What Government Discounts Are Available for EV Car Purchases in the UK?



Thinking of switching to an electric vehicle? Now is the best time to act.

The government just launched a new EV grant scheme that can save you thousands. Here's what you need to know—and which models qualify.

1. **New Electric Car Grant (Launched 15 July 2025)**

A new £650 million grant is now live to boost affordable EV adoption.

- **£3,750** off the cleanest EVs under £37,000 (Band 1)
- **£1,500** off other eligible EVs under £37,000 (Band 2)
- Discount applied automatically at point of sale
- Based on manufacturer emissions and sustainability targets
- Applies only to new cars registered from **16 July 2025**

You won't need to fill out forms. The dealership applies the discount if the model qualifies.

2. **Which Manufacturers Are Eligible?**

Not all EVs will qualify.

To be eligible, manufacturers must:

- Commit to **Science-Based Targets (SBT)**
- Build cars that meet low lifecycle CO_2 thresholds
- Price their EV under £37,000

Models Likely Eligible:

- **Dacia Spring**
- **Fiat 500e, Grande Panda**
- **MG4**
- **Peugeot e-208**
- **Renault 5, Nissan Leaf**
- **Ford Puma Gen-E**
- **MINI Countryman E**
- **Volvo EX30**
- **Skoda Enyaq, VW ID.3**

Expect most of these to receive either the **£3,750** or **£1,500** discount depending on their emissions band.

Not Eligible:

- **Tesla** – No models fall under the £37,000 cap
- **BYD and other Chinese imports** – Not registered with SBT or over price cap

Before buying, ask your dealer:

- What band does this model fall into?
- Is the full discount applied today?

3. **Plug-in Van Grant (PiVG)**

Still available for business or commercial use:

- **£2,500** off small vans
- **£5,000** off large vans
- Claimed automatically at point of purchase
- Applies only to eligible models

4. **EV ChargePoint Grant (Home)**

Covers part of your home charger installation.

- **Up to £500** or **75%** off
- For flat owners and renters
- Must have off-street parking
- Use an **OZEV-approved installer** to qualify

5. **Workplace Charging Scheme (WCS)**

Support for installing EV chargers at your business:

- **£500 per socket**, up to 40 sockets
- Claim online via government portal
- Covers installation at workplace or fleet parking

Ideal for businesses moving toward low-emission fleets.

6. **Salary Sacrifice Schemes**

Cut costs by paying monthly for an EV from your gross salary:

- Save on tax and National Insurance
- EVs enjoy a **2% BiK tax rate**
- Many schemes include maintenance and insurance

Ask your employer if they offer this benefit.

7. **Vehicle Excise Duty (Road Tax)**

- Fully electric cars are **exempt** until April 2025
- From 2025, expect a **flat rate** similar to petrol models

8. **Clean Air and Congestion Zone Discounts**

Driving in cities? EVs help avoid zone charges:

- **London**: Congestion and ULEZ charge exemptions
- **Bristol, Birmingham, Manchester**: Clean Air Zone discounts

Always check your city's local rules.

9. **EV Infrastructure Funding (Announced July 2025)**

Alongside the grant, the government pledged:

- **£25 million** for on-street chargers
- **£30 million** for van and HGV depot charging
- **£8 million** to expand NHS EV charging
- Over **82,000 public ChargePoint's** and rising

More charging points mean fewer delays—and more confidence switching to electric.

Your EV Savings Checklist:

- Is your EV under **£37,000**?
- Does the manufacturer meet **SBT**?
- Can you claim a **£3,750** or **£1,500** grant?
- Are you eligible for the **home charger** discount?
- Can you avoid **congestion or ULEZ** charges?
- Does your employer offer a **salary sacrifice** EV plan?

Tick these boxes and you could save **over £5,000** before turning the key.