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## **Diesel duty hike in the Budget would not encourage drivers to switch their vehicles**

**Ahead of Wednesday's Budget the RAC has found that any increase to the amount of fuel duty paid on diesel at the pumps will be greeted with dismay by motorists – and is unlikely to help reduce harmful nitrogen dioxide emissions as 80% say they will not drive their existing diesel vehicle any less.**

A survey of more than 2,000 motorists on the RAC Opinion Panel\* found that 55% think the Chancellor would be wrong to raise duty solely on diesel from its current 57.95p a litre – the same level at which duty on petrol is charged – with this percentage rising to 84% among drivers of diesel vehicles.

The major reason given by those who felt a hike in duty on diesel would be unfair was because previous Government policy actively encouraged drivers to buy diesel vehicles (78%), followed by the increased costs that would be placed on many businesses that operate fleets of diesel vehicles (47%). Forty-one per cent said they felt there are other better ways of getting people out of their diesel vehicles without punishing them.

Other findings suggest that raising duty only on diesel could actually backfire for the Chancellor, with 70% of diesel drivers saying it would not make them any more likely to sell their vehicle in favour of an alternatively fuelled vehicle, such as a pure electric or hybrid vehicle featuring both a conventional engine and an electric motor, with 11% saying they would be even less likely to sell it following a tax hike.

Instead, motorists would like to see more incentives to tempt people into newer, cleaner vehicles. Forty-six per cent are supportive of some form of scrappage scheme for older vehicles, although whether or not this is the most cost-effective option for tackling air quality remains open to question.

Nonetheless, the findings suggest it might take as much ‘carrot’ as ‘stick’ from the Government to encourage drivers to play their part in helping cleaning up the UK’s air. The findings also suggested little appetite for one-off pollution taxes on new and second-hand diesel vehicles. Only 13% of motorists thought it was a good idea to tax prospective buyers diesel of brand new diesel vehicles and an even smaller percentage (6%) supported taxing diesel buyers with a one-off ‘pollution tax’ when buying a diesel vehicle of a certain age, including second-hand vehicles.

An overwhelming majority (81%) say any increase to the 57.95p fuel duty rate for both petrol and diesel – one of the highest rates of fuel duty in Europe – would be a very unwelcome move.

An optimistic third of motorists (31%) think the Chancellor should reduce duty by more than 1p a litre; a quarter (25%) think he should freeze it for the rest of the Parliament (until 2022); and 20% would be content with a freeze at the present level until this time next year.

On Insurance Premium Tax, which has already ballooned from 6% in 2015 to 12% in June this year, half of respondents (51%) think Mr Hammond will keep it at the current rate of 12%, but 28% are not so confident and think he will raise it again. Nearly three in 10 of those (28%) that think IPT is going to go up again believe the new rate will be 15%. Seventeen per cent, however, believe he will reduce it.

RAC fuel spokesman Simon Williams said: “Putting up duty on diesel is not going to stop the country’s 12m diesel motorists driving any less and ease the air quality problem associated with nitrogen dioxide emissions from the fuel. While the Government may think it will further deter people from choosing a diesel as their next vehicle, in the meantime it would unfairly punish existing diesel owners for responding to incentives introduced by a previous Government designed to limit carbon dioxide emissions. Diesel owners will also be concerned that the value of their vehicles will be negatively affected.

“What’s more, private cars are far from being the only cause of our air quality problems and tend to do far lower mileage.

“Neither should the Chancellor end the fuel duty freeze of the last six years and risk damaging the economy, something the Treasury’s own analysis has found may occur if duty rises. Duty and VAT on petrol and diesel already

makes up two-thirds of the price motorists pay at the pump, which surely is a big enough contribution to the Treasury coffers. And at a time when fuel prices are on the rise again due to an increased oil price motorists do not deserve to be taxed any further.”

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## **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 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 – 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](#). RAC Fuel Watch 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.

Key facts:

- RAC patrols fix four out of five vehicles at the roadside and on average within 30 minutes
- RAC vans carry more than 500 parts and tools to get members' vehicles going again
- 92% of members would recommend RAC Rescue to their friends and family

## Contacts



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