

## A Guide to Fuel Cards

### **What is a fuel card?**

An interest credit system which allows organisations/businesses to control and manage their company's fuel purchases and to measure fuel economy. Products that can be purchased are: Diesel, Unleaded, LPG, Gasoil, Adblue, Lubricants, Car Wash, Air and many other motoring products. Servicing and tolls can be included.

### **Who can use fuel cards?**

SME's, LLP, Ltd Companies, Sole Trader, Partnerships, Public Sector.

### **When can you use a fuel card?**

24/7/365. All staff can use a fuel card. The use of a fuel card reduces the time completing expense forms and the handling of receipts, thus reducing the time spent on administration.

### **Where can you use a fuel card?**

UK wide. Card suppliers, some direct & some resellers, will supply cards which are most likely brand specific i.e. BP, Shell, Esso etc. There are other premium rate cards that offer multi network coverage but the general rule of thumb is the better the coverage the more expensive the fuel/card costs.

### **Why use a fuel card?**

Fuel cards are utilised because they are efficient and can potentially save businesses hundreds if not thousands of pound in fuel costs. They also offer a good measure of protection against fraud and misuse.

### **How are fuel cards priced?**

There are a number of options - Pump Related Price (either standard retail price or supermarket price) or weekly fixed price based upon the weekly variable commodity price (Platts pricing).

### **How do you pay?**

Direct Debit or BACS.

### **Do I need a contract?**

Generally no but it can be beneficial to have some sort of signed agreement for particularly large customer usage or if specific requirements are required from the customer. Often businesses are led to believe they are in contract as some sellers imply this at PoS when describing the life or longevity of the fuel cards.

### **What are the main fees?**

Card fees – the annual cost to operate a live card.

Transactions fees - the additional cost for each separate fuel transaction.

Administration cost - normally a percentage of the weekly or monthly invoice total.

In general, a customer should only pay two necessary fees (card fees & admin fees) and the rest should be offered FOC or on an opt-in only basis.

### **Are there any additional costs?**

There are often many charges associated with fuel cards: transaction fees, convenience charges, carbon based eco points, card fees, administration costs, zero liability etc. The list is extensive. Beware of hidden costs.

### **In conclusion...**

There are more pros than cons when it comes to fuel cards. Many businesses implement them from day one as they are an essential management tool that can save money, time and resources. There are ethical and respectful card suppliers out there who will deliver on the promises and assurance they claim to uphold. The hardest part is finding the right supplier. So how do you find the right supplier?

There are many comparison services out there who will give you a 'meerkat' like service and pick out the most suitable supplier for you based on your input credentials, however bear in mind that many comparison services are actually sponsored by card suppliers.

The easiest and safest way is to procure via a framework as all the suppliers will have been thoroughly evaluated and ratified. Once you find the right supplier on your chosen framework, then it's just the matter of a quick consultation and finding the fuel card which delivers what your business needs most. Have regular reviews with the card supplier, and if possible do regular benchmarking to ensure you are getting the best deal.