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Fuel falls by 9p a litre in December but is still too expensive, says the RAC

While December saw the average price of fuel fall by 9p a litre saving drivers £5 a tank, the RAC believes drivers should have seen much bigger drops due to far lower wholesale costs.

RAC Fuel Watch data shows petrol fell by 8.4p last month to 151.06p making a full 55-litre tank for a family car £4.63 cheaper (£83.08). Diesel came down

by 9.4p to 173.97p meaning a complete fill-up was £5.19 less than it was at the start of the month at £95.68.

Unleaded bought at one of the big four supermarkets reduced by 10p a litre from an average of 157.86p to 147.76p and diesel by 11.4p from 181.66p to 170.23p.

Wholesale prices, which have fallen considerably since mid-October, remained largely unchanged with petrol averaging 106p a litre throughout December while diesel was 123.4p. Based on these wholesale prices and allowing for a 10p-a-litre retailer margin – 3p more than the long-term average – the RAC believes petrol should be being sold around the UK for 140p – 11p less than the current UK average. For diesel drivers the figure should be nearer to 160p a litre – 14p lower than the average at the end of 2022.

Interestingly, membership-only retailer Costco, which consistently charges some of the lowest prices in the UK, is currently charging a store-wide average of just 137.3p for unleaded and 158.4p for diesel which means members can save £7.50 on a tank of petrol (£75.51) and £8.50 for diesel (£87.17).

RAC fuel spokesman Simon Williams said:

“On the face of it, December looks like it was a good month for drivers with 9p coming off at the pumps on top of November’s 6p, but there’s no question that the drop should have been far bigger given how far wholesale prices have come down. For weeks we’ve been calling on the big four supermarkets to cut their prices more substantially to give drivers a fairer deal when they fill up, so even though they have reduced their prices collectively by more than 10p a litre in December, they are still nowhere near where they should be given the scale of the drop in wholesale prices. We hope the Business Secretary’s intervention just before Christmas puts more pressure on larger retailers to do the right thing.

“Looking at prices in Northern Ireland is a good reference for what should be happening across the rest of the UK as petrol was 4.5p cheaper there than the UK average at the start of December but was nearly 7p lower at the end of the month at just 144.43p. For diesel the difference is even more pronounced as a litre was 7p cheaper at the beginning of December and 9.5p

less by the close at 164.55p.

“If fuel can be sold this cheaply in Northern Ireland, then this must mean something is very wrong with fuel retailing in mainland UK.

“While Northern Ireland does benefit from a fuel price checker website run by the Consumer Council this isn’t the main reason prices are lower there. A combination of factors contributes to making fuel cheaper including a higher retailer-to-car ratio than in the wider UK, more fuel distributors as well as the presence of sometimes cheaper fuel across the border in the Republic of Ireland. Interestingly, the supermarkets also don’t have the same hold on fuel retailing in Northern Ireland with only 28% market share compared to 43% on the other side of the Irish Sea.

“In Europe prices are also considerably cheaper as the average price of a litre of unleaded is 144p and diesel 152p. And just across the Channel in France unleaded is an average of 146p and diesel 154p. In fact, when compared to the 27 EU countries we currently have the second most expensive diesel and the sixth most expensive petrol.”

Prices around the UK

Unleaded	01/12/2022	31/12/2022	Change
UK average	159.47	151.06	-8.41
East	160.72	152.12	-8.60
East Midlands	160.68	152.14	-8.54
London	160.07	153.49	-6.58
North East	158.16	148.96	-9.20
North West	159.16	149.61	-9.55
Northern Ireland	155.02	144.43	-10.59
Scotland	158.00	147.81	-10.19
South East	160.57	153.03	-7.54
South West	159.84	151.94	-7.90

Wales	157.60	147.85	-9.75
West Midlands	159.79	151.68	-8.11
Yorkshire and The Humber	159.12	150.93	-8.19

Diesel	01/12/2022	31/12/2022	Change
UK average	183.40	173.97	-9.43
East	184.73	175.86	-8.87
East Midlands	184.13	175.17	-8.96
London	185.71	177.24	-8.47
North East	182.80	171.23	-11.57
North West	182.97	173.23	-9.74
Northern Ireland	176.24	164.55	-11.69
Scotland	182.17	171.21	-10.96
South East	184.97	176.30	-8.67
South West	183.98	174.94	-9.04
Wales	181.36	169.91	-11.45
West Midlands	183.91	174.27	-9.64
Yorkshire and The Humber	183.42	174.05	-9.37

[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 1-30 December 2022. Wholesale prices, oil price and the value of sterling are based on data from 1-31 December 2022.

The press office email address is press.office@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



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