CoMoUK
supporting shared transport

Informal Car Sharing

Introduction

Informal car share is already very common between many family members where multiple people share the use of a car - but there is no reason that it can’t be the same for friends and neighbours. By sharing a car with people living near you, it can help reduce the number of cars in your local area, encourage active travel and giving people access to a car without the full cost of owning one.

Most cars are only used for around 4% of the time so why not share one with your neighbours and friends.

If you want to share your car with an individual neighbour for one-off occasions, you can just add them to your insurance policy and agree between you how to book the car and what the charges will be etc. If you want one car to be shared equally between several local residents who can access it whenever they need, there are a few practicalities that should be set up.

Key considerations when thinking about setting up an informal car share

Users / members

This could just be those neighbours with whom you would like to share your car with, or may be a wider group of people in your local area. You may want to limit use to a fixed number of people or be open to new members. The more members you have, the more the car could be used. To ensure that members have a good chance of being able to book the vehicle at a time that suits them, and thus remain in the scheme, you may wish to set a maximum on the total number of members.

Car owner

There may be someone who has a car that is suitable and is willing to share that, otherwise all members could club together to purchase a car.

Every car in the UK must have a valid vehicle registration document (V5C). This states that the registered keeper of the car is not necessarily the legal owner, so there will need to be a registered keeper for the car who has some legal obligations including ensuring the car is:

- taxed
- has a current MOT certificate
- is in a roadworthy condition

If the car gets a speeding fine or parking ticket, these will be sent to the registered keeper, however it is the responsibility of the person driving at the time the event happened (which can be determined from the logbook) to pay the fine.

Vehicle

When deciding on what kind of car it is important to think about what types of journeys are likely to be made. Consideration needs to be taken for different user requirements such as child seats, number of doors, accessibility, fuel type etc.

Vehicle location

Once you have decided on a suitable vehicle, you need to establish where it will normally be kept. This may depend on the distance between the member's houses, or perhaps which member has the most suitable parking / garage.

Bookings and keys

To make it fair for everyone, there needs to be a booking system, or some kind of arrangement so people know when they can use the car. Sharing an online calendar is probably the easiest way to manage bookings. The keys will also need to be accessible when needed. If you only have 2 members, each member could have a key, however if there are more members, you may wish to use a secure key store close to the car so people can get the key when they need it rather than having to do an in-person handover.

It is possible to buy software systems to facilitate booking, accessing and billing, however, these are designed for car clubs with multiple cars, but could be used for informal sharing. Check out CoMoUK's guidance on 'Telematics-and-Back-Office-System for community car clubs'.

Communication

You may want to set up a messaging group so there is easy communication between the members, for example a WhatsApp group. This also means if a member cancels their booking at the last minute, other members can be made aware that the car is available.

Trip logbook

The easiest way to log how many miles each member drives (and therefore how much they should be charged) is a simple mileage logbook which is kept in the car for members to fill out at start and end of each journey. Or this could be done on a shared spreadsheet. Each member should complete, as a minimum:

- Date
- Start time
- Start mileage
- End time
- End miles
- Expenses – i.e. fuel costs paid for
- Signature – showing they take responsibility for the car during these times.

You may also want to record the condition of the car to flag if there were any issues.

Costs and charges

Each driver should contribute to the operating costs, generally in proportion to their personal mileage. How these charges are set up is up to the group, however no profit can be made by any group member. If a profit is made, it becomes a car hire business which has different consequences.

You may want to split all costs with all group members, or the owner may still look after most of the costs, but the users pay a contribution depending on how much they use the car.

- An all-inclusive charge can be set if the total estimated annual costs are divided by the estimated annual mileage. Costs that should be taken into account include:
    - Cost of car / depreciation
    - Insurance
    - Road tax
    - MOT / maintenance

    - Breakdown cover
    - Fuel
- An upfront deposit can be used to pay for any unexpected costs. Users also show commitment by paying a deposit.

After a year of operating, costs can be reviewed and adjusted as required. Any overpayments should be refunded in proportion to the number of miles driven by each member.

A separate bank account can be opened for the carshare, and someone should be appointed Treasurer to manage the finances.

App to help with informal sharing

One option to manage the admin of sharing is to choose to use an app such as Co-oto to handle bookings, mileage and cost splitting. This app is designed for small groups such as families, roommates, neighbours and small teams. They don't provide insurance.

Paying for fuel

The easiest way to manage refuelling is either to refill the tank after every use, or only when it's below a certain level (i.e. quarter of a tank). The member who refuels should keep the receipt and record the amount and receipt in the trip logbook. When the member is billed for their usage, the cost of the fuel is deducted.

Insurance

As long as no profit is being made, you should only need normal car insurance, but you do need to inform the insurance company. You can either have all members as named drivers on the insurance policy, or you can have insurance which covers any driver to drive the vehicle. In all cases, there needs to be one person who is the "insured"/main driver who takes out the policy. This usually needs to be the person who is expected to use the car most often otherwise it can be "fronting" i.e. someone who is more experienced is used as the main driver to help keep costs down, but a less experienced driver uses the car the most. Fronting is insurance fraud and you could be prosecuted – so don't risk it. Always be clear on how the car will be used and discuss your requirements with the insurance provider. If any member will be using the vehicle for business travel, the insurance provider will need to be made aware.

There may be a limit to number of named drivers you can have on one policy, however if you need more than the limit, you should be able to take out a secondary policy which will cover the extra drivers. It is recommended to shop around for quotes to ensure you get the right policy and the best price.

Lift sharing

As well as sharing a car, you may also be able to combine it with sharing lifts, i.e. sharing journeys either with existing members, or with others who aren't members / don't drive. Using a group message can highlight any journeys that could be shared with others.

Peer-to-peer car clubs

Rather than adding people to the insurance policy of a car, there are platforms that allow peer-to-peer car sharing. These work in the same way as Airbnb but for cars, so you put your car on the platform and other people can hire your car out when you aren't using it. See CoMoUK's guidance on peer-to-peer car sharing for more information.

Get in touch

If you have any question about setting up an informal car share, please contact CoMoUK on info@como.org.uk.