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Uber ban could cost Londoners £90million in higher fares

- Ban challenged by Uber in court appeal despite talks
- If Uber loses, Londoners face increased transport costs of up to £90 million
- A further £864 million in annual wages could be lost by Uber's 40,000 drivers

Londoners could end up paying an extra £90million a year in taxi fares if Uber's appeal against their ban in the capital is unsuccessful.

The app-based firm is appealing TfL's decision not to extend its licence and is involved in on-going talks with the operator.

But figures obtained by London Assembly member Andrew Boff showed that if a deal is not reached, the financial consequences for passengers and drivers will be far reaching.

Excluding surge charging, the cost of an average 6.4-mile journey from Charing Cross to Hammersmith is £15 in a standard Uber, compared to £25 in a black cab.

With one million Uber journeys taken in London per week, and with black cabs making up 17% of all licensed cars, Londoners would pay an extra £89.5million if they used black cabs as alternatives.

The ban would also impact on Uber's 40,000 drivers, who earn on average £15 an hour and work an average of 30 hours per week.

Across the sector, an upholding of the ban would cost the £40,000 driver £864million in lost earnings if they are all put out of work.

Conservative London Assembly member Andrew Boff said: "These numbers may seem dramatic but they underline the huge economic damage this ban would do to millions of Londoners and thousands of drivers in our city.

"The Mayor repeatedly talks about London being open for business but this attack on consumer choice and value for money has happened on his watch.

"Having taken the terrible decision to refuse Uber a license, I hope the Mayor and TfL will now reverse their decision without the additional expense of a legal fight."

ENDS.

Notes
- Andrew Boff is the a Conservative Londonwide assembly member

Calculations
Cost to Londoners
- Uber without surge pricing is 40% cheaper (https://www.valuepenguin.co.uk/gett-vs-uber-which-cheaper-hailing-app-london)
- Uber online calculator for this: http://uber-rates-london-uk.uber-fare-estimator.com/
- Uber's cost per mile in London for an UberX is £1.25 and £0.15 per minute.
- If journey is from Charing Cross to Hammersmith (6.4 miles) it would be from £15 in an UberX according to their online calculator.
- If done via black cab, it would be from £25, a £10 difference.
- Uber's app records over one million journeys made per week - 52 million per year.
- If all journeys made instead by black cab then that's £520m per year.
- Black cabs are 17% of all licensed cars, so if the swap to black cabs is proportional, it would cost London £89.5m in total.
- Average PHV journey is about 6 miles from a 2009 survey.

Loss of earnings
- Drivers earn £15/hr after Uber's service fee
- Average of 30hrs/wk
- 40,000 drivers
- So that's £21,600 per year in wages if 48 weeks worked per annum.
- Or £864m as a total wage bill not being earned if all 40k drivers are put out of work

For more information or to arrange an interview, please contact the press office below.

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On his use of Ubers, Andrew Boff said: "Sadiq Khan has once again been caught saying one thing before the election and the complete opposite after.

"To the electorate he did not want to appear anti-Uber. Now the far left hold the key to his future political ambitions, he claims he's never used the app.

"Having promised to build more homes, he has delivered fewer. Having promised to freeze fares, he excluded travelcard users. It is getting increasingly difficult to believe anything that comes out of his mouth."