



Image: Getty

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## **RAC reaction to Spring Statement announcement that fuel duty will be cut**

**Reacting to the Chancellor's announcement made this lunchtime, RAC head of policy Nicholas Lyes said:**

“With petrol and diesel prices breaking records almost daily, and the cost to fill up a petrol car at over £92 and a diesel at nearly £100, we’re pleased to see the Chancellor has given drivers some much-needed relief at the pumps, but the reality is that a 5p cut in duty is something of a drop in the ocean. In reality, reducing it by 5p will only take prices back to where they were just

over a week ago. With the cut taking effect at 6pm tonight drivers will only notice the difference at the pumps once retailers have bought new fuel in at the lower rate. There's also a very real risk retailers could just absorb some or all of the duty cut themselves by not lowering their prices. If this proves to be the case it will be dire for drivers. It also wouldn't be totally unexpected based on the biggest retailers not reducing their prices late last year when the oil price fell sharply.

“Temporarily reducing VAT would have been a more progressive way of helping drivers as the tax is applied at the point the fuel is sold. It's also the case that the Treasury is benefitting hugely from the high fuel prices because of greater VAT revenue. The Chancellor is currently getting 28p a litre VAT on petrol and 30p on diesel – this of course comes on top of fuel duty as VAT is a tax on a tax.”

*For more on petrol and diesel prices, [check RAC Fuel Watch](#).*

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The press office email address is [press.office@rac.co.uk](mailto:press.office@rac.co.uk) and media centre is at [media.rac.co.uk](http://media.rac.co.uk). **Please note:** the press office is unable to help with individual customer enquiries - please visit the [RAC contacts page](#) to find the right contact.

## **About the RAC**

The RAC, an iconic UK brand, provides complete peace of mind to nearly 14 million UK private and business drivers, whatever their motoring needs. As well as its premium nationwide breakdown assistance service – with an expert branded patrol workforce attending more than two million breakdowns every year – it offers a wide range of market-leading products across insurance, legal services, vehicle inspections and service, maintenance and repair. Included in this is the first-of-its-kind nationwide Mobile Mechanics service which brings the garage to homes and workplaces.

At the forefront of new solutions for business fleets and consumers, the RAC's breakdown service is electric-ready with mobile EV charging technology and can be called on using [myRAC](#) – the all-in-one route planner, fuel finder and

breakdown reporting app.

Visit the [RAC website](#).

## Contacts



### **RAC Press Office**

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