



# Vehicle Excise Duty Evasion: 2013

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## Main findings

**Vehicle Excise Duty (VED / road tax) evasion is estimated to have decreased slightly between 2011 and 2013. It therefore remains at the relatively low level which has existed, with some minor fluctuations, since 2008.**

### Evasion rates in traffic

- An estimated 0.6 per cent of traffic on roads in Great Britain was driving without a valid tax disc in 2013.
- A smaller sample of traffic in Northern Ireland gave an estimate of 0.7 per cent there. However, the difference between this estimate and that for Great Britain is not statistically significant.
- The lowest rate of evasion was seen in the bus (0.2 per cent) and goods vehicles (0.3 per cent) tax classes. The highest rate was seen in the motorcycle tax class (1.5 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 0.6 per cent.


An estimated  **0.6%** of traffic on roads in Great Britain was driving without a valid tax disc in 2013.

### Evasion rates in the vehicle stock

- The overall rate of unlicensed vehicles 'in stock' in Great Britain in 2013 was also estimated to be 0.6 per cent. This equates to roughly 210 thousand vehicles.

### Lost revenue

- It is estimated that VED evasion could have cost around £35 million in lost revenue in Great Britain in 2013/14. This is lower than in any of the 5 earlier years for which comparable estimates were made, except for 2009/10.

 VED evasion could have cost around **£35 million** in lost revenue in GB in 2013/14 (but only **0.6%** of the total amount due).

## About this release

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A report on vehicle excise duty evasion estimates based on directly observing registration marks of vehicles in traffic via a roadside survey carried out at 256 sites in June 2013. See [Technical Notes](#) for further details.

This report is part of the [Vehicle Statistics](#) series.

## Using the VED evasion estimates

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.

Vehicle excise duty evasion is a rare occurrence, with over 99 per cent of UK-registered vehicles on the road being licensed. This means that most of the estimates presented in this bulletin relate to a small part of the overall populations concerned. Therefore, seemingly large relative changes or relative differences between two statistics may actually still represent only small absolute differences in the total population. For instance, the central estimates of the absolute level of evasion in traffic for the years 2009 to 2013 were in the range 0.5 to 0.8 per cent. The relative difference between these estimates is therefore up to 60 per cent. However, in absolute terms the maximum difference is still only 0.3 percentage points, a rather small proportion of total traffic. The use of relative year-on-year changes should be considered in this context.

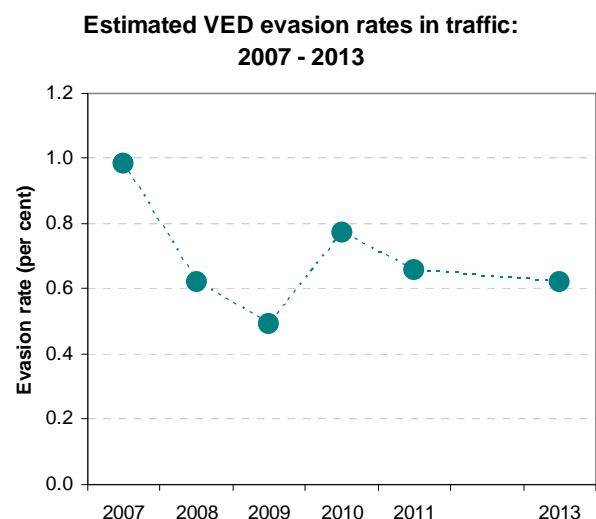
**Further information** and detailed statistics are published on the DfT website including:

- Detailed [statistical tables](#). Individual tables are referenced at relevant points in the text.
  - Detailed [technical notes](#) for the survey
- In addition, anonymised data sets from the roadside surveys are available as [open data](#) sets.

## Unlicensed vehicles in traffic

**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.

- About 0.6 per cent of traffic on roads in Great Britain was driving without a valid tax disc in 2013.
- This rate is lower than the estimates made for 2010 and 2011 (0.8 and 0.7 per cent respectively), but slightly higher than that made for 2009 (0.5 per cent).
- The 2013 evasion rate in Northern Ireland was 0.7 per cent, similar to that for 2011. The estimate for Northern Ireland is less precise than that for Great Britain, due to the smaller number of vehicle observations and survey sites involved, and is within the range of



variation exhibited by Scotland, Wales and the English regions within the overall Great Britain figure.

- Within the overall Great Britain figure, Wales and the East of England had the highest evasion rates in traffic (0.8 per cent), and London, Scotland and the North West the lowest (0.5 per cent). All of these results were significantly different from the national average.
- The Private and Light Goods vehicle tax class, which accounts for about 89 per cent of all licensed vehicles, had an evasion rate of 0.6 per cent, similar to the overall average. The lowest rate of evasion was seen in the bus (0.2 per cent) and goods vehicles (0.3 per cent) tax classes. The highest rate was seen in the motorcycle tax class (1.5 per cent).
- While motorcycles had the highest rate of evasion in traffic, the 2013 estimate is lower than that for 2011 (2.1 per cent), and much lower than for earlier years. This may in part be to to an improvement of the quality of the motorcycle data in 2013 (see [Technical Notes](#) for details).
- The evasion rates observed on motorways and rural A roads tended to be slightly lower than the national average (at between 0.5 and 0.6 per cent), and those on minor roads (here meaning non A-roads) slightly higher (0.7 per cent).

#### Detailed statistical tables

- [VED0101 to VED0104](#) – Unlicensed vehicles in traffic

### Unlicensed vehicles in active stock

**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 2013 was estimated to be 0.6 per cent. This equates to roughly 210 thousand vehicles.
- As with the 'in traffic' figures, the highest rate was for motorcycles at 2.0 per cent (or about 24 thousand vehicles). The estimate for the private and light goods vehicles was 0.6 per cent, the same rate as 'in traffic', and representing about 180 thousand vehicles.
- The difference between the 'in stock' evasion rates and the 'in traffic' rates is the difference in the average mileage travelled by unlicensed vehicles compared with licensed vehicles. Since the first comparable survey in 2007 there seems to have been a gradual but fairly steady trend in this ratio. In 2007 unlicensed vehicles were estimated to do about 76 per cent of the mileage, on average, of a licenced vehicle. In

Estimated VED evasion rates in stock:  
2007 - 2013



2013 they did 102 per cent. This does *not* mean that the overall mileage driven by unlicensed vehicles is increasing – it just means that the average mileage travelled by each unlicensed vehicle has increased relative to the average mileage travelled by each licensed vehicle.

#### Detailed statistical tables

- [VED0201 to VED0202](#) – Unlicensed vehicles in active stock, [VED0502](#) – Relative mileage of unlicensed vehicles

### Revenue lost from evasion

**This measure estimates the amount of yearly revenue that could be 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 is estimated that VED evasion could have cost around £35 million in lost revenue in Great Britain in 2012/13.
- This is lower than in any of the 5 earlier years for which comparable estimates were made, except for 2009/10.
- This loss is equivalent to around 0.6 per cent of the total revenue that could have been raised in 2012/13.
- Some of this potentially lost revenue will actually have been recovered through DVLA enforcement activity or through vehicle keepers back-licensing their vehicles to cover the untaxed period.

#### Detailed statistical tables

- [VED0301](#) – Revenue lost from unlicensed vehicles in Great Britain

### Characteristics of unlicensed vehicles

- Of those unlicensed vehicles whose license status could be determined, 65 per cent were on the road after their licence had expired. Thirteen per cent were seen after having claimed a refund on their VED. Nine per cent were driving while the vehicle was declared to be off the road (with a current Statutory Off Road Notification, or SORN) and a further 6 per cent were being used after a SORN had expired. Six per cent had no record of any previous licence.
- Unlicensed goods vehicles and motorcycles were much more likely to be seen on the roads whilst declared off the road – 26 per cent and 24 per cent respectively. A further 24 per cent of unlicensed goods vehicles were being used with an expired SORN. This reflects the fact that these vehicle types are more likely than others to be taken off the road for part of the year and have a SORN made.
- Nine per cent of all unlicensed vehicles observed in the survey had remained unlicensed for at least a year. Forty four per cent of motorcycles observed had not been licensed for at least a

year, but only 7 per cent of private and light goods vehicles had remained unlicensed for this length of time.

- Fifty eight per cent of unlicensed vehicles (and 60 per cent of unlicensed private and light goods vehicles) had been unlicensed for less than 2 months when seen.
- Eighty five per cent of unlicensed vehicles were over five years old, compared with 56 per cent of all licensed vehicles.
- Only 6 per cent of unlicensed vehicles were aged under two years, compared with 20 per cent of licensed vehicles. This will partly reflect the fact that licensing is mandatory for the sale of a new vehicle, and also that a large proportion of new vehicles are fleet vehicles.
- The owner details were not known for 15 per cent of unlicensed vehicles seen in the survey. Amongst licensed vehicles, details of ownership are unknown in only 2 per cent of cases.
- A much smaller proportion of unlicensed vehicles are company owned (9 per cent) than is the case for licensed vehicles (24 per cent).

More than **half** of unlicensed vehicles were over **10** years old, compared with less than one **fifth** of licensed ones.

#### Detailed statistical tables

- [VED0401 to VED0404](#) – Characteristics of observed unlicensed vehicles

## Background information

### Vehicle Excise Duty - background

Every vehicle registered in the United Kingdom must be taxed if used or kept on a public road. If the vehicle is kept off-road it must either be taxed or have a SORN (Statutory Off Road Notification) in force. Some vehicle types are zero-rated for vehicle excise duty, for example vehicles used by disabled people, mobility scooters, historic vehicles, electric vehicles, mowing machines, steam vehicles and agricultural vehicles – these are shown in the 'exempt' tax class in this report.

Vehicle excise duty is collected and enforced by the [Driver and Vehicle Licensing Agency](#) in Great Britain, and by the [Driver and Vehicle Agency Northern Ireland](#) in Northern Ireland. The agencies carry out computerised and roadside checks to identify evading vehicles. These enforcement activities are separate from this statistical survey of evasion.

### Users and uses of these statistics

These statistics are produced primarily to provide the Department for Transport, the motoring agencies and others with evidence to take informed view on road tax evasion and related policies. The data also provide a vital source of evidence for auditing the Vehicle Excise Duty account, which is independent of the processes of collecting or enforcing payment.

### Survey design and methodology

These statistics are based on the direct collection of registration marks of vehicles in traffic via a roadside survey using automatic number-plate recognition cameras at 256 sites in June 2013. For further details of how the survey was carried out, how the evasion estimates were derived and treatment of misread registration marks see the [Technical Notes](#).

### Related sources of information

Statistics on the licensed vehicle stock are regularly published by the [Department for Transport](#) (for Great Britain) and [Department for Regional Development](#) (for Northern Ireland).

### National Statistics

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.

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](#).

### Next Release

This survey is currently carried out in alternate years. The next survey is scheduled for June 2015 with the report due in December 2015. Any updates to these plans will be advertised via the [DfT statistical publications schedule](#).

### Request for Feedback

We welcome any feedback on these statistics, to ensure future releases best meet user needs. Feedback can be provided by email to [vehicles.stats@dft.gsi.gov.uk](mailto:vehicles.stats@dft.gsi.gov.uk).