



Image: Getty

Jan 06, 2022 00:01 GMT

December a 'rotten month' for petrol car drivers who lost out on £156m as retailers refused to pass on wholesale price savings

Despite wholesale prices meriting big cuts at the pumps the average price of petrol in the UK fell by just 2p a litre in December meaning drivers paid £156m more than they should have, data from [RAC Fuel Watch](#) shows*.

Unleaded dropped from 147.47p a litre to 145.48p when drivers should really have seen prices nearer to 135p had retailers played fair instead of taking far bigger margins than normal. Diesel dropped by just under 2p a litre from

150.80p to 148.92p when drivers should have been paying around 142p.

Instead of their long-term margin of 6p a litre, retailers took an average of 16p a litre on petrol and 12.5p on diesel in December making forecourt prices far more expensive than they would have been, had retailers not changed their fuel pricing strategy.

The price of a litre of unleaded on the wholesale market, including delivery, averaged 106p across the month. Had a 6p margin been taken drivers would have seen an average petrol pump price of around 135p after applying VAT at 20%. The average wholesale cost of delivered diesel was 112p a litre which, with the usual 6p retailer margin, would have given a pump price of around 142p.

This means it has cost petrol car drivers £6 more to fill up a typical 55-litre family car than it should have (£80 v £74) and for diesel nearly £4 more with a tank costing £82 at the end of the month instead of £78. The RAC estimates retailers' refusal to reflect lower wholesale prices at the pumps cost petrol car drivers a huge £156m in December, or the equivalent of £5m a day**.

RAC fuel spokesman Simon Williams said:

“December was a rotten month for drivers as they were taken advantage of by retailers who rewrote their pump price strategy, costing motorists millions of pounds as a result. Their resistance to cutting prices and to only pass on a fraction of the savings they were making from lower wholesale costs is nothing short of scandalous. The 10p extra retailers have added to their long-term margin of 6p a litre has led to petrol car drivers paying £5m more a day than they previously would have.

“In the past when wholesale prices have dropped retailers have always done the right thing – eventually – and reduced their pump prices. This time they've stood strong, taking advantage of all the media talk about 'higher energy prices' and banked on the oil price rising again and catching up with their artificially inflated prices, which it has now done.

“The trouble is every extra penny they take as margin leads to drivers paying even more as VAT gets added on top at the end of the forecourt transaction. This means the Treasury's coffers have been substantially boosted on the

back of the retailers' action. We urge ministers to push retailers into doing the right thing for consumers.

“The only benefit of the current high fuel prices is the extra incentive for drivers to go electric as those driving 9,000 miles a year could save around £1,500. To help drivers afford to make the switch we are offering highly competitive [EV leasing deals](#) as well as an excellent value [EV home charging tariff](#) which can be fixed until June 2023 and currently costs just 6p per kilowatt hour overnight.”

An analysis of RAC Fuel Watch data reveals Asda had the cheapest petrol at the end of the year with a litre costing an average of 141.81p at their stores, with Sainsbury's not far behind at 142.57p. Asda also sold the lowest priced diesel at 144.9p a litre ahead of Tesco on 145.8p. The average price of motorway unleaded at the close of December was 160.55p while diesel was higher still at 163.43p.

Regional pump prices compared

Unleaded	01/12/2021	31/12/2021	Change
UK average	147.47	145.48	-1.99
East	147.95	146.24	-1.71
East Midlands	147.78	145.15	-2.63
London	147.68	145.89	-1.79
North East	146.72	144.84	-1.88
North West	147.47	145.49	-1.98
Northern Ireland	144.52	142.61	-1.91
Scotland	147.01	145.01	-2.00
South East	148.30	146.64	-1.66
South West	147.59	145.50	-2.09
Wales	146.83	144.47	-2.36
West Midlands	147.44	144.92	-2.52
Yorkshire and The Humber	146.62	144.83	-1.79

Diesel	01/12/2021	31/12/2021	Change
UK average	150.80	148.92	-1.88
East	151.41	149.70	-1.71
East Midlands	150.87	148.60	-2.27
London	151.38	149.38	-2.00
North East	150.01	148.24	-1.77
North West	150.61	148.61	-2.00
Northern Ireland	146.42	144.45	-1.97
Scotland	150.81	148.66	-2.15
South East	151.97	150.40	-1.57
South West	151.37	149.20	-2.17
Wales	150.54	148.45	-2.09
West Midlands	150.77	148.73	-2.04
Yorkshire and The Humber	150.49	148.64	-1.85

[Find out more about UK petrol and diesel prices](#) on the RAC website.

* UK national average pump prices quoted are based on Experian Catalist data from 1-31 December 2021. Wholesale prices, oil price and the value of sterling are based on data from 1-31 December 2021.

** Calculation only based on petrol car drivers due to the large proportion of diesel that is used by haulage and businesses. Based on HMRC petrol sales figures for December 2019 of 1,486m litres and retail cost of unleaded of 145p a litre as opposed to 134.5p with 6p retailer margin: £2.15bn minus £1.98bn = £156m or £5m a day (divided by 31).

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1020720/Oils_Tab_Aug_21.ods

The press office email address is press.enquiries@rac.co.uk and media centre is at 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 13 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. The RAC is also at the forefront in helping drivers make the switch to electric vehicles and leads in the development of new solutions for businesses and OEMs, partnering with the best in the motoring and mobility space.

Visit the [RAC website](#).

Contacts



RAC Press Office

Press Contact

press.office@rac.co.uk

Emails monitored during normal office hours. For breakdown queries, call 0330 159 0740

ISDN number on request