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Third of motorists not aware of paper tax disc being scrapped

VED evasion at same level as uninsured drivers could cost £167m

More than a third (36%) of motorists are not aware of the imminent move to do away with the need to display the paper tax disc in the windscreen of a vehicle despite the changes taking effect in less than two weeks' time on 1st October.

And, almost half (47%) of the more than 2,000 drivers surveyed by the RAC were uncertain of when the changes were due to take effect.

From 1st October it will no longer be necessary to display a paper tax disc in the windscreen as payment will be logged within the DVLA database, and automatic number plate recognition cameras will catch motorists trying to evade payment.

Sixty-three per cent of motorists surveyed fear that scrapping the paper tax disc will result in a rise in the number of untaxed cars on the roads and a further 44% believe it will actually encourage people to break the law.

The Department for Transport estimates that Vehicle Excise Duty (VED) – ‘car tax’ – evasion* affected only 0.6% of traffic on roads – 210,000 vehicles – in Great Britain in 2013 which equated to £35m in lost revenue**.

Motorists’ fears about the number of unlicensed vehicles rising are likely to be fuelled by the estimate of around one million uninsured drivers on the road***. As there is no visible way of telling if a vehicle is insured, motorists will inevitably liken this to the situation that will exist after removal of the requirement to display a highly visible paper tax disc. If a similar number of motorists were to fail to pay their VED as are uninsured, the Treasury could lose a further £132m**** – 13 times the £10m savings identified by DVLA as part of the new system.

Many motorists are also unaware that from 1st October, it will no longer be possible to transfer the residual VED to the new owner when a car is sold. There will be an immediate obligation for the new owner to purchase VED and the previous owner will automatically receive a refund of VED paid for complete calendar months after the date of sale.

RAC chief engineer David Bizley said: “For the vast majority of law-abiding motorists the new rules will make very little difference, and in fact the option to pay by monthly Direct Debit from November will make it easier for many to budget for the payments.

“But there is clearly concern among those motorists that we surveyed over the issue of enforcement. Most of the changes make sense and will benefit the motorist, but too many motorists are unaware of the detail and the big question has to be whether enforcement using only cameras and automatic number plate recognition will be sufficiently effective.

“Although there is a network of fixed Automatic Number Plate Recognition (ANPR) cameras in urban areas and on motorways and trunk roads, there are inevitably fewer in rural areas. And, whilst police officers have the ability to identify untaxed vehicles, they don’t have the capacity to take on an additional workload.

“There are clearly many people who still believe that the humble tax disc is a simple yet highly effective way of ensuring all motorists pay their VED. As a result, there is real concern that without the need to display a disc, less scrupulous motorists will take a chance and try to evade payment. This already happens with insurance and adds an average of £33 to the premiums of the law-abiding majority who pay their insurance.

“If a similar number of drivers avoided paying car tax, we could be looking at around £167m of lost revenues to the Treasury, far exceeding the £10m that will be saved by no longer having to print tax discs and post them to vehicle owners.

Motorists will therefore be looking to the DVLA for reassurance that the new rules will not give rise to a new generation of car tax-dodgers.”

Ends

Notes to Editors:

* The RAC Opinion Panel survey of 2,157 motorists was carried out online from 11-17 August 2014

** https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/263397/ved-2013.pdf

*** The Motor Insurers’ Bureau estimates there are 1m uninsured drivers on UK roads

**** 210,000 untaxed vehicles and £35 lost VED revenue equates to £167 per vehicle, therefore 1m untaxed vehicles would cost £167m lost tax revenue or £131m more than current lost revenue estimate of £35m

About the RAC

First formed in 1897, the RAC has been looking after the needs of its members and championing the interests of drivers for more than 120 years.

Today it has more than eight million members and is one of the UK's most progressive motoring organisations, providing services for both private and business motorists. Whether it's [roadside assistance](#), [insurance](#), [buying a used car](#), [vehicle inspections and checks](#), [legal services](#) or up-to-the-minute [traffic and travel information](#) – the RAC offers a solution for all motoring needs. The RAC is committed to making motoring easier, safer, more affordable and more enjoyable for drivers and road users.

The RAC is the motorist's champion and campaigns to support the interests of its members and UK drivers at a national level. This includes voicing concerns about the increasing cost of motoring, particularly the price of fuel and the high level of tax levied on it, advancing levels of road safety, and supporting the needs of all drivers, from young to old.

The RAC's annual [Report on Motoring](#) – first published in 1989 – is one of a kind and provides a clear insight into the concerns and issues facing today's motorists.

For the very latest news on UK fuel prices, check [RAC Fuel Watch](#). It provides a comprehensive guide to the latest UK unleaded petrol and diesel prices – both at the wholesale level and at the pump - and tracks these prices daily to help drivers check if the price they pay to fill up is a fair one.

Contacts



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