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UK drivers – other than those in Northern Ireland – still losing out at the pumps as General Election takes focus off unfair prices

Drivers across the UK – with the exception of those in Northern Ireland – are continuing to get an extremely poor deal every time they fill up, new data* from the RAC reveals.

The RAC believes the average prices of both petrol and diesel are far higher

than they should be in comparison to wholesale costs which have been falling since the end of April, and that the distraction of the General Election means there's little political focus on their unreasonably high margins.

A litre of petrol, which currently averages 146.28p across the UK, is 5p more expensive than it should be given retailers in Northern Ireland are charging drivers just 141.1p for the very same product. The situation for diesel is even worse as the UK average of 151.5p is 10p more than is charged in Northern Ireland where a litre averages 141.9p.

What's more, the UK has now had the dubious distinction of having the <u>most</u> <u>expensive diesel in Europe</u> for the last seven weeks. A litre of diesel in the UK is currently 8p more than in Finland – the next most expensive country, and 20p more than the EU average.

The persistent overcharging at the pumps means drivers of a typical 55-litre family car are having to fork out an extra £3 for petrol and £5.50 for diesel every time they fill up. A full tank of petrol based on the UK average currently costs £80.50 while the diesel equivalent is £83.30.

Average retailer margins are currently 14p on petrol and 16p on diesel, which appears excessively high considering the long-term margins for both fuels are 8p a litre. In stark contrast, the average margin in Northern Ireland is 10p for petrol and 9p for diesel. Looking at the big four supermarkets, which dominate UK fuel sales, margins are 12p and 14p versus the 3p and 8p they took in 2019 before the Covid pandemic.

RAC Fuel Watch data shows wholesale petrol is currently averaging 108p a litre, so even with a more generous 10p margin this should lead to an average price of 141p – 5p less than the current UK average of 146.28p and the same as the average charged in Northern Ireland. If the long-term margin of 8p was being taken, then the average price would be 139p.

RAC head of policy Simon Williams said: "While there has been much focus on fuel since the Competition and Markets Authority (CMA) concluded the biggest retailers had overcharged drivers by £900m in 2022, margins are once again staying persistently high – and drivers are paying the price.

"Our data clearly shows that pump prices haven't fallen in line with the

reduction in wholesale prices, so drivers across the UK – with the exception of those in Northern Ireland where fairer prices are charged – are once again losing several pounds every time they fill up.

"Having monitored prices for so long we believe there's no good reason for retailers in Great Britain not cutting their prices at the pumps far further. We can only think they're hoping no one will notice due to the distraction of the General Election.

"We hope that the CMA is aware of what is going on and will use this to bring retailers into line as soon as it's able to – something which is so desperately needed given drivers in Northern Ireland are paying so much less for the very same fuel. It's important to realise that the big four supermarkets have a far smaller presence there than on the other side of the Irish Sea as they only operate around 6% of the Northern Ireland's 580 forecourts. This compares to supermarkets running a fifth of the UK's 8,300 forecourts.

"Whichever party, or parties, form the next government, it's essential they ensure the new Pumpwatch scheme, which became law just before the election, is set up as quickly as possible. This will compel every retailer to submit their prices to the official body within half an hour of changing them so they can be used in apps, such as the <u>myRAC fuel finder</u>, to help drivers find the cheapest fuel near them. It is hoped this will spark greater competition among retailers.

"The RAC, however, believes the second element of the scheme – the creation of a price monitoring body – is even more important so long as the CMA has sufficient powers to hold retailers, who don't treat customers fairly, to account."

Drivers looking to save money on their fill-ups should take advantage of the <u>fuel finder feature in the free myRAC app</u>. The app can be <u>downloaded for</u> <u>free from the App Store or Google Play</u>.

Up to nine searches a day can be made over a two, five or 10-mile radius, with each giving the five cheapest prices.

The <u>RAC Fuel Watch web page</u> has more information about the average price of petrol and diesel at the big four supermarkets and at motorway services. It

also features graphs showing average prices since 2000 as well as a daily financial breakdown of the cost of a litre of petrol and diesel.

The press office email address is <u>press.office@rac.co.uk</u> and media centre is at <u>media.rac.co.uk</u>. **Please note:** the press office is unable to help with individual customer enquiries - please visit the <u>RAC contacts page</u> to find the right contact.

About the RAC

The RAC, an iconic UK brand, provides complete peace of mind to nearly 14 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. Included in this is the first-of-its-kind nationwide Mobile Mechanics service which brings the garage to homes and workplaces.

At the forefront of new solutions for business fleets and consumers, the RAC's breakdown service is electric-ready with mobile EV charging technology and can be called on using \underline{myRAC} – the all-in-one route planner, fuel finder and breakdown reporting app.

Visit the <u>RAC website</u>.

Contacts



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