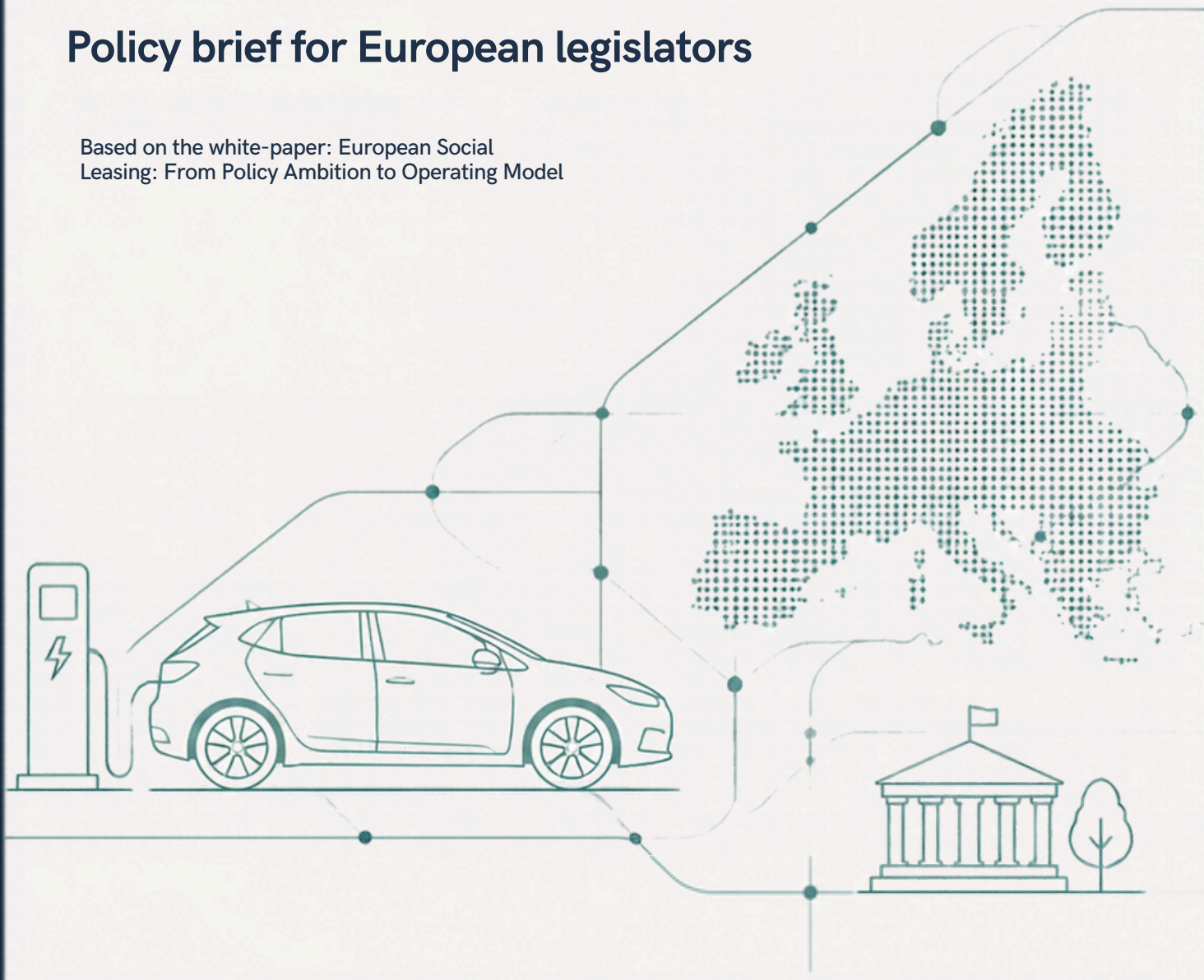
European Social Leasing:

A Potential €3–7 Billion Efficiency Opportunity

Policy brief for European legislators

Based on the white-paper: European Social Leasing: From Policy Ambition to Operating Model



USD Consulting Ltd

October 2026

Full report: USDconsulting.com

France's 'Leasing Social' vs UK's Motability benchmark

MONTHLY VEHICLE LEASE COST (VEHICLE-ONLY)

€140 /month



French lower-tier lease benchmark

€49 /month



Adjusted UK's Motability economic benchmark

~€91
MONTHLY DIFFERENCE

€3,276
difference over a 36-month lease

~€165m
Potential saving across 50,000 leases

The €49 figure is a nominal lease payment French-equivalent vehicle-only cost, based on Motability's operational, procurement and financial performance and adjusted for differences in funding, VAT and subsidies. It is not an actual French market offer or a guaranteed achievable rental.

CONCLUSION

The opportunity is to make public support work harder: support more households, improve the customer proposition or reduce the subsidy required per vehicle.

About Social Leasing

The UK's Motability scheme is the world's largest social leasing organisation.

915,000

vehicles in the fleet

Motability serves UK disabled clients who receive the government's Personal Independence Payment (PIP). The scheme converts the customer's mobility allowance into access to a new vehicle through a structured social leasing model.

Its scale, operating infrastructure and long-running vehicle economics make Motability a useful benchmark for assessing how social leasing can deliver affordable access while managing procurement, funding, fleet replacement and remarketing at volume.

France's Social Leasing programme aims to supply affordable BEVs to low income households

50,000

BEV leases per year

Launched in 2024 and now in its third iteration, supplying up to 50,000 BEVs every year, the French scheme is the only long-standing Europe programmes with the scale and stature to allow effective benchmarking.

Unlike Motability's **Not for Profit** charitable foundation and operating leasing company, the French scheme relies on OEMs and their finance companies to provide leases subsidied by the French Government

Through the Social Climate Fund, the European Commission wants to provide support and funding to Member States to create Europe-wide Social Leasing programmes that encourages the development of BEV adoption whilst supporting European manufacturing.

Context for the comparative benchmark — not a claim that French and UK programmes are identical.

France proved the European demand. The UK provides the operating benchmark.

Evidence from France

France's 2024 social leasing programme: 50,000 vehicles ordered within six weeks.

French sampled offers imply manufacturer and dealer support of approximately 12-23%.

Motability support is estimated at 28–34%.

France's programme relies on individual vehicle manufacturers and captive finance companies to determine pricing, financing, residual-value assumptions and customer terms within government-defined limits. This supplier-led model demonstrates strong demand while operating inside transparent guardrails. The UK benchmark shows how an integrated specialist operating model can combine competitive procurement, separate funding, efficient lifecycle management and advanced remarketing to reduce overall lifetime cost.

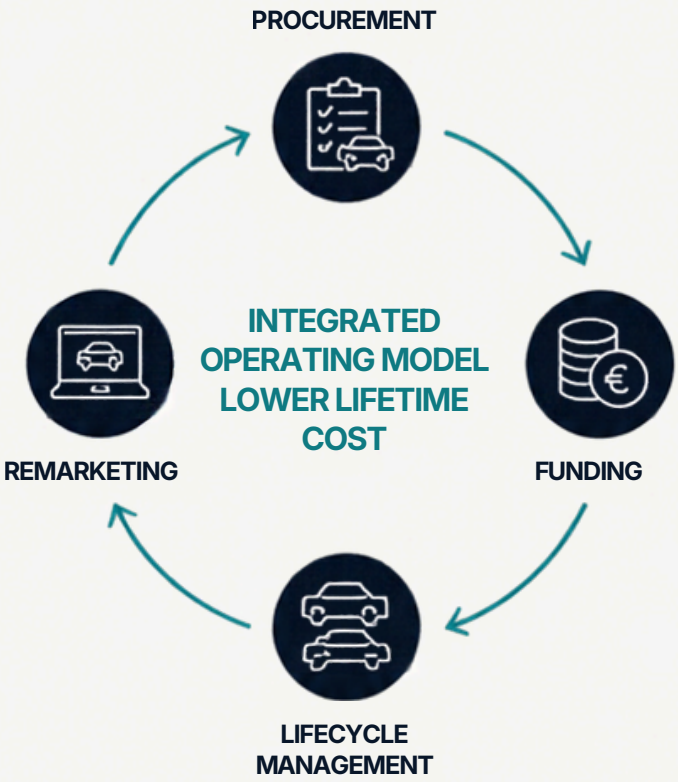
Four structural drivers of lower cost

1. **Professional procurement –** Centralised, competitive procurement across manufacturers can test and negotiate the underlying vehicle economics.

2. **Advanced eCommerce remarketing –** Motability's MFL Direct remarketing arm gives access to approximately 4,000 dealerships and remarks from 250,000 vehicles annually, supporting stronger residual values.

3. **Funding structure –** Separating the economic cost of funding from conventional captive-finance profit requirements can minimise intermediary margins.

4. **Operational efficiency –** An integrated specialist can manage purchasing, financing, maintenance, customer service and final disposal across consistent volumes.



Full report: USDconsulting.com

Delivery design determines how far public funding goes

Social equity —

Affordable transport for financially vulnerable households, improving access to jobs, education, healthcare and essential services.

BEV adoption —

Supporting the transition away from older combustion-engine vehicles in a demographic constrained by purchase affordability.

European industrial competitiveness —

Supporting demand for European-made vehicles, production capacity, automotive employment and dealer networks.



Potential European investment

€8–16bn

Illustrative social-leasing investment across five major European markets by 2032.

Scaling French savings across Europe

€3–7bn

Indicative saving based on scaling the French findings to an €8-16bn comparable deployment.

At this scale, relatively small changes in procurement, residual-value performance, funding costs or operational efficiency could have substantial cumulative financial consequences.

Efficiency must be paired with protection and continuity

- Financial efficiency alone is not sufficient.
- The French vehicle-only rental generally excludes insurance and maintenance.
- Recent model withdrawals and price increases illustrate the challenge of maintaining a dependable long-term proposition.
- Consumer-protection questions arise where operating leases fall outside important elements of European consumer credit legislation.



Affordability, total-cost transparency, hardship provisions, early termination and continuity should form part of the programme's design and governance.

Three routes for Europe

1. **Strengthened manufacturer-led programmes —** Retain OEM delivery while introducing competitive tenders, binding supply commitments, independent cost benchmarking and stronger consumer-protection standards.
2. **Dedicated national social leasing operators —** Establish specialist, potentially not-for-profit or cost-recovery organisations responsible for procurement, funding, lifecycle management and customer service.
3. **European shared capabilities —** Develop common economic benchmarks, procurement frameworks, residual-value intelligence, cross-border remarketing and programme governance.

CONTROL	SCALE	IMPLEMENTATION COMPLEXITY
High for OEMs; limited public control	Moderate, depends on manufacturer capacity	Low to moderate
High public control	High within national markets	Moderate to high
Shared control across Europe	High across member states	High

Five questions for policymakers

1. How can the economic efficiency of national social leasing programmes be measured against independent whole-life vehicle-cost benchmarks?
2. Can competitive professional procurement secure greater value than simply setting maximum customer lease prices?
3. What opportunities exist for shared European funding, residual-value management and remarketing capabilities?
4. What minimum consumer protections and continuity requirements should apply to all publicly supported social leases?
5. What financial and operational governance should accompany programmes supported by European public funds?



France has demonstrated the demand for social leasing. The UK Motability Scheme provides a mature operating benchmark. Integrating professional procurement, advanced eCommerce remarketing, efficient funding and specialist operational management offers substantial potential to reduce the cost of delivering social leasing.

The opportunity is to support more vulnerable households, accelerate electric vehicle adoption and strengthen European industry — making every euro of public support work harder.



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Independent automotive consultancy specialising in vehicle economics, residual-value governance, fleet operations, leasing and automotive finance.

Full report: USDconsulting.com

Methodology and scope

How the benchmarks are reconstructed — and what the €3–7bn scenario does and does not claim

1 Reverse-engineer published French social leases

For each sampled BEV offer, USD Consulting starts with the published vehicle list price, advertised monthly rental, 36-month term and government CEE support. It then inputs an independent forecast of the vehicle's end-of-lease residual value (at the relevant mileage) and a benchmark captive finance rate.

The lease economics are reconstructed using an average funded amount approach, not discounted cash flow. The OEM/dealer discount is adjusted until the calculated rental matches the published offer. The financial model assumes an illustrative 6% finance charge-out rate versus about 4.5% wholesale funding cost; results are sensitive to RV and rate assumptions.

Output: inferred combined OEM/dealer support of around 12–23% of list price for sampled French models — an estimate, not a disclosed manufacturer discount.

2 Isolate Motability's comparable vehicle-only cost

Using published Motability accounts across 2019 to H1 2026, USD Consulting rebuilds average vehicle economic cost over a business cycle, accounting for vehicle depreciation, end-of-lease sale gains/losses and fleet months. It then normalises for material differences from France:

- Remove non-vehicle services
  - Exclude insurance, servicing, maintenance, tyres and breakdown expenditure.
- Neutralise UK-specific advantages
  - Add back the UK used-car VAT and Electric Car Grant advantages; strip higher-vehicle Advance Payments.
- Normalise finance and operating costs
  - Charge an economic funding cost (4.4%) to the full asset value, removing the advantage from reserve self-funding; retain apportioned overheads.
- Apply the French subsidy and VAT
  - Deduct the standard French CEE grant of about €5,883 excluding VAT (approximately €7,000 including VAT), then apply the relevant 20% French VAT treatment to the resultant lease.
- Convert to a monthly cost
  - Divide the resulting fleet economics by estimated total fleet months.

Result: French-equivalent, vehicle-only Motability cost of €49/month incl. VAT. This is an analytical proxy, not a French lease quotation.

3 Translate the cost difference into programme scale

Per vehicle: (€140 – approximately €49) × 36 months ≈ €3,276. For 50,000 leases: ≈ €164–165m. Compared with an assumed €7,000 CEE grant, this is about 47% of grant value. Scaling that ratio to €8-16bn of comparable social-leasing expenditure gives approximately €3.7–€7.5bn, expressed as €3–7bn.

Scope caution

If Social Climate Fund and Member State funding scales to €8–16bn, the model indicates a potential €3–7bn saving range. This is a third-party scenario, not committed funding: the estimate assumes an €8-16bn deployment on programmes with transferable economics and comparable subsidy intensity. It must not be read as a validated saving across the entire €8–16bn range or as a guaranteed fiscal return.

About the author

Andy Shields is the Director of USD Consulting with 35 years experience at C-Level within European and Global leasing, rental OEM and retail environments.

A Graduate Mechanical Engineer initally working for a car manufacturer, he moved to AVIS Europe plc and became Director of Fleet and Remarketing, reponsible for purchasing 200,000 vehicles per year, RV forecasting and planning, maintenence and end of life remarketing.

He then took a Vice President position within a dotcom start-up used car retailer as VP for Sales and Supply.

In 2010 he started USD Consulting, a boutique consultancy and led projects including establishing leasing companies, restructuring global sales teams, establishing Global vehicle wholesale and consumer finance programmes and Private Equity M&A

At the request of a client he became Global Business Unit Director of Indicata, the used vehicle data, valuation, RV forecasting and decision system company, expanding the business into 19 markets.

In 2026 he restarted USD Consulting, now advising a range of clients from Big 4 consultancies, European and Chinese trade associations and automotive organisations

Full report: USDconsulting.com