RAC
Media Centre

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Price of a litre of petrol reaches highest level in nine years

The average price of a litre of petrol sold at UK forecourts has reached 140.22p, the highest level since September 2012* and now just 2p off the record high that occurred in April of the same year, RAC Fuel Watch data shows.

Prices have now gone up by nearly 26p a litre in just 12 months, from 114.50p on this day last year – a jump of 22%. The major factor has been the rising cost of a barrel of oil which in the same period has doubled from $41

to $83.

However, the oil price is only one part of what drivers pay at the pumps as 57.95p is fuel duty, and then VAT is charged on top of that and the cost of delivery and retailers' margin. As a result of the rising cost of oil drivers are now paying 4p more in VAT on a litre on petrol than they were a year ago – from 19p in October 2020 to 23p a litre today.

September's switch E10 petrol – which increased the biofuel content of petrol from 5% to up to 10% - has also contributed slightly to the price rise by adding around a penny a litre to the cost before VAT is applied.

RAC fuel spokesman Simon Williams said:

"Our data shows we haven't seen the petrol price at this sort of level since September 2012, and we're now worryingly close to the all-time average UK price high of 142.48p that was hit in the same year. At a time when households and businesses are facing spiralling prices in other areas this is a huge concern.

"With just two weeks to go until COP26, the uncomfortable truth for the Government is that petrol prices are now reaching unprecedented levels and, along with rising domestic energy prices, will be putting a huge financial strain on households that depend on their vehicles and, in turn, the economy. We call on the Government to take action and do whatever it can to help ease the burden on drivers.

"While the cost of oil has more than doubled in a year, the price drivers pay at the forecourt is compounded by the fact there is nearly 58p in fuel duty charged on every litre. And, on top of the delivery cost and the retailer's margin, you've then got VAT which currently accounts for 23p a litre – this has added 4p more a litre in just a year.

"For these reasons, it might be most effective for the Government to consider temporarily cutting the level of VAT on motor fuel to help hard-pressed drivers. While there have been calls for fuel duty to be cut in the past, there is a real risk that any such cut could be swallowed up by retailers rather than benefiting drivers. As VAT is charged on the final cost at the pumps, drivers would see the benefit immediately."

** 18 September 2012 – average price of petrol was 140.23p*

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 nearly 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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