

RT. HON. ROBERT HALFON MP



HOUSE OF COMMONS

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Andrew Tyrie
Chair of the Competition and Markets Authority
Victoria House
37 Southampton Row
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10 August 2018

Dear Andrew,

Further to our previous correspondence on potential store closures and job losses, I am writing with regards to the affect that the Sainsburys and Asda merger could have on petrol prices.

You will know that I have campaigned for many years alongside FairFuelUK to lower fuel duty and keep costs down for hardworking motorists.

Both I and FairFuelUK have serious concerns that this merger will affect market competition and there is a real worry that it will cause thousands of motorists to be hammered at the pumps by an increase in petrol prices.

Pump prices across Asdas' and Sainsburys' outlets can differ by as much as 5p within just 30 miles. Across the UK the difference is even more marked at 12p. So, will the merged business take this opportunity and pick the highest of each other's prices? With 50% of all fuel sold through supermarkets, this merger could impact severely on the cost of filling up for the already highest taxed motorists in the world. What will Tesco and Morrison do too as a consequence?

Until now, the big 4 supermarkets bulk fuel buying power has kept the big oil company forecourts from hiking prices too much. They have created some competition amongst all fuel retailers, and consumers benefit as a result. But the supply chain continues to go unchecked so, any reduction in fuel supply competition at the pumps, is bad news for hard pressed motorists, van drivers, truckers and the economy.

In a new survey by FairFuelUK of over 40,000 drivers, to be published this week, , 75% believe oil companies operate a fuel pricing cartel, with 1 in 2 believing the 4 big supermarkets operate in the same way.

With this imminent merger, it's even more vital that an independent pump price monitoring watchdog is created, to ensure pricing transparency is guaranteed. We have OfCom, OfGen and OfWat, so why not PumpWatch?

We would be grateful for your guarantee that petrol prices and competition in the market will not be affected by this merger.

Sincerely,

Rt. Hon Robert Halfon MP

Howard Cox, Founder of FairFuelUK

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Championing Apprenticeships and Education
Cutting the Cost of Living
Cherishing our Villages
Protecting our NHS

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