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## Fuel prices fall for fifth straight month, but diesel still seriously overpriced

Fuel prices fell for the fifth straight month in March with another penny coming off petrol and 4p off diesel, according to data from [RAC Fuel Watch](#).\*

By the end of the month a litre of unleaded was 146.5p (down from 147.56p) – a price last seen at the end of January 2022, while diesel reduced to 162.94p (down from 167.06p) – its cheapest price since early March last year.

This means the price of petrol has fallen nearly 20p from 166p at the start of

November, saving drivers almost £11 every time they fill up a 55-litre family car (£91.3 in November 2022 to £80.57 – 31 March 2023). Diesel, however, has dropped 27.5p from 190.5p, saving drivers a £15 a tank (£104.77 to £89.62).

While the diesel pump price reduction appears dramatic, the RAC believes it should have been far greater as its wholesale price was very similar to petrol's for most of March. In fact, diesel became cheaper than petrol on the wholesale market on 23 March and has stayed that way since, finishing the month at 111.69p a litre compared to petrol at 115.81p.

The RAC calculates that the average retailer margin on a litre of diesel at the end of March was 21p – three times the long-term average of 7p. In contrast, the margin on petrol was just 7p. The extent to which drivers of diesel vehicles are being taken advantage of is blatantly apparent when comparing the average price charged by retailers in Northern Ireland as it's 10p cheaper at just 152.78p. Petrol is also 2.5p cheaper there – being sold for 143.97p at the end of the month.

While a number of factors make fuel cheaper in Northern Ireland, including a higher retailer-to-car ratio, more fuel distributors as well as sometimes cheaper fuel across the border, it should also be noted that the big four supermarkets don't have the same hold on fuel retailing there as they do in Great Britain, with only 28% market share in stark contrast to 43% across the whole of the UK.

The average price of unleaded at one of the big four supermarkets fell by 1.5p in March to 143.18p and diesel by 5.3p to 159.88p. Asda had the cheapest petrol at 142.69p (down 1p) and Tesco had the lowest priced diesel at 159.58p (down 6p). However, member-only retailer Costco is still offering the most competitively priced fuel across the UK with petrol at 137.7p and diesel at 149.8p.

### **RAC fuel spokesman Simon Williams said:**

“The fifth consecutive fall in the price of fuel in as many months is without doubt good news for drivers, but those who run diesel vehicles should have enjoyed far bigger cuts at the pumps than they have actually seen.

“Knowing the average price in Northern Ireland is 10p cheaper at 152.78p is utterly galling for those on this side of the Irish Sea who rely on diesel, whether that’s for personal or business use.

“We hope the Competition and Markets Authority is paying close attention. The situation in Northern Ireland shows just how much diesel should really be being sold for. While there are several reasons why petrol and diesel are generally cheaper in Northern Ireland, it also can’t go unnoticed that the supermarkets aren’t as dominant in fuel retailing there as they are on the mainland.

“It simply cannot be fair on drivers that the retailer margin on diesel is currently three times more than the long-term average at 21p a litre. While retailers are free to charge what they like for fuel we feel there should be an obligation on the those which sell the most, and therefore buy most frequently, to closely reflect what’s happening on the wholesale market. If this had been the case then the forecourt price of diesel would have been down to around 152p a litre, even with an above-average margin.

“If a small retailer at Whitchurch in Shropshire can afford to sell both petrol and diesel for just 142.9p a litre, then there’s surely no reason why the big four supermarkets can’t as well.”

## Prices around the UK

<b>Unleaded</b>	<b>01/03/2023</b>	<b>31/03/2023</b>	<b>Change</b>	<b>End of month variance to UK average</b>
<b>UK average</b>	<b>147.56</b>	<b>146.50</b>	<b>-1.06</b>	
East	148.45	147.16	-1.29	<b>0.7</b>
East Midlands	148.59	146.95	-1.64	<b>0.4</b>
London	149.24	147.83	-1.41	<b>1.3</b>
North East	145.79	144.58	-1.21	<b>-1.9</b>
North West	145.63	144.70	-0.93	<b>-1.8</b>
Northern Ireland	144.29	143.97	-0.32	<b>-2.5</b>

Scotland	146.36	145.77	-0.59	<b>-0.7</b>
South East	149.08	147.90	-1.18	<b>1.4</b>
South West	148.97	147.72	-1.25	<b>1.2</b>
Wales	145.40	145.05	-0.35	<b>-1.4</b>
West Midlands	147.61	146.35	-1.26	<b>-0.2</b>
Yorkshire and the Humber	147.56	146.38	-1.18	<b>-0.1</b>
<b>Diesel</b>	<b>01/03/2023</b>	<b>31/03/2023</b>	<b>Change</b>	<b>End of month variance to UK average</b>
<b>UK average</b>	<b>167.06</b>	<b>162.94</b>	<b>-4.12</b>	
East	169.83	165.58	-4.25	<b>2.6</b>
East Midlands	168.31	164.06	-4.25	<b>1.1</b>
London	168.57	165.03	-3.54	<b>2.1</b>
North East	164.98	161.28	-3.70	<b>-1.7</b>
North West	165.83	162.14	-3.69	<b>-0.8</b>
Northern Ireland	159.18	152.78	-6.40	<b>-10.2</b>
Scotland	165.50	160.98	-4.52	<b>-2.0</b>
South East	169.30	165.44	-3.86	<b>2.5</b>
South West	169.18	164.70	-4.48	<b>1.8</b>
Wales	164.29	160.37	-3.92	<b>-2.6</b>
West Midlands	167.12	162.76	-4.36	<b>-0.2</b>
Yorkshire and the Humber	166.82	163.19	-3.63	<b>0.3</b>

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

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\* UK national average pump prices quoted are based on Experian Catalist data from 1-31 March 2023. Wholesale prices, oil price and the value of sterling are based on data from 1-31 March 2023

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## 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](#).

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