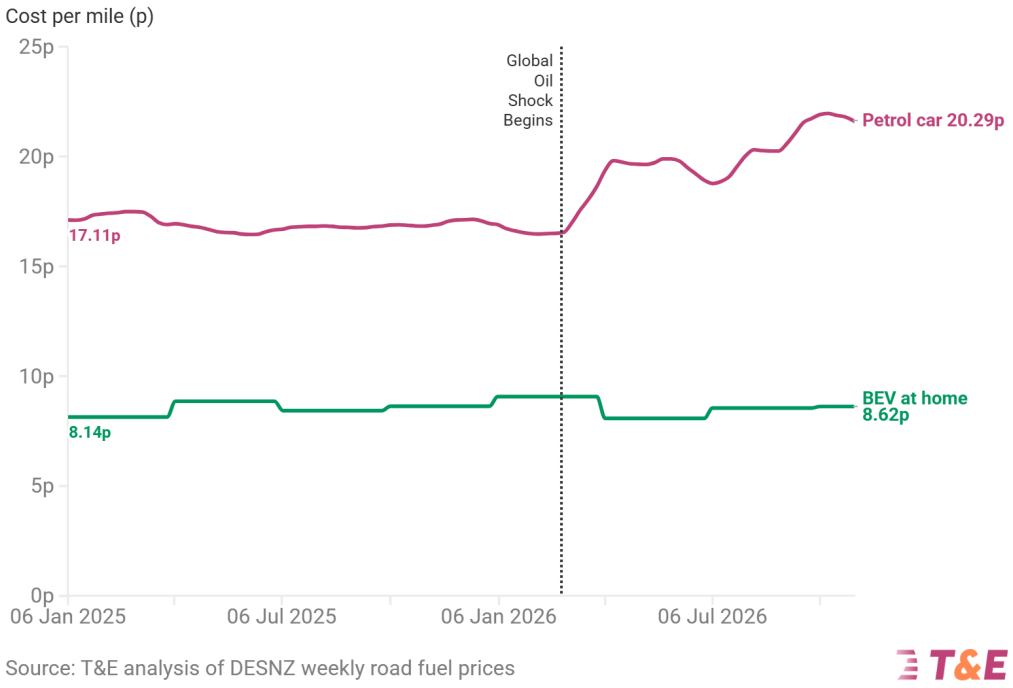
The dramatic price increases in petrol and diesel this year stand in stark contrast to the price of electric vehicle charging. At the peak of the oil crisis in April, BEV drivers were up to 4 times less impacted by the crisis than petrol drivers and 9 times less than diesel drivers. At current prices, drivers could now save £17 a week on fuel by switching from a petrol car to a BEV. This would culminate in a saving of £870 a year.

Driving BEVs offer protection from oil price shocks

Petrol costs have risen sharply since March 2026 and peaked in October, while the cost of charging a BEV at home has remained broadly stable

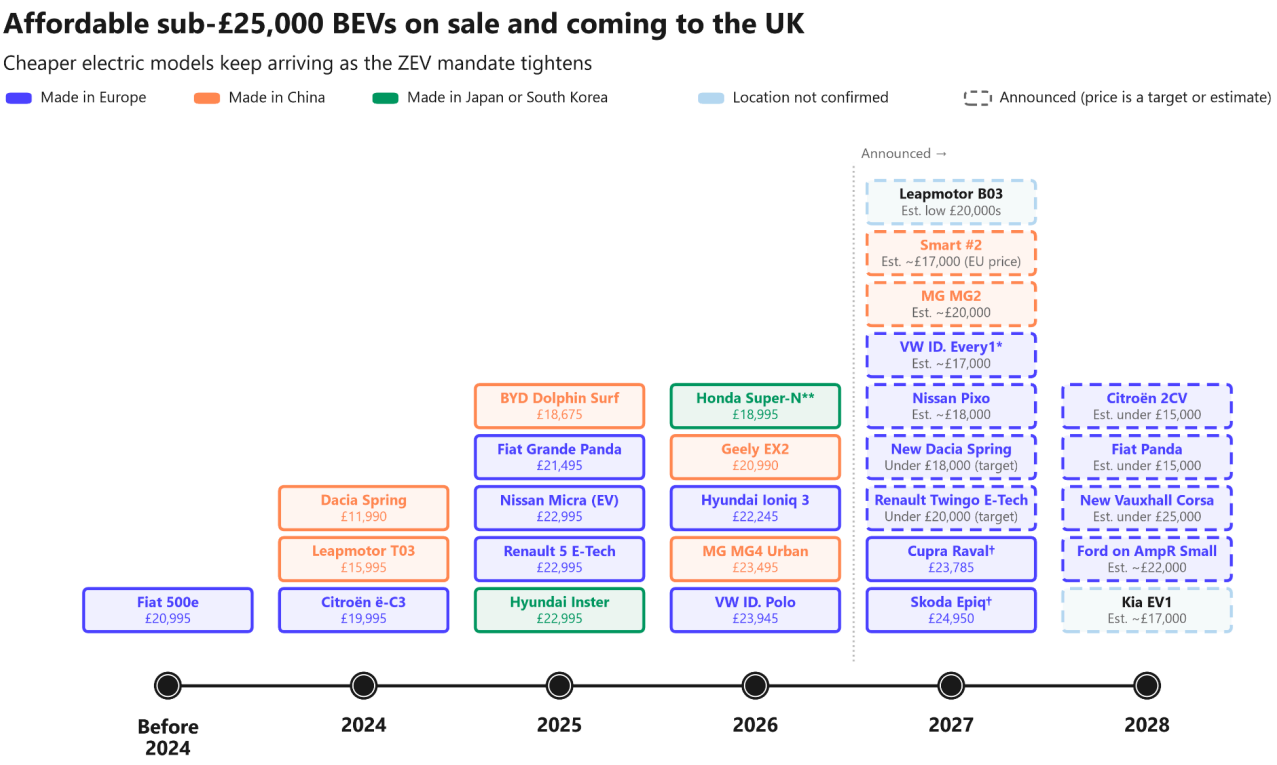


Source: T&E analysis of DESNZ weekly road fuel prices

Weakening the ZEV mandate will mean less affordable EVs on the market, limiting who can benefit from these savings

Changing the ZEV Mandate again would represent the third significant change in as many years. A policy designed to provide long-term certainty for manufacturers, investors and infrastructure providers is instead becoming a source of uncertainty. It is clear that manufacturers respond to regulatory changes when deciding which models to produce.

With the certainty provided by the ZEV mandate to date, we anticipate 28 EV models will be available in the UK for under £25,000 by 2028. On the flip side, the lack of certainty surrounding the ZEV target this year now threatens the future rollout of affordable EVs, as has already been seen with the pause on the development of the V.W. ID Golf. If the rollout of affordable models slows, this will primarily impact the majority of lower-income households who can't currently afford the higher upfront costs of EVs, preventing them from benefiting from their overall cost savings - thereby entrenching a 'poverty premium' for driving costs.



Source: T&E, manufacturer UK on-the-road list prices (checked 16 October 2026) and announcements. Prices before the Electric Car Grant. 'Before 2024' = launched earlier, price since cut under £25,000.
Announced models are ILLUSTRATIVE: 'target' = carmaker's UK price ceiling; 'Est.' = UK press estimate; '(EU price)' = German list price × 0.85, the median UK/EU price ratio of cars sold in both.
* Name to be confirmed. ** Sold in GB only within Europe. † UK price published; entry trim delivers from 2027. Not registration data; prices change.

Discounts on EVs are now on par with ICE

The argument that the ZEV Mandate is forcing manufacturers to discount electric vehicles disproportionately is not supported by the latest market data. Carmakers offer substantial discounts across all powertrains, with petrol, diesel and hybrid vehicles receiving comparable, and in some cases greater, price reductions than BEVs. T&E UK analysis has found that manufacturers spent £7.6 billion discounting petrol, diesel and hybrid cars in the 12 months to July 2026, more than twice the total amount spent on BEV discounting.

By July 2026, average discounts on BEVs, including the Government's EV Car Grant subsidies, were £5,442, compared with more than £6,000 for diesel and plug-in hybrid models and £5,411 for petrol cars. This shows that discounts on electric vehicles are now broadly on par with those offered on combustion-engine vehicles.

About T&E UK:

We are the national office of the European clean transport NGO T&E, whose aim is to achieve a zero-emission mobility system that is affordable and has minimal impacts on our health, climate and environment and is accessible to all while locking in growth and jobs for the UK.

https://www.transportenvironment.org/te-united-kingdom

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