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September brings an end to three months of rising fuel prices - but diesel remains overpriced

After three consecutive months of rising costs at the pumps the average price of both petrol and diesel stayed the same in September, according to RAC
Fuel Watch* analysis – but the data suggests diesel drivers are still paying significantly more than they should be.

A litre of unleaded remained at 114p (actual price 114.61p – down 0.17p) while diesel continued to be sold at an average of 118p a litre with a tiny

drop of a third of a penny (actual 118.10p – down from 118.43p).

The average price of fuel sold by the big four supermarkets still stands at 109p a litre and diesel 114p (actual 113.93p – down 0.26p). Motorway fuel prices, however, rose with petrol increasing 2.57p a litre to an average of 126.72p across all sites. Diesel went up 1.83p to 131.14p.

With the average UK price of unleaded standing at 114p it means a full 55-litre tank will set drivers back £63 – £7 less than January. Diesel drivers are now paying £65 for a complete fill-up in contrast to the start of the year when it was nearer £73.

But anyone filling up a diesel vehicle should, in fact, be paying far less as the wholesale price of diesel has been lower than petrol for six weeks, yet its average forecourt price is 3.5p more expensive than petrol's. Over that time the wholesale price of a litre (excluding delivery, retailer margin and VAT) has averaged just over 85p compared to petrol at 87p. This means diesel could be sold by the lowest cost retailers for around 110p a litre, still allowing for a 5p retailer margin – in stark contrast to the current 11p a litre.

Unleaded is now nearly 9p a litre more expensive than its pandemic low of 105.81p on 21 May; diesel is almost 7p a litre dearer than its low of 111.23p. But positively, prices are still dramatically cheaper than they were at the end of January when petrol cost 128p and diesel 132p – that's 13p and 14p respectively.

RAC fuel spokesman Simon Williams said:

"After three months of rising fuel prices drivers will be relieved to see the cost of both petrol and diesel staying the same. Since June when prices stopped falling as a result of the coronavirus movement restrictions being eased, the cost of fuel has been going up steadily. While price rises are never good news, they have not gone back to the high levels seen at the beginning of the year.

"Despite this, diesel drivers should feel short-changed by the decision of retailers to keep prices artificially high. The price of a litre is currently 8p higher than it should be due to reductions in the wholesale price. In fact, the wholesale price of diesel has now been lower than the petrol equivalent for

six weeks, yet petrol continues to be sold for 3.5p less than diesel. This must surely be difficult for retailers to justify. We strongly urge them to lower their prices in an effort to restore drivers' trust.

"While it's always difficult to predict what's going to happen with fuel prices, imminent rises would now appear pretty unlikely. With the summer travel peak behind us and with ever more coronavirus restrictions being introduced, the demand for fuel is likely to wane. The price of oil has already dropped back to below \$40 for the first time in two weeks as the increasing number of Covid-19 cases dampened traders' demand forecasts. This coupled with a higher than expected output of oil from oil producer group OPEC could lead to lower prices on the UK's forecourts in the coming weeks."

Regional fuel price variation

Regional average unleaded pump prices

Unleaded	01/09/2020	30/09/2020	Change
UK average	114.78	114.61	-0.17
East	115.30	114.82	-0.48
North East	113.80	113.12	-0.68
London	116.32	115.82	-0.5
Wales	114.03	113.55	-0.48
South East	115.98	115.55	-0.43
South West	114.83	114.48	-0.35
West Midlands	114.85	114.61	-0.24
East Midlands	114.50	114.32	-0.18
North West	114.46	114.38	-0.08
Northern Ireland	111.36	111.31	-0.05
Scotland	114.42	114.42	0.00
Yorkshire And The Humber	113.82	114.08	0.26

Diesel	01/09/2020	30/09/2020	Change
UK average	118.43	118.10	-0.33
East	119.65	119.15	-0.50
Scotland	118.23	117.76	-0.47
West Midlands	118.59	118.12	-0.47
Northern Ireland	114.69	114.25	-0.44
South East	119.95	119.53	-0.42
London	119.34	118.93	-0.41
South West	118.41	118.04	-0.37
Wales	117.79	117.44	-0.35
East Midlands	118.33	118.02	-0.31
North West	117.97	117.69	-0.28
North East	117.02	116.77	-0.25
Yorkshire And The Humber	117.57	117.44	-0.13

Find out more about UK petrol and diesel prices.

Notes to Editors

The press office email address is press.enquiries@rac.co.uk. **Please note:** the press office is unable to help with individual customer enquiries - please visit the RAC contacts page to find the right contact.

ISDN radio studio facilities are available for interviews Monday to Friday.

About the RAC

The RAC provides complete peace of mind to 12m UK private and business drivers, whatever their motoring needs. Its services include:

• <u>Breakdown assistance</u>. 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 UK, and was the first to roll out both an <u>All-Wheels-Up recovery system</u>, allowing the vast majority of vehicles to be recovered from a single patrol van, and <u>EV Boost</u> mobile electric vehicle charging units

- <u>Insurance</u>. The RAC is a top-five <u>car insurance</u> broker having surpassed the 500,000 policies-in-force milestone in 2018. It also offers 'black box' <u>telematics policies</u>, 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 <u>RAC Report on Motoring</u> 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.

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