

# Innovation in US Fleet Cards

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How Coast has improved the accuracy  
and reliability of fleet card data

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## Introduction

For decades, businesses with vehicle fleets have given their employees fleet cards, the primary purpose of which is to pay for fuel. Sometimes, these cards also allow the purchase of a restricted set of other vehicle-related items, such as motor oil or windshield washing fluid. Today, there are more than 20 million fleet cards in the US, which are estimated to have totaled over \$75 billion in spend in 2023.<sup>1</sup>

Founded in 2020, Coast recently graduated from the Visa Fintech Fast Track program, which brings new payment solutions to market from some of the most innovative technology start-ups. In partnership with Visa, Coast has developed a new type of fleet card that can improve the accuracy and reliability of fleet card data. Coast's overarching focus on data quality can offer practical benefits to fleets of all sizes.

Parker Patton, Global Head of Commercial Fleet and Mobility at Visa, notes that the strong partnership between Coast and Visa has unlocked industry innovation that directly benefits both small and larger fleets: "Coast's robust digital platform and focus on

client needs, coupled with Visa's payments technology and merchant acceptance, has re-imagined once-cumbersome processes for fleet managers and their drivers. Coast's SMS-first approach with the Visa Fleet product simplifies and secures payments for Coast customers and cardholders."

In this white paper, we look at Coast's offering and how it differs from the traditional US fleet card. We look at some specific fleet card innovations introduced by Coast in pursuit of this goal and analyze their effectiveness. Finally, we examine how Coast's solution can be extended from the specialized world of fleet to wider use as a general business expense management tool.

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20 Million  
fleet cards<sup>1</sup>



\$75 Billion  
US spend 2023<sup>1</sup>

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**VISA**

1. "US Fleet Payments Market Sizing and Segmentation", KNI Research, 2023.

## Why do businesses need fleet cards?

Businesses rely on fleet cards to keep their drivers and vehicles moving, while keeping expenses under control. At first glance, fleet cards look similar to credit cards, but they include some different features to provide businesses with additional security, controls and data.

### Features of fleet cards

When a driver uses a fleet card to pay for fuel, the terminal prompts them to manually key in certain numeric codes, such as a driver number and an odometer reading, or a vehicle number. The driver is obliged to key the data into the payment terminal next to the fuel pump to complete the payment. Any data entered by the driver will be used, in combination with other information from the card and the terminal, to authenticate and record the transaction.

2. "Product Evaluation of SMB and OTR fleet cards in US", KNI Research, 2022-2024.

# 90%

of fleet cards in the US are estimated to be configured to prompt the driver to key in some fleet-related data every time they need to pay for fuel.<sup>2</sup>

Following an evaluation of multiple fleet card products, KNI estimates that over 90% of fleet cards in the US are estimated to be configured to prompt the driver to key in some fleet-related data every time they need to pay for fuel.<sup>2</sup> Given that most fleet vehicles refuel at least once a week, this suggests that drivers must input this data for almost a billion transactions every year.

### What fleet cards offer

Businesses use fleet card data for a range of purposes, such as managing costs, reducing fraud and improving efficiency. For example, a fleet card report can show fuel consumption and mileage for a particular vehicle over time, or show details of all fuel products purchased by a specific employee.





If only **3% of fleet card** spend was unauthorized, this would add up to more than **\$2 billion** of additional costs for US businesses.



This information is critical for fleet managers to ensure appropriate card use by drivers, and to measure costs across vehicles in their fleet. When looking through a series of transactions, a manager can easily spot patterns and exceptions that can indicate misuse of the card, such as unauthorized purchases made by an employee or a third party. Card misuse, if unchecked, can have a material impact on company profits. As an illustration, if only 3% of fleet card spend was unauthorized, this would add up to more than \$2 billion of additional costs for US businesses.

#### **Fleet cards can help to control and understand spend**

Fleet cards enable businesses to set limits on how a particular card can be used, such as restricting purchases to diesel only. These controls help to reduce and discourage card misuse. Managers can also compare the fuel efficiency of different vehicles over time, or spot when a vehicle requires maintenance. Businesses with vehicles value these features of fleet cards, which are generally not offered by regular credit or business expense cards.



## Issues with data quality

That said, fleet cards are not without their problems. In practice, many businesses find that their fleet card data can become unreliable over time. If the driver uses the wrong card, or enters the wrong driver or vehicle code, then the transaction record will be inaccurate, resulting in spend that is mis-attributed to the wrong vehicle or employee.

### Data quality issues are not unusual

KNI recently interviewed a number of businesses that use fleet cards and found that data quality issues were not unusual.<sup>3</sup> Driver numbers can be up to 6 digits long, as can vehicle numbers; odometer readings can be up to 7 digits long. Drivers can make mistakes entering data when standing at the pump, particularly in adverse weather conditions.

To compound the problem, drivers often need to switch vehicles, and fleet cards can be left with the wrong vehicle or driver.

Employees sometimes forget new codes and may enter an old code, simply because they do not want the transaction to be declined. Further, codes are often borrowed or shared between drivers, particularly in a workforce undergoing a high rate of turnover.

### Unreliable data leads to increased fraud

The negative consequences of unreliable data may include increased fraud, unusable card controls and inability to share data with other systems across the organization. A fleet card report containing inaccurate transaction data (including wrong vehicle, driver or odometer readings) makes it hard for managers to differentiate between legitimate patterns of spend and exceptions indicative of possible card misuse.

It becomes difficult to detect situations where a card was used to fill up an employee's personal vehicle or to sell gas to other drivers, and it's then hard to understand/assess the total cost of ownership of vehicles in the fleet.



Drivers are frequently prone to making errors when required to key in multiple codes at the pump.

3. "Fleet Data Quality Survey", KNI Research, 2022-2024.

34%

of the payment transactions in the studied period contained incorrect odometer readings.<sup>3</sup>



When a fleet card is moved between vehicles without proper authorization, the purchase controls may not work as intended (such as restricting a card to “diesel only” purchases). When fundamental details (such as vehicle ID) are incorrect, there is little point in a business sharing their fleet card data with other platforms, such as accounting, asset or project management systems. Consequently, some of the fleet card’s main benefits can be eroded by inaccurate data, impacting business operations and decision-making.

#### Drivers can become careless

Several businesses stated in interviews that they deploy their own office personnel to oversee the use of the fleet card within their organization in order to reduce the magnitude of data quality issues. The administrator encourages employees to use their fleet cards correctly and intervenes when it is clear that the wrong code has been

entered, or when cards have been swapped without authority. Because transactions take place while the driver is standing outside at the pump (or sometimes in-store at the till) it is inconvenient for the driver to go back inside the vehicle for an accurate reading. This typically doesn’t prevent the transaction as fleet cards will not usually decline purely based on a suspect odometer entry, yet drivers can become careless.

#### The business cost of poor data quality

When KNI Research audited one business’ use of fleet cards, it was discovered that 34% of the payment transactions in the studied period contained incorrect odometer readings.<sup>3</sup> If an employee forgets which code to enter and is stuck at the pump, the administrator will log into the fleet card system and share the code. Funding these administrative resources represents another business cost of poor data quality.



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3. “Fleet Data Quality Survey”, KNI Research, 2022-2024.



## Solving for data quality

Coast is a technology company, based in the New York area, and a recent graduate from the Visa Fast Track program. Since its formation in 2020, Coast has applied modern technology to bring innovation to the world of fleet and expense payments. A variety of businesses use Coast, ranging from small and medium-sized businesses to mid-market businesses with sizable fleets of several hundred vehicles each.



Data quality is at the heart of Coast's approach, enabling users to focus on growing their businesses.

We highlight three ways that Coast achieves this: through **SMS check-in**, **policies** and **data integrations**.

### Reducing user error with SMS check-in

SMS Check-in is a unique way of capturing fleet data from the driver. Instead of keying in data at the pump, drivers use their mobile phones to enter data. Coast asks simple questions, and the driver submits answers, all via SMS messaging. The solution is easy for the driver to adopt, as they do not need to load an app, receive training to use special software or send/receive large amounts of data from their phone. The phone can be company-issued or privately owned and does not even need to be a smart phone.

There are several ways in which SMS Check-in can be less prone to driver error than data prompts at the terminal. In this process, the



Drivers can use SMS check-in anywhere they can use their mobile phone.

driver does not have to remember a 6-digit numeric vehicle code – they just key in the license plate. Furthermore, it is much easier to submit an odometer reading when sitting inside the vehicle – there is no longer a need to memorize digits. And once check-in is complete, Coast knows exactly which card is being used by which driver with which vehicle, enabling policy rules to be applied correctly and the recording of error-free transactions.





As soon as the number of the employee's phone is established, Coast can continue to use SMS to provide an ongoing communication channel.

The whole process typically takes 10 -15 seconds (which is about the same time as it would take to key in codes at the pump, assuming the driver does not make a mistake). Furthermore, businesses can choose whether to require the driver to check in before every purchase, or less frequently (e.g., once a week) to facilitate further time savings.

**A more convenient refueling experience**

Coast's approach results in a simpler, more convenient refueling experience for drivers. The Coast card can be used at any gas station that accepts Visa, so there is no need to make an extra detour to refuel at a particular brand. Drivers do not need to memorize codes or write down odometer readings before getting out of the vehicle. Time spent outside the vehicle is reduced, as there is no need to key in codes into the pump terminal.

As soon as the number of the employee's phone is established, Coast can continue to use SMS to provide an ongoing

communication channel. SMS can support full sentences (and translation, if required), rather than the limited messages typically offered by a card terminal, reducing overall driver confusion. For example, if a transaction is declined, Coast will send an SMS to the driver providing the reason for the decline and offering further help. After a successful transaction, the driver will receive a confirmation message with details of the transaction. Some fleets may prefer to stick to the traditional way of doing things - and for these customers, Coast provides a traditional solution with prompts at the payment terminal. That being said, Coast has stated that the vast majority of its customers have adopted the new approach and are using it every day. They also report that the yearly rate of SMS check-ins by Coast users now numbers in the millions.



### Applying the correct spending rules with policies

As businesses grow, managers need tools to control expenditure. Most fleet card solutions allow limits to be applied to a card, so that when a transaction falls outside these limits, it is either declined or flagged on an exception report. This helps businesses reduce unauthorized spending and preempts situations where managers may need to intervene.

Issues can arise, however, if the **card** is moved to a different vehicle or is used by a different employee. For example, if a card is set up for a large cargo vehicle and is then moved to a passenger car, then the limits on fuel purchases will be too high and drivers will be able to make unauthorized purchases. In other cases, the limits could be too low, causing transactions to be wrongly declined and delaying employees from their tasks. Exception reports will be unusable, as they will flag some transactions incorrectly and ignore others completely.

Coast allows a business to establish an expense policy for each **vehicle** and each



**Controls**

- Vehicle is far away from the merchant
- Limit spending by days and times**
- Wrong fuel type
- Fuel purchase exceeds tank capacity
- Require job number

Monday 8:00am ▼ to 9:00am ▼

Tuesday 8:00am ▼ to 8:00pm ▼

**employee.** For example, they can set a vehicle policy that limits a vehicle to two transactions per week, a \$100 limit and Monday – Friday usage only. At the same time, they can separately have an employee policy that ensures that a given employee doesn't spend more than \$200 total in a given period, regardless of which vehicles they might use.

### Ensuring the proper application of rules

By linking policies to people and vehicles (rather than cards), Coast can ensure the proper application of rules. SMS check-in

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tells Coast which employee and vehicle is using the card, so that even if the card gets moved to another vehicle, the correct policy is applied. Businesses can set policies at both the vehicle- and employee-level simultaneously, confident that the policies will be applied correctly and securing a higher level of control.



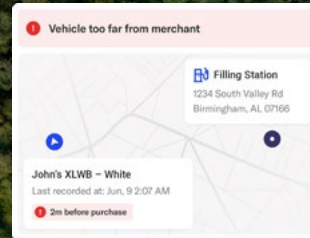
### Integrating data from other platforms

Coast has pre-built data integrations with leading providers of GPS and telematics technologies, including Samsara, Geotab and Verizon. These partnerships enable Coast to import data from telematics systems, providing additional security and further improving data quality. Coast compares vehicle GPS data with the location of the gas station where a card transaction takes place to confirm that the right vehicle was present. In many cases, odometer readings can be captured automatically through the telematics software, further reducing manual data entries and possible mistakes by drivers.

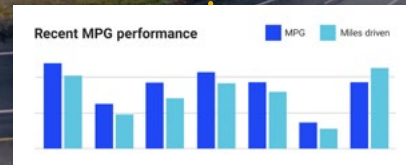
Coast integrates with fleet management platforms, like Fleetio, where a business can gain visibility of all vehicle costs, including maintenance and depreciation. Coast also integrates with accounting platforms where expenses can be automatically categorized to the correct cost centers. Integrations like these enable a growing business to leverage the value of its investment by sharing fleet card data across the organization.

Integrations with other platforms enable a business to leverage the value of its investment by sharing fleet card data across the organization.

### GPS and telematics



Accounting platforms



Fleet management platforms



Businesses may find they need to supply a fuel card and an expense card – duplicating cost and increasing complexity.

## Managing expenses beyond fuel

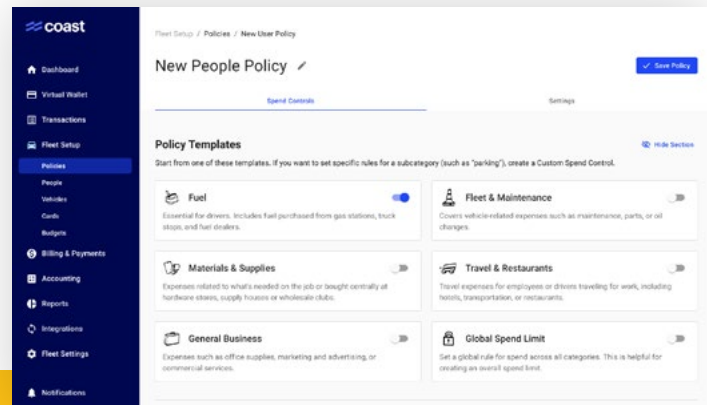
Coast reports that while many of their customers use Coast for fuel purchases only, an increasing number would like their drivers to be able to make wider fleet-related purchases. They have found that the more popular spend categories used by fleets include vehicle maintenance, roadside assistance, parking fees and EV charging. Coast allows a business to set separate and precise controls and rules for each category. These controls are implemented through the Visa network, so a driver would not be able to make a purchase in a given category, unless the business has specifically authorized it beforehand.

Coast can also support businesses' more general expense management needs. As businesses grow, they often find they need both a fleet card and an expense card, leading to a duplication of costs that can become complicated to manage. For example, employees have to carry two cards

and know when and how to use each one. Managers may need to learn to use two portals and create two sets of reports, and Finance pay two statements.

### A single solution running on the Visa network

Coast provides a single solution via the Coast Visa card, running on the Visa network, which meets both the distinct needs of fleets and the wider business's expense management requirements. This enables businesses to simplify and improve their expense processes and streamlines the employee experience, as they only need to carry one card. Office and online purchases can be made safely using virtual cards. Businesses can review all expenses immediately, on a single platform. Coast's pre-built integrations allow data to be easily shared with accounting software, enabling fast financial reconciliation.



## Case study: Gillette Air Conditioning Company

Katelyn Machen is an HR Manager at Gillette Air Conditioning Company, based in San Antonio, Texas. The company has 92 vehicles and 170 employees. It provides air conditioning services to the entirety of South Texas, and its teams need to reach places easily.

Katelyn says: "Previously we had a station-specific fleet card. It was difficult to find stations, and difficult to use in general. Getting started with Coast was one of the easiest things we've done."

She values the speed with which Coast can resolve practical issues, enabling her to focus on her HR role. "This morning, I had an employee come in and say their card was stolen. Within two minutes I had turned off the old card, assigned a new card, and they had already received a text from Coast saying the new card was active."

With a fleet of 92 vehicles, it is essential for the business to have access to detailed,

reliable data. "Coast solved a lot of problems for us. One is reportability, as we are able to track down to the employee, or by vehicle, or by the kind of fuel we are utilizing. So that has been incredibly helpful."



This morning, I had an employee come in and say their card was stolen. Within two minutes I had turned off the old card, assigned a new card, and they had already received a text from Coast saying the new card was active.

**Katelyn Machen** HR Manager, Gillette Air Conditioning Company



Gillette covers the whole of South Texas: maintenance teams need to get to places easily.



## Future developments

Coast's integration with other platforms is being expanded, particularly in the following areas:

### Telematics

Coast plans to add new telematics providers and provide support for enriched data such as fuel tank level and battery charge state that will further enhance data quality.

### Accounting and Project Management





Coast is building deep integrations to multiple providers of accounting and project management software. This will enable businesses to ease financial reconciliation processes and save hours closing books.

Expense management capabilities are also growing:

- The scope is expanding to include central purchasing and accounts payable automation.
- Coast is applying its data quality focus to the entire expense management process, in order to make expense review and reconciliation faster and more accurate, and to free up administrative teams for more productive activities.

**These developments are aimed at better servicing growing and mid-market businesses in the US and to attract the interest of larger corporates.**



	Date	Amount	Category	Status
	July 19	\$79.37	Fuel	Paid
	July 19	\$62.44	Service	Paid
	July 20	\$209.31	Insurance	Approved
	July 21	\$628.00	Hotel	Pending

Coast's expense management capabilities are growing beyond fleet and mobility to include central purchasing and accounts payable automation.



## Conclusions

Looking across the US fleet payments market, Coast's innovation yields some valuable insights for the industry, including the following:

### A focus on data quality

Coast improves the quality of incoming data and reduces many of the errors that can undermine the correct functioning of a fleet card. Businesses gain better visibility of costs, and the confidence to rely on the data for decision-making. Coast enables fleet card data to flow across the organization, improving financial and operational processes. This particularly benefits mid-size and larger companies, who depend on data integrity for operational excellence.

### How to bring innovation to fleet cards

Coast is a great example of how a forward-thinking technology company can re-imagine and re-invent industry processes that have remained largely unchanged for decades. By leveraging today's widely available technology (such as mobile phones, GPS telematics and a modern payment network), Coast has established new ways to



capture and process fleet card data, resulting in better outcomes for businesses.

### One solution for fleet and expense

Many businesses use Coast purely as a fleet card, but an increasing number are choosing to use it as an expense card as well, thereby meeting two requirements with a single solution. This enables the business to simplify processes and reduce duplicated costs. Running on Visa, Coast can meet the distinct needs of fleets, while also providing expense management capabilities for the wider business.

Overall, Coast demonstrates how young technology companies, in partnership with Visa, can bring rapid innovation to market, even in the previously closed world of fleet payments. Looking ahead, we see many more tech-based innovations transforming the fleet and expense payments space, bringing greater value to businesses and the providers who serve them.





## About Visa

Visa Inc. (NYSE: V) is a world leader in digital payments. The company's relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce.

**For more information, visit our [US Fleet Card page on visa.com](#)**

Visa's Global Fleet Product group commissioned this study.

## About Coast

Coast is a smart fuel card and modern expense management platform built on the Visa network. The Coast card goes beyond the traditional fuel card: flexible controls let you set the spending rules that make sense for your business. Ease of use and responsive customer service make Coast the only 5 star-rated fuel card on the market. Coast cards are issued by Celtic Bank.

**Learn more about Coast at [www.coastpay.com](http://www.coastpay.com)**

## About KNI Research

KNI (Knowledge Network International) is a global research company specialized in fleet and mobility payments. Our research methods include interviews with businesses and drivers, provider benchmarking, product evaluation and market modelling. We provide detailed data, insight and analysis relating to fleet cards and their usage.

**[www.kn-intl.com](http://www.kn-intl.com)**

