

Car retailer Cazoo to cut 750 jobs over recession fears

Cazoo, one of Europe's largest online car retailers, has said it plans to cut nearly 750 jobs in a bid to save £200m as inflation and supply chain issues hit its business.

The company said the decision had been made to scale the business down to a more sustainable size, and position it for profitable growth.

"It is expected that the combination of these initiatives will result in cash savings to the company's budget of over £200m during the period from June 1, 2022 to December 31, 2023 with approximately 750 roles being impacted across the business," the company said in a statement.

The job cuts amount to around 15% of Cazoo's workforce, with the company adding that hiring will be reduced too in a major cost-savings drive aimed at protecting the business from a potential recession.

"The company is not immune to the rapid shift in the global economy and the possibility of a recession in the coming months," Cazoo said in a statement.

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"As a result, management's expectations for the full year are now more cautious, reflecting the weaker and uncertain external environment."

Last week, rival online car retailer Carzam collapsed, just six months after it had raised £112m from a New York hedge fund. Investors are rapidly switching from high growth start-ups to companies with more sustainable business models.

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Last year, Cazoo listed on Wall Street in a deal valuing it at \$7bn (£5bn), just over 12 months after its launch.

The company, founded by entrepreneur Alex Chesterman, had

agreed to go public via a merger with a so-called “blank cheque” company in New York led by billionaire US investor Dan Ochs.