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Price of petrol falls for fourth consecutive month

- *Unleaded reduced by nearly 2p a litre in October saving another 90p off a fill-up*
- *Diesel still near 2009 low price*

The average price of petrol fell for the fourth consecutive month with a further 1.6p being shaved off a litre in October, according to the latest RAC Fuel Watch data.

Unleaded finished the month at 107.82p, down from 109.45p at the start, saving another 90p from the cost of filling up an average 55-litre family car. This means since the start of July it costs £5.08 less to fill up with unleaded and £5.87 less for diesel.

Diesel, however, only reduced fractionally in October from 110.26p to 109.95p but is still not far off the lowest price since December 2009 which was recorded in the first week of September at 109.76p.

The continued run of lower fuel prices is being driven by the oil price which remains below \$50 a barrel despite a 2% increase throughout the month. The RAC Fuel Watch report for October showed a barrel of crude maintained an average price of \$48 a barrel, although there was greater fluctuation in October than in previous months with a five-day spell early on where a barrel went over \$50 and a dramatic dip towards the end of the month when a barrel hit \$45.95 (27 October) – this was almost as low as mid-January (\$45.26) when petrol was the lowest it had been for six years (106.09p).

The pound made 2% gain on the dollar (\$1.51 to \$1.54) helping to keep the wholesale price of petrol and diesel lower as both fuels are traded in dollars. The RAC is currently expecting little change in pump prices over the next fortnight.

RAC fuel spokesman Simon Williams said: “We are currently enjoying a sustained period of lower fuel prices as a result of the long-term deflated oil price which has been brought about by OPEC – the Organisation of the Petroleum Exporting Countries – looking to stop competitors taking its share of the market by overproducing and keeping the barrel price low.

“A year ago motorists had probably become accustomed to only ever seeing prices go up so having four consecutive months of the petrol price coming down is a pleasant surprise. Fuel is without doubt the biggest cost of motoring and the forecourt price is a constant cause of concern for drivers which makes this relief at the pumps all the more welcome.

“The question is how low will prices go, albeit with the caveat that two-thirds of every till receipt is made up of tax through fuel duty at 57.95p a litre and VAT on top. And, as prices head towards the £1 mark, the tax take rises to 75%.”

[HMRC oil duty statistics for September](#) show combined sales of petrol and diesel were 3.5% down on August at 3.834bn litres but 1.9% up compared to August 2014. Petrol sales (1.460bn) were 1.1% down on August and diesel (2.374bn) was 5% down on the month before but 2.95% up on the previous August.

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