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## **Supermarkets cut diesel prices by more than 7p a litre after CMA expresses competition concerns**

**Major retailers, including supermarkets, have quickened the pace of cutting the price of diesel since the Competition and Markets Authority (CMA) expressed concern of weakening competition in the retail fuel market, new RAC analysis shows.**

Over the two weeks since 15 May, when the CMA issued its road fuel market study update saying average supermarket margins in 2022 had increased

compared to 2019, the average price of a litre of diesel at supermarkets fell by 7.44p, from 151.02p to 143.58p.

The RAC has been calling for the biggest retailers to cut the price of diesel since its wholesale price fell below petrol's at the end of March. However, while the four big supermarkets were selling unleaded for around 143p a litre for the whole of April, the average price of diesel at their sites remained stubbornly high, only being reduced by 10p a litre (161.4p to 151.02p) in the month prior to the CMA announcement when it should have been a similar price to petrol.

The gap between the average prices of a litre of petrol and diesel at supermarkets was 9p on 15 May, yet by Monday this difference had shrunk to just 2.5p – a further indication that these retailers have been apparently jolted into action by the CMA. Nonetheless, the RAC believes supermarket diesel prices should still be around 6p a litre lower than they are today (137p) if a fair price was being charged.

By comparison, the UK-wide average price of diesel is currently 147.44p per litre with unleaded at 143.14p – a gap of more than 4p. Throughout April, however, the gap at the pumps averaged 14p a litre despite wholesale diesel being 4p cheaper than petrol. The average price of a litre of unleaded at a supermarket is currently 140.64p while diesel is 2.5p more expensive at 143.14p.

**RAC fuel spokesman Simon Williams said:**

“Since the Competition and Markets Authority’s made its announcement about supermarkets increasing their margins compared to three years ago and said they will be formally interviewing bosses, it appears the rate at which the price of diesel has fallen has sped up.

“Significant cuts to the price of supermarket diesel were long overdue as its wholesale price has been below petrol’s since the end of March. As a result average retailer margin on diesel had reached 22p a litre – more than three times the long-term average of 7p.

“Even today, with 27p having come off the average price of supermarket diesel since the start of the year, diesel drivers are continuing to get a poor

deal. For two straight months it has cost retailers less to buy diesel on the wholesale market than it has petrol, yet they continue to charge more for diesel at the pumps. While wholesale price changes take some time to filter through to smaller forecourts which only buy new stock every few weeks, we can't see any reason why the supermarkets still haven't cut their prices to fairer levels as they buy much frequently.

“We look forward to the results of the CMA's review within the next four weeks and hope it heralds an end to poor value at the pumps. We also hope it means the biggest retailers start charging fair prices at all of their sites across the country, and not just at those where they're competing directly with other forecourts locally. It can't be right that the same brand can sell fuel for so much more in one part of the country than another – this sort of postcode lottery is wholly unfair to drivers and completely unjustifiable.

“In the meantime, drivers who qualify for membership might like to look at Costco for better value petrol and diesel. Our analysis shows the membership-only retailer is charging an average of just 134.5p for a litre of petrol and 136p for a litre of diesel at the moment.”

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The press office email address is [press.office@rac.co.uk](mailto:press.office@rac.co.uk) and media centre is at [media.rac.co.uk](http://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.

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