

The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury

From:
Sarah Cardell
Chief Executive

14 March 2026

Dear Chancellor,

Thank you for your letter of 11 March.

The CMA is acutely aware that the current situation in the Middle East is driving up wholesale prices for key commodities. As you set out to Parliament earlier this week, this will inevitably put upward pressure on prices across a range of goods and services. It is vital that the situation is not exploited, including through price increases that do not reflect genuine cost pressures.

In those circumstances, it is more important than ever that effective competition helps minimise price increases and that consumer rights are protected. The CMA will act without hesitation, using our full range of powers, if there is evidence that competition or consumer protection law has been broken. I am also committed to continue working closely with your officials as the situation develops, to support the government's wider response, and to ensure our own work is informed by insights and intelligence from across government.

I wanted to update you on the specific action the CMA has taken through the course of this week on heating oil and road fuel – building on the public statements that you refer to – and our broader approach to monitoring pricing pressures across the economy.

Heating oil

Following an initial review of complaints, we announced on 11 March that we are writing, as a matter of urgency, to a number of firms – including both direct suppliers and intermediaries – to obtain further evidence and assess whether their practices raise consumer protection concerns.

At this stage, our work is focused on two main issues, which we will be probing further:

- the cancellation of existing orders followed by new offers at significantly higher prices; and
- price increases applied to automated delivery arrangements triggered by tank-level monitoring – a concern that you raise in your letter.

The CMA is at the initial stage of its review, and while it should not be assumed that any businesses have broken consumer protection law, we will not hesitate to take enforcement

action if potential breaches are identified. If we identify other consumer protection concerns in the course of our review, we may widen the scope of this work.

In parallel the CMA has been carrying out rapid work to assess wider developments in the heating oil market, including how far recent pricing trends reflect underlying wholesale cost movements. We will now take forward a more detailed examination of the heating oil market at pace. This may include advice to government on how regulation can drive better outcomes for consumers, recognising that households reliant on heating oil do not currently receive the same regulatory protections as on-grid natural gas consumers.

Road fuel

As you know, the CMA has a statutory monitoring function in the road fuel sector, and on 12 March we set out plans to step that up so we can rapidly identify any signs that fuel stations are exploiting the situation. As part of this, we will be accelerating our analysis of recent trends and publicly updating on pricing as soon as possible. Fuel retailers have been put on notice that our data collection is being brought forward to enable this.

Our monitoring – including our ability to identify ‘rocket and feather’ pricing – will be enhanced by the data becoming available under the Fuel Finder scheme. We are committed to ensuring compliance with the requirements of the scheme. Fuel Finder not only stands to enable more comprehensive market monitoring, but to deliver stronger competition and lower prices for motorists on a lasting basis.

Wider monitoring

As you note, the situation in the Middle East will put pressure on prices across the economy, including essential consumer goods and services, and critical inputs for business. It’s especially important in these circumstances that price rises reflect genuine cost increases; that timely, accurate and transparent pricing information is available; and that suppliers treat customers fairly. With this in mind, we will work with relevant officials and regulators to identify and monitor sectors likely to be affected by price rises and disruption – including agricultural inputs such as fertiliser and red diesel, groceries and travel – so that both the CMA and wider government can respond swiftly to any evidence of harmful practices across the economy.

Thank you again for your letter and I look forward to working closely in the weeks ahead.

Yours sincerely,

Sarah Cardell
Chief Executive
Competition and Markets Authority