

Navigating the road ahead: Fate of the UK's automotive EV market in 2025 and beyond

10 February 2025  Conor Macaire Duncan

The automotive industry in the UK is at a pivotal crossroads as we leave 2024 behind and look ahead to 2025, with significant events and legislative changes on the horizon, industry stakeholders are bracing for challenges that could reshape the landscape of automotive manufacturing and sales.

In this article, we delve into the key events of 2024, the public's perception of electric vehicles (EV) and the anticipated challenges and legislative impacts for 2025.

Public perception and readiness for EV Transition in the UK

Despite the government's concerted efforts to transition towards EVs and a net zero motor industry, public sentiment remains sceptical about the readiness for such a shift. A revealing survey carried out by Quotezone.co.uk in [January 2025](#) indicates a significant apprehension among UK drivers regarding the EV transition. An overwhelming 90% of 1,000 respondents believe that the UK infrastructure is not adequately prepared for a full-scale EV adoption, whilst 79% consider the [Zero Emission Vehicle \(ZEV\) Mandate 2035](#) deadline for banning petrol and diesel vehicles as premature, and that 57% of UK motorists have no immediate plans to switch to an EV. Specifically, the ZEV Mandate requires that "80% of new cars and 70% of vans required to be zero-emission by 2030, rising to 100% by 2035" according to the [government's pathway to ZEV](#).

The survey explored attitudes towards the adoption of EVs, the preparedness of the UK's infrastructure, and the incentives needed to encourage a switch from traditional fuel vehicles to electric alternatives. Despite a [record increase in EV sales in 2024](#), with 382,000 units sold marking a 21% rise from the previous year, EVs still only account for approximately [2.7%](#) of all vehicles in use on UK roads (as at April 2024).

While the UK government has increased the number of charging points by [38%](#) over the past year and aims to [install 300,000 public charging stations by 2030](#), concerns about EV mileage, maintenance costs, and resale values persist. The cessation of road tax exemptions for [EVs in April 2025](#) and the [conclusion of the Plug-In Car Grant in June 2022](#) have also impacted public perception, although other grants like the [Electric Vehicle Chargepoint Grant](#) for renters and flat owners are still available.

Overall, this reluctance of potential EV motorists combined with the lack of financial incentives to make the transition to EV is compounded by concerns over the cost of EVs and the scarcity of public charging facilities, with 16% of respondents in the Quotezone survey highlighting these as major deterrents.

EV industry stakeholders will need to not only focus on shoring up the public's confidence in the efficacy of EVs, but they will also have to navigate the stringent regulatory changes in the UK, which we provide an overview of below.

Reflecting on 2024 and considering the challenges on the horizon in 2025 for the UK EV market

2024 was marked by significant milestones and hurdles for the UK automotive industry, particularly highlighted by the implementation of the ZEV Mandate. This ambitious policy aimed to accelerate the transition to net-zero emissions, placing the UK at the forefront of global

efforts to combat climate change.

The introduction of the ZEV Mandate brought about profound economic impacts. One of the most notable was the closure of the historic Vauxhall factory in Luton, which was a significant blow to the local economy and a stark indicator of the costly nature of transitioning to net zero. The journey towards EV adoption in the UK has not only been marked by economic and market-driven challenges due to consumer scepticism and range anxiety, but also by pertinent internal corporate conflicts, as illustrated by the recent upheaval at Stellantis in December 2024 following the closure in Luton, manifested by the resignation of CEO Carlos Taveres on 1 December 2024. Overall, this C-suite shuffle sheds light on the complexities of corporate governance during times of major industry shifts, such as the current transition to net zero catalysed by government-led initiatives such as the ZEV Mandate.

This corporate shift at Stellantis highlights the issues concerning corporate governance and company stewardship with respect to the ZEV mandate but, in any case, there are significant financial pressures as well. For instance, despite billions being invested into the industry's transition to net zero, demand remains low. The sheer costs of the investment combined with the heavy EV discounting to meet the stringent demands of the ZEV Mandate has risen above £4 billion, which is not commercially viable.

Demand for EVs needs to rise dramatically in the UK for the automotive industry to strengthen alongside decarbonisation. Looking to 2025, industry leaders will be eagerly awaiting potential 'flexibility' changes to the ZEV Mandate following the Government's Christmas Eve press release and lawmakers will need to consider how best to incentivise demand whilst encouraging further UK investment and innovation.

Legislation in 2025 Impacting the EV Automotive Industry

The legislative landscape in 2025 is set to introduce new dynamics into the automotive industry, particularly with the enactment of the Automated Vehicles Act 2024 (the **Act**). Whilst most of the Act is not yet in force until certain Secondary Legislation has been enacted, the **Act** is set to significantly influence the industry and establish a legal framework for automated vehicles. As a consequence, the Act will impact automated vehicle manufacturers, designers, software developers, and others involved with self-driving vehicles, imposing stringent obligations and restrictions that these industry stakeholders will need to pay close attention to.

As the automotive industry continues to evolve, the focus on decarbonisation and automation will likely be the driving forces shaping its future. The regulatory frameworks encompassing 2024, such as the ZEV Mandate, and the legislation coming to the fore in 2025, such as the Act, will all play a crucial role in steering the industry towards these new technological and environmental paradigms. EV industry stakeholders will need to align their business models to this undulating legal landscape.

Ultimately, 2025 is set to be transformative for the UK automotive industry and the ability of the industry to navigate these changes successfully will be instrumental in shaping its trajectory towards not only a more sustainable and technologically advanced future, but also a commercially successful one.

Concluding remarks

As we assess the challenges and developments within the UK automotive industry, particularly the EV sector, it's evident that the industry faces a complex transformation. Public reluctance due to infrastructure and financial concerns, combined with significant corporate and legislative shifts, highlights the multifaceted challenges ahead as we approach 2025.

Browne Jacobson is on hand to support our automotive clients through these challenges through strategic guidance on compliance with evolving regulations like the ZEV Mandate and the Automated Vehicles Act 2024. Our expertise is crucial in navigating these changes, facilitating corporate governance and company stewardship towards the net zero transition, and structuring contracts that reflect the new realities of the EV market. More specifically, our cross-sector experts can advise on:

1. the ownership of the Intellectual Property that manifests from industry stakeholder designs and new technologies in the EV space;
2. regulatory compliance with the legislative landscape in the EV market (such as the Act and ZEV Mandate);
3. securing available funding for the purposes of Research & Development and other accreditations or certificates from both public sector grants and private sector financing; and
4. property-related advice, such as planning permission, in securing real estate for EV charge points.

In conclusion, the journey towards a sustainable and technologically advanced automotive industry is fraught with challenges but also rich with opportunities. As legal advisors, our role is to provide insightful, proactive, commercial and strategic legal support to help our clients

navigate this terrain. The year 2025 will undoubtedly be pivotal for EV and automotive stakeholders, and we will be on hand to provide guidance in steering the automotive industry towards a successful future in this new decarbonised landscape.

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