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Fuel falls more than 4p a litre in August as oil price plummets to six-year low

A new 12-month oil low of \$41.87 in the last week of August helped to bring the average price of petrol down by 4p a litre for the month to 112.42p, according to the latest RAC Fuel Watch data.

Diesel also continued to drop throughout August with a further 5p being shaved off a litre taking the average cost down to 110.40p, still keeping it below petrol. This means motorists are now paying £2 less to fill up an average family-sized petrol car than they were at the start of the month and £2.60 less for a diesel car.

The fall in pump prices has been driven by a dramatic reduction in the price of oil. In the run-up to August, oil was at a consistent \$60 a barrel, but dipped below \$50 a barrel at the start of the month and stayed below \$50 for the whole month, reaching a low point of \$41.87 on 24 August.

RAC fuel spokesman Simon Williams said: “We thought July had been a good month for motorists but August proved to be better still due to world oil prices reaching their lowest since February 2009. In January we saw oil go down to \$45 but then recover to around the \$60-a-barrel mark where it stayed for several months until this new level of over-production in August led to a dramatic reduction.

“Diesel drivers have benefitted the most this summer due to a new supply of diesel from Saudi Arabia bringing the wholesale price down. They are now paying £5.60 less to fill up than they were at the beginning of July whereas the savings for petrol motorists have only just kicked in with the drop in the price of oil feeding through into lower wholesale and retail prices.

“The good times at the pump may, however, be coming to an end as OPEC – the Organisation of the Petroleum Exporting Countries which produces 40% of the world’s oil – has said it is willing to meet with other oil producers to discuss a ‘fair’ price for oil. The barrel price has already rebounded and is continuing to trade up around \$48 so we may not see a low of \$41 a barrel again.

“Due to the global oil over-supply situation we are in, pump prices look unlikely to return to the all-time high levels of 142p for petrol and 147p for diesel experienced in April 2012 so the cost of driving should continue to be cheaper for some time to come.”

HMRC oil duty statistics for July* show fuel sales were 1.6% down on June with a 2.4% drop in the number of litres of diesel sold from 2.494bn to 2.433bn. Petrol sales were static at 1.472bn litres, however, compared to July 2014 combined fuel sales were 3.5% up – 2.3% for petrol and 4.3% for diesel.

	£ v \$ exchange rate	Oil - \$ per barrel	Unleaded wholesale - ppl	Unleaded pump - ppl	Diesel wholesale - ppl	Diesel pump - ppl
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28-Aug-15	1.54	48.28	104.87	112.42	105.97	110.40
29-May-15	1.53	63.51	113.75	116.75	113.22	120.89
Change	0.01	-15.23	-8.88	-4.33	-7.25	-10.49
% change	1%	-24%	-8%	-4%	-6%	-9%
27-Feb-15	1.55	62.03	108.00	109.73	112.49	116.58
Change	-0.01	-13.75	-3.13	2.69	-6.52	-6.18
% change	-1%	-22%	-3%	2%	-6%	-5%
28-Nov-14	1.57	71.71	111.64	122.40	117.13	126.95
Change	-0.03	-23.43	-6.76	-9.98	-11.16	-16.55
% change	-2%	-33%	-6%	-8%	-10%	-13%
29-Aug-14	1.66	101.36	123.95	128.82	127.03	133.23
Change	-0.13	-53.08	-19.08	-16.40	-21.06	-22.83
% change	-8%	-52%	-15%	-13%	-17%	-17%

Shows 3-month, 6-month and 12-month price and percentage change to 28/08/15

Motorists can keep abreast of fuel prices by visiting:

www.rac.co.uk/advice/fuel-watch

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.

The RAC supports and is a founding member of [FairFuelUK](#) which campaigns for fairer taxes on petrol and diesel.

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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