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Insights

Year in Review 2025





2025 Leasing Figures

The UK leasing market has undergone significant shifts throughout 2025. This report provides a clear and comprehensive overview of the year's key trends, data points and behavioural insights shaping the car leasing landscape. Drawing on Leasing.com's extensive datasets, this analysis highlights the evolving preferences of millions of UK lessees and the market forces driving another standout year for the industry.

Foreword



2025 has been a standout year for the UK leasing market, defined by evolving consumer expectations, shifting economic pressures, and the accelerating move toward electrification. As drivers prioritise stability, value, and transparency in their motoring costs, leasing has strengthened its position as the most predictable and cost efficient route to new car ownership. What we see this year is not simply market momentum, but a clear maturation in how both private and business customers view leasing as a mainstream, long term financing choice.

The industry also faced significant disruption in early 2025, as the FCA's investigation into legacy car finance agreements introduced a period of uncertainty, contributing to more cautious consumer behaviour. Despite this, the leasing sector which is exempt from the FCA redress scheme, proved resilient, with strong demand quickly reasserting itself as clarity improved across the market.





While 2024 marked a record-breaking year for Leasing.com, delivering substantial growth in enquiry volumes for our advertising partners, the performance in 2025 has surpassed even those benchmarks and this has continued even during the early days of 2026. The market has decisively embraced leasing as the go-to financing solution, driven by the compelling cost advantages it offers over many traditional finance products across the industry. This shift reflects a fundamental change in consumer behaviour: in a cost conscious economy, drivers and businesses alike are gravitating toward smarter, more flexible, and more financially resilient ways to access new vehicles.

- Mike Fazal, CEO of Leasing.com





Key Leasing Trends in 2025

1

The leasing market in 2025 has continued to build on the strong foundations set in 2024, with consumer behaviour shaped by improved supply, heightened competition, and the accelerating transition toward lower emission vehicles. Monthly payments have fallen for the second consecutive year, driven not only by better manufacturer production levels, but also by a more diverse range of models entering the UK market which are supporting manufacturers to achieve their EV mandate targets. Electric and hybrid vehicles have seen notable growth in enquiries, reflecting both maturing consumer confidence and broader product availability. Meanwhile, businesses have further optimised P11D values as the implications of the evolving tax landscape become clearer, prompting more cost-conscious vehicle selection.

2

Shorter leasing terms have continued to gain traction, with 24 month agreements remaining the most popular duration. This shift reflects a preference for flexibility during a period of economic caution and rapid technological change, particularly in the EV sector, where drivers are eager to avoid long commitments as battery efficiency, charging infrastructure, and model ranges continue to improve each year.

3

A defining trend of 2025 has been the rapid emergence of new Chinese automotive brands, whose expansion has significantly reshaped consumer choice. Brands entering the UK market have introduced highly specified, technology rich models at competitive price points, injecting substantial new competition into the leasing landscape. This has placed downward pressure on monthly rentals and challenged the dominance of more established brands, many of whom have been forced to respond with stronger value propositions of their own.





4

Consumer attitudes have evolved quickly: UK drivers are increasingly willing to consider these new entrants as they demonstrate strong build quality, advanced EV drivetrains, and compelling warranty packages. The rise of manufacturers such as Jaecoo, now among the top requested model ranges, illustrates just how rapidly these brands have earned market credibility. Their presence has broadened choice, accelerated the adoption of electrified vehicles, and contributed substantially to the vibrant, competitive environment defining the leasing market in 2025.

The Leasing Car of 2025

While no single model captures the entire market, the standout performer of 2025 is Nissan Qashqai, which continues to dominate despite a slight decline in enquiry share. Its consistent appeal across both family and fleet users cements its reputation as a dependable all-rounder.

However, the most remarkable story of 2025 is the emergence of Jaecoo. In only its first full year in the UK, the Jaecoo 7 has soared to the #2 most-enquired-about model range. Its rapid rise demonstrates a clear appetite among consumers for fresh brands offering strong value propositions and competitive specifications.

Looking ahead, the [Leasing Car of the Year](#) may well emerge from this new wave of manufacturers that blend affordability, innovation, and strong EV credentials. With consumers now more open than ever to exploring alternatives to traditional brands, 2025 marks the beginning of a more diverse and competitive leasing landscape.



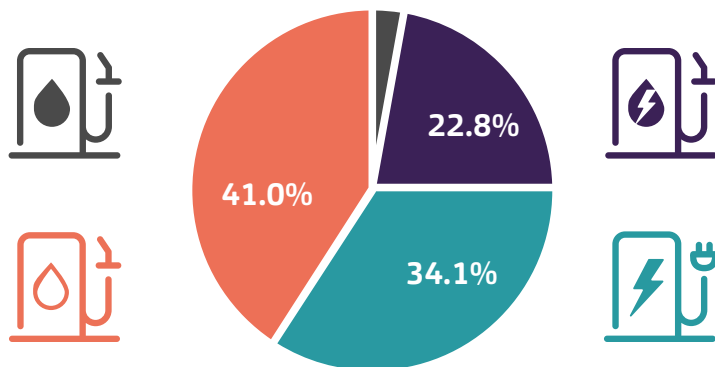


From a taxation perspective, average P11D values have continued to shift in 2025, particularly within the business sector. Business leases saw a 5.8% reduction in average P11D value, dropping to £53,147, as fleets became increasingly selective in choosing models that lower benefit in kind liabilities. By contrast, personal lease P11D values saw a slight increase of 0.6%, rising to £36,949, reflecting stronger consumer demand for well specified models and electrified vehicles. This divergence highlights how tax efficiency is now a central driver of corporate procurement strategy. The sustained move toward lower emission and electric vehicles, supported by more favourable benefit in kind taxation, has made P11D optimisation a major consideration in both business procurement and personal driver choice.

Average P11D Value: Average P11D values see a small increase for personal leases, with business P11D values dropping by 5.8% which is almost entirely attributable to vehicle choice as business lessees look to manage costs and their own tax liabilities.

1. All car lease deals	£39,945	▼	1.3% lower than 2024
2. Personal cars	£36,949	▲	0.6% higher than 2024
3. Business cars	£53,147	▼	5.8% lower than 2024

Preferred Fuel Type: Petrol vehicles still led the market with 41.0% of lease enquiries, followed by BEVs (34.1%) and hybrids (22.8%). Diesel continued its decline, making up just 2.1%.





Top 10 Manufacturers

The top two manufacturers saw a combined 7.8% drop in enquiry share in 2025, creating space for mid table brands to accelerate their growth. The standout newcomer is Jaecoo: securing 4.2% of all enquiries and entering the UK's top 10 at ninth place, despite being in the market for just over a year.



VAUXHALL

1. Volkswagen 9.3%	▼	versus 14.7% in 2024
2. Nissan 9.1%	1.	versus 11.5% in 2024
3. Vauxhall 9.1%	▲	versus 7.3% in 2024
4. BMW 7.2%	1.	versus 6.6% in 2024
5. Hyundai 6.6%	4.	versus 5.4% in 2024
6. Peugeot 6.4%	▲	versus 6.3% in 2024
7. Audi 4.9%	▼	versus 6.3% in 2024
8. Cupra 4.8%	▼	versus 5.1% in 2024
9. Jaecoo 4.2%	▲	versus 0.0% in 2024
10. Ford 4.1%	▲	versus 1.7% in 2024





Top 10 Model Ranges on Leasing.com

The Qashqai retains its position as the UK's most enquired about model, despite a gradual decline in share over the past two years. The real standout story, however, is Jaecoo: achieving the #2 spot with the Jaecoo 7 in its first full year of UK trading, an exceptional performance for a new market entrant.



1. Nissan Qashqai	4.5%	▼	versus 5.3% in 2024
2. Jaecoo 7	3.8%	▲	versus 0.0% in 2024
3. Vauxhall Corsa	3.7%	▲	versus 3.0% in 2024
4. Vauxhall Grandland	3.3%	▲	versus 1.5% in 2024
5. Hyundai Tucson	3.0%	▼	versus 3.2% in 2024
6. Ford Puma	2.5%	▲	versus 0.4% in 2024
7. Nissan Juke	2.4%	▼	versus 3.1% in 2024
8. Volkswagen Golf	1.9%	▼	versus 3.0% in 2024
9. Peugeot 3008	1.9%	▲	versus 1.0% in 2024
10. Peugeot 5008	1.8%	▲	versus 0.2% in 2024





Electric Vehicle Trends



Electric vehicle (EV) leasing has continued its strong upward trajectory in 2025, supported by wider model choice, improving battery efficiency and an increasingly robust charging network. EVs have now moved firmly into the mainstream, with popular models such as the Tesla Model 3, Polestar 4, Leapmotor C10, BMW i4 and the new Ford Puma EV leading enquiry volumes throughout the year.

A major catalyst for renewed demand in 2025 has been the reintroduction of a government EV grant, designed to stimulate uptake during a period of rapidly expanding competition in the market. Although more targeted than earlier incentives, the grant has successfully lowered the effective monthly cost for a broad range of vehicles, making EV leasing even more financially compelling for both private drivers and corporate fleets. Combined with the continuing strength of salary sacrifice schemes, which remain one of the most tax efficient ways to access a new electric car, the grant has helped maintain the UK's momentum toward zero emission motoring.

Leasing.com enquiry data reflects this shift clearly. EV enquiries rose sharply to 34.1% of all demand, up from 26.2% the previous year. Hybrid vehicles experienced an even steeper rise, more than doubling their share from 10.7% to 22.8%. These gains have come directly at the expense of traditional fuel types: petrol enquiries declined from 50% to 41%, while diesel continued its long-term retreat to just 2.1% of all interest.

These changes underline a fundamental shift in consumer priorities. Lower running costs, improved charging convenience, competitive pricing from new market entrants, and the reintroduced government grant have together created one of the most favourable environments for EV adoption to date. As a result, 2025 stands out as the year electrified powertrains moved beyond being a growing trend to becoming the preferred choice for a substantial and rapidly increasing share of UK leasing customers.





Top 5 Electric Vehicles - 2025

- | | |
|------------------|------|
| 1. Ford Puma | 5.8% |
| 2. Polestar 4 | 4.7% |
| 3. Leapmotor C10 | 4.3% |
| 4. Tesla Model 3 | 3.7% |
| 5. BMW i4 | 3.6% |



Personal vs. Business Leasing

Personal Leasing Dominates: Personal leasing remained the dominant channel in 2025 for leasing.com, supported by lower average monthly rentals of £301.50, down 6.3% year on year. Strong EV and hybrid uptake, competitive pricing from new entrants, and wider model availability fuelled sustained demand.

Business Leasing Resilient: Business leasing remained resilient, with average rentals falling to £397.38(exc. VAT) as fleets prioritised lower P11D values and tax efficient models. Salary sacrifice schemes continued rapid growth, driving significant EV and hybrid adoption. Businesses increasingly selected vehicles to minimise benefit in kind liabilities, helping maintain strong enquiry volumes despite economic pressures.





Cheaper Average Monthly Payments

Monthly lease payments fell across all segments in 2025, marking a second consecutive year of meaningful reductions. While changes in model mix played a role, the fact that these declines persisted despite ongoing UK inflation further reinforces leasing's position as the most financially prudent and cost stable route to accessing a new car.

Combined	2025	2024		Difference
All lease deals	£319.24	£342.57	▼	6.8%
Personal cars	£301.50	£321.79	▼	6.3%
Business cars	£397.38*	£442.93	▼	10.3%

*Business car lease (exc. VAT)

Top 5 Fuel Types

Electric and Hybrid demand accelerated throughout 2025, contrasted by a further drop off in Petrol and Diesel enquiries.

1. Petrol	41.0%	▼	versus 50.0% in 2024
2. Electric BEV	34.1%	▲	versus 26.2% in 2024
3. Hybrid (all types)	22.8%	▲	versus 10.7% in 2024
4. Diesel	2.1%	▼	versus 6.4% in 2024





Lease Profile Trends

Top 3 Terms

The 24 month term extended its lead as the most popular lease duration in 2025, gaining an additional percentage point in enquiry share over the previous year.

1. 24 mths	40.3%	▲	versus 39.3% in 2024
2. 36 mths	39.4%	▼	versus 36.7% in 2024
3. 48 mths	17.9%	▲	versus 21.3% in 2024

Top 3 Mileages

The top three mileage bands held their positions in 2025, with 5,000 miles continuing to gain momentum. It now represents over a third of all enquiries, reinforcing its status as the most popular mileage choice among leasing customers.

1. 5,000	35.4%	▲	versus 31.5% in 2024
2. 10,000	21.5%	▼	versus 22.5% in 2024
3. 8,000	20.6%	▼	versus 22.2% in 2024

Top 3 Initial Rentals

Deals with 12 months upfront have surged in popularity, rising from roughly one third of enquiries in 2024 to nearly half in 2025.

1. 12 mths	48.2%	▲	versus 33.7% in 2024
2. 1 mths	20.1%	▲	versus 19.5% in 2024
3. 3 mths	13.9%	▼	versus 16.8% in 2024

Top 3 Deal Profiles

Deal profiles with 12 month upfront payments rose significantly, with 12+23, 5k dominating as drivers seek affordability and flexibility.

1. 12 + 23, 5k	15.6%	▲	versus 6.7% in 2024
2. 12 + 35, 5k	6.4%	▲	versus 3.0% in 2024
3. 12 + 23, 8k	4.3%	▲	versus 1.7% in 2024





Outlook for 2026

Looking ahead, the UK leasing market enters 2026 with strong momentum and a clear trajectory of continued growth. Several structural forces, greater EV competitiveness, improved supply stability, and rising consumer demand for financial predictability, will shape the next 12 months:

- **Electric Vehicles:** EV adoption is set to hit a decisive tipping point in 2026. An influx of competitively priced models from Chinese and European manufacturers, combined with rapid advances in battery efficiency and range, is expected to accelerate demand even further. The 2025 government EV grant continues to stimulate the market, while salary-sacrifice schemes maintain record levels of uptake. As a result, EV enquiry share is forecast to surpass 40% in 2026, firmly establishing electric vehicles as the mainstream choice for both private and business leasing customers.
- **Flexible Leasing Options:** Shorter terms become the norm. Consumers will continue to value flexibility amid economic uncertainty and rapid technological change. The dominance of the 24-month lease, paired with the rising popularity of 12-month upfront profiles, is set to strengthen further in 2026. More funders and manufacturers are expected to launch tailored, modular lease structures that allow drivers to adjust mileage, term length, or even vehicle type mid-contract.
- **Technology Integration:** Digital-first leasing takes centre stage. Platforms like Leasing.com will play an even bigger role in simplifying complex decision-making. AI-driven deal matching, personalised cost-of-ownership insights, enhanced transparency around EV running costs, and real-time supply intelligence will make online comparison the default route for UK lessees.



As consumer expectations rise, digital convenience, not dealership visits, will define leasing journeys in 2026.



Conclusion

The UK leasing market has emerged from 2025 stronger, more competitive, and more innovative than ever. With electrification accelerating, new brands reshaping the landscape, and consumers prioritising affordability and flexibility, the sector is entering 2026 with exceptional momentum.

Leasing continues to deliver the transparency, value, and choice that modern drivers demand. With sustainability, cost stability, and digital convenience all becoming central to vehicle acquisition, 2026 is set to be another year of transformation, one where leasing cements its position as the most attractive and forward-thinking route to a new car for both consumers and businesses.

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About us

Leasing.com is the biggest leasing comparison site in the UK. For 25 years, Leasing.com has been helping drivers get behind the wheel of their dream car. We allow you to compare more offers from more partners than anybody else, with partnerships across brokers, dealers, manufacturers and all main funders.

Why go anywhere else?

- We invented car leasing comparison in the UK.
- Compare millions of deals using our simple website.
- 9/10 users found the best deal on Leasing.com.
- Since our launch, we have helped millions of people find their dream car.

“ If you want to know which manufacturers are pushing what in the new car market, you only have to look at Leasing.com. The other truth is the Motability website.” ”

- Steve Fowler, Motoring expert.

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