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RAC calls for urgent pump price cut as wholesale costs fall

The RAC is calling on fuel retailers to cut prices at the pumps to reflect the falling wholesale prices of unleaded and diesel that have been triggered by a falling oil price and steady pound.

On 9 November 2016, [RAC Fuel Watch data](#) shows the average price of a litre of unleaded in the UK stood at 116.76p, with diesel at 118.64p. With wholesale prices down by around 4p in the last two and half weeks (25 October), the RAC believes there is now scope for a forecourt price cut of at least 3p per litre off both fuels, which would bring average petrol and diesel

prices down to under 114p and 116p respectively.

The fall in wholesale prices means that the most price-competitive retailers including supermarkets and some independents could be selling petrol for around 110p a litre and diesel for 112.5p.

[Despite wholesale prices having been falling since 25 October](#) the average price of both petrol and diesel have actually very slightly increased, by around a third of a penny.

The 'flash crash' of the pound that occurred at the start of October, coupled with the oil price that rose through much of the month, has been pushing the price of petrol and diesel up. In fact, [petrol rose more in October than in any month in the past three and a half years](#). But the more recent fall in the cost of oil and a slight recovery in the value of the pound is cancelling out some of October's rises.

RAC fuel spokesman Simon Williams said: "Fears are looming that OPEC's planned production cut, due to be agreed at the end of November, won't come to fruition and consequently won't stem the over-production of oil that has kept prices low. The effect of that has been a short, sharp fall in the oil price, down from more than \$50 a fortnight ago to around \$43 now. This, combined with a rallying pound following last week's High Court case on Brexit and the result of the US election, is causing wholesale prices to fall – which should be good news for motorists.

"Consequently, we are now looking to retailers to cut their forecourt prices and save drivers money when they next fill up. We are very surprised retailers haven't reduced their forecourt prices in the last week as they have a good recent record of passing on wholesale price savings at the pump. However, this current unwillingness to cut will not help their cause in getting motorists to believe that forecourt prices don't go up like a rocket when wholesale prices rise and fall like a feather when they're coming down.

"A logical conclusion is that retailers are taking advantage of the current climate which has led people to think that higher fuel prices are an inevitability simply because of the weaker pound and talk of the rising cost of goods. A petrol and diesel cut by retailers now will send the right message to consumers that they can still benefit when wholesale fuel prices fall as they have done in recent days."

Motorists can keep abreast of the latest fuel prices by visiting rac.co.uk/fuelwatch or following [#racfuelwatch](https://twitter.com/racfuelwatch) on Twitter.

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