An independent analysis by Paul Bennett, Managing Partner, Madox Square LLP; Senior Advisor at Genpact Banking & Capital Markets

Tracing quote-to-contract consistency in European fleet & leasing finance

Introducing "the travelling quote": where consistency holds, where it doesn't, and why

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Introduction

Having spent the better part of four decades working in and around automotive finance, I have learned one key lesson: the problems that eventually cost the most are rarely the ones that announce themselves loudly at the beginning. They build quietly in the gaps between systems and teams until one day, someone in finance asks why the margin on a book of business is thinner than the business model said it should be. And nobody can provide a clear answer.

This paper centres on one of those quiet problems, namely 'quote-to-(end of)-contract consistency' which, I will argue, is fast becoming a critical operational issue having increased over the past decade. To clarify, this paper will analyse what is happening, why it matters and then present a diagnosis, rather than a prescription.

A word on what this is not: it does not concern onboarding, credit decisioning or the consumer journey at the front door. Equally, it is not about retail readiness or omnichannel polish. While valid topics, they are extraneous to the issue in hand. Rather, this paper aims to deliberately position itself further back in the machinery of 'quote-to-contract consistency'; at the genesis of when and where a number first gets calculated and the further evolution of that number pre- and post-contract and through to the end of the contract itself.

Chapter 1

The shift: why quote-to-contract complexity is increasing

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A fleet director recently remarked: 'Paul, we used to agree the deal first and then write the contract. Now the deal keeps changing while the contract is being written.'

By any measure, European leasing is a substantial and growing market. According to Leaseurope's latest data, the total new leasing volumes in Europe approached 454 billion € with the automotive sector accounting for approximately 75% of that figure or circa. 338 billion € of new business. Passenger car leasing grew 4.4% and commercial vehicle leasing 5.7% over the year. This is not an industry in decline. It is one increasing in size and, crucially, becoming equally more complicated at the same time.

So, what is actually changing on the ground? For most of its history, the leasing operating model was relatively contained. A fleet manager or a broker dealt with an internal sales team and a quote was created. It was then approved, a contract was struck and the asset ran its term with the occasional mid-life adjustment. The number of hands that touched any given deal was small and the number of moments at which a price could change was smaller still.

That world is dissolving. Three forces are pulling it apart and all in the same direction:

1. Digitalisation

Quotes are increasingly created, recalculated and configured through any number of digital channels: dealer point-of-sale systems, self-service portals and broker platforms. These channels increasingly run on their own calculation engines, often third-party plug-ins rather than the one built into the back-office CMS (Contract Management System), and often different from each other too, since a dealer point-of-sale engine is rarely the same engine as a direct-to-consumer one. As a result, without a single source of truth to draw from, maintaining consistency of calculation becomes more challenging, a trend that is increasingly evident in the retail side of the industry. Cox Automotive Car Buyer Journey (USA) 2025 found that 91% of buyers now complete some or all of their purchase steps online, and that 86% of auto finance contracts are eligible for tal submission. In comparison, McKinsey's survey of more than 4,000 buyers across France, Germany and the UK found that 29% wanted to buy their next car entirely online and 42% of those would switch brands if their current marque didn't offer a good online experience. Yet, on whichever side of the Atlantic, the architectural lesson travels: the quote no longer lives in one place and is calculated by one person because increasingly, neither does the buyer who moves between online research and the dealer showroom.

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2. The relentless pressure on cost-to-run.

In the automotive leasing business, margins have always been tight and, for the last several years, the solution has been automation and integration; fewer manual steps, more straight-through processing and more rules embedded in software. These steps are indeed sensible. But they also have a consequence to which we will return later: when calculation logic is automated and distributed across several systems, it must behave identically in each one of them because there is no longer a patient back-office human reconciling the differences by hand. The same margin pressure is compounding as more of this activity moves online: a buyer comparing offers on a website can switch providers in a click in a way a buyer in a showroom generally can't. Cost efficiency alone no longer carries the argument but controlled, consistent pricing, and the margin it protects, matters just as much.

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3. Product proliferation.

Alongside traditional finance leasing, full-service leasing has grown and subscription and more flexible models have arrived in earnest. Valued at around 2.6B € in 2024 and growing at roughly 17% a year, the European car subscription market is no longer a curiosity at the edge of the industry. These models bring shorter commitments, more frequent vehicle changes and far greater in-life activity than a conventional three-year lease ever did. That in-life activity is also structurally harder to price correctly. A full-service lease doesn't just add a service fee on top of an amortisation schedule. Recalculating it means reconciling budgeted, actual and expected remaining cost across each bundled service. Multi-cycle leasing adds a further layer again.

Consequently, we are watching platforms being stretched to handle retail-style interactions, dealer-led quoting, digital portals and customer self-service, none of which they were originally designed for. The design of the legacy platforms which are in use today was built for a contained world but are now being required to serve a far more dynamic one.

This issue is precisely what changes the quote-to-contract picture. More channels mean more recalculations per deal. More products mean more variation in the calculation itself. More automation means more system states sitting between the moment a quote is created and the moment a contract goes live. The deal that used to travel a short, well-lit corridor now takes a longer and more crowded route, and at every junction there is a danger the number that eventually arrives is not exactly the number that set off.

Chapter 2

The travelling quote: a framing concept

The travelling quote: a framing concept

For the remainder of this paper, using a particular lens through which to view the issues of 'quote-to-contract consistency' will be valuable. The language we use fundamentally shapes what we can see and, as such, the phrase I keep returning to is 'the travelling quote'.

For most of my career, a quote has been discussed as though it were a moment, a single point in time when a price is struck. That mental model is now actively misleading. A quote is not a moment at all – it is a journey. It is created, it moves, it is recalculated, it is approved, it becomes a contract and then (this is the part we often forget) it keeps moving long after the 'ink' is dry.

Today, consider where a quote begins. It might be created by a dealer at the point of sale, by a customer in a self-service portal, by a broker or an internal salesperson.

These represent at least four different starting points, each with its own context and its own version of the truth. Quote creation has now moved earlier in the process and travels outwards from the centre.

A colleague from a tier 1 leasing company summed it up when he said: '...customers rarely reject a quote today. They simply keep improving it until nobody can remember which version of the pre-contract quote was originally accepted. It's a similar scenario to a long email chain: everybody is included, but nobody is entirely sure what has been agreed.'

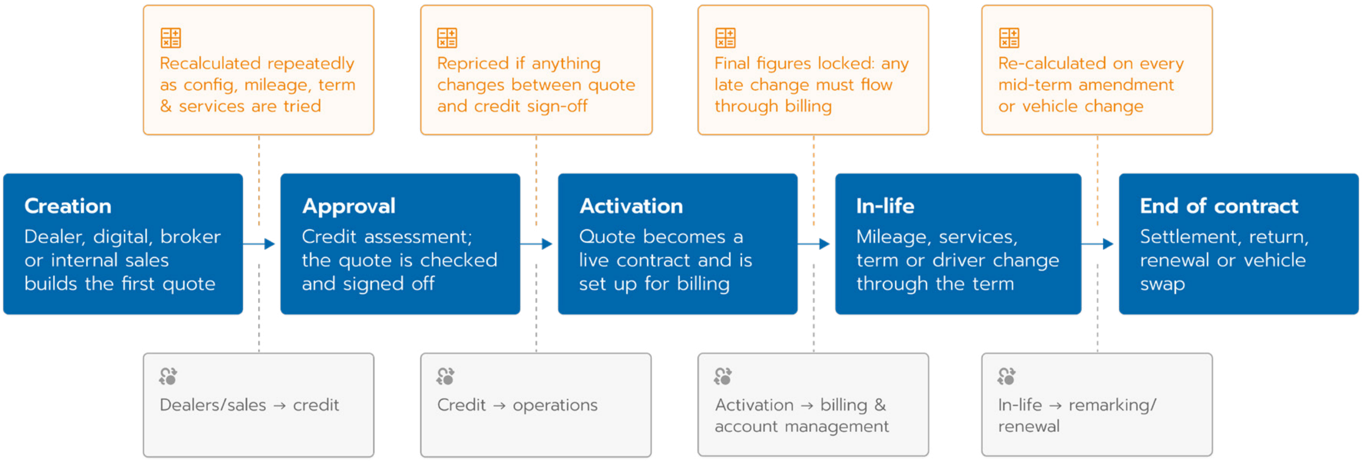
Then, consider how often the original number changes. As the configuration shifts, the mileage assumption is revised, services are added or stripped out, the term is extended or the driver swapped, and the quote is recalculated. In a digital, simulation-friendly environment, customers and salespeople will often generate multiple quotes using different terms and rentals in advance to create the perfect profile. The fundamental issue being that every scenario is a recalculation. The quote that finally gets approved may be the twentieth version of itself.

Moreover, let us examine how many teams touch the quote on the way through. Dealer-facing sales, internal sales, credit, operations, contract activation, billing – each picks the quote up, does something to it and hands it on. Every handover is a moment where the calculation can drift, where a version can fork and where the number the customer was originally promised and the number the contract carries can quietly separate.

And then the quote becomes a contract, but the calculation logic used to build it does not retire. It continues to be exercised through every in-life change: a mid-term mileage adjustment, an added service, a vehicle swap, an early termination, a settlement at end-of-contract. The travelling quote does not stop travelling when it is signed; it simply changes its name.

The travelling quote

A single quote does not happen at one moment. It travels across teams, systems and states – and keeps moving long after it becomes a contract



Recalculation point – The price is re-computed; each pass is a chance for versions to diverge

Handover point – The quote passes between teams/systems, where consistency can be lost

From quote to long-term customer value
Madox Square LLP

Once we start seeing the quote as something that travels rather than something that happens, the patterns of pressure become much easier to recognise. They are, in essence, the things that go wrong on a long journey that is touched by many hands, across many vehicles.

Chapter 3

The four patterns of quote-to-contract pressure

The four patterns of quote-to-contract pressure

In my work with leasing companies and finance captives across Europe, the same structural tensions come up time and time again, albeit dressed in slightly different clothes. I have grouped them into four patterns. Each begins as a symptom that operations people will recognise instantly, and each has a structural cause that underpins it.

Pattern One: quotes change more often than anyone expects.

The symptom is simple; the volume of recalculation is far higher than the deal count would suggest. The structural cause of this is the digital, simulation-rich environment we now operate in. Whereas a deal once involved a handful of revisions, it may now move through many version cycles and several system states before activation, even when fewer people are involved than before. Automation has not reduced the number of versions. In many cases, it has quietly multiplied them because trying another scenario now costs nothing and takes only seconds. As shown in Figure 1, each version is a fresh opportunity for the wrong number to be carried forward.

Its clearest indicator is rooted in regulation. When the UK's Zero Emission Vehicle (ZEV) mandate year closed in late 2025, manufacturers reportedly threw some £5 billion of incentives at the market and the average discount on an electric car reached approximately £11,000 – all to increase BEV registrations before a deadline. Every one of those moving prices was a quote that had to be rebuilt downstream.

Pattern Two: consistency must be enforced across systems, not people.

The symptom here is that the same deal produces subtly different numbers which are not penny-perfect, depending on which system you ask. As such, the structural cause of Pattern Two is actually integration itself. As pricing, credit assessment and contract generation become more automated and more interconnected, the calculation rules must behave identically across every system interaction. In the old model, a person at the end of the chain reconciled the differences. In the new model there is far less room for resolution, so any inconsistency in how rules are applied does not get caught and corrected. It gets propagated, faithfully and at speed.

Across European fleet and leasing books, the same deal routinely produces different numbers depending which system you ask because the contract resides separately from the ERP, billing and dealer systems that surround it. The gaps stay invisible until they resurface as billing errors and quiet leakage but, by which point, no-one is left at the end of the chain to catch them.

Anonymised example:

Madox Square was contracted to address operating issues of a small UK leasing company with circa. 15,000 active contracts. Its contract origination system ran on a modest but satisfactory digital platform. Conversely, contract servicing sat on a 15-year-old legacy system. Its off-lease and remarketing was managed by a separate third-party tool with pricing amendments manually tracked in Excel. None of these systems shared a common contract master record.

To illustrate the negative financial impact of this disparate system, an SME customer renegotiated the mileage terms for a portion of their fleet mid-contract. The change was agreed, recorded in the pricing spreadsheet and manually re-keyed into the servicing system. It failed to reach the remarketing platform or the residual value (RV) engine, which continued to assume the original, lower mileage profile.

Pattern Three: lifecycle alignment becomes fragile around approval and activation.

Here, the symptom is a deal that was approved on one basis but went live on another. The structural cause sits in the seam between credit approval and contract activation. When a vehicle configuration, a service bundle or a financing amount change after credit approval (which, in a fast, flexible market it frequently does) making sure that change is consistently and accurately reflected all the way through to activation requires genuinely tight governance and traceability. Without it, the gap between 'what was approved' and 'what went live' becomes a place where value leaks and accountability blurs.

Some European lessors are now changing the basis of live contracts, adding indexation clauses that let them raise prices mid-term and repricing extensions as rates and residual assumptions move. This sits uneasily against the logic of full-service leasing, where the leaseco is expected to carry and price for that risk in the first place. And once a contract admits variability, customers tend to expect it to run in both directions: if the price can move against them, they will expect it can move in their favour too, particularly where residual value assumptions are involved. Each such adjustment widens the seam between what was originally agreed and what the contract now carries.

Pattern Four: control gets harder as variation grows.

In this instance, the symptom is the uncomfortable moment when someone in a position of seniority asks how a particular outcome was calculated and receives the honest answer that it would take an onerous amount of manual intervention and time to reconstruct. To be clear, this is not applicable to the major European lessors, rather it is one that is playing out in small and medium-sized leasing companies. Accordingly, the structural cause is sheer variety, more products, more markets, more exceptions, more amendments. Each addition is reasonable on its own but, collectively, they erode an organisation's ability to maintain oversight and, critically, to explain how an outcome was reached. In a sector facing rapidly increasing regulatory scrutiny, the inability to explain is not a minor inconvenience, it is a major liability.

Here, the British motor-finance redress exercise is a cautionary tale: a scheme spanning an estimated 12 million agreements written over nearly two decades, requiring lenders to reconstruct and explain pricing and commission decisions long after the fact.
It is a salutary and stark illustration of how the inability to explain at scale turned into a multi-billion-pound liability.

Chapter 4

What this looks like: three composite scenarios

What this looks like: three composite scenarios

The following scenarios are composites. They are not descriptions of any single organisation, and any resemblance to a particular company is unintentional and purely coincidental. I have drawn them from common, recognisable situations precisely so the patterns can be seen in motion without referencing any one organisation or person.

Scenario A: an OEM captive extending dealer point-of-sale

The captive runs a fleet-first platform that has served it well for years. To extend reach, it opens a dealer-led quote creation at the point of sale. Dealers can now build and present a quote on the spot which is excellent for customer experience and exactly what the market expects. The trouble starts after credit approval. The price the dealer quoted, and the contract data subsequently generated by the back office do not perfectly agree because the two were produced by systems that calculate in slightly different ways. The dealer made a promise. The contract carries a different number. Someone now must decide which one wins, but whichever way that decision goes, somebody is unhappy and a manual workaround is born. Multiply that across a dealer network and a year of deals, and time-consuming, manual circumventions become the process. This situation represents Patterns Two and Three, hand in hand.

Scenario B: a pan-European, full-service leasing company

This business prices a rich bundle of non-capitalised services, maintenance, tyres, breakdown, fleet management fees, alongside core finance. In several markets, those services are priced in spreadsheets that sit outside the core contract system, because that is how the local teams have always done it and the tooling never quite caught up. At the point of quote, everything reconciles. Over the life of the contract, it drifts. The figure that was quoted and the figure that is billed slowly diverge, market by market and every in-life change, a service added here, a mileage band adjusted there, only widens the gap. No single discrepancy is large. The cumulative drift, across a pan-European book, is anything but small. This is Pattern Four expressing itself as quiet, distributed leakage.

Scenario C: a subscription and flex provider managing in-life churn

This provider lives and dies by flexibility. Customers swap vehicles, pause, upgrade, downgrade and churn, and the whole proposition depends on making that easy. But the pricing engine underpinning this was built on a relatively static amortisation logic; the kind that assumes an asset goes in, runs a term and comes out. When term swaps and vehicle changes happen as often as they do here, that static logic struggles to hold the price consistent through each change. The in-life activity that represents the product's great strength becomes the calculation's great weakness. This illustrates Pattern One at high volume, with Patterns Two and Three close behind.

'In all of the above scenarios the quote travelled, that is not the problem. Modern leasing requires it to travel. The problem is that occasionally, it returns from the journey with new assumptions, a different rental and no receipts.'

Chapter 5

What's at stake: the value of getting this right

What's at stake: the value of getting this right

At the core of this paper is a diagnosis, not a prescription. Just as the consistency of calculation is vital to the uniformity of pricing in automotive leasing, it does not exist for its own sake; rather, it represents the intrinsic value of consistency to protect and create the travelling quote.

Margin protection comes first because it is the most measurable.

Every override, every re-keyed figure, every manual workaround is a small leak. In a business running thousands or tens of thousands of contracts, a leak of that order is not a rounding error. It is a material number that flows straight off the bottom line and one that stays invisible precisely because it's spread across so many tiny events. Consistency does not add a penny of revenue. Its role is to stop you unconsciously giving revenue away and reducing profit.

Trust and renewal come second because they are the engine of the model.

Corporate and fleet customers do not buy a vehicle; they buy a predictable total cost of use over a period of time. When the quoted cost and the billed cost agree, month after month, that predictability builds trust and trust is unequivocally the best foundation on which to build a renewable relationship. When the numbers diverge, every billing query is a small withdrawal from the trust account. For example, in 2023 Madox Square LLP completed a successful collaboration with an Australian fleet solutions company on a contract with a captive leasing company whose retention was weak and whose operating costs were high. In part, our project focussed on ensuring that the lessor's systems and manual processes were fully interconnected. Our remit was to analyse and amend workflow to stem and ultimately eradicate losses created by disparate IT and human Excel processes. In a market where the economics of retention dwarf the economics of acquisition, consistency is essentially a renewal strategy in the guise of operational clothes.

Regulatory defensibility comes third – and it's rising fast.

The direction of travel across European financial services is unmistakable: regulators and auditors increasingly expect pricing and contract data to be explainable and auditable across the entire customer journey. The ability to clearly demonstrate how an outcome was calculated (and that it was calculated the same way for everyone) is fast moving from 'nice to have' towards 'expected' and likely to become mandatory. An organisation that cannot reconstruct its own pricing logic on demand is carrying a risk it may not have fully priced. The spotlight on this potential issue will become increasingly bright with the introduction of the revised European Consumer Credit Directive (CCD2) by the EU Commission to member states in November 2026. Moreover, as it unfolds across the lending landscape it may potentially pull into scope what are currently considered non-regulated agreements in certain member European states.

An anecdote shared by a colleague from a leading German bank illustrates this only too clearly: 'if your organisation thinks regulation is expensive, try non-regulation.'

Operating model scalability comes fourth, underwriting the rest.

Every leasing business I know wants to develop more products, more markets and more flexible propositions. Variation is the price of that ambition. But variation without consistency means rework that scales faster than revenue, and a control framework that frays at exactly the moment it is stretched. Get the consistency right, and variation becomes an asset you can scale into. Get it wrong, and it becomes a tax on every new thing you try to do.

Chapter 6

Where the conversation is heading

Where the conversation is heading

To summarise, the following is designed to provide clarity about what happens next and, importantly, what deliberately falls outside the scope of this analysis.

The shift described in this paper is not going to reverse. The channels will keep multiplying, the products will keep proliferating, the automation will continue to deepen and the quote will keep travelling further and faster across more systems and through more hands. That is the settled direction of our industry, and on balance, it is a good one. It means more choice for customers and more reach for providers. But with every passing year, it raises the structural stakes around consistency. The organisations that thrive in this environment will be the ones who do not treat quote-to-contract consistency as a back-office hygiene matter but, rather, as a strategic capability, sitting right at the heart of how they protect margin, retain customers and satisfy their regulators.

Intentionally, this paper does not set out methods to build that capability. The architectural implications, the question of how calculation logic ought to be designed so that it behaves identically from first quote through to final settlement, the governance and traceability that lifecycle alignment demands: all this is real, all this is hard and it all deserves a good deal more examination than simply a closing paragraph.

Ultimately, the challenging nature of today's travelling quote warrants a straightforward requirement: the next time a deal moves through your organisation, follow it. Watch where the quote is created, count the times it is recalculated, note every team that touches it and every system it passes through and ask one question at each juncture: does the final number match the original? The answer will tell you a great deal about where your business is leaking value and, critically, highlight the potential gains in ensuring that travelling quote arrives intact.

We have spent years perfecting the moment a price is struck. The opportunity now is to perfect the journey that number takes, from quote all the way through to long-term customer value.

Paul Bennett is Managing Partner at Madox Square LLP, a boutique advisory firm specialising in automotive finance and the broader automotive sector, and Senior Advisor at Genpact Banking & Capital Markets. The views expressed in this paper represent his own independent analysis.

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