

'Big four' supermarkets failing to reduce petrol prices in line with falling wholesale costs, RAC warns

The "big four" supermarkets and several other retailers are failing to reduce petrol prices in line with falling wholesale costs, the RAC has warned.

The roadside recovery firm said the wholesale cost of petrol has fallen by 20p since early June.

However, UK retailers continued to increase their prices in June and only dropped their pump prices by an average of 9p during July, the company added.

The RAC said the wholesale cost of unleaded – the price when the petrol arrives at forecourts – is now back down to its early May price of 131.75p per litre, which led to average pump prices of around 167p per litre.

However, drivers are currently paying an average of 183p per litre at pumps across the UK despite the drop in wholesale costs, the RAC said.

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This means they could be paying almost £9 a tank more than they should be.

The RAC also said drivers should now be paying about 182p per litre for diesel – nearly £6 a tank lower than the end of July average of 192p per litre.

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Tesco, Asda, Morrisons and Sainsbury's, known as the "big four" supermarkets, have been facing criticism along with several other suppliers for failing to reduce their prices in line with falling wholesale costs.

The RAC said that while several retailers reduced their prices last week, the cuts are not enough to be in line with the wholesale cost.

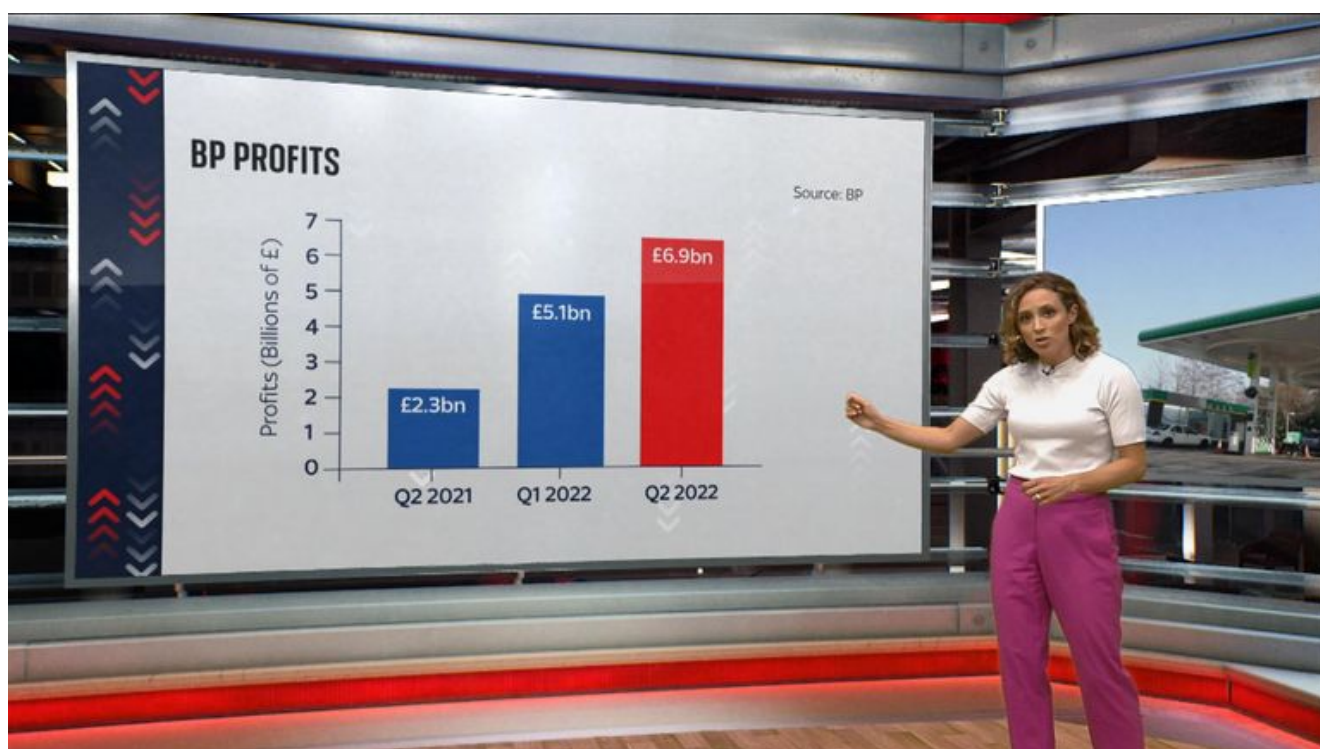
The warning comes after [fuel prices hit their highest-ever levels](#) earlier this summer as the UK's cost of living crisis began to worsen.

RAC fuel spokesman Simon Williams said: "July has been an unnecessarily tough month for drivers due to the big four supermarkets' unwillingness to cut their prices to a more a reasonable level, reflecting the consistent and significant reductions in the wholesale cost of petrol and diesel.

"As it was, we saw independent retailers leading the charge with fairer pump prices appearing all around the country which eventually forced the supermarkets to finally implement a more substantial cut late last Friday afternoon.

"What ought to have happened is that the biggest retailers cut their prices more significantly on a daily basis, given the wholesale price of petrol has fallen steadily over the last eight weeks."

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Mr Williams advised drivers that they should no longer assume supermarkets are the cheapest places to get fuel.

He said motorists should “shop around as it’s highly likely you’ll find an independent retailer which is doing the right thing and fairly reflecting their lower wholesale costs by charging a lower price”.

He added: “This is really encouraging because the independents buy new stock less frequently than the supermarkets as they don’t sell as much, and consequently aren’t as well positioned as their rivals to be able to snap up fuel at lower prices when there are sudden market drops.”

A spokesperson for Sainsbury’s said: “We are committed to offering motorists great value and over the weekend we lowered the price of petrol and diesel across our forecourts. We price locally and competitively.”

Sky News has contacted Tesco, Asda and Morrisons for comment.