



Department for  
Business, Energy  
& Industrial Strategy

Rt Hon Kwasi Kwarteng MP  
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11 June 2022

Dr Andrea Coscelli CBE  
Chief Executive  
Competition and Markets Authority  
25 Cabot Square  
London E14 4QZ

Dear Andrea,

### **UK FUEL, PROTECTING CONSUMERS**

Unique circumstances globally, including Russia's illegal invasion of Ukraine and economies unlocking after covid, have pushed pump prices up to unprecedented levels. We have taken action to support motorists by cutting fuel duty for petrol and diesel in a £5 billion package.

Despite this action, there remains widespread concern about the pace of the increase in prices at the forecourt and, that prices may not fall as much or as fast as they rise. The British people are rightly frustrated that the £5 billion package does not always appear to have been passed through to forecourt prices and that in some towns, prices remain higher than in similar, nearby towns.

Drivers should be getting a fair deal for fuel across the UK. Healthy competition between forecourts is key to achieving this, with competition working to keep pressure on prices. For these reasons, I am writing to you to ask that the CMA conduct an urgent review of the fuel market, as well as a longer-term market study under the Enterprise Act 2002, to explore whether the retail fuel market has adversely affected consumer interests. This should consider the health of competition in the market, geographical factors, including localised competition, and any further steps that the Government or the CMA could take to strengthen competition, or to increase the transparency that consumers have over prices. As part of this, I would be grateful for the CMA's advice on the extent to which competition has resulted in the fuel duty cut being passed on to consumers, and the reasons for local variations in the price of road fuel.

While the CMA's work will be carried out independently, my department's resources will be fully available to the CMA to ensure they have access to the best possible up-to-date information and analysis to inform their advice. I also expect the members of the road fuel industry to fully support and cooperate with the CMA in preparing its advice, in the context of the significant public concern on this issue, and the critical importance to consumers and the economy.

I would be very grateful if you could liaise with my officials on the timelines for this work and keep me and my officials abreast of developments. I would like to receive the initial report by 7 July.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kwasi Kwarteng', written in a cursive style.

**RT HON KWASI KWARTENG MP**  
Secretary of State for Business, Energy & Industrial Strategy