



Stuart McMillan MSP
Greenock & Inverclyde
Constituency Office
26 Grey Place
Greenock
PA15 1YF

Tuesday, 27 June 2023

[Redacted]
Project Director, Road Fuel Market Study
Competition & Markets Authority

Dear Daniel,

Re: Initial Update Report

I write to provide comments on the initial update report of the CMA's *Supply of road fuel in the United Kingdom* market study.

Firstly, I want to thank you for taking the time to meet with me last month about the market study and the initial update report. I was pleased to hear that the situation facing Inverclyde is very much on the CMA's radar following correspondence from myself and people in Inverclyde, who have written to you in droves. This reflects the frustration felt by my constituents about local fuel pump prices consistently being 5-10p per litre more expensive than nearby areas.

I'm also pleased that the CMA are engaging with Transport Scotland as part of the investigation into why Inverclyde's forecourt prices are so out of sync with other parts of the west of Scotland.

As I and others locally have long suspected, the absence of an Asda petrol station appears to be a driver for this – as you mentioned during our discussion that areas where there's an Asda forecourt the prices across the other garages in that area appear to be far cheaper than those without an Asda petrol garage. I also note that this is mentioned on page 22 of the initial update report.

It's unrealistic to expect Asda to open forecourts everywhere in Scotland to tackle this issue, so I do hope the CMA are able to determine ways which prevent areas of Scotland, such as Inverclyde, without an Asda petrol garage to not be disadvantaged by this fact.

I also note that on page 23, the initial update report states: “findings suggest that the presence of supermarket petrol filling stations in a local area exert a noticeable downward pressure on fuel prices.” I am pleased that more work will be done on this, as interestingly the cheapest forecourt in Inverclyde for the past year or so has been an independent Gulf garage in Wemyss Bay. Historically, this was always the most expensive in Inverclyde – but now it’s typically the cheapest. Even then, it remains around 5 pence more expensive than the cheapest forecourts in other areas, which are also often small independent garages such as Jet in Renfrew.

Further, I note paragraphs 51-56 regarding “rocket and feather pricing”, this is an issue that Inverclyde motorists will have experience of. Particularly throughout 2022, local fuel pump prices seemed to rise quicker than those in surrounding areas – and when prices did fall, they seemed to fall slower than in other areas too.

My *Fair Fuel Watch* campaign on social media has shone a light on this issue, as people would often comment that while prices in Inverclyde may have fallen by say, 5 pence, they had maybe fallen in other areas by say 7 pence. Over the course of this campaign, it’s become apparent that higher prices seem to be implemented earlier and lower prices implemented later in Inverclyde compared to other forecourts in the west of Scotland, which is unacceptable.

As I stressed during our meeting, these are all reasons why I would like the CMA to consider Inverclyde as a case study area.

In my correspondence to the CMA dated Tuesday 19 July 2022, I highlighted how we, sadly, have pockets of high deprivation. That makes the fact that fuel pump prices are significantly higher than nearby areas even more shocking – and even more infuriating for my constituents.

For those who work outside of the constituency or who can afford it, many have said they buy fuel outside of Inverclyde – with many doing their shopping at the same time (particularly if they’re visiting Asda). That is not good for the local economy. I do not blame people for doing this however, I myself confess to often buying petrol while outside the constituency on my way to or from Parliament, but it’s why I want to see the prices more streamlined across the whole country.

I am conscious of the environmental factors and the need to encourage more people to use public transport or active travel options. However, many people depend upon their cars for their

job or because they have mobility issues. Not everyone is able to make that shift. Therefore, making the market fairer is a must. I'm not asking for prices to be lowered necessarily, just for the prices across forecourts to be more on par with one another. People accept a couple of pence difference, but not 5-10 pence. Yet that is what Inverclyde is faced with.

In conclusion, I want to thank the CMA for taking my concerns, and the concerns of my constituents, so seriously. These fuel pump prices are affecting local businesses, third sector and public sector organisations too at a time when rising costs in other areas are impacting upon them.

I look forward to the next report due spring 2023 ahead of the final report in the summer.

Yours sincerely,

Stuart McMillan MSP