



House of Commons, London SW1A 0AA

Friday, 18th February 2022

To whom it may concern,

We are writing on behalf of the All-Party Group for Fair Fuel for Motorists and Hauliers about the extremely high petrol and diesel prices hitting hard working people across the country at a time when the cost of living continues to rise.

It is clear that despite falling wholesale oil prices, particularly in 2021, retailers continue to increase their prices by a disproportionate amount, meaning that consumers continue to pay more.

According to the RAC Foundation and FairFuelUK's national panel, average profit margins for diesel have increased by 150% in the last 2 years, with petrol margins at the pumps more than doubling. Please see the wholesale and retail snapshot prices analysis below.

In December 2021, FairFuelUK reported that pump prices were 30p per litre more expensive than the previous year, yet the wholesale costs of petrol and diesel were up, just 18p. The RAC supports FairFuelUK analysis that even allowing for market increases in margins and distribution costs, the world's highest taxed drivers in the UK were paying up to 10 pence per litre more than needed in recent months.

As a direct result of this, we would like to understand why fuel supply chain profits have increased so considerably in the last two years, and why wholesale falls in fuel costs are not fully reflected in retail prices?

We are sure that you agree it is incumbent on petrol and diesel retailers to pass fair prices on to motorists at the pumps, particularly at such a worrying time with regard to the cost of living. When fuel prices rise, the impact is not just felt by motorists but by the country as a whole. Prices at the pumps force costs across every industry up, which are further passed on to consumers.

We also would like to inquire about the steps you are taking to ensure that motorists are paying fair prices at the pumps and that, when wholesale oil prices fall, those lower prices are passed on to consumers?

The APPG would like to invite you to attend a meeting to discuss these issues so that you can have constructive input into our APPG's recommendation to the Treasury and the Department of Transport?



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We look forward to receiving your response at your earliest convenience.

Yours sincerely,

Rt Hon Robert Halfon MP, Vice Chair of the Fair Fuel APPG

Howard Cox, Founder of FairFuelUK and Secretary to the Fair Fuel APPG

Craig Mackinlay MP, Chair of the Fair Fuel APPG

Prices vs profits

	All taxes included Pence per litre		
23/12/2019	Wholesale	Retail	Profit
Diesel	118.1	129.78	11.6
Petrol	113.3	125.43	12.2
31/12/2020	Wholesale	Retail	Profit
Diesel	102.8	120.0	17.2
Petrol	100.2	116.5	16.3
31/12/2021	Wholesale	Retail	Profit
Diesel	120.2	149.3	29.1
Petrol	120.9	145.6	24.7