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## **Pressure for retailers to reduce UK petrol and diesel prices at 'historic' levels**

**There is now greater pressure on retailers to cut pump prices than at any point in the last seven years, new figures show.**

The collapse in the price of oil in the space of just a week – down from more than \$50 last Thursday to just \$30 a barrel yesterday – has led to heavy falls in the wholesale prices of petrol and diesel. As a result, the gap between what UK fuel retailers are paying, and what drivers are being charged at the pumps, is now at the widest the RAC has ever seen, at around 12p per litre for petrol and 9p per litre for diesel.

The RAC therefore expects big price cuts at UK forecourts to take effect from early next week. If retailers reduce pump prices to accurately reflect what they have been paying for petrol and diesel on the wholesale market for the last week, around 10p per litre should come off the price of each fuel. This would mean average unleaded prices drop to around 112p per litre and diesel to 115p per litre, prices last seen in late 2016.

Supermarkets tend to lead the rounds of price cuts during periods of declining wholesale prices. Normally, cuts of around 2p per litre are announced, although last month Asda cut diesel prices by up to 4p on a single day. The levels of price cuts the RAC believes are now warranted should mean major retailers cut far further in one go than they ever have before.

There are two main factors behind the plummeting cost of oil. Declining consumption as a result of the coronavirus outbreak and an inability of some of the largest oil-producing nations to agree to limit production has led to an enormous oversupply on world markets. As a result, both the oil price and in turn wholesale fuel prices are at their lowest levels in four years.

**RAC fuel spokesman Simon Williams said:**

“The oil price has fallen dramatically as a result of several major oil-producing countries ramping up supply at a time when demand is reducing due to the coronavirus outbreak.

“This has led to wholesale petrol prices dropping to their lowest levels in four years and means there is now enormous pressure for pump prices in the UK to drop significantly, by around 10p a litre from where they are today. A drop of this size would see average petrol prices fall to 112p per litre, and diesel to 115p per litre, and we’d expect supermarkets to sell the fuels for as little as 108p and 111p respectively.

“All eyes are now on the UK’s fuel retailers, large and small, to cut fuel prices considerably, and fast. It is vital drivers are given a fair deal and retailers accurately reflect the lower wholesale prices at their forecourts.”

It currently costs an average of £67 to fill a standard 55-litre car with unleaded petrol, and £68.50 with diesel. If prices fall by as much as the RAC

predicts, this would save drivers around £5.40 per tank of petrol and £5.30 per tank of diesel.

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## 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
- **[Insurance](#)**. The RAC is a top-five [car insurance](#) broker having surpassed the 500,000 policies-in-force milestone in 2018. It also offers ['black box' telematics policies](#), 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](#).**

## Contacts



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