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## RAC slams fuel price rip-off

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RAC stands up for motorists paying much higher than necessary fuel prices...

The RAC tells us:

December a 'rotten month' for petrol car drivers who lost out on £156m as retailers refused to pass on wholesale price savings

*Unleaded falls by 2p a litre but RAC data shows price of unleaded should have come down by 12p*

*RAC estimates petrol car drivers have been overcharged by £5m a day across the month*



*Retailers make an average of 16p a litre on petrol instead of the normal 6p*

Despite wholesale prices meriting big cuts at the pumps the average price of petrol in the UK fell by just 2p a litre in December meaning drivers paid £156m more than they should have, data from **RAC Fuel Watch** shows\*.

Unleaded dropped from 147.47p a litre to 145.48p when drivers should really have seen prices nearer to 135p had retailers played fair instead of taking far bigger margins than normal. Diesel dropped by just under 2p a litre from 150.80p to 148.92p when drivers should have been paying around 142p.

Instead of their long-term margin of 6p a litre, retailers took an average of 16p a litre on petrol and 12.5p on diesel in December making forecourt prices far more expensive than they would have been, had retailers not changed their fuel pricing strategy.

The price of a litre of unleaded on the wholesale market, including delivery, averaged 106p across the month. Had a 6p margin been taken drivers would have seen an average petrol pump price of around 135p after applying VAT at 20%. The average wholesale cost of delivered diesel was 112p a litre which, with the usual 6p retailer margin, would have given a pump price of around 142p.

This means it has cost petrol car drivers £6 more to fill up a typical 55-litre family car than it should have (£80 v £74) and for diesel nearly £4 more with a tank costing £82 at the end of the month instead of £78. The RAC estimates retailers' refusal to reflect lower wholesale prices at the pumps cost petrol car drivers a huge £156m in December, or the equivalent of £5m a day\*\*.

RAC fuel spokesman Simon Williams said: "December was a rotten month for drivers as they were taken advantage of by retailers who rewrote their pump price strategy, costing motorists millions of pounds as a result. Their resistance to cutting prices and to only pass on a fraction of the savings they were making from lower wholesale costs is nothing short of scandalous. The 10p extra retailers have added to their long-term margin of 6p a litre has



led to petrol car drivers paying £5m more a day than they previously would have.

“In the past when wholesale prices have dropped retailers have always done the right thing –eventually – and reduced their pump prices. This time they’ve stood strong, taking advantage of all the media talk about ‘higher energy prices’ and banked on the oil price rising again and catching up with their artificially inflated prices, which it has now done.

“The trouble is every extra penny they take as margin leads to drivers paying even more as VAT gets added on top at the end of the forecourt transaction. This means the Treasury’s coffers have been substantially boosted on the back of the retailers’ action. We urge ministers to push retailers into doing the right thing for consumers.

“The only benefit of the current high fuel prices is the extra incentive for drivers to go electric as those driving 9,000 miles a year could save around £1,500. To help drivers afford to make the switch we are offering highly competitive **EV leasing deals** as well as an excellent value **EV home charging tariff** which can be fixed until June 2023 and currently costs just 6p per kilowatt hour overnight.”

An analysis of RAC Fuel Watch data reveals Asda had the cheapest petrol at the end of the year with a litre costing an average of 141.81p at their stores, with Sainsbury’s not far behind at 142.57p. Asda also sold the lowest priced diesel at 144.9p a litre ahead of Tesco on 145.8p. The average price of motorway unleaded at the close of December was 160.55p while diesel was higher still at 163.43p.

## Regional pump prices compared

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Unleaded	01/12/2021	31/12/2021	Change
UK average	147.47	145.48	-1.99

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East	147.95	146.24	-1.71
East Midlands	147.78	145.15	-2.63
London	147.68	145.89	-1.79
North East	146.72	144.84	-1.88
North West	147.47	145.49	-1.98
Northern Ireland	144.52	142.61	-1.91
Scotland	147.01	145.01	-2.00
South East	148.30	146.64	-1.66
South West	147.59	145.50	-2.09
Wales	146.83	144.47	-2.36
West Midlands	147.44	144.92	-2.52
Yorkshire and The Humber	146.62	144.83	-1.79

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Diesel	01/12/2021	31/12/2021	Change
UK average	150.80	148.92	-1.88
East	151.41	149.70	-1.71



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East Midlands	150.87	148.60	-2.27
London	151.38	149.38	-2.00
North East	150.01	148.24	-1.77
North West	150.61	148.61	-2.00
Northern Ireland	146.42	144.45	-1.97
Scotland	150.81	148.66	-2.15
South East	151.97	150.40	-1.57
South West	151.37	149.20	-2.17
Wales	150.54	148.45	-2.09
West Midlands	150.77	148.73	-2.04
Yorkshire and The Humber	150.49	148.64	-1.85

Find out more about UK petrol and diesel prices *on the RAC website.*