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RAC Business launches new fixed-price product to help manage breakdown costs

UK firms running van and HGV fleets could be losing more than £7,000 a year through vehicles being off the road due to breakdown, according to new research* by [RAC Truck Rescue](#).

The survey of 500 businesses ranging in size from SME to large corporates, found fleet managers face a raft of challenges when it comes to the cost of dealing with breakdown and loss of business.

The study revealed a majority of firms, 41%, that run commercial vehicles (3.5t vans up to 44t HGVs) suffer vehicles off the road due to breakdown at least twice a month. The same research also identified that a third, 32%, of those surveyed say breakdown costs their business up to £300 a day. This means, in the worst cases, businesses could be facing losses of £7,200 every year because vehicles are idle due to breakdown.

The issue is compounded further as 43% of those surveyed said one in four breakdowns they deal with in their fleet could have been prevented if reported earlier.

[RAC Truck Rescue](#) manager Matt Dallaway says having the right kind of breakdown cover in place is vital for any business relying on its vehicles, especially those covering long distances in the UK and Europe.

He adds: “RAC Truck Rescue is a specialist part of the RAC which specifically looks after vans, trucks and HGVs, managing more than 100,000 truck incidents a year and attending around 300,000 vans at roadside.

“Managing cash flow is the top concern for every business which is why at the RAC we’ve looked at doing things differently for commercial fleets when it comes to payment models.

“Traditionally truck fleet managers have paid on use for their breakdown cover, but that is a cost that can escalate if we have a harsh winter or if you happen to have a run of incidents.

“The RAC now offers customers an annual subscription fixed cost for commercial breakdown cover, which means they know exactly what they are paying for each vehicle in their fleet every year, with cover for up to four breakdowns.

“Not only does this benefit cash flow and service, maintenance and repair (SMR) costs, but also provides peace of mind as it’s our job to make sure those vehicles get to where they’re going and keep the wheels of the business moving.”

For more information visit: [RAC Truck Rescue](#)

Case study: K Gibson Transport

Business owner Kevin Gibson says: “We run a fleet of four 18 tonne trucks and in the past if one of our vehicles had a breakdown we had to rely on calling a local garage to come and get it. That wasn’t always very reliable and would cost about £500 each time.

“During one recent winter three of our vehicles had problems and breakdowns in less than a month, which in total cost us about £1,200 to get sorted out with recovery fees and other costs. That is a big cost for a business like ours to have to take on unexpectedly.

“When I heard that the RAC was offering a subscription-based product I thought that made a lot of sense because of the brand and reliability. But also being able to manage the costs in this way is much better for our

business

“We’ve had the policy since the start of 2015 and we’re very happy with it because of the peace of mind it offers as well as how easy it is for drivers to call direct if there’s a problem, and financially it makes sense as we know what we’re paying every year.”

ENDS

Notes to Editors

*Research commissioned by the RAC among 500 UK firms during May 2016.

About the RAC

With more than eight million members, the RAC is one of the UK’s most progressive motoring organisations, providing services for both private and business motorists. Whether it’s roadside assistance, insurance, buying a used car, vehicle inspections and checks, legal services or up-to-the-minute traffic and travel information – the RAC offers a solution for all motoring needs. The RAC is committed to making motoring easier, safer, more affordable and more enjoyable for drivers and road users.

The RAC is the motorist’s champion and campaigns to support the interests of its members and UK motorists at a national level, including advancing levels of road safety, supporting the needs of young drivers and voicing concerns about the increasing cost of motoring. The RAC’s annual [Report on Motoring](#) – first published in 1989 – provides a clear insight into the concerns and issues facing today’s motorists.

For the very latest news on UK fuel prices, check [RAC Fuel Watch](#) or follow [#racfuelwatch on Twitter](#). This is a comprehensive guide to the latest UK unleaded petrol and diesel prices – both at the wholesale level and at the pump. RAC Fuel Watch analyses how prices changed through the previous month and compares the most recent prices with those from three, six and 12 months before.

Key facts:

- RAC patrols fix four out of five vehicles at the roadside and on average within 30 minutes
- RAC vans carry more than 500 parts and tools to get members' vehicles going again
- 92% of members would recommend RAC Rescue to their friends and family

Contacts



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ISDN number on request