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for Transport

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## **FUEL PRICING AT MOTORWAY SERVICES**

I am writing to raise concerns and request that the Competition and Markets Authority consider opening an investigation into the retail price of road fuel at Motorway Service Areas (MSAs).

There are three major companies responsible for the operation of nearly all of the 112 MSAs in the UK (see annex), with long stretches of the motorway network having only one or two operators present. The RAC have found that one in five of the drivers surveyed tended to put in 'just enough fuel to get by' on the motorway while they wait for a cheaper alternative later. I am concerned that prices which are higher than other forecourts may exploit users in a situation where there is less choice and competition, and discourage motorists from stopping and re-fuelling when, for safety reasons, they should. I would welcome a view from the CMA on whether the three private companies that currently operate the majority of MSAs are exercising market power to the detriment of motorists.


The Office of Fair Trading (OFT) performed a broad assessment of fuel prices in the UK some years ago (2012). I am aware that they found no evidence of collusion at a national-level, but did not rule out considering evidence of local practices breaching competition law. At the time of the study the average prices at MSAs were 7.5ppl higher for petrol and 8.3ppl higher for diesel than

at other UK forecourts. Today it is reported that prices can be up to 19ppl higher than other vendors; therefore it seems that the situation has worsened.

I recognise the important role that MSAs play in providing a safe place for motorists to stop and rest. MSA operators do incur relatively higher costs for building infrastructure and maintaining the opening hours required of them by the Government, but it is my view that the price differentials above are not fully explained and I want to be sure that drivers are getting a fair deal.

Competition and choice should drive good service and fair prices at MSAs for drivers. I am concerned that this market is not producing that outcome. Any investigation by the CMA could usefully reveal the extent to which greater competition may have a role to play in delivering better outcomes for the consumers in this market.

*W. L. best value*



**Rt Hon Chris Grayling MP**

**SECRETARY OF STATE FOR TRANSPORT**