



# Fleet Challenges Report 2025



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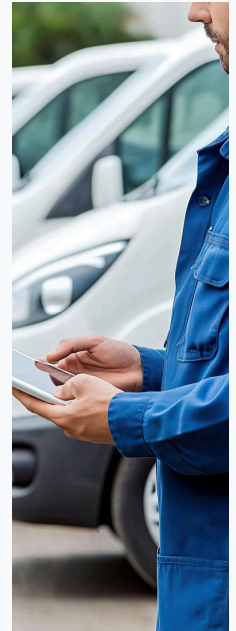
## We interviewed **29 Fleet Professionals**

2025 will be a year of rapid transformation within the fleet industry, with technological innovations, regulatory shifts, and operational pressures reshaping the industry. But with so much on the way, what does it mean on the ground for the fleet manager trying to spin so many plates, are there unnecessary pressures, or will the challenges ahead bring about more efficiency? We break it down into the following topics: the rise of electric vehicles (EVs), the role of AI, data overload, regulatory compliance, fleet insurance, the driver shortage, fuel costs, and sustainability.

To get a real-world perspective on these challenges, we held in-person interviews with fleet professionals managing small to enterprise fleets across the UK, Ireland, and Ireland. Their insights on the road to 2025, combined with key industry data, shape this report to serve as a practical guide for fleet operators. This report delves into the current state of fleet management, spotlighting the challenges and priorities that fleet managers face every day.

### Key Challenges

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# Challenge 1

## Electric Fleet Transition

The shift to electric vehicles (EVs) is seen as an inevitable move by every fleet manager, but the practicalities are far from simple and for many fleet managers, it seems like many businesses are putting the literal electric cart before the horse. Despite government pledges, incentives and growing environmental directives, fleet managers have to face the real-world challenges in making **EVs viable across their operations**. A fleet director of 500 vehicles, highlighted a widespread industry concern, that key hurdles including high upfront costs, the limited range of electric vehicles, and insufficient charging infrastructure, but also getting the resources and buy-in from senior management. For heavy goods vehicles (HGVs), the transition is made even more challenging.

Another fleet manager noted that **"While an EV might work in London for short trips, the flexibility and reliability of diesel vehicles for longer routes is still unmatched."** In rural and remote areas, EV fleet adoption is particularly challenging due to the sparsity of charging stations, creating operational bottlenecks. Indeed, in urban areas, long charging times will add more complexity, especially for fleets with quick turnaround demands. One interviewee advocated for a **"hybrid period" where diesel and EVs co-exist**, suggesting that this gradual shift may be more realistic as infrastructure and EV technology evolve.


### Key Takeaway

- Investment in robust charging infrastructure is critical to enable widespread EV adoption.
- Hybrid solutions may serve as an interim step toward full electrification.
- Government incentives and subsidies are essential to offset high costs and accelerate the transition.



*"The industry is simply not fully prepared for a complete transition to EVs."*





*"AI is helpful, but it shouldn't replace human judgement"*

**30%**

of fleet managers time is spent manually processing data due to system incompatibilities (FleetNews, 2023).

Modern telematics systems offer fleet managers a flood of data—everything from vehicle diagnostics to driver behaviour. But for many, the sheer volume of data has become overwhelming. A number of fleet managers voiced their frustration: **"There's too much data available, and a lot of it is irrelevant to day-to-day operations."** This data overload leads to a significant challenge: how to sift through the noise to find valuable insights, and do fleet managers actually need all these features? A number of fleet professionals also noted that even with AI tools available, human oversight remains essential. A fleet manager with 200 vehicles noted, "AI is helpful, but it shouldn't replace human judgement". For him and his team, the focus remains on essential metrics that directly impact efficiency and compliance, such as route optimisation and driver safety scores. Companies are now increasingly seeking customisable telematics solutions that allow managers to filter data and focus on what truly matters.

### Key Takeaways

- AI-driven solutions should focus on data prioritisation and integration to streamline decision-making.
- Simplified interfaces and reporting tools can enhance usability and reduce manual workloads.
- Comprehensive staff training is essential to maximise the benefits of telematics systems.



# Challenge 3

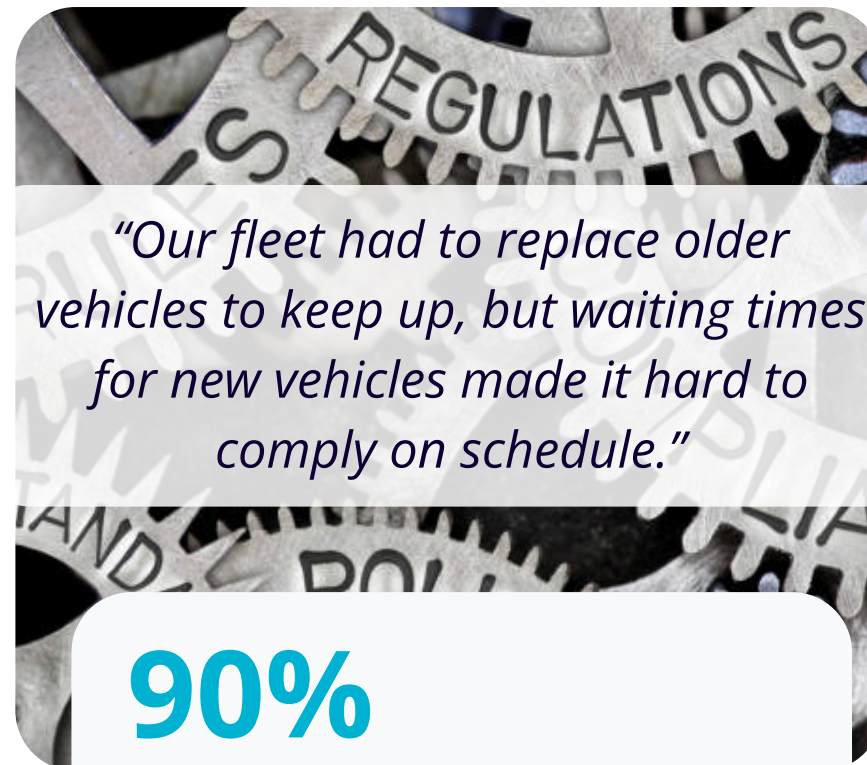
## Regulatory Pressures & Compliance

Regulatory challenges are intensifying across Europe, particularly with the push for cleaner air. Clean Air Zones (CAZs) now require fleets to meet emissions standards, or face hefty fines. The associated compliance costs are high, with each non-compliant vehicle potentially costing fleets up to £1,000 per year in additional fees. As a fleet manager noted, “Our fleet had to replace older vehicles to keep up, but waiting times for new vehicles made it hard to comply on schedule.”

Fleet managers are also under pressure to ensure compliance with driver hours and working time regulations. A compliance manager, commented on the complexities: **“The patchwork of regional standards means that operators face a maze of regulations if they’re working across multiple areas.”** With each city setting its own regulations, fleets operating across regions struggle to adapt, making calls for a more standardised national approach increasingly urgent.

### Key Takeaways

- Governments should standardise emissions regulations across regions to simplify compliance.
- Financial assistance, such as grants or subsidies, is essential for retrofitting or fleet renewal.
- Digital compliance tools can help track and manage adherence to evolving regulations.



*“Our fleet had to replace older vehicles to keep up, but waiting times for new vehicles made it hard to comply on schedule.”*

90%

of fleets in France must upgrade by 2025 to comply with the latest emissions zones (European Commission, 2023).



*"Finding qualified drivers is getting harder every year"*

# 60,000

shortfall of HGV drivers in 2024, with recruitment efforts unable to keep pace with demand (Road Haulage Association).

The driver shortage continues to strain fleet operators, especially since the end of the covid pandemic, where they face competition from higher-paying sectors. Although some believe the shortage has been overplayed, fleet managers confirm it remains a challenge. A logistics company owner, expressed frustration over the limited pool of Class 1 drivers and the rising reliance on agency workers, saying, "Finding qualified drivers is harder every year, and we've had to bring in agency drivers more frequently, which raises costs."

Retention efforts are now a priority, as companies struggle to keep experienced drivers in the face of rising wage demands and challenging working conditions. Competitive salaries, flexible hours, and robust benefits packages are becoming standard strategies. One company, for instance, offers "**Monday-to-Friday schedules with shorter hours, which helps us retain older, more experienced drivers.**" However, there's still a need for targeted recruitment efforts, particularly through apprenticeships and tapping into veteran workforce pools to ensure long-term staffing.

### Key Takeaways

- Competitive pay and working conditions are essential for retaining talent.
- Apprenticeship schemes and government support can help reduce entry barriers for younger drivers.
- Promoting the logistics sector as a desirable career through public campaigns is critical to long-term sustainability.

Automation has become essential for fleet optimisation, from route planning to driver monitoring. Automation tools can cut operational costs by 15-25% by improving efficiency and reducing fuel consumption. However, automation is not without its limits. Fleet managers highlight the need for human oversight, remarking, “Automation should support, not replace, human judgement, especially when dealing with complex logistics.”

Fleet managers also use AI-driven telematics to spot signs of driver fatigue and improve routing. Despite the significant advantages, fully automated logistics remain a long-term goal, as many operations still require manual input to account for nuances like ferry schedules, road closures, and driver-specific needs. The gradual transition to automation is also a focus area, as companies strive to balance efficiency with safety and human intervention.


### Key Takeaways

- Gradual implementation of automation, with human oversight, ensures smoother transitions and builds trust.
- Education on the benefits of automation can help address industry scepticism.
- Initial deployment should focus on low-risk areas, such as route optimisation and back-office tasks.



*“Automation should support, not replace, human judgement, especially when dealing with complex logistics.”*





*"Careful planning has helped us avoid long, costly trips, and assigning vehicles within specific areas has also been beneficial."*

**78%**

The UK government aims for a 78% reduction in fleet emissions by 2035, posing a significant challenge for diesel-reliant fleets (Gov.uk)

Fuel prices have been highly volatile, with global instability driving costs up by more than 25% over the past year. For many fleets, fuel costs account for 35-40% of their operating expenses, pushing operators to find alternative ways to save. Telematics and route optimisation reduces unnecessary travel and improves fuel efficiency. A fleet owner noted, "Careful planning has helped us avoid long, costly trips, and assigning vehicles within specific areas has also been beneficial."

There is also a growing interest in sustainable fuels, though alternatives like biofuels remain costly. While some companies have trialled biofuels and hydrogen, these options are not yet financially feasible for most large fleets. Ireland and France are increasingly pushing for sustainable solutions, with both countries targeting substantial reductions in transport emissions by 2030. But for now, optimising fuel use and reducing idle time are the most realistic solutions for fleets operating on tight budgets.

### Key Takeaways

- Improved route optimisation and proactive vehicle maintenance can significantly reduce fuel costs.
- Trials with alternative fuels should be scaled strategically to balance costs and benefits.
- Partnerships with fuel providers can secure long-term cost predictability and supply stability.

Insurance premiums for fleet vehicles have increased by nearly 20% over the last two years, largely due to rising claims and the added complexity of insuring electric and hybrid vehicles. Paul noted that his company has managed to “keep premiums down by focusing on driver training and using camera systems to help defend against claims.”

Many companies are turning to telematics to manage these costs. By providing hard data on driving behaviour, telematics can prove invaluable in reducing claims. One fleet manager shared that telematics helped them reduce claims by 55%, thanks to proactive driver training and monitoring. By showing evidence of responsible driving, companies are better positioned to negotiate lower premiums and manage risk.

## Key Takeaways

- Telematics and driver education programs are essential for reducing claims and controlling costs.
- Collaborating with insurers to create tailored packages can help smaller fleets manage premiums.
- Investing in safety technology has long-term financial and operational benefits.



# 20%

Insurance premiums rose in Ireland by 20% between 2022 and 2024, with smaller fleets hit hardest (Irish Road Transport Association).

Looking to the future, fleet managers anticipate that 2025 will bring even more focus on sustainability, compliance, and workforce development. As Paul highlighted, “Safety and compliance are our top priorities,” and sustainability is also high on the agenda, as regulators and customers alike demand greener operations. Key areas of focus include:

1. Sustainability Initiatives: Reducing emissions remains a top priority. Fleets are investing in electric and hybrid vehicles where possible and exploring other low-emission options, such as alternative fuels.
2. Advanced Telematics and Data Integration: As telematics systems evolve, fleet managers seek integrated solutions that combine compliance, safety, and operational efficiency into a single platform.
3. Driver Recruitment and Training: Retaining skilled drivers and recruiting new talent will remain essential. Many operators plan to invest in apprenticeships and targeted training programs to attract younger workers to the industry.

### Key Takeaway

For 2025, fleet operators should focus on sustainability, optimising operations through telematics, and investing in workforce development to build resilient, adaptable fleets.







Fleet management today is about finding the right balance between embracing new technologies and maintaining efficient, safe, and sustainable operations. The industry is clearly moving towards greener and smarter practices, but it's a challenging journey with no one-size-fits-all solution. For fleet managers, the coming years will be defined by their ability to balance long-term goals, such as sustainability and regulatory compliance, with everyday demands like cost control and driver retention.

In 2025, the priorities remain clear: focusing on sustainability, optimising costs, and investing in drivers and technology to build resilient, adaptable fleets. As the landscape continues to evolve, fleet operators who stay agile, adopt innovation where it genuinely adds value, and keep a strong focus on people and safety will be best positioned to succeed.

**This report is based on insights gathered through interviews conducted as part of a focus group with 29 fleet managers, business owners, and operators in August and September 2024. Each interview, lasting 20–25 minutes, was conducted over the phone, recorded, transcribed, and anonymised to ensure confidentiality. Participants were thanked for their time with a discretionary gift.**

# Get in touch

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