Diesel costs hit record high with petrol close behind, adding to inflation woes

Pump costs for diesel have hit new record highs, piling more misery on motorists and adding to costs for businesses too as the fuel powers the vast majority of trucks and vans on UK roads.

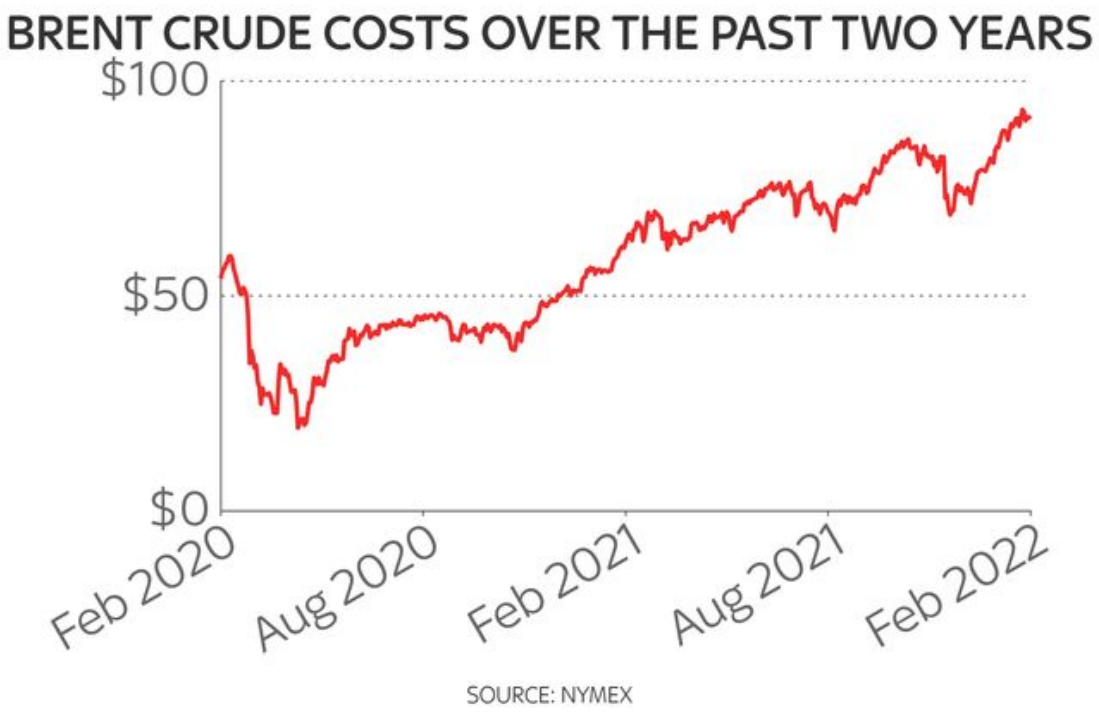
Industry data from Experian Catalist, reported by the AA, showed the average cost for a litre of diesel reached 151.21p on Thursday.

That beat the previous all-time high of 151.10p per litre seen last November.

The motoring organisation said that unleaded had moved to within 0.05p of its own November record, currently 147.67p a litre on forecourts, but was understood to be higher than that across London, the South East and in East Anglia.

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The upward figures have mirrored the picture for Brent crude oil costs, which topped $93 a barrel earlier this week.

Higher energy prices globally have been a core reason behind the surge in UK inflation to a **30-year high**.

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Figures covering January due next week are tipped to show that the core consumer prices index will have moved higher to 5.5% as **businesses pass on rising costs** linked to a tough supply chain as economies restart after the worst of the COVID disruption.

The Bank of England expects inflation to hit 7.25% in April – a consequence mostly of the-near £700 hike in the energy price cap that kicks in that month – and warned last week of the biggest slide of living standards on record through the wider squeeze on household budgets.

Motoring groups have been quick over recent months to accuse fuel retailers of being quick to pass on rising wholesale costs and slow to reflect falls.

Petrol retailers have argued that their pricing is more complicated, pointing out that their own costs – from things like wages and energy – have also shot up and been reflected in pump costs.

AA fuel price spokesman Luke Bosdet said of the diesel record: "Businesses warned this week that they have no option but to pass on higher costs to consumers.

"The latest jump in the price of diesel, the workhorse fuel of

business and haulage, ramps up that inflationary pressure even more.”