

UBER

UBER IN SCOTLAND

There are around 1,000 Uber partner-drivers serving Glasgow and Edinburgh, where we have been operating for over a year. The service is proving very popular with locals and visitors:

- Almost 90,000 people have travelled in an Uber in the past month and over 400,000 people have used the service in Scotland since launch.
- 95% of trips have a waiting time of less than 10 minutes.
- Users from over 100 different countries have taken a trip with Uber in Scotland.
- The majority of trips are in the evenings and on weekends - times of lower congestion.

UBER IN THE UK

There's much that is new about Uber - not least our technology and the complete freedom for drivers to decide if, where, when and for how long to drive. But Uber's model follows the same basic approach that has been used in the taxi and for-hire industry for generations: the drivers who use the Uber app are self-employed. As the Work and Pensions Select Committee recognised "Taxi drivers in the UK are usually self-employed. Uber's employment model is therefore not new"¹. Similarly, according to the ONS, taxi and private hire is the second biggest self-employed occupation in the UK after construction.²

Drivers choose to partner with Uber for many different reasons. But research has shown that independence and flexibility are the main reasons: 94% say they "joined Uber because I wanted to be my own boss and choose my own hours"³.

Andrew, Uber partner since June 2014

"Technology is the future and I embrace it. Using the Uber app as a driver gives me the confidence to be able to work as a self employed person and earn a decent living. I am retired and the extra income I can earn affords me the extras in life that my pension cannot provide. As a self employed driver I find that using the Uber app provides me with the platform to be able to get work hassle free. For me this is invaluable."

Helal, Uber partner since October 2014

"We love uber because of the freedom and flexibility we get. Before joining uber I used to work in a local mini cab office. And life was not easy. Every driver had to pay rent in advance regardless of how much you earned. And be on a 12 hour shift, even if it wasn't busy we had to stay. Plus there was lots of bullying and favouritism going on. The company can choose who gets what job, they would always give big jobs to their friends and families.

"Uber don't control the jobs. It's all transparent. We are much happier nowadays with uber. We don't want anything to change. We will lose our flexible freedom and will be tied up like the old days.

"If uber had to employ us as drivers, then of course they will tell us, when and where to work for how many hours. We won't have control over our lives anymore. Now if I don't feel well, I don't have to tell

¹ Work and Pensions Select Committee, Self-employment and the gig economy, 1 May 2017, ([link](#))

²http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171776_374941.pdf

³ ORB International, Quantitative Poll of 1,000 drivers on behalf of Uber, October 2016, ([link](#))

uber I'm not well, just switch off and go home.

"I feel like I'm the boss."⁴

This preference for independence is also revealed in how drivers use the app, which allows drivers to log in or out when and where they choose. Just 21% of drivers say they set themselves a fixed amount of hours each week, while 34% decide how many hours to drive depending on what else they have going on. Another 32% of these drivers set an earning goal for a given day, week or month and drive until they hit that goal. And 12% decide to drive on the spur of the moment.

Internal Uber data also illustrates the variety of ways people use the app, showing that 23% of drivers in the UK are logged into the app for 10 hours or less each week, and 25% are logged in for 40 hours or more each week.

And because drivers are able to turn on and off the app at any time, as well as decide when to take requests, an hour logged into the Uber app is not the same as an hour of work in, for example, a department store. This is because drivers may be at home, doing other work or simply on a personal trip across town while driving with the app on. They may also be working elsewhere, including for a competitor. Uber has no problem with this activity and makes this clear to drivers.

Driver earnings

Most drivers say that their earnings have increased or remained the same since they started using Uber: one in two (51%) drivers say that since using the app their income has increased, with a further 37% saying it has remained the same⁵. And those who drive at busier times (for example after the pubs have closed) and in high-demand areas are likely to earn more than those who choose to drive in quieter areas or at off-peak times, such as in the middle of the day.

Average fares after payment of Uber's service fee in London were £15.00 per hour during 2016. For drivers who spent the majority of their time in central London, average earnings rose to over £16 per hour.

Looking back over time, average earnings per hour logged in to the app have been largely stable at around £15 per hour for uberX drivers in London. Similarly, we find that the amount of time that drivers choose to spend logged-in to the Uber app is also stable at around 30 hours per week in London (with seasonal periods of lower average hours during the Christmas period). In other words, contrary to some claims, we do not see evidence in the data that drivers are either earning less over time, or are driving more hours as a result of lower earnings.

Drivers have control over if, when and where to drive, as well as whether to buy, rent or lease a vehicle, its fuel efficiency etc; all of which impact their earnings potential. And when using Uber, drivers are also entirely free to work elsewhere at the same time, for example delivering parcels, or to use Uber while also working with another private hire operator.

Many of the costs and habits associated with driving are also at least partly a function of regulations. For example, some licensing authorities place restrictions on vehicle colour, which can significantly increase the costs for people who wish to become private hire drivers, as it can cost up to £3,000 to respray a vehicle. In Manchester, private hire vehicles must be bright silver or white, in Portsmouth they cannot be silver, while in Bristol they cannot be blue.

⁴ Case studies edited slightly for clarity.

⁵ ORB International, Quantitative Poll on behalf of Uber 2016, ([link](#))

While there is no typical driver, and earnings and costs will vary depending on the choices made by drivers themselves, based on our estimates of likely costs - we expect a typical driver in London to earn approximately £9.50 per hour if they own their vehicle outright, approximately £9 per hour if they own and finance their vehicle, and over £8 per hour if they rent their vehicle.

Helping drivers earn more

We understand the desire from drivers for more detailed information about earnings and are working on new product features to improve clarity and context on earnings. We already give drivers advice on which parts of a city are busier (and where fares are likely to be higher as a result) than others at a given time, and share information that makes it easier for drivers to track their progress and earnings in real-time. We are investing in and developing new ways to improve the clarity of earnings to driver in our app.

We have also introduced ‘Earnings Advice Sessions’ which mean that every driver in the UK has the right to come and talk to us about their earnings and receive information, including advice from other drivers, about how to maximise their time and the money they make on the app. We also proactively identify individuals who we think could be earning more and invite them to the sessions.

Supporting drivers

We’ve designed the driver app to help drivers easily access information they need to make the best decisions for themselves about when, where and for how long to work.

Many features of the app are also designed to enhance both rider and driver safety. For example, before taking a trip request, a driver is shown a rider’s rating and vice versa. And at the end of a trip, both rider and driver rate the experience. We then make it easy in the app for drivers to see how riders have rated their service, and tips for how to deliver a 5-star experience to their riders.

The app also links to a number of [partnerships](#) we’ve established with third parties, that provide drivers with access to exclusive discounts and services. These include discounts on cars, phone subscriptions, car washes, vehicle services and more—the things drivers need in order to do their work.

We do not think it is enough to simply provide the app, and instead do many things to help drivers with their experience of Uber. Our business will only be successful if drivers want to drive with us. We also know that platforms like Uber have a role to play in supporting independent workers, and helping fill gaps where they exist in the social safety net. Uber cares about the quality of work, as it is only through this that it becomes a sustainable choice for private hire drivers.

That’s why we’ve spent the last few months talking to thousands of drivers about how we can make their lives easier and more productive. We have announced⁶ a number of new partnerships and initiatives based on feedback from drivers:

- *Illness and injury cover:* We have partnered with the Association of Independent Professionals and the Self-Employed (IPSE), giving drivers access to a range of benefits and protections. Thanks to this partnership, drivers using the Uber app in the UK will now be able to get access to a range of benefits including illness and injury cover. Uber is making a significant contribution towards the cost, with drivers who choose to join the scheme paying just £2 a week (the package is worth £8 a week)⁷. The cover will provide:

⁶ Uber, Helping partner-drivers get the most out of Uber, 15 February 2017, ([link](#))

⁷ Uber, Uber partners with IPSE to announce illness and injury cover offer for drivers, 27 April 2017, ([link](#))

- *Savings & pensions:* we're partnering with online investment provider [Moneyfarm](#) to offer discounted products from ISAs to pensions, to help individuals prepare for the future. This deal will also come with enhanced access to financial education.
- *Free skills courses:* we'll pay for drivers to complete one qualification on online learning platform, FutureLearn, in 2017.
- *Free English Language Course:* we are offering a free and optional language course for drivers which includes speaking, listening, reading and writing exercises. The app, Busuu, has new content developed for drivers.
- *Uber's Community Guidelines:* we've created a set of Community Guidelines - giving riders clear and simple expectations of behaviour. Riders who break these guidelines can be blocked from using the app. You can find these new guidelines [here](#).

This is just the beginning, and we will continue to explore further tools and products to help support drivers. As well as this, we regularly hold roundtables and events with drivers to discuss their issues, host podcasts to update partners, and provide regular updates.

A path back to work

Services like Uber can play a role providing a path back to work, or offering additional work for those who need it, including for under-represented groups, the unemployed, women, stay-at-home parents, retirees and students. For example, in Newcastle, Jobcentre Plus and Profound Services - a third party employment agency - are helping people apply for a private hire licence, sign up to use the Uber app and provide for their families (for more details see Annex).

Working as a private hire driver can be a good opportunity for people looking to make money and join (or rejoin) the labour market. However, significant upfront costs⁸ before someone can get their licence and get on the road also make it harder for those out of work to be able to access these work opportunities. The New Enterprise Allowance is intended to help jobseekers start their own business and begin earning. We believe DWP should issue clearer guidance to ensure that the NEA can be used to support jobseekers who wish to become private hire drivers, and help them defray these start up costs.

Uber can also help people with disabilities, and other groups who have traditionally struggled to find meaningful, reliable work. For example, even in times of high employment nationally, the unemployment rate among the deaf and hard-of-hearing in the UK can be up to four times higher than the national average⁹. But thanks to technology, for example the ability to communicate by text, Uber works just as well for these drivers as anyone else¹⁰.

To take advantage of these technological developments, we have recently begun working closely with [Lingoing](#) on a national project to attract a greater number of deaf and hard of hearing partners onto the Uber app. As part of our work with Lingoing, a number of British Sign Language interpreted 'onboarding' sessions have already taken place with more planned for future months. We are also undertaking a joint effort to launch online adverts specifically targeted at people who are deaf or hard of hearing and could access economic opportunity through becoming private hire drivers and joining the Uber app.

Barriers to independent work

With more than a million drivers using Uber around the world, we have experience with the impact that regulations have on economic opportunities. We see this in London for example, where TfL licensing

⁸ Including fees for private hire licence, private hire vehicle licence, topographical test, medical test, CRB check, English language test

⁹ RNID, Opportunity Blocked, 2007 ([link](#))

¹⁰ Uber, Uber Teams Up with Communication Service for the Deaf to Expand Work Opportunities for Deaf Drivers, 19 April 2016, ([link](#))

proposals for a *written* English language test would cost up to £200, making it harder for people to start working and make money, and could also discriminate against communities¹¹.

Outdated regulatory requirements help explain why in the UK relatively few drivers spend less than 10 hours per week logged in to Uber - just 23% - compared to cities where the regulatory barriers to entry are lower. In places where it is relatively straightforward for drivers to get going, with relatively low financial and time costs, Uber enables greater independence and flexibility - for example in the US around 60% of drivers who use Uber spend less than 10 hours per week logged in to the app.

¹¹ For example, equality think tank, The Runnymede Trust said “It is unclear why the new TfL test requirements for private hire drivers are higher than for bus or train drivers. Employment requirements should be in line with the skills that are necessary to successfully fulfil the role. Anything else would be indirect discrimination.” ([link](#))