

Your flexible big brother

Gary Anderson, Managing Director of CSC Fuel Cards, examines the positive benefits of fuel cards for use across Europe...

Can you imagine a life without plastic? You often took time off work to stand in bank and post office queues, and were a slave to the constant need to carry enough personal cash to meet day to day demands. What an inconvenience it was. Then man invented plastic! What a blessing. This little flexible friend became a mate so faithful and true, provided the head stays cool and the feet stay firmly on the ground. Yet surprisingly, so many of us businesspeople have never met its distant cousin – the fuel card. This little servant is a huge convenience for the freight industry. There are large networks right across the British Isles and Europe, and this tool puts the employer firmly in the driving seat.

The advantages are very convincing:

- Simplified administration with itemised drawings in easy format in one invoice;
- Simplicity of VAT reclaim even for European fills;
- No home fuel tanks with security, monitoring and insurance implications;
- You pay for actual drawings in arrears without necessarily needing to buy in bulk;
- You pay for exact fuel amount used;
- Costs are negotiable and often creditworthy businesses can agree a wholesale tariff cheaper than pump price;
- A driver can fill on the road in Europe and take advantage of cheaper fuel provided that facilities fall within the card network;
- In the event of fraud or misuse, cards can be electronically and quickly stopped;
- Some card companies offer individual limits on each card for even greater control;
- Returning drivers can fill to capacity when leaving EC ports and maximise cheaper prices of fills.

Six or seven years ago, we first began to seriously advertise our fuel card services in the written media. We often found the responses quite disappointing. But generally, within the

industry, at the lower end, we were quite amazed at the general lack of understanding of what a fuel card actually was and how it could benefit the user. They hardly understood the concept, let alone mechanisms and benefits on the road. They also had no idea in particular of the cash flow benefits in addressing what is their biggest overhead – fuel.

As well as the blessing of only paying for actual use in arrears, many smaller international hauliers could not believe that drivers had no further need to have large amounts of currency on-board. They could now draw fuel from the four corners of Europe without difficulty with this little bit of plastic and bills are generally interest-free if paid on time.

We also discovered that a surprising number of smaller hauliers did not even attempt to reclaim EC VAT. Bundles of small fuel receipts in foreign languages proved a major deterrent and many just did not bother to claim at all. The implications of adding 15-25% extra of unclaimed VAT to fuel costs does not even bear thinking about and, unsurprisingly, many of these people have gone to the wall.

The security implications of fuel cards, besides the PIN number requirement, are that the astute transport manager can view each fill in terms of volume, time, location and even mileage if requested. He can then ask the broader question – ‘should driver X driving Scania Registration Y123 XAZ have been in Preston at 3.35pm on 4th July? This was off his planned route. Why?’

In summary, in the haulage business, and especially in international haulage, the biggest issue still is education, education, education! Tony Blair would agree.

The smart haulier uses fuel cards.



Gary Anderson
Managing Director
CSC Fuel Cards
CSC Group
14 Trevor Hill
Newry
County Down BT34 1DN
Tel: 028 3026 6202
www.cscgroup.org.uk