

From: Sarah Cardell, *Chief Executive*

10 August 2023

## **Open letter to stakeholders in the road fuel market**

On 3 July 2023 the CMA issued the final report of its road fuel market study, which found that competition in the retail sector for petrol had diesel had weakened since 2019, meaning that drivers were now paying more for road fuel at any given level of wholesale prices.

To address this issue we made two recommendations to government:

- First, a new statutory fuel finder scheme, which would give drivers access to live, station-by-station fuel prices. This should help people find the cheapest fuel and drive down prices. The fuel finder open data scheme would need statutory backing to require fuel retailers to provide up-to-date pricing data and make it available to drivers in an open and accessible format that can be easily used by third party apps such as satnavs or map apps, through a dedicated fuel finder app, or a combination of both.
- Second, a new statutory monitoring body to hold the industry to account. The fuel monitor would have formal powers to monitor prices and margins on an ongoing basis and recommend further action if competition continues to weaken in the market. As the UK transitions to net-zero the demand for petrol and diesel will reduce.

The Secretary of State for Energy Security and Net Zero responded on the same day confirming that the government was accepting both recommendations and intended to legislate, consulting on this in the Autumn. At the same time, the Secretary of State noted that getting legislation in place would take some time, so asked the CMA to take action on a temporary basis, using our existing powers. On pricing data, he asked that the CMA create a temporary scheme, allowing retailers to make available their pricing data on a voluntary basis, by the end of August.

At a roundtable for the largest fuel retailers, hosted by the Secretary of State on 17 July, I set out the CMA's proposed approach to delivering the temporary scheme. This comprised the largest retailers making available, on a voluntary basis and in a common, machine-readable format, their daily prices across their petrol stations, which can then be used by comparison apps and sites to support consumer choice.

Since then we have been working with those retailers, and trade associations representing a significant proportion of retailers who were not present, to develop standard criteria for providing those voluntary daily updates, via roundtables held on 26 July and 4 August, alongside additional written communications. We have also engaged with potential users of the data, such as third-party app/information providers, to explore how this data can be presented in a way that is useful to them.

This open letter provides further detail on the temporary scheme, with the common technical standards for participants set out in the attached Annex.

The key principles of the voluntary scheme are that the daily price updates should be available in a consistent machine-readable format, free of charge and unencumbered for onward use.

For the avoidance of doubt, I would make clear that given the scheme expressly provides for only current prices (rather than prospective prices) to be disclosed, we do not see any risk that participating in the scheme would constitute any breach of competition law.

This temporary scheme relies on the voluntarily cooperation of fuel retailers. The purpose of it is to deliver quickly some of the benefits of open accessible pricing information to consumers whilst awaiting legislation. It will provide more recent pricing data, in an open and unencumbered manner, than is currently available.

We recognise the interim scheme is limited, especially given that there will sometimes be a lag between the setting of forecourt prices and the prices displayed by the third-party comparator. This is why we have recommended that a full statutory scheme be put in place as soon as possible. We also and welcome the fact that Department for Energy Security and Net Zero officials are exploring whether a version of the open data fuel-finder scheme could be introduced in advance of the legislation, on a voluntary basis, bringing the fuller benefits of our recommendation to consumers sooner.

Nonetheless, this is an important first step towards securing better availability of pricing data for drivers, in advance of the implementation of the full statutory scheme.

The CMA has now completed its role in relation to creating the temporary scheme by publishing the final technical standards. It is now for fuel retailers to implement this

scheme for their own pricing data if they choose to participate. We look forward to working with the UK government as it implements our wider recommendations, including legislating for the statutory pricing data scheme.

We would like to thank all stakeholders who have helped in the design and development of the temporary scheme.

Yours faithfully,

Sarah Cardell

Chief Executive