Rt Hon Boris Johnson MP

Prime Minister & First Lord of the Treasury

10 Downing Street

London

SW1A 2AA

17 March 2022

Dear Prime Minister,

We are writing ahead of the Spring Statement in light of record high petrol and diesel prices hitting hard working people across the country forcing the cost of living to continue to rise.

In many parts of the country, we are seeing prices at the pumps reach £2 per litre. This means the average family is paying £16 more to fill up their tank than a year ago, and in rural areas with traditionally higher pump prices they are having to find £20 extra. Furthermore, hauliers are forking out £120 more to fill up than in February 2021, while for white-van men and women it is £25 more. This is simply unaffordable for working families and given these record prices, the Treasury is yielding billions more than was projected when the Chancellor set the budget.

The 12-year fuel duty freeze, which has saved motorists £15 every time they fill up, is extremely welcome, but the current circumstances mean the Government must go further by either cutting fuel duty or reducing VAT on fuel. This could be done with the extra £2 billion the Government has received in fuel tax revenue as a direct result of the higher prices.

Furthermore, 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 two years, with petrol margins at the pumps more than doubling.

This shows that when wholesale oil prices rise, there is a rocket effect in terms of prices at the pumps, but when they fall - as they are currently - there is a feather approach to reducing pump prices. To that end, we are calling on you to establish a Pumpwatch consumer monitor to ensure fair prices at the pumps in line with wholesale prices.

We hope that you will continue to support working people across the country by taking these further measures to cut the cost of living.

Yours sincerely,