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Price of petrol falls for sixth month in a row with the gift of sub-£1 a litre

Average price of unleaded falls by 4p a litre in December saving £2 a fill-up

Diesel reduces 3p a litre saving motorists £2.56 a tank

Price of oil falls 17% prompting retail price cutting

The average price of petrol fell by more than 4p a litre in December – from 107.55p at the start to 102.89p by the close, reducing the cost of filling up a family-sized 55-litre car for the sixth consecutive month – a saving of £2.02

on every tank.

In the month where drivers were once again treated to the widespread sight of petrol being sold for under £1 a litre, RAC Fuel Watch data for December shows the month-end unleaded average price of 102.89p was the lowest since December 2009 and led to a tank of petrol costing £5.35 less than at the end of 2014.

The average price of diesel also dropped 3p a litre during the month – from 109.86p to 106.18p – cutting the cost of filling a typical tank by £2.56 and making it £6.91 cheaper than at the end of December 2014. The falling price of diesel may also have contributed to a new record sales high with Government statistics for November showing the UK used 2.574bn litres of diesel, which is more than at any point since 1990.

RAC Fuel Watch – which monitors the same data that retailers use – reports that December saw drops in the wholesale price of both petrol and diesel of 2% and 3% respectively, with the wholesale price of diesel falling for the fourth consecutive month. These reductions were fuelled by the falling oil price which underwent a 17% drop, with a barrel of oil coming down from \$43.26 to \$35.75 by the end of the month, taking it to a price last seen in June 2004. The barrel price tumbled to below \$40 on Monday 7th December, paving the way for the sub-£1 litre, and has stayed below ever since.

RAC fuel spokesman Simon Williams said: “December was an excellent month for petrol car drivers with all four major supermarkets cutting the price of petrol to under £1 a litre on 11 December shortly after the RAC predicted it would happen. Unfortunately, despite the wholesale price of diesel being on average 2p a litre cheaper than that of petrol since 8 December, we didn’t see the pump price fall to the same level until a few days ago.

“It looks very much as though the supermarkets will have attracted extra customers into their stores before Christmas with the headline-grabbing price of 99.9p a litre for petrol but have cleverly made up for any lost profit by taking a bigger margin on diesel sales by not passing on the savings in wholesale price to motorists on the forecourt.

“Supermarkets play a very important role in the fuel market as, despite only having 16% of all forecourt sites, they are responsible for 44% of the volume of all fuel sales. This means their prices affect what other nearby retailers

charge as well as being highly influential on the nationwide average prices of both petrol and diesel.

“Retailers have established a pretty good track record of passing on wholesale cost-savings at the pump over the period since the price of oil fell from \$115 a barrel in June 2014. But not cutting the price of diesel when there was an opportunity to do so before Christmas has undermined that. While we still expect fuel prices to stay low for some time, it will be interesting to see how quickly pump prices go up again when the cost of oil rises. Of course, this tends to happen with little publicity in contrast to the fanfare that accompanies price reductions.

“For average prices of both petrol and diesel to reach the £1 a litre mark, it would require a further drop in the wholesale price of petrol to be passed on by retailers, and for diesel pump prices to more closely reflect the recent reductions seen on the wholesale market. If retail pricing more directly mirrored wholesale movements then the average price of diesel should move nearer £1 a litre, but sadly unleaded may rise due to the weakening pound.”

HMRC oil duty statistics for November* show combined sales of petrol and diesel were 2.7% up on October at 4.011bn litres and 0.3% up on the previous November. Petrol sales were down 1.6% (1.437bn litres) on October and down 4.1% compared to November 2014. Diesel, however, saw the highest number of litres sold in any month since 1990 with 2.574bn. This was 5.3% up on the month before and 2.9% up on November 2014.

Motorists can keep abreast of the latest fuel prices by visiting: www.rac.co.uk/fuelwatch or following [#racfuelwatch on Twitter](https://twitter.com/racfuelwatch).

Notes to Editors

About the RAC

With more than eight million members, the RAC is one of the UK's most progressive motoring organisations, providing services for both private and business motorists. Whether it's roadside assistance, insurance, buying a used car, vehicle inspections and checks, legal services or up-to-the-minute traffic and travel information – the RAC offers a solution for all motoring needs. The

RAC is committed to making motoring easier, safer, more affordable and more enjoyable for drivers and road users.

The RAC is the motorist's champion and campaigns to support the interests of its members and UK motorists at a national level, including advancing levels of road safety, supporting the needs of young drivers and voicing concerns about the increasing cost of motoring. The RAC's annual [Report on Motoring](#) – first published in 1989 – provides a clear insight into the concerns and issues facing today's motorists.

For the very latest news on UK fuel prices, check [RAC Fuel Watch](#) or follow [#racfuelwatch on Twitter](#). This is a comprehensive guide to the latest UK unleaded petrol and diesel prices – both at the wholesale level and at the pump. RAC Fuel Watch analyses how prices changed through the previous month and compares the most recent prices with those from three, six and 12 months before.

Key facts:

- RAC patrols fix four out of five vehicles at the roadside and on average within 34 minutes
- RAC vans carry more than 500 parts and tools to get members' vehicles going again
- 98% of members would recommend RAC Rescue to their friends and family

Contacts



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