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Petrol falls 7p in September but should be lower as retailers take 10p a litre more than normal

The average price of petrol fell by nearly 7p a litre (6.69p) to 162.89p in September – the sixth biggest monthly drop since 2000 – saving drivers more than £3.50 a tank (£3.68). But data from [RAC Fuel Watch](#)* also shows drivers should have seen a further 10p reduction had major retailers not upped their margins.

A 55-litre petrol fill-up has now dropped below the £90 mark for the first

time since the start of May. This means that since unleaded peaked on 3 July at 191.53p almost 29p (28.64p) has come off a litre, a saving of nearly £16 on a full tank (£15.75).

A litre of diesel also reduced in September but only by 3.5p a litre, finishing the month at 180.16p. This is 19p cheaper than its all-time high price of 199.09p recorded on 25 June leading to the cost of tank falling £10 (£10.41) to under £100 (£99.09) – something drivers haven't seen since late May.

The average price of unleaded at the big four supermarkets also fell nearly 7p (6.6p) a litre to 161.30p, but unusually this is only 1.5p lower than the UK average – normally it's around 3.5p cheaper. Supermarket diesel, however, only came down 1.4p to 178.56p which is 2p less than the UK average drop of 3.58p – diesel is also normally 3.5p cheaper at one of the big supermarkets.

The record high pump prices arose due to oil being trading around \$130 a barrel in mid-June. At the end of September however, oil was back down to \$87.96 – falling 5% in September alone. The Sterling to dollar exchange rate – the other important factor in determining the price drivers pay at the pumps due to wholesale fuel being traded in dollars – fell to \$1.1163 having recovered from its all-time low of \$1.03 on 26 September.

RAC fuel spokesman Simon Williams said:

“Despite September seeing the sixth biggest ever drop in the price of petrol drivers really should have seen a far bigger drop as the wholesale price of delivered petrol was around 120p for the whole month. This means forecourts across the country should have been displaying prices around 152p given the long-term margin on unleaded is 7p a litre.

“In stark contrast to this RAC Fuel Watch data has shown margins to be around 17p a litre – a huge 10p more than normal. And the average price of petrol at the big four supermarkets is only 1.5p lower than the UK average – less than half what it usually is which points heavily to them not playing fair with drivers.

“This is backed up by the fact that Morrisons, which was charging an average of 162p a litre for petrol at the end of September, is currently running a 5p a

litre off promotion for customers spending £40 in store. This type of promotion tends only to be seen when supermarkets are benefitting from lower wholesale prices.

“While there are no rules on what retailers can charge for their fuel, it remains the case that the supermarkets are extremely influential in determining the UK average pump prices as they sell so much fuel.

“However, as many drivers will have noticed there lots of smaller forecourts which are now selling fuel much cheaper than the supermarkets. We would urge everyone to shop around for the best deals rather than simply assuming the supermarkets are the lowest because they have been in the past.

“And despite the plunge in the value of the pound the fact oil is trading under \$90 a barrel should lead to better prices at the pumps if only more retailers would pass on the savings they’re currently getting every time they buy new stock.

“But it’s also important to realise there is the potential for things to change quickly due to the weakness of the pound. Having just dropped to a record low against the dollar and still only trading at \$1.1, all we would need is for the price of oil to start rising to cause both petrol and diesel prices to rapidly start going back up again.

“With oil producer group OPEC and its allies meeting today much will depend on how big their expected production cut turns out to be. But it goes without saying that any further output restriction will not be good for drivers as it will inevitably – as intended – push up the barrel price, ultimately making fuel more expensive.”

Regional pump prices compared

Unleaded

Unleaded	01/09/2022	30/09/2022	Change
UK average	169.58	162.89	-6.69

East	170.51	164.11	-6.40
East Midlands	170.07	164.14	-5.93
London	169.72	161.81	-7.91
North East	169.25	161.01	-8.24
North West	168.80	162.38	-6.42
Northern Ireland	166.24	159.28	-6.96
Scotland	168.03	161.86	-6.17
South East	170.76	163.84	-6.92
South West	170.37	163.89	-6.48
Wales	168.28	162.26	-6.02
West Midlands	170.12	163.09	-7.03
Yorkshire and the Humber	169.19	162.36	-6.83

Diesel

Diesel	01/09/2022	30/09/2022	Change
UK average	183.74	180.16	-3.58
East	184.47	180.64	-3.83
East Midlands	183.11	179.92	-3.19
London	184.20	180.93	-3.27
North East	183.00	179.21	-3.79
North West	182.75	179.67	-3.08
Northern Ireland	181.07	177.07	-4.00
Scotland	184.31	180.49	-3.82
South East	184.45	180.88	-3.57
South West	184.69	180.53	-4.16
Wales	183.28	179.79	-3.49
West Midlands	184.22	180.60	-3.62
Yorkshire and the Humber	183.30	179.90	-3.40

[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 September 2022. Wholesale prices, oil price and the value of sterling are based on data from 1-30 September 2022. RAC first started tracking prices in 2000, 22 years ago.

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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