

CASE STUDY:

SALARY EXCHANGE - ARVAL IGNITION

A global engineering company with a fleet of more over 1,100 vehicles and more than 20,000 employees in the UK became our largest customer taking Ignition (our Salary Exchange product).

This product gives the company's UK workforce the opportunity to drive a new car, fully insured and maintained, at an attractive rate. At the same time they can enjoy tax and National Insurance savings against their gross salary.



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We care about cars.
We care about you.

BACKGROUND

Since 2013, our customer has operated a salary exchange initiative with another supplier but, once we launched Arval Ignition in late 2017, we took part in the tender process and won the contract. We've successfully operated their company car scheme since 2012, and our two companies have a strong relationship.

At the start of 2018, around 900 employees drove a salary exchange car provided by the previous supplier and after just 10 weeks of operating Ignition for the customer, we had received 175 new orders for a wide range of cars from manufacturers including Audi, BMW, Ford, Kia, Mercedes-Benz, Nissan, Range Rover, Toyota and Volkswagen.



175

new orders in the first



10

weeks



There was an immediate response from employees. Ignition is enabling us to motivate those colleagues who aren't eligible for a company car by getting them behind the wheel of a brand new, fully maintained and insured car at an excellent rate – and at no cost to our company.



Fleet Manager

PROCESS

Ignition involves employees making a single, fixed monthly payment that covers all vehicle-related costs, excluding fuel, usually over a three-year lease period. This is a very efficient way of funding the car because the total cost of leasing the vehicle is "exchanged" against the driver's gross salary, reducing the amount of tax and National Insurance they pay at source.

Included as part of the package are:



All the benefits of a brand new company car at a lower-than-expected cost



Maintenance, Road Fund Licence, tyres, insurance, accident management and breakdown cover



A fixed monthly price for the term of the contract with no upfront deposit



Transparent pricing that makes clear, for example, costs linked to early termination of the contract



A choice of flexible terms and mileage allowances



Access to an easy-to-use online quote and order tool



Access to more than one vehicle (subject to employer affordability criteria)



Comprehensive driver support 24/7

Fleet Manager adds



Ignition simplifies leasing and running a new vehicle because almost everything is covered in one payment that's offset against an employee's tax bill.

Colleagues also like the fact that they don't need a credit check to secure the car and that their insurance premiums are based on their postcode and vehicle, rather than their age.





RESULTS

Our customer has witnessed an increasing number of employees opt for low and no emission cars through Ignition as they seek to cut their fuel bills and simultaneously enjoy the biggest tax savings. The company also knows that Ignition vehicles will be maintained to the highest standards throughout the contract, which helps address duty of care concerns when employee cars are used on business.

Overall, they attribute the rapid uptake of Ignition to an appropriate selection of vehicles at discounted rates, a user-friendly online driver portal, and transparent pricing across the contract.



**Increase in
low and no
emission cars**

They conclude:



We've been really impressed by the enthusiasm of the Arval team and I'm confident that together, we can build on early gains to make Ignition a real success here.

We're also delighted that more colleagues are leasing low and no emission cars, which we actively encourage through our environmental policy. Ultimately, we hope that around 2,000 colleagues will take full advantage of the scheme - and we're well on the way to achieving this.



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