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### **Electric cars already cheapest option today for many consumers, new study finds**

**A medium-sized electric car bought today is already the most financially interesting solution over the car's lifetime, [research](#) by BEUC and nine of its national member organisations<sup>1</sup> reveals. Our research also finds that electric cars are the most 'equitable' engine on the market.**

**While relatively more affluent first owners will on average be better off by switching to electric in 2025, second- and third-hand owners – who bear less of the car's depreciation and benefit from low maintenance costs – will make savings for each electric car sold today once these cars arrive on the second-hand market. First owners driving many kilometres can already save money today by choosing electric.**

Today's research<sup>2 3</sup> calculates the so-called 'total cost of ownership' (lifetime cost) for electric car ownership in comparison to other car types. It builds on earlier work in 2016 by consumer groups on the affordability of electric cars. These cars were still a very futuristic scenario for consumers at the time.

Since then, car makers have started a shift towards electric – mainly due to EU legislation on reducing CO<sub>2</sub> emissions which has nudged them into placing cleaner cars on the market. Climate policy has also kicked into higher gear.

Consumer organisations' main conclusion from the study is that the EU's CO<sub>2</sub> emission reduction targets have been and will continue to be pivotal in bringing the projected benefits of electric cars to European consumers as fast as possible.

Monique Goyens, BEUC Director General, commented:

"The EU's CO<sub>2</sub> emission thresholds for cars are clearly hitting the target. What was more or less sci-fi five years ago, is rapidly becoming a realistic opportunity for consumers across Europe. Tightening car CO<sub>2</sub> targets is therefore a no-brainer and a win for the environment, public health, people's wallets and social inclusiveness as we fight the climate crisis.

"At the same time, consumer groups do not intend to gloss over the issues people face in the move to electric driving. For those that depend on a car, charging an electric vehicle must become as easy as fuelling a petrol one. That is why we advise the EU to push for more and better charging infrastructure, with easy payment methods and where the prices should also be easily comparable per kilowatt hour."

The **main EU-wide<sup>3</sup> takeaways** from our study include:

- **People driving large amounts of kilometres** (commuters, company car users, taxi drivers) can already save money today by switching to electric. This is thanks to lower running costs.
- The **arrival of more affordable electric cars with moderate battery range** in 2021 and 2022 will drive down costs for several groups of people wanting to buy a new car. These are urban/suburban residents, pensioners, or families switching to an electric vehicle as a second car.
- **National incentives (bonuses, tax cuts) are important** as they tackle the higher upfront costs for first owners. At the same time, they raise the market share of electric cars and thereby fast forward the future benefits for second and third owners.
- Even when considering purchase incentives for first owners, **electric cars are the most equitable engine type**. That is because the first owner, who is most able to afford it, pays a higher proportion of the car's lifetime costs, thus making it more accessible to lower-income consumers who generally buy their cars on the second- or third-hand market.
- **Alternatives to battery electric cars** – such as plug-in hybrids and conventional cars powered with new types of fuels (e-fuels) – **bring little to no benefit**.

**More:**

- [Executive summary and main findings](#)
- [Full technical report](#)
- BEUC view on [helping people break out of fossil-fuelled mobility](#) (2020)

### **Examples of electric car savings (versus the cost of owning a petrol car)**

These examples are based on user group analysis in each of the nine focus countries. They consider the national price of fuel or electricity, VAT, consumer habits (annual mileage, ownership length), access to private charging, and possible purchase subsidies.

- A Spanish commuter driving over 30,000km per year can expect to save more than €14,000 over the first six years by buying a new electric car (even when partly charging on the highway where prices are usually higher due to higher power delivery).
- A German pensioner with a low mileage (7,500 km per year) would save €300 per year by buying a medium-sized, second-hand electric car (bought new in 2020).
- A resident of Vilnius using a home charging point would save almost €5,000 over five years by buying a second-hand electric car (12,000km a year, bought new in 2020).

### **Implications for EU policy**

BEUC recommends EU decision-makers to:

- Legislate for more stringent CO<sub>2</sub> emission reduction targets for cars. These will help add even more electric models to the market, stimulating the growth of the second- and third-hand markets that will prove beneficial for European drivers.
- [Improve the charging experience](#) with public stations. This requires a revision of the EU's Alternative Fuels Infrastructure Directive to make payment easy and charging tariffs transparent.
- Update the 22-year-old EU Car Labelling Directive [to give trustworthy information about both combustion \(petrol/diesel\) engine and electric cars](#) at the point of sale.

<sup>1</sup> **Belgium** (Test Achats/Test Aankoop), **Cyprus** (Κυπριακού Συνδέσμου Καταναλωτών/Κυπριακος Syndesmos Katanaloton), **France** (UFC-Que Choisir), **Germany** (Verbraucherzentrale Bundesverband), **Italy** (Altroconsumo), **Lithuania** (Lietuvos vartotojų organizacijų aljansas – LVOA), **Portugal** (DECO), **Slovenia** (Zveza Potrošnikov Slovenije – ZPS) and **Spain** (OCU).

<sup>2</sup> The '**total cost of ownership**' calculates the lifecycle cost of a product. This means comparing vehicles beyond their purchase price to estimate the real cost for consumers throughout the ownerships of the vehicle. This includes: 1) vehicle pricing and components costs; 2) efficiency measures required by EU regulation (EURO6); 3) market depreciation; 4) fuel/electricity costs and consumption; 5) taxes (VAT, registration tax, annual tax) and subsidies; 6) insurance and maintenance costs.



<sup>3</sup> **The study:** Between July 2020 and March 2021, consultancy Element Energy, BEUC and its members researched the lifetime costs of electric car ownership. The study compares the costs of owning diesel and petrol (internal combustion engines), hybrid, plug-in hybrid, hydrogen and battery electric vehicles (called 'electric car' for short) over their entire lifetime – from first to third owner. The study considers ten geographic scenarios: one that calculates the average cost for the EU27 (which this press release focuses on) as well as nine national ones.

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