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RAC issues plea to retailers to cut petrol and diesel prices

Following weeks of rising petrol and diesel prices, the RAC is today urging retailers to pass on recent reductions in wholesale costs they have enjoyed by cutting forecourt prices by 2p per litre.

Data from RAC Fuel Watch shows that despite wholesale prices having dropped by between 2.5p and 3p since 22 May, drivers have suffered near-daily fuel prices rises since the end of April (22 April) – with the average price of a litre of unleaded standing at 129.42p and diesel at 132.34p. In the case of diesel, supermarkets have now been raising the price every single day since the 27 March – again despite wholesale prices having come down by around 2.5p since 24 May.

The fluctuating price motorists pay to fill up at the pumps is determined most significantly by the oil price, and by the sterling to US dollar exchange rate. While [May saw historic increases in the price of petrol](#) – largely as a result of a barrel of oil peaking at \$80 and sterling weakening against the dollar – since the latter part of last month the oil price has been falling. This has caused wholesale fuel prices to drop, which means retailers are paying less for petrol and diesel.

Recent falls in the price of oil are a result the United States drilling for more oil than it has done in more than three years, increased output from Russia and ongoing speculation as to whether major oil-producing nations that are members of OPEC (the Organization of Petroleum Exporting Countries) will choose to end their current policy of restricting oil production at their meeting later this month. The latter has been credited with raising the oil price since historic lows in early 2016.

RAC spokesperson Rod Dennis said: “Our data shows that it’s high time retailers cut the price of petrol and diesel at the pumps – we see no good reason for them to wait before passing on savings they are benefiting from which have been brought about by falling wholesale prices.

“Motorists really felt the impact of rising in prices in May, when the cost of filling up a petrol family car jumped by around £3.30 in a single month. We are now well into June, and drivers are still waiting for some relief to rising prices.

“The oil price, together with the sterling/dollar exchange rate, are notoriously volatile which means the price retailers pay when they buy fuel fluctuates regularly. But given how rapidly prices can go up when the wholesale price rises, it is not right that when wholesale prices fall many retailers seem to wait before making a headline-grabbing cut.

“Many of the biggest fuel retailers in the UK buy fuel on a daily basis. This means that they have been buying in fuel for less than they were just a few weeks’ ago. These price savings should be being passed on to motorists now – making incremental cuts would be fairer.

“In May we reported on the phenomenon of a daily ‘fuel price creep’ as the supermarkets and big fuel retailers appeared to be silently increasing the price of unleaded and diesel on their forecourts by a fraction of a pence every day. If this is their pricing strategy then to be fair to motorists we need to see it work in the same way in the opposite direction – rather than storing up wholesale price savings with no guarantee that motorists will feel the benefit of falling wholesale fuel prices.

“Depending on what happens in the course of the next fortnight, there remains a risk that the cost of a barrel of oil could go up again. In such an instance the retailers are unlikely to pass on any savings they have banked during this period, but instead will start passing on future increases at the pump.

“Motorists are currently facing the highest fuel prices in more than three and a half years and those that have to fill up regularly will be feeling the impact on their monthly running costs. The price hike means they are also paying more in VAT on fuel which is now 21.6p per litre on the UK average price for unleaded of 129.42p, on top of the 57.95p per litre which goes to the

Treasury in fuel duty.”

Notes to Editors

About the RAC

First formed in 1897, the RAC has been looking after the needs of its members and championing the interests of motorists for more than 120 years.

Today it has more than eight million members and 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. This includes voicing concerns about the increasing cost of motoring, particularly the price of fuel and the high level of tax levied on it, advancing levels of road safety, and supporting the needs of all drivers, from young to old.

The RAC’s annual [Report on Motoring](#) – first published in 1989 – is one of a kind and 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](#). It provides a comprehensive guide to the latest UK unleaded petrol and diesel prices – both at the wholesale level and at the pump - and tracks these prices daily to help drivers check if the price they pay to fill up is a fair one.

Contacts



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