

Fuel prices fall after petrol stations given 'good prod'

Fuel prices have dropped twice as fast since petrol stations were warned they were ripping off motorists, analysis has shown.

A Competition and Markets Authority (CMA) report on 8 November accused retailers of failing to pass wholesale cost savings on to customers.

The regulator said the differences between pump prices and wholesale costs in September and October were "significantly above the long-term average".

It took 31 days for prices to decrease by 3.5p per litre from October 8.

However, in just 14 days after the CMA issued its report, prices reduced by 3.75p.

A spokesperson for the AA, which carried out the analysis, said it is "amazing what happens when the competition watchdog gives the fuel trade a good prod".

"Pump prices fall at twice the speed and £2 comes off the cost of a tank of petrol within a fortnight," they added.

More from Business



Revolution Beauty founder Minto in £3m settlement talks



Ladbrokes and Coral owner Entain agrees to pay £585m after bribery investigation



HSBC online and mobile banking services return after Black Friday outage

Fuel retailers to face increased scrutiny

Despite the drop, the RAC has said motorists are still “losing out massively at the pumps”.

Advertisement

A spokesman said the average retailer margin on petrol is around 17p a litre – 10p more than the long-term margin.

The CMA’s report came ahead of it being granted new powers to act as the UK’s fuel price watchdog.

Read more from Sky News:

[George Floyd’s killer stabbed in jail](#)

[What would a new Korean War look like?](#)

[Ex-Doctor Who star ‘immensely jealous’ of new cast](#)

Be the first to get Breaking News

Install the Sky News app for free



sky



Legislation that would allow it to gather more information to provide regular public updates on market competition is going through parliament and is expected to come into force next year.

It would see the CMA report evidence of unjustified price increases.

The UK's four fuel-selling supermarkets are among the retailers that have agreed to share daily price data, and the government plans to make this mandatory.