

Vehicle Excise Duty Evasion: 2011

This publication presents estimates of the proportion of traffic and number of vehicles that evaded vehicle excise duty (VED / road tax) in 2011 in Great Britain and Northern Ireland.

The estimates of VED evasion are derived by directly observing registration marks from traffic at various sites around the country and comparing these with records held by the government licensing agencies.

In order to produce the latest estimates, over 1 million vehicle registration marks were collected from 236 sites across Great Britain and 20 sites across Northern Ireland by a private contractor during June 2011. There were about 400 thousand fewer observations in 2011 than there were in 2010. A full description of the survey design and methodology is provided in additional guidance notes, including the reasons for the smaller sample size⁴.

The next roadside survey and VED evasion bulletin is planned for 2013⁵.



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The key findings from the Vehicle Excise Duty Evasion 2011 include (year-on-year changes are statistically significant unless noted otherwise):

- About 0.7 per cent of traffic on both British roads and roads in Northern Ireland was driving without a valid tax disc in 2011.
- The lowest rate of evasion was seen in the bus (0.1 per cent) and goods vehicles (0.4 per cent) tax classes. The highest rate was seen in the motorcycle tax class (2.1 per cent). The private and light goods vehicle tax class (PLG), which accounts for about 89 per cent of all licensed vehicles, had an evasion rate of 0.7 per cent.
- The overall rate of unlicensed vehicles 'in stock' in Great Britain in 2011 was estimated to be 0.7 per cent. This equates to roughly 249 thousand vehicles. Although this is down from the 307 thousand vehicles estimated for 2010, it is not a statistically significant change.
- It is estimated that VED evasion could have cost around £40 million in lost revenue in Great Britain in 2011/12. Again, although this is down from £46 million in 2010/11, it is not a statistically significant change.

FURTHER INFORMATION

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It should be noted that vehicle excise duty evasion is a very rare occurrence, with over 99 per cent of UK-registered vehicles on the road being licensed. This means that the estimates presented in this bulletin are subject to seemingly large relative changes whilst undergoing small absolute changes. For instance, the absolute increase in evasion between 2009 (0.5 per cent) and 2010 (0.8 per cent) was 0.3 percentage points. However, this represented a much larger relative change of 60 per cent. The use of relative year-on-year changes should be considered in this context.

All estimates presented within this publication are derived from a sample survey and, as such, have a level of uncertainty. Within the publication each estimate is accompanied with upper and lower confidence limits, usually at the 95 per cent confidence level. This means that if the survey were repeated many times, the result would fall between the given range of values 95 per cent of the time. In practical terms, the true evasion rate is therefore highly likely, although not certain, to be within this range. These limits are important and should be considered carefully when any estimate given in the publication is assessed.

1. Unlicensed vehicles in traffic

Web tables VED0101 to VED0104

This estimate concerns the rate of unlicensed vehicles within Great Britain and Northern Ireland traffic. In other words, this is the level of evasion that you would expect to see over a period of time on an average road. In addition to an aggregated picture, estimates are presented for each tax class, road type and British country / region.

The overall evasion rate for Northern Ireland has been revised from 2007 onwards. This is due to an improved weighting methodology⁶.

- About 0.7 per cent of traffic on British roads was driving without a valid tax disc in 2011.
- The overall evasion rate in Great Britain is down slightly from 0.8 per cent in 2010 but up from the 2008 and 2009 figures (0.6 per cent and 0.5 per cent respectively).
- The 2011 evasion rate in Northern Ireland was 0.7 per cent, the same as Great Britain. This is down from 0.9 per cent in 2010 and is the same as in 2009.
- The lowest rate of evasion was seen in the bus (0.1 per cent) and goods vehicles (0.4 per cent) tax classes. The highest rate was seen in the motorcycle tax class (2.1 per cent). The private and light goods vehicle tax class (PLG), which accounts for about 89 per cent of all licensed vehicles, had an evasion rate of 0.7 per cent.
- Wales and most of the English regions all had fairly similar evasion rates, ranging between 0.5 to 0.7 per cent. Only Scotland and the East of England had rates (0.8 per cent in both cases) which were significantly higher (at the 95 per cent confidence level) than the other areas.
- Although there was some variation in the evasion rate across the road classes, all classes were within the 95 per cent confidence interval of 0.7 per cent (the overall British rate).

2. Unlicensed vehicles in active stock

Web tables VED0201 to VED0202 and VEH0502

This estimate is of the rate and number of unlicensed vehicles within the active vehicle stock. This estimate may be higher or lower than the rate of unlicensed vehicles in traffic as unlicensed vehicles may travel a different mileage to licensed vehicles making them more or less likely to be seen on the road. Estimates for Great Britain are presented at both aggregate and tax class level but, due to the small sample size, 'in stock' estimates are not provided for Northern Ireland.

- The overall rate of unlicensed vehicles 'in stock' in Great Britain in 2011 was estimated to be 0.7 per cent. This equates to roughly 249 thousand vehicles. Although this is down from the 307 thousand vehicles estimated for 2010, the change is not statistically significant at the 95 per cent confidence level.
- As with the 'in traffic' figures, the highest rate was for motorcycles at 2.6 per cent (or about 32 thousand vehicles). The estimate for the private and light goods vehicles was 0.7 per cent, the same rate is 'in traffic' which represents about 203 thousand vehicles.
- The 'in stock' estimates are usually slightly higher than the 'in traffic' rates as unlicensed vehicles travel, on average, fewer miles than licensed vehicles and are therefore less likely to be observed on the road. Unusually, in 2011, the estimated relative mileage (average distance driven per unlicensed vehicle for every mile drive by a licensed vehicle) for PLGs is over 1. This suggests that unlicensed cars and light vans actually drove further, on average, than licensed vehicles. This is the first year that this result has occurred, though it should be noted that the confidence interval cross to 0.94 so this result may have come about by chance.

3. Revenue lost from evasion

Web table VED0301

This measure estimates the amount of yearly revenue that is lost from unlicensed vehicles that are in use and should, therefore, be properly licensed. Estimates for Great Britain are presented at both aggregate and tax class level but, again owing to the small sample size, data are not presented for Northern Ireland. It should also be noted that a portion of the revenue estimated to be lost through this measure will subsequently be recovered through DVLA enforcement activity or through the vehicle keepers back-licensing their vehicles to cover the untaxed period.

- It is estimate that VED evasion could have cost around £40 million in lost revenue in Great Britain in 2011/12. As with the 'in stock' figures, although this is down from £46 million in 2010/11, the change is not statistically significant.
- This loss is equivalent to around 0.7 per cent of the total revenue that could have been raised in 2011/12.
- Some of this revenue will have been recovered through DVLA enforcement activity or through vehicle keepers back-licensing their vehicles.

4. Characteristics of unlicensed vehicles

Web table VED0401 to VED0404

- Thirty one per cent of unlicensed motorcycles and 22 per cent of unlicensed goods vehicles were observed whilst declared off the road (i.e. the vehicle had an Statutory Off Road Notification, or SORN). The equivalent figure for unlicensed private and light goods vehicles was 6 per cent.
- Nine per cent of unlicensed vehicles were seen after the keeper paid the required VED and then claimed a refund.
- Thirteen per cent of all unlicensed vehicles observed in the survey had remained unlicensed for at least a year. Forty eight per cent of motorcycles observed had not been licensed for at least a year, but only 11 per cent of private and light goods vehicles had remained unlicensed for this length of time.
- Fifty three per cent of the unlicensed vehicles observed were up to two months outside of their previous licence period (or first registration); a further 17 per cent had been unlicensed for between two and four months. As paying VED is a necessary part of registering a vehicle for the first time, very few brand new vehicles will evading.
- Seventy seven per cent of unlicensed vehicles were over five years old, compared with 53 per cent of all licensed vehicles. Only 9 per cent of unlicensed vehicles were aged under two years. This is considerably smaller than the 19 per cent of the whole fleet that are this age.
- The owner details were not known for 11 per cent of unlicensed vehicles seen in the survey. Amongst all licensed vehicles, details of ownership are unknown in only 2 per cent of cases.
- A much smaller proportion of unlicensed vehicles are company owned (11 per cent) than is the case for the whole fleet (24 per cent).

5. Background notes

1. The [Vehicle Excise Duty Evasion Statistics](#) web page provides further detail of the key findings presented in this statistical release and statistics on other vehicle topics. The tables are available at http://www.dft.gov.uk/statistics?post_type=table&series=vehicle-excise-duty.
2. National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.
3. Details of ministers and officials who receive pre-release access to these statistics up to 24 hours before release can be found in the [Pre-release access list](#).
4. Additional details about how the survey was carried out, how the evasion estimates were derived and treatment of misread registration marks can be found in the [Guidance Notes](#).
5. More details on survey frequency can be found in the [Guidance Notes](#).
6. Further details about the revisions to the Northern Ireland evasion rate can be found in the [Guidance Notes](#).