



Image: RAC

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January sees pump prices rise once again – but drivers are finally getting a better deal

Drivers are finally being charged a fairer price at the pumps despite petrol and diesel prices edging up again through January, new data from [RAC Fuel Watch](#) shows*.

The increase in the cost of a barrel of oil last month – up from \$79 a barrel at the start of January to more than \$92 at the end – pushed up wholesale petrol and diesel prices by 4.9p and 3.6p a litre respectively. Fortunately for

drivers however, pump prices rose by less than a penny for each fuel as retailers absorbed the cost increases with the average cost of a litre of unleaded now standing at 146.45p and diesel at 149.81p. This means the cost of filling up a 55-litre family car with petrol is now £80.55 and with diesel £82.40.

In January, RAC figures show that the average margin (profit) made by retailers on a litre of petrol stood at 11.4p, down from 16.4p in December. While this is still significantly higher than the long-term average of around 6p, it's a step in the right direction in delivering better value for drivers when they fill up. The average margin on a litre of diesel is now back to more normal levels at 8p, down from 12p in December.

Last month's slight pump price reductions are in sharp contrast to the last month of 2021 when petrol fell by just 2p a litre, despite RAC analysis showing that average prices should have fallen by nearer 12p.

Across the UK, Northern Ireland recorded the largest increase in pump prices with the average cost of a litre of petrol rising 1.74p to 143.55p and diesel up 1.83p to 146.31p. Nonetheless, the province remains the cheapest place to fill up by some margin, and at the opposite end of the scale is the south east of England where prices are at their highest. Here, drivers pay on average 147.66p per litre for petrol (up 1.18p in January), and 151.07p for diesel (up 0.63p through last month).

RAC fuel spokesman Simon Williams said:

“At long last, retailers appear to have heard our clarion calls for drivers to be charged a fairer price at the pumps – something that is so important as the effect of high inflation bites and households up and down the country brace themselves for what looks like an inevitable cost of living squeeze. On average, retailers are now making a more normal profit for each litre of fuel they sell than they did in December which makes today's pump prices – although up slightly on December – more justified.

“Storm clouds are gathering, however. With oil now having traded above \$90 for a week – the highest price for more than seven years, wholesale fuel costs are once again increasing, which will undoubtedly lead to retailers putting up forecourt prices. Our message to the biggest retailers, which lead the market, is to treat drivers with respect by fairly reflecting the movement

in the wholesale fuel market and not taking overly high margins. If they were to increase their margin and hike prices beyond what's justified it would be devastating for hard-pressed drivers. We'll be watching pump prices closely in the coming weeks to ensure drivers aren't taken advantage of, so it's safe to say the coming weeks will be a big test of pricing transparency for retailers

“Any driver thinking of changing their vehicle would do well to consider an electric model given the high fuel prices. To help drivers make the switch affordably we're offering competitive [EV leasing deals](#) and a great value [EV home charging tariff](#) which can be fixed until June 2023 and offers a cheaper overnight rate.”

Regional pump prices compared

Unleaded	01/01/2022	31/01/2022	Change
UK average	145.69	146.45	0.76
East	146.24	147.08	0.84
East Midlands	145.75	146.34	0.59
London	146.35	147.04	0.69
North East	144.93	145.17	0.24
North West	145.41	146.31	0.90
Northern Ireland	141.81	143.55	1.74
Scotland	145.49	146.13	0.64
South East	146.78	147.66	0.88
South West	145.33	146.51	1.18
Wales	144.53	145.69	1.16
West Midlands	145.06	146.06	1.00
Yorkshire and the Humber	144.67	145.73	1.06

Diesel	01/01/2022	31/01/2022	Change
UK average	149.24	149.81	0.57
East	149.93	150.38	0.45

East Midlands	149.08	149.65	0.57
London	149.45	150.28	0.83
North East	148.46	149.00	0.54
North West	148.95	149.42	0.47
Northern Ireland	144.48	146.31	1.83
Scotland	149.11	149.89	0.78
South East	150.44	151.07	0.63
South West	149.39	150.24	0.85
Wales	148.59	149.39	0.80
West Midlands	148.91	149.74	0.83
Yorkshire and the Humber	148.78	149.65	0.87

[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 January 2022. Wholesale prices, oil price and the value of sterling are based on data from 4-31 January 2022.

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](#).

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