

# Rough ride: how Uber quietly took more of your fare with its algorithm change

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Ride-hailing app's 'take rate' – or cut – sometimes reaches more than 50% since introduction of dynamic pricing

### Uber drivers' earnings cut after changes to secretive algorithm

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More than a decade after being one of [19 Uber drivers who took the company to court in 2015](#), Abdurzak Hadi continues to drive for – and fight with – the ride hailing app.

The group won their claim confirming their entitlement to the legal minimum wage – but the Silicon Valley company's insistence that its drivers were self-employed contractors meant the case went all the way to the supreme court. In 2021, Hadi and friends won there too.

If that sounds as if the British legal system left the former Somali refugee in the driving seat, he argues that life for [Uber](#) workers is now as precarious as ever.

On Thursday, academics at the University of Oxford – in conjunction with the non-profit gig worker organisation [Worker Info Exchange](#) (WIE) – launched a report analysing a mass of data relating to [1.5m trips provided by 258 UK Uber drivers](#), who had used privacy legislation to extract their personal data from the ride-hailing app.

The study gave a rare opportunity to study the workings of Uber's technology and produced some eye-catching findings.

It found that many Uber drivers have earned “substantially less” an hour since the app introduced a “dynamic pricing” algorithm in 2023, which is said to adjust trip prices in real time based on a number of factors.

These include time, distance, the number of available drivers in the area, the passenger demand, traffic and the weather. The report found that these earnings drops coincided with the company taking a significantly higher share of fares.

The study unearthed further data suggesting that drivers such as Hadi are experiencing less and less control over their working lives. They described their days

as being controlled by increasingly sophisticated pieces of computer code, which left them unclear how much Uber would take in fees on discrete jobs.

“[The old system] was clear, transparent,” Hadi told the Guardian and ITV News. “You can calculate, you can see. Say, for example here it says about eight miles, so I know eight miles plus how long it took me, plus the starting fare, minus Uber’s fee, which is 20%. Even when they increased it to 25%, I would exactly know how much. Exactly.”

The new system has resulted in Uber taking a variable cut, or “take rate”, of 29% of a fare on average, rising to more than 50% in some cases, the University of Oxford researchers found. The study also found that Uber’s take rate increased on higher value rides – something the company has denied.

The 29% figure appears to chime with disclosures within Uber’s latest quarterly results figures, which show that the company made **\$1.2bn (£890m) of income from its operations** in the first three months of this year.

Meanwhile, the WIE estimates that UK Uber drivers lost out on \$1.6bn in pay, as a result of Uber increasing its share of the fare, during the 12 months to March 2025.

Uber said the UK take rate and lost earnings figures are inaccurate, and that its take rate had remained “steady” at 25%.

The company added: “The Uber app reviews real-time information to provide the best price to appeal to the drivers in the area, helping to minimise waiting times for customers and maximise earnings. Drivers are shown their earnings for the trip before they decide whether to accept.”

But as Uber grows more confident in its calculations, those transporting passengers say they are becoming less so.

A driver’s livelihood depends on their ability to guess what kinds of trips they will get at particular times and places, and how much those trips will pay.

However, the University of Oxford study stated that “drivers frequently complained about the unpredictability of pay post-dynamic pricing”.

It continued: “Any tacit knowledge drivers have built up over years about how much pay a given trip is likely to yield may no longer help them ... the predictability of pay drastically changed after dynamic pricing was introduced.”

A company spokesperson said: “Uber drivers in the UK took home over £1bn in earnings between January and March of this year, which is up on the year before.

“Drivers choose to drive with Uber because we offer total flexibility on when they work and provide full transparency over the trips they accept.

“All drivers receive a weekly summary of their earnings, which includes a clear breakdown of what Uber and the driver received from trips.

“We are proud that thousands of drivers continue to make the positive choice to work on Uber as passenger demand and trips continue to grow.”