CarCloud

UK · DUTY OF CARE

The Definitive Guide to Grey Fleet Legislation

The laws, regulations and employer responsibilities every organisation should understand when employees drive their own vehicles for work.

12 minute read

7 areas of legislation

Compliance checklist inside

CONTENTS

INTRODUCTION

What legislation applies to a grey fleet?

It is one of the most common questions we hear.

Many organisations assume there is a single piece of legislation that governs employees using their own vehicles for work. There isn't. That is exactly why grey fleet is often misunderstood and difficult to manage.

Rather than one "Grey Fleet Act", employer responsibilities are spread across several pieces of legislation, regulations and Health and Safety Executive (HSE) guidance.

Individually they may appear unrelated. Together they create a clear expectation that organisations should actively manage employees who drive for work.

If your employees use their own vehicles to visit customers, travel between sites, attend meetings or carry out work-related journeys, your organisation is likely to operate a grey fleet, and that brings legal responsibilities.

Understanding those responsibilities isn't simply about avoiding risk. It is about protecting employees, demonstrating good governance and giving your organisation confidence that driving for work is being managed effectively.

In this guide we will explain:

01 What a grey fleet is.

02 Which UK laws and guidance apply.

03 What those laws mean in practice.

04 What employers should be doing today.

05 How organisations can strengthen their approach to compliance.

SECTION 02

What is a grey fleet?

A grey fleet is made up of employees who use their own privately owned vehicles for business journeys.

These journeys might include

- Visiting customers
- Travelling between office locations
- Attending meetings
- Carrying out site inspections
- Delivering in-home care
- Visiting suppliers
- Attending training

SECTION 03

Grey fleet in numbers

Grey fleet driving is far more significant than many organisations realise.

14m

The UK's largest fleet

An estimated 14 million grey fleet vehicles on UK roads, making it the largest business fleet in the country.

80%+

Of work journeys

More than 80% of all business trips in the UK are made in employees' own vehicles.

29%

A road safety concern

Around 29% of all road deaths, just under 1 in 3, involved someone who was driving for work.

Daily

Millions of business miles

Every day, employees use their own cars to keep organisations running, often without the same oversight as company vehicles.

These figures highlight why grey fleet isn't simply an HR or finance issue. It is a business-wide responsibility that affects compliance, duty of care, road safety and operational risk.

THE CORE MISCONCEPTION

"It's not our vehicle, so it's not our responsibility."

One of the biggest misconceptions is that because the organisation doesn't own the vehicle, responsibility sits entirely with the employee. It doesn't.

While employees remain responsible for driving safely and maintaining their own vehicle, an employer's legal duty of care remains the same whenever an employee is driving for work. Whether the vehicle is company-owned, leased or privately owned makes no difference to that responsibility.

Many organisations assume that because they don't own the vehicle, the responsibility sits with the employee. In reality, employers are expected to ensure anyone driving for work is legally entitled to drive, appropriately insured, using a roadworthy vehicle and able to do so safely.

That is why grey fleet deserves exactly the same level of governance, oversight and risk management as company-managed vehicles.

SECTION 04

Is there a Grey Fleet Act?

No.

There isn't a single law called the Grey Fleet Act. Instead, employers must comply with a combination of health and safety legislation, road traffic law and official guidance that together establish an employer's duty of care.

Think of it like this. Grey fleet isn't governed by one law. It is governed by several responsibilities that all point towards the same outcome:

Employers should take reasonable steps to ensure employees driving for work can do so safely, legally and with appropriate oversight.

Let's look at each one.

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1 LEGISLATION

Corporate Manslaughter and Corporate Homicide Act 2007

Could a serious road collision expose an organisation to corporate liability?

WHAT MOST PEOPLE THINK

"This legislation only affects major corporations."

What it actually means

The Corporate Manslaughter and Corporate Homicide Act 2007 applies to organisations of all sizes. Thankfully, prosecutions are rare. However, where a fatal incident results from serious management failings in the way an organisation managed health and safety, the legislation may become relevant.

For organisations whose employees drive for work, this reinforces the importance of having:

- Appropriate governance
- Clear policies
- Defined responsibilities
- Suitable oversight

The Act isn't about punishing organisations for accidents. It is about whether reasonable management arrangements existed to help prevent foreseeable risks.

WHAT SHOULD EMPLOYERS DO?

✓ Clearly document driving-for-work policies

✓ Record compliance checks

✓ Keep evidence of licence and insurance verification

✓ Review procedures regularly

✓ Clearly assign ownership of occupational road risk

FURTHER READING

Corporate Manslaughter and Corporate Homicide Act 2007 · legislation.gov.uk

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2 LEGISLATION

Health and Safety at Work etc. Act 1974

WHAT MOST PEOPLE THINK

"This only applies inside our offices, warehouses or factories."

What it actually means

The Health and Safety at Work etc. Act 1974 places a duty on employers to ensure, so far as is reasonably practicable, the health, safety and welfare of employees while they are at work. That duty doesn't stop when someone gets into a car.

If an employee is travelling to a client meeting, visiting another site or carrying out a business journey, they are still undertaking a work activity. Driving for work should therefore be treated like any other workplace risk.

Many organisations have detailed health and safety procedures for offices and operational sites, yet far fewer apply the same level of governance to employees driving hundreds or even thousands of business miles each year.

That is changing. Increasingly, organisations are recognising that driving for work forms part of their wider health and safety responsibilities.

WHAT SHOULD EMPLOYERS DO?

✓ Recognise driving for work within health and safety policies

✓ Identify who owns responsibility for occupational road risk

✓ Ensure employees understand expectations when driving for work

✓ Review policies regularly as working practices evolve

FURTHER READING

Health and Safety at Work etc. Act 1974 · legislation.gov.uk

HSE · Driving at work: managing work-related road safety

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3 REGULATIONS

Management of Health and Safety at Work Regulations 1999

WHAT MOST PEOPLE THINK

"We completed our risk assessments years ago."

What it actually means

These Regulations build upon the Health and Safety at Work Act by requiring employers to assess workplace risks and put suitable arrangements in place to manage them. That includes risks associated with employees driving for work.

A suitable assessment might consider:

- Driver competence
- Fatigue
- Vehicle suitability
- Weather conditions
- Journey planning
- Lone working
- Driver distraction

Importantly, risk assessments shouldn't become static documents. The way people travel for work has changed significantly over the last decade.

Hybrid working, electric vehicles, grey fleet growth and increased business travel all introduce new considerations that organisations should periodically review.

WHAT SHOULD EMPLOYERS DO?

✓ Review whether current risk assessments include occupational driving

✓ Consider whether different employee groups face different driving risks

✓ Check whether current policies reflect how employees actually travel today

FURTHER READING

Management of Health and Safety at Work Regulations 1999 · legislation.gov.uk

HSE · Driving at work: managing work-related road safety

CarCloud PERSPECTIVE

One thing stands out when we speak with organisations. Very few struggle because they don't care about compliance. Most struggle because responsibility is fragmented.

- Health & Safety owns one part
- HR owns another
- Finance manages mileage
- Operations coordinate journeys

Nobody has a complete picture. That is often where risk begins, not through negligence, but through disconnected information.

4 LEGISLATION

Road Traffic Act 1988

Does the Road Traffic Act apply to employees driving their own vehicle for work?

WHAT MOST PEOPLE THINK

"If it's their car, it's their responsibility."

What it actually means

The Road Traffic Act 1988 places legal responsibilities on drivers to ensure they are properly licensed, insured and driving legally. However, employers shouldn't assume that because an employee owns the vehicle, there is no organisational responsibility.

If someone is driving on company business, employers should have appropriate processes in place to satisfy themselves that employees:

- Hold a valid driving licence
- Have the correct class of motor insurance for business use

- Are legally entitled to drive

The legislation doesn't require employers to physically inspect every vehicle before every journey. It does, however, reinforce the importance of having proportionate systems that help demonstrate reasonable oversight.

WHAT SHOULD EMPLOYERS DO?

✓ Periodically check driving licence validity

✓ Confirm employees have business use on their motor insurance where required

✓ Maintain records of licence and insurance checks

✓ Review company driving policies regularly

FURTHER READING

Road Traffic Act 1988 · legislation.gov.uk

Check someone's driving information · GOV.UK

CarCloud **PERSPECTIVE**

One of the biggest misconceptions we encounter is that compliance starts with legislation. It doesn't. It starts with visibility.

Most organisations already want to do the right thing. The challenge is that information is often spread across HR systems, finance platforms, spreadsheets, shared inboxes and multiple suppliers. When responsibilities are fragmented, compliance becomes harder to evidence, even when people are acting with the best intentions.

That is why connected information matters. Better visibility doesn't just make compliance easier; it gives organisations greater confidence in the decisions they are making every day.

KEY TAKEAWAY SO FAR

None of these laws require organisations to create complicated new processes. They simply reinforce a consistent principle:

Employers should take reasonable steps to ensure employees driving for work can do so safely, legally and with appropriate oversight.

The difficulty isn't usually understanding that principle. It is applying it consistently across hundreds, or even thousands, of employees, vehicles and business journeys.

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5 INSURANCE

Business Motor Insurance

Does private car insurance cover driving for work?

WHAT MOST PEOPLE THINK

"My car is insured, so I'm covered."

What it actually means

This is one of the biggest misconceptions surrounding grey fleet. Many private motor insurance policies only cover social, domestic and pleasure use, and commuting to a permanent place of work. That doesn't automatically include business journeys.

If an employee is travelling to a client meeting, visiting another office, attending a supplier or carrying out a work-related journey, they may require business use on their insurance policy.

The level of business cover required will depend on the insurer and how the vehicle is being used. Business car insurance is typically divided into three classes:

1

Class 1 Business Use

The most common level of business cover. It usually allows the policyholder to travel between different work locations or attend meetings as part of their job. It generally excludes commercial deliveries but may also cover a spouse or partner, depending on the insurer.

2

Class 2 Business Use

Provides similar cover to Class 1 but often extends to include a named employee or colleague who also uses the vehicle for business. Not all insurers offer this level of cover.

3

Class 3 Business Use

Designed for people who spend a significant amount of time driving for work, such as sales representatives or field-based staff. It covers extensive business travel but does not usually include carrying goods or passengers for payment.

Employers should never assume an employee's standard motor insurance automatically covers business use. Checking that employees have the appropriate level of business insurance is an important part of managing grey fleet compliance and duty of care.

If employees are driving for work, organisations should have a process for verifying that appropriate insurance is in place.

WHAT SHOULD EMPLOYERS DO?

- ✓ Clearly explain when business insurance is required
- ✓ Ask employees to provide evidence of appropriate cover
- ✓ Keep records of insurance checks
- ✓ Review insurance requirements periodically, particularly where job roles change

FURTHER READING

HSE · Driving at work: managing work-related road safety

6 GUIDANCE

HSE Driving at Work Guidance

Is HSE guidance legally binding?

WHAT MOST PEOPLE THINK

"It's only guidance, so we don't have to follow it."

What it actually means

The Health and Safety Executive's Driving at Work guidance isn't legislation. However, it explains what good employer practice looks like and how organisations can meet their existing legal responsibilities.

The guidance recommends employers have suitable arrangements for:

- Driver licence checks
- Vehicle checks
- Journey planning
- Incident reporting
- Driver wellbeing
- Policy management
- Ongoing monitoring and review

Think of it as the practical framework that brings all of the previous legislation together.

WHAT SHOULD EMPLOYERS ASK?

✓ Do we know who is driving for work?

✓ Are our checks consistent?

✓ Are our policies current?

✓ Could we evidence our duty of care if asked?

FURTHER READING

HSE · Driving at work: managing work-related road safety

SECTION 06

What does this mean for employers?

One of the biggest myths surrounding grey fleet is that compliance is simply about collecting documents. It isn't. It is about creating confidence.

Confidence that employees are safe.

Confidence that appropriate checks have been completed.

Confidence that information is accurate.

Confidence you could demonstrate oversight if challenged by your Board, insurer or regulator.

Most organisations don't struggle because they lack commitment. They struggle because information is fragmented.

- Driver licences in one place
- Insurance records somewhere else
- Mileage managed by Finance
- Policies owned by HR
- Vehicle information held by Operations

When responsibility is split, visibility is often lost.

SECTION 07

Grey fleet compliance checklist

Before you go further, ask yourself these questions.

Drivers

- [ ] Do we know everyone who drives for work?
- [ ] Are driving licences checked regularly?

Vehicles

- [ ] Do employees confirm their vehicle is roadworthy?
- [ ] Are MOT requirements monitored where applicable?
- [ ] Have we verified the vehicle for tax?

Insurance

- [ ] Have we verified business motor insurance?
- [ ] Do employees understand when business cover is required?

Governance

- [ ] Is responsibility clearly assigned?
- [ ] Do we have documented driving-for-work policies?
- [ ] Could we evidence our duty of care today?

If you answered "No" or "I'm not sure" to any of these questions, there may be opportunities to strengthen your approach to grey fleet governance.

SECTION 08

Frequently asked questions

Is there a Grey Fleet Act?

No. There isn't a single piece of legislation called the Grey Fleet Act. Employer responsibilities come from a combination of health and safety legislation, road traffic law and HSE guidance.

Does health and safety law apply when employees drive their own vehicles for work?

Yes. Driving for work should be considered part of an employee's work activity and should be managed accordingly.

Who is responsible for grey fleet compliance?

Employees remain responsible for driving legally and maintaining their own vehicle. Employers are responsible for having appropriate systems, policies and oversight in place to manage work-related driving.

Do employers need to check business insurance?

Where employees use their own vehicle for business journeys, employers should have a process to ensure appropriate business motor insurance is in place.

Is an MOT enough?

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No. An MOT confirms a vehicle met the required standard on the day it was tested. Drivers remain responsible for ensuring the vehicle remains roadworthy between tests.

What should employers check before someone drives for work?

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Good practice typically includes:

- Driving licence
- Business insurance
- Vehicle roadworthiness
- MOT (where applicable)
- Driving for work policy acknowledgement

CarCloud PERSPECTIVE

Grey fleet isn't becoming more complicated because of new legislation. It is becoming more visible.

Boards are asking better questions

Employees expect better experiences

Regulators expect better governance

The organisations that respond successfully won't necessarily have more policies. They will have better visibility, better processes and greater confidence in the information they are using to make decisions.

SECTION 09

Final thoughts

There isn't one law that governs grey fleet. There are several legal responsibilities that, together, establish an employer's duty to manage driving for work safely and responsibly.

For many organisations, the biggest challenge isn't understanding those responsibilities. It is managing them consistently.

As organisations grow, employees, vehicles, policies and compliance information often become spread across multiple departments and systems. That creates operational complexity, increases administrative burden and makes it harder to demonstrate compliance with confidence.

The organisations that are getting ahead aren't simply responding to legislation. They are investing in better visibility, stronger governance and connected information that supports better business decisions.

Because effective vehicle and driver management isn't just about reducing risk. It is about improving the way your organisation performs.

CarCloud

How CarCloud can help

Understanding your legal responsibilities is one thing. Having the visibility and confidence to demonstrate you are meeting them is another.

CarCloud brings together vehicle, driver, compliance and operational data into one connected platform, helping organisations:

Strengthen compliance and governance

Reduce operational complexity

Improve the employee experience for those who drive for work

Support more accurate ESG reporting

Make better-informed business decisions

If you would like to explore how your organisation could gain greater visibility of its vehicles, drivers and compliance processes, we would be delighted to have a conversation.

Visit CarCloud Solutions →

Book a demo

Or follow CarCloud on LinkedIn for practical insights, legislative updates and guidance on the future of vehicle and driver management.

SOURCES

Driving for Better Business · Grey Fleet Toolkit (National Highways)

14 million grey fleet vehicles; over 80% of business journeys; employer responsibilities.

Department for Transport

Reported Road Casualties Great Britain (2025): 29% of all road fatalities involved a driver who was driving for work.

Health & Safety Executive (HSE)

Driving at Work guidance confirming employers' legal duty of care for anyone driving on business.

Legislation referenced

Corporate Manslaughter Act 2007; Health and Safety at Work Act 1974; Management of H&S at Work Regulations 1999; Road Traffic Act 1988.