



# REAL WORLD FUEL DATA

Why it matters and  
how it will save your  
business money



# DRIVING IN THE REAL WORLD

Fuel consumption has always been affected by how vehicles are driven and road conditions.

But something strange has happened to the gap between the advertised mpg figures and the reality. It is getting inexorably wider. In fact, as cars become increasingly efficient on paper, their on-road performance becomes less and less predictable.

The average reality gap between advertised and actual mpgs now approaches up to 30%. Within that range are drivers who can comfortably beat the official mpg test figures and drivers who fall as much as 50 mpg short!

When mpgs are all over the place, fleets and costs become tricky to manage. Expected cost savings don't materialise. Budgets become unpredictable. Low carbon vehicle policies don't live up to expectations. Savings between diesel and petrol are not so extreme. Reimbursing drivers becomes increasingly problematical.

But it's not all bad news. By using real-world mpg data, you can get back in control. You can introduce strategies to remedy poor performance and propagate best practice. You can reassess vehicle policies.

This guide from TMC, the fuel and mileage management experts, covers the growing mpg 'reality gap' and looks at how to obtain and use meaningful real-world data for better management of your fleet.

# REAL WORLD DATA VS. OFFICIAL FIGURES

## How misleading can today's official fuel consumption figures be?

To find out, TMC crunched mileage and fuel data from thousands of UK fleet cars to quantify the gap between their advertised and real-world performance. The analysis compared each individual car's official mpg figure with its actual performance, taken from TMC's database of fuel transactions and mileage reports.

On average, **diesels used 28% more fuel** on the road than under official test conditions. Official mpg test results for petrol cars are slightly closer to real-world figures but TMC still **recorded a 19% shortfall**.

On average, **diesels in the study returned 18 mpg less** than their advertised fuel economy figure and **petrol cars 9 mpg less**.

Translated into pounds sterling and tonnes of CO<sub>2</sub>, the total annual discrepancy for the sample (of 2300 vehicles) was around **£50 million in fuel costs** and **17,000 tons of CO<sub>2</sub>**.

	Engine size cc	Official mpg	TMC mpg	Variance	VCA CO <sub>2</sub> g/km	Actual CO <sub>2</sub> g/km
DIESEL	Under 1600	72.2	50.2	-22	102	149
	1600-1999	63.9	46.7	-17	117	160
	Over 2000	51.8	39.4	-12	145	190
	Average	65.8	47.2	-18.5	114	159
PETROL	Under 1600	54.6	43.3	-11.3	124	156
	1600-1999	43.9	35.8	-8.0	154	189
	Over 2000	30.4	27.0	-3.4	222	250
	Average	47.5	38.4	-9.1	142	176

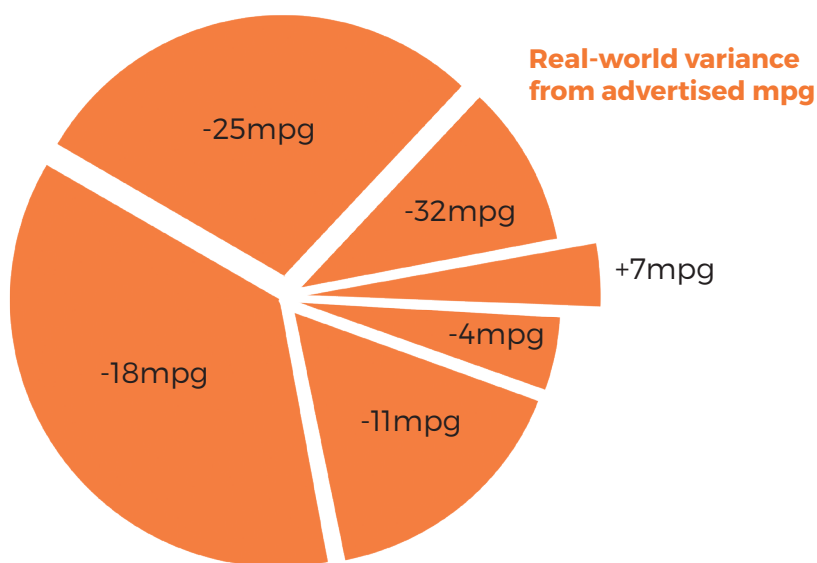
# WHY ARE OFFICIAL FUEL FIGURES LOSING TOUCH WITH REALITY?

TMC overlaid thousands of audited mileage reports from company car drivers on to fuel transaction data for their cars. It revealed that **some fleet drivers were getting 40 fewer miles per gallon** than colleagues who drove identical models.

While seven per cent of the sample actually exceeded their car's official figure, **45% of drivers in the sample fell significantly short** of their car's potential fuel economy. Over three years, this large number of **inefficient drivers use up to £3,000 more fuel** than the average driver, and up to £5,000 more than the most efficient drivers of the same model.

Cars featuring 'eco' technologies such as auto stop-start are particularly sensitive to the way they are driven. Fuel economy figures achieved by drivers of such vehicles **varied by up to 54 mpg between the most and least efficient driver**.

Fleets and drivers still benefit from tax breaks offered on these low-emission cars. But the big cost savings in this area come from fuel costs and it is clear that many fleets are missing out on major savings by not getting the best out of their cars.



TMC analysis of real-world mpgs achieved by a sample of 2,300 company car drivers found that only two in 10 got within 11mpg (20%) of the official mpg figure. One in 10 drivers only manage around half of the official figure – an average shortfall of 32mpg from the advertised consumption. A small number of drivers – 37 out of 2,300, or 1.5% – were able to exceed their car's advertised mpg, by an average of 7mpg.

# BRINGING REALITY INTO FUEL COST MANAGEMENT

What can fleet managers do to get control of the situation? The solution begins with obtaining a clear picture of real-world mpgs in your own fleet.

The elements needed to calculate real-world mpgs and costs per mile are simply:

- Fuel volume used, per vehicle
- Purchase cost of the fuel used, per vehicle
- Mileage, per vehicle

When handwritten expense forms were the norm and few fleets practised mileage capture, the administrative burden of collecting and analysing the required data would have been immense. All that has changed thanks to online mileage capture, fuel cards and telematics.

It is now entirely practical to manage fuel costs and mileage costs on a 'real', case-by-case basis.

# HOW TO USE **REAL WORLD DATA** TO CONTROL COSTS MORE EFFECTIVELY

There are two rules for using fuel and mileage information to drive down your fuel costs.

1

Capture a complete picture of each vehicle and driver's activity: transaction data (location, time, volume, price); mileage (business vs. private, reasons for journeys) and vehicle data (tank capacity, official mpg and CO2).

2

Use this rich information to drive change in behaviours and policy, e.g.:

a

Focus vehicle choice lists on vehicles that perform best in the real world for your fleet, irrespective of advertised mpgs and CO2s.

b

Identify drivers who achieve high mpgs. Hold up their results as best practice and encourage other users to try to match their results.

c

Identify consistently poorly-performing drivers and vehicles, find out what's causing the problem and take steps to correct it.

d

Set reimbursement rates that encourage drivers to maximise mpg. You do not have to use the HMRC Advisory Fuel Rates if you can show that your rates fairly reflect the true cost of business fuel - which, of course, you can do when you have real world data.

e

Withdraw BIK Fuel benefit if it's still provided. With individual realworld fuel and mileage data, you can manage withdrawal on a caseby-case basis—in over 90% of cases, both the driver and the company benefit from giving up BIK Fuel.

f

Calculate whether it is better to reclaim fuel VAT at actual cost or via the HMRC VAT scale charge rates.

The key to using real-world information is working with figures that reflect your business's actual experience. You then have robust information on which to make decisions.

For instance, managers of LCV fleets can assess whether vehicles will still work for them if a sink unit or heater system is added. It opens up a whole host of opportunities.

# HELPING DRIVERS CUT THEIR FUEL COSTS (AND YOURS)

Excessive fuel costs are usually due to one or more of four main culprits:

- 1 Drivers over-claiming expenses
- 2 Unsuitable vehicle selection (e.g. choosing a PHEV for a role involving high daily motorway mileages)
- 3 Where drivers fill up (and what they fill up with)- motorway services, high costs sites and premium fuels
- 4 Poor driving technique

From experience, fleets that audit mileage and fuel see their costs fall by 10% - 20% within six months as drivers take care to submit accurate claims.

Having sight of your fleet's real world performance helps identify the vehicles that are performing well and those that aren't living up to expectations.

From the drivers' viewpoint, the best way to minimise their private fuel bills is to maximise their mpg. And while today's fuel-efficient cars can be decidedly non-superfrugal when driven unsympathetically, many of them respond very well to the eco driving techniques on the next page. The saving on private fuel goes directly into the driver's pocket and companies also benefit if they configure reimbursement to reflect actual mpgs.

Training drivers in eco driving techniques has been shown to cut LCVs' fuel consumption by 15%. Even better results are possible from some cars. In-cab real time feedback is also a good way to keep the impetus up.

## Using real-time feedback to sustain real-world MPG improvements.

With any type of training, the challenge is to get the benefits to stick. The new generation of in-vehicle feedback devices is successfully delivering sustained MPG increases.

For example one such system, Lightfoot gives the driver both visual and verbal alerts to gently nudge them back into a safer, more efficient, driving style as quickly as possible whenever it detects the engine moving out of its sweet spot. Drivers who repeatedly ignore these alerts receive a 'penalty' from the device, which is then visible to management through the reporting system. Because the system works in-cab, in real-time, all of the time, the driver quickly learns, and sustains, more efficient - and safer - driving habits much more successfully than with traditional approaches that rely on additional management input.

# **EIGHT TIPS**

# **FOR MORE EFFICIENT**

# **DRIVING**

## **SWITCH OFF YOUR ENGINE**

Many newer cars automatically turn off when stationary in neutral. If yours doesn't, turn off your engine when you've stopped to save fuel.

## **HIGHER GEAR**

Driving at lower revs reduces fuel consumption so change up a gear at around 2,000 RPM.

## **DRIVE SMOOTHLY**

Assess the road ahead as much as possible to avoid unnecessary braking and acceleration, which increases the amount of fuel you use.

## **SLOW DOWN**

Your fuel costs will increase the faster you drive so keep speeds reasonable.

## **WINDOWS VS AIR CONDITIONING**

If you are travelling at low speed opening the windows is more efficient. If travelling at 60 miles per hour or above, closing the windows and using the air con will save you more.

## **TYRE PRESSURES**

Under-inflated tyres increase your fuel consumption and can be dangerous on the road so check them once a month and before long journeys.

## **ROOF RACKS/BOXES**

Having these attached to your car when they're not being used will increase drag and increase your fuel costs.

## **LIGHTEN YOUR LOAD**

Remove excess items from your car before travelling to reduce weight.



If there's one key point to take away with you, it is 'visibility'. Worthwhile and lasting changes come from capturing real-world fuel pence-per-mile costs and being able to examine them at every level from vehicle and driver upwards.

# TMC

TMC's award winning service is designed to cut fuel costs, reduce administration, provide invaluable management information about your fleet and ensure HMRC compliance.

It is all centred around fuel management and mileage capture – drivers log their mileage via our easy to use system or app. We audit each journey to ensure there are no exaggerated claims and follow up any anomalies with a call the driver to find out more.

Our system can take data feeds from your whole fleet supply chain – leasing companies, fuel card providers, telematics, insurers. Consolidating this data provides incredibly robust data sets that enrich our ability to audit and control fuel spend. As an example, we can overlay vehicle location with fuel transactions to check the vehicle was present when a fuel card was used, or compare idle times within vehicle groups and look at the effect on MPG for LCV fleets.

Each month, along with a payroll ready file for mileage deductions/reimbursements, you receive a series of reports, including your fleets' real life MPG figures, enabling you to optimize your fleet strategy.



We'd love to speak to you to find out how we could help you cut costs and reduce admin. You can get hold of us via:

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