

Having canceled 40,000 orders, the American car company reduced the price of electric cars by nearly 40%.

Facing the risk of bankruptcy due to continuous customer cancellations, American car company Fisker is having to reduce prices on electric car products to the floor to survive.

According to *Business Insider*, more than 40,000 of the more than 70,000 orders for Fisker Ocean electric vehicles have been canceled. This puts the startup car company from the US at risk of bankruptcy.

Fisker began accepting pre-orders for the Ocean electric vehicle with a deposit of \$250 in November 2019. Until February 2023, the company announced that it had received nearly 65,000 orders. It was thought that this would be a good start, but the American electric car company later could not meet expectations in terms of car quality and turned customers away.



Business Insider said Fisker has received 70 to 80 cancellations of car orders every day in the past 7 days. Not only does it lose revenue, the continuous cancellation of car orders also causes the company's operating costs to increase.

A Fisker representative said that although it charges \$250 to reserve an electric vehicle, that amount will be refunded in addition to a \$25 processing fee. Customers who reserve more than one vehicle will receive a \$100 refund if they cancel, according to Fisker's online booking terms.

It is unclear how many electric vehicle order cancellations Fisker has refunded. If the deposit for 40,000 canceled applications is paid in full, the total estimated cost will be about 9 million USD.

In addition, Fisker is said to still have several thousand other canceled orders, but at different deposit levels and not fully paid. For these orders, the company said it will retain the \$5,000 deposit, as well as shipping fees if the order is canceled after the company has begun the process of delivering the car to the customer.

Fisker is currently trying to find solutions both internally and externally to save the situation. The first is a discount of up to 39% for Ocean 2023 cars to increase sales and earn money to maintain operations. However, this move is not expected to help Fisker much because their electric vehicles have long received negative feedback from the community.

Earlier in Fisker's earnings call in February, the company was warned that it may not have enough money to survive through 2024.

Earlier this month, the company announced that it had suspended electric car production for 6 weeks and had about 121 million USD left in the bank as of March 15. They later said they had called for capital funding of up to 150 million USD from an investor believed to be Nissan, but the negotiations broke down on March 22. Fisker is continuing to evaluate strategic alternatives.

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