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Insurance costs fall for young drivers...

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Research from Compare the Market reveals the average cost of car insurance for young drivers has fallen by £160 in the past year.

Compare the Market tells us...



(All words and images from Compare the Market).

Car insurance premiums for motorists aged under 25 dropped to £1,769 compared to £1,929 last year.

Young motorists now typically pay £2,829 in annual driving costs compared to £3,109 in 2023, a decline of £280 with insurance representing 63% of the total cost of running a car for young drivers. Shopping around ahead of renewal is one of the best ways to see which new deals are available- drivers could save up to £461 on their car insurance through Compare the Market.

October represents the third consecutive month of falling premiums for young drivers, with the first annual decline in the cost of insurance seen in August this year, according to Compare the Market's research. The decline in motor premiums may in part be due to a stabilisation in the cost of claims for insurers, with the cost of repairs, for example, reportedly increasing at a slower rate in recent months.

A recent survey from Compare the Market found that 75% of young motorists have struggled with driving costs, so the fall in premiums will benefit many young drivers. The research revealed 31% found it difficult to pay their premium in the past six months and 60% planned to take on additional debt to afford to keep driving. 19% of young drivers also said their social lives have suffered due to the cost of driving and 15% said it has impacted their jobs.

The total annual cost of running a car for young drivers is now £2,829 on average, according to analysis by Compare the Market. This represents a £280 decrease in comparison to last year when the average running cost was £3,109. As well as falling insurance costs, the decline in overall car running costs has also been driven by a year-on-year drop in the cost of fuel, partly due to lower global oil prices and a stronger pound. Car insurance now represents 63% of the total car running costs for young drivers.



Compare the Market: Annual cost of running a car for a young driver (aged under 25)

Cost

Year:	2023	2024
Car insurance	£1,929	£1,769 (63% of total cost in 2024)
Fuel	£945	£815 (29% of total cost)
Est. VED (road tax)	£180	£190 (7% of total cost)
MOT	£55	£55 (2% of total cost)
	£3,109	£2,829 (100% or total cost)

The positive news for young drivers follows separate Premium Drivers research from Compare the Market published in October, which revealed a £72 decline in average car insurance premiums across all UK motorists from £848 in September 2023 to £776 in September this year. August and September 2024 were the first months when motor premiums were more affordable than the same period in 2023 since June 2022.

Given falling premiums, motorists who shop around before renewing their car insurance could find some great new deals. Even if your renewal price drops, one of the best ways to find savings on your car insurance is to compare online first. Motorists could save up to £461 on their car insurance through Compare the Market.

Julie Daniels, motor insurance expert at Compare the Market, comments: “Young drivers will welcome falling insurance premiums as motorists in this age group typically face higher premiums. However, motor premiums remain historically high, and many young drivers will still struggle to pay more than £1,500 for car insurance, so it is important they compare



prices online before renewing with their existing insurer. Through proactively shopping around, young motorists could save by switching or find a deal that is more suitable for their circumstances such as a telematics or pay by mile policy.”

For further tips on how to save money on car insurance, visit: [cheapest-car-insurance-deals/](#)

Notes:

*All percentages rounded to the nearest whole number.

Insurance premiums

All insurance premium data is sourced from Compare the Market. 51% of Compare the Market customers were quoted less than the cost stated for October 2023 and October 2024 respectively.

Price saving message of up to £461: Based on Online independent research by Consumer Intelligence during September 2024, 51% of customers could achieve this saving on their car insurance through Compare the Market.

Survey data based on Censuswide poll of 2,023 drivers on behalf of Compare the Market, completed in July 2024.

Fuel cost

Annual fuel costs based on drivers travelling 7,000 miles per year (ONS NTS0901 - Average Private car: total annual mileage 2023)

Petrol priced at £1.55 per litre in October 2023 and £1.34 in October 2024 (Source: BEIS Monthly: Typical/average annual retail prices of petroleum products and a crude oil price index (tab 4.1.1 quarterly).

Fuel efficiency is 5.40 litres per 100km as of 2020 (Source: Department for Transport



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MOT cost

Cost for a car - £54.85 (source: <https://www.gov.uk/getting-an-mot/mot-test-fees>)

Vehicle Tax Rate

Petrol car registered on or after 1 April 2017. Rates for second tax payment onwards. Single 12 month payment - £190 source: <https://www.gov.uk/vehicle-tax-rate-tables>

About Compare the Market



Compare the Market was launched in 2006 and has grown rapidly over the past eighteen years to become one of the UK's leading price comparison websites.

Compare the Market provides customers with an easy way to make the right choice for them on a wide range of products including motor, home, life, travel and pet insurance as well as utilities and money products such as credit cards and loans.

Compare the Market actively works with its brand partners to help provide great services to customers.