

CONGESTION CHARGE PROPOSALS

CONSULTATION RESPONSE

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Date submitted: 11 August 2025

INTRODUCTION

BusinessLDN welcomes the opportunity to respond to TfL's consultation on proposed charges to the central London Congestion Charging scheme.

We are a business membership organisation with a mission to make London the best city in the world in which to do business, working with and for the whole UK. Our 170 members span a wide range of sectors and represent some of the capital's largest employers and investors.

Without the Congestion Charging scheme and the changes made since its introduction, congestion would be far worse than it is now. Since its introduction in 2003, the scheme has played a major role in reducing traffic and improving air quality in the capital. We recognise the challenge of balancing traffic reduction with the transition to cleaner vehicles – particularly as electric vehicles (EVs) are not a complete solution to London's transport challenges.

However, it is vital to get the timing right for any changes to the scheme, provide certainty to users and businesses, and ensure a level playing field across commercial vehicle modes.

DETAILED COMMENTS

Proposal A: Increasing the Congestion Charge from £15 to £18

1. The Congestion Charge scheme has been very effective since it was introduced in 2003. Since the existing framework with the Cleaner Vehicle Discount (CVD) was introduced in 2018, EV numbers have increased 4.6 times across London and central London traffic has decreased by 15% (Travel in London, 2024).
2. It is five years since the last charge level increase, and we understand the need to review it to maintain the deterrent effect of the charge in the context of wider inflation.
3. While we understand the inflationary pressure since 2020, the proposed £3 pound increase still amounts to a 20% rise. This is a substantial cost for commercial fleet operators, particularly during a period of tight margins and a subdued economy that businesses are operating in.
4. We would therefore recommend that TfL conduct regular reviews of charge levels in the future to ensure gradual adjustments and avoid significant increases in a single step.
5. For many businesses, going electric requires high upfront costs alongside reliance on public charging due to limited off-street provision. The CVD has been a key factor in making the financial case for that switch.

6. Under the proposals, fleet operators with EVs – including private hire vehicles, vans and car clubs – who invested early in clean vehicles could face charges of up to £13.50 per day. This comes at a pivotal point for the UK EV market, when consistent policy signals are essential to maintaining investor confidence, reducing costs, and ensuring London remains a global leader in EV adoption.

Proposal B: Changes to create a new Cleaner Vehicle Discount

7. London has been at the forefront of the transition to EVs. Over the last decade, bold Mayoral and TfL policies, such as ULEZ and the CVD, have transformed London's air quality and positioned the capital as a global leader in clean transport.
8. The CVD has been one of London's most effective levers for improving air quality and accelerating EV adoption. Since being restricted to EVs, it has incentivised thousands of drivers providing goods and services across the capital to switch to EVs, delivering air quality benefits across London boroughs.
9. The positive air quality impacts of the CVD have been felt across the whole city. According to research, 90% of these benefits have been realised outside the central charging zone (Electric London, 2025). We therefore recommend TfL to assess the CVD's London-wide air quality implications as part of the environmental impact assessment.
10. Supported by the CVD, a third of new car sales in London are now electric. However, there is still a long way to go, with only 30% of private hire vehicles (PHVs) and car clubs and only 3% of vans making the switch.
11. The current ANPR and plate-based approach does not distinguish journey purpose, creating inconsistencies. For example, under the proposals, a van for social purposes will be charged £9 while a PHV on an essential medical trip £13.50. Ensuring level-playing field across commercial vehicle modes such as vans, PHVs and car clubs is essential. This complexity risks undermining user trust and creating an uneven playing field between commercial vehicle modes.
12. We recognise that the plan to end the CVD was set out in the Mayor's Transport Strategy (MTS, 2018). However, supporting measures, also included in the MTS, such as a Zero Emission Zone and dynamic road pricing, have not been implemented. In their absence, the CVD remains a vital incentive. Removing or significantly reducing the CVD too early would risk weakening the business case for EV adoption and slowing the green transition.
13. The key question remains: have EVs in the capital grown in number to the extent that continuing to exempt them would undermine the objectives of CC or not yet? In the absence of a specific figure within MTS, current evidence suggests that the EV uptake continues to grow – though at a slower pace than in previous years – and has yet to reach a tipping point.
14. We therefore urge TfL to maintain the current 100% CVD or provide a higher, time-limited discount for commercial fleets – including vans, car clubs and PHVs – to sustain momentum in the green transition.

Proposal C: Changes to the Residents' Discount for new applicants

15. From March 2027, the 90% Residents' Discount would apply only to EVs for new applicants. In addition, existing registered residents would retain the discount for any vehicle, regardless of emissions.

16. This creates a disparity – residents retain significant discounts, while early-adopting commercial fleets face higher costs. Penalising early-mover commercial fleets risks undermining fairness and slowing progress in London’s green transition.
17. The proposed changes could increase consumer costs or reduce service quality as operators adjust to the new cost burden.

In conclusion, BusinessLDN urges TfL to:

- Assess the CVD’s London-wide air quality implications as part of the environmental impact assessment before proceeding with any changes.
- Maintain the current 100% CVD or offer a higher, time-limited discount for commercial fleets including PHVs, car clubs and vans, to sustain momentum in EV adoption.
- If proposed changes proceed, provide grandfather rights with a phased-out approach to protect early adopters and prevent a backslide to ICE vehicles.

We remain committed to working closely with you to help achieve London’s EV ambitions and would welcome the opportunity to discuss any of the points above in further detail.