



FINAL REPORT

Review of Uber and Regulatory Compliance with Taximeter Auditing 2018

Sweden

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ABOUT THE REPORT

This report was compiled by the Gothia Protection Group on behalf of Svenska Taxiförbundet. The material is considered to be sensitive and is solely intended to be used for the purposes specified by the client at the time the assignment was initiated.

The information in this report has been obtained from open sources.

BACKGROUND

On behalf of Svenska Taxiförbundet, personnel from the Gothia Protection Group has undertaken 112 trial journeys using Uber in order to check regulatory compliance with regard to the use of taximetering equipment.

Those with a permit to operate a taxi service must transfer data from each vehicle's taximetering equipment, wireless and digital, to an audit centre. The obligation to transfer data applies to all vehicles registered to offer taxi services and equipped with a taximeter.

Upon request, these data are then transferred from the audit centre to the Swedish Tax Agency. The purpose of audit centres is to contribute to competition on equal terms and to improve the functioning of the Swedish taxi industry. The Swedish Tax Agency utilises the data to better implement tax inspections of taxi companies.

Suspicious exist that a not inconsiderable number of drivers driving for Uber fail to report correct data to audit centres. The Gothia Protection Group has therefore been tasked with undertaking in the region of 100 trial journeys and checking the use of taximeters and, when these are used, whether the amount corresponds to the receipt sent by Uber to the customer once the journey is completed.

The investigation was carried out between 3 November 2018 and 13 December 2018. The main focus has been to examine whether taximeters are installed in vehicles, whether they are used during the journey and what amounts are recorded on the meter for each journey. The services selected were Uber X, Uber Black, and Uber Lux.



SUMMARY

On behalf of Svenska Taxiförbundet, personnel from the Gothia Protection Group have undertaken 112 trial journeys using Uber in order to check regulatory compliance with regard to the use of taximetering equipment.

In eight out of ten cases, the price on the taximeter was inconsistent with the receipt sent out by Uber. It is more the rule than the exception that a lower amount, if any at all, is entered in the taximeter. Failure to register the entered amount in the taximeter is a criminal offence.

The cost of the 112 trial journeys with Uber was SEK 23,104, of which only SEK 7,374 was reported to the audit centre. Therefore, 68% of revenues were not reported to the Swedish Tax Agency as required by law.

The Uber app shows the number of journeys undertaken by each driver on Uber's behalf. Some drivers have completed over 10,000 journeys. If these drivers systematically and regularly fail to report income in the manner apparent from the trial journeys, the total amount withheld from the state treasury will be considerable.



REGULATORY COMPLIANCE

Installation of taximeters

A total of 112 trips were undertaken. For two of these, no taximeter was visible in the vehicle, corresponding to just under 2% of journeys. In one case, a dispensation from the requirement to use a taximeter had been granted by the Swedish Transport Agency.

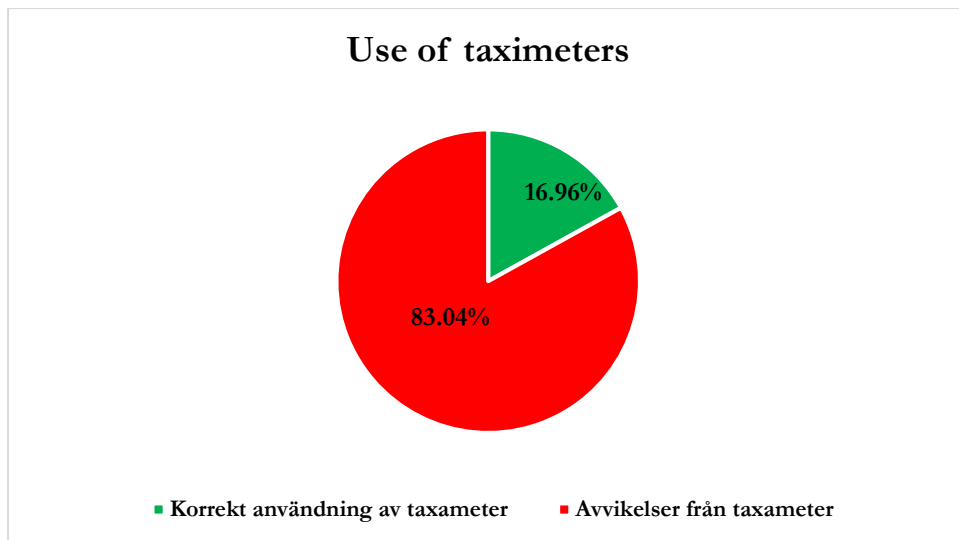
Total journeys	Taximeter visible	Taximeter not visible
112	110 (98.21%)	2 (1.79%)

Use of taximeters

A total of 112 trips were undertaken. It is more the rule than the exception that the price stated on the taximeter is inconsistent with the amount stated on the receipt sent by Uber via email to the passenger. In only 19 cases (16.96%) was the price entered into the taximeter consistent with the amount actually paid via the Uber app.

Drivers who fail to enter the fixed price either allow the meter to stand in the 'Free' position, or they enter a price. In only 19 cases (16.96%) was the price on the taximeter consistent with the amount actually paid. In cases where an amount was entered into the taximeter, this was significantly lower. On one occasion, the driver entered SEK 5 into the taximeter for a journey costing SEK 232 and when asked directly why the amount was so low responded: "The state has to have its share too."

Total journeys	Correct use of taximeter	Deviations from taximeter
112	19 (16.96%)	93 (83.04%)



Taximeter receipt offered

There is a legal requirement to offer the customer a taximeter receipt on completion of the journey. No such receipt was offered in any of the 112 journeys undertaken for this survey.



Taxi ID

During 13 journeys of a total of 112, there was no visible Taxi ID in the vehicle, corresponding to 11.61% of journeys.

Total journeys	Taxi ID visible	No Taxi ID visible
112	99 (88.39%)	13 (11.61%)

Yellow registration Plates

With the exception of one journey, all vehicles displayed yellow registration plates. A subsequent check with the Swedish Transport Agency revealed that all vehicles were registered for commercial traffic. The vehicle fitted with white plates had the following notation in the vehicle register:

"Dispensation from requirements to have a taximeter, meaning that the vehicle does not have yellow plates", date of decision 10.07.2018". The company that owned the vehicle operates a limousine service. There was full regulatory compliance among Uber drivers.

Total journeys	Yellow plates	Other plates
112	111 (99.11%)	1 (0.89%)

Price information

During 110 journeys there was no visible price information on two occasions, corresponding to approximately 2% of journeys. There is a high level of compliance.

Total journeys	Price information available	No price information available
112	110 (98.21%)	2 (1.79%)



TAXES NOT REPORTED

68% of revenue remained undeclared

The 112 journeys with Uber cost a total of SEK 23,104 to undertake. Based on the amounts stated on each taximeter however, only SEK 7,374 kronor has been reported to the audit centre. This means that less than one third of Uber's revenue was reported in accordance with legal requirements.

Millions of kronor remain undeclared

Uber has a function in its app allowing users to see how many journeys each driver has undertaken. The app does not disclose the number of journeys until the driver reaches a given amount (presumably in the hundreds). A number of drivers in the survey have undertaken over 10,000 journeys. One conclusion that can be drawn however, is that if a driver is in the habit of not using the taximeter, or entering an inaccurate lower amount, we are dealing with large sums that are not reported to the state.

Between them, the drivers undertaking the journeys have completed at least 530,694 trips for Uber. If all of these journeys have been reported in the same way as during our survey, the amount withheld from the state treasury by these drivers alone is considerable.

A cautious assumption that an average trip costs SEK 100 would suggest that the drivers in the survey have earned over SEK 53 million for Uber, but only reported income of just under SEK 17 million. If this is the case, this leaves 68%, or just over SEK 36 million undeclared.

It was also observed that a number of Uber drivers also drive for other taxi services. Although this question was not actively posed to drivers during the survey, during journeys it became apparent that they use services such as Mytaxi, Taxijakt, Onecab and Heetch in parallel with Uber.

Taxijakt seems to be the most common parallel service.



APPENDIX

Excerpts from the Swedish Transport Agency's Regulations on Taxi Traffic (TSFS 2013:41)

Section 3 Use of taximeter equipment

- § 1 When a vehicle is used in taxi traffic, the taxi driver shall ensure that the taximeter equipment is functioning correctly.
- § 2 When a vehicle is used in taxi traffic, it must not be equipped with more than one taximeter.
- § 3 At the beginning of each shift, the taxi driver shall register their driver code in the taximeter as it appears on the front of their taxi drivers' ID. Once the shift is completed, the taxi driver shall register that they are going off duty in the taximeter.
- § 4 The taxi driver shall register data on every fare and every shift in the taximeter so that receipts, consignment notes and shift reports can be printed out from the taximeter equipment. (TSFS 2014:145)
- § 5 Where a driving assignment is undertaken at a fixed price or is calculated in some other way than using the taximeter, the taxi driver shall register the price on commencing the journey. The price may not however be registered at the end of the journey if this is a publicly procured journey calculated in an external coordinated planning system. (TSFS 2014:145)
- § 6 The holder of a taxi traffic permit may not use tariffs with negative parameters in taximeter equipment. The taxi driver is not permitted to reduce the amount registered in the taximeter. (TSFS 2014:145)
- § 7 Taximeter data that is to be transferred to an audit centre for taxi traffic in accordance with Section 2 a § 1 of the Swedish Taxi Traffic Act (2012:211) shall include the following data from every shift report and data in accordance with 19 from receipts or consignment notes:
1. Serial number.
 2. The name of the taxi company or the taxi company's registered name with the Swedish Companies Registration Office and personal identity number or company registration number.
 3. The registration number of the taxi.
 4. The taxi driver's driver code.
 5. The serial number of the taximeter. If the taximeter consists of multiple devices, state the serial number of the device that contains the accumulated register.
 6. Date last sealed.
 7. Date and time when the shift commenced.
 8. Date and time when the shift ended.
 9. Distance travelled during the shift (km).
 10. Whether the taximeter used is a type approved after 30 October 2006: Distance travelled during the shift in "OCCUPIED" or "STOPPED" mode (km).
 11. Whether the taximeter used is a type approved on or before 30 October 2006: Distance travelled during the shift in "TARIFF" or "CASH" mode (km).
 12. Total number of registered fares during the shift, with separate registration of the serial numbers for the first and last fare.
 13. Whether the taximeter used is a type approved after 30 October 2006:
Accumulated registered value at the end of the shift for:
 - a) total distance travelled by the vehicle;
 - b) total distance travelled while the taxi was carrying a fare;



- c) total number of fares;
- d) total amount levied as surcharges; and
- e) total amount levied as fares.

Section 5 Receipts and reports, etc.

Receipt/Consignment Note

§ 1 After every completed fare, the taxi driver shall print a receipt from the taximeter that shall be offered to the customer after payment is made in cash, or a consignment note if the amount is to be invoiced.

§ 2 A copy of the receipt from the taximeter or consignment note for the most recently completed fare shall be printed out and submitted for inspection by the taxi driver on request from a police officer or vehicle inspector.

Shift report

§ 3 A shift report shall be printed out by the taxi driver after each completed shift. The shift report can also cover a rest period of less than eight hours.

§ 4 Copies of shift reports for the previous two days during which the vehicle was used in taxi traffic shall be printed out and submitted for inspection by the taxi driver on request from a police officer or vehicle inspector.

§ 4a The holder of a taxi traffic permit shall submit a copy of the shift report to the Swedish Transport Agency if requested to do so by the Agency.