Tesla slashes prices for “Full Self-Driving,” won’t refund preorders

Enlarge / Tesla CEO Elon Musk in December 2018.
Robyn Beck/Pool via Bloomberg

reader comments

66 with 45 posters participating

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When Earl Banning bought his Model 3 last May, he paid $5,000 for the “Enhanced Autopilot” package, which offers lane-keeping and adaptive cruise control. Then in early October, he decided to pay an additional $4,000 for the “Full Self-Driving” package. The option would have cost $3,000 if he bought it with the car, but it cost an extra $1,000 if purchased later.

“There’s this idea in the media of Tesla scamming people out of money,” Banning said in a late October interview with Ars. “I feel like it was the opposite experience.”

A Tesla salesperson warned Banning that the full self-driving option didn’t do anything yet, Banning says, but he chose to buy it anyway. “I kept saying, here, I’m dumb, take my money,” he said.

Banning was confident that Tesla would eventually deliver the technology. He was happy to support Tesla’s efforts to develop the capability, and he wanted to lock in a good price.

We first talked to Banning shortly after Tesla yanked the Full Self-Driving option from its order page in late October. The move seemed like a tacit admission that Tesla was still far away from delivering fully driverless technology.

Then last week Tesla reintroduced the option while reshuffling the Autopilot price structure. The cost of the lower Autopilot tier (now just called "Autopilot") got cut from $5,000 to $3,000. However, some features previously included in the "Enhanced" tier—including "Navigate on Autopilot" and "Autopark"—have been moved to a new "Full Self-Driving" tier that now costs $5,000. Additional "Full Self-Driving" features are due out later this year.

Tesla is also offering discounts to Tesla owners who bought their cars prior to last week's price change. Tesla owners can now upgrade to Enhanced Autopilot for $2,000. An additional $3,000 to $5,000 in total gets the Full Self-Driving package. Customers who already have Enhanced Autopilot can get the Full Self-Driving package for $2,000.

"It definitely shakes my trust in Tesla"

These discounts are great news for Tesla owners who didn't upgrade when they bought their cars. But that last offer—$2,000 for Full Self-Driving—is a bitter pill for people like Banning. Banning paid $4,000 for the same upgrade a few months ago, and he still has nothing to show for it.

"It definitely shakes my trust in Tesla," Banning told Ars in a direct message. He was "not sure how you lower the price for a product that's still [not] out, but don't let those who paid cancel and get in at [the] new price."

Banning contacted Tesla to seek a $2,000 refund—the difference between the $4,000 he paid and the $2,000 Tesla is charging

now. No dice.

“I can respect that this is most likely not the answer you were hoping for but as [is] always the case, we will continue to introduce improvements to your vehicle with over-the-air updates and your Tesla will continue to get better over time,” Tesla wrote in an unsigned email to Banning.

Still, the incident hasn’t turned Banning into a Tesla hater. Tesla is giving Banning and others like him the option to join Tesla’s Early Access Program, which will allow him to test new features before they’re available to other Tesla owners—something Banning describes as “pretty cool.”

“I still love the company and will buy a Y or a used S to get rid of my other ICE car,” Banning wrote.

“I am just not seeing the backlash”

Banning is far from the only Full Self-Driving customer clamoring for a partial refund.

“I paid the $8k upfront for both EAP+FSD,” another Tesla owner tweeted on Saturday. “Elon, if u need to save some cash, instead of a partial refund, how about a $3k credit that can be used for service/maintenance, supercharging and accessories?”

“I agree with this as an option because I also paid 8k upfront in August, please give us some option,” another replied.

Still, not everyone who prepaid for the Full Self-Driving option is upset about Tesla’s refusal to offer partial refunds.

“I viewed my 3k purchase of FSD back when it was just in the planning stage as an investment in helping to make sure it became a reality,” said Tesla owner Charles Scott in a Tuesday email to Ars. “I have spoken with a number of local owners and

I am just not seeing the backlash.”

Another Full Self-Driving customer who asked not to be named echoed that sentiment.

“A contract is a contract, and this is what we agreed to at the time, I was happy with it, and I still am,” this Tesla owner wrote. “Some Tesla owners in the Facebook forums I frequent are upset, but many are not.”

Tesla didn’t respond to a Monday email from Ars asking about partial refunds for people who placed early orders for the Full Self-Driving package.

Correction: Tesla’s new lower-cost tier is just called “Autopilot,” not “Enhanced Autopilot” as I originally stated.

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