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## Is Uber Overcharging? Ride-Hailing Services Quotes Riders One Price, Pays Drivers Based On Another

BY MARCY KREITERON 05/03/17

A study released Wednesday indicates there's a gap between what Uber charges riders and what the company pays its drivers.

The Rideshare Guy consultancy reported Uber may be systematically overcharging passengers in New York, quoting them a flat rate but paying drivers based on the best Google Maps time and distance route. Drivers are not told what their passengers are paying.

The study examined data from 165 trips around the city based on Uber's upfront pricing feature. Uber has said the feature adds convenience for passengers and loses money on some trips while profiting more handsomely from others, evening things out in the end.

The Rideshare Guy said, however, the pricing usually works out in Uber's favor, with the ride-hailing service receiving an additional \$163 from 82 UberX rides in New York thanks to the differential. For carpool rides, however, Uber lost \$108 for 49 rides, giving the company an \$86 bonus. The most serious example was a lengthy ride for which a passenger paid an additional \$25 on a total fare of \$143.

The data was collected from the trip sheets of two drivers. Uber total charges were calculated based on sales tax data.

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The Rideshare Guy's Harry Campbell, who is an Uber driver, said the system is "ripe for abuse." He also noted Uber "doesn't have the greatest record with transparency and they are essentially saying 'Trust us, we promise not to take advantage of this system.' "

Quartz reported last month Uber lowballs fares to drivers. A trip for which the reporter was charged \$11.46 was represented to the driver as \$10.26, for which he was paid just \$7.30.

Uber driver Martin Dulberg of Raleigh, North Carolina, filed suit against the company in February, alleging Uber is obligated to pay drivers based on what the passenger pays, not a separate, metered calculation based on miles and minutes.

Because Uber overestimates its initial fee, drivers are paid less than they are contractually entitled to," the complaint states.

A class-action suit filed in Los Angeles by Sophano Van accuses Uber of manipulating prices so drivers are paid less than what they deserve.

A video posted by "Uber Man" details a \$20 price discrepancy on a 22-mile ride he gave a woman.

"She got charged \$80, and I made \$44.10 after Uber took their '25 percent.' I'm getting this more and more recently," he said, calculating the passenger should have been charged \$60.

Uber considers its drivers independent contractors but has run into static overseas. In Britain, the company has tried to tamp down criticism by offering benefits, including coverage for sickness and injury and access to financial advice, for 2 pounds (\$2.50) a week. In Brazil, a judge in Sao Paulo ruled last month drivers are company employees, a decision Uber is appealing.

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The driver question eventually could go away if Uber's experiment with self-driving vehicles works out. The company currently is testing driverless service in Pittsburgh and looking for other markets to set up shop.

But its access to the necessary technology is in question.

Uber currently is involved in a lawsuit with Waymo over documents turned over to Uber by former Google employee Anthony Levandowski, who was granted 5 million shares in Uber worth an estimated \$250 million. Levandowski allegedly stole 14,000 confidential files before leaving Google to found Otto, an autonomous truck company eventually purchased by Uber.