I am giving up my Tesla because of Elon Musk and his sick thinking

Once the stuff of car geeks' dreams, a Model 3 is now 'like driving a Beetle in 1939 Germany'

James Titcomb

When Ric Harris traded in his ageing Mercedes for a Tesla Model 3, he was instantly converted. "It was a bit like having a spaceship," says the 51-year-old computer programmer. "It saved me an absolute fortune in fuel; the only thing it's had done is tyres and topping up the windscreen washer fluid."

When he acquired the car on a company scheme, Harris did not consider the politics of Tesla's billionaire owner too closely. "Elon Musk just seemed like a really interesting person. Everything he was doing seemed really positive," he says.

Four and a half years later, the car's lease is expiring. And despite it being one of the best vehicles he has ever driven, Harris has no intention of keeping it.

"It's a brand that, from my point of view, has become toxic. It would be like buying a VW Beetle in 1939 Germany."

Harris is not alone. For much of its history, driving a Tesla granted its owner an environmental halo as well as a sense of being on on the technological frontier.

But in the last few months, <u>Musk's support for Donald Trump</u> and courting of other Right-wing politicians across the world has caused many of the company's more Left-wing customers to have second thoughts.

Elon Musk and his son, named X, in the Oval Office with Donald Trump on Tuesday Credit: Kevin Lamarque/Reuters

Message boards and Tesla forums – populated by the carmaker's more die-hard fans – have become full of people questioning whether they should give up their cars. Bumper stickers with slogans such as "I bought this before Elon went crazy" are selling fast. And perhaps most worrying for the world's richest man, sales of Teslas in many of the <u>company's key markets are falling</u>.

"I wanted to do my bit for the environment and was proud to be an early adopter," says one former owner, who was among the first in Britain to receive a Model 3. "Most of what I had read about Elon Musk was about how he was a genius and I went along with that."

The former owner decided to let their lease expire in light of Musk's online behaviour, particularly X (formerly Twitter) posts related to Ukraine that he describes as "Russian propaganda".

"I could have got another [Tesla]," he says, "but I couldn't bear to put any money in that man's pocket."

Tesla owners unhappy with Musk have used bumper stickers to make their feelings clear Credit: TOBIAS SCHWARZ/AFP via Getty Images

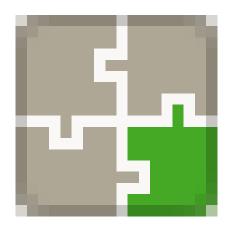
Political backlash

Musk is not universally unpopular – far from it. He has more than 200m X followers, the ear of a president who secured the popular vote in November's election and legions of fans.

But electric car buyers who have traditionally skewed Left have been put off by his support for Trump, Nigel Farage's Reform UK and <u>Germany's</u> Alternative für Deutschland.

In Democrat-voting California, America's biggest electric car market, Tesla sales fell by 11.6pc last year, according to the state's New Car Dealers Association. Sales of all other EVs grew by 20pc.

Tesla sales in France fell to 1,141 in January, down almost two thirds on the same month a year earlier. In Germany, the EU's biggest electric car market, they were down 59pc. This could be attributed to <u>slowing electric car interest</u>, were it not for a 38pc drop in Norway, where 19 in 20 cars sold are battery-powered.



Matthias Schmidt, of Schmidt Automotive Research, calls the collapse an "Alternative for Tesla" moment in reference to Musk's support for the AfD. "Germany is likely the market that will see the most toxic contagion from Mr Musk's ever politicised remarks, given the fragility from its history," he says.

In January, days after Musk had given a <u>gesture at a Trump rally many</u> <u>likened to a Nazi salute</u>, Left-wing activists projected the image on to Tesla's Berlin gigafactory, alongside the word "heil". This weekend, online organisers are planning protests at the company's showrooms in what is being described as a "Tesla takeover."

In Britain, Tesla sales fell by 8pc year-on-year in January, while sales of all electric cars rose 42pc. For the first time, the company was overtaken by BYD, the Chinese giant that competes with Tesla to be the world's biggest electric car manufacturer.

Activist group Led By Donkeys projected this image of Musk's apparent Nazi salute on to Tesla's Berlin gigafactory, alongside the word 'heil' Credit: Led By Donkeys

Musk has repeatedly criticised the Labour Government and backed
Farage's Reform UK, a position that has seen him win praise from the party's backers but led to a general decline in popularity.

According to YouGov, 47pc of Reform voters have a positive opinion of Mr Musk, but just 18pc of the wider country does. The proportion with an "unfavourable" view of the Tesla boss has risen from 40pc in April 2022 to 71pc in January.

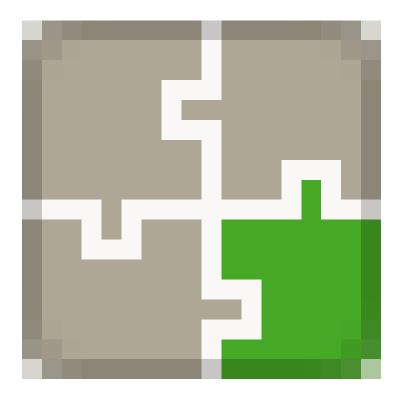
Given Musk's inseparability from Tesla, this has had a knock-on effect for the carmaker's brand. YouGov's popularity tracker for Tesla has fallen from 42pc in October 2020 to 28pc in January.

Secondhand slump

It is not only sales of new Teslas that have been affected. According to Auto Trader, the average price of a used Tesla has fallen by a fifth in the last year, double the rate at which the average EV has depreciated.

In part this is due to an ageing lineup, but like-for-like, prices are still down: a three-year-old Model 3 goes for £21,939, some £3,000 less than a

year ago.



Falling secondhand prices compound Tesla's problems.

A disproportionate number of Teslas are acquired on lease deals, which means they are easy to return. Rapidly falling prices can leave fleet companies that lease the cars taking a big hit when they are returned and may make them more reluctant to deal with the company in future, Schmidt says.

He expects the crash in markets such as Germany to worsen this year, when a wave of three-year leases from a 2022 sales boom will expire.

Other carmakers are now seeking to capitalise. Michael Lohscheller, the head of EV maker Polestar, has told sales staff to target disgruntled Tesla owners.

"It's important to listen closely to what they say. And I can tell you, a lot of people have very, very negative sentiment," he told Bloomberg.

Not all customers are giving up on Tesla, of course. Even some of those who disagree with Musk's politics are still begrudging fans of his vehicles.

"I used to really admire him, and [now] I just think he's turned [into] a bit of an idiot," says Mark Tebbutt. "But one man doesn't make a company. There's obviously some very intelligent engineers at Tesla who probably don't share his more extreme views."

Tebbutt, an IT worker, is replacing his Model 3 Long Range with a higherspec Performance version. "The car is very good," he says.

Still, enough may turn away to create a problem for Musk, and his company's \$1 trillion (£790bn) valuation. Having soared after Trump's election, Tesla shares have now fallen by 16pc so far this year.

Analysts at Stifel have noted that "opinions on Elon Musk have taken a turn for the worse along political affiliation [lines]". While Republicans approve of his closeness to Trump and work at the White House's Department of Government Efficiency, Democrat supporters now largely have a negative view of Musk – and by extension his car company.

Harris says he will not find it difficult to give up his Model 3. "You've got more alternatives now."

He adds: "Do I want to be driving around with something with a Tesla badge on the back of it? What does that say about me?"