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Cost of refuelling a car at lowest level in four years after oil price plummets

The average cost of filling up a car with unleaded petrol has dropped to its lowest level since May 2016, as a result of the historic oil price falls caused by the coronavirus outbreak, data from RAC Fuel Watch shows*.

The average price of a litre of petrol fell by 4.15p in April, from 113.1p to 108.95p, meaning the cost of filling a 55-litre hatchback car fell from £62.21 to just £59.92. Those able to refill at the cheapest UK supermarket forecourts meanwhile were able to do so for just £56.49. Drivers of diesel cars can now refill for £63, down from £64.63, thanks to the average price of a litre falling nearly 3p from 117.5p to 114.54p per litre last month.

Ironically, the impact of the coronavirus, despite being one of the main factors in why UK fuel prices have dropped, is also the reason why they are not falling any further. The cost of oil collapsed to its lowest level in 21 years last month – down to just \$13 on 21 April – as a result of demand disappearing in the wake of the coronavirus outbreak. But while this sent wholesale prices plunging still further in the month, some of the UK's largest fuel retailers did not cut forecourt prices with so few people buying fuel in the first place. This was in sharp contrast to March which saw the supermarkets announce an unprecedented 12p per litre price chop on a single day.

April can therefore be seen very much as a 'catch-up' month for other fuel retailers – while supermarket prices were largely static, other forecourts finally cut their prices which led to the average price paid by drivers across the UK falling.

Subject to any significant easing of the coronavirus lockdown restrictions that

have forced millions of drivers to restrict the number of journeys they have taken since 23 March, there remains scope for a further 12p per litre to come off the prices of both petrol and diesel. If fully reflected at the pumps, this would see unleaded down to an average price of 96p per litre and diesel down to 102p. Clearly however, retailers are only going to reduce prices again if they can be confident of selling fuel in large enough quantities.

RAC fuel spokesman Simon Williams said:

"The impact of the coronavirus is being felt everywhere – from the steep falls in demand for oil right across the globe, right down to the behaviours of the UK's millions of drivers who have seen their car use – and their need to fill up – fall away dramatically since the lockdown began.

"While it might seem odd that fuel price falls stalled last month despite wholesale prices coming down yet further, it is explained by the simple fact that UK fuel retailers will have been selling a fraction of what they would normally have sold in the last six weeks.

"We expect that only an easing of lockdown restrictions by the UK Government will trigger forecourts into changing their prices significantly, as this would effectively be a signal to millions that they can start making different types of journeys again by car, not just those currently deemed 'essential'. As and when they do, drivers could be in line for even cheaper fillups in the coming months if wholesale prices remain suppressed, but that remains a big 'if' because as soon as more of us start driving the price of oil could begin to increase.

"A cut in oil production, which was previously agreed by some of the world's largest oil-producing nations, is likely in time to lead to the oil price drifting back up again, although for now supply is outstripping demand so much that it's hard to see prices increasing by any great margin in May."

Regional fuel price variation

Regional average unleaded pump prices

Unleaded	01/04/2020	30/04/2020	Change	

UK average	113.10	108.95	-4.15
Northern Ireland	107.30	104.03	-3.27
North East	110.76	107.00	-3.76
Wales	111.02	107.02	-4.00
Scotland	111.42	107.73	-3.69
North West	112.83	108.41	-4.42
Yorkshire And The Humber	111.95	108.67	-3.28
South West	113.03	109.10	-3.93
East	114.09	109.45	-4.64
West Midlands	113.80	109.62	-4.18
East Midlands	115.08	109.84	-5.24
South East	115.39	110.42	-4.97
London	115.87	110.55	-5.32

Regional average diesel pump prices

Diesel	01/04/2020	30/04/2020	Change
UK average	117.50	114.54	-2.96
Northern Ireland	113.44	110.66	-2.78
North East	115.94	113.49	-2.45
Wales	116.23	113.64	-2.59
North West	117.13	113.77	-3.36
Scotland	116.77	113.91	-2.86
Yorkshire And The Humber	117.18	114.13	-3.05
West Midlands	118.63	114.63	-4.00
South West	117.80	114.93	-2.87
East Midlands	118.39	115.18	-3.21
East	118.39	115.43	-2.96
London	119.34	115.58	-3.76
South East	119.34	115.90	-3.44

Motorists can keep abreast of the latest fuel prices by visiting the <u>RAC Fuel Watch webpage</u>.

Notes to Editors

* UK average fuel prices quoted in the RAC Fuel Watch April 2020 report are based on Experian Catalist data from 1 to 30 April 2020 (pump prices). Wholesale prices, oil price and the value of sterling are based on data from 1 to 30 April.

About the RAC

The RAC provides complete peace of mind to 12m UK private and business drivers, whatever their motoring needs. Its services include:

- Breakdown assistance. Its highly-skilled, 1,600-strong branded patrol workforce attends more than two million breakdowns every year, fixing on average four out of five vehicles at the roadside. The RAC's patrol fleet is one of the most advanced in the world, and was the first to roll out both an All-Wheels-Up recovery system, allowing the vast majority of vehicles to be recovered from a single patrol van, and EV Boost mobile electric vehicle charging units
- <u>Insurance</u>. The RAC is a top-five <u>car insurance</u> broker having surpassed the 500,000 policies-in-force milestone in 2018. It also offers <u>'black box' telematics policies</u>, as well as home and travel insurance
- Other motoring services. The RAC leads in the development of new solutions for business, fleets, electric vehicles and future car technology. Its additional products and services include a personal loans offering, a used car buying website, vehicle inspections and checks, legal services or up-to-the-minute traffic and travel information. It also has a network of Approved Dealers and Approved Garages which combine the trust of RAC brand with local service and convenience

The RAC also works to support the interests of its members and UK drivers on the most important motoring issues which it identifies via the annual RAC

Report on Motoring and the RAC Opinion Panel. The Report on Motoring is the longest running analysis of driver opinion in the UK having been published every year since 1989.

For more information about the RAC, visit the RAC website.

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