

Angry Tesla customers sue firm over “grossly” exaggerated EV range

Enlarge / Tesla cars charging on July 17, 2022, in Nephi, Utah.

Getty Images | George Frey

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Tesla is facing a class-action lawsuit filed by customers who say they were misled by the company's exaggerated range claims. The lawsuit was filed yesterday, days after a report revealed that Tesla exaggerated its electric vehicles' range so much that many drivers thought their cars were broken.

“Tesla marketed its electric vehicles as having a grossly overvalued range in an effort to increase sales to consumers,” said the lawsuit filed in US District Court for the Northern District of California.

The lawsuit seeks class-action status to represent all people in California who purchased a new Tesla Model 3, Model S, Model Y, or Model X vehicle. The three named plaintiffs are James Porter, Bryan Perez, and Dro Esraeili Estepanian. All three bought Tesla cars in 2022.

The complaint said that when plaintiffs ordered their cars online or spoke to Tesla representatives about the car features, they were never warned that the advertised range was “grossly overestimated.” The plaintiffs would not have

purchased a Tesla car at the prices they paid if the company “truthfully revealed that the advertised range was exaggerated and not based on normal driving conditions,” the lawsuit said.

The complaint says Tesla committed “violations of state consumer fraud statutes, fraud, negligent misrepresentation, breach of express warranty, breach of implied warranty, violation of California’s Song-Beverly Consumer Warranty Act, and unjust enrichment.”

“As a result of Tesla’s tactics and false advertising, Plaintiffs and Class Members suffered an injury in fact, incurred damages, and have been harmed by Tesla’s conduct,” the complaint said. They are seeking financial damages in the lawsuit, which was prepared by class-action law firm Milberg Coleman Bryson Phillips Grossman.

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Cars “failed to accurately account for external factors”

The complaint cited testing that found three Tesla models fell short of their advertised ranges by an average of 26 percent. In addition to alleging false advertising, the lawsuit said that range estimates provided by Tesla vehicles during car trips fail to account for temperature and other factors that reduce range.

Testing by analytics firm Recurrent “determined that Tesla model vehicles still overwhelmingly calculated that they could still deliver nearly the advertised full range, regardless of external factors—with Tesla vehicles calculating that they could travel more than 90 percent of their advertised range,” the complaint said. “Put simply, Tesla vehicles failed to accurately account for external factors impacting battery performance and vehicle range, leading to a gross overestimate

of the vehicle's range."

The lawsuit cites a recent investigation by Reuters. "Based upon information from those familiar with Tesla's early vehicle software designs, the Reuters report explains that Tesla developed algorithms for estimating the range of its electric vehicles, which would display to drivers 'rosy' projections for the distance the vehicle could travel on a full battery," the lawsuit said. "However, once the battery reached 50 percent capacity, the algorithm would change and begin showing the driver more realistic projections. This would cause the estimated range of the vehicle to fluctuate drastically from that point."

"The decision to include these algorithms to present inflated range estimates came directly from Tesla's chief executive officer, Elon Musk," the lawsuit continued.

Reuters reported that Tesla became inundated with complaints from drivers who thought their cars were broken when the actual driving range was much lower than advertised. When these drivers scheduled service appointments to address their range problems, Tesla allegedly canceled the appointments because there was no way to improve the actual driving distance. The Reuters report said that in mid-2022, Tesla started routing range complaints to a "Diversion Team" that fielded up to 2,000 cases a week and "was expected to close about 750 cases a week."

Tesla didn't respond to a request for comment when we wrote about the exaggerated EV range claims last week.

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