



UK car sales figures for March 2026; EV discounts rule!

Published: April 8, 2026

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Online version: <https://www.wheels-alive.co.uk/uk-car-sales-figures-for-march-2026-ev-discounts-rule/>



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Electric car registrations are accelerating driven by huge manufacturer discounts, writes Robin Roberts (and WheelsWithinWales).

The UK new car market grew by 6.6% in March, typically the busiest month of



the year, with 380,627 new vehicles registered, according to the Society of Motor Manufacturers and Traders.

Registrations in Wales saw the smallest rise of just 5.85% to 12,275 cars in March compared to a year ago but nationally, the performance marks the best March – and best month overall – since 2019 but behind the statistics is the dramatic decline in diesel registrations pushed by escalating fuel costs.

Growth was driven primarily by private demand, with retail registrations rising 10.1% to 162,470 units. Fleet registrations increased 3.5% to 208,853 units, while the smaller business sector grew 18.8% to 9,304 units.

March was also the best month on record for electrified vehicle volumes, accounting for 196,059 registrations, underlining the impact of manufacturers' investment in road transport decarbonisation. Plug-in hybrid (PHEV) registrations rose 46.9% to take a 13.0% market share, while hybrid electric vehicles (HEVs) increased 7.3% to take 15.8% of the market. Battery electric vehicles (BEVs) reached a new record, up 24.2%, to 86,120 registrations in the month. **However, with a market share of only 22.6% for the month, and 22.4% year to date, uptake is now even further adrift of the Zero Emission Vehicle (ZEV) Mandate target, which demands 33% for 2026.**

Despite rising EV volumes, conditions have diverged sharply from those assumed when the mandate was set. At the start of 2026, battery costs were more than 30% higher than expected and industrial energy prices around 80% above 2021 levels, while public charging can cost over 140% more than five years ago.



Future costs and, therefore, demand are even more uncertain given the Iran crisis, which may spark interest in EVs but risks pushing up energy and supply chain costs, increasing the cost of living and undermining consumer confidence.

While government has acknowledged these pressures – and sought to support the market, most notably through the introduction of the Electric Car Grant – manufacturers are still forced to shoulder unsustainable costs to comply with the regulation when natural demand lags ambition.

There is also mounting concern among manufacturers and dealers about the proposed mileage charge to be levied by the Government on electric cars from April 2028 which will make up losses in fuel and VAT duties from petrol and diesel sales. BEVs will pay 3ppm and PHEVs 1.5ppm.

Alongside billions invested in both the technology and product to deliver a choice of more than 160 EV models, manufacturers are relying heavily on discounting to stimulate demand.

Industry's calls for a rapid review of the transition have been given added urgency by geopolitical events. While other major international markets are revising their transition plans to reflect geopolitical and market realities, delays to a review of the UK transition will put the country in an uncompetitive position, undermining consumer choice, investment and, ultimately, the pace of decarbonisation.

Mike Hawes, SMMT Chief Executive, said, “The strongest new car market



since 2019, with the highest ever volume of EV registrations, is a boost to the industry and the economy.

However, the headlines belie the costs incurred and the challenges involved. Much of March's performance will be from orders placed before the start of the Iran conflict, which threatens to raise the cost of living, undermining consumer confidence.

Against this backdrop, and with the EV market falling further away from mandated levels despite record levels of incentives, an urgent review of the transition is required to secure a sustainable market, economic growth and the UK's net zero ambitions."

The UK's new light commercial vehicle (LCV) market declined by -3.4% in March, with 49,505 vans, pickups and 4x4s joining the road, according to the latest figures published today by the Society of Motor Manufacturers and Traders.

Top UK registrations

Jaecoo 7

Ford Puma

Nissan Qashqai

Kia Sportage



Vauxhall Corsa

Volvo XC40

MG HS

VW Golf

Tesla Model Y

BMW 1 Series

Top Wales registrations

MG HS

Ford Puma

Nissan Qashqai

Jaecoo 7

VW Golf

Kia Picanto

Kia Sportage

Volvo XC40



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