HEATING OIL MARKET STUDY

Final report

15 July 2026

Competition & Markets Authority

Website: www.gov.uk/cma

The Competition and Markets Authority has excluded from this published version of the final report information which it considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [✄]. Some numbers have been replaced by a range. These are shown in square brackets. Non-sensitive wording is also indicated in square brackets.

Contents

Tables

Figures

1. Overview of the market and our market study

1.1 Most households in the UK use gas and electricity as their main domestic energy sources. However, an estimated 16% of households across Great Britain were not connected to the gas grid in 2024,[1] and roughly 63% of households in Northern Ireland are not currently connected to the gas grid.[2] These households therefore rely on alternative fuels to heat their homes and provide hot water.

1.2 Heating oil is one of the alternative fuel types used by off-grid households.[3] Heating oil includes both gas oil and kerosene, which are 'middle distillates', produced from the distillation of crude oil. However, kerosene is the type of heating oil most commonly used domestically, whereas gas oil is mainly used for agricultural or light industrial work.[4] Throughout this report when we refer to **home heating oil** it is to kerosene-based heating oil unless expressed otherwise.

1.3 In addition to its use in heating, kerosene is also used as fuel in the aviation sector (jet fuel). There can be differences in the product specification used for kerosene in heating versus aviation which can mean that kerosene produced for the aviation sector is not appropriate for heating.[5] However, kerosene can also be produced to specifications that make it suitable for both use cases.[6]

1.4 The UK's home heating oil market has experienced recurrent periods of disruption, including two periods of disruption since 2022.

(a) Most recently, the conflict in the Middle East and resultant increase in petroleum product prices have led to sharp increases in UK home heating oil retail prices. Average prices in Great Britain and Northern Ireland increased by 41 pence per litre[7] in March 2026. The level of these price increases in the home heating oil market was a key concern in the wake of the Middle East conflict. The crisis also prompted concerns from consumers regarding the terms on which they were provided with home heating oil.

(b) In 2022, the home heating oil market experienced disruption in the wake of the war in Ukraine. The war also prompted sharp increases in home heating oil retail prices. Average prices in Great Britain and Northern Ireland

[1] CMA analysis of data from Department for Energy Security and Net Zero, Subnational estimates of properties not connected to the gas network, accessed on 17 June 2026.
[2] CMA analysis of data from UREGNI, Quarterly Retail Energy Market Monitoring Report, accessed on 19 June 2026.
[3] Heating oil may be used commercially (as well as domestically). However, the focus of this market study is the domestic use of heating oil.
[4] Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380. Paragraphs 4.5-4.6.
[5] Response to the CMA's information request dated 1 April 2026, question 1.
[6] Responses to the CMA's information request dated 1 April 2026, question 1.
[7] The weighted average distributor price per litre increased from 64 pence per litre (inc VAT) in February 2026 to 104 pence per litre (inc VAT) in March 2026. We calculated the weighted average distributor price by aggregating the revenues for a sample of 23 distributors based in Great Britain and 9 distributors based in Northern Ireland and dividing by the aggregate volumes sold in a month for the same sample of distributors.

increased by 22 pence per litre[8] in March 2022. There were also similar concerns regarding the terms on which home heating oil was supplied to consumers.[9]

1.5 Prior to this, the home heating oil market experienced disruption during the winter of 2010 to 2011. During this period severe weather conditions led to demand spikes, breakdowns in supply, and significant price increases. This prompted the Office of Fair Trading (**OFT**) to launch its 2011 market study into off-grid energy.[10] In relation to home heating oil, this work concluded that competition was generally working well. However, the study also concluded that there were grounds for concern in relation to market participants' compliance with consumer law, which the OFT took action to address.[11] Our current market study builds on this previous work.

1.6 In the rest of this chapter, we set out an overview of our market study and provide background information on the UK's home heating oil market.

Our market study

1.7 Against the backdrop set out above, the CMA launched the market study focusing on the retail supply of heating oil (predominantly kerosene) for domestic use. The scope of the market study is set out in our market study notice and our statement of scope. In our statement of scope we explained why we were launching a market study. This explained in particular that:

(a) the work aligns strongly with the CMA's strategic objectives;

(b) heating oil is an area of essential domestic spend;

(c) the sudden rise in oil prices caused by the conflict in the Middle East has been accompanied by sudden and significant increases in retail prices of home heating oil. We also heard consumer concerns around the terms on which they had been supplied with home heating oil.

[8] The weighted average distributor price per litre increased from 64 pence per litre (exc VAT) in February 2022 to 86 pence per litre (exc VAT) in March 2022. We calculated the weighted average distributor price by aggregating the revenues for a sample of 23 distributors based in Great Britain and 9 distributors based in Northern Ireland and dividing by the aggregate volumes sold in a month for the same sample of distributors.
[9] The Guardian, Britons in rural areas face crisis as heating oil prices more than triple, accessed on 10 July 2026; News Letter, Oil prices NI: Why are home heating oil prices rising across Northern Ireland?, accessed on10 July 2026
[10] Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380.
[11] Specifically, the OFT took enforcement action to address instances of home heating oil websites making claims they were independent or were comparing prices from different distributors, when this was not the case. The OFT also took enforcement action to address complaints around distributors charging a different price at delivery from that quoted at order.

1.8 We explained that in that context there was an urgent need to examine the home heating oil market in more detail, in particular to explore whether there are features of the market that mean it is not working well for consumers.

1.9 Due to the acute nature of the challenges faced by consumers at this time, we felt it was important to complete our market study at a significantly faster pace than within the statutory limit of 12 months, specifically within a few months of launch. This timeframe has necessarily meant we have had to focus our work on the most important areas. In line with the approach outlined in our statement of scope, our work below has involved:

(a) examining the impact of the Middle East conflict on retail prices in the UK[12] and the reasons for this – in particular, the extent to which increases in retail prices are driven by increases in wholesale prices and operating costs and increases in distributors' operating profits;

(b) assessing levels of competition across the UK, including:

(i) whether there is regional variation in the number of competitors by local area – and the extent to which prices vary as between the four nations;

(ii) the factors driving regional variation in prices and the number of competitors, including variation in wholesale prices and the extent to which local areas that have a lower density of heating oil households face higher retail prices and have fewer distributors; and

(iii) the impact of the Middle East conflict on home heating oil distribution and prices, including the extent to which there was regional variation in the retail price increases and the reasons for this;

(c) assessing whether there is sufficient price transparency across the UK – that is, whether consumers are able to access clear price information and readily compare distributors' quotes prior to purchase to support effective competition and consumer choice – and the impact of the Middle East conflict on price transparency; and

(d) examining evidence in relation to consumer experience and protections, including how this compares to other energy sources which consumers rely on.

1.10 Our market study builds on the OFT's 2011 market study into off-grid energy.[13] The OFT's market study included a thorough assessment of the home heating oil market, including barriers to entry and expansion faced by distributors and

[12] Given the different data sources involved, we report prices in Great Britain and Northern Ireland separately.
[13] Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380.

consumer switching behaviour. The study concluded that competition in the home heating oil market generally worked well, including because barriers to entry were low in most places (and where the barriers were more significant, they were generally not insurmountable),[14] switching costs were low and a sizeable proportion of customers were found to shop around regularly.[15] To facilitate our compressed timeframe for delivery of the current market study, we do not reassess these aspects of the home heating oil market as part of our current analysis.

1.11 Our work has been informed by a variety of perspectives. Our information gathering activities included the following:

(a) responses to our Invitation to Comment from 16 respondents;

(b) meetings with stakeholders including industry bodies, consumer groups, and market participants;

(c) written responses to RFIs from 39 home heating oil distributors, 7 wholesale suppliers and two intermediaries;

(d) CMA research and analysis; and

(e) meetings with a wider range of stakeholders, including the UK government, devolved governments and other public bodies, to consider the recommendations included in this report.

1.12 This is the second market study to apply the CMA’s ‘4Ps’ commitment to pace, predictability, proportionality and enhanced process to deliver more effective engagement with key stakeholders.

(a) On pace, we committed to an ambitious timeline of only a few months to reflect the acute nature of the challenges faced by consumers of home heating oil in the wake of the Middle East conflict. We benefited from early input from key stakeholders, including industry associations and distributors.

(b) On predictability, we opened the market study within weeks of the crisis beginning, reducing uncertainty for all market participants about the CMA’s plans to act in this space.

(c) On proportionality, we adopted a targeted scope, focused on the impact of the disruption on UK consumers. We sought to build on work previously conducted by the OFT, to avoid duplication.

[14] As above, paragraphs 4.32-4.40.
[15] As above, paragraphs 4.63-4.69.

(d) On process, we used a range of engagement channels to gather views from suppliers, including engagement with relevant industry associations. We carried out a series of calls with consumer bodies to understand consumers' experiences of the home heating oil market. We also carried out engagement with the UK, Scottish and Welsh governments and the Northern Ireland Executive to test the recommendations outlined in this report.

Market background

1.13 We set out below background information on the consumers of home heating oil, the supply chain and recent trends in the supply of home heating oil in the UK.

The consumers of home heating oil

1.14 An estimated 1.5 million households in the UK use heating oil. Northern Ireland accounts for close to a third of these, with over 60% of households in Northern Ireland using heating oil.[16]

1.15 There is substantial variation in the use of home heating oil in each devolved nation. The most recent census data indicating the number of households in each nation that use heating oil as the only source of heating report:

(a) 760,477 households in England (3.2% of households in England);[17]

(b) 380,541 households in Northern Ireland (49.5% of households in Northern Ireland);[18]

(c) 127,570 households in Scotland (5.1% of households in Scotland);[19]

(d) 105,467 households in Wales (7.8% of households in Wales).[20]

1.16 Heating oil use is more common in rural areas and where there is a higher proportion of older residents and more common in detached homes that are older and less energy efficient.[21]

[16] While census data shows close to 50% of households in Northern Ireland using heating oil as their only source of heating, other sources show that 61% of households in Northern Ireland use heating oil. Northern Ireland Statistics and Research Agency, Continuous Household Survey, Heat and Insulation Results, 2024/25, accessed 22 May 2026.
[17] CMA analysis of data from the 2021 Census conducted in England and Wales; Office for National Statistics, Central heating: Census 2021, accessed 14 May 2026.
[18] CMA analysis of data from the 2021 Census conducted in Northern Ireland; Northern Ireland Statistics and Research Agency, Central Heating (Household-based), accessed 22 May 2026. As noted above, the census data is for households that use heating oil as their only source of heating - other sources show that a larger proportion of households in Northern Ireland use heating oil.
[19] Scotland's Census, Census 2022 data, accessed 22 May 2026.
[20] CMA analysis of data from the 2021 Census conducted in England and Wales; Office for National Statistics, Central heating: Census 2021, accessed 14 May 2026.
[21] Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380, p. 32 paragraph 3.9; Northern Ireland Statistics and Research Agency, Continuous Household Survey, Heat and Insulation Results, 2024/25,

Overview of home heating oil purchase consumer journey

1.17 Consumers typically purchase home heating oil when their current supply is low,[22] when colder seasons are approaching[23] or when they anticipate price fluctuations.[24] There are two ways in which consumers can order home heating oil: (i) spot purchase – a one-off order where a consumer requests a quote (by phone or online) and pays for the delivery;[25] and (ii) contract – an ongoing agreement with the distributor involving a regular payment.[26]

1.18 Home heating oil purchases typically involve a lag between ordering and delivery, with standard delivery windows in Great Britain around five days. In contrast, Northern Ireland tends to have shorter lead times, with same-day or next-day deliveries more common, reflecting a more reactive purchasing pattern.[27]

1.19 **Distributor choice and parameters of competition**. Consumers may either remain with a known distributor or compare alternatives, for example using online intermediaries, price comparison websites or other tools.[28] Price is a very important factor when selecting a home heating oil distributor; however, evidence indicates that decisions to stay with the current distributor can be driven by non-price factors, including loyalty, familiarity, customer service and reliability:

(a) **Price**. The consumer survey carried out for the OFT 2011 Market Study found that 47% of consumers across the UK choose the cheapest distributor.[29] Similarly, more recent consumer research by BoilerJuice revealed that price is the most important factor, with consumers having become more price conscious following the market disruption in March 2022.[30] However in Northern Ireland, according to recent Consumer Council for Northern Ireland (CCNI) survey evidence, only 19% of consumers report

accessed 22 May 2026; Scottish Government, Scottish House Condition Survey, accessed 22 May 2026; Notes of calls with: ACRE on 28 April 2026, paragraph 17; and Rural Community Network (RCN), 16 April 2026, paragraph 18.

[22] According to the consumer survey for the OFT off-grid energy 2011 market study, 59% of respondents ‘wait until tank low and buy as much as possible’. Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380.

[23] However, UKIFDA recommends avoiding ordering in December: ‘as this is when the distributors are very busy, and the delivery timeframes may be longer.’ UKIFDA, Customer Charter: A Guide to Good Service, accessed on 10 July 2026.. According to the OFT off-grid energy 2011 market study, December is when the volume of home heating oil deliveries peaks. Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380, figure 4.15. According to the consumer survey for the OFT off-grid energy 2011 market study, 2/3 of heating oil customers buy more often in winter than summer or equally through the year supporting the finding that purchases are more likely to be made as and when required.

[24] Response to the CMA’s information request issued 8 April 2026, question 10.

[25] According to the consumer survey for the OFT off-grid energy 2011 market study, ‘only around 14% of consumers make regular payments to a supplier through the year to cover their oil costs, while 15 per cent have their tanks topped up automatically’. Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380, p89.

[26] UKIFDA, Customer Charter: A Guide to Good Service, accessed on 10 July 2026.

[27] Note of call with a third party on 26 March 2026, paragraph 22.

[28] CCNI, Home Heating Oil Daily Price Checker, accessed on 28 May 26.

[29] Consumer survey for the OFT off-grid energy 2011 market study. Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380.

[30] BoilerJuice’s response to the CMA’s information request issued 8 April 2026, question 9.

price as their main reason for choosing a distributor (in contrast to 44% of consumers for whom loyalty was the main reason).[31]

(b) **Customer loyalty.** The consumer survey for the OFT off-grid energy 2011 market study found high levels of customer loyalty across the UK: most consumers buy from their usual distributor, partly because they value the relationship and the supplier's ability to deliver at short notice, and partly because they do not expect prices to vary significantly.[32] Loyalty remains a very important factor in Northern Ireland, where according to recent CCNI survey evidence 44% of consumers cite it as their main reason for choosing a distributor.[33]

(c) **Familiarity with distributor.** A substantial proportion of consumers prefer distributors they have previously used, with around 38% reporting that they 'always use' the same distributor, reflecting the importance of trust and established relationships.[34]

(d) **Customer service**. Across the UK, around 26% of consumers report choosing a distributor based on having received good service previously.[35] Consumer research by BoilerJuice showed that reliability of the distributor was ranked as the second most important factor when choosing the distributor.[36] In Northern Ireland, only 15% of consumers cited customer service as their main reason for choosing a distributor.[37]

1.20 **Many consumers of home heating oil shop around.**

(a) The OFT off-grid energy 2011 market study found that, across the UK, 79% of consumers report that it is easy to compare firms' prices,[38] shop around and switch,[39] with around 49% of consumers reporting that they obtain quotes from different distributors every time they buy, or at least half of the time.[40] Moreover, 29% of those who always use the same distributor still obtain multiple quotes before buying at least half of the time.[41]

(b) Other evidence indicates that home heating oil consumers continue to shop around. For example, brand research from 2021 by BoilerJuice revealed that

[31] Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.
[32] Consumer survey for the OFT off-grid energy 2011 market study. Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380.
[33] Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.
[34] Consumer survey for the OFT off-grid energy 2011 market study. Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380.
[35] As above.
[36] BoilerJuice's response to the CMA's information request issued 8 April 2026, question 9.
[37] Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.
[38] Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380, paragraph 4.60.
[39] As above, paragraph 4.1.
[40] As above, paragraph 4.57.
[41] As above, paragraph 4.67.

a majority of consumers (approximately 83%) shop around.[42] Recent data from BoilerJuice show that only [10-20]% of quote requests on BoilerJuice lead to orders being placed within the same week, and approximately [40-50]% of quotes requested on BoilerJuice are made by non-active customers (customers who ordered with BoilerJuice in the past, but not within the last 12 months or who used BoilerJuice to get a price (a quote), but have never ordered)[43] indicating that consumers may use price comparison sites as one source of information in a wider search. In addition, a survey of home heating oil consumers in Northern Ireland reported that 77% of consumers shop around, with two or three distributors likely to be contacted.[44] In addition, 14% of respondents reported increased shopping around due to the conflict in the Middle East.[45]

1.21 **However, not all consumers shop around.** The OFT off-grid energy 2011 market study found that while a large proportion of consumers obtain multiple quotes before purchase, 42% of consumers never obtain more than one quote.[46] Brand research conducted in June 2021 by BoilerJuice revealed that 8% of customers stick with the same distributor because they 'can't be bothered contacting lots of people'.[47] In Northern Ireland, among consumers who do not shop around, the main reasons given were lack of enthusiasm (29%) and the perception that all prices are the same (27%).[48] Even so, some consumers who tend to stay with the distributor still try to negotiate a better deal by referring to better quotes found in the market or making personal appeals, for example based on age, loyalty as a repeat customer, or the volume of the purchase.[49]

1.22 **Sales channels.** Consumers can request quotes and place orders either directly by contacting distributors or indirectly through intermediaries (such as marketplaces and price comparison tools), as well as by joining oil buying groups.[50] These interactions can take place via phone, email or online through the websites of distributors or intermediaries. In addition, some consumers opt for technologically assisted regular top-ups with a distributor.[51]

---

[42] From a sample of active BoilerJuice customers, lapsed customers and prospective customers. BoilerJuice's response to the CMA's information request issued 8 April 2026, question 9.
[43] BoilerJuice's response to the CMA's information request issued 23 April 2026, question 3.
[44] Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.
[45] As above.
[46] Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380, paragraph 4.57.
[47] BoilerJuice's response to the CMA's information request issued 8 April 2026, question 9.
[48] Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.
[49] Consumer survey for the OFT off-grid energy 2011 market study. Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380. Response to the CMA's information request issued 27 March 26, question 3.
[50] For more detail on oil buying groups see Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380, paragraphs 4.70-4.74.
[51] In Northern Ireland, when shopping around: 72% of surveyed consumers (N=784) use the internet, 23% use the telephone, 3% use word of mouth, 1% use CCNI oil tool, 1% use other tools. For heating oil ordering, telephone (52%) is the most likely used method, followed by online channels (43%). Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026. There is currently no available data for the use of sales channels across the UK.

(a) The home heating oil market has not changed significantly since 2011, but the increasing use of the internet has made it easier for consumers to compare prices and place orders online, reducing the time and effort involved in shopping around.[52] We received evidence that around 60% of total market orders are now placed online,[53] and the internet being increasingly used for shopping around, with consumers comparing prices online before then submitting the orders via phone.[54] The analysis of consumer behaviour by BoilerJuice from October 2022 showed that 50% of respondents used home heating oil distributor websites, up from 35% in 2017.[55] In Northern Ireland, consumers predominantly use the internet for shopping around/price checking (72% of respondents), far ahead of telephone (23% of respondents) in second,[56] indicating that the consumer journey has become more digital.

(b) Most consumers (around 65%) buy home heating oil directly from distributors, while around 20% purchase through marketplaces or agent platforms like BoilerJuice, and 10–15% purchase through buying groups or oil syndicates.[57]

Vulnerable consumers in the home heating oil market

1.23 Alongside consideration of the general impact of the home heating oil market on consumers, we also consider where vulnerable consumers may be affected. We define vulnerability, in line with Ofgem's consumer vulnerability strategy,[58] as the personal circumstances and characteristics of consumers that make them:

(a) significantly less able than a typical consumer to protect or represent their own interests, and/or

(b) significantly more likely than a typical consumer to suffer detriment or that detriment is likely to be more substantial.

1.24 In the home heating oil market, consumers may face detriment through struggling to afford heating oil, living in a cold home, struggling to understand and act upon information (for example to get the best deal) or lacking confidence or ability to pursue a query or complaint.

---

[52] Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380, paragraph 4.61.
[53] BoilerJuice's response to the CMA's information request issued 8 April 2026, question 8.
[54] For example In Northern Ireland, when shopping around: 72% of surveyed consumers (N=784) use the internet and 23% use the telephone whereas for heating oil ordering, telephone (52%) is the most likely used method, followed by online channels (43%). Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.
[55] BoilerJuice's response to the CMA's information request issued 8 April 2026, question 9.
[56] Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.
[57] BoilerJuice's response to the CMA's information request issued 8 April 2026, question 8.
[58] Ofgem, Consumer Vulnerability Strategy, accessed on 21 May 2026.

1.25 We consider the following non-exhaustive list of factors that contribute to vulnerability for home heating oil consumers:

(a) age (old age and being a child);

(b) financial vulnerability, such as being on a low income or unemployed;

(c) living with physical or mental health issues;

(d) cognitive impairment;

(e) lack of digital literacy; and

(f) pregnancy.

1.26 The definition of vulnerability we use here, while accounting for long-term vulnerabilities, also acknowledges that consumer needs and vulnerabilities may change over time in relation to their circumstances and that multiple vulnerabilities may be present for an individual consumer.[59]

1.27 There are two key characteristics of the home heating oil market that could lead to detriment for vulnerable consumers in particular:

(a) The expense of home heating oil:

(i) Financially vulnerable consumers who cannot afford to buy heating oil may be left unable to heat their homes. For example, CCNI's most recent survey of Northern Ireland home heating oil consumers found that 40% of respondents had spent time without sufficient heating oil in the last 12 months due to lack of affordability of home heating oil.[60]

(ii) Annual fuel poverty statistics for England published in 2026 showed that households off the gas grid were more than twice as likely to be fuel poor than those on the gas grid, and that rural households had higher fuel poverty rates than urban or semi-rural locations.[61]

(iii) Comparing households by the primary fuel source used for heating, the proportion of households in fuel poverty was higher among off-grid households than gas-heated households, but lower than among households that use electricity for heating. However, the average fuel poverty gap (the reduction in fuel costs needed to get out of fuel poverty) of off-grid households is higher than gas and comparable with electricity households. This means that while the majority of off-grid

[59] National Audit Office Regulating water, energy and broadband to protect consumers in vulnerable circumstances, accessed 10 June 2026.
[60] Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.
[61] Department for Energy Security and Net Zero, Annual fuel poverty statistics report: 2026, accessed 22 May 2026.

households are not in fuel poverty, those that are face substantial challenges to afford the fuel they need.[62]

(iv) Heating oil households are typically detached and less energy efficient, making them more expensive to heat.[63]

(b) Consumers can be left without supply:

(i) Unlike most electricity, gas or water networks, consumers need to actively purchase home heating oil before they run out to ensure continuous supply. Where a consumer fails to purchase home heating oil in time, such as if they are unable to afford it in the short term, they forget or mistime their purchase, or they delay their purchase in the face of rising prices, they may be left without home heating oil, and therefore heating, for a period of time.[64] This behaviour has parallels to on-grid energy customers on pre-payment meters, who may 'self-disconnect' if they cannot afford to top up.[65]

(ii) Living in a cold home can exacerbate many physical conditions, slow down recovery from illness or injury, especially for older people, children and those with existing medical conditions.

(iii) Importantly, the factors listed above may occur in combination and exacerbate possible detriment. For example, CCNI found higher rates of fuel poverty for people who have a disability compared to people with no disabilities.[66]

The home heating oil supply chain

1.28 Figure 1.1 below summarises the home heating oil supply chain. As shown by Figure 1.1, there are three stages involved in the supply of home heating oil:

(a) Stage 1 involves the production of kerosene from crude oil. As noted above, kerosene is produced by refining crude oil, with the required crude oil being transported to UK refineries by pipeline or boat. As well as being produced at UK refineries, kerosene may be produced outside the UK and imported via

---

[62] As above.
[63] As above. Note that the Annual Fuel Poverty statistics use a metric that takes into account household energy efficiency to determine fuel poverty thresholds.
[64] Multiple consumer groups told us that consumer who cannot afford heating oil may just stop buying oil at all; Notes of calls with Citizen's Advice Scotland, 7 May 2026, paragraph 8; Consumer Scotland 27 April 2026, paragraph 9; National Energy Action 16 April 2026, paragraph 26.
[65] Ofgem's Consumer Engagement Survey in 2019 estimated ~14% of electricity and gas consumers on pre-payment meters self-disconnected at least once a year, Ofgem, Self-disconnection and self-rationing final impact assessment, accessed on 19 June 2026. In 2020, Ofgem introduced a package of new protections for consumer on pre-payment meters to support those who self-disconnect. Ofgem, Self-disconnection and self-rationing: decision, accessed on 19 June 2026.
[66] CCNI, Understanding Fuel Poverty levels and energy affordability in Northern Ireland, accessed on 22 May 2026.

import terminals. The UK's refining capacity has decreased in recent years. Following the closure of Grangemouth and Lindsey refineries in 2025,[67] only four active refineries remain in the UK,[68] with three of these producing kerosene used for home heating oil.[69] As a result, the UK is increasingly reliant on imports for its supply of kerosene. Imports accounted for at least half of UK kerosene consumption in the months leading up to the conflict in the Middle East.[70]

(b) Stage 2 describes the wholesale supply of home heating oil to retail distributors. This generally involves transporting home heating oil from refineries to terminals. Terminal operators sell home heating oil to home heating oil distributors. Refineries may also supply home heating oil to distributors directly. Some distributors may also act as wholesale suppliers, because they own and/or operate terminals, or because they sell the home heating oil they purchase from third-party terminals on to other distributors. Further detail on wholesale suppliers of home heating oil in the UK is set out below.

(c) Stage 3 consists of the retail supply of home heating oil to consumers:

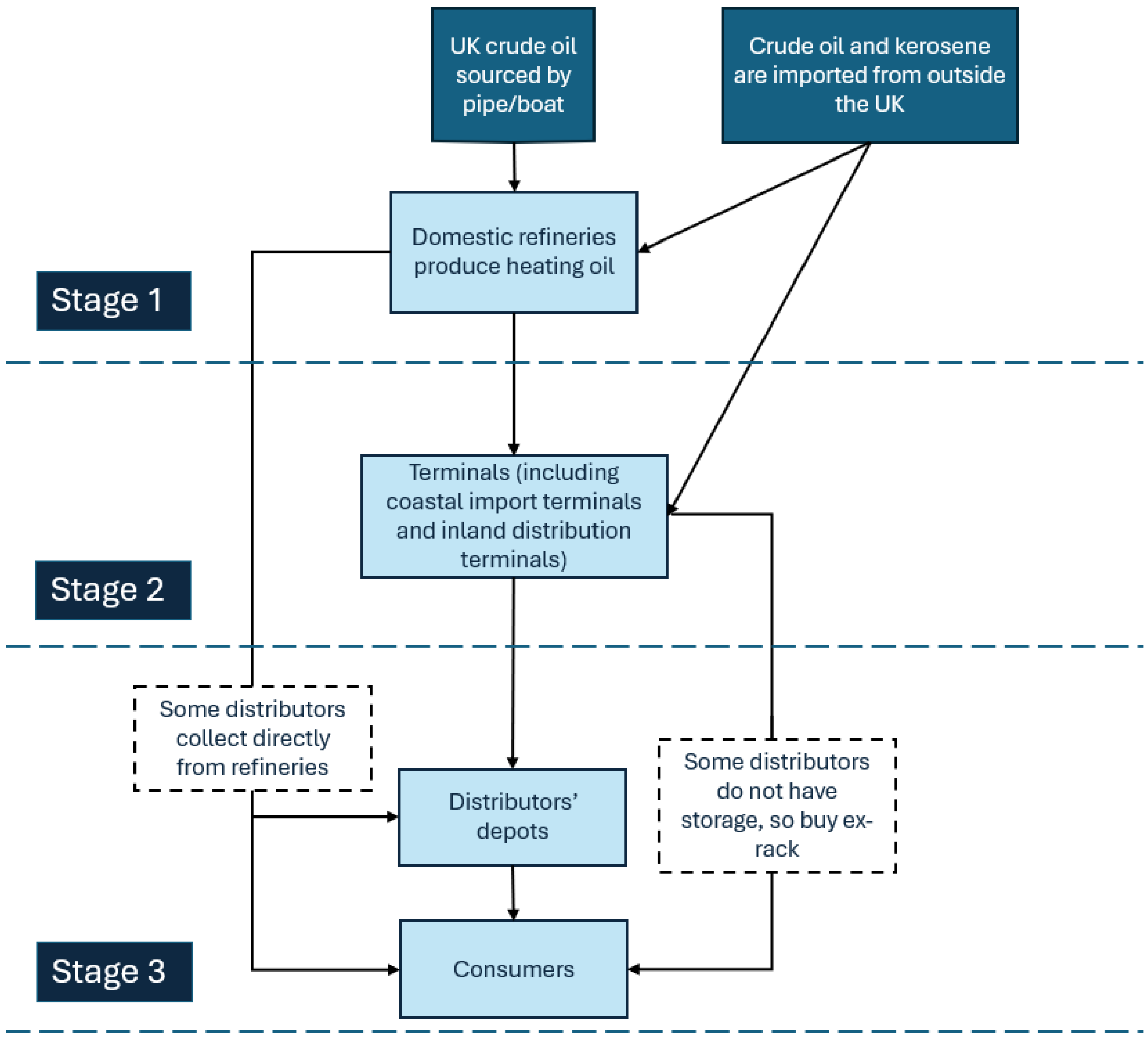
(i) Generally, retail distributors collect home heating oil from terminals or refineries.[71] Distributors then deliver this directly to consumers or may deliver to consumers via their depots.

(ii) As set out above, consumers can purchase home heating oil directly from distributors (in other words via phone or online) or via intermediaries. Further detail on retail distributors of home heating oil and intermediaries in the UK is set out below.

---

[67] House of Commons Library, The future of the oil refining sector - House of Commons Library, accessed 1 July 2026.
[68] Fawley; Humber; Pembroke; and Stanlow refineries.
[69] Fawley refinery (operated by Esso) does not supply heating oil for domestic use.
[70] Financial Times, UK to receive last tanker of jet fuel from Middle East this week, accessed 1 July 2026.
[71] In some instances, terminal operators may deliver kerosene to distributors. As noted above, some distributors may own terminals and others may act as wholesaler suppliers by reselling the kerosene they purchase from third-party terminals to other distributors.

Figure 1.1: UK heating oil supply chain



Source: CMA research

Wholesale suppliers

1.29 Wholesale suppliers sell home heating oil to retail distributors. A range of suppliers operates at the wholesale level in the UK, including:

(a) Refineries which produce home heating oil domestically and sell directly to distributors. For example, Stanlow refinery (operated by Essar) and Pembroke refinery (operated by Valero) supply home heating oil directly to distributors.[72]

[72] Responses to the CMA's information request dated 1 April 2026, question 2.

(b) Importers, which import home heating oil and sell to UK retail distributors through terminals. Examples of importers active in the UK include Greenergy[73] and Mabanaft.[74]

(c) Independent wholesalers, which purchase home heating oil from refineries and/or importers and sell this to distributors.

(d) Retail distributors that sell home heating oil on to other retail distributors, alongside supplying directly to consumers.

1.30 Many wholesalers may in practice adopt a mixed business model. For example, some UK refinery operators may also sell imported home heating oil[75] and some importers may also sell home heating oil to distributors that has been sourced domestically.[76]

Retail distributors

1.31 Competition among distributors takes place on a local basis, whereby distributors compete when they deliver to the same local areas. Distributors tend to deliver to households within a radius of around 30 miles from their supply points, although this varies regionally (for example, Scottish distributors often travel further).[77]

1.32 Some distributors have a large network of supply points, which enables them to operate on a regional or even national basis. Examples of these distributors include Certas (which operates nationally in Great Britain) and Rix Petroleum (which operates in a range of regions including the Midlands, Northern England and parts of Scotland).[78] Other distributors may have a single supply point,[79] and therefore operate locally.

1.33 The UK and Ireland Fuel Distributors Association (**UKIFDA**) is the primary industry association for retail distributors in the UK.[80] UKIFDA members deliver approximately 90% of the UK's heating oil to consumer homes.[81] The Northern Ireland Oil Federation (**NIOF**) is a dedicated industry association for distributors active in Northern Ireland. NIOF has approximately 60 member distributors (roughly 30% of home heating oil distributors in Northern Ireland), but its members

[73] Response to the CMA's information request dated 1 April 2026, question 2.
[74] Response to the CMA's information request dated 13 April 2026, question 7.
[75] Responses to the CMA's information request dated 1 April 2026, question 2.
[76] Response to the CMA's information request dated 1 April 2026, question 2.
[77] The average delivery radius submitted by all respondents was approximately 30 miles and we heard from Scottish distributors that delivery routes tend to be longer in Scotland versus the rest of the UK and can be 50-100 miles per delivery round, reaching 200 miles for certain remote deliveries. Responses to the CMA's information requests dated 8 April 2026, question 1.
[78] Responses to the CMA's information request dated 8 April 2026, question 1.
[79] This could be because they operate a single depot or because they deliver to consumers directly from terminals.
[80] UKIFDA, UKIFDA website home page, accessed 10 July 2026.
[81] FuelOilNews, A deep dive into fuel distribution industry data | Fuel Oil News, accessed 23 June 2026.

account for approximately 60-70% of the home heating oil imported to Northern Ireland.[82]

Intermediaries

1.34 Consumers can access pricing information and purchase home heating oil directly from retail distributors or by using intermediaries. The intermediaries active in the UK's home heating oil market can generally be categorised into:

(a) **Marketplaces**, which act as platforms connecting home heating oil retail distributors and consumers. Using marketplaces, consumers can make purchases of home heating oil from distributors who choose to list on the platform. Examples of home heating oil marketplaces in the UK include BoilerJuice[83] and ValueOils.[84]

(b) **Price comparison tools**, which allow consumers to compare quotes of home heating oil offered by different retail distributors, but redirect the consumer to the distributor's website to complete the purchase. Examples of price comparison tools for heating oil in the UK include Oil Compare[85] and CheapestOil.[86]

1.35 Some consumers may also have the option of purchasing home heating oil and accessing pricing information through a buying group. Participation requires consumers to sign up (usually for free), after which the group shops around for distributors with the most competitive rates on behalf of its members. These rates are shared with members on a regular basis to enable bulk purchasing at discounted prices.[87]

Trends in the heating oil market

1.36 The UK is committed to achieving Net Zero by 2050.[88] As part of this transition, the UK is moving away from fossil fuel energy sources, including home heating oil. This transition means that in the long-run, the number of households reliant on heating oil will decline, including as a result of the support offered by government to consumers to aid in this transition.

1.37 Decline in overall demand for home heating oil in the UK is already evidenced, with the number of oil-heated homes in the most recent (2021) census in England and Wales having reduced by 10% and 7% respectively since the previous (2011)

[82] These distributors then deliver the heating oil to homes or resell the heating oil on to other distributors.
[83] BoilerJuice, BoilerJuice website home page, accessed 10 July 2026.
[84] ValueOils, ValueOils website home page, accessed 10 July 2026.
[85] OilCompare, OilCompare website home page, accessed 10 July 2026.
[86] CheapestOil, CheapestOil website home page, accessed 10 July 2026.
[87] As an example, see The Oil-Club, The Oil-Club website home page, accessed on 10 July 2026.
[88] House of Commons Library, The UK's Plans and Progress to Reach Net Zero by 2050, accessed on 10 July 2026. See also Department of Energy Security and Net Zero, Warm Homes Plan, accessed on 10 July 2026.

census.[89] However, in the short run, households currently reliant on heating oil have very limited alternatives. Switching to alternate forms of fuels requires changes to household infrastructure (for example, a new boiler to accommodate other fuel types) or potentially substantial works to connect to the gas grid.

Government support for home heating oil consumers

1.38 As a result of the conflict in the Middle East, all four UK nations have implemented home heating oil support schemes targeted at those who are financially vulnerable:

(a) England: £27 million for the Crisis and Resilience Fund (CRF),[90]distributed by local authorities who administer their own schemes. These schemes may differ in their eligibility criteria, whether and how potential beneficiaries apply for support, and who the money is given to.[91]

(b) Scotland: £10 million Emergency Heating Oil Scheme (£4.6 million from the UK Government and £5.4 million from the Scottish Government), administered by Advice Direct Scotland.[92] The scheme allows applications for £300 of support which is paid directly to the home heating oil distributor.[93]

(c) Wales: One-off £200 payment for people on the Council Tax Reduction Scheme on low incomes using home heating oil or LPG, funded with £3.8 million from the UK Government. Local authorities contacted eligible households directly to invite them to apply. Those in severe hardship who did not qualify for the payment were able to apply to the Welsh Government's Discretionary Assistance Fund.[94]

(d) Northern Ireland: £36.4 million support package for home heating oil users (£17.2 million from the UK Government and £19.2 million from the NI Executive).[95] The package allows eligible households[96] to apply for a £100 prepaid card which can be redeemed at heating oil distributors.

1.39 This is in addition to other schemes designed to address fuel poverty more generally – for example:

[89] CMA analysis of data from: the 2021 Census conducted in England and Wales; Office for National Statistics, Central heating: Census 2021, accessed on 23 June 2026; and the 2011 Census conducted in England and Wales; Office for National Statistics, Type of central heating by accommodation type, accessed on 23 June 2026.
[90] UK Government, Over £50 million to help families struggling with soaring heating oil costs, accessed on 14 May 2026.
[91] UK Government, Get help with the cost of living from your local council, accessed on 27 May 2026.
[92] Scottish Government, Support for households using heating oil and LPG, accessed on 14 May 2026.
[93] Advice Direct Scotland, Fund opens for Scots to claim £300 heating oil support, accessed on 27 May 2026.
[94] Welsh Government, Thousands of Welsh households to get help with oil and LPG heating costs, accessed on 14 May 2026.
[95] Department for Communities, Lyons announces agreement for home heating oil support, accessed on 14 May 2026.
[96] Households in receipt of income-related means tested benefits, households in receipt of Disability benefits, pensioner households not in receipt of Pension Credit with income below £30,000 and households on incomes below £30,000 not in receipt of income related benefits.

(a) The Warm Home Discount Scheme in England, Wales and Scotland. Those receiving the Guarantee Credit element of Pension Credit or who are on a low income[97] receive a £150 discount off their electricity bill which is applied by the electricity supplier.[98]

(b) Cold Weather Payments in England, Wales and Northern Ireland. Those in receipt of certain benefits or Support for Mortgage Interest automatically receive £25 for each 7-day period of very cold weather in a qualifying period (between 1 November 2025 and 31 March 2026 for the previous winter).[99]

(c) The Winter Heating Payment in Scotland. Those in receipt of one of the eligible benefits receive a single payment between December and February each year.[100]

Structure of the remainder of the report

1.40 The remainder of this report is structured as follows:

(a) **The impact of the conflict on retail prices and the reasons for this**: This chapter considers the factors contributing to recent increases in home heating oil prices. We first consider changes in supply and demand that may have contributed to upward pricing pressure, and the impact of the recent conflict in the Middle East on retail prices. We then focus on the extent to which increases in retail prices reflect increases in the underlying costs of supplying heating oil: the wholesale prices paid by distributors and distributors' operating costs.

(b) **Local competition across the UK:** This chapter assesses levels of competition across the UK, including how and why prices and the number of competitors by local area vary by region and as between the four nations. The chapter then assesses factors driving regional variation in prices and the number of competitors under normal market conditions, before considering the extent to which there was regional variation in the impacts of the Middle East conflict on retail prices of home heating oil and the reasons for this.

(c) **Price transparency across the UK:** This chapter considers whether there is sufficient price transparency – that is the extent to which consumers can access clear price information and readily compare quotes across distributors prior to purchase – to support effective competition in the home heating oil market across the various nations. This chapter also considers the extent to which periods of market disruption, such as the Middle East conflict, affect

[97] Those on a low income in Scotland must meet their energy distributor's criteria for the scheme.
[98] UK Government, Warm Home Discount Scheme, accessed on 28 May 2026.
[99] UK Government, Cold Weather Payment, accessed on 27 May 2026.
[100] mygov.scot, Winter Heating Payment, accessed on 27 May 2026.

price transparency in the home heating oil market and what this may mean for competition and households across the UK.

(d) **Consumer experience and protections:** This chapter considers protections available to on-grid consumers, protections available to home heating oil consumers and the conduct of home heating oil distributors. It also considers mechanisms to spread or reduce upfront costs for home heating oil.

(e) **Recommendations:** This chapter sets out our recommendations to the UK government and devolved governments to address the key concerns identified by our analysis.

2. The impact of the conflict on retail prices and the reasons for this

2.1 In this chapter we consider the impact of the conflict in the Middle East on retail prices and the underlying factors contributing to this. First, we consider how the home heating oil market works and how the functioning of the market was affected by the conflict. Second, we look at the impact these changes had on retail prices. Finally, we investigate whether the change in retail prices simply reflected changes in the costs faced by distributors or was a result of an increase in their margins.

2.2 We find that under normal market conditions the home heating oil market is highly seasonal. Demand is higher in winter and lower in summer, which affects sales volumes, retail prices, and distributor profits. Throughout the year, retail prices closely follow the wholesale price of kerosene, but distributor margins tend to increase during periods of strong seasonal demand.

2.3 Following the start of the Middle East conflict, retail prices increased sharply. Average retail prices increased from 64 pence per litre (**ppl**) in February 2026 to 104 ppl in March 2026, a 41 ppl (64%) increase.[101,102]

2.4 The primary driver of the increase in retail prices was an increase in distributors' costs in terms of the wholesale prices they pay, which accounted for 83% (34 ppl) of the average increase in retail prices in March 2026. Distributors are highly exposed to increases in wholesale prices because prices are linked to international wholesale benchmarks, they have limited storage capacity, and they generally do not hedge. This means that an increase in the wholesale price is quickly reflected in the retail price.

2.5 The conflict also had further impacts on the level of both supply and demand, resulting in demand temporarily exceeding supply. This was because wholesalers began enforcing their contracts with distributors, imposing daily restrictions on the amount of home heating oil that they could take, while at the same time there was a surge in customer orders immediately after the conflict began.

2.6 One impact of this imbalance was an increase in distributors' operating costs, which accounted for 6% (2 ppl) of the retail price increase in March 2026. This was because distributors needed to source supply from more distant terminals and pay increased haulage costs.

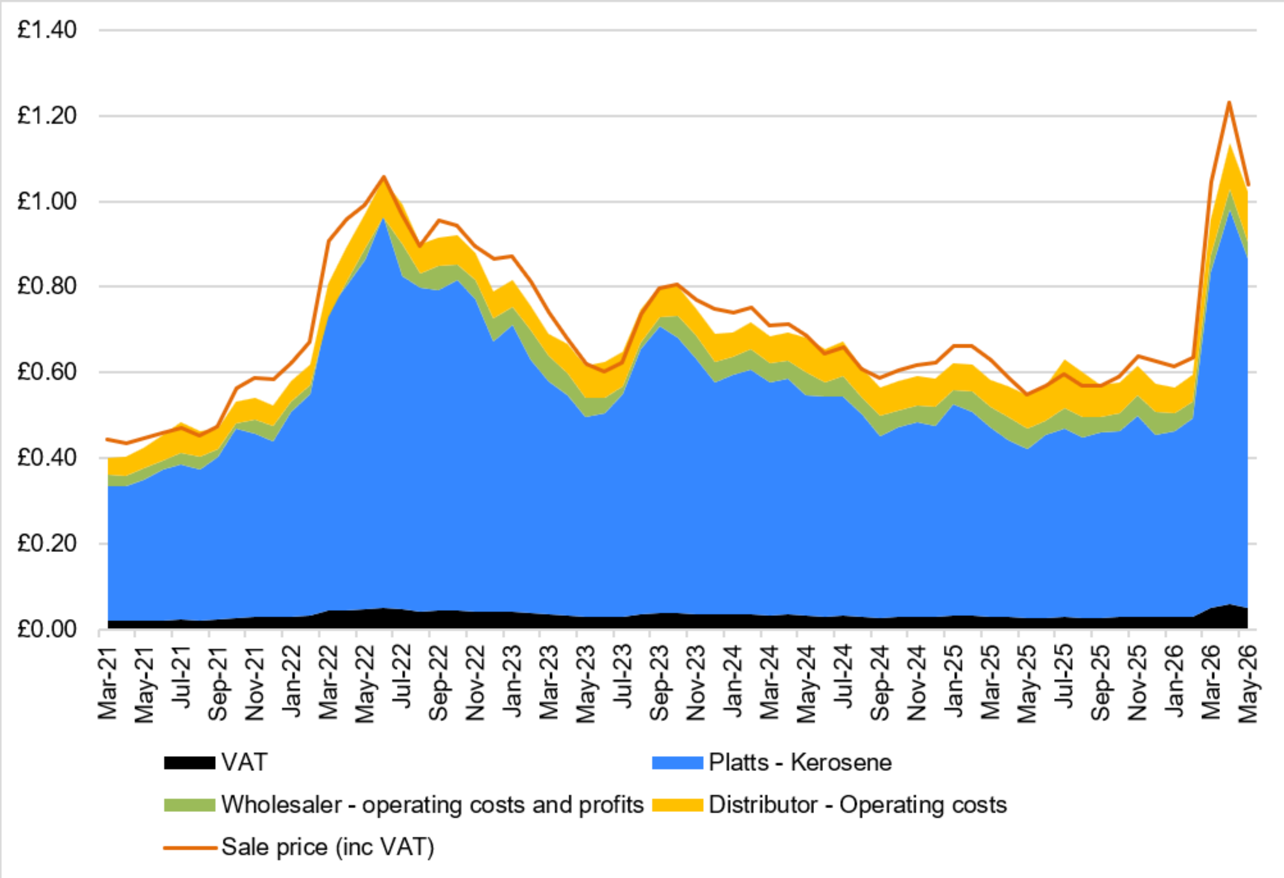
[101] The weighted average price per litre is calculated as total revenues in a month plus VAT divided by total volumes in the same month for a sample of 23 distributors based in Great Britain and 9 distributors based in Northern Ireland.
[102] The weighted average increase in prices in March 2026 was 41 ppl. This breaks down as an average 34 ppl increase in the wholesale price, an average 2 ppl increase in operating costs and an average 4 ppl increase in operating profits. Totals may not balance due to minor rounding differences.

2.7 However, the remaining 11% or (4 ppl) increase in the retail price was accounted for by an increase in distributors' profit margins. While some part of this increase may be explained by firms facing an increase in financing costs and risk, we do not find clear evidence that this fully explains the higher margins.

2.8 Instead, we find that this increase in margins was in part a result of a weakening of competitive pressure between distributors during the period in which demand exceeded supply. Limits in the volume of home heating oil available likely reduced the incentive of distributors to compete aggressively, as they would not be able to meet the additional demand from maintaining lower prices, and had less concern about losing sales to rivals by increasing prices. Distributors therefore temporarily benefitted as a result of the conflict, albeit in a way that had only a limited and temporary effect on overall retail prices.

2.9 More recently there appears to have been a return to more typical seasonal trends. Demand for home heating oil reduced in April 2026 and reduced further in May 2026 to levels below seasonal averages. The reduction in consumer demand coincided with distributors' operating profits reducing and retail spreads narrowing in May and June 2026. See Figure 2.1 below.

Figure 2.1: Monthly breakdown of the average retail price of home heating oil in the period from March 2021 to May 2026 in the UK[103]



Note 1: One small distributor in Northern Ireland did not provide financial data for May 2026. We have estimated their financial performance in May 2026 based on the performance of other distributors in Northern Ireland in May 2026. This allows for a like for like comparison between May 2026 and other months in the chart.

Source: CMA analysis. Response to RFI issued 27 March 2026 from large distributors, Questions 25;26;27 and 28. Response to RFI issued 27 March 2026 from small distributors, Questions 19;20; and 21, 27 March 2026. Platts.[104]

2.10 Overall, the evidence shows that the home heating oil market is typically competitive, with retail prices closely linked to wholesale prices and distributors' operating margins are generally thin. That is, these margins account for a small proportion of the final price (averaging between 4% and 6%). However, during periods of disruption it can experience large increases in wholesale prices which are rapidly passed through into retail prices. This can be further exacerbated if demand exceeds available supply, resulting in a temporary weakening of competitive pressures between distributors and therefore an increase in their operating margins.

[103] Using data provided by 20 distributors based in Great Britain and 7 distributors based in Northern Ireland in response to the CMA's information request issued on 27 March 2026, questions 19 and 25. The figures in the chart are not adjusted for inflation.

[104] Wholesaler operating costs and profits are estimated rather than directly observed. They are calculated as the difference between distributors' cost of sales (the price paid for kerosene) and the Platts benchmark. Platts prices are calculated as a monthly average of the price of jet fuel at close. This assumes that distributors and wholesaler purchasing patterns are equally distributed throughout the month.

How the market works and the impact of the conflict on how it functions

2.11 As set out in Chapter 1, the vast majority of home heating oil used in the UK is kerosene.[105] Kerosene is also used globally as jet fuel.[106]

2.12 The conflict in the Middle East disrupted the shipping of kerosene through the Strait of Hormuz. Before the conflict, around half of all kerosene used in the UK was shipped through the Strait.[107] The actual, and anticipated, disruptions to supply patterns, and the increases and volatility of wholesale pricing have had a significant impact on home heating oil distributors and customers.

2.13 To understand this impact, we have gathered evidence from over 30 distributors covering a range of sizes and locations across Great Britain and Northern Ireland covering the period up to the end of March 2026. We have supplemented this with further evidence from a smaller sample of distributors to understand how these impacts have evolved more recently.

Changes in how distributors procured home heating oil

2.14 Distributors are exposed to wholesale market movements because their purchase prices are linked to market benchmarks. Under normal conditions, distributors source home heating oil through a combination of contracted allocations and spot purchases.[108]

2.15 Contract allocations are typically priced in reference to the Platts jet fuel benchmark lagged by one or two days,[109] meaning changes in wholesale market conditions are reflected in procurement costs shortly after they occur.[110] Contracts also have agreed fixed margins over Platts, for a guaranteed volume based on distributors' demand forecasts.

2.16 By contrast, spot purchases are priced at the point of purchase and reflect prevailing market conditions, such that changes in price in the wholesale market immediately pass through.[111] The wholesale margin on spot purchases can also vary over time, and volumes are not guaranteed. These features mean that purchases on the spot market may expose distributors to greater uncertainty over both prices and availability than contracted purchases.

[105] Kerosene is a distillate of crude oil.
[106] Responses to the CMA information requests issued on 1 and 13 April 2026, question 1.
[107] Data from Energy Trends: UK oil and oil products - GOV.UK and noted in the Financial Times, accessed on 18 May 2026.
[108] Responses to the CMA information requests issued on 27 March 2026, questions 17 and 22.
[109] Distributors tend to pay the Platts jet fuel benchmark price relating to one or two days prior to the day they collect the home heating oil. Hence, there is a short one-to-two-day lag between the Platts jet fuel benchmark changing and the distributor paying the updated wholesale price. Responses to the CMA information requests issued on 27 March 2026, questions 17 and 22.
[110] Responses to the CMA information requests issued on 27 March 2026, questions 17 and 22.
[111] Responses to the CMA's information request issued on 27 March 2026, questions 17 and 22.

2.17 Distributors' exposure to movements in wholesale prices is amplified because most distributors rely, at least in part, on the spot market. Distributors typically contract for only part of their expected demand, reflecting limits on storage capacity and the risk of buying excess stock, with the remainder sourced on the spot market without guaranteed volumes or fixed premiums.[112] Some distributors solely rely on spot purchasing meaning they face greater exposure to short-term market movements.[113]

2.18 Distributors have limited ability to manage these risks. Distributors generally do not hedge their exposure to changes in wholesale prices,[114] because of difficulties in predicting demand (eg because consumers do not have long-term contracts with distributors), and to align their hedging approach (or lack thereof) with their competitors to avoid committing to higher prices.[115]

2.19 In addition, distributors typically only hold a small amount of stock (around 2 to 4 days), which limits their ability to manage the timing of purchases in response to changing market conditions.[116] Distributors often have to go to refineries and import terminals daily to replenish stocks.[117]

2.20 From 28 February 2026, tightening supply conditions appear to have increased reliance on the spot market, and increased wholesale price volatility. Multiple distributors reported that wholesalers moved to more restrictive (eg daily) allocations of volumes, reducing the flexibility to adjust volumes in line with demand.[118] Distributors were required to source additional volumes through spot purchases to meet the higher demand. Some distributors told us availability was also constrained in the spot market, further limiting supply,[119] and that some locations were unable to supply for periods of time.[120] Given that spot purchases are priced at the point of purchase and reflect prevailing market conditions at that time, greater reliance on the spot market left distributors more exposed to volatile wholesale prices, and potentially higher wholesaler margins above the Platts price.

---

[112] Responses to the CMA's information request issued on 27 March 2026, questions 2 and 7.
[113] Responses to the CMA's information request issued on 27 March 2026, questions 17 and 22.
[114] Responses to the CMA's information request issued on 27 March 2026, questions 6, and 7, part b: Only one supplier confirms they hedge, and this is only as a response to the conflict.
[115] UKIFDA's response to the CMA's Statement of Scope, p7: UKIFDA explained that hedging strategies are challenging for distributors because they are costly, only fix prices temporarily and do not address supply risks. This is consistent with responses to the CMA's information request issued on 27 March 2026, questions 6b and 7b in Northern Ireland.
[116] Responses to the CMA's information request issued on 27 March 2026, questions 3, 4 and 7; UKIFDA's response to the Statement of Scope, p6: UKIFDA explained that most distributors have limited storage on site.
[117] UKIFDA's response to the CMA's Statement of Scope, p6; Responses to the CMA's information request issued on 27 March 2026, questions 1 and 4.
[118] Responses to the CMA's information request issued on 27 March 2026, questions 4, 6a, and 16.
[119] Responses to the CMA's information request issued on 27 March 2026, questions 7, 4, 6 (part a) and 3.
[120] Response to the CMA's information request issued on 27 May 2026, question 2; Note of call with a third party on 18 June 2026.

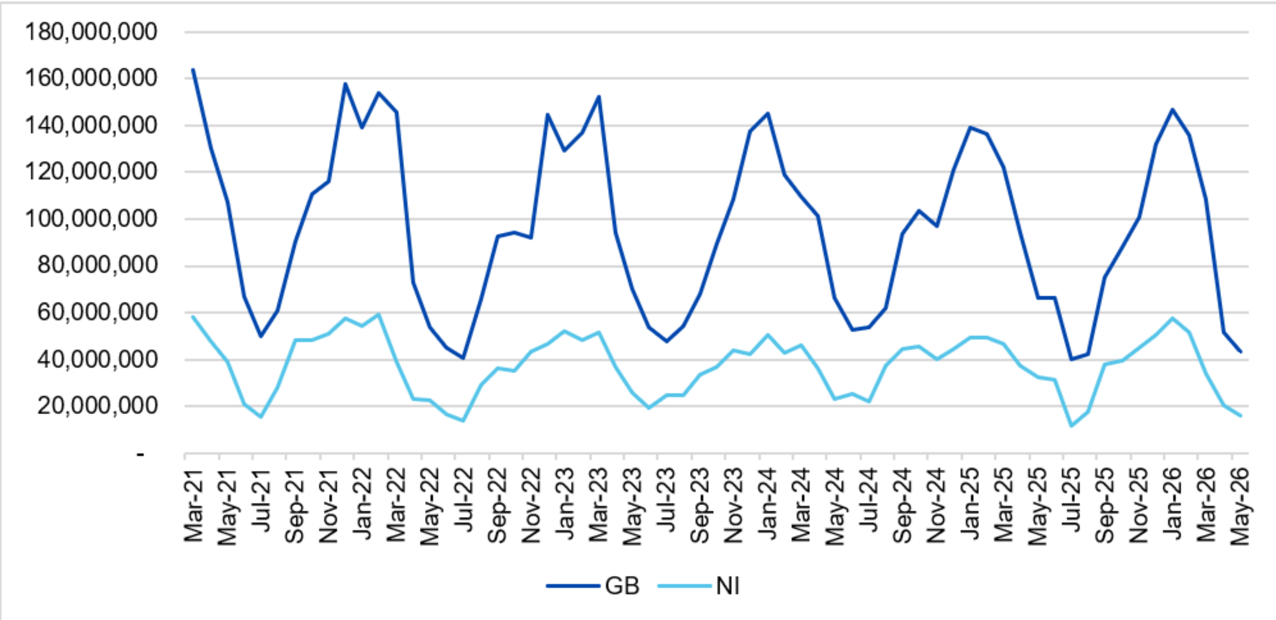
2.21 Our evidence indicates that supply constraints remained challenging in April and May 2026. Multiple distributors told us that volume allocations remained in place, and reliance on the spot market continued.[121]

2.22 Taken together, these features suggest that distributors are highly exposed to changes in wholesale market conditions, particularly during periods of disruption.

Changes in consumer demand for home heating oil

2.23 In Figure 2.2 below, we chart the aggregate monthly volumes sold in the period from March 2021 to May 2026.

Figure 2.2: Aggregate monthly volumes sold by a sample of distributors based in Great Britain and Northern Ireland in the period from March 2021 to May 2026 (litres)



Note 1: One small distributor in Northern Ireland did not provide volume data for May 2026. We have estimated their volumes in May 2026 based on the performance of other distributors in Northern Ireland in May 2026. This allows for a like for like comparison between May 2026 and other months in the chart.

Source: CMA analysis.[122]

2.24 Figure 2.2 shows that under normal market conditions, demand for home heating oil is highly seasonal. Demand is typically much higher in winter and lower in summer, reflecting weather conditions and heating needs. During colder periods, stronger demand puts pressure on available supply and the delivery capacity of distributors.

2.25 During the first few days of the conflict in the Middle East, demand for home heating oil increased briefly above usual seasonal levels. Many distributors

[121] Note of call with a third party on 16 June 2026. Responses to the CMA's information request issued on 27 May 2026, question 2.
[122] Using data provided by 23 distributors based in Great Britain and 9 distributors based in Northern Ireland in response to the CMA's information request issued on 27 March 2026, questions 19 and 25.

described a peak or spike in the number of orders, with some providing quantitative evidence of very large percentage increases compared to previous weeks.[123] This increase in order numbers appears to be short-lived, with overall volumes for March broadly in line with normal years. Some distributors described this peak in purchasing as 'panic buying',[124] which they attributed to the anticipation of rising prices.[125] Conversely, one distributor noted that demand may also have been elevated due to continued cold weather and domestic tanks running low after winter.[126] We consider that this short-term increase in demand may reflect a rational response to the conflict by consumers to refill tanks and manage the risks of future disruption and future price increases. We saw no evidence that consumers were purchasing disproportionate quantities relative to their needs, with evidence suggesting average volumes per order decreased,[127] and some distributors reporting that order volumes had not significantly changed while noting that consumers are limited by tank capacity in how much they can purchase.[128]

2.26 Nevertheless, this 'spike' in orders in early March put pressure on distributors' capacity. For example, some reported that their lead times from order to delivery increased from around one to three days to between ten days and two weeks, reflecting limited capacity in the supply chain and their inability to procure additional volumes from their usual sources.[129] This is reflected in data submitted to us on orders and deliveries, which shows that order numbers in early March exceeded delivery numbers, creating a backlog.[130] This backlog was cleared over several weeks through sustained higher delivery activity, including some distributors delivering on weekends.[131]

2.27 Distributors also noted that these longer lead times increased uncertainty, as it became difficult to predict wholesale prices over the period between order and delivery, given the longer than usual lag, volatility in the market and limited risk mitigation.[132]

---

[123] Our analysis of order volumes from distributors with usable data shows the volume of home heating oil increased by 245% to 555% between 27 February and 2 March. Following 2 March, order volumes decreased during the week with a second lower spike in demand occurring soon after (between 7th-10th March) with order volumes 54% to 136% above the 27 February volume. Again, order volumes fell during the week with volumes below the 27 February volume for most distributors by 10 March. Source: CMA analysis using data provided in response to the CMA's information requests issued on 27 March 2026, question 20 and the CMA's information request issued on 18 May 2026, question 1.
[124] Which we take to mean purchasing behaviour characterised by affective drivers (eg fear, anxiety) and disproportionate quantities relative to needs and/or storage constraints.
[125] Responses to CMA information request issued on 27 March 2026, question 3 and question 6.
[126] Response to the CMA's information request issued on 27 March 2026, questions 2 and 3.
[127] CMA analysis of information request issued on 27 March 2026.
[128] Responses to the CMA's information request issued on 27 March 2026, questions 7 and 8.
[129] Responses to the CMA's information request issued on 27 March 2026, question 3.
[130] Source: CMA analysis using data provided in response to the CMA's information requests issued on 27 March 2026, question 20 and the CMA's information request issued on 18 May 2026, question 1.
[131] Responses to the CMA's information request issued on 18 May 2026, question 1 and 2.
[132] Responses to the CMA's information request issued on 18 May 2026, question 1 and 2.

2.28 Our evidence indicates that trends in demand following the initial increase in orders was not uniform across distributors. Some distributors reported that demand fell within the first week of March.[133] Other distributors told us demand remained above typical seasonal levels throughout March, and some said even into April.[134]

2.29 Distributors told us demand had slowed in May in line with usual seasonal trends, but with some indicating demand had fallen to very low levels.[135] Distributor responses suggest prices influence demand, with customers delaying purchases, cancelling orders and using less oil in anticipation of prices falling.[136] One distributor added that contracted volumes have underlift charges associated, which they carry the cost for when demand is lower than forecast.[137]

Overall impact

2.30 The conflict resulted in a substantial increase in distributors' wholesale costs as a result of their exposure to international wholesale benchmarks. However, it also affected the level of both supply and demand, resulting in demand temporarily exceeding supply. We explore the impact this imbalance had on distributors' competitive dynamics, prices and profits below.

Impact of the conflict on retail prices

2.31 During the conflict in the Middle East, retail prices have increased significantly.

2.32 We outline our analysis of these increases in Great Britain and Northern Ireland separately below. There are distinct market dynamics in Northern Ireland as compared with the rest of the UK:

(a) Northern Ireland has a much larger proportion of households using home heating oil;[138]

(b) Consumers are concentrated in a smaller geographical area than in the rest of the UK;

[133] Responses to the CMA's information request issued on 18 May 2026, question 1 and 2.
[134] Responses to the CMA's information request issued on 18 May 2026, question 1 and 2. Responses to the CMA's information request issued on 27 May 2026, question 1 and 2; Note of calls with third parties on 16 June 2026 and 17 June 2026.
[135] Notes of calls with a third parties in June 2026. Responses to the CMA's information request issued on 27 May 2026, question 1 and 2.
[136] Responses to the CMA's information request issued on 18 May 2026, question 1 and 2; Responses to the CMA's information request issued on 27 May 2026, question 1 and 2; Note of calls with third party on 16 June 2026 and 18 June 2026.
[137] Note of call with a third party on 18 June 2026.
[138] See Chapter 1.

(c) Most distributors in Northern Ireland only supply in Northern Ireland. In the rest of the UK there is a mix of national and regional distributors, with some distributors supplying all three nations; and

(d) Some distributors in Northern Ireland are vertically integrated; as they are involved in both the importation and distribution of home heating oil. This is less prevalent in the rest of the UK.

2.33 Market conditions can also vary between local areas, in particular due to the greater challenges in serving more remote areas. In the next chapter on local competition, we consider these differences with a focus on market dynamics in more remote areas and whether, as result, retail prices vary between England, Scotland and Wales.

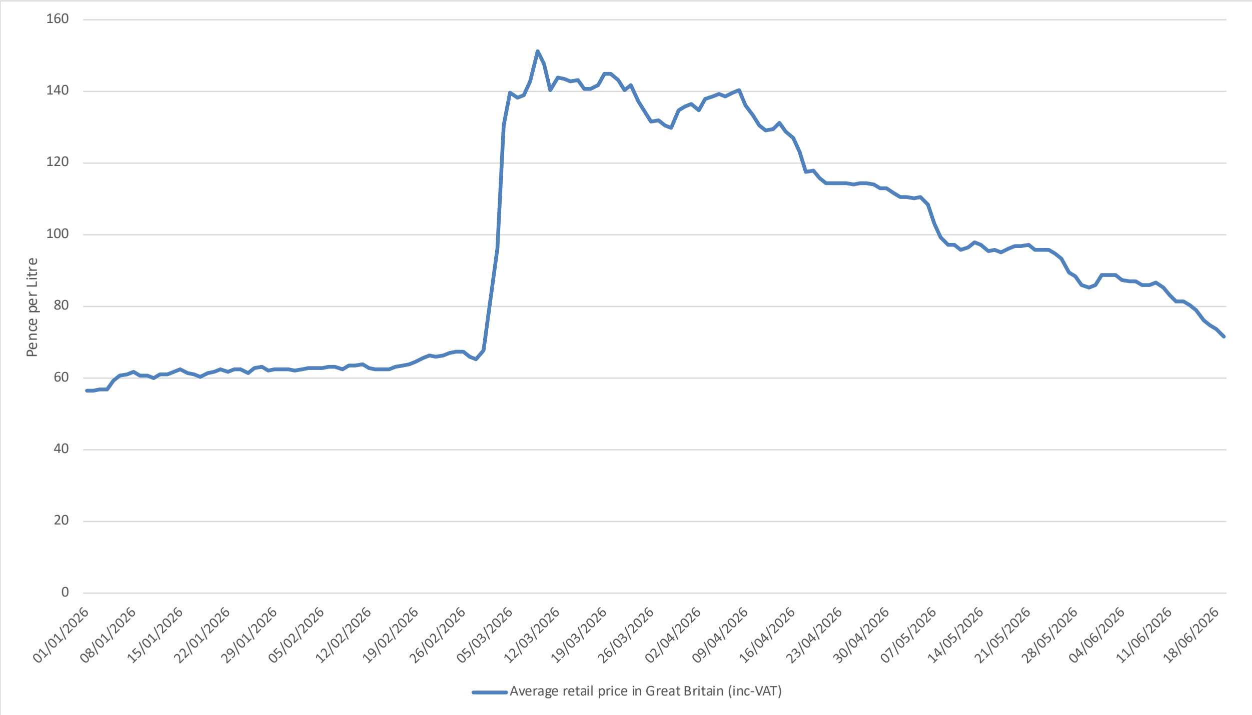
Great Britain

2.34 For Great Britain, we have assessed trends in retail prices over the course of 1 January to 19 June 2026 inclusive using data provided by BoilerJuice. This data shows the daily average final retail price for home heating oil purchased through the BoilerJuice platform, excluding BoilerJuice service fees.[139,140]

2.35 This data shows that between 1 January and 27 February 2026 (prior to the start of the conflict), the average retail price including VAT was 62 pence per litre (**ppl**).[141] In the first week of March 2026, retail prices increased by 109% to 138 ppl. Retail prices peaked at 151 ppl (144% above the pre-conflict average retail price) on 9 March and started to fall consistently from mid-April and had declined to 113 ppl by the end of April. Prices continued to fall in May and June, dropping to 71 ppl (15% above the pre-conflict average retail price) by 19 June.

[139] BoilerJuice's response to the CMA's information request issued on 27 March 2026, question 12 and BoilerJuice's response to the CMA's information request issued on 12 May 2026, question 2.
[140] We consider that BoilerJuice gives a reasonable indication of competitive prices in Great Britain, see further details in Chapter 4.
[141] Response to the CMA's information request issued on 12 May 2026. These prices are a simple average of the final transaction price per order (excluding service fees) over a range of order volumes. Our analysis of BoilerJuice data shows the average volume delivered in 2025 was 689 l with the daily average volume delivered ranging between 624 l and 784 l.

Figure 2.3: Great Britain average retail prices (inc-VAT)



Note 1: Retail prices in Northern Ireland and Great Britain are not directly comparable due to differences in the data. The data for Great Britain is an average across a range of volumes while the data for Northern Ireland shows a weighted average by council area split by order volume.
Source: BoilerJuice's response to the CMA's information request issued on 8 April 2026, question 12; BoilerJuice's response to the CMA's information request issued on 12 May 2026, question 2; BoilerJuice's response to the CMA's information request issued on 28 May 2026, question 1 and BoilerJuice's response to the CMA's information request issued on 19 June 2026.

Northern Ireland

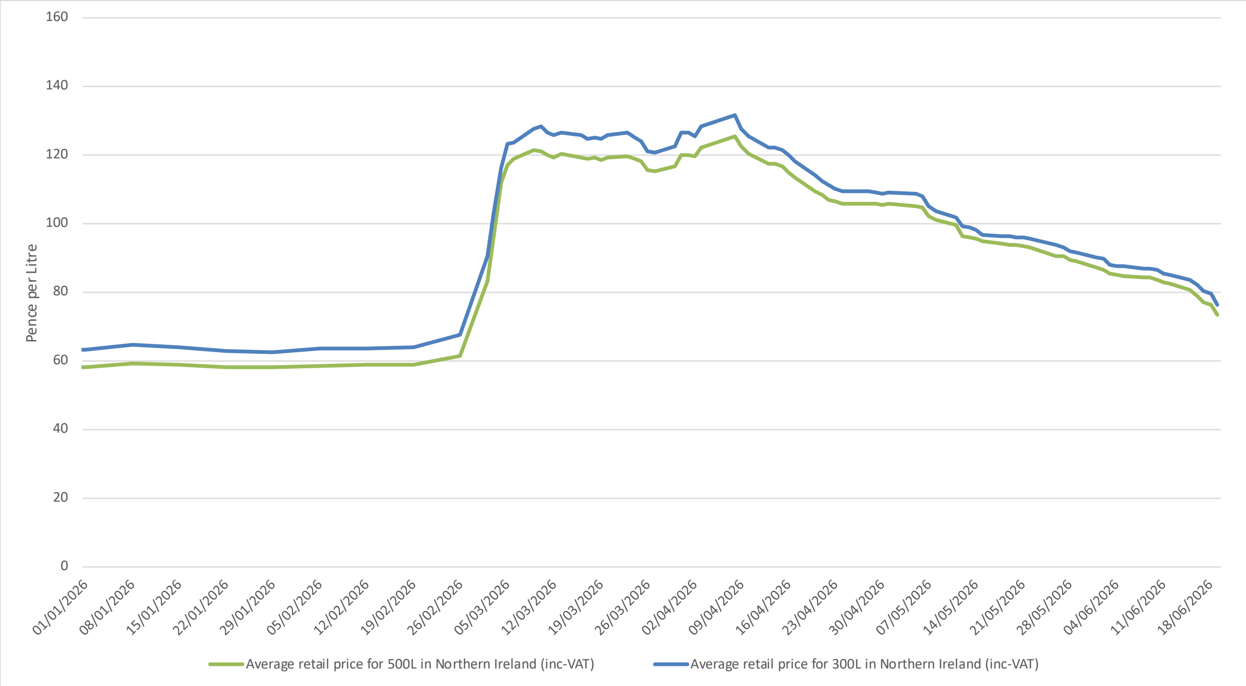
2.36 For Northern Ireland, we have assessed trends in retail prices over the course of 1 January to 19 June 2026 inclusive using data provided by CCNI. This data shows retail prices collected from a sample of distributors throughout Northern Ireland. Prices were collected weekly up to 26 February and then daily from 2 March and are average prices for 300 litre (l), 500 l and 900 l of home heating oil purchases where each distributor's price is weighted by the number of council areas it delivers to.[142,143]

2.37 The data from CCNI shows that between 1 January and 27 February 2026, the average retail price for a 300 l order including VAT was 64 ppl.[144] In the first week of the March, retail prices for a 300 l order increased by 85% to 124 ppl, before peaking at 132 ppl (106% above the pre-conflict average retail price) on 8 April.

[142] With those distributors delivering to a greater number of areas being given a higher weighting.
[143] CCNI submission to the CMA, 24 March 2026. We do not plot CCNI's 900l figures because the price per litre is very similar to 500 l.
[144] Consumers in general order lower quantities in Northern Ireland. A survey of consumers in Northern Ireland by CCNI found that 21% of consumers order between 100 and 300 l each time they order, 44% of consumers order between 301 and 500 l, and 27% order between 501 and 900 l (Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026). The price for a 500 l delivery was 59 ppl.

Prices then began to fall, declining to 109 ppl by the end of April. Prices continued to fall in May and June, dropping to 76 ppl (19% above the pre-conflict average retail price) by 19 June.[145]

Figure 2.4: Northern Ireland average retail prices (inc-VAT)



Source: CCNI's submissions to the CMA on 1 June 2026 and CCNI Home Heating Oil Daily Price Checker, accessed on 24 June 2026.
Note: Retail prices in Northern Ireland and Great Britain are not directly comparable due to differences in the data. The data for Great Britain is an average across a range of volumes while the data for Northern Ireland shows a weighted average by council area split by order volume. Figure for Northern Ireland excludes weekends and bank holidays.

[145] For a 500 l order, the average retail price including VAT was 59 ppl between 1 January and 27 February 2026. The retail price increased by 95% in the first week to 119ppl, before peaking at 120ppl (103% above the pre-conflict average retail price) on 8 April then starting to fall, down to 106ppl by the end of April. Prices continued to fall in May and June, dropping to 73ppl (24% above the pre-conflict average retail price) for 500 l by 19 June.

Reasons for the increases in retail prices

2.38 In this section, we assess the impact of the Middle East conflict on the main factors affecting retail prices – namely, wholesale prices and distributor operating costs – and the extent to which these impacts explain the increase in retail prices and the extent to which distributors have earned higher profits.

Wholesale prices paid by distributors

2.39 We have found that the primary driver of the price of home heating oil is the wholesale price of kerosene. We see this in the data on wholesale and retail prices, showing that movements in wholesale prices play a central role in determining retail prices and the retail price increases observed during the conflict in the Middle East.

2.40 Below, we outline how wholesale prices have changed since the start of the conflict. This includes an assessment of whether changes in wholesalers' costs and/or profits have contributed to any increases in wholesale prices.

2.41 We then consider the gross profit margins earned by distributors and movements in retail spreads, which enables us to assess whether all of the increase in retail prices is explained by increases in wholesale prices, or whether distributors' gross profits have also increased during the conflict. The Annex to this report provides a more detailed commentary on distributor gross profits and retail spreads.

Impact of the conflict on wholesale prices

2.42 To assess the impact of the conflict on wholesale prices, we use two complementary measures.

(a) The Platts price for jet fuel,[146] which is a benchmark for the price of kerosene. This is a relevant benchmark because jet fuel and home heating oil are substantially the same, and most distributors submitted that their purchase prices are linked to the Platts benchmark for jet fuel.[147,148] In the remainder of this report, we use '**Platts price**' to refer to the Platts price assessment for jet fuel, unless otherwise specified.

(b) Purchase prices paid by a sample of distributors[149] from January to March 2026. The Platts price does not capture wholesaler margins which are added

[146] Responses to the CMA's information request issued on 27 March 2026, questions 17 and 22.
[147] Internationally traded commodities such as jet fuel, are often sold in private bilateral transactions rather than on public exchanges. Price reporting agencies such as Platts create a benchmark for the price of these commodities by collecting and analysing market information which provides a view of the prevailing market price.
[148] Responses to the CMA's information request issued on 27 March 2026, questions 17 and 22.
[149] Using data provided by 19 distributors based in Great Britain and 7 distributors based in Northern Ireland in response to the CMA's information request issued on 27 March 2026, questions 21 and 28.

to the Platts price. The purchase price analysis represents the actual wholesale prices paid by distributors.

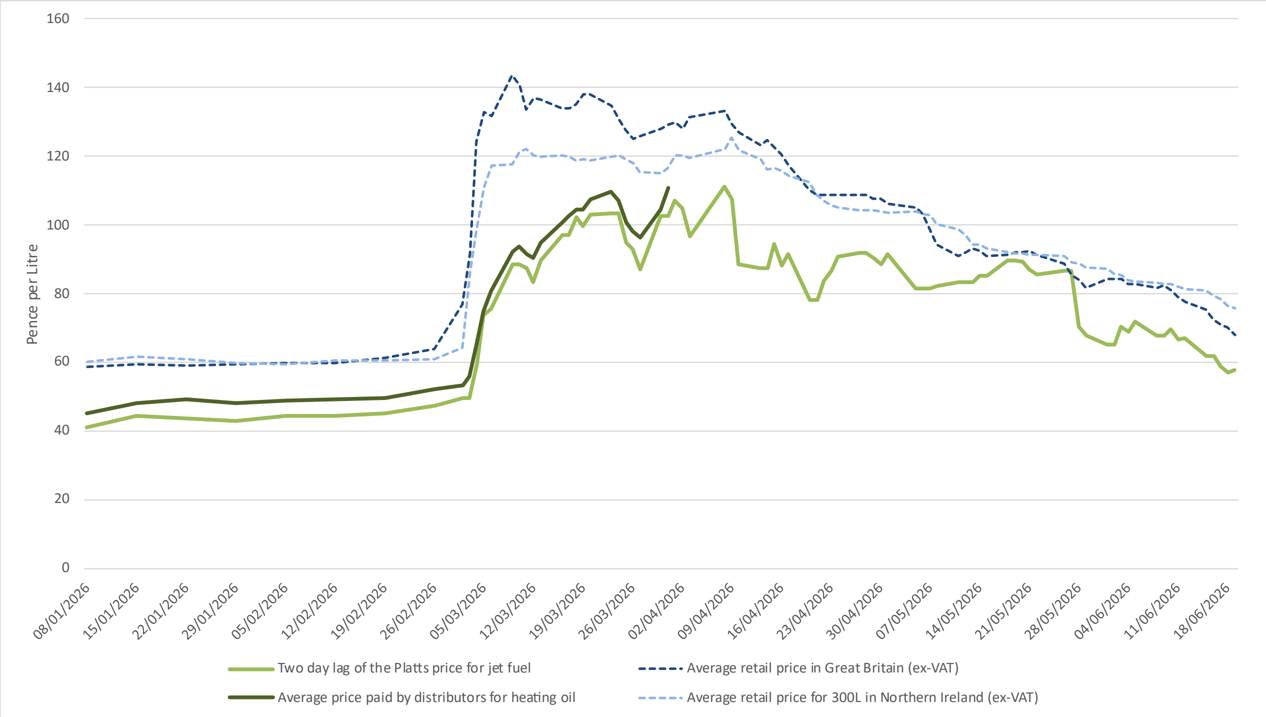
2.43 Our analysis of the Platts price in Figure 2.5 shows wholesale prices have increased significantly in response to the conflict.[150] The Platts price increased rapidly, reaching 99% above the pre-conflict average price[151] within the first week of March, and continuing to rise, although with a lot of volatility throughout March, peaking at 152% above the pre-conflict average price on 4 April. From April, the Platts price began to fall consistently, but remained volatile. The Platts price stayed volatile in May and fell in June, reaching 32% above the pre-conflict average price by 19 June.

2.44 We discuss the difference between the Platts wholesale price and the retail price (known as the retail spread) in more detail in the Annex to this report.

2.45 This trend is supported by our analysis of the purchase prices paid by a sample of distributors, also shown in Figure 2.5. Purchase prices increased significantly and closely tracked movements in the lagged Platts price. While the difference between the two measures fluctuates slightly over time, there is no evidence of a systematic difference.[152]

[150] As noted above, contracts typically refer to a lagged Platts price, and see more detail below on the comparison with the two-day lagged Platts data.
[151] The average Platts price between 1 January and 27 February 2026.
[152]Pre-conflict, the difference between the Platts price and the average purchase price paid by these distributors (accounting for a two-day lag between the Platts price and price paid) was between 2ppl and 5ppl (ranging from 5% to 12% above the Platts price). After the conflict began, this difference was between 1ppl and 7ppl, showing more variability and peaking at 13% above the Platts price.

Figure 2.5: Comparison of the two-day lagged Platts price, distributors purchase price data, and the average retail price in Great Britain and Northern Ireland between January and June 2026



Note 1: Our purchase price data contains a large proportion of purchases by distributors that purchase under volume-based contracts. However, some submitted that they purchased more on spot during the conflict. Therefore, while our analysis is likely to be broadly representative of changes in purchase costs across the market as a whole, it may not fully capture any higher purchase costs experienced by distributors that are more heavily reliant on the spot market.

Note 2: The data in the chart excludes weekends as the number of purchases by most distributors drops significantly over weekends. The data is weekly up to 26 February 2026 and daily from 2 March 2026.

Source: CMA analysis of Platts data, CMA's information request issued on 27/03/26, and BoilerJuice's response to the CMA's information request issued on 8 April 2026, question 12; BoilerJuice's response to the CMA's information request issued on 12 May 2026, question 2; BoilerJuice's response to the CMA's information request issued on 28 May 2026, question 1; BoilerJuice's response to the CMA's information request issued on 19 June 2026; CCNI's submissions to the CMA on 1 June 2026 and CCNI Home Heating Oil Daily Price Checker, accessed on 24 June 2026.

2.46 Some stakeholders raised concerns that the increases in wholesale prices may reflect increases in the profit margins earned by wholesalers during the conflict. They referred to the higher premiums charged on spot purchases and the increasing use of spot purchases needed to meet demand.[153]

2.47 To further understand changes in wholesalers' costs and profits we performed a targeted review of a sample of wholesalers' financial data. Our high-level review indicates that wholesalers' profitability[154] remained broadly flat in March and did not contribute materially to increases in retail prices.[155, 156] Our work focused on

[153] Response to the CMA's information request issued on 8 April 2026, question 12. Responses to the CMA's information request issued on 27 March 2026, questions 6, 7 and 17.
[154] We analysed gross profit margins for a sample of four wholesalers in the period from 1 January 2026 to 31 March 2026.
[155] CMA analysis using data provided by four wholesalers in response to the CMA's information request issued on 1 April 2026, question 11.
[156] Our findings are consistent with the CMA's road fuel market study that found: (a) average annual wholesaler fuel margins have generally been stable; (b) the exception being in early 2020 when wholesaler fuel margins spiked in the wake of Covid-19. Albeit lower volumes meant that wholesalers' absolute profitability did not increase; (c) both fuel and

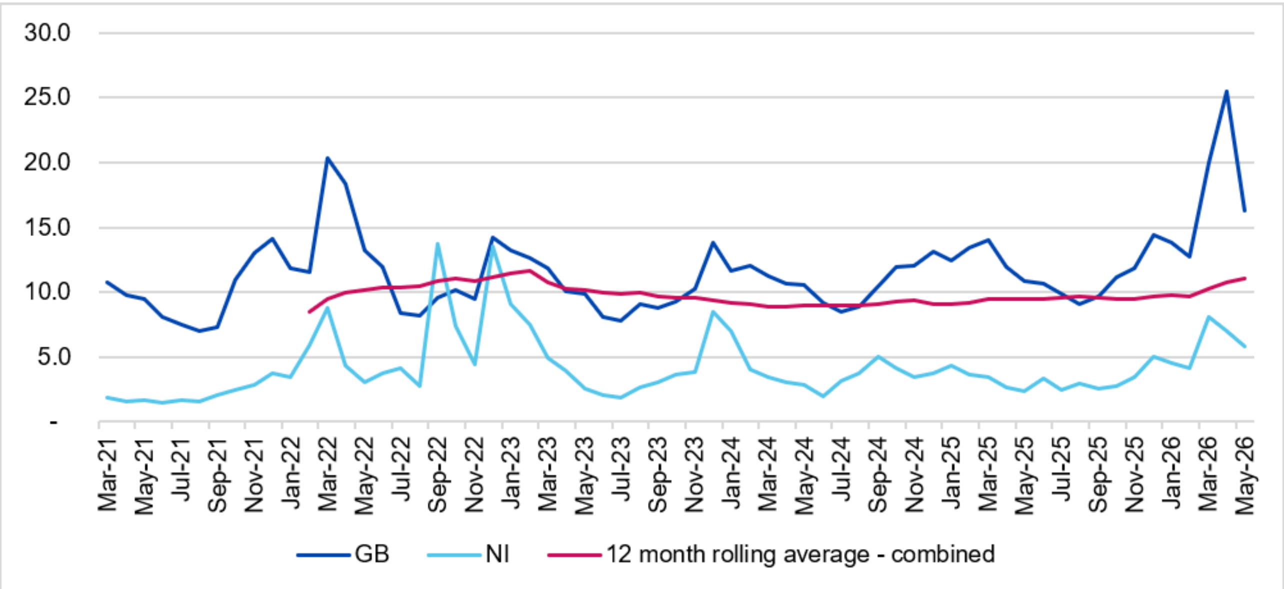
wholesalers' distribution businesses, which does not include the profitability of refining home heating oil from crude oil.[157]

Assessing the contribution of wholesale prices to retail price increases

2.48 To understand the degree to which increases in wholesale prices resulted in increases in retail prices, we have analysed the financial data of a sample of distributors in Great Britain and Northern Ireland. We focus on the gross profit margin per litre (the difference between distributors' revenue per litre and the wholesale purchase price they paid for a litre). [158] In the Annex to this report we present a more detailed analysis of distributors' gross profitability and an analysis of the 'spread' between the retail price and the wholesale Platts price.

2.49 To understand medium- and long-term trends in the profitability of distributors, and to contextualise their response to the conflict and understand changes in their profitability that are attributable to it, our analysis focuses on the five-year period leading up to and including the conflict in the Middle East. In Figure 2.6 below, we chart the gross profit margin per litre in the period from March 2021 to May 2026.

Figure 2.6: Monthly weighted average gross profit margin per litre for distributors based in Great Britain and Northern Ireland in the period from March 2021 to May 2026 (ppl)[159]



operating margins are low and not at a level that would cause concern about the competitiveness of the sector. Final report road fuel market study, paragraph 7.12, p137-138.

[157] The reason for not looking into refining profit margins is that the kerosene used in the UK is in part imported from overseas refineries, who can choose to sell kerosene into the UK or sell overseas, depending on where they can achieve the best price. This means that the price of kerosene and the refining margins are set by reference to global prices. Whereas wholesale distribution in the UK is specific to the UK and is less impacted by global events, meaning there is less scope for increases in UK wholesaler distribution margins.

[158] We do not explicitly consider percentage margins in detail in this study, although we recognise that these can be more informative of longer-term profitability trends compared to absolute metrics.

[159] Using data provided by 23 distributors based in Great Britain and 9 distributors based in Northern Ireland in response to the CMA's information request issued on 27 March 2026, questions 19 and 25. The figures in the chart are not adjusted for inflation.

Note 1: One small distributor in Northern Ireland did not provide financial data for May 2026. We have estimated their financial performance in May 2026 based on the performance of other distributors in Northern Ireland in May 2026. This allows for a like for like comparison between May 2026 and other months in the chart.

Source: CMA analysis.

2.50 Figure 2.6 shows that prior to the conflict in the Middle East:

(a) The combined (Great Britain and Northern Ireland) 12-month rolling average gross profit margin per litre fluctuates between 9 ppl and 12 ppl,[160] which amounts to between 13% and 16% of the average annual retail price in the years from 2022 to 2025.[161] This shows that gross profits account for a relatively small proportion of the retail price.

(b) There is a seasonal trend, with higher gross profit margins per litre in winter and lower gross profit margins per litre in summer. Given that some of distributors' costs will be fixed and that demand is highly seasonal, this seasonal variation is consistent with distributors needing to earn enough margin over the course of the year.

(c) The average gross profit margin per litre was consistently lower in Northern Ireland. This aligns with our analysis in Figures 2.3 and 2.4 above which shows that retail prices are lower in Northern Ireland.[162] Taken together, the lower prices and lower gross profit margins are indicative of more efficient distribution networks due to a higher density of customers and the potential for more competition in Northern Ireland compared to most areas in Great Britain.

2.51 Figure 2.6 shows that since the start of the conflict in the Middle East:

(a) Distributors' average gross profit margin per litre increased[163] and was higher in March 2026 than in March 2025, March 2024 and March 2023 in both Great Britain and Northern Ireland.[164] This indicates that the gross profitability in March 2026 is not explained by seasonal variation and instead appears to be a response to the conflict.

(b) The increase in distributors' average gross profit margin per litre in March 2026 is similar to the increase observed in March 2022, which is the month

[160] The reason for including the 12-month rolling average is that it removes the impact of seasonality.
[161] Annual weighted average gross profit margins amounted to 14% in 2022, 13% in 2023, 14% in 2024 and 16% in 2025. We calculated the weighted average gross profit margins as the total annual gross profits / total annual revenues x 100 for 23 distributors based in Great Britain and 9 distributors based in Northern Ireland.
[162] The price is Northern Ireland for 500 l of home heating oil is consistently lower than the retail price in Great Britain. 500 l is the relevant comparator given minimum order volumes in Great Britain are usually 500 l.
[163] In Great Britain, the average gross profit margin per litre increased from 13 ppl in February 2026 to 20 ppl in March 2026. In Northern Ireland, the average gross profit margin per litre increased from 4 ppl in February 2026 to 8 ppl in March 2026
[164] Weighted average gross profit margin per litre in Great Britain was 20 ppl in March 2026, 14 ppl in March 2025, 11 ppl in March 2024 and 12 ppl in March 2023. Weighted average gross profit margin per litre in Northern Ireland was 8 ppl in March 2026, 4 ppl in March 2025, 3 ppl in March 2024 and 5 ppl in March 2023. Source: CMA analysis.

after the start of the war in Ukraine, which was also characterised by wholesale price volatility.

(c) In Great Britain, distributors' average gross profit margin per litre continued to increase in April 2026 (to a level higher than was observed in April 2022), although we note that volumes were low, and therefore the total gross profits overall fell between March and April 2026, as detailed in the Annex to this report. Gross profits per litre fell in May 2026. Albeit the average gross profit margin per litre continued to remain above seasonal norms.

(d) In Northern Ireland, distributors' average gross profit margin per litre fell in April 2026 and again in May 2026 but remained above the average for May between 2023 and 2025.[165]

2.52 Overall, the analysis demonstrates that the significant increase in wholesale prices explains most but not all of the increase in retail prices observed after the start of the conflict. On average the increase in wholesale prices accounted for 83%[166] (34 ppl) of the average increase in retail prices in March 2026. Distributors therefore earned higher gross margins in March and April 2026.

Distributors' operating costs

2.53 In this section we assess the extent to which increases in distributors' operating costs contributed to the increases in retail prices and the gross profit margins that we observed. We initially consider distributors' comments on why their costs increased following the start of the conflict in the Middle East, before setting out our analysis of operating costs and the operating margins retained by distributors.

2.54 In the context of a home heating oil distribution business, operating costs are the costs incurred to collect and distribute the home heating oil and the centralised administrative costs to run the business (for example the cost of the employees who process the orders).

2.55 Distributors indicated that operating costs could influence how they set retail prices. For example, distributors said that it is more efficient to distribute larger orders,[167] deliveries nearer to their depots incur lower transportation costs[168] and

[165] The weighted average distributor gross profit in Northern Ireland was 3 ppl in May 2023, 3 ppl in May 2024, 2 ppl in May 2025 and 6 ppl in May 2026. The average distributor gross profit between May 2023, May 2024 and May 2025 was 3ppl = (3ppl + 3ppl + 2ppl) / 3. Source: CMA analysis.

[166] The average retail price in February for 27 distributors in our sample was 61 ppl (exc VAT, 64 ppl inc VAT) and in March was 99 ppl (exc VAT, 104 ppl inc VAT). We have calculated the average retail price by dividing total revenues in a month for all 27 distributors by the total volumes in the same month for the same sample of distributors. The average wholesale price paid by the same distributors was 50 ppl in February and 83 ppl in March. We have calculated the average wholesale price by dividing the cost of sales in a month for the same sample of distributors by the volumes sold in the same month for the same distributors. (83 - 50) / (99 - 61) x 100 = 83% (total does not compute due to roundings). We note that the trend in wholesale and retail prices discussed above is consistent with the distributor data that we have used here.

[167] Responses to CMA's information request issued on 27 March 2026, question 2b and 3b

[168] Responses to CMA's information request issued on 27 March 2026, question 2e and 3e.

online sales through companies’ own websites can be cheaper than telesales due to lower administrative overheads.[169]

Impact of the conflict on operating costs

2.56 Some distributors submitted that they increased their gross profit margins to cover increases in distribution and administrative costs since the start of the conflict.[170] More widely, distributors reported increases in operating costs across a range of areas:

(a) Multiple distributors reported higher distribution costs. Distributors said that they:

(i) needed to source home heating oil from more distant import terminals and refineries due to supply shortages at local import terminals and refineries;[171]

(ii) incurred additional third-party haulage costs (due to the spike in demand and limited supply);[172]

(iii) spent more on diesel that they use to collect and distribute home heating oil due to increased fuel prices;[173] and

(iv) increased driver overtime to meet demand.[174]

(b) Some distributors indicated that customers were placing smaller, more frequent orders, which made their deliveries less efficient and more expensive.[175] Another distributor also told us their delivery efficiency reduced because of customers cancelling orders in response to higher prices and this resulted in tankers not being fully utilised.[176]

(c) Multiple distributors also reported increases in staffing and administrative costs, driven by managing increased customer contacts,[177] including where changes to supplier practices (such as providing prices the day before delivery rather than at the point of order, discussed in more detail below) required additional customer support.[178]

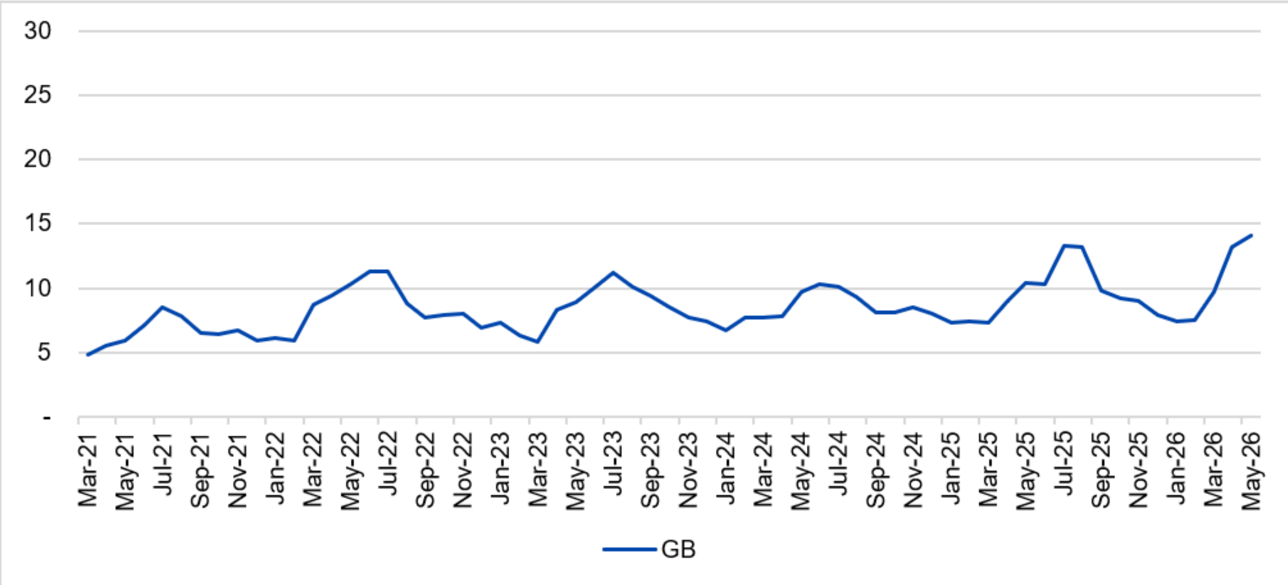
[169] Responses to CMA’s information request issued on 27 March 2026, question 2g and 3g.
[170] Responses to CMA’s information request issued on 27 March 2026, question 8.
[171] Responses to the CMA's information request issued on 27 March 2026, questions 3 and 6.
[172] Responses to the CMA's information request issued on 27 March 2026, question 3 and response to the CMA's information request issued on 27 March 2026, question 6.
[173] Responses to the CMA's information request issued on 27 March 2026, questions 6; and 4.
[174] Responses to the CMA's information request issued on 27 March 2026, questions 3, 6, and 8.
[175] Responses to the CMA's information request issued on 27 March 2026, question 3. Responses to the CMA’s information request issued on 18 May 2026, question 1.
[176] Response to the CMA's information request issued on 27 March 2026, question 3
[177] Responses to CMA’s information request issued on 27 March 2026, questions 3, 4 and 6.
[178] Responses to the CMA's information request issued on 27 March 2026, questions 3 and 4.

Assessing the contribution of operating cost to retail price increases

2.57 We have analysed the operating costs of distributors based in Great Britain over a five-year period, consistent with our analysis of gross profit margins shown earlier.[179] [180] Our analysis is limited to distributors in Great Britain, as some of the larger distributors in Northern Ireland were unable to separate operating costs that are specific to home heating oil from their wider fuels business,[181] and we do not consider the remaining sample of Northern Ireland distributors to be sufficiently representative of distributors in Northern Ireland.

2.58 In Figure 2.7 below, we chart the weighted average operating costs per litre for the distributors based in Great Britain in the period from March 2021 to May 2026.

Figure 2.7: Monthly weighted average operating costs per litre for distributors in Great Britain in the period from March 2021 to May 2026 (ppl)[182]



Source: CMA analysis.

2.59 Figure 2.7 shows that operating costs are lower in winter and higher in summer. Figure 2.7 also shows that since the start of the conflict in the Middle East:

[179] Using data provided by 20 distributors based in Great Britain in response to the CMA's information request issued on 27 March 2026, questions 19 and 25.
[180] Some distributors set out limitations in their operating cost data, explaining that they need to make assumptions in apportioning costs between the various fuel types that they sell. For example, one distributor said that they apportion operating costs between domestic and commercial sales based on the number of deliveries made and the time and distance for deliveries. Another distributor said that they apportion operating costs based on the proportion of sales of different fuels. Despite these limitations, we consider that the operating cost data is helpful to understand the market and how it responds in periods of wholesale price volatility.
[181] One distributor explained that they do not apportion operating costs between the different fuels that they sell, as their deliveries can involve multiple fuels and admin staff process orders for all fuel types. Response to the CMA's information request issued on 7 March 2026, question 25.
[182] Using data provided by 20 distributors based in Great Britain in response to the CMA's information request issued on 27 March 2026, questions 19 and 25. The figures in the chart are not adjusted for inflation.

(a) Distributors' operating costs per litre increased in March 2026. Operating costs in March 2026 are between 2 ppl and 3 ppl higher than in March 2023, March 2024 and March 2025, when distributors delivered similar sales volumes[183] (ie it is a like-for-like comparison).

(b) Operating costs per litre increased again in April 2026 (compared to March 2026), while aggregate sales volumes more than halved and were 45% lower than in April 2025.[184] Operating costs remained high in May 2026, while sales volumes continued to reduce. The decrease in sales volumes is likely to have led to less efficient distribution and a greater allocation of fixed cost per litre sold.

2.60 The increase in operating costs is consistent with distributors' evidence that they faced additional distribution and administrative costs during March, April and May 2026, albeit that operating costs account for a relatively small share of the final retail price compared with wholesale costs.

Impact of the conflict on operating profits

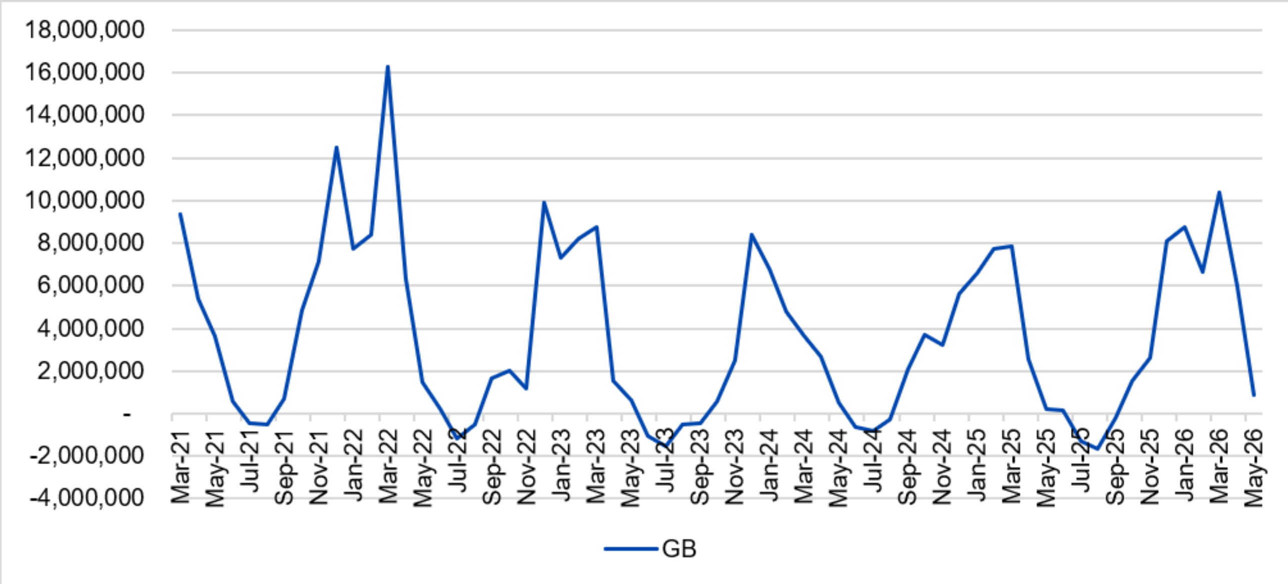
2.61 By assessing changes in operating profits, we can consider whether the increases in operating costs meant that increased costs fully explain the retail prices described above, or whether the distributors were able to earn increased operating profits (defined as gross profits less operating costs) in the months after the conflict.

2.62 In Figure 2.8 we chart monthly aggregate operating profits for distributors based in Great Britain in the period from March 2021 to May 2026.

[183] Although distributors experienced a 'spike' in orders in early March 2026 - directly after the start of the conflict in the Middle East, total volumes sold over the month were comparable with March 2023, March 2024 and March 2025 – as shown in Figure 2.1.

[184] 45% = ((93,997,256 litres - 51,487,930 litres) / 93,997,256 litres) x 100

Figure 2.8: Monthly aggregate operating profits for a sample of distributors in Great Britain in the period from March 2021 to May 2026 (£)[185]



Source: CMA analysis.

2.63 Figure 2.8 shows a seasonal trend in operating profits, with distributors making higher profits in winter, which offset the one or two months in summer where they are loss making. Figure 2.8 also shows that since the start of the conflict in the Middle East:

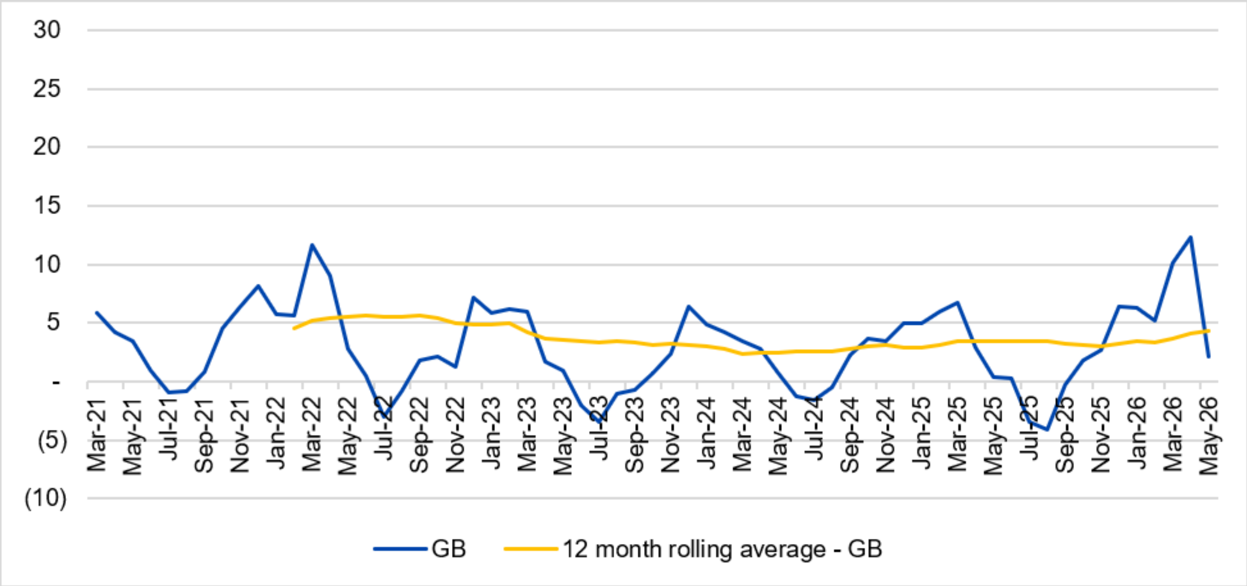
(a) Aggregate operating profits increased, when they would otherwise have been expected to reduce and peaked in March 2026. This peak is lower than the peak observed in March 2022, after the start of the conflict in Ukraine.

(b) Aggregate operating profits decreased in April and again in May 2026, although they remained above levels in April and May in previous years.

2.64 In Figure 2.9, we chart the weighted average operating profit margin per litre for distributors based in Great Britain in the period from March 2021 to May 2026.[186]

[185] Using data provided by 20 distributors based in Great Britain in response to the CMA's information request issued on 27 March 2026, questions 19 and 25. The figures in the chart are not adjusted for inflation.
[186] Our analysis is limited to distributors in Great Britain, as some of the larger distributors in Northern Ireland were unable to separate operating costs that are specific to home heating oil from their wider fuels business. We require operating cost data to calculate operating profits. We do not consider the remaining sample of Northern Ireland distributors to be sufficiently representative of that market.

Figure 2.9: Monthly weighted average operating profit margin per litre for distributors based in Great Britain in the period from March 2021 to May 2026 (ppl)[187]



Source: CMA analysis.

2.65 Figure 2.9 shows that prior to the conflict in the Middle East:

(a) The 12-month rolling average operating profit margin fluctuates between 2 ppl and 6 ppl, [188] which amounts to between 4% and 6% of the average annual retail price in the years from 2022 to 2025.[189] This shows that operating profits account for a relatively small proportion of the retail price.

(b) The same seasonal trend in operating profit margins per litre, as we observed for aggregate operating profits, with higher operating profit margins per litre in winter, and one or two months in summer when distributors are loss making.

2.66 Figure 2.9 also shows that since the start of the conflict:

(a) Operating profit margins per litre increased in March 2026 and again in April 2026, with the level in April 2026 comparable to the levels in March 2022 after the start of the war in Ukraine.

(b) Operating profits reduced in May 2026 but remained above May levels observed in previous years.

[187] Using data provided by 20 distributors based in Great Britain in response to the CMA's information request issued on 27 March 2026, questions 19 and 25. The figures in the chart are not adjusted for inflation.
[188] The reason for including the 12-month rolling average is that it removes the impact of seasonality.
[189] Annual weighted average operating profit margins amounted to 6% in 2022, 4% in 2023, 4% in 2024 and 5% in 2025. We calculated the weighted average operating profit margins as the total annual operating profits / total annual revenues x 100 for 20 distributors based in Great Britain.

2.67 As outlined above, we do not have sufficient financial data to support robust findings on changes to operating costs (and therefore operating profit margins) in Northern Ireland arising from the conflict.

2.68 That said, the gross profit analysis for Northern Ireland (as set out above and in the Annex to this report), shows a similar trend to Great Britain; albeit gross profit margins are consistently lower in Northern Ireland than in Great Britain. The qualitative evidence also indicates that trends in operating costs and operating profits are likely to be similar in Northern Ireland to Great Britain and that the increase in gross profit margins in Northern Ireland in March 2026 are unlikely to be accounted for solely by higher costs and that operating profit margins in Northern Ireland are also likely to have increased.

2.69 Overall, our analysis shows that in March 2026, after the start of the conflict in the Middle East, distributors faced increases in both their wholesale costs and operating costs. These costs increases explain the vast majority of the increase in prices paid by consumers, while a far smaller element is attributable to an increase in distributors' operating profit margins. Our analysis indicates that operating profit margins continued to be higher in April 2026 than they would have been absent the conflict, but have declined in May 2026.

Explanations for the increase in distributors' operating profits

2.70 Distributors provided various reasons for the increases in operating profit margins in March and April 2026.

(a) Multiple distributors said that their financing costs increased, as they reached their credit limits with wholesalers at much lower order volumes due to the rise in wholesale prices.[190] This required them to pay their invoices sooner than they usually would to enable them to keep purchasing home heating oil, and fulfil orders. Some distributors told us this created cash-flow issues, increasing pressure on working capital, and increasing financing costs.[191]

(b) Some distributors told us they had adjusted margins to manage the increased risks associated with pricing during wholesale price volatility.[192] These distributors suggested that margins were increased due to risk exposure, with distributors seeking to protect against potential losses and maintain commercial viability under heightened risk, rather than to increase profits.

[190] Responses to CMA's information request issued on 27 March 2026, questions 18 and 24.
[191] Responses to CMA's information request issued on 27 March 2026, questions 3, 18 and 24.
[192] Responses to CMA's information request issued on 27 March 2026, questions 4 and 8. Responses to CMA's information request issued on 27 May 2026, question 2.

2.71 Responses from a small number of distributors indicated that competition continued to play a role in constraining pricing behaviour and limiting distributors' profits during this temporary imbalance between demand and supply.[193] For example, one distributor told us that pricing decisions are strongly influenced by the need to remain competitive and retain customer loyalty, and unfair pricing would be damaging reputationally.[194] We explore in Chapters 3 and 4 below aspects of competition that reduced during the conflict, and we consider that reputational factors would not have as strong an impact on pricing decisions as direct competition.

2.72 We have considered the distributors' reasons for higher operating profit margins. We expect operating margins to reflect the level of the underlying business risk that distributors are exposed to and to ensure that the margins provide for a reasonable return on any capital required to run a home heating oil distribution business. We would expect the funding of working capital to be a relevant factor explaining the appropriate level of margin in this market.

2.73 With regards to distributors' comments that their financing costs increased, we consider that the increase in wholesale prices coupled with the surge in orders at the start of March 2026, may have led to distributors reaching their credit limits with wholesalers sooner. This may in turn have placed pressure on distributors' cash flow; requiring distributors to actively manage working capital and potentially temporarily to extend their credit facilities to give them access to the additional funding that they required to purchase home heating oil to meet consumer demand.

2.74 The need for distributors to manage and potentially increase their working capital will have been common across all fuel types that they sell ie they will have needed additional funding to buy home heating oil, red diesel and white diesel, as prices of all fuel types increased following the start of the conflict. The pressure for additional funding is likely to have been more acute for other fuels, due to other fuels being sold to commercial customers who tend to have longer credit terms, meaning that it takes longer for the distributors to recoup the monies owed for the fuel they purchased and sold.

2.75 While it is possible that some distributors incurred higher financing costs, we would expect that distributors generally are managing working capital and cash flow in the normal course of their operations. We do not have conclusive evidence that distributors directly incurred higher financing costs which would fully explain the need to earn higher margins during this period.

[193] Responses to the CMA's information request issued on 27 March 2026, question 7.Response to the CMA's information request issued 27 May, question 2.
[194] Response to the CMA's information request issued on 27 March 2026, question 7.

2.76 We consider that in principle, distributors increasing their margins in response to higher wholesale price volatility could be consistent with our earlier observation that margins need to reflect the underlying risk faced by the business. Where distributors were committing to an upfront price days before delivery to the consumer, we would expect this to have increased their risk exposure. However, where distributors delayed giving prices until directly prior to delivery, the increased risk has been potentially passed on to the consumer, reducing the need to increase margins.

2.77 In summary, it is our view that distributors' higher operating profits in March and April 2026 are not fully explained by risks arising from wholesale price volatility and increased financing costs stemming from the need to manage working capital.

2.78 The evidence suggests that distributors were able to earn temporarily higher operating profit margins, which appears in part to reflect a weakening of competitive pressure between distributors during the period in which demand exceeded supply.

2.79 Limits in the volume of home heating oil available likely reduced the incentive of distributors to compete aggressively. Wholesalers imposed volume restrictions, and distributors reported difficulties obtaining additional supply, meaning many were constrained in the volumes they could sell.

2.80 At the same time, a surge in customer orders immediately following the start of the conflict created delivery backlogs and extended lead times, further indicating demand temporarily exceeded supply capacity.

2.81 In these circumstances, distributors would have limited ability to accommodate additional sales generated by charging lower prices. As a result, distributors may have had less incentive to compete aggressively for orders and were less concerned about losing sales to rivals by increasing prices. This could have contributed to a temporary weakening of competitive pressure.

2.82 As a result, distributors temporarily benefitted from the changing market conditions caused by the conflict, albeit as discussed above, this will have accounted for only a small part of increases in prices and was only temporary.

2.83 We further consider how competitive conditions have changed during the Middle East conflict in the sections below, and how this may have impacted the ability for distributors to make profits.

3. Local competition across the UK

3.1 In this chapter we consider the evidence on the level of competition (specifically the number of competitors), prices and profitability in the retail supply of home heating oil across different areas of the UK, including how these market outcomes vary by certain characteristics of an area and between the four nations.[195]

3.2 Competition between home heating oil distributors occurs locally, with distributors competing against other distributors that supply heating oil to households in the same areas. In assessing whether the market is competitive, we have focused on the extent to which consumers have a choice of home heating oil distributors that serve their areas (that is, whether local concentration is low). As part of this assessment, we have looked at:

(a) levels of concentration (ie the number of distributors serving each local area) across the UK under normal market conditions, including how competition and prices vary between the four nations;

(b) drivers behind variation in competition and prices across the UK, including

(i) cost factors that might differ by location;

(ii) the relationship between the level of concentration and prices; and

(iii) how the factors we have identified collectively affect prices and competition in the four nations of the UK; and

(c) the impact of the Middle East conflict on home heating oil distribution and prices across the UK, including the extent to which this varied as between the four nations and the reasons for this.

3.3 We find that:

(a) Home heating oil distribution generally has many competitors across the UK, although there are some local areas that are more concentrated – particularly in Scotland, but also in parts of West Wales and some areas in England.

(b) There are a small number of areas where we have found very few competitors. We estimate that areas where we have identified only one or two competitors account for under 2% of heating oil households in the UK, and they are primarily in very rural areas of Scotland, and urban areas in England which have low numbers of heating oil consumers. Scotland also has the highest proportion of heating oil households in postcode districts with

[195] In Chapter 4, we look at levels of price transparency, as an important condition for effective competition.

three distributors (9%), followed by Wales (5%), England (under 1%) and Northern Ireland (0%).

(c) There is some price variation between the four nations under normal trading conditions, with consumers in Scotland tending to face higher prices compared to those in England and Wales, and Northern Ireland (which has the lowest prices).

(d) These higher prices in Scotland, are due to higher costs of buying wholesale heating oil, and a greater prevalence within Scotland of more remote areas and areas with heating oil households that are located far apart from each other (low heating oil household density). Wales and England also have some areas with higher prices for similar reasons. Prices in Northern Ireland are the lowest, in particular due to Northern Ireland having a significantly higher heating oil household density than the rest of the UK.

(e) Both the higher prices paid by heating oil households in some areas of the UK, particularly in Scotland, and the presence of fewer competitors in an area, are driven by areas being remote or having a low heating oil household density. These factors increase the cost of serving these areas, meaning that heating oil households in these areas pay higher prices. These factors also limit the number of competitors that these areas can financially sustain.

(f) We have not seen evidence that more remote areas could sustain stronger competition and lower prices. While evidence on geographic variation in distributor profits is limited, we have not found that profits are systematically higher for distributors who serve regions (for example Scotland) with more remote areas and with fewer competitors. In other words, there is no indication of higher profits in certain regions that could be competed away through stronger competition. This supports the finding that the higher prices we observe in some areas are driven instead by higher costs.

(g) Some areas of the UK experienced greater price rises than others during the Middle East conflict: primarily in Scotland and (to a lesser extent) Wales. Evidence indicates that the greater price rises in these regions were driven by greater increases in distributors' costs at the start of the Middle East conflict. As with the prices prior to the conflict, the evidence does not indicate that the lower number of competitors in these areas was a cause of larger price rises. Likewise, we did not see any differences in profitability during the conflict in Scotland that suggested any relationship with the price increases.

(h) The factors underlying geographic variation in home heating oil prices interact and any single factor can only illustrate part of the variation. Due to these complex interactions, price variation within a region or type of area (eg within rural areas) is generally significant and similar or greater than the price variation between a regions or types of area.

3.4 Overall, we find that there are particular challenges faced by heating oil households in areas that have a lower heating oil household density and that are further away from wholesale supply points (which may include certain remote areas), in particular in parts of Scotland. These heating oil households tend to face higher prices in normal times and were more likely to have experienced greater price spikes during the conflict in the Middle East.

Local competition under normal market conditions

3.5 This section assesses the level of distributor concentration across the UK. To do so, it draws on qualitative responses from market participants and data from a range of sources including data on transactions from a sample of 24 distributors, the broker platform BoilerJuice, and online sources such as UKIFDA's 'Find a Distributor' tool and the website CheapestOil.co.uk. Using this evidence, the section also sets out how distributor concentration and home heating oil prices vary across the four nations.

3.6 Overall, the evidence shows that:

(a) Home heating oil distribution generally has many competitors across the UK, although there are some regions that are more concentrated – particularly in Scotland, but also in parts of West Wales and some areas in England. We estimate that heating oil households in areas with only one or two competitors account for under 2% of heating oil households in the UK.

(b) There is some price variation between the four nations, with Scotland and Wales tending to face higher prices compared to England and Northern Ireland under normal trading conditions.

3.7 We go on to consider the drivers behind this variation in the section below.

Qualitative responses from distributors and other market participants

3.8 Qualitative evidence we received from market participants indicates that most local areas have sufficient choice of home heating oil distributors. A number of market participants submitted that high concentration is not generally an issue in the UK and that there are many competitors. This includes industry bodies, a broker platform and a sample of distributors of different sizes and that operate in different locations (including covering all four nations) – many of which submitted that they face several competitors in the areas where they supply home heating oil.[196,197] Distributor responses indicate that they factor competitor prices and competition into their pricing decisions (as we would expect in a competitive market).[198] Some distributors also indicated that competitive conditions can vary by region, and that this has some impact on price (ie pricing is more competitive in areas with lower concentration).[199]

3.9 We also received submissions from consumer groups that there is a limited choice of distributors in certain areas of the UK, which tend to be more remote.[200]

3.10 The evidence aligns with the findings of the OFT 2011 Market Study that most consumers had a reasonably large choice of distributors.[201] Consistent with this, distributors' responses did not indicate a significant increase in market concentration over the fifteen years since that study was undertaken. They evidenced some consolidation via acquisitions but no major increase in concentration overall or at a local level.[202,203]

3.11 Many market participants also commented more specifically on competition within each of the four nations.

3.12 In relation to **England and Wales,** evidence from market participants suggests there are generally many competitors, with several distributors serving most local areas.[204] This includes large national distributors such as Certas and Watson

[196] Responses to the CMA's Statement of Scope: The Oil Market Journal, p7; UKIFDA, p1, 8, 13 and 26; NWF Fuels, p10; Highland Fuels, p5; Carrs Billington, p2; and BoilerJuice, p4.
[197] These distributors comprised of most distributor respondents to our information requests. Responses to CMA's information request issued on 27 March 2026: questions 2 and 3.
[198] Responses to the CMA's information request issued on 27 March 2026, questions 2 and 3. Some parties explicitly stated that they do not consider the number of competitors in an area. Responses to the CMA's information request issued on 27 March 2026, questions 2 and 3.
[199] Responses to CMA's information request issued on 27 March 2026, questions 2 and 3.
[200] Responses to the CMA's Statement of Scope: ACRE, p4; Citizens Advice, p8, 11 and 12; Consumer Scotland, p4 and 6; and National Energy Action, p3. We discuss these local areas with more limited choice of distributors below.
[201] OFT (2011), Off-Grid Energy: an OFT market study, p73.
[202] Responses to the CMA's information request issued on 27 March 2026, question 2.
[203] We have accounted for this consolidation in our analysis in this section to the extent possible, for example by checking sources are robust to the possibility of two seemingly unique distributors being part of the same larger firm. The BoilerJuice data we rely on in this section is very unlikely to count distributors from the same corporate group as separate competitors (BoilerJuice's response to the CMA's information request issued on 23 April 2026, question 2). We are aware of one error in the UKIFDA data from its 'Find a Distributor' tool, where a recently acquired firm is listed as a competitor to its purchaser, but consider the data to be fairly robust to this kind of error overall, since it lists both the distributors' trading names and their firm names (eg the group they are part of, if they are part of a larger firm group) separately, and we have used the firm names for the purpose of our analysis (see Find a Distributor - UKIFDA, accessed on 29 June 2026). Our data on transactions from a range of distributors was only obtained from distinct firms, which we verified by requesting information on the firms' businesses and recent acquisitions. Additionally, our analysis of data from the CheapestOil.co.uk website ensured to count the same firm group with different listings on the site (eg for different locations) separately.
[204] Responses to the CMA's Statement of Scope: UKIFDA, p30-31 and BoilerJuice, p4; Note of call with a third party on 16 June 2026, paragraph 2; Responses to the CMA's information request issued on 27 March 2026, questions 2 and 3. Additionally, as covered in Chapter 4, BoilerJuice is a popular tool in England and Wales. BoilerJuice operates a marketplace where distributors compete head to head for the same orders and must offer the most competitive quote to win business and be visible to consumers. We consider that this fosters competition among distributors in England and Wales.

Fuels, as well as smaller, regional distributors.[205] A consumer group submitted that there are remoter areas of England with very limited competition.[206]

3.13 For **Scotland,** several market participants submitted this nation has more remote regions where concentration is higher than the rest of the UK.[207] Nevertheless, distributors that serve Scotland submitted that multiple distributors are present in each local area across the nation (or the areas that they serve), suggesting there is some competition even in more remote areas of Scotland.[208]

3.14 Regarding **Northern Ireland,** market participants submitted that home heating oil distribution in that nation is competitive and there tends to be a high number of competitors in each local area.[209] Market participants further indicated that Northern Ireland is a fragmented market, with a large number of distributors covering a relatively small geographical area.[210] However, one consumer group submitted that there are some rural areas in Northern Ireland that have limited local competition, despite having a large number of small distributors.[211]

Analysis of the number of competitors by local area

3.15 The qualitative evidence above is corroborated by the data we gathered, which also shows that most local areas in the UK have many competitors, from the best evidence we could gather from multiple sources.

3.16 We used the following data sources to assess the number of competitors in each local area of the UK. Each of these sources enable us to extract lists of distributors that are actively serving postcode districts in the UK, although they differ in their coverage – both in the proportion of distributors they cover and geographically. Specifically:

(a) **Transactions data from a sample of 24 distributors**, ranging in size (including small, medium and large distributors) and in geographical focus (covering all four nations) for the period between 1 January and 31 March

[205] Responses to the CMA's information requests issued on 27 March 2026, question 1.
[206] ACRE's response to the CMA's Statement of Scope, p4.
[207] Responses to the CMA's information request issued on 27 March 2026, question 2. Note of call with BoilerJuice on 26 March 2026, paragraph 24. Further, as covered in Chapter 4, evidence received from BoilerJuice indicates that, due to more challenging logistics and lower demand density, the participation of heating oil distributors on their platform tends to be lower in Scotland relative to other areas.
[208] Responses to the CMA's information request issued on 27 March 2026, question 2. Notes of calls with: a third party on 17 June 2026, paragraph 14; a third party on 16 June 2026, paragraph 23; a third party on 23 June 2026, paragraphs 19 and 20; and a third party on 18 June 2026, paragraph 26.
[209] Northern Ireland home heating oil distributors that responded to our information requests emphasised the high number of competitors they face in their local areas. Responses to the CMA's information requests issued 8 April 2026, question 2. Additionally, CCNI told us that prices in Northern Ireland are generally cheaper compared to the rest of the UK because of the competition in that region (note of call with CCNI on 23 March 2026, p6. See also responses to the CMA's Statement of Scope: BoilerJuice, p4; and UKIFDA, p30.
[210] We have heard estimates ranging from 130 to 250 distributors in Northern Ireland. Response to CMA's information request issued on 27 March 2026, question 2; note of call with CCNI on 16 March 2026, paragraph 13; and email from NIOF dated 19 June 2026.
[211] National Energy Action's response to CMA's Statement of Scope, p3.

2026.[212] This dataset shows actual transactions, meaning it accurately depicts the postcode districts served by each distributor in the sample. It does though only cover a small portion of the overall number of distributors active in the UK.[213]

(b) **Data from all transactions on the BoilerJuice platform** in the UK between 1 January 2025 and 28 February 2026.[214] This dataset shows distributor bids for orders and corresponding transactions data, providing a robust lower-bound estimate of the number of distributors that serve each postcode district. However, it only includes transactions that take place on the platform, and it does not therefore account for distributors that do not use BoilerJuice.[215,216] Furthermore, we understand that usage of BoilerJuice among distributors and consumers is significantly lower in Northern Ireland than the rest of the UK, [217] hence we have considered additional sources for Northern Ireland to assess the number of competitors there (ie CheapestOil.co.uk and the CCNI 'Price Checker' tool).

(c) **Web-scraped data from UKIFDA's 'Find a Distributor' tool**,[218] which lists distributor depots within a 25-mile radius of a given postcode in Great Britain.

---

[212] Using data provided by 18 distributors based in Great Britain and 6 distributors based in Northern Ireland in response to the CMA's information request issued on 27 March 2026, questions 20 (small and medium distributors) and 27 (larger distributors). To clean the transactions data we removed all transactions with an order price less than or equal to zero, all transactions with an order volume of less than 100 and more than 2500 l, and all transactions with a pence per litre price of more than 200ppl or less than 25ppl. Further, some transactions were associated with incorrect postcodes or internal codes. As this data could not be assigned to a geographic area, we removed it from the sample.

[213] The dataset may also underestimate the range of postcode districts that each distributor in the sample serves, since it only includes transactions within a three-month period.

[214] BoilerJuice response to the CMA's information request issued 23 April 2026, questions 1 and 2.

[215] The BoilerJuice dataset is likely to underestimate the number of distributors transacting in a given area since there is regional variation in BoilerJuice usage (with relatively higher usage in England and Wales) and, even where usage is high, quotes provided on BoilerJuice will not reflect all quotes provided. This is because not all distributors use BoilerJuice and some distributors use it flexibly, whereas consumers are generally more likely to purchase directly from distributors – such that this data presents a lower-bound estimate of competition. Indeed, while BoilerJuice submitted that it works with the vast majority of home heating oil distributors in Great Britain (Note of meeting with BoilerJuice on 26 March 2026, paragraph 2), some distributors we gathered evidence from submitted that they use the platform flexibly or on a limited basis and tend to prioritise their direct-to-consumer channels. (Responses to the CMA's information request issued on 27 March 2026, questions 14 and 16. Around a third of the distributor respondents that serve Great Britain stated they do not use the platform at all. (Responses to the CMA's information request issued on 27 March 2026, questions 14 and 16. On the demand side, BoilerJuice submitted that the most common channel for consumers purchasing home heating oil is ordering directly through distributors (BoilerJuice's response to CMA's information request issued on 8 April 2026, Annex 1, question 8).

[216] Although, compared to the dataset available via the UKIFDA tool, the BoilerJuice dataset is more robust in some respects – showing actual bids provided to consumers rather than relying on an assumption that distributors serve a particular radius. We are also aware that consumers may check multiple sites to check prices. Note of call with a third party on 26 March 2026, paragraph 25.

[217] As discussed in Chapter 4, although BoilerJuice is active across the whole UK, its business activities are largely focused on Great Britain. Note of call with BoilerJuice on 26 March 2026, paragraphs 3-5; Note of call with UKIFDA on 19 June 2026, paragraph 2. Additionally, the Northern Ireland distributors we gathered evidence from generally did not use the BoilerJuice platform. Responses to the CMA's information request issued on 27 March 2026, questions 14 and 16.

[218] UKIFDA, Find a Distributor, accessed on 8 May 2026. Using web-scraping, we entered (to the extent possible) every active postcode district in the UK into this tool to create a dataset of the number of unique firm names the tool produced in response to each query (ie as having a depot within 25 miles of that postcode district). We then manually checked a number of postcode districts and found the tool generates a reasonable list of depots located within an approximate 25-mile radius of some central point in each postcode district. We cleaned our data to eliminate duplicates whereby a given firm has more than one depot in the same area and avoided using the trading name of the firm to eliminate duplication as much as possible for firm groups trading under different names.

As such, this dataset is a useful proxy for the number of distributors serving a local area since (as discussed above) distributors typically deliver within a radius of around 30 miles from their depots. However, it is an imperfect measure because it uses straight-line distances rather than travel distances. It also lacks coverage in Northern Ireland.[219,220]

(d) **Web-scraped data on Northern Ireland distributors from the CheapestOil.co.uk website**.[221] This dataset provides lists of distributors that serve each postcode district and their quoted prices. The dataset only lists distributors that are listed on the site[222] – and we further exclude distributors from our dataset that do not have their information updated regularly – so our estimates of distributor counts are likely a conservative measure of the distributors available in each postcode district.[223]

(e) Information provided to us by a small number of distributors on the postcode districts that they serve.[224]

3.17 Given the limitations of each of these datasets, we combined them in an amalgamated dataset to produce a more robust and comprehensive set of estimates for the number of competitors by local area (than that provided by each component dataset individually). To do so, we combined each source using a full list of postcode districts in the UK derived from the Office for National Statistics Postcode Directory (February 2026)[225] and mapped each source to this list. We

[219] The number of distributors given by this tool for a given postcode district may underestimate competition in certain areas where distributors tend to drive more than 25 miles to deliver – for example we are aware this is the case in Scotland. It may also overestimate competition in certain areas, for example due to geographical barriers or due to inaccuracies in its database (eg the tool may list inactive depots or fail to reflect recent acquisitions in the data). The tool (for the most part) accounts for instances where smaller distributors may be owned by the same firm. We are aware of an error in the UKIFDA data where a recently acquired firm is listed as a competitor to its purchaser, but consider the data to be fairly robust to this kind of error overall, since it lists both the distributors' trading names and their firm names (eg the group they are part of, if they are part of a larger firm group) separately, and we have used the firm names for the purpose of our analysis.
[220] UKIFDA considers its member firms (ie those listed on this tool) cover approximately 90-95% of the market in Great Britain, although their coverage is smaller in Northern Ireland. Note of call with UKIFDA on 23 March 2026, p2.
[221] CheapestOil.co.uk (accessed 17 June 2026) is a price comparison site for home heating oil distributors. Using web scraping, we collected data for all BT postcode districts, including lists of distributors serving each area and their quoted prices. For our analysis, we excluded distributors whose information had not been updated since before the day prior to when the data was collected. As the site focuses on distributors that display their prices online (see Home Heating Oil FAQ - CheapestOil.co.uk, accessed 8 July 2026), our distributor counts likely underestimate the true number available in each postcode district. We collected data from this website on a daily basis for a week's period between 18 June 2026 and 25 June 2026 (excluding the Monday, as few distributors updated their prices over the weekend). We then combined the list of unique distributors that provided quotes on the website each day.
[222] See further detail in Chapter 4.
[223] To further assess the level of competition in Northern Ireland, we also used data from the CCNI 'Price Checker' tool. As explained in Chapter 4, the CCNI Price Checker is an online information tool designed and operated by CCNI to help consumers in Northern Ireland to shop around for home heating oil and make informed purchasing decisions. It currently publishes daily average price quotes for standard heating oil quantities (ie 300, 500, and 900 l) across each local council area in Northern Ireland. Prior to the conflict in the Middle East, this was published on a weekly basis. The data is collected manually by CCNI through direct engagement with a range of distributors, although it does not cover every town or distributor. We found that CCNI collects pricing data from multiple distributors for each of the 11 council areas in Northern Ireland (CMA analysis of CCNI submission).
[224] We also checked against RFI responses provided to us by a number of distributors to confirm which postcode districts they operate in. Responses to the CMA's information requests issued on 27 March 2026, question 1.
[225] Office for National Statistics, ONS Postcode Directory (February 2026) for the UK, accessed on 15 May 2026.

then established the unique number of competitors in each postcode district using distributor names.[226]

3.18 This amalgamated dataset only provides estimates (rather than definite distributor numbers) for each postcode district based on the sources above and it does not cover all the distributors in the UK.[227] Heating oil consumers may have distributors operating in their local area that did not appear in our analysis, and conversely the distributors in our analysis may not supply all consumers at all times within the districts.

3.19 According to our amalgamated dataset, 94% of postcode districts across the UK have the choice of 4 or more distributors, and 90% have the choice of 5 or more distributors (as shown below at Table 3.1). The dataset is presented in the map below labelled Figure 3.1, which shows the average number of distributors active within a given local authority district (which are wider areas than postcode districts).[228] We note that this local authority district level figure does not show the specific postcode districts where there are only one or two competitors but indicates the wider area where such concentration is more likely.[229]

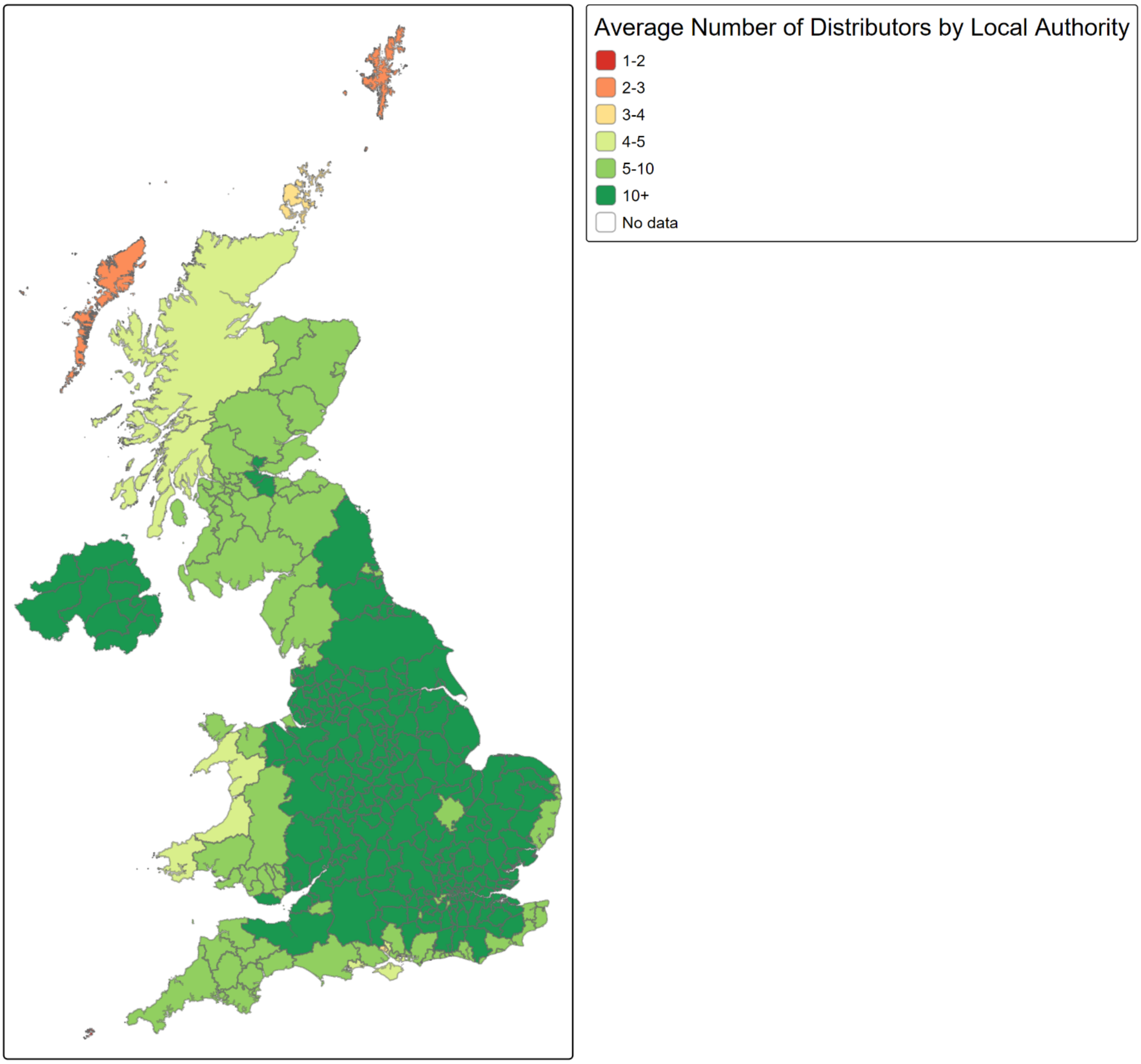
[226] This was done additively from all the data sources. For some postcode districts all our data sources provided distributors, for others just one or no data source listed distributors. In combining these datasets, where we identified duplicates (where distributors had different names in different datasets), we removed any duplicates from the analysis. We focused on identifying duplicates in postcode districts we initially identified as having 7 or fewer competitors. We removed the duplicates identified from these postcode districts. We also checked for duplicates in postcode districts with 8 or more competitors (focusing on looking for duplicate names identified in our checks of postcode districts with 7 or fewer competitors) and removed any duplicates found from these areas as well.

[227] Note our dataset includes a small proportion of postcode districts (205) with an estimated number of heating oil households of less than 1, calculated using 2021 Census data. As such, we removed these postcode districts from the dataset on the basis that there are likely to be no heating oil consumers in these postcode districts. We also removed 22 postcode districts for which we could find no 2021 Census or transactions data, inferring that these districts are either non-geographic or terminated – but we could not identify and remove all non-geographic or terminated postcode districts, so some of these are likely to remain in the dataset. To estimate the population of each postcode district, we use a weighted sum of the value of population for each constituent output area from 2021 Census data (the lowest level of geography for which we could obtain figures). Each output area is weighted by the proportion of its postcodes that belong to the given postcode district, ie the number of its postcodes in that postcode district divided by its total number of postcodes across all postcode districts.

[228] This is calculated using the number of distributors in our amalgamated dataset within each postcode district, then aggregating this to an average at local authority district level, for ease of plotting on a map of the UK.

[229] In relation to Na h-Eileanan Siar, we note that most postcode districts within this local authority district have three identified distributors, while a minority of postcodes have two or five identified distributors. The Isles of Scilly are the only local authority district where we have identified only one distributor across all postcodes, although the scale means it is not visible on the map. We estimate that there are under 100 heating oil households on the Isles of Scilly.

Figure 3.1: Map of the UK showing the average number of distributors within each local authority district[230]



Source: CMA amalgamated dataset on distributor numbers by postcode district in the UK, combining data from the BoilerJuice platform, the UKIFDA 'Find a Distributor' tool, transactions data from a sample of distributors and CheapestOil.co.uk. We adjusted the data based on submissions from a small number of distributors on the postcode districts that they serve.

[230] We note that the number of distributors for each area in this map is based on estimates from our amalgamated dataset for the postcode districts within each local authority area, and for the distributors included it does not take account of how consistently they serve a particular area, or their size, capacity, quality of service, reputation etc. This map is therefore a high-level indicative view of the number of distributors available across the UK.

Table 3.1: Table of the proportion of postcode districts with a specific number of distributors identified in our analysis, for the UK and each of the four nations

Number (N) of distributors in Postcode District	*% of Postcode Districts with N distributors*				
	UK	**England**	**Northern Ireland**	**Scotland**	**Wales**
1	1%	2%	0%	0%	0%
2	2%	1%	0%	4%	0%
3	3%	1%	0%	11%	9%
4	4%	2%	0%	11%	14%
5+	90%	94%	100%	74%	78%

3.20 The dataset and map show that there is significant variation in concentration across the UK. All Northern Ireland postcode districts have more than five distributors, and a large majority in England, with the bulk of these having more than ten distributors on average (dark green on the map). While Scotland and Wales have around three quarters of postcode districts with five competitors or more, there are fewer areas with larger numbers of distributors on average (dark green on the map).

3.21 At the lower numbers of distributors, the only postcode districts where we have identified only one distributor are in England, although the vast majority of these have very low numbers of heating oil households. These areas are widely distributed, and tend to be isolated postcode districts, rather than representing the majority of a local authority district (and hence are not visible on the map). For Scotland and England there are some areas where we have only identified two distributors. Most of these districts are areas with small numbers of heating oil households, and while in England they are fairly widely distributed, in Scotland they are a larger proportion of postcode districts and they are concentrated in the Highlands and Islands.

3.22 Our analysis (Table 3.2 below) indicates that only 0.3% of heating oil households across the UK are in postcode districts served by a single distributor and 1.3% are in postcode districts served by only two distributors. The lower percentage of heating oil households in areas where we have identified few distributors (compared to the count of postcode regions) is, in part, due to these areas tending to have fewer heating oil households than the rest of the country.

Table 3.2: Table of the proportion of heating oil households with a specific number of distributors identified in our analysis, for the UK and each of the four nations

Number (N) of distributors	*% of heating oil households in Postcode Districts with N distributors*				
	UK	**England**	**Northern Ireland**	**Scotland**	**Wales**
1	0.3%	0.6%	0%	0%	0%
2	1.3%	1.5%	0%	4.5%	0%
3	1.3%	0.3%	0%	8.6%	4.9%
4	2.6%	0.4%	0%	14.2%	13.8%
5+	94.5%	97.2%	100%	72.7%	81.3%

Prices across the four nations

3.23 In Chapter 2, we show that prices across the UK are primarily driven by wholesale prices, with thin profit margins in normal times. This section focuses on prices under normal trading conditions (ie before the Middle East conflict), and how they vary across the four nations.[231] Note, further below our analysis of the impact of the Middle East conflict on home heating oil distribution across the UK returns to analysing the conflict period, analysing regional variation in the impact of this conflict (eg between the four nations).

Prices in the transactions data from a sample of distributors

3.24 Price variation between the four nations is shown in Figure 3.2 below, which plots home heating oil order prices from a dataset of transactions provided by a sample of distributors. The dataset covers transactions between 1 January 2026 and 27 February 2026 and covers a significant proportion of postcode districts within each of the four nations.[232]

3.25 Each individual boxplot shows the following: the median order price is the solid horizontal line inside the boxes and the mean[233] order price is the white diamond. The lower quartile (ie the point below which the bottom 25% of values sit) is the bottom of the box, the upper quartile (ie the point above which the top 25% of values sit) is the top of the box. The whiskers represent both the spread and skewness of the data, extending from the upper quartile to the 95th percentile and from the lower quartile to the 5th percentile of prices.[234]

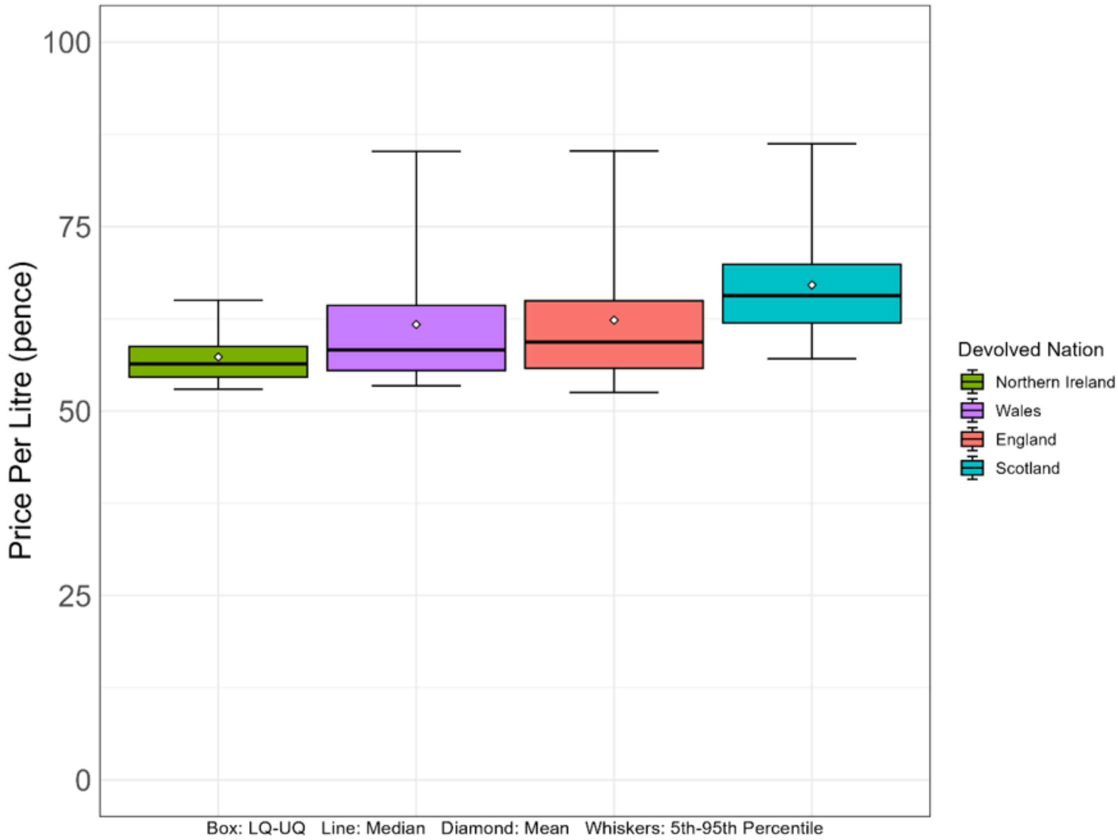
3.26 We find that price levels vary across different regions of the UK. Scotland tends to experience higher prices, with lower prices in Northern Ireland.[235] Average prices in Scotland tend to be around 7% higher than the UK average (5ppl higher).[236]

3.27 As well as price variation between each nation, there is significant variation in the prices paid by households within each nation although less price variation within Northern Ireland. The widest variation in prices, in terms of the gap between the

[231] The section uses data from a sub-set of the sources discussed above in our analysis of the number of competitors by local area to analyse how average home heating oil prices compare across each of the four nations.
[232] The order price for each transaction is divided by volume (in litres) to give the price in pence per litre terms. This data runs from 1 January 2026 until 27 February 2026, to avoid including the effects of the conflict in this analysis. The sample includes data from 2,434 postcode districts and from 24 distributors. We provide more details of this dataset above.
[233] The median is where 50% of values are below this point and 50% are above. The mean order price is the sum of all prices paid in pence per litre terms, divided by the number of transactions.
[234] The values excluded at the bottom and top of the distribution are likely to reflect some degree of data errors (amalgamating large datasets from a large number of parties) as well as some individual outliers that are due to very rapid delivery windows or consumers that are in particularly difficult to serve areas and do not have local deliveries during the same time period that they require a delivery.
[235] Average order prices were highest in Scotland and lowest in Northern Ireland, whereby the mean price in Scotland was 67ppl compared to 57ppl in Northern Ireland (ie 10ppl higher, a 17% difference). This Scottish price difference was less when making comparisons with England and Wales with average order prices in Scotland 5ppl and 6ppl higher than in England and Wales respectively.
[236] Mean prices in Scotland were 7% higher than the mean prices for the UK overall in February 2026.

upper and lower quartile prices (ie the height of the boxes in the boxplots), is in England (9ppl), Wales (9ppl) and Scotland (8ppl). Northern Ireland shows the lowest amount of variation (4ppl).[237]

Figure 3.2: Boxplot of order prices paid in pence per litre from the transactions data between 1 January and 27 February 2026 for each of the four nations



Prices in the BoilerJuice dataset

3.28 Similar price variation between the nations can be observed from the BoilerJuice dataset. This is shown in Figure 3.3 below, which plots a time series of the 7-day rolling average order price (in pence per litre) on the BoilerJuice platform for each devolved nation between January 2025 and February 2026.[238]

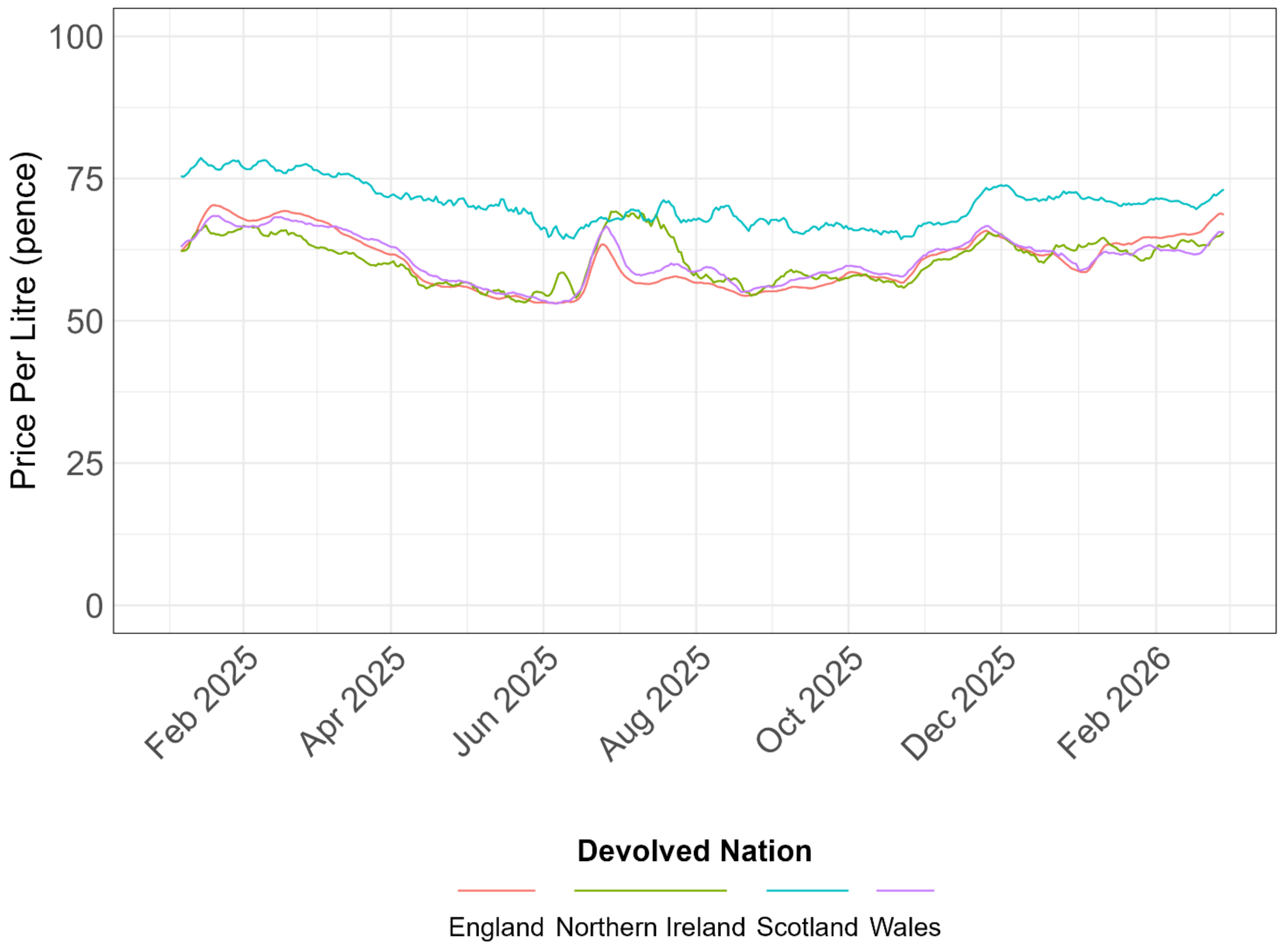
3.29 For almost the whole period covered, Scotland exhibits the highest order prices according to the rolling average – and the difference between the Scottish price and the rest of the UK appears more significant in this dataset compared to the

[237] The mean and median order prices for Wales were 62ppl and 58ppl respectively, and for England they were 62ppl and 59ppl respectively.
[238] The order price in pence per litre is calculated as the price paid (inclusive of service charge and VAT) divided by the volume ordered by the consumer for all delivery types. The average order price is then calculated for each country daily, with 7-day rolling averages then calculated using these daily averages, whereby each datapoint in the time series is the average of prices for the previous 7 days (including that day).

transactions data from a sample of distributors (ie Figure 3.2).[239] In contrast, the level of average order prices is similar in England, Wales and Northern Ireland (although Northern Ireland often has the lowest price) for most of the time covered.[240]

3.30 In general, for most of this period all four nations share a similar trend in price changes – ie rolling average order prices move in the same direction for each country.

Figure 3.3: Time series of the 7-day rolling average order price paid in pence per litre on the BoilerJuice platform for each of the four nations between January 2025 and February 2026



3.31 The next section considers the drivers behind variation in competition across the UK, including what may be driving the variation in average prices between the four nations presented in the charts above.

[239] This greater variation between Scotland and the rest of the UK in the BoilerJuice prices compared to the transactions data could be because there is a greater number of distributors in the BoilerJuice dataset. It could also be due to differences in how distributors and consumers use the platform between different nations.
[240] As noted above, BoilerJuice has a more limited presence in Northern Ireland compared to the rest of the UK. Therefore, we cross-checked the BoilerJuice data and found it is reasonably consistent with pricing data we have from CCNI as presented above in Chapter 2. For example, the average price in pence per litre in CCNI data between 1 January 2026 and 27 February 2026 was 64ppl (including VAT).

Drivers behind variation in competition and prices across the UK

3.32 We have seen in our analysis of prices, and from engagement with the sector, that prices paid by heating oil households vary between different regions in the UK. In this section, we first explain to what extent geographic variation in costs is driving geographic variation in prices, distinguishing between three key factors that affect the costs of supplying heating oil households in different areas:

(a) variation in wholesale prices, based on the nature and location of refineries, terminals or other supply points;

(b) how rural and remote an area is; and

(c) how closely located heating oil households are to each other (heating oil household density).

3.33 We then turn to the relationship between levels of competition in local areas and prices charged to consumers. We assess whether the higher costs of serving different areas drive geographic variation in retail prices. We also assess whether the number of active competitors is an underlying driver of geographic price variation or whether the number of competitors is primarily an outcome of differences in costs and other characteristics of an area.

3.34 We conclude the section by assessing how the factors that we have identified collectively affect the number of active competitors and retail prices in the four nations across the UK.

3.35 We find that the presence of fewer competitors in an area, and the higher prices paid by households in such areas, are both driven by the remoteness of an area and by having a lower heating oil household density. These factors increase the cost of serving these areas, meaning that households in these areas pay higher prices. The same factors limit the number of competitors that these areas can financially sustain. There is also evidence that geographic differences in wholesale prices contribute to households in certain areas paying more for heating oil.

3.36 We have not seen evidence that more remote areas could sustain more competitors and lower prices. While evidence on geographic variation in distributor profits is limited, we have not found that profits are systematically higher for distributors who serve regions (for example Scotland) with more remote areas and with fewer competitors. In other words, there is no indication of higher profits in certain regions that could be competed away through stronger competition. This supports the finding that the higher prices we observe in some areas are driven instead by higher costs.

3.37 As noted in Chapter 1, the OFT's 2011 market study into off-grid energy found that barriers to entry in home heating oil were low in most places and where the barriers are more significant, they are generally not insurmountable.[241] This finding is consistent with the number of competitors in local areas across the UK being constrained by how many competitors an area can financially sustain, not significant barriers preventing entry.

3.38 We find that heating oil households in Scotland, on average, face higher prices than the rest of the UK. We find that this is due to higher wholesale prices being charged to distributors in Scotland, and a greater prevalence within Scotland of more remote areas and areas with a lower heating oil household density. Wales and England also have some areas with higher prices for similar reasons. Prices in Northern Ireland are the lowest, in particular due to Northern Ireland having a significantly higher heating oil household density than the rest of the UK.

3.39 The factors underlying geographic variation in home heating oil prices interact and any single factor can only illustrate part of the variation. Due to these complex interactions, price variation within a region or type of area (eg within rural areas) is generally significant and similar or greater than the price variation between regions or types of area.

Cost factors that affect geographic variation in the price paid by heating oil households

3.40 We find that there are a range of factors that drive the geographic variation in prices paid by heating oil households. These factors interact, and some areas have multiple factors simultaneously, such as parts of Scotland. We explore each of these factors in turn, although any single factor can only illustrate part of the variation.

Variation in wholesale prices

3.41 Distributors told us that a significant driver of geographic variation in their costs is the wholesale price of home heating oil.[242] We consider this is consistent with the evidence set out in Chapter 2, which shows that the primary driver of distributors' costs is the wholesale price of home heating oil.[243]

3.42 In terms of geographic variation in wholesale prices, the evidence from distributors is that in general:

(a) Wholesale prices are usually more expensive in regions without a large terminal or refinery, where distributors instead purchase home heating oil

[241] Office of Fair Trading (October 2011) Off-Grid Energy – an OFT market study, OFT1380. Paragraphs 4.32-4.40.
[242] Notes of calls with: a third party on 18 June 2026, paragraphs 3 and 4; a third party on 23 June 2026, paragraphs 2 and 4-6; a third party on 19 June, paragraph 5; and a third party on 16 June 2026, paragraphs 6 and 10.
[243] Unlike Chapter 2, this chapter considers how that factor impacts on cost variation across the UK (rather than over time, eg due to the Middle East conflict).

from smaller ports or rail-fed supply facilities.[244] For example, one distributor told us that larger import facilities on the East Coast can be cheaper than those elsewhere as their home heating oil imports are largely fed by Antwerp, Rotterdam and Amsterdam, reducing the shipping time. The distributor also submitted that smaller sea-fed and rail-fed import facilities are more expensive to purchase from, since they require longer supply chains (and so longer delivery times and more assets are required to carry home heating oil to the facilities).[245]

(b) Some terminals are less reliable, for example, those further north or in shallow ports are more impacted by severe weather. One distributor told us that in the past, it has run out of product in certain locations due to adverse weather conditions affecting terminal supply.[246]

3.43 More specifically, we heard from distributors that wholesale terminal prices may be more expensive in Scotland (and particularly in the north of Scotland) compared to the rest of the UK – and we also heard these prices tend to be high in Wales where there is relatively limited access to wholesale supply compared to England.[247] Further evidence supported what distributors told us.

(a) Analysis of wholesale purchase data by location from three distributors for the first quarter of this year also indicates that wholesale prices vary across different wholesale locations of the UK, and tend to be a few pence per litre higher in Scotland, compared to England and Wales.[248]

(b) We have also reviewed the broad cost of sales (a proxy for wholesale costs) between distributors that operate only in Scotland compared to those that do not, and found that for most of the last year wholesale costs were fairly similar, but they were higher in Scotland during March and April 2026. This approach aggregates all data within a nation, rather than summarising local prices, and therefore loses some of the variation.

(c) We also recognise that periods where supply was not available at all in particular locations (versus available but more expensive) would impact on operating costs, as a result of distributors needing to transport fuel longer distances, but would not impact (or may even improve) the wholesale cost.

[244] Notes of calls with: a third party on 29 June 2026, paragraph 2; and a third party on 18 June 2026, paragraph 4.
[245] Note of call with a third party on 29 June 2026, paragraph 2.
[246] Note of call with a third party on 18 June 2026, paragraph 8.
[247] Notes of calls with: a third party on 23 June 2025, paragraph 2; a third party on 18 June 2026, paragraphs 4 and 31; and a third party on 16 June 2026, paragraph 6; a third party on 19 June 2026, paragraph 4.
[248] CMA analysis of distributor's data on prices paid at wholesale supply facilities across Great Britain between January and March. 2026. We note that these distributors do not cover NI but as retail prices are highly uniform in NI between different geographical regions, we consider that wholesale prices are likewise likely to be broadly consistent.

Whether an area is rural or remote

3.44 We have heard from distributors that costs are higher to serve consumers in remote or isolated communities. These higher costs are driven by factors including longer travel distances to access wholesale supply, longer distances to deliver to consumers, and other challenges in reaching consumers. These other challenges include:

(a) Weather-related disruption to supply routes.[249]

(b) The type of vehicle needed to reach the consumer (eg smaller tankers for narrow roads).[250]

(c) The cost of ferry services and additional time taken to reach island communities.[251]

3.45 These factors can be mitigated by consumers coordinating their orders such as through a buying group to maximise the number of deliveries for the distance travelled, or when distributors have a strong consumer base in a particular area and coordinate to deliver groups of orders.

3.46 In remote regions that lack wholesale supply points, there may also be higher costs of supply due to the need to maintain wet depots, where the distributor can store oil in tanks,[252] for example in the Scottish Highlands and mid-Wales.[253]

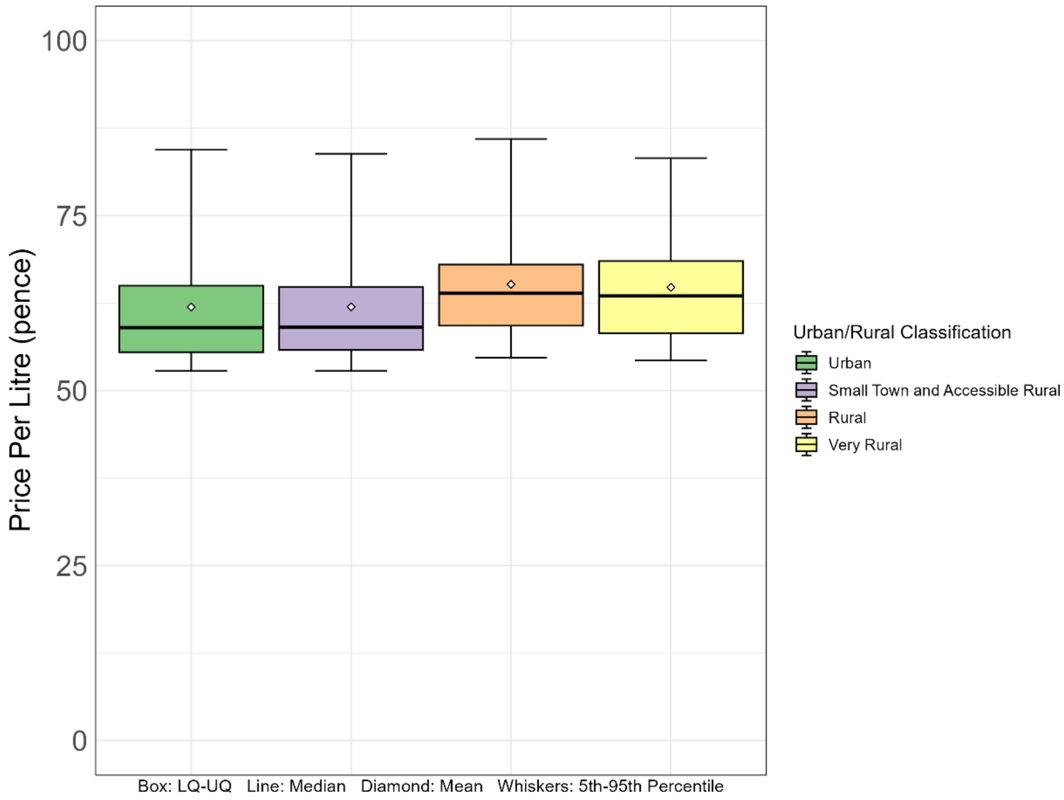
3.47 In our empirical analysis, we found that prices paid by heating oil households are moderately higher in more rural areas compared to more urban ones, which is consistent with what distributors told us about the higher costs of supplying more remote areas.

3.48 Figure 3.4 below shows boxplots of order prices paid during normal times from our transactions data, split by four different classifications of a postcode district's rurality.[254] These classifications are: Urban, Small Town and Accessible Rural,

[249] Notes of calls with: a third party on 16 June 2025, paragraph 6 and a third party on 23 June 2026, paragraph 19. Response to information request dated 27 March 2026, question 2d; and UKIFDA's response to the CMA's Statement of Scope, p20 and 30.
[250] Responses to CMA's information request issued on 27 March 2026, question 2c and 3c.
[251] Deliveries to island communities may also be particularly vulnerable to weather-related disruption. Responses to CMA's information requests issued on 27 March 2026, question 1 and question 4; and responses to the CMA's Statement of Scope: UKIFDA, p30; and Highland Fuels, p2. Notes of calls with: a third party on 16 June 2025, paragraph 6; and a third party on 18 June 2026, paragraph 24.
[252] In contrast, dry depots are offices or sites without oil storage facilities, where distributor tankers (that can hold oil) park.
[253] Notes of calls with: a third party on 16 June 2026, paragraphs 2 and 3; a third party on 23 June 2026, paragraphs 3 and 4; and a third party on 17 June 2026, paragraph 5. One distributor told us there is no need to maintain wet depots in Northern Ireland whereas there is such a need in remote areas of Great Britain such as the Scottish Highlands and mid-Wales. Note of call with a third party on 18 June 2026, paragraph 23. Response to information request dated 8 April 2026, questions 1 and 2.
[254] Using the ONS Postcode Directory (February 2026), we match each postcode to the ONS's urban-rural classification. We then link postcodes to postcode districts and assign each postcode district an urban-rural classification using the modal classification from its constituent postcodes. We used the 2011 urban-rural classification for England, Wales, and

Rural, and Very Rural. We assign these categories of rurality based on factors such as population size and drive times to nearby settlements and towns.[255]

Figure 3.4: Boxplot of order prices paid in pence per litre from the transactions data between 1 January and 27 February 2026 for each classification of rurality



3.49 We find that, in mean and median terms (as shown by the diamonds and the solid lines in the boxes, respectively), order prices are moderately higher (by around 3ppl and 5ppl respectively) in Very Rural postcode districts compared to Urban postcode districts.[256]

3.50 It is important not to infer from these differences in the average prices that prices paid in rural areas are consistently higher than those in more urban ones. Even though prices on average are higher in rural areas, there are many consumers in urban areas that are paying higher prices than those in more rural areas.[257] This is

Scotland, and the 2001 urban-rural classification for Northern Ireland. The transactions data is from a sample of 24 distributors, and it covers all transactions between 1 January 2026 and 31 March 2026. This analysis focusses on the data up to 27 February.

[255] For England and Wales: categories A1, B1, C1, and C2 are assigned 'Urban'; D1, E1, and F1 are assigned 'Small Town and Accessible Rural'; D2 is assigned 'Rural'; and E2 and F2 are assigned 'Very Rural'. For Scotland: categories 1 and 2 are assigned 'Urban', 3 and 6 are assigned 'Small Town and Accessible Rural'; 4 and 7 are assigned 'Rural', and 5 and 8 assigned 'Very Rural'. For Northern Ireland: categories A, B, C, and D are assigned 'Urban'; and E, F, G, and H are assigned 'Small Town and Accessible Rural'.

[256] Note that the sample size underlying this analysis is heavily skewed towards more urban areas, with just over a tenth of postcode districts being classified as either Rural or Very Rural.

[257] As noted below, low heating oil household density is a factor that can also lead to higher prices. Given that many urban areas have on-grid gas, some urban areas can have a low heating oil household density, which may explain why some urban areas have higher prices. Also consistent with the empirical evidence of some urban areas having higher prices, is the explanation from one distributor that in urban areas higher labour costs and delays in traffic can increase prices (note

shown by the wide boxes and whiskers in Figure 3.4. These wide boxes also show that there is more significant variation in order prices within each type of area, for example within an urban area, than the difference in average prices between each type of area.

Heating oil household density

3.51 Heating oil household density has an impact on delivery distance driven per consumer, which affects fuel and labour costs, and in turn prices paid by heating oil households.[258] Low heating oil household density can raise costs of supplying remote consumers (eg a small cluster of houses at the end of a Scottish glen),[259] and it can also raise the cost of serving urban consumers if there are few of them in certain urban areas (eg traffic congestion and high labour costs can make deliveries slower and more expensive).[260]

3.52 Heating oil household density does not capture all of the drivers of how cost-efficient a delivery is. For example, farming or commercial fuel deliveries are part of the same distribution network,[261] and it can be more cost-efficient to supply households that are part of a delivery route involving these commercial consumers. Measures per kilometre also do not capture relevant differences in the road network, ranging from congested urban streets, to motorways, to single lane tracks.[262]

3.53 Even with these limitations, we found that lower heating oil household density is strongly associated with higher prices, as shown by Figure 3.5 below, which uses an estimate[263] of the number of heating oil households per square kilometre in

of call with a third party on 17 June 2026, paragraph 9). See also note of call with a third party on 17 June 2026, paragraph 11.

[258] For example, one distributor indicated that heating oil household density is a key factor impacting costs, noting that its consumer book (ie the number of consumers ordering from that distributor) in a given area has a bigger impact on its costs than remoteness of the area. Note of call with a third party on 17 June 2026, paragraph 13. One distributor also noted that it has to travel further to supply 'pockets' of communities in England and Wales compared to Northern Ireland where there are more home heating oil consumers. Note of call with a third party on 17 June 2026, paragraph 6. See also responses to the CMA's information request issued on 27 March 2026, questions 2 and 3.

[259] Notes of calls with: a third party on 16 June 2025, paragraph 25; and a third party on 23 June 2026, paragraph 3.

[260] Note of call with a third party, paragraphs 11 and 12. For example, one distributor explained that often in rural areas there is a greater number of smaller deliveries further apart (which are less efficient). In urban areas, the distributor delivers a higher proportion of significantly larger orders of bulk diesel which is more efficient (note of call with a third party on 17 June 2026, paragraph 11).

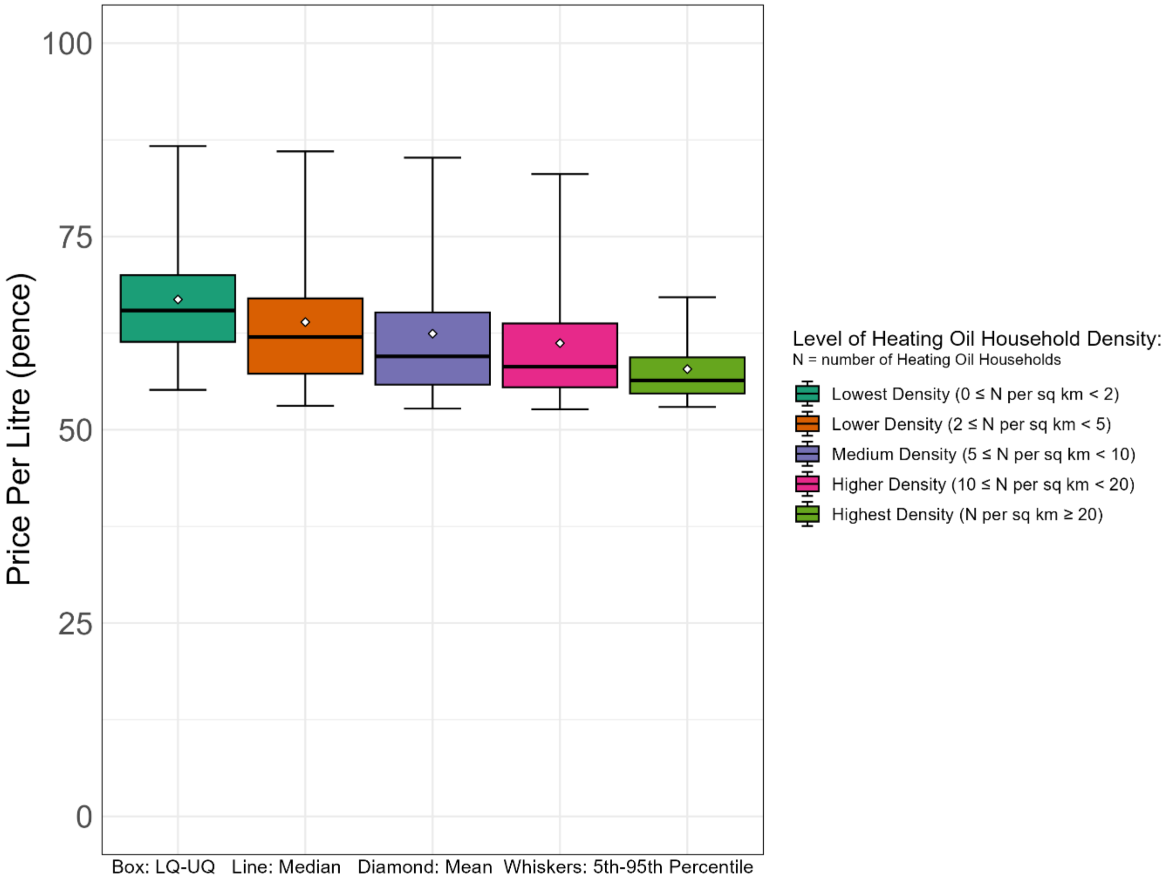
[261] One distributor submitted that heating oil household density and product mix matter for its costs. For example, in rural areas it has a higher number of home heating oil consumers and agricultural gas oil consumers, resulting in a larger number of smaller deliveries that are further apart and therefore less efficient; whereas in urban areas there is a larger proportion of larger deliveries of bulk diesel. The product mix in its tankers varies by season (eg more home heating oil in the winter, with more gas oil in the summer for rural areas). Note of call with a third party on 17 June, paragraphs 11 and 12. See also notes of calls with: a third party on 18 June 2026, paragraph 28; and a third party on 16 June 2026, paragraph 27; and response to the CMA's information request issued on 27 March 2026, question 3.

[262] For example, one distributor explained that in urban areas higher labour costs and delays in traffic can increase prices (note of call with a third party on 17 June 2026, paragraph 9).

[263] To estimate the number of heating oil households and the area of each postcode district, we use a weighted sum of the values of each constituent output area from 2021 Census data (the lowest level of geography for which we could obtain figures for). Each output area is weighted by the proportion of its postcodes that belong to the given postcode district, ie the number of its postcodes in that postcode district divided by its total number of postcodes across all postcode districts. We convert the area from hectares to square kilometres, and then for each postcode district divide the

each postcode district as a measure of heating oil household density.[264] This figure shows that mean prices are 11% (6ppl) higher in Lower Density postcode districts compared to Highest Density areas.[265]

Figure 3.5: **Boxplot of order prices paid in pence per litre from the transactions data between 1 January and 27 February 2026 for each level of heating oil household density**



Relationship between the level of local competition and prices

3.54 We find that postcode districts with higher levels of concentration (ie fewer distributors) tend to face higher prices. Figure 3.6 below shows this relationship between order prices and the level of concentration within a postcode district,

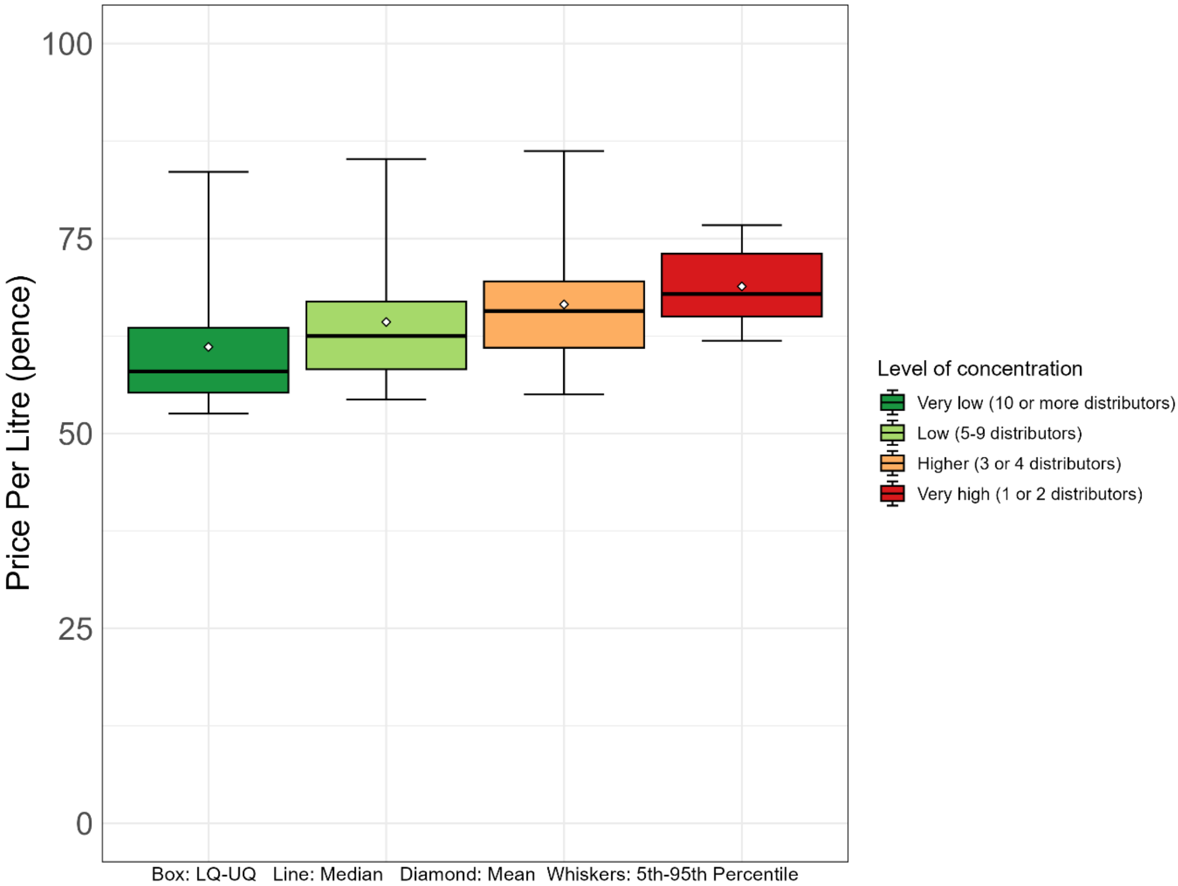
number of heating oil households by the area in square kilometres to calculate our estimate of heating oil household density.

264 Postcode districts are assigned classifications of heating oil household density (ie estimated number of heating oil households per km^2) in the following way: districts with a density of greater than or equal to 0 and less than 10 are assigned Lower Density; districts with a density greater than or equal to 10 and less than 20 are assigned Medium Density; and districts with a density greater than 20 are assigned Higher Density.

265 Mean and median prices are highest in Lowest Density postcode districts (67ppl and 65ppl respectively), and lowest in Highest Density areas (58ppl and 56ppl respectively). Note also that, broadly speaking, as the level of density increases so too does the spread of order prices, as shown by the height of the boxes (ie the interquartile range or IQR). The IQR of the Highest Density category is less than half the size of that of the Lower Density category. This could be explained by the fact that deliveries to areas with lower heating oil household density can have greater variation in costs – eg because of variation in the local geography. Some remote heating oil households might coordinate their purchases in buying syndicates, whereas others might purchase home heating oil independently, which would lead to significantly less efficient deliveries. Notes of calls with: a third party on 16 June 2026, paragraph 8; and a third party on 16 June 2025, paragraph 25.

using the transactions data for order prices and our amalgamated dataset on the estimated number of distributors that serve each postcode district as a proxy for the level of local concentration.[266]

Figure 3.6: Boxplot of order prices paid in pence per litre from the transactions data between 1 January and 27 February 2026 for each level of concentration



3.55 Figure 3.6 shows that the mean order price is lowest in postcode districts with Very Low concentration (at 61ppl) and most elevated in those with Very High concentration (13% higher at 69ppl).[267]

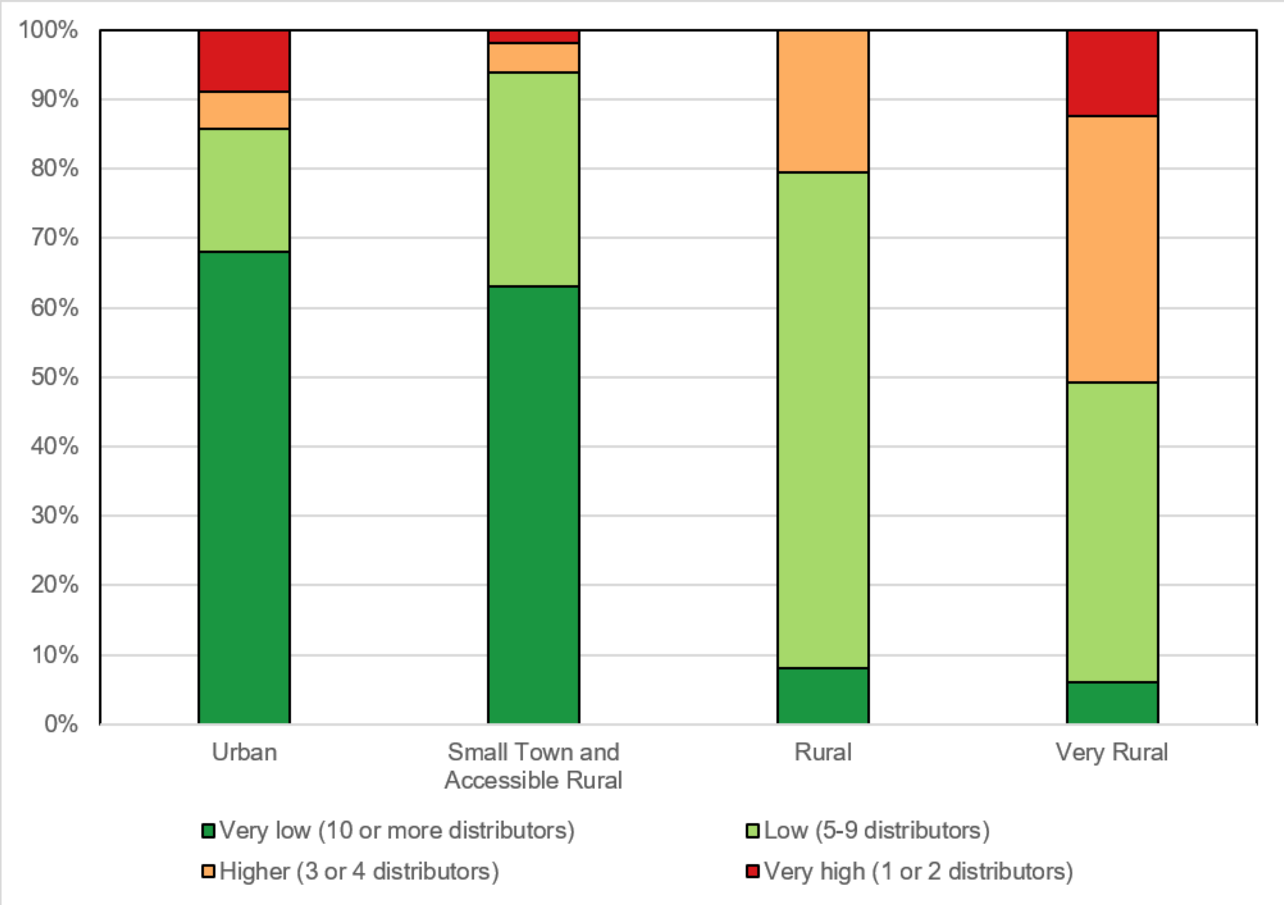
3.56 The number of competitors in a region is connected to the underlying characteristics of the region, and we therefore explored the number of competitors (level of concentration) by the rurality of an area, and its density of heating oil households. Figures 3.7 and 3.8 below show that there is significantly higher concentration (that is fewer competitors) in more rural areas and moderately higher concentration in areas with a lower heating oil household density. We note

[266] We classify postcode districts into the following categories based on the number of distributors observed in the amalgamated data: Very Low (10 or more distributors), Low (5-9 distributors), Higher (3 or 4 distributors), and Very High (1 or 2 distributors).

[267] The spread of order prices is similar across all categories apart from the Very High category, which exhibits a noticeably smaller spread of order prices (in terms of both the IQR and the length of the whiskers). This may be explained by the fact that the sample of postcode districts in the transactions data is heavily skewed towards areas with lower concentration, with around 7% of postcode districts classified as having Higher or Very High levels of concentration.

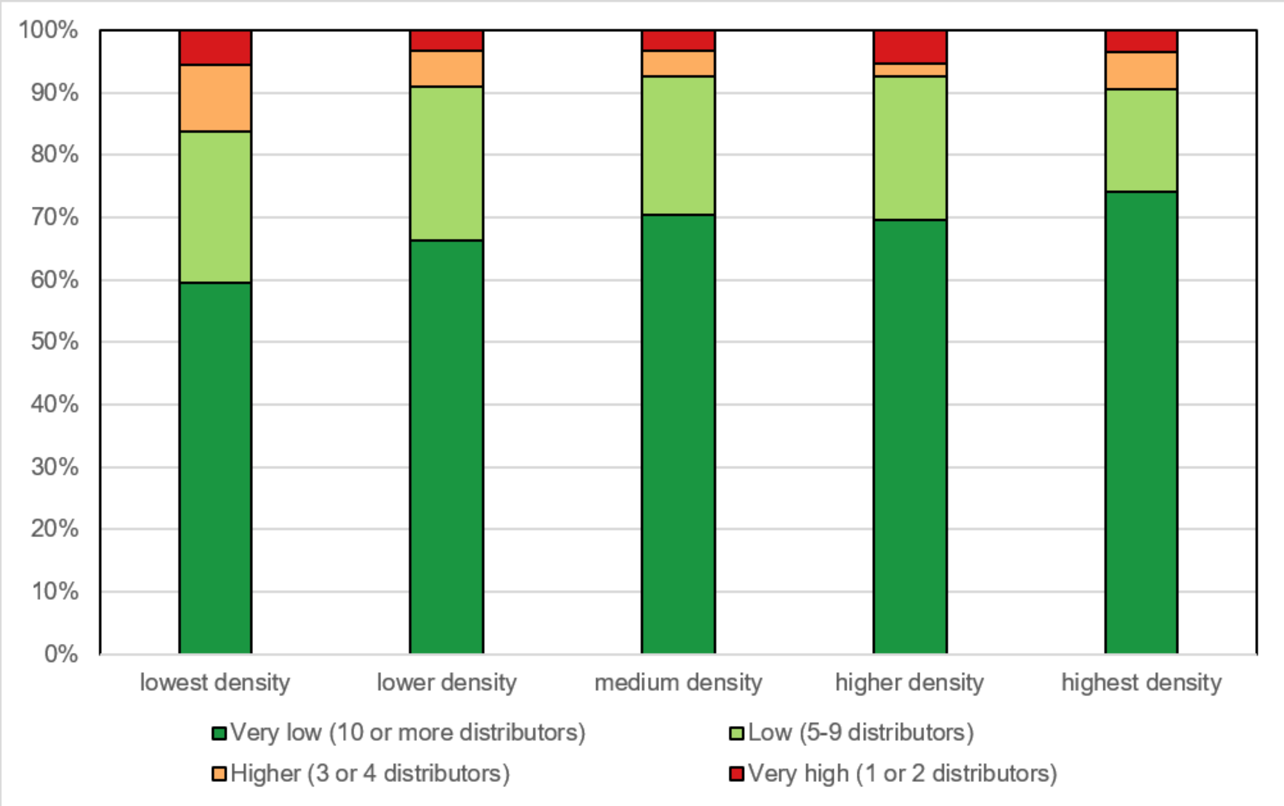
that this moderate relationship with heating household density appears to be impacted by some small postcode districts (eg urban ones) with lower density being close to other postcode districts with a higher density of heating oil households.[268]

Figure 3.7: Variation in levels of concentration by area rurality



[268] For example, of the lowest density areas, those with more than 10 distributors are overwhelmingly urban and in England, and therefore likely to be within a delivery radius of areas with greater density of heating oil households. While the areas with the lowest density and with 5 or fewer distributors are primarily Rural or Very Rural and in Scotland (mostly in the Highlands and Islands), with long travel distances to areas with higher density of heating oil households.

Figure 3.8: Variation in levels of concentration by heating oil household density



3.57 The relationship we observe between number of distributors and prices at Figure 3.6 does not indicate that the presence of fewer distributors and less competition is the underlying cause of higher prices in certain areas. The evidence in the previous section indicates that the underlying causes of the higher prices faced by some households are that it is more costly to serve certain areas due to them being remote and having a lower heating oil household density (as well as geographic differences in wholesale prices). These areas therefore need higher prices to cover the higher average costs of serving each household in them. These factors also limit the number of competitors that can profitably serve these areas.[269] Together, the higher prices and fewer competitors ensure that it is financially sustainable for distributors to serve these areas, despite the higher costs to supply heating oil households in these areas.

3.58 Therefore Figure 3.6 should not be interpreted as showing a causal relationship between higher concentration and higher prices, ie that fewer competitors in a local area causes the retail prices charged to be higher. Considering Figure 3.6 alongside the evidence detailed above instead indicates that there are areas that

[269] The higher average costs per household of supplying certain areas are, in part, due to higher fixed costs, ie costs that do not vary from serving an additional household in an area. For example, the cost of investing in and operating a wet depot (a site with oil storage tanks) is fixed. Similarly, the cost of sending a heating oil truck to deliver oil to a given area is fixed. The need to ensure these fixed costs are recovered limit the number of competitors that an area can financially sustain. To illustrate further, take an area with few heating oil households and where there are 4 competitors that are not financially viable as they are each sending a half-empty truck to the area during times of peak demand. The efficient outcome in this illustrative example, and one that would be expected to lead to the lowest prices (while allowing distributors to recover their fixed costs), would be two competitors, each with a full truck during times of peak demand.

are more costly to serve, which leads to these areas having both higher prices and fewer competitors.

3.59 This finding is further supported by the relationship between the number of competitors in areas that are more costly to serve, specifically more rural areas, and those with a lower heating oil household density. These relationships indicate that areas which are more costly to serve cannot financially sustain as many competitors (and is consistent with there being no significant or insurmountable barriers to entry as was found in the OFT's 2011 market study into off-grid energy).[270]

3.60 We have found no evidence that remote areas or areas with lower heating oil household density could sustain more competitors and lower prices, for example due to distributors earning higher operating profits in these areas (that is, higher profits that could be competed away through stronger competition). While evidence on profitability specific to remote areas or those with lower heating oil household density is not available, in general margins account for a small proportion of the final price (as set out in Chapter 2), and we have not seen differences at a national level to suggest differences in line with geographic variation.

How the factors we have identified collectively affect prices and competition in the four nations of the UK

3.61 The factors outlined above all have impacts upon the price of heating oil, and have greater impacts where multiple factors occur simultaneously. The result is differing impacts on prices and competition in the four nations of the UK, due to the differing characteristics of each nation.

3.62 There is significant variation in the key characteristics between the four nations, as summarised in Table 3.3 below.

(a) Northern Ireland has a substantially higher proportion of households using heating oil than the other nations and, as a result, a significantly higher density of heating oil households on average (28 households per square km) than the other nations. Scotland has the lowest heating oil household density (2 households per square km).

(b) There is large variation in the proportion of postcode districts that are classified as Rural or Very Rural, ranging from zero in Northern Ireland, to 40% in Scotland.

[270] Office of Fair Trading (October 2011) Off-Grid Energy – an OFT market study, OFT1380. Paragraphs 4.32-4.40.

Table 3.3: Characteristics of the four nations of the UK

	UK	*England*	*Northern Ireland*	*Scotland*	*Wales*
% of households using heating oil[271]	5%	3%	49%	5%	8%
Average heating household density (households per square km)	6	6	28	2	5
% of postcode districts 'Very Rural'	7%	2%	0%	28%	24%
% of postcode districts 'Rural'	3%	1%	0%	12%	12%

Source: CMA analysis of 2021 Census data

3.63 The low average heating oil household density in Scotland is due to Scotland having a substantially higher share (60%) of postcode districts with 2 or fewer heating oil households per square km, compared to the other nations (0% of postcode districts in Northern Ireland, 26% in Wales, and 32% in England), as shown in Table 3.4 below.

Table 3.4: Heating oil household density across the four nations[272]

Heating oil household density (households per square km)	*% of Postcode Districts with at least one home heating oil household*				
	UK	**England**	**Northern Ireland**	**Scotland**	**Wales**
2 or fewer	35%	32%	0%	60%	26%
More than 2 up to 5	32%	33%	3%	32%	30%
More than 5 up to 10	21%	24%	9%	6%	30%
More than 10 up to 20	8%	9%	14%	2%	11%
More than 20	4%	2%	75%	1%	4%

Source: CMA analysis of 2021 Census data

3.64 These headline characteristics illustrate some of the differences between the nations in the key factors which influence the home heating oil market, and how these lead to the differences in levels of competition. We conclude in the sections below how these characteristics influence the home heating oil market in each nation of the UK.

Northern Ireland

3.65 Northern Ireland has the lowest prices and lowest degree of concentration out of all the four nations.

[271] Households using heating oil as the only source of heating, based on 2021 Census data, detailed in Chapter 1. These are likely underestimates, due to data limitations including a substantial amount of households ticking 'two or more central heating types' with it being likely that some heating oil households may be contained in this group. Other estimates for example differ, one estimate suggesting heating oil households may represent the majority (61%) of households in Northern Ireland. Northern Ireland Statistics and Research Agency, Continuous Household Survey, Heat and Insulation Results, 2024/25, accessed 22 May 2026.
[272] The heating oil household density was calculated for each postcode district in the UK as the estimated heating oil household density per square kilometre within the postcode district, as described above.

(a) In the first two months of this year, before the Middle East conflict, home heating oil prices in Northern Ireland were 57ppl, which was 5ppl lower than prices in England and Wales (which had the next lowest prices).[273]

(b) Unlike any of the other nations, all postcode districts in Northern Ireland are served by 5 or more distributors.

3.66 Heating oil households in Northern Ireland benefit from a significant choice of supplier and lower prices due to the high proportion of homes that use heating oil. This high proportion of homes using heating oil means that there is a higher density of heating oil households in Northern Ireland, which in turn makes it more efficient for distributors to deliver to them. The higher demand and greater efficiencies in Northern Ireland mean that many distributors can profitably supply heating oil households in Northern Ireland. The competition between these distributors ensures that the efficiencies are passed on to households through lower prices.

3.67 Access to wholesale supply (in normal market conditions) in Northern Ireland does not appear to be an issue. While there is no refinery in Northern Ireland, distributors can access heating oil through import terminals and by sourcing fuel from the Republic of Ireland.[274]

England

3.68 While England has higher prices (62ppl) than Northern Ireland (57ppl) on average, nearly all (94%) postcode districts in England are served by 5 or more distributors.

3.69 The higher prices in England are likely due to the higher costs of supplying heating oil households that are located further apart from each other (lower heating oil household density). On average there are 6 heating oil households per square km in England compared to 28 in Northern Ireland.

3.70 While England generally has higher numbers of competitors across most of the country, it has a proportion (3%) of postcode districts with only one or two distributors identified in our analysis (lower than the proportion in Scotland, but no postcode districts have one or two distributors in Wales or Northern Ireland). Over half of these postcode districts had under ten heating oil households in them – primarily in large cities including central London. This low demand in certain parts of England is likely linked to most households in these areas using on-grid gas, which, while it gives consumers more choice of fuel, also reduces the overall number of heating oil consumers and in turn levels of competition.

[273] Analysis of transactions data from a sample of distributors, as detailed above.
[274] UKIFDA's response to the CMA's Statement of Scope, p30.

3.71 Access to wholesale supply (in normal market conditions) in England does not appear to be an issue. Distributors in England have access to both terminals and refineries, and a higher density of supply points.[275] Nevertheless, there may be some variation in wholesale pricing within England.[276]

Wales

3.72 Wales has the same average prices as England (62ppl), higher than in Northern Ireland (57ppl). While Wales has no postcode districts with only 1 or 2 distributors present, Wales has a higher proportion of postcode districts with only 3 distributors (9%) and only 4 competitors (14%) identified in our analysis, compared to England (where 1% of postcode districts have 3 distributors, and another 2% have 4 distributors).

3.73 As with England, the higher prices in Wales compared to Northern Ireland are likely a result of the higher costs of supplying areas with a lower heating oil household density. Wales has 5 heating oil households per square km on average, similar to England (6 heating oil households per square km) and substantially lower than in Northern Ireland (28 heating oil households per square km).

3.74 It is not entirely clear why there is a higher share of postcode districts served by only 3 or 4 distributors in Wales compared to England. One possibility is that this is linked to Wales having a higher share of areas that are Very Rural (24%), compared to England (2%). These Very Rural areas may include more remote regions further away from wholesale supply points where wet depots (those with oil storage tanks) are more likely to be needed.

3.75 The need for wet depots, as well as other factors that can make it more costly to supply remote areas, may explain why parts of Wales do not have more than 3 or 4 competitors serving them.

3.76 Evidence we received from distributors is consistent with there being higher costs to supply more remote parts of Wales. We heard that the smaller number and location of the supply points in Wales means that distributors face longer transport times, and therefore higher costs, to make deliveries to points in the centre of the nation.[277] One distributor also noted that the road network in Wales can make home heating oil deliveries more costly in parts of Wales.[278]

3.77 With the exception of more remote parts of Wales, access to wholesale supply (in normal market conditions) does not appear to be an issue in Wales. However, we

[275] UKIFDA's response to the CMA's Statement of Scope, p30.
[276] One distributor told us that the West Coast is generally more expensive, particularly Plymouth, and that inland rail-fed facilities are more expensive, such as Theale (note of call with a third party on 17 June 2026, paragraph 2).
[277] Note of call with a third party on 19 June, paragraph 4.
[278] Note of call with a third party on 18 June, paragraph 31.

heard from one distributor that Wales can be more expensive to obtain imported stock from.[279]

Scotland

3.78 Scotland has the highest average prices (67ppl) in the UK, 5ppl higher than in Wales and England, and 10ppl higher than in Northern Ireland. Scotland has the highest proportion of postcode districts served by only 2 distributors (4%), but no postcode districts that are monopolies (those served by only 1 distributor). Similar to Wales, Scotland has a higher proportion of postcode districts with only 3 distributors (11%) and only 4 distributors (11%) identified in our analysis, compared to England (where 1% of postcode districts have 3 distributors, and another 2% have 4 distributors).

3.79 We have seen a broad geographic pattern within Scotland, where the lowest numbers of competitors are in the Highlands and Islands, and the most in the West Central and East Central areas. These findings are consistent with submissions from market participants and consumer groups that areas with high local concentration are primarily found in remote areas and islands communities.[280]

3.80 The higher prices and higher proportion of areas in Scotland with only 2, 3 or 4 competitors are likely due to Scotland having a set of characteristics that compound each other.

(a) Scotland has a higher share of areas that are Very Rural (28%) compared to England (2%). These Very Rural areas of Scotland include the highlands and island communities. Similar to Wales, Very Rural areas in Scotland may involve higher costs to supply them due to the need for wet depots and longer travel distances from wholesale supply locations.[281] Island communities also have additional costs from distributors needing to use ferries. [282]

(b) Scotland has a substantially lower density of heating oil households (2 per square km), compared to England and Wales (which have 6 and 5 per

[279] Note of call with a third party on 18 June 2026, paragraph 31.
[280] Responses to CMA's Statement of Scope: BoilerJuice, p4; Consumer Scotland, p5 and 6; ACRE, p4 and National Energy Action, p3; Responses to the CMA's information request issued on 27 March 2026, question 2f.
[281] Note of call with a third party on 16 June 2026, paragraphs 2 and 6. For example, one distributor submitted that a delivery route in the more remote areas of the Scottish Highlands may involve 8 to 10 deliveries over a full day, compared to more than 20 in more densely populated regions of England or Northern Ireland (response to the CMA's information request issued on 27 March 2026, question 2). We heard from Scottish distributors that delivery routes tend to be longer in Scotland versus the rest of the UK – eg one distributor submitted its routes can be 50-100 miles per delivery round and can reach 200 miles for certain remote deliveries (eg Inverness to Thurso). Scotland-focused distributors were more likely to explicitly indicate their delivery radius can reach or exceed 50 miles compared to each of those based in England, Wales or Northern Ireland. The average delivery radius submitted by all respondents was approximately 30 miles (responses to the CMA's information request issued on 27 March 2026, question 1).
[282] See above discussion of whether an area is rural or remote.

square km respectively). In particular, 60% of areas in Scotland have 2 of fewer heating oil households per square km, compared to 32% in England and 26% in Wales. As noted previously, a lower density of heating oil households increases costs of supply per household, raising prices and limiting the number of distributors that an area can financially sustain.

(c) Scotland has wholesale supply issues, which can increase the prices that heating oil households in Scotland pay, which we explain further below.

3.81 We have heard consistent evidence that Scotland is particularly affected by wholesale supply issues.

(a) Scotland has fewer supply points, dependence on imports, and smaller, less reliable terminals. The port terminals in Northern Scotland can be vulnerable to temporary closures which can increase transportation costs for distributors (eg Aberdeen, Peterhead and Inverness closed for two weeks in January 2026).[283] The longer travel distances due to these wholesale issues and the more severe weather also increase costs and vulnerability to supply issues.[284]

(b) We heard from distributors that wholesale terminal prices may be more expensive in Scotland (and particularly in the north of Scotland) compared to the rest of the UK. Analysis of wholesale purchase data from three distributors for the first quarter of this year also indicates that wholesale prices tend to be a few pence per litre higher in Scotland, compared to England and Wales.[285]

3.82 Overall, we find that there are greater challenges for heating oil households in parts of Scotland. They are particularly vulnerable to higher prices, under normal market conditions, compared to the rest of the UK. The underlying characteristics of certain parts of Scotland, including in the highland and island communities, limits the number of distributors that these areas can financially sustain. The experience of shopping around for heating households in Scotland is also not as positive as the rest of the UK with price transparency via online platforms lower in Scotland compared to other areas of the UK, which we explore in Chapter 4 below.

[283] We understand the terminal in Grangemouth is the main source of fuel for distributors in Scotland. Grangemouth's refinery closed in April 2025 and it became an import facility, so Scottish distributors rely on imported home heating oil from port terminals. See UKIFDA's response to the CMA's Statement of Scope, p17, 30 and 31; Response to CMA information request dated 27 March 2026, question 2d and 2j.
[284] Office of Fair Trading (October 2011), Off-Grid Energy – an OFT market study, OFT1380, paragraph 4.26.
[285] CMA analysis of distributor's data on prices paid at wholesale supply facilities across Great Britain between January and March 2026.

Impact of the Middle East conflict on home heating oil distribution and prices across the UK

3.83 This section assesses the impact of the Middle East conflict on home heating oil distribution and prices across the UK. We assess:

(a) how retail price increases varied by nation during the conflict;

(b) whether cost factors explain geographic variation in retail price increases; and

(c) whether there are geographic differences in the number of competitors and distributor profits that may contribute to the variation in retail prices by nation.

3.84 We find that some areas of the UK experienced greater price rises than others during the Middle East conflict: primarily in Scotland and (to a lesser extent) Wales. While the evidence is not definitive (reflecting the multitude of factors playing out during the supply shock from the Middle East conflict), the evidence indicates that the greater price rises in these regions were driven by increases in distributors' costs at the start of the Middle East conflict, which were greater in some regions compared to others due to the cost factors discussed in the previous section:

(a) Access to wholesale supply became constrained and this had a greater impact on costs for distributors in areas that depend more on smaller or less reliable terminals. These distributors were more likely to have to pay spot prices at these terminals, which were more expensive than contracted volumes. Due to disruptions in supply at certain terminals, these distributors also found themselves needing to travel further to purchase oil from other wholesale facilities, incurring higher transport costs.

(b) Higher road fuel cost, overtime wages for drivers and using third-party hauliers, which distributors highlighted as occurring, especially early in the Middle East conflict, would have a greater impact on supplying areas where these costs were already more significant. This includes those that are further away from wholesale supply points and may include certain remote areas, in particular those in Scotland.

(c) We also have some indication that lower heating oil household density in some areas may have made it more difficult to efficiently coordinate deliveries to these areas during the market disruption, with a brief peak in orders followed by a reduction below usual seasonal levels. This may have raised costs of supply to consumers that were already more costly to supply.

3.85 These cost factors are likely to have had a particular impact on distributors in Scotland and (to a lesser extent) Wales compared to the rest of the UK. Both nations were named by distributors as having regions where obtaining wholesale supply became relatively more constrained and costly during the disruption (as compared to the rest of the UK). Scotland also has a high proportion of areas with a low heating oil household density.[286]

3.86 The evidence indicates that lower numbers of competitors in some areas of Scotland and (to a lesser extent) parts of Wales do not appear to have led to higher profitability or contributed to the larger price rises in these nations. While evidence on profitability at a regional level is limited, it indicates no significant geographic variation in profitability during the conflict. Even though Scotland has more remote areas with fewer competitors, distributors in Scotland had broadly similar levels of profitability during the conflict to other distributors active across Great Britain.

3.87 Overall, the evidence discussed in this section affirms our findings in the previous section that particular challenges are faced by heating oil households in areas of Scotland. These heating oil households tend to face higher prices in normal times – and the impact of the Middle East conflict in March 2026 indicates they are also more vulnerable to price spikes during periods of disruption. We also found (to a lesser extent) that households in Wales were vulnerable to higher price rises during the conflict.

How retail price increases varied by nation and area characteristics during the conflict

3.88 In the previous section, we set out that retail prices vary across the UK under normal trading conditions and identify key factors that drive this variation. This section assesses how and why the scale of price increases under the more volatile trading conditions during March 2026 (as evidenced in Chapter 2) varied by the four nations. It considers whether price increases were linked to regional characteristics such as heating oil household density and how rural an area is.

3.89 As set out in more detail below, we find that Scotland and Wales faced higher price increases than the rest of the UK. Northern Ireland also exhibits less variation in price increases it faced compared to the rest of the UK. We find no clear relationship between the scale of price increases and the rurality or level of concentration of a postcode district. However, we find that the density of heating oil households in the postcode district does have a relationship with the price increases.

3.90 Variation in the price increases between the four nations is shown in Figure 3.9 below, which plots the change in the average price of home heating oil for the

[286] Since Scotland and (albeit to a lesser extent) Wales both have high proportions of remote areas and were both named by distributors as regions where obtaining wholesale supply is relatively more constrained or costly, including during the disruption (as compared to the rest of the UK).

month of March 2026 as compared to February 2026.[287] This chart uses our transactions dataset from a sample of distributors to calculate the mean price paid (in pence per litre) for each month.

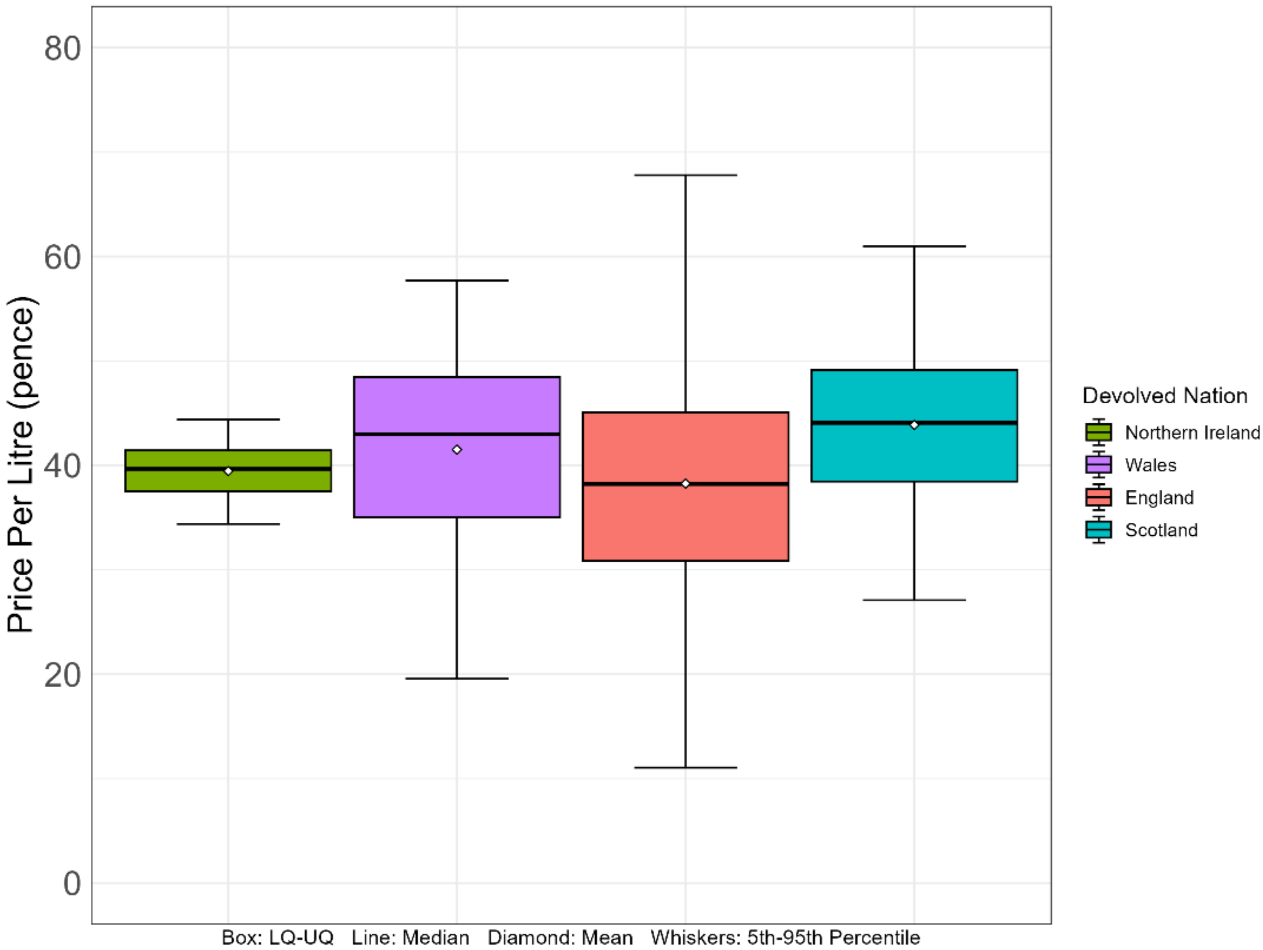
3.91 As noted above, this dataset covers a significant portion of postcode districts within each of the four nations. We note that there are substantial differences in market conditions between these two months (February and March 2026) - the impacts of the conflict led to changes in customer purchasing patterns and distributors' ability to source and deliver fuel, as well as usual seasonal changes.

3.92 We found that Scotland and Wales on average saw greater increases in mean order prices than England and Northern Ireland. The average increase in the mean order price in Scotland (at 44ppl) was slightly higher than in Wales (at 42ppl), and was 6ppl larger than the increase in England (at 38ppl).[288]

3.93 Compared to the variation between each nation, there was generally larger variation in price increases within a nation (except for Northern Ireland where price increases tended to be similar across consumers). The greatest variation in price increases within a nation was in England where the gap between the upper and lower quartile price increases (ie the height of the boxes in the boxplots) was 14ppl, followed by Wales (13ppl), Scotland (11ppl) and Northern Ireland (4ppl, substantially less variation than the other nations).

[287] For each postcode district we calculate the average price in February 2026 and the average price in March 2026, and calculate the change between the average price in March and February. This requires that a postcode district has at least one transaction in each month, and therefore some postcode districts are not included in this statistic as they do not satisfy this requirement. In the following figures in this section, we then aggregate the postcode district level changes in average prices to their respective nation, urban-rural classification, and heating oil household density.
[288] Mean prices during March were 113ppl in Scotland, 106ppm in Wales and 103ppl in England. In Northern Ireland, Mean prices during March were 97ppl, a 40ppl increase on the average price in February (57ppl).

Figure 3.9: Boxplots showing the change in average order price between the months of February and March 2026 in each of the four nations



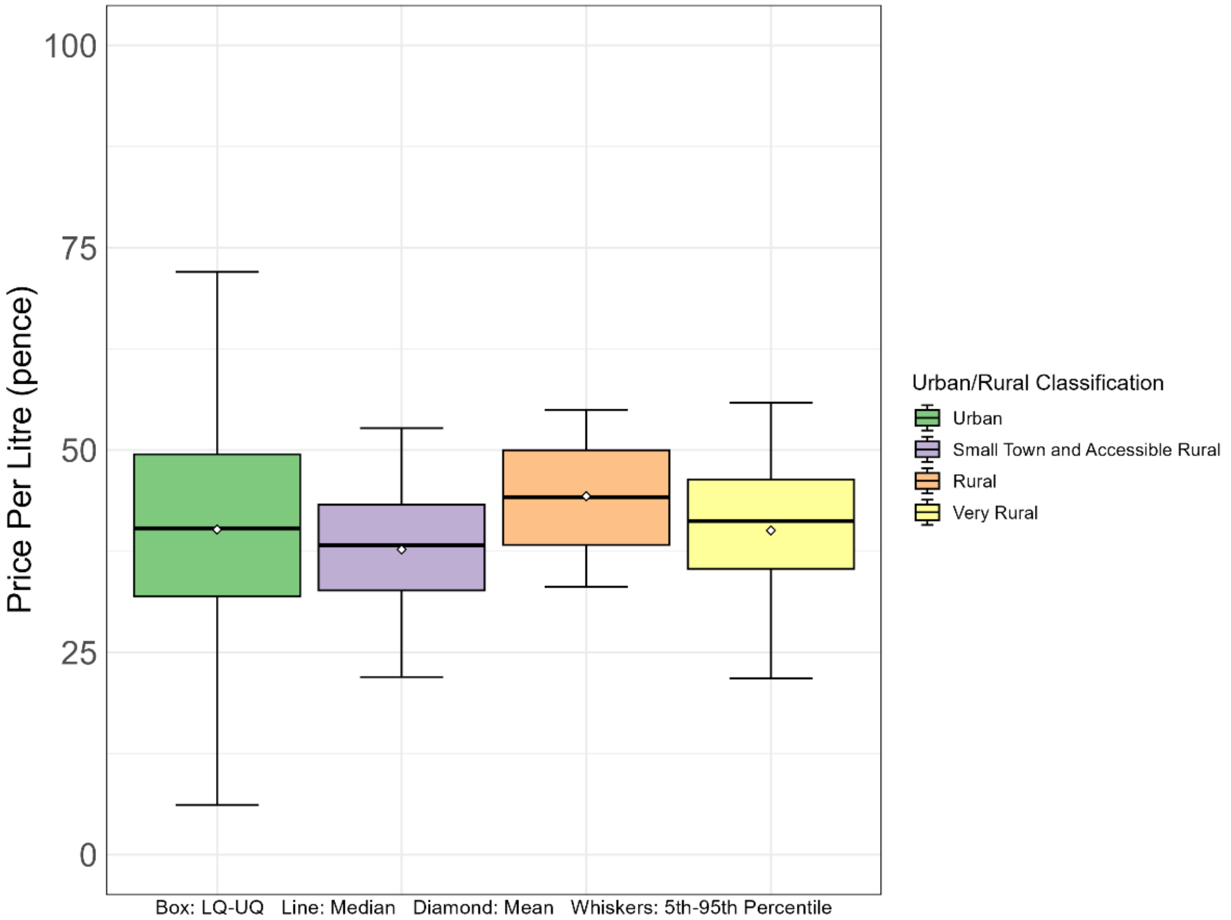
3.94 We undertook an additional piece of analysis using CCNI data which confirmed that regional variation in price increases in Northern Ireland was minimal despite the market disruption.[289] Throughout the whole of March, even the largest instance of regional price divergence between council areas was small – a 4% difference between the areas with the lowest and highest average prices (ie a difference of around 4ppl).

3.95 The differences in mean order price increases between the nations of the UK do not appear to be closely related to how many rural areas they have, as can be seen in Figure 3.10 below. In our analysis of the transaction data, we find no clear relationship between our categorisations of rurality and the scale of price increases an area experienced. Our measure of Rural and Very Rural areas may not fully reflect how remote an area is, in particular how far away an area is from wholesale supply locations and whether certain areas were more vulnerable to wholesale supply issues. Our empirical analysis may not therefore have captured

[289] We analysed average prices (on a pence per litre basis) for orders of 500 l of heating oil across Northern Ireland council areas in March 2026. We took this data from the CCNI Price Checker. Home Heating Oil Daily Price Checker, accessed on 8 July 2026.

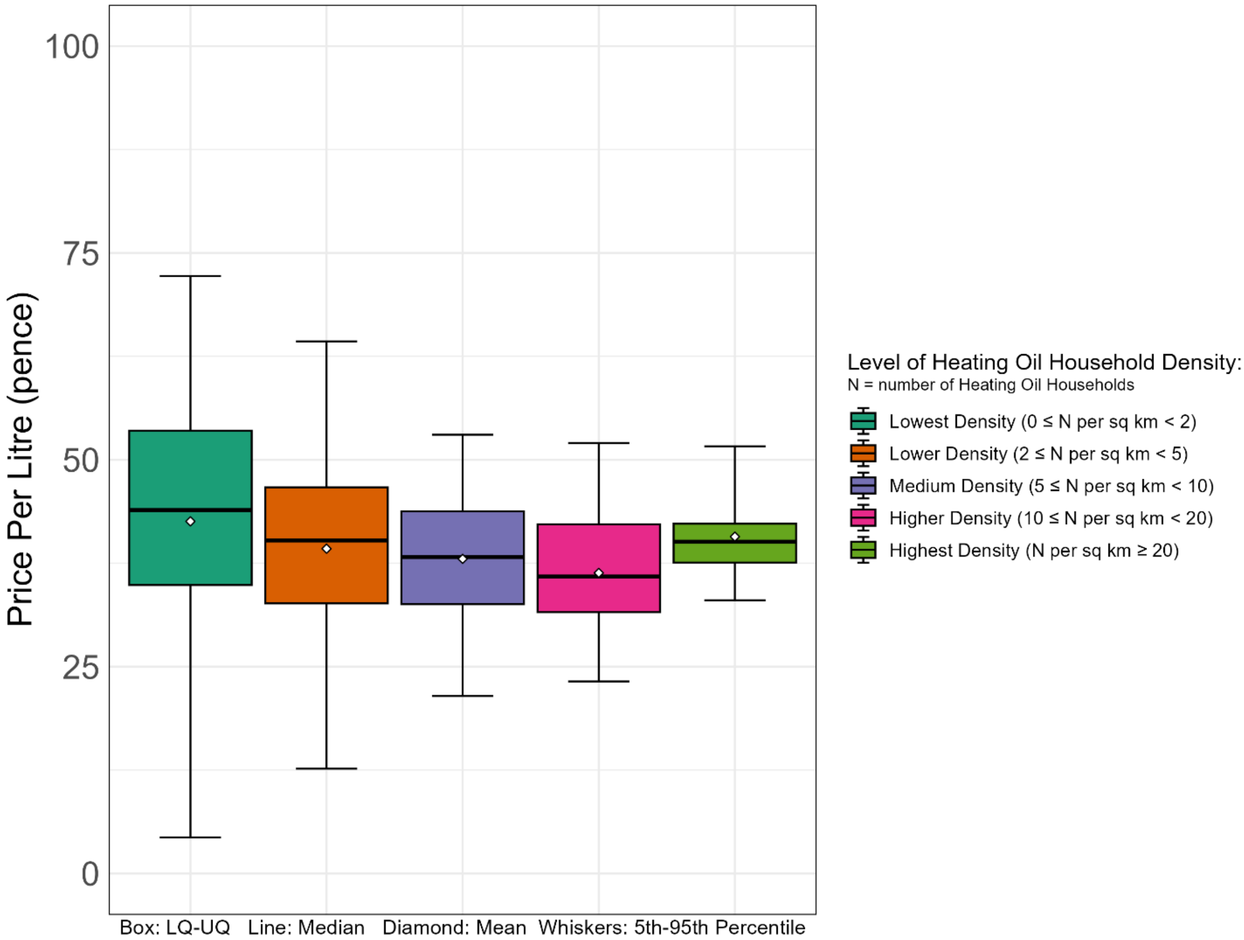
any relationship between price rises and vulnerability of an area to wholesale supply issues (a factor we explore in the next section).

Figure 3.10: Boxplots showing the change in average order price between the months of February and March 2026 for each classification of rurality



3.96 We do find, however, that the density of heating oil households are associated with price changes. As shown in Figure 3.11 below, areas with higher density of heating oil households had lower mean price increases for all but the highest density, and also decreasing variation in prices across all the density categories. We explore this relationship further in the next section as part of assessing what factors explain the geographic variation in price rises during the Middle East conflict.

Figure 3.11: Boxplots showing the change in average order price between the months of February and March 2026 for each level of heating oil household density



Factors that explain geographic variation in retail price increases

3.97 We set out above the key factors that impact on variation in distributors' costs across the UK. Distributors also told us that some of these factors drove variation in the extent to which their costs increased across the UK in March 2026 – which is likely to explain the greater price rises in Scotland and (to a lesser extent) Wales.

3.98 In this section we set out our assessment of which of the following factors may explain the geographic variation in retail price rises during the Middle East conflict, including:

(a) access to wholesale supply;

(b) remoteness, rurality and density of heating oil households;

(c) price increases and levels of concentration; and

(d) distributors' profitability.

Access to wholesale supply

3.99 Distributors told us that access to wholesale supply was a significant driver in how their cost increases varied across the UK, and our analysis in Chapter 2 showed that wholesale costs were the main driver of the price increases.[290] Costs increased due to two effects linked to access to wholesale supply:

(a) Higher wholesale prices: Distributors told us they relied more heavily on spot purchases where their contracted supply was insufficient to meet demand during the conflict period. As spot prices are inherently more variable than contracted prices, areas experiencing tighter supply conditions likely experiences greater cost increases. We heard from market participants that wholesale supply facilities that were most affected by disruption tended to be smaller port terminals – including Scottish terminals.[291] We also understand that terminals in the southwest of England tend to be vulnerable to supply disruption and that the wholesale supply price tends to be relatively high in Wales.[292]

(b) Higher operational costs: Distributor depots that are further away from larger wholesale supply facilities or that tend to carry stock from less reliable facilities faced greater rises in their operational costs, which impacted on retail prices in local areas nearby. Some supply facilities were more vulnerable to disruptions in supply (eg experiencing stock outs or not being able to supply all local distributors) in March 2026, forcing distributors to travel further, and therefore incur higher transport costs than usual to obtain stock to serve consumers in that area.[293] Due to Scotland having more remote areas that are further away from larger wholesale facilities, Scotland is likely to have been particularly impacted by these higher operational costs.

3.100 Financial data provides some corroboration for what distributors told us about these increases in their wholesale prices and operational costs. This data indicates that wholesale prices differed between different locations, and provides some indication that wholesale prices were higher in Scotland during March and April, as outlined above.

[290] Notes of calls with: a third party on 18 June 2026, paragraphs 3 and 4; a third party on 23 June 2026, paragraphs 2 and 4-6; and a third party on 16 June 2026, paragraphs 6 and 10.
[291] One distributor told us that smaller, sea-fed locations can run out more quickly because they have less storage. Another distributor provided two examples whereby it had to travel significant distances and make use of its wet depots elsewhere to serve consumers in areas (including Scotland) where the nearby terminals experienced stock outs. A third distributor had to travel significant distances (including using third party hauliers) to fulfil orders in the north of Scotland, given constrained wholesale supply in that region. Note of calls with: a third party on 17 June 2026, paragraph 15; a third party on 23 June 2026, paragraph 4 and 5; a third party on 16 June 2026, paragraphs 11 and 12; and a third party on 18 June 2026, paragraphs 4 and 8. A third party's response to the CMA's information request dated 27 May 2026, question 1.
[292] Note of call with a third party on 18 June 2026, paragraphs 4, 8 and 31.
[293] Notes of calls with: a third party on 23 June 2026, paragraph 5; a third party on 16 June 2026, paragraphs 10-12; and a third party on 17 June 2026, paragraph 15.

3.101 We note that temporary localised disruption to wholesale supply also takes place in ‘normal’ times (ie this is not unique to the impact of the Middle East conflict),[294] but it had a particular effect in March 2026 as distributors had to service a significant demand spike under volatile upstream supply conditions (as discussed in Chapter 2). For example, we understand that port terminals in northern Scotland are particularly vulnerable to temporary closures, often due to weather conditions.[295]

Remoteness, rurality and density of heating oil households

3.102 Features of a particular geographical area, such as whether it is remote, rural or has low density of heating oil households, may impact the costs and prices for serving households, and when costs increase, the impacts on these households can be amplified.

3.103 The conflict led to higher delivery costs, which were likely to have had a greater impact in areas that are already higher cost. These costs included the increase in road fuel prices and the need to pay drivers overtime to service an unusually high peak in demand.[296] We also heard from a distributor that serves northern Scotland that it had to rely on third party haulage services to transport stock to that region, which we understand became more expensive due to high demand from distributors (who were trying to fulfil an increase in orders at the start of March).[297]

3.104 While our empirical analysis has not identified a clear relationship between how rural an area is and price rises during the conflict, as explained above, this analysis may not be well-suited to identifying a link between prices rises and how far away an area is from wholesale supply locations. Our empirical analysis does not, therefore, contradict what distributors have told us about certain areas being more affected by higher delivery costs.

3.105 Distributor responses also highlighted the impact of the demand spike at the start of the Middle East conflict, and then the reduction in demand below seasonal

[294] Notes of calls with: a third party on 18 June 2026, paragraphs 3, 6 and 8; a third party on 19 June 2026, paragraph 5; and a third party on 17 June 2026, paragraph 32.
[295] Terminals in Northern Scotland (ie Aberdeen, Peterhead and Inverness) are vulnerable to temporary closures, which can further increase transportation costs for distributors (eg Aberdeen, Peterhead and Inverness closed for two weeks in January 2026). See UKIFDA’s response to the CMA’s Statement of Scope, p17, 30 and 31. See also notes of calls with: a third party on 18 June 2026, paragraph 8; and a third party on 23 June 2026, paragraph 5. See also response to the CMA’s information request dated 27 March 2026, question 13.
[296] Notes of calls with: a third party on 16 June 2026, paragraphs 10 and 11; a third party on 23 June 2026, paragraph 6; a third party on 18 June 2026, paragraphs 2 and 4; and a third party on 17 June 2026, paragraphs 9 and 15. See also responses to the CMA’s information request issued on 27 March 2026, question 3. We further discuss the impact of the Middle East conflict on heating oil distributors’ costs in Chapter 2.
[297] Response to the CMA’s information request issued on 18 May 2026, question 1. Further, one distributor told us that the cost of hiring external parties to haul heating oil from terminals to its depots increased, since demand for this service increased in line with the general demand spike in March 2026 (note of call with a third party on 17 June 2026, paragraph 26).

levels, both of which reduced distributors' ability to efficiently coordinate delivery routes for areas where deliveries were already challenging.[298]

3.106 We saw from our data above that heating oil household density is linked with higher price increases, and there were higher price increases in Scotland. This empirical analysis therefore corroborates what distributors told us about the impact of changes in demand on prices and delivery efficiencies in areas with a lower density of heating oil households.

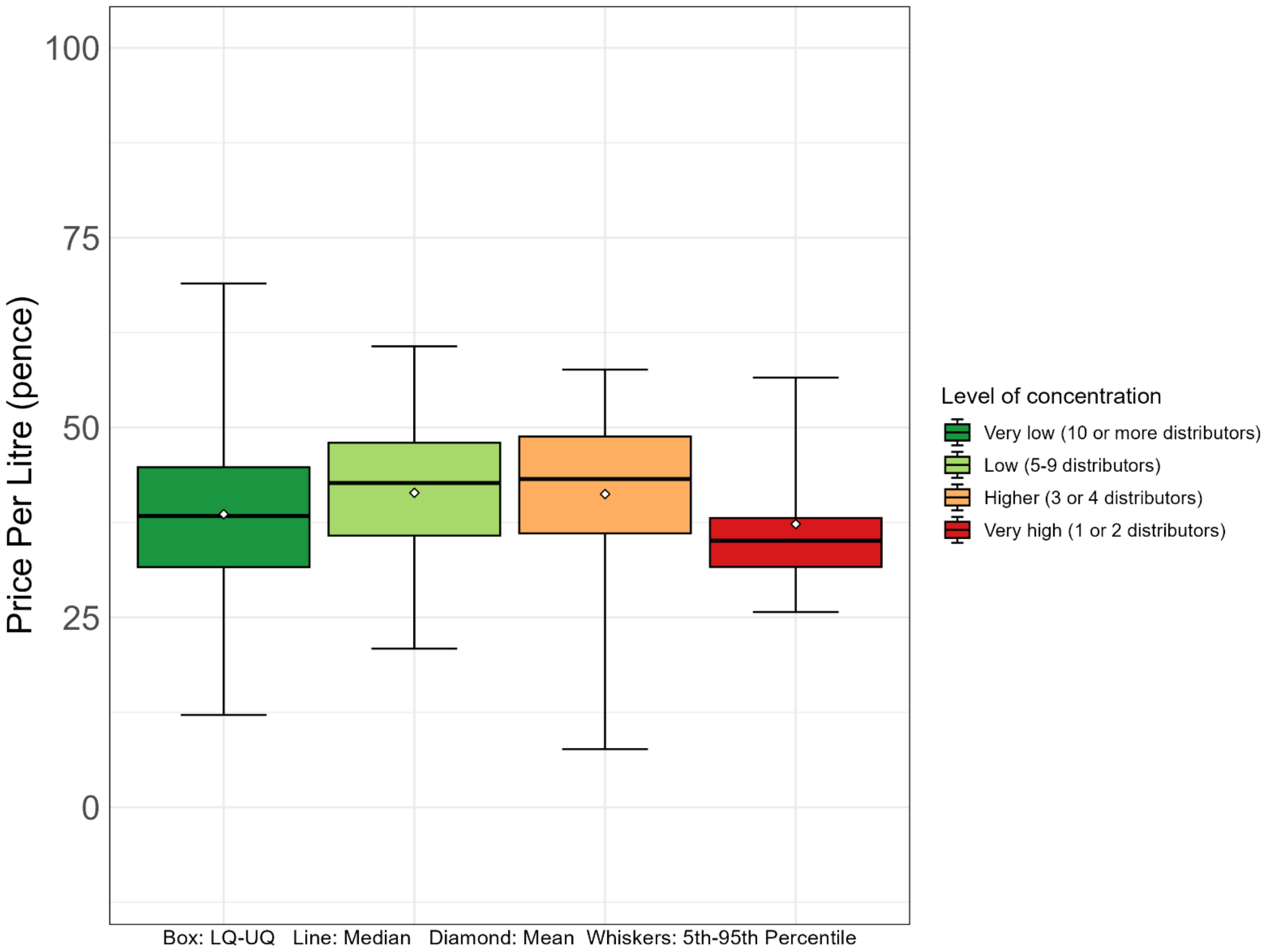
Price increases and levels of concentration

3.107 We find no clear relationship between levels of concentration and the scale of price increases experienced in local areas across the UK, as shown in Figure 3.12 below.

3.108 Figure 3.12 plots the change in order prices for each postcode district by the level of concentration (measured by distributor numbers identified in our analysis) in each area, using our dataset of transactions from a sample of distributors. As the number of competitors in an area falls from 10 or more distributors to between 5 and 9 distributors, we see greater increases in the mean order price (as shown by the diamonds in Figure 3.12). However, as the number of competitors in an area falls further to only 1 or 2 distributors, we see the lowest increase in the mean order price. There is therefore no clear relationship between levels of concentration and the scale of the price increases in an area.

[298] Notes of calls with: a third party on 17 June 2026, paragraph 16; and a third party on 16 June 2026, paragraph 25. See also Chapter 4.

Figure 3.12: Boxplots showing the change in average order price between the months of February and March 2026 in each postcode district by levels of concentration



3.109 So, while some areas have fewer competitors compared to the rest of the UK, the evidence on price rises and number of competitors does not indicate that fewer competitors was a cause of larger price rises. This evidence supports a finding that stronger competition between more distributors in area would likely have no significant impact on profits and price increases during the Middle East conflict.

Distributors' profitability

3.110 We analysed the financial information from over 30 distributors to better understand the extent to which there were geographical differences in distributor profitability during the Middle East conflict.

3.111 Most distributors in Northern Ireland only supply in Northern Ireland. In the rest of the UK there is a mix of national and regional distributors, with some distributors supplying all three nations.

3.112 We performed a high-level review of the financial performance of distributors who supply solely into Scotland or Wales and compared their performance to distributors who supply into England and distributors who operate across England, Scotland and Wales.

3.113 We analysed companies' monthly sales, costs and profits to compare their performance. We note that there could be variation in a company's profitability between the different areas it serves, with higher profits in some localities offset by lower profits elsewhere. While our analysis may not identify whether there is higher profitability in a specific local area (compared to other areas),[299] it can help to identify any larger and more systematic differences in profitability over a wider region.

3.114 Our analysis indicated that since the start of the conflict in the Middle East the weighted average operating profits of distributors who operate in Scotland or Wales were similar, on a per litre basis, with distributors who operate in England and those who operate across Great Britain. The same finding also applies under normal market conditions, for example between March 2021 and February 2026.[300]

3.115 So, while there are some limitations in our profitability evidence, the available evidence does not indicate that there is higher distributor profitability in certain parts of the UK that is contributing to the greater price rises in parts of the UK with fewer competitors, including those in more remote parts of Scotland. This supports a finding that there is limited scope for stronger competition in these areas to bring down profits and prices.

[299] Financial data from companies is not reported at this more granular geographic level to identify any such areas.
[300] Distributors' average operating profits per litre were consistently lower in Northern Ireland than in Great Britain (ie between March 2021 and May 2026).

4. Price transparency across the UK

4.1 Price transparency is an important condition for effective competition as it reduces search costs for consumers, facilitates shopping around and increases competitive pressure on firms to provide lower prices. In this chapter, we consider whether there is sufficient price transparency – that is, the extent to which consumers are able to access clear price information and readily compare distributors' quotes prior to purchase – to support effective competition in the retail supply of home heating oil, including during periods of disruption, such as followed the start of the Middle East conflict.

4.2 Our assessment focuses on three key dimensions. First, we examine the availability of price information from heating oil distributors, including whether prices are readily observable or require direct enquiry. Second, we consider the availability and effectiveness of tools—both commercial and non-commercial—that support consumers in identifying and benchmarking competitive offers. Third, we assess the clarity and comparability of price quotes, including whether they are presented in a consistent format that enables meaningful comparison across distributors.

4.3 As set out in Chapter 1, online sales channels have become an increasingly important part of the home heating oil consumer journey, with around 60% of UK orders being now placed online[301] and the internet being used more broadly to check prices. [302] Similarly, a recent survey of home heating oil consumers in Northern Ireland conducted for CCNI found that most (nearly four in five, ie 77% of) consumers surveyed shop around and, of these, almost three quarters mainly use the internet to check prices.[303] Accordingly, while we have also considered availability of information via other channel (including phone), price transparency online has been the primary focus of our assessment.

[301] BoilerJuice's response to the CMA's information request issued 8 April 2026, question 8.
[302] Our evidence indicates that a significant number of customers use online platforms to obtain price information as a benchmark rather than to just place online orders. Specifically, recent data from BoilerJuice show that consumers largely use this platform to check prices rather than to buy oil, with only [10-20%] of quote requests on BoilerJuice leading to orders being placed within the same week, and approximately [40-50%] of quotes requested being made by consumers who ordered with BoilerJuice in the past, but not within the last 12 months. CMA's analysis of BoilerJuice data. Further, other evidence indicates that consumers may be comparing prices online before then submitting the orders via phone. For example In Northern Ireland, when shopping around: 72% of surveyed consumers (N=784) use the internet and 23% use the telephone whereas for heating oil ordering, telephone (52%) is the most likely used method, followed by online channels (43%). Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.
[303] As compared to just under a quarter who mainly use the telephone to check prices and 5% that mainly use another method (word of mouth, CCNI oil tool, other). Just over half of all consumers surveyed in Northern Ireland mainly ordered their home heating oil over the phone and just under half mainly ordered online (with 5% mainly ordering via other means, such as regular top up by their oil distributor). Survey conducted for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026 - 15 May 2026.

4.4 As part of our assessment, we conducted a website review examining both the availability and presentation of pricing information that consumers may rely on to identify competitive offers for home heating oil. This review looked at:

(a) the online presence of a sample of 40 distributors, ranging from small to large businesses from across the UK, including each of the four nations;

(b) the websites of 5 intermediaries (BoilerJuice, Value Oils, CheapestOil, Fuel Tool and Oil Compare); [304] and

(c) a range of other online tools that can facilitate access to home heating oil prices for consumers, such as the Price Checker tool run by the CCNI and government data sources. [305,306]

(d) the evidence on the availability of price information over the phone, which remains an important channel for some consumers.

4.5 Overall, we find that

(a) There is generally good price transparency in the home heating oil market during normal market conditions. Consumers are generally able to access and compare heating oil quotes effectively through the phone, distributors' websites and a range of other online tools, including commercial platforms and other online tools. These quotes are usually presented in a clear and consistent format that incorporates all key cost components and allows comparison across distributors.

(b) Commercial platforms – such as BoilerJuice which is more widely used in Great Britain – and other online tools – in particular the CCNI Price Checker in Northern Ireland – facilitate consumer search and effective benchmarking of home heating oil quotes. Evidence shows that these tools are known and used by consumers, providing valuable channels for households to engage with the market.

(c) These price transparency tools are an important feature of a well-functioning market. By enabling consumers to obtain and benchmark quotes easily, they reduce search costs and support informed purchasing decisions thereby

[304] Our review also identified some websites that might appear to be independent marketplaces at a first glance but are in fact distributor-owned sales channels rather than comparison tools. While the branding does not reference the underlying distributor, the ownership information is disclosed on the homepage.

[305] Our review of other online tools also included Find a Distributor - UKIFDA, The heating oil club, The Oil-Club and The Housing Executive - Oil Savings Network.

[306] We carried out our website review during the second half of April 2026. We reviewed distributor and intermediary websites by looking at the availability of quote information, the cost of obtaining a quote, and the ease of assessing the quotes. When contact details were required to get a quote, we used a CMA researcher email, and the postcodes of CMA offices across the UK for transparency. Occasionally when a quote was not returned for the CMA postcodes, we used random postcodes to assess availability of quotes in each of the four nations. The websites of other tools were reviewed by assessing their geographic coverage, purpose, and the guidance they provide to consumers purchasing home heating oil.

strengthening competition among heating oil distributors.[307] This is consistent with the findings in Chapter 2, which show that during normal market conditions distributors operate on relatively low profit margins, suggesting that competition is generally effective at constraining pricing.

(d) While price transparency is generally good across all nations, price transparency via online platforms is lower in Scotland, where the reach of BoilerJuice among heating oil distributors is more limited. Scotland also has more areas with few distributors than other parts of the UK. Although it is easier for consumers to compare distributor quotes directly (without the need to use an online platform) in areas with fewer distributors,[308] the more limited pricing transparency from online platforms in Scotland means that the overall consumer experience of shopping around in Scotland is likely to be less positive. At the same time, heating oil households in Scotland face higher prices on average and experienced great price rises during the Middle East conflict than the rest of the UK. However, while evidence on profitability at a regional level is limited, the available evidence does not indicate that there is higher distributor profitability in Scotland – prior to and during the conflict [309] compared to other parts of the UK. This suggests that differences in price transparency are unlikely to be driving differences in prices to a material extent.

(e) During the Middle East conflict, price transparency reduced in Great Britain but such reduction was short-lived. The evidence indicates that, when wholesale prices are volatile, distributors are less able to provide firm quotes in advance or may temporarily delist from commercial platforms which, because of lower distributor participation, become a less effective benchmarking tool. While access to quote information reduced for a few weeks, leaving consumers less informed at the point of purchase, this appears to be an inherent feature of the home heating oil market during periods of volatility and tight supply, when distributors struggle to commit to prices and provide quotes in advance.[310] This temporary reduction in price transparency may have weakened competition and partly contributed to the price increases across Great Britain. In Northern Ireland, the evidence indicates that there was not a significant reduction in price transparency.

(f) While enhancements to the CCNI Price Checker tool following the start of the Middle East conflict – specifically the shift from weekly to daily price surveys

[307] As distributors cannot distinguish consumers who shop around (and therefore are more informed) from those who do not and price discriminate across them, distributors have to offer competitive quotes across all channels. We note this is consistent with the finding that distributors do not differentiate prices across sales channels (see below discussion of availability of quotes over the phone and via distributors' websites and competitiveness of quotes.
[308] See Chapter 3.
[309] See Chapter 3.
[310] See below analysis of the impact of the Middle East conflict on the availability of quotes from distributors directly and the impact of the Middle East conflict on the utility of commercial tools.

– are likely to have improved consumers' ability to shop around in conditions of price volatility in Northern Ireland, gross profits of heating oil distributors in Northern Ireland nevertheless increased after and during the conflict.[311] This suggests that price comparison tools such as the CCNI Price Checker may not fully constrain distributors' profitability (and therefore prices) during periods of volatility. In particular, at times of market volatility, distributors' profits are likely to reflect a combination of factors including the need to manage higher risk due to wholesale price volatility and tightness of supply.[312]

Availability of price information from distributors directly

4.6 We find that price information is generally made available to consumers directly by distributors, over the phone and via their websites in the form of quotes (ie prices for a specified volume of oil and given delivery conditions), and that the process of accessing quotes through distributors' websites is straightforward across the UK. However, following the start of the Middle East conflict, distributors found it difficult to commit to final quotes in advance, in particular in Great Britain. In Northern Ireland, while distributors were generally able to provide quotes at the time of ordering, they had to shorten the quote validity window due to wholesale price volatility. Conduct like these, can reduce consumers' ability to access and compare quotes when shopping around during periods of market disruption, leaving them less informed at the point of purchase.

Availability of quotes over the phone and via distributors' websites

4.7 Evidence from heating oil distributors indicates that consumers can typically obtain quotes from distributors directly over the phone and via distributors' websites. Specifically:

(a) all suppliers provided quotes over the phone;[313] and

(b) a majority of the suppliers provided quotes online through their own websites.[314]

[311] See Chapter 2.
[312] See Chapter 2.
[313] Responses to the CMA's information request issued on 27 March 2026, questions 4 and 5. We further note our evidence indicates that there are no material issues for consumers to obtain and compare quotes received over the phone. See below where we discuss the clarity of home heating oil quotes.
[314] Responses to the CMA's information request issued on 27 Match, 2026, questions 4 and 5. Furthermore, a majority of the distributors provided quote information through intermediary's websites. A small minority of suppliers displayed prices at their depots or other fixed locations.

4.8 Further the evidence gathered from distributors indicates that they do not differentiate prices across sales channels as home heating oil quotes provided via websites and via phone calls are not materially different.[315]

4.9 We note that the evidence considered above does not indicate any material differences across the four nations. We therefore consider this evidence to be applicable across the UK as a whole.

Accessibility of quotes available via distributors' websites

4.10 Based on our website review, the majority (30 out of 40) of distributor websites offer quotes online, most of which are provided instantaneously or within minutes. The other distributors who provided quotes did so within 24 hours.[316]

4.11 Consumers do not typically need to have an account on the distributor's website to request a quote, but certain information such as name, address and contact details is often required.[317] Most distributors (23 out of 30) make it clear that the consumer is just requesting a quote, rather than beginning a purchase journey.

4.12 The minority of distributors (10 out of 40) that did not offer quotes through their website either invited consumers to contact them via phone and/or email[318] or noted they usually do so but had temporarily suspended the function due to the Middle East conflict.[319]

4.13 While distributors' quote information is generally available online across the UK, our website review indicates that home heating oil quotes are particularly easy to access in Northern Ireland. All 11 distributors we reviewed in Northern Ireland provided instant quotes and generally required the consumers to provide less information at the quoting stage. In contrast, around half of the distributors in Great Britain provided quotes instantly, with the rest providing quotes within 24 hours.[320]

Impact of the Middle East conflict on the availability of quotes from distributors directly

4.14 As discussed in Chapter 2, volatility in the wholesale price of heating oil during the Middle East conflict had a significant impact on distributors' pricing behaviour. In

---

315 Responses to the CMA's information request issued on 27 Match, 2026, question 2 and 3. Some distributors mentioned running promotions to increase online engagement and that online channels generally reduce labour costs of providing quotes, however the evidence received does not indicate that the prices provided through their websites are significantly different from rates provided over phone calls.
316 21 out of 30 distributors provided quotes instantaneously or within minutes.
317 Of the 30 distributors that offered quotes online, two required an account. Where an account was not required, 11 distributors required a name, address, phone number, and email. 11 required just an address, two required an address and email, and three required no information. The remaining sites required a combination of the three.
318 Six out of 10 distributors invited consumers to contact them via phone and/or email. One distributor had issues with its website.
319 Since we carried out the review in mid-April 2026, these three websites are no longer suspended as of 2 June 2026.
320 Ten out of 19 distributors in Great Britain provided quotes instantly or within minutes.

such circumstances distributors may not always be able to provide prompt quote information to consumers seeking to purchase home heating oil or they may have to reduce the quote validity window.

4.15 In particular, the evidence gathered indicates that, following the start of the Middle East conflict, many distributors in Great Britain found it difficult to commit to a firm price in advance and, as a result, several provided consumers with an indicative quote or no quote at all at the time of ordering. [321] These distributors then called consumers closer to the date of delivery to provide a final quote, at which point consumers had the option to either accept, amend or cancel their order without incurring a cost.[322] We also received evidence that some distributors stopped taking orders online and instead only engaged with consumers through phone calls.[323] In relation to Northern Ireland, evidence received indicates that heating oil distributors generally offered consumers a shorter quote validity window with home heating oil prices changing more frequently due to market volatility, however, unlike Great Britain-based distributors, Northern Irish distributors were still generally able to commit to a final price at the time of quoting. [324]

4.16 Given distributors' reduced ability to issue firm quotes or offering quotes with a shorter expiry window during periods of wholesale price volatility, consumers seeking to purchase home heating oil at such times are less able to compare options. They are required to make purchasing decisions based on more limited information than in normal market conditions.

Availability of online tools to help consumers to identify competitive prices for home heating oil

4.17 As set out below, there are online tools through which consumers can access quote pricing information to support their heating oil purchases. These include commercial tools – such as price comparison websites (for example, Cheapest Oil, Oil Compare and Fuel Tool) and other marketplaces (such as BoilerJuice and Value Oils) – and tools made available by public or industry bodies such as the CCNI's Price Checker tool. Based on our assessment of the available evidence,

[321] Responses to the CMA's information request issued on 27 March 2026, questions 5 and 6. Note that this is consistent with evidence received from consumer bodies which suggests that during times of price volatility consumers are unable to procure final quotes as the cost of orders changes.
[322] Responses to the CMA's information request issued on 27 March 2026, questions 5 and 6. We note that this is consistent with evidence received from consumer bodies which suggests that during times of price volatility consumers are unable to procure final quotes as the cost of orders changes. We further note that this evidence is applicable across the UK: the evidence from distributors does not indicate that the response to the crisis is materially different for the four nations. Where relevant, we have drawn out differences across the regions based on the received evidence.
[323] Responses to the CMA's information request issued on 27 March 2026, questions 3 and 4. We further note that this is consistent with evidence received from UKIFDA which indicates that the inability of distributors to provide final quotes to consumers at the point of order is an inherent feature of the home heating oil market during periods of price volatility. UKIFDA's response to the CMA's Statement of Scope, p7.
[324] Specifically, no Northern Irish distributor that responded to our questionnaire said they moved to an unpriced model in response to the crisis. Responses to the CMA's information request issued on 27 March 2026, questions 5 and 6. Some Northern Irish distributors mentioned that quote windows were shortened and/or prices changed more frequently (responses to the CMA's information request issued on 27 March 2026, questions 5 and 6).

home heating oil consumers have good awareness of BoilerJuice in Great Britain and of the CCNI Price Checker tool in Northern Ireland. By providing consumers with quote information that is timely, geographically relevant and reflective of the market competitive conditions, these are effective tools for consumers to shop around, find a competitive offer or benchmark the quote from a local distributor.

4.18 However, as explained below, during periods of market volatility, the performance of commercial tools that depend on distributors providing quotes through the platform can be affected, leading to a temporary reduction in price transparency in the market.[325] In the case of the Middle East conflict, we see that this reduction was short-lived as the performance of online platforms returned to pre-conflict conditions within weeks.

4.19 By contrast, in Northern Ireland, the start of the Middle East conflict did not have a negative impact on consumers' access to the CCNI's Price Checker tool. Following a marked uptick in consumer engagement, the CCNI further enhanced the tool by increasing the frequency of the price updates from weekly to daily.

Commercial tools

4.20 There are several online marketplaces and price comparison services that help UK consumers identify competitive quotes for home heating oil. These platforms act as intermediaries, obtaining instant quotes tailored to the consumer's needs from multiple local distributors and enable consumers to purchase home heating oil online in a few clicks. Using these platforms can help consumers secure competitive prices, either by purchasing directly through these tools or by benchmarking quotes against that offered by their current distributor.

4.21 Our website review identified two types of intermediaries. On the one hand price comparison websites typically display a list of quotes offered by named distributors, allowing consumers to compare prices across providers. Consumers who wish to proceed with a purchase are then redirected to the chosen distributor's website to complete the transaction.

4.22 On the other hand, there are marketplaces that collect and assess quotes from a range of distributors but only display the cheapest option to the consumer. These platforms act more like online brokers. Unlike price comparison websites, consumers do not have visibility of the prices quoted by various distributors but can purchase directly through the platform, which may also handle certain aspects of customer service. The identity of the contracting provider is disclosed to the consumer only upon completion of the transaction. Although they only display one quote, these platforms help consumers to find a competitive deal in the market by

[325] See below analysis of impact of the Middle East conflict on the utility of commercial tools.

bringing distributors to compete with each other on price for every query as only the cheapest provider will be presented to the consumer.

4.23 Evidence received indicates that BoilerJuice is the most widely used platform among the various intermediaries.[326] Web traffic data shows that BoilerJuice is the UK's leading heating oil comparison platform in terms of organic search visibility as well as total number of site visits, with a significant gap to the next providers – Cheapest Oil and, subsequently, ValueOil.[327] While BoilerJuice is active across the UK, its business activities are largely focused on Great Britain.[328] Most Great Britain-based distributors that engaged with us said they currently use or have used BoilerJuice in the past.[329]

4.24 In relation to Northern Ireland, we received evidence that there are a number of commercial tools available in this region. For example, Cheapest Oil, a Northern Ireland-based platform, received 200,000 – 300,000 unique visitors in the 2025 calendar year and hosts roughly 80 heating oil distributors serving consumers in Northern Ireland. However, due to the presence and consumer awareness of the CCNI's price checker website in Northern Ireland, a non-commercial tool that we find provides enhanced price transparency, [330] we did not consider it necessary to undertake further analysis for commercial tools available in Northern Ireland.[331]

4.25 To assess whether commercial tools effectively help consumers to make informed purchasing decisions, we considered:

(a) ease of use and coverage of marketplaces and price comparison services identified in our website review;

(b) the extent to which quotes available through commercial tools, and in particular through BoilerJuice, are competitive and in line with the prices that distributors may offer through other channels;

(c) the level of consumer awareness and usage of commercial tools – in particular, BoilerJuice – when looking to purchase home heating oil; and

---

[326] Note of call with UKIFDA on 19 June 2026, paragraph 2.
[327] CMA's analysis of SimilarWeb, SEMrush and Ahrefs data relating to organic and total web traffic originated from the UK in May 2026. SimilarWeb provides estimates of total website visits (across all traffic channels, including direct, referral, search and social). SEMrush and Ahrefs provide estimates of domain performance in organic search, including visibility indices, keyword rankings and estimated organic traffic. While the data sourcing methodologies differ, all three sources produced consistent relative rankings across platforms.
[328] Note of call with UKIFDA on 19 June 2026, paragraph 2. Note of call with BoilerJuice on 26 March 2026, paragraphs 3-5.
[329] Responses to the CMA's information request issued on 27 March 2026, questions 15 and 16. We further note that some distributors also identified a few other intermediaries in addition to BoilerJuice. However, we did not ask distributors to further describe their usage of other intermediaries.
[330] See discussion of other tools below.
[331] Evidence indicates that BoilerJuice is likely to have limited reach in Northern Ireland. Most distributors in Northern Ireland told us they do not use BoilerJuice (responses to the CMA's information request issued on 27 March 2026, questions 15 and 16). Additionally, Northern Ireland based consumer bodies did not identify BoilerJuice to facilitate price comparison and benchmarking.

(d) the impact of market disruption, such as the recent Middle East conflict, on the utility of such tools.

Ease of use and platform coverage

4.26 Our website review found that these commercial tools are easy to use. There is no requirement for the consumer to create an account or provide payment details at the quoting stage. To request a quote, users are typically required to only provide a postcode and an email address, which is generally less information than required by distributor websites. However, we found that the coverage of these platforms differs across providers: [332]

(a) Three out of five intermediaries identified – including BoilerJuice – demonstrated broad coverage of distributors across the UK. These platforms returned quotes in response to all postcodes and queries tested in the CMA's website review.

(b) The remaining two intermediaries identified returned quotes only for a limited subset of postcodes tested by the CMA, without providing clear information on the geographical areas covered.

4.27 The evidence we received though indicates that the coverage provided by BoilerJuice's platform is more limited in Scotland. Specifically, evidence received from BoilerJuice indicates that, due to more challenging logistics and lower demand density, the participation of heating oil distributors on their platform tends to be lower in Scotland relative to other areas.[333] This is consistent with evidence received from heating oil distributors on their limited use of BoilerJuice's platform in Scotland compared to other areas of Great Britain. Nearly all distributors with significant operations in Scotland who responded to our questionnaire submitted that they do not provide quotes through BoilerJuice in Scotland or they do it to a limited extent. [334],[335] Further, evidence from data provided by heating oil distributors and BoilerJuice indicates that distributors' participation rates on the BoilerJuice platform are lower in Scotland than in England and Wales.[336]

[332] See further details on the website review carried out by the CMA above.
[333] BoilerJuice's response to the CMA's information request issued on 8 April 2026, question 5(b), p21; BoilerJuice's response to the CMA's Statement of Scope, p4. We have considered evidence in relation to Northern Ireland below when discussing other tools.
[334] Responses to the CMA's information request issued on 27 March 2026, questions 14 and 16. Notes of calls with: a third party on 16 June 2026, paragraph 17; a third party on 16 June 2026, paragraph 17; and a third party on 18 June 2026, paragraph 13. Response to the CMA's information request issued on 27 March 2026, questions 15 and 16. We discuss distributors' challenges of serving areas of Scotland in Chapter 3.
[335] Further, 2 out of 3 Scottish Consumer Bodies the CMA had calls with indicated a lack of price comparison tools for heating oil. Notes of calls with: Citizens Advice Scotland on 7 May 2026, paragraph 20; and Advice Direct Scotland on 30 April, 2026, paragraph 13.
[336] CMA's analysis of the amalgamated dataset as described in Chapter 3, where we analysed the number of competitors by local area.

Competitiveness of quotes

4.28 Evidence from distributors and BoilerJuice indicates that quotes on BoilerJuice are likely to be competitive relative to the market overall.[337]

4.29 Evidence from distributors indicates that prices do not vary materially across sales channels, including when using third-party intermediaries such as BoilerJuice.[338]

4.30 Considering competitiveness of quotes on BoilerJuice specifically:

(a) Evidence from distributors on the cost of using BoilerJuice as a sales channel indicates that BoilerJuice charges a commission fee which increase the costs associated with using the platform.[339] The commission charged by BoilerJuice is though small relative to the overall price of home heating oil.[340]

(b) Boilerjuice operates a marketplace whereby distributors compete head-to-head for the same orders and must offer the most competitive quote to win the business and be visible to the consumer.[341] It is likely that this underlying 'platform effect' incentivises distributors to price more competitively than through their direct channels where competitive pressure may be less immediate. Consistent with this:

(i) Evidence from consumer research conducted by BoilerJuice indicates that having a competitive/lower price is "more important than it's ever been to our customers".[342]

(ii) Some distributors commented on the price competitive nature of the BoilerJuice platform. As such, these distributors submitted that the pricing mechanism favours the cheapest quote and follows a "race to the bottom" pricing structure.[343]

4.31 Based on this evidence, we consider that while BoilerJuice charges a commission to distributors winning business through its platform, this commission is generally small, and the 'platform effect' associated with how BoilerJuice operates ensures

---

337 Given the evidence received from various sources suggests that BoilerJuice is the largest commercial platform in Great Britain, we have prioritised our assessment of this platform. As discussed above, we have not undertaken an equivalent analysis for Northern Ireland due to the presence of the CCNI's price checker tool in Northern Ireland (that we find to provide sufficient price transparency). Further, we note that consumers do not strictly need multiple platforms providing competitive quotes to have better access to price information. Based on the evidence we received we consider that BoilerJuice provides consumers with sufficient price information to benchmark against quotes provided directly by distributors.
338 Responses to the CMA's information request issued on 27 March 2026, questions 15 and 16.
339 Responses to the CMA's information request issued on 27 March 2026, questions 15 and 16.
340 CMA's assessment of the impact of BoilerJuice's charging structure on heating oil prices indicates that its charges amount to a single digit percentage of the overall price of a 500 l order of heating oil and 5-10 day delivery window. CMA's analysis is based on average price per litre of heating oil for 500 l orders on BoilerJuice platform during the period ranging from 1 January 2026 to 23 February 2026. CMA analysis of BoilerJuice data and BoilerJuice's response to the CMA's information request issued 23 April 26, Annex 2, question 1.
341 Note of call with BoilerJuice on 26 March 2026, paragraphs 10 to 14.
342 BoilerJuice's response to the CMA's information request issued on 8 April 2026, question 9.
343 Responses to the CMA's information request issued on 27 March 2026, questions 2, 3, 15, and 16.

that the quotes provided to consumers are likely to be competitive and in line with the market.

Consumer awareness

4.32 We received some mixed evidence on the level of consumer awareness of commercial tools in Great Britain.

4.33 During calls consumer bodies were largely not aware of price comparison and other commercial tools supporting shopping around in home heating oil, [344] however this may not accurately reflect broader awareness among consumers. For this reason, we have considered other evidence on consumer awareness.

4.34 Evidence on the actual usage of BoilerJuice in Great Britain indicates that its use is widespread. In particular, compared to the one million households in Great Britain that require heating oil, BoilerJuice submitted that they see over 800,000 heating oil customers a year engaging with its platform, with around 200,000 customers placing orders through BoilerJuice and over 600,000 customers using it to check and compare prices.[345] Further, the vast majority of heating oil distributors active in Great Britain use BoilerJuice. This includes large regional distributors, county sized distributors and small independents. [346]

4.35 This indicates that, in general, there is good awareness – and use – of BoilerJuice among consumers in most regions of Great Britain and that such awareness is likely to stimulate strong competition between distributors.

4.36 However, as discussed above, we assess that the usage of BoilerJuice's platform in Scotland is likely to be more limited.

Impact of the Middle East conflict on the utility of commercial tools

4.37 During periods of disruption, such as the Middle East conflict, the ability of commercial tools to provide competitive quotes to customers is likely to reduce because, as discussed above,[347] distributors face difficulties in giving firm quotes to consumers in advance. Consequently, distributors tend to temporarily stop providing quotes on commercial platforms.

[344] Of the consumer bodies covering all or part of Great Britain that we spoke to, most were not aware that price comparison websites existed. Notes of calls with: Citizens Advice on 21 April 2026, paragraph 28; Note of call with Citizens Advice Scotland on 7 May 2026, paragraph 20; and Advice Direct Scotland on 30 April, 2026, paragraph 13. By contrast, others highlighted the availability of benchmarking tools, noting the presence of BoilerJuice. Notes of calls with: ACRE, on 28 April, 2026, paragraph 29; and Consumer Scotland on 27 April 2026, paragraphs 28 and 29. We also note that evidence submitted by Citizens Advice indicates that the consumers they oversee are aware of BoilerJuice (Citizens Advice's submission to the CMA dated 29 April 2029, page 3).
[345] BoilerJuice's response to the CMA's Statement of Scope, p1.
[346] Note of call with third party dated 26 March 2026, BoilerJuice. paragraph 2.
[347] See above analysis of the impact of the Middle East conflict on the availability of quotes from distributors directly.

4.38 We received evidence from BoilerJuice that in the period following the onset of the Middle East conflict, distributor activity on BoilerJuice was significantly disrupted, with number of distributors per postcode dropping to one in some areas.[348] This is in line with evidence from distributors that indicates that they generally stop offering quotes via intermediaries during periods of price volatility and/or operational and supply constraints.[349] A significant reduction in the number of distributors providing quotes on BoilerJuice's platform may impact the ability of the platform to offer consumers competitive quotes.[350]

4.39 To assess the impact of the conflict on the utility of commercial tools and therefore the impact on price transparency, we requested data from BoilerJuice on distributors' activity on its platform before and after the conflict. The evidence indicates that the disruption was severe but transitory, with conditions normalising within weeks:

(a) the proportion of queries to which the platform returned a quote (ie platform coverage) approximately halved as the conflict took hold but recovered to pre-conflict level in less than three weeks. This suggests that consumers using BoilerJuice during this period were not always able to obtain a quote;

(b) the average number of distributors bidding per quote request (ie platform density) fell sharply as the crisis hit and to then start to gradually increase and return to pre-conflict levels in about six weeks. This indicates that, with fewer distributors competing for each request, consumers using BoilerJuice during this period may have received less competitive quotes. [351]

4.40 Based on this evidence, we consider that while the Middle East conflict had an impact on BoilerJuice, leading to a temporary reduction in price transparency in the home heating oil market in Great Britain, this was short-lived.

4.41 We note that there is a greater risk of reduced price transparency via online intermediaries in areas where under normal market conditions the reach of commercial platforms among local heating oil distributors is more limited such as BoilerJuice in Scotland.[352] Scotland has also more areas with fewer distributors than other parts of the UK.[353] Although it is easier for consumers to compare distributor quotes directly in areas with fewer distributors, the overall consumer experience in these areas is likely to be less positive in general, including during normal market conditions. Households living in Scotland are indeed more likely to (i) be reliant on finding out prices directly from distributors and (ii) find it difficult to

[348] Note of call with BoilerJuice on 26 March 2026, paragraph 28; BoilerJuice's response to the CMA's information request issued 19 May 2026, question 1.
[349] Responses to the CMA's information request issued on 27 March 2026, questions 15 and 16.
[350] Similar to the impact of the Middle East conflict on the BoilerJuice platform, heating oil distributors stopped providing quotes through the Cheapest Oil's platform.
[351] BoilerJuice's response to the CMA's information request issued 19 May 2026, question 1.
[352] See BoilerJuice's response to the CMA's Statement of Scope, p4.
[353] See Chapter 3.

assess whether they are being offered a competitive price given that there are fewer competitors and benchmarking tools to compare quotes. At the same time, as discussed in Chapter 3, heating oil households in Scotland face higher prices on average and experienced greater price increases during the Middle East conflict than the rest of the UK

Other tools

4.42 In addition to commercial tools, we reviewed a range of other tools provided by different bodies (including government, industry and consumer bodies).[354] While some tools offer partial support – such as facilitating the identification of local distributors or providing high-level pricing information, we find that the CCNI Price Checker tool stands out as an effective resource in supporting consumers in Northern Ireland shopping around for home heating oil. We find that the other alternatives have important limitations in practice.

4.43 The CCNI Price Checker is an online information tool designed and operated by CCNI to help consumers in Northern Ireland to shop around for home heating oil and make informed purchasing decisions. It publishes average price quotes for standard home heating oil quantities (ie 300, 500, and 900 litres) across each local council area in Northern Ireland on a weekly basis.[355] The data is collected manually by CCNI through direct engagement with a range of distributors, either via telephone or via company websites, and reflects the cheapest delivery option.[356] While not every town or distributor is represented by the tool, the council-level quote averages provide information that is representative of the prices a local household may expect to pay in a given week, as regional price variation in Northern Ireland is typically limited.[357]

4.44 Following the start of the Middle East conflict, CCNI launched a daily Price Checker tool (in addition to the weekly version) to support consumers monitoring home heating oil prices and benchmark the quote of their local distributor at times of high price volatility.[358] Like the weekly price checker, the daily tool provides information on average price quotes by local council area for 300 l, 500 l and 900 l of heating oil. During this period of volatility, the CCNI Price Checker Tools were

[354]Other tools discussed in this section are CCNI's price checker tool, a dataset of average retail price per litre of heating oil published by DEZNZ, 'find a distributor' by UKIFDA, and home heating oil buying groups.
[355] Along with the average price quotes, the tool also provides anonymised information on the lowest and highest quotes by local council area and information on the difference between the local average quote and Northern Ireland average quote. See CCNI, Home Heating Oil Price Checker, accessed on 22 May 2026
[356] CCNI's submission to the CMA, 23 March 2026, slide 22; Note of call with CCNI on 23 March 2026, page 3; Note of call with CCNI on 26 April 2026, page 1.
[357] Note of call with CCNI on 16 April 2026, page 2; CCNI's submission to the CMA, 13 May 2026, question 1; CCNI, Home Heating Oil Price Checker, accessed on 22 May 2026.
[358] See CCNI, Home Heating Oil Daily Price Checker, accessed on 22 May 2026.

based on data from slightly fewer distributors compared with normal market conditions.[359]

4.45 Feedback received from CCNI and other consumer bodies active in Northern Ireland indicates that the CCNI Price Checker tools are well known among consumers in Northern Ireland[360] and, by providing access to trusted information, can significantly contribute to price transparency at retail level.[361] Survey evidence from 2022 suggests that there is broad consumer awareness of the CCNI Price checker tool, with more than half (59%) of consumers in Northern Ireland being aware of it,[362] and data from CCNI indicates that the Price Checker tool is used by consumers, in particular in times of volatility. The tool receives around 500 views per week during normal market conditions, rising sharply to over 6,000 views per week on average following the onset of the Middle East conflict. [363]

4.46 While enhancements to update the CCNI Price Checker tool every day is likely to have improved consumers' ability to shop around in conditions of heightened price volatility, we note that gross profits of heating oil distributors in Northern Ireland however increased during the conflict.[364]

4.47 Our review identified that government publications provide some price information for heating oil alongside prices for other fuels. In particular, the Department for Energy Security and Net Zero (DESNZ) publishes a regularly updated dataset with average retail price per litre of heating oil.[365] However, we consider this information has limited practical value for consumers seeking to benchmark the quotes from their local distributor. First, the data is published monthly and at UK-wide level, meaning that it is neither sufficiently timely nor granular to capture local price variations relevant to consumers. Second, the price information is reported on a per-litre basis rather than as a full quote, requiring consumers to estimate the total costs themselves (excluding delivery) based on the volume they intend to purchase. Finally, awareness and accessibility of this information are likely to be low, as the data is available in Excel format rather than through a user-friendly interface. Taken together, these limitations suggest that the DESNZ data does not materially support price transparency in the home heating oil market.

[359] CCNI's submission to the CMA, 23 March 2026, slide 22.
[360] Note of the call with Northern Ireland consumer bodies on 16 April 2026, paragraphs 9-15.
[361] CCNI's response the CMA's Statement of Scope, p2. Further, the CCNI Price Checker tools are cited by Consumer Scotland in its response to the CMA's Statement of Scope (p7), noting that Northern Ireland has access to better price transparency than Great Britain thanks to the CCNI's Price Checker tools.
[362] Survey for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026-15 May 2026.
[363] Note of the call with Northern Ireland consumer bodies on 16 April 2026, paragraph 11. Further, the CCNI submitted that in the period between 26 February and 16 April 2026 the views of the Price Checker tool exceeded 42,000 (ie an average of over 6,000 views per week) while in normal times views are around 500 per week (CCNI's submission to the CMA 13 May 2026, question 2).
[364] See Chapter 2.
[365] See Monthly and annual prices of road fuels and petroleum products - GOV.UK, accessed on 22 May 2026 where heating oil corresponds to standard grade burning oil.

4.48 A further tool identified by our website review was the UKIFDA "Find a distributor" tool, which allows consumers to identify their local heating oil distributors by entering a postcode.[366] The tool returns a list of distributors with depots within 25 miles radius and provides links to their websites for direct quote requests.[367] As it does not provide price information directly, its contribution to price transparency is indirect; however, the tool facilitates consumer search and engagement with local distributors.

4.49 Finally, buying groups are an additional channel for purchasing home heating oil and accessing price information. These groups seek to support local communities across the country, including in more remote areas. [368] Participation requires consumers to sign up (usually for free) to a group, after which the groups shop around for distributors with the most competitive rates on behalf of its members. These rates are shared with members on a regular basis to enable bulk purchasing at discounted prices.[369] As this information is circulated only within the group and the lower rates are achieved thanks to aggregation of orders (which individual consumers cannot replicate), we consider that the impact on overall price transparency of buying groups is likely to be limited but still an important option that is available to consumers to help them get a good deal.

Clarity of home heating oil quotes

4.50 We find that heating oil pricing information is generally provided to consumers in a quote format, whether over the phone or online. These quotes are simple to interpret and include all relevant costs like taxes and delivery costs. As a result, consumers can easily compare quotes across distributors and intermediaries as well as other sources of quotes (such as the CCNI Price Checker tool). The format in which quotes are provided remains unchanged at times of price volatility.

4.51 Our website review found that quote information was generally clear and easy for consumers to interpret. Distributors and intermediaries providing direct quotes typically displayed prices as a single figure and a majority of distributors and all intermediaries[370] made clear that the price included VAT. Most websites offered delivery timeframe options, ranging from two to six choices, which were clearly set out for the consumer.[371] We note that this is also consistent with evidence

[366] UKIFDA, Find a Distributor, accessed on 27 May 2026.
[367] Further detail on the UKIFDA 'Find a distributor' tool can be found in Chapter 3.
[368] For example, The Oil Club covers 7,000+ villages across the UK. Clubs cover both urban areas, like London, and rural, like the Western Isles. For non-listed villages, there is the option to register your village, or for small villages to group with larger ones.
[369] For example, the "How it works" section of The Oil Club website.
[370] This refers to 17 out of 19 distributors and the intermediaries who demonstrated broad coverage of distributors across the UK: BoilerJuice, Value Oils and Oil Compare.
[371] This is true for 11 out of 19 distributors, and intermediaries BoilerJuice and Value Oils. The delivery timeframes varied from the next working day, to 2-3 working days, 5 days, 10 days and 1 week.

received from heating oil distributors in relation to quotes provided online as well as via phone.[372]

4.52 Our review further found that guidance to help consumers assess home heating oil prices is available online, for example from online intermediaries and the trade association UKIFDA. Three of the commercial tools reviewed (ie BoilerJuice, ValueOils and OilCompare) include price charts, background information on the variability of prices and practical guidance on buying home heating oil (including saving money tips like buying in low peak periods and shopping around). UKIFDA provides a Heating Oil Buying Guide and general advice on price movements, including in response to the Middle East crisis. We consider that these types of guidance support consumers in their journey to purchase home heating oil by providing information on price drivers, market trends and how to navigate purchasing decisions.

[372] Evidence we gathered from distributors and intermediaries is consistent with the findings of our website review. The quotes provided to consumers are generally in the format of one price inclusive of delivery charges. Responses to the CMA's information request issued on 27 March 2026, questions 4 and 5.

5. Consumer experience and protections

Introduction

5.1 At the start of the Middle East conflict the CMA received complaints from consumers and Parliamentarians, as well as seeing reports in the media, about consumers' experiences with home heating oil distributors. As explained earlier in this report, this marked another moment of high price volatility for home heating oil consumers, and we expect that this market will continue to be subject to moments of high price volatility in future. In that context, we consider in this chapter the consumer experience of the home heating oil market.

5.2 The first part of this chapter focuses on the following areas:

(a) **Protections available to on-grid consumers.** We first set out protections available to on-grid consumers under Ofgem and the Northern Ireland Utility Regulator's respective regimes. We also consider protections available to vulnerable consumers. While the market conditions vary significantly between on-grid and home heating oil, we consider the on-grid position as a useful starting point to inform our analysis because home heating oil, like on-grid energy, is an essential good providing home heating and hot water to users.

(b) **Protections available to home heating oil consumers**. We consider the role of industry-led codes of conduct, standard terms and conditions and industry-led vulnerability initiatives. We consider whether these provide an appropriate level of protection for home heating oil consumers, taking into account the protections available for on-grid energy consumers.

(c) **Conduct of heating oil distributors.** We consider conduct in normal times and in the wake of the recent Middle East conflict, including evidence about consumers' experiences with home heating oil distributors and complaints about their conduct.

5.3 Overall, we find a significant gap in the protections available to home heating oil consumers compared to on-grid consumers. In the absence of a dedicated regulatory regime for home heating oil (which would provide targeted baseline protections such as robust mechanisms for dispute resolution and enforcement powers for regulators), consumers are reliant on general consumer protection law as well as voluntary industry-led codes. Any industry-specific measures are trade association-led and would only apply to consumers using distributors that are members of the relevant trade association.

5.4 Efforts targeted at vulnerable consumers are also industry-led and necessarily limited by there being no clear way of identifying heating oil households generally or which of those household includes vulnerable consumers. This contrasts heavily with the position for on-grid customers that are subject to mandatory licence conditions that cover among other things the identification and treatment of vulnerable consumers.

5.5 While we are supportive of the industry-led efforts described above, home heating oil consumers enjoy a lower level of protection than on-grid consumers, particularly during moments of volatility. We have observed increased levels of complaints following the start of the Middle East conflict and evidence of possible breaches of contract from distributors, providing further evidence that the market may not be set up to handle repeat moments of high price volatility from a consumer protection perspective.

5.6 It is this picture that informs recommendations in Chapter 6 around a proportionate regulatory regime, and in the interim improving and better signposting existing initiatives. It is in this way that consumers can be better protected at the next moment of high price volatility, including by having faster access to redress when things go wrong.

5.7 In the second part of this chapter we consider mechanisms that consumers can use to reduce or spread the costs of upfront payments for home heating oil. This is because having these options is important to consumers unable to bear high upfront costs during moments of high price volatility. We consider: (i) the role of payment plans; and (ii) the minimum order volumes that apply in this sector and how they are implemented.

5.8 We find that:

(a) There is reasonable availability of different payment methods for home heating oil, including payment plans to spread costs over a longer period. However, it is not clear whether consumers are always aware of the options available to them – particularly as some distributors may not offer the same options to all customers.

(b) There is an inconsistency in the minimum order volumes available to consumers – in particular, consumers in Northern Ireland have a much greater ability to access lower order volumes, which can be helpful to some consumers in times of price volatility to top up their supplies. The responses from distributors to the CMA appear to suggest inconsistent understanding and interpretation of the relevant regulations in relation to minimum order volumes, which informs our related recommendation in Chapter 6.

Protections available to on-grid consumers

5.9 As part of our work, we have considered the support available to consumers in on-grid energy. While many of these measures do not map directly on to home heating oil customers, it is clear that the same level of oversight does not exist. Consumers served by heating oil are not tracked in a systematic way, with even less data available on the home heating oil customer base that are vulnerable for financial or physical reasons, making it harder to provide support to those that most need it.

5.10 To contrast the position in on-grid energy, we summarise below key elements of the protections available to customers within Ofgem and the Utility Regulator's regulator remits.

Complaints procedures / Alternative Dispute Resolution

5.11 Electricity and gas distributors are required under secondary legislation to have a complaint handling process and belong to an accredited Alternative Dispute Resolution (**ADR**) provider.

(a) In Great Britain, ADR services are provided by the Energy Ombudsman.[373] Its decisions (when accepted by the consumer who brought the complaint) are binding on the distributors who have 28 days to implement the decision outcome.[374] The Energy Ombudsman is funded by subscriptions and case fees.[375] It also has a statutory role in the Heat Network sector, and in addition provides some ADR services for energy brokers and Flex Assure.[376] The UK Government consulted in 2025 on possible changes to the role and powers of the Energy Ombudsman. This included making the process faster for consumers by reducing the window before complaints can be escalated to the Energy Ombudsman from 8 weeks to 4 weeks, and reducing the time that the Energy Ombudsman has to consider complaints to 4 weeks.[377]

(b) In Northern Ireland, the Utility Regulator sets out the process for consumers to complain about their energy or water distributor. In summary, this involves first contacting the distributor, then contacting CCNI. In certain circumstances the Utility Regulator acts as the decision-maker in disputes.[378]

[373] Note of call with Energy Ombudsman on 7 May 2026, paragraph 4.
[374] Note of call with Energy Ombudsman on 7 May 2026, paragraph 8.
[375] Note of call with Energy Ombudsman on 7 May 2026, paragraph 10.
[376] Note of call with Energy Ombudsman on 7 May 2026, paragraph 7.
[377] Department for Energy Security and Net Zero, Fairer, faster redress in the energy market, accessed on 4 June 2026.
[378] Utility Regulator, Making a complaint about my energy or water distributor, accessed on 26 May 2026.

Protections for vulnerable consumers

Ofgem

5.12 Vulnerable on-grid customers in Great Britain benefit from a number of protections existing through the standard licence conditions (**SLCs**) set out by Ofgem. For instance, beyond the retail price cap, gas and electricity supply licences include standard licence conditions that cover the following:[379]

(a) **Treating domestic customers fairly (SLC 0)**: Distributors are subject to a broad obligation to treat domestic customers fairly, including vulnerable customers. This includes standards of conduct distributors must meet**.** For instance, distributors must behave and carry out any actions in a fair, honest, transparent, appropriate and professional manner. They must also provide information which is complete, accurate and not misleading and is communicated in plain and intelligible language. For vulnerable customers specifically, the standards of conduct require distributors to seek to identify each domestic customer in a vulnerable situation in a manner which is effective and appropriate, and when applying the standards of conduct to do so in a way that takes into account customer vulnerabilities.

(b) **Priority Services Register (SLC 26):** Distributors are required to establish and maintain a Priority Services Register (**PSR**) of vulnerable domestic customers who may need support or free priority services. Distributors are required to offer PSR services which typically include things such as accessible communications, and support and information during a power or gas supply interruption.[380]

(c) **Affordability, debt and payment difficulty (SLC 27)**: Distributors are required to offer a range of payment methods, to assess the ability to pay where customers struggle with bills and offer reasonable repayment plans, flexibility, and consider debt relief options, with enhanced protections for consumers in vulnerable situations.

(d) **Disconnection and prepayment protections (SLC 27)**: Distributors are required to take all reasonable steps to avoid disconnection, particularly for vulnerable households.

(e) **Reporting requirements (SLC 32):** Distributors are required to submit data to Ofgem, Citizens Advice, and Citizens Advice Scotland on the number of domestic customers in debt, disconnections carried out, and the services

---

[379] Ofgem (2025) Gas Act 1986, Standard conditions of gas supply licence, accessed on 28 May 2026; Ofgem (2025) Electricity Act 1989, Standard conditions of electricity supply licence, accessed on 28 May 2026.
[380] See also PSR – the benefits, accessed on 28 May 2026.

offered on a distributor's PSR, as well as the number of domestic customers on a distributor's PSR.

5.13 Ofgem is able to investigate companies it thinks may have breached licence conditions. It has the power to penalise companies up to 10% of turnover, make consumer redress orders and issue orders for breaches of conditions and relevant requirements.[381]

5.14 Ofgem published an updated Consumer Vulnerability Strategy in 2025. This provides a framework for how Ofgem and energy companies should: identify consumers in vulnerable situations; treat consumers in vulnerable situations; and embed consideration of vulnerability across the energy sector. The strategy covers a wide range of areas including improving identification of vulnerable customers and smarter use of data, supporting customers to pay their bills, driving improvement in customer service for vulnerable groups, encouraging positive and inclusive innovation, and working with others to solve issues that cut across sectors.[382]

Utility Regulator

5.15 Similarly, the Northern Ireland Utility Regulator requires licensees to meet certain standards of conduct in respect of vulnerable consumers. This is covered in a specific code of practice which includes the following:[383]

(a) (Measure 1.3) The requirement to have a specialist vulnerability team or person (dependent on the size of the business) within the appropriate part of the business to champion innovative strategies for the treatment of consumers displaying signs of vulnerability.

(b) (Measure 3.2) The requirement to establish and maintain a customer care register of vulnerable domestic customers (ie those in pensionable age, disabled, have a terminal illness or chronically sick, or are represented by Utility Regulator's vulnerability definition and who wish to be included on the list).

(c) (Measure 3.6) The requirement to take all reasonable steps to ascertain whether an occupant of a domestic property and/or the bill payer falls within the scope of eligibility to be added to the customer care register, and if eligible add the consumer to the customer care register (subject to data protection and privacy laws).

---

[381] Ofgem, Enforcement, accessed on 8 July 2026.
[382] Ofgem (2025) Consumer Vulnerability Strategy, accessed on 28 May 2026.
[383] UREGNI, Code of Practice for Consumers in Vulnerable Circumstances, accessed on 28 May 2026.

(d) (Measure 5.1) The requirement not to disconnect a customer for unpaid bills if they are vulnerable or live alone or with other persons under the age of 18, in particular during the winter period (ie between 1 October and 31 March).

(e) (Measure 5.7) The requirement to provide alternative formats of communications for those domestic customers who require it, to be free of charge, including provision for customers who are blind or partially sighted or deaf or hearing impaired.

(f) (Measure 7.2) The requirement to include the option of 'breathing space'[384] when developing a payment plan for vulnerable customers in debt and not to disconnect their supply during the 'breathing space' or if they are actively engaging with their distributor.

(g) (Measure 9.1) The requirement to submit annual returns to the Utility Regulator which demonstrate compliance with the code of practice.

(h) (Measure 10.1) The requirement to conduct research and engagement with vulnerable consumers, including those on the customer care register. Any breach of the above code of practice is considered a breach of licence.[385]

5.16 The Utility Regulator has powers to take enforcement action against a regulated company for a breach of licence, including making an enforcement order and imposing a financial penalty.[386]

Protections available to home heating oil consumers

5.17 In this section, we consider the bespoke consumer protections available to heating oil consumers. Specifically, we consider:

(a) existing codes of conduct and the extent to which they are effective in ensuring that consumers have a clear and consistent understanding of the standards that they should expect from distributors;

(b) available complaints procedures and Alternative Dispute Resolution services; and

(c) protections available for vulnerable consumers.

---

[384] Breathing space is a period during which an individual in debt is provided with respite from creditor action in order to fully engage with debt advice agencies and seek sustainable solutions to their debt.
[385] UREGNI, Code of Practice for Consumers in Vulnerable Circumstances, accessed on 8 July 2026.
[386] UREGNI, Investigations and enforcement, accessed on 8 July 2026.

Existing codes of conduct

5.18 As part of our work, we engaged with the two main trade associations relevant to the supply of heating oil for domestic use: UKIFDA and NIOF.[387] Many of the distributors we engaged with during the market study were either UKIFDA members, NIOF members or members of both trade associations. UKIFDA members are subject to both its 'Code of Practice' (the **UKIFDA Code**) and its 'Customer Charter' (the **UKIFDA Charter**).[388] NIOF members are subject to NIOF's 'Customer Charter and Code of Practice' (the **NIOF Charter and Code**).[389] In the absence of equivalent protections for home heating oil consumers compared to those for on-grid energy consumers, we wanted to understand the role these industry documents have in shaping market conduct.

5.19 These documents cover a range of areas, and contain useful information for home heating oil customers. Both trade associations state that they consulted with consumer bodies when developing these documents.[390] In light of the nature of the issues raised at the outset of the market study, we have focused our attention in particular on the following aspects of the industry codes:

(a) The recommendation in the UKFIDA Code that prices should be:

(i) quoted in pence per litre, including VAT and information on any other duties or charges that are to be made to the order; and

(ii) agreed at the time of the order and not subject to change unless owing to a change in duty or VAT applied by HMRC between the time of order and delivery.[391]

(b) The recommendation in the NIOF Code and Charter that prices agreed at the time of order are honoured at the point of payment.[392]

[387] See Chapter 1 for further background on UKIFDA and NIOF.
[388] UKIFDA Code of Practice and Customer Charter, accessed on 21 May 2026.
[389] NIOF Customer Charter and Code of Practice, accessed on 21 May 2026.
[390] See eg UKIFDA Code of Practice, p1; NIOF Customer Charter and Code of Practice, p2.
[391] 'The customer shall be given a price in pence per litre including VAT and informed of any other duties or charges that are to be made to the order […] When taking an order and when requested by the end user, a final total price, agreed by both parties, will be given to a consumer, and will be the total cost of the order including all taxes. The unit price per litre will not be subject to change unless due to a change in duty or VAT which may be applied by HMRC between the time of order and delivery.' UKIFDA Code of Practice, 5b and 5c.
[392] 'The customer shall be given a price in pence per litre including VAT and informed of any other duties or charges that are to be made to the order […] When taking an order and when requested by the end user, a final total price, agreed by both parties, will be given to a consumer, and will be the total cost of the order including all taxes. The unit price per litre will not be subject to change unless due to a change in duty or VAT which may be applied by HMRC between the time of order and delivery.' NIOF Customer Charter and Code of Practice, p2.

(c) Guidance in the UKIFDA Code and UKIFDA Charter underlining the need to honour agreed prices and therefore recommending not to give a price if it cannot be agreed, eg owing to fuel shortage or bad weather.[393]

(d) Guidance in the NIOF Code and Charter that members (distributors) are not liable for non-delivery in the event of circumstances outside of their reasonable control.[394]

5.20 We sought to understand the extent to which the standards set out in these codes are clear and are influencing distributor conduct. To inform this, we reviewed distributor standard terms and conditions to assess whether terms are clear and consistent (or whether there are issues of inconsistency or ambiguity that might make it hard for consumers to understand what they should expect). We find that:

(a) There is inconsistency amongst distributors on when consumers can expect the price of a heating oil order to be confirmed. A majority of the distributors the CMA obtained evidence from indicated that the price is confirmed once the order has been accepted,[395] although a minority of these include provisions to increase the price for reasons in addition to changes in VAT and associated taxes or pricing errors to include, for example, increases in material costs.[396] Other distributors indicate that the price will be that set on the day of delivery.[397] All reviewed terms and conditions which used this provision were those of distributors that are SMEs.

(b) The majority of reviewed terms and conditions included force majeure provisions relating to the delay and/or failure to fulfil obligations in exceptional circumstances.[398] Some acknowledge specific applicable circumstances including international conflicts, but most note circumstances beyond the distributor's reasonable control. However, it is not clear the extent to which these clauses have been activated as a result of the Middle East conflict.[399]

---

[393] See: 'UKIFDA advises its members that if they are unable to provide a price, due to, for example, adverse weather conditions of fuel supply problems, then they should not provide a price', UKIFDA Customer Charter, p4; and 'Where delivery times are disrupted, for example by fuel shortage or bad weather, the delivery may be subject to reasonable delay, but the agreed price will not be changed. During such disruption a customer should only be given a price once it can be agreed and will not be subject to change. If disruption is foreseen, then prices should not be fixed until such a time as the delivery can be made without altering the price unless due to an change in duty or VAT which may be applied by HMRC between the time of order and delivery.' UKIFDA Code of Practice, 5e.
[394] 'NIOF Members pride themselves in delivering a quality service all year round. However, there are very rare occasions when delivery is not possible and this may be due to severe weather and or unforeseen circumstances beyond the control of a NIOF Member. In these circumstances, Member Companies shall not be liable to the customer for any failure to supply the full quantities of the Products ordered if such failure is due to non-availability of adequate supplies of home heating oil at the relevant terminal facility or otherwise or any circumstance of whatsoever nature which is not within the reasonable control of the Member Company. Any such cause shall be referred to as Force Majeure.' NIOF, Customer Charter and Code of Practice, p.3, accessed on 28 May 2026.
[395] Responses to the CMA's information request issued on 27 March 2026, questions 12 and 13.
[396] Responses to the CMA's information request issued on 27 March 2026, questions 12 and 13.
[397] Responses to the CMA's information request issued on 27 March 2026, question 12.
[398] Responses to the CMA's information request issued on 27 March 2026, questions 12 and 13.
[399] For example, one distributor indicated it was in the process of removing a force majeure clause that has never been used (response to the CMA's information request issued on 27 March 2026, question 12).

(c) While the majority of terms and conditions reviewed were available online,[400] some distributors either did not publish their terms and conditions on their websites[401] or provided a different version to the CMA than that which appears on their website – with one distributor updating from a price at point of order approach to price on delivery.[402]

5.21 The evidence above demonstrates a challenging environment to navigate for consumers, with a mix of industry codes of conduct and distributor terms and conditions that may not always be aligned. This mixed picture makes understanding terms and conditions more difficult for consumers, and leads to different experiences and outcomes depending on which distributor or intermediary the home heating oil was purchased from.

5.22 The described circumstances make it especially challenging for consumers to understand the standards they should expect of distributors in this market, especially during times of high price volatility where they may be making decisions under high financial pressure or under pressure caused by vulnerabilities that make home heating oil especially important to their needs. It is in these moments where some distributors may have options under terms and conditions not to fulfil orders in the manner consumers expect.

Complaints procedures / ADR

5.23 We wanted to understand the options available for consumers in this market when things go wrong, beyond raising the matter with their distributor in the first instance or consumers pursuing lengthy court action against companies for breaches of contract. Home heating oil distributors are not required to follow a specific complaints process or provide ADR services to customers. However, UKIFDA and NIOF have set out processes for their members to follow.

5.24 The UKIFDA Code of Practice explains that its members must maintain and operate an in-house complaints procedure.[403] ADR is offered for complaints regarding UKIFDA members if after a period of eight weeks a complaint has not been settled between a consumer and their distributor. UKIFDA retains the services of UtilitiesADR as its ADR body,[404] and its members should refer consumers to the service when reaching the prescribed limit for in house complaints handling, or sooner if any resolution does not seem possible.[405]

[400] CMA analysis of distributor terms and conditions.
[401] CMA analysis of distributor terms and conditions.
[402] CMA analysis of distributor terms and conditions.
[403] UKIFDA, Code of Practice, 8a, accessed on 22 May 2026. Please see below on complaints received by UKIFDA due to the conflict in the Middle East.
[404] UKIFDA, Code of Practice, 9, accessed on 22 May 2026.
[405] UKIFDA, Code of Practice, 9a, accessed on 22 May 2026.

5.25 NIOF's Customer Charter sets out three steps for consumers to make a complaint regarding its members:[406]

(a) contacting the distributor to give them a chance to resolve the problem;

(b) if the response from the distributor is not satisfactory, NIOF can be contacted to review the complaint; and

(c) if NIOF do not resolve the complaint to the consumer's satisfaction, or the consumer is unhappy with the distributor or NIOF response, CCNI can be contacted for independent advice.

5.26 While these processes provide potential avenues of redress to consumers using distributors belonging to UKIFDA and/or NIOF, the picture on complaints for heating oil customers contrasts to that experienced by on-grid electricity and gas customers described above, as there is no legislative requirement for home heating oil distributors to have a complaint handling process and belong to an accredited ADR provider.

Industry efforts targeted at consumer vulnerability

5.27 We have also observed some industry efforts to address consumer vulnerability issues, even though there is no industry-wide approach to vulnerability as there is for on-grid consumers (see above). Evidence from industry stakeholders shows some attempts to account for and support vulnerable customers, with a focus on physical vulnerability.

5.28 For example, UKIFDA has developed the Cold Weather Priority scheme to enable its members 'to identify and prioritise elderly customers aged 75+', where they are at risk during colder weather.[407] Involvement in the scheme is not mandatory for UKIFDA members and only a subset of members participate in the scheme.[408] However, many of the distributors we contacted that were UKIFDA members participate in the scheme. Crucially, 'UKIFDA members do not automatically identify customers who qualify for the CWP category',[409] with methods for registration including: (a) individual consumers directly self-declaring to their chosen distributor; (b) oil distributors asking consumers about their eligibility when placing an order; and (c) oil distributors working with 'data partners like Experian to help identify households'.[410]

[406] NIOF, Customer Charter, p5-6, accessed on 22 May 2026.
[407] UKIFDA, Cold Weather Priority Initiative, accessed on 28 May 2026.
[408] 45 UKIFDA member distributors are listed on their website as being part of the Cold Weather Priority Scheme; UKIFDA, Cold Weather Priority Initiative - Participating Members, accessed on 28 May 2026.
[409] UKIFDA, Cold Weather Priority Initiative, accessed on 28 May 2026.
[410] UKIFDA, Cold Weather Priority Initiative, accessed on 28 May 2026.

5.29 In addition to the CWP Scheme, the majority of heating oil distributors that responded to the CMA's request for information reported having an informal and internally determined policy towards identifying and serving vulnerable customers instead of or in addition to participating in third-party schemes.[411] According to these informal approaches, distributors typically accept self-declarations and/or expect those in their employ (such as drivers and telephone sales representatives) to develop an awareness of consumers' potential vulnerabilities and circumstances through personal interactions with customers.[412] This information is typically taken into account to (re)prioritise deliveries to consumers based on their vulnerable status, with one distributor also noting willingness to deliver less than the typical 500 l minimum to priority customers who may struggle to pay for 500 l or more.[413]

5.30 We also found evidence of customers self-reporting vulnerabilities via complaints in the data provided by BoilerJuice, especially in reference to delivery delay complaints. Customers flagged circumstances relating to, for example, old age, the presence of children in the household as well as short- and long-term health conditions that may contribute to vulnerability and detriment where customers are at risk of running out of heating oil.[414]

5.31 However, complaints are unlikely to capture the majority of self-declarations of vulnerability. In calls with consumer bodies, both Advice Direct Scotland and National Energy Action indicated that vulnerable customers may not be able to make complaints themselves (eg because of a lack of digital skills).[415] Vulnerable customers may require someone else to make a complaint on their behalf or otherwise be under-represented in complaints data.

Conclusion on protections available to heating oil consumers

5.32 Overall, while it is clear that there have been efforts by industry bodies to put in place codes of conduct and facilitate complaint mechanisms, as well as efforts by trade associations and a number of individual suppliers to enact policies addressing consumer vulnerability, the same guaranteed level of protections does not exist as it does for on-grid consumers. This creates difficulties for consumers, including heightened scope for terms and conditions that diverge from industry codes of conduct and differing approaches to complaint mechanisms depending on a distributor's location in the UK and whether or not it is a member of a trade association.

[411] Responses to the CMA's information request issued on 27 March 2026, questions 11.
[412] Responses to the CMA's information request issued on 27 March 2026, questions 11 and 12.
[413] Response to the CMA's information request issued on 27 March 2026, question 11.
[414] BoilerJuice's response to the CMA's information request issued on 8 April 2026, question 7.
[415] Notes of calls with Advice Direct Scotland on 30 April 2026, paragraph 8; and National Energy Action on 16 April 2026, paragraph 16.

5.33 There is also the possibility of consumers not benefiting from any protection beyond general consumer protection law in terms of standards of conduct and complaint mechanisms when their distributor is not a member of a trade association. This means vulnerable home heating oil households are not able to expect consistent standards and availability of redress from distributors. Efforts to address vulnerability are similarly reduced compared to on-grid consumers, with levels of protection dependent on distributors and trade association initiatives. The definition of vulnerability is also not consistent between distributors, and consumers are often required to self-identify any vulnerabilities to receive support. These inconsistencies inform our recommendations in Chapter 6.

Conduct of heating oil distributors

5.34 In this section, we consider the evidence relating to consumers' experience on ordering and receiving home heating oil, and how this has been impacted by the Middle East Crisis. We focus in particular on the concerns that consumers have raised regarding the conduct of distributors. Because of the distinct market dynamics in Northern Ireland as compared the rest of the UK (see Chapter 2), we have again separately considered the evidence for Great Britain and Northern Ireland.[416] Within our analysis of Great Britain, we have also considered whether there is evidence of significant variation in supplier conduct and consumer experience as between England, Wales and Scotland.

5.35 As detailed below, in the time available, we have looked to consumer complaints (as reported to consumer bodies and, in Great Britain, BoilerJuice) as a key source of evidence of consumer experience. We note that, while complaints provide meaningful insight into trends in consumer experience and the nature of issues encountered, they only capture a snapshot of consumer experience and provide limited insight into the existence and overall quantum of any consumer harm.

5.36 We have also considered evidence from our review of whether distributors' practices raise consumer protection law concerns, including in relation to possible breaches of contract.

Great Britain

5.37 To understand the consumer experience when making heating oil purchases, and their concerns regarding the conduct of distributors, we gathered information from a range of sources. We:

[416] In particular, Northern Ireland has a much larger proportion of households using heating oil (over 60% compared to under 5% in Great Britain) and consumers are concentrated in a smaller geographical area than in the rest of the UK.

(a) spoke to a range of consumer bodies working across Great Britain as well as nation-specific bodies in England and Scotland[417] to consider their collective feedback on consumer experiences on the home heating oil market;

(b) analysed responses received to the CMA's requests for information from distributors and to the CMA's Statement of Scope; and

(c) analysed available industry data on complaints to understand whether and how complaint volumes had changed in response to the conflict.[418]

5.38 Feedback from consumer bodies suggested that, under normal market conditions, consumers raise few concerns with the service they receive – albeit in the context of fewer avenues for complaints and fewer consumer protections in comparison to on-grid consumers, as discussed earlier in this chapter. Several of the consumer bodies we spoke to indicated that the volume of complaints they receive (or cases taken on) in relation to home heating oil is generally low.[419] Consumer Scotland also stated that customers of home heating oil generally report better rates of customer satisfaction than other fuels, but that customer satisfaction is easily affected by spiking prices.[420]

5.39 The majority of consumer bodies we spoke to indicated that they saw a larger than usual volume of complaints related to home heating oil in March 2026.[421] For example, Citizens Advice Scotland reported that the number of complaints they received had more than doubled since the start of the conflict, and told the CMA that the number of complaints received in the period January to March had increased from 222 in 2025 to 403 in 2026.[422]

5.40 UKIFDA also told the CMA that it had received 17 complaints in Great Britain during the conflict in the Middle East that it contacted distributors about (also signposting the ADR provision described above to complainants), all of which it understands to now be resolved. In a typical year, the body receives no more than 20 complaints which usually concern the timing of deliveries or failed deliveries due to unsafe delivery conditions.[423]

[417] The CMA spoke to Action with Communities in Rural England, Advice Direct Scotland, Citizens Advice, Citizens Advice Scotland, Consumer Scotland and the Energy Ombudsman.
[418] We analysed data provided by BoilerJuice relating to the volume of complaints received between April 2025 and March 2026. While these data comprised complaints from across the UK, only a small number of them originated from consumers in Northern Ireland (approximately 1% of all complaints); BoilerJuice's response to the CMA's information request dated 8 April 2026, question 7
[419] Notes of calls with Citizen's Advice Scotland on 7 May 2026, paragraph 2; and Consumer Scotland on 27 April 2026, paragraph 6.
[420] Note of call with Consumer Scotland on 27 April 2026, paragraph 12.
[421] Notes of calls with ACRE on 28 April 2026, paragraph 8-9; Advice Direct Scotland on 30 April 2026, paragraph 4; Citizen's Advice on 21 April 2026 paragraph 6; and Citizen's Advice Scotland on 7 May 2026, paragraph 2.
[422] Note of call with Citizen's Advice Scotland on 7 May 2026, paragraph 2.
[423] Note of call with UKIFDA on 23 March 2026, p11.

5.41 In meetings with the CMA, consumer bodies outlined examples of issues that had been raised with them by heating oil consumers, including:

(a) distributors cancelling orders, with consumers being faced with subsequent price increases;[424]

(b) distributors refusing to provide a firm price until after the consumer committed to the purchase;[425]

(c) prices being increased after order placement or not being honoured at the point of delivery;[426] and

(d) refunds for cancelled orders being delayed, meaning prices had risen significantly by the time funds were received.[427]

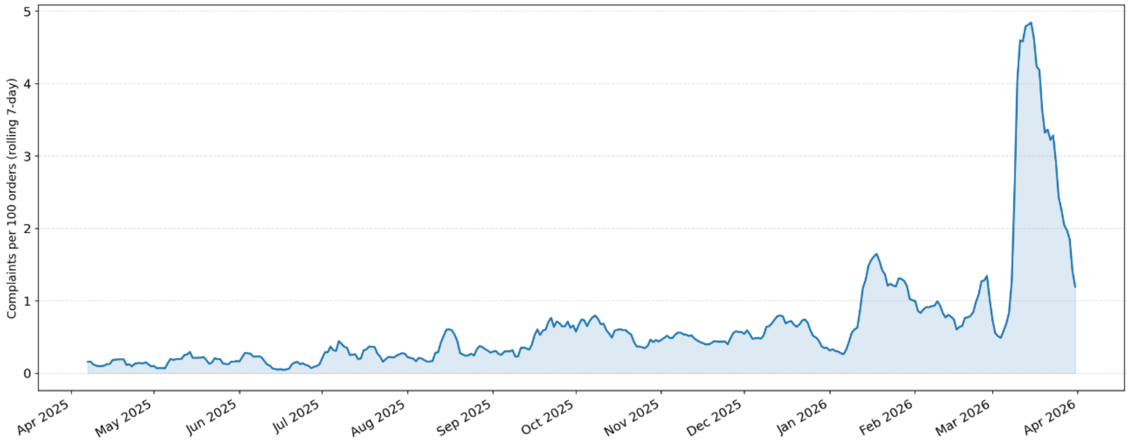
5.42 Responses to the CMA's Statement of Scope also highlighted some of the issues faced by consumers since the start of the conflict in the Middle East. For example, the Fuel Bank Foundation, which supports consumers struggling to prepay for their energy, reported cancelled deliveries, changing of minimum or maximum order sizes, and the doubling of heating oil delivery prices.[428]

5.43 We collected consumer complaints data from BoilerJuice for the period 1 April 2025 to 31 March 2026 so that we could analyse how the Middle East conflict had impacted complaints across a variety of distributors.[429]

5.44 Figure 5.1 below depicts the volume of complaints in proportion to orders placed on the BoilerJuice platform. The data shows a clear increase in complaint volume during March 2026, following the start of the Middle East conflict, with this increase lasting around two to three weeks.

[424] Notes of calls with ACRE on 28 April 2026, paragraph 9; Advice Direct Scotland on 30 April 2026 paragraph 5 and 12; and Citizen's Advice on 21 April 2026, paragraph 8.
[425] Note of call with Consumer Scotland on 27 April 2026, paragraph 9c.
[426] Notes of calls with Consumer Scotland on 27 April 2026, paragraph 9d; Citizens Advice on 21 April 2026, paragraph 8b and Note of call with ACRE on 28 April 2026, paragraph 9.
[427] Note of call with Citizens Advice on 21 April 2026, paragraph 8a.
[428] Fuel Bank Foundation's response to the CMA's Statement of Scope, p2.
[429] BoilerJuice's response to the CMA's information request issued on 8 April 2026, question 7. The data provided comprise complaint logs between April 2025 and March 2026, for all complaints received across BoilerJuice's UK customer base.

Figure 5.1: Volume of complaints per 100 orders received by BoilerJuice, April 2025 - March 2026, shown within a rolling 7-day time window

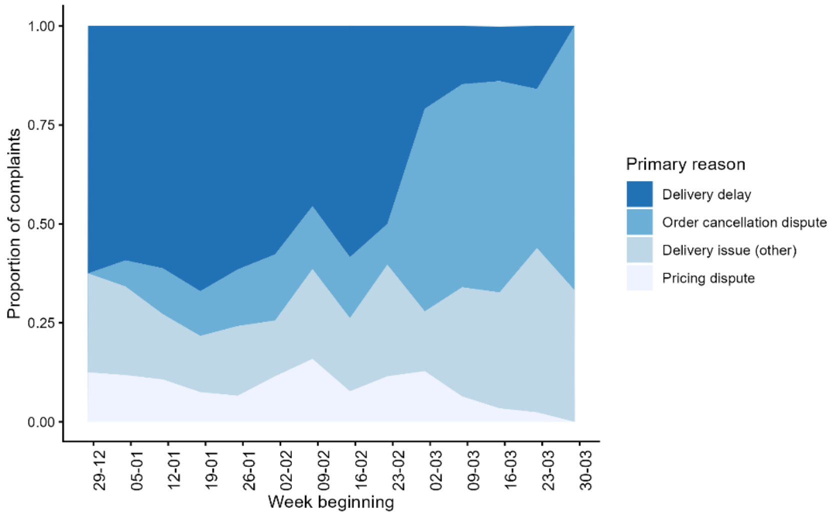


Source: CMA analysis

5.45 Figure 5.2 below charts the type of complaint received by BoilerJuice in the period from 1 January 2026 to 31 March 2026. It shows that prior to the conflict delivery delays were the most common complaint. In contrast, in March and following the start of the crisis, complaints relating to order cancellations (where the distributor has cancelled the order after it has been confirmed by BoilerJuice) were the most common source of complaint.[430] Some customers that made complaints regarding cancellations expressed views that distributors were cancelling without good reason as well as their frustration at having to re-order the same quantity of oil at a higher price.

[430] The data show a small increase in complaints relative to orders from early January, which may reflect seasonal trends when service levels come under increased pressure in colder months. Complaints between January and March were primarily related to delivery delays, which is typically the most common complaints category across the whole dataset. In contrast, the peak in complaints that occurred following the start of the Middle East conflict is primarily associated with complaints concerning order cancellations by distributors.

Figure 5.2: Proportion of complaints received in each primary complaint reason category (for the most common complaint categories), from 1st January – 31st March 2026



Source: CMA analysis

5.46 Most distributors in England, Scotland and Wales from whom the CMA requested information indicated that they did not cancel and requote any heating oil orders between 1 January 2026 and 27 March 2026.[431] Some distributors did though acknowledge that there were instances of customers receiving revised pricing on the day of delivery or distributors moving to a price confirmed on delivery approach, with options for customers to cancel.[432] Some distributors also indicated that they cancelled orders for reasons including customer requests, funds not being cleared, duplicate orders, insufficient space in customer tanks and access issues.[433] As discussed above, some distributors outlined that the price of a heating oil order is only confirmed on the day of delivery within their standard terms and conditions, while others include provisions to revise prices after an order has been placed. We are aware that following the CMA's announcement on 11 March 2026 that it was examining concerns in heating oil, some distributors announced that they would honour orders at the original price.

5.47 Overall, the available evidence in Great Britain suggests that as a result of the conflict in the Middle East there was a significant increase in complaints and issues, largely due to cancelled orders and price increases. In normal trading conditions consumers appear to experience significantly fewer issues, albeit without the protections of on-grid consumers in the instances where things do go wrong.

[431] Responses to the CMA's information request issued on 27 March 2026, questions 13 and 14.
[432] Responses to the CMA's information request issued on 27 March 2026, question 13.
[433] Responses to the CMA's information request issued on 27 March 2026, questions 13 and 14.

Northern Ireland

5.48 The CMA held a roundtable with consumer bodies in Northern Ireland to understand the experiences of consumers in Northern Ireland.[434] Similar to Great Britain, consumer bodies typically see a low number of complaints relating to heating oil during normal trading conditions.[435] CCNI told the CMA that it typically receives fewer than 5 complaints in a year. [436] CCNI and the Trading Standards Service (TSS) commented that under normal trading conditions complaints typically relate to issues such as short measures.[437]

5.49 Complaints in Northern Ireland also increased significantly following the start of the conflict. CCNI told the CMA that the number of complaints received increased significantly and that they had received 48 complaints between the start of the Middle East conflict and mid-April.[438] The TSS highlighted that it had also received an increased volume of complaints (mostly in the first 7-10 days of the conflict in the Middle East). It did however note that it had not seen a similar volume and profile to the hundreds of complaints received in 2022 during the invasion of Ukraine. The TSS considered that this could be influenced by its meeting with NIOF to explain what is expected of oil retailers in terms of honouring contracts and complying with consumer protection legislation, and proactively contacting the organisation again at the onset of the conflict in the Middle East.[439]

5.50 The TSS said the profile of complaints for the conflict in the Middle East largely related to orders not being fulfilled, where distributors cancelled orders placed before price increases and issued refunds. Some distributors were alleged to have offered reduced quantities of heating oil for the same previously agreed price.[440] Both TSS and National Energy Action noted that not all consumers (particularly vulnerable consumers) may know who to complain to about issues, meaning it is likely that only a partial picture is available.[441]

5.51 A poll commissioned by CCNI of Northern Ireland consumers that use heating oil suggests that the majority of consumers did not experience issues, with 71% saying they had not seen any changes in distributor behaviour since the start of the conflict in the Middle East.[442] For those who did see changes in behaviour, the most commonly cited were one or more heating oil distributors limiting the amount of oil that could be ordered, one or more heating oil distributors refusing to take an

[434] The CMA spoke to Advice NI, CCNI, Disability Action, National Energy Action, Rural Community Network and the Department for the Economy’s Trading Standards Service.
[435] Note of call with Northern Ireland consumer bodies on 16 April 2026, paragraphs 5, 10 and 25.
[436] Note of call with Northern Ireland consumer bodies on 16 April 2026, paragraph 9-10.
[437] Note of call with Northern Ireland consumer bodies on 16 April 2026, paragraphs 4 and 10.
[438] Note of call with Northern Ireland consumer bodies on 16 April 2026, paragraph 9-10.
[439] Note of call with Northern Ireland consumer bodies on 16 April 2026, paragraphs 4-6.
[440] Note of call with Northern Ireland consumer bodies on 16 April 2026, paragraphs 4 and 7.
[441] Note of call with Northern Ireland consumer bodies on 16 April 2026, paragraphs 6 and 16.
[442] Survey for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026-15 May 2026.

order and agreeing to a lower initial quote but ending up accepting a higher price upon delivery.

5.52 All distributors in Northern Ireland who responded to the CMA's request for information said that they did not cancel and requote any heating oil orders between 1 January 2026 and 27 March 2026. Where orders were cancelled, reasons given included duplicate orders, input errors or customer requests.[443]

5.53 Overall, while evidence on complaints is more anecdotal compared to Great Britain, it appears similar issues were experienced by some consumers in Northern Ireland as a result of the conflict in the Middle East, with increased complaints of cancelled orders and higher prices. Targeted efforts to make distributors aware of their obligations may have helped reduce the number of complaints and issues. Also similar to Great Britain, the available evidence suggests that in normal trading conditions a low number of issues are experienced by home heating oil consumers in Northern Ireland – however, the same limitations exist on recourse for those who do experience issues, with some consumer bodies raising that vulnerable consumers may not be aware of who they can contact for help in such circumstances.

Possible breaches of contracts with consumers

5.54 In addition to this market study, prompted by the concerns outlined above, the CMA engaged with relevant home heating oil distributors and intermediaries to consider whether any practices observed following the start of the Middle East conflict raised consumer protection law concerns.[444]

5.55 Our initial review of complaints identified two areas of potential concern, which we probed further alongside the market study:

(a) existing orders for heating oil being cancelled, and customers then being offered new quotes at significantly increased prices; and

(b) price increases for automated deliveries (triggered when the fuel in a tank drops to a certain level).

5.56 Following additional information gathering and engagement with distributors, we did not identify evidence to support a finding that distributors had engaged in these practices. However, our review of the evidence indicates that some orders taken through BoilerJuice (rather than placed directly with the distributor) were cancelled by the distributors and not fulfilled. While the vast majority of orders taken through BoilerJuice between 19 February and 9 March were fulfilled, it appears that approximately 1,700 orders were cancelled by distributors. These cancellations

[443] Response to the CMA's information request issued on 27 March 2026, question 14.
[444] CMA examines concerns about heating oil - GOV.UK.

relate to a relatively small number of distributors of varying sizes who are located across England, Wales and Northern Ireland. The reasons given by distributors for not fulfilling the orders suggest that they could not cope with the surge in demand caused by the conflict.

5.57 We are concerned that cancelling these orders may have amounted to a breach of contract. This is because the applicable terms and conditions may not have allowed the distributors to cancel the contract in the relevant circumstances. Following engagement with BoilerJuice and the relevant distributors, we understand that affected customers were refunded for cancelled orders. However, where consumers subsequently had to buy from a different distributor, the price they had to pay for the heating oil was likely to have increased given that prices rose significantly as the Middle East conflict continued. While our work is ongoing, based on the information we have obtained, we estimate that consumers may have paid between £150 and £350 more to get replacement fuel from a different distributor depending on the point in the cycle at which the customer repurchased, or may have foregone re-ordering home heating oil if they were unable to afford the increased cost.

5.58 The CMA’s consumer work is ongoing. Following the market study, we will continue to work with suppliers to address the detriment to consumers caused by potential breaches of contract we have identified.

5.59 We have considered this evidence as part of our market study as it is relevant to our analysis of the adequacy of existing protections for consumers, and the ability of the market to handle moments of high price volatility.

5.60 We explained above that not all distributors are required to participate in ADR schemes. This is particularly relevant when considering potential contractual issues between consumers and distributors. In principle, consumers can pursue private actions through the small claims court seeking compensatory damages. Although this offers a simplified legal process which does not necessarily require a lawyer, it is still a formal process which consumers (particularly vulnerable consumers) may struggle to engage with, and where delays may result in them dropping their claims. ADR can provide swift and cost-effective redress for consumers in the event of breaches of contract. We therefore see a possible enforcement gap for consumers seeking to achieve redress for breaches of contract in the supply of home heating oil.

Conclusion on consumer protections and supplier conduct

5.61 In light of the absence of consumer protections available to home heating oil consumers, and the instances of supplier conduct we have observed since the outbreak of the Middle East conflict, we consider that the regulatory gap that exists for home heating oil consumers compared with on-grid energy customers may expose consumers to an undue level of risk during moments of high price volatility. As we expect to see similar volatility in future, we think this exposes an issue with the current level of protections, even if issues are not widespread in 'normal' times. In particular:

(a) industry codes of conduct only provide a limited amount of protection and only apply to distributors that are members of the relevant trade association;

(b) we have observed some inconsistencies between distributor terms and conditions and industry codes of conduct;

(c) while some industry-led ADR services are available, home heating oil consumers lack access to quick redress in the event of breaches of contract.

5.62 On vulnerable customers specifically, we have concerns with existing approaches:

(a) Existing industry efforts lack external oversight and consistency. For example, even with the UKIFDA member distributors involved in the CWP Scheme, it is unclear how many of those take active steps to identify CWP-eligible consumers versus relying on consumers self-declaring their vulnerable status. Distributors report that their informal schemes often rely on a combination of self-declaration and employee identification, with significant variation in how vulnerabilities are recorded and prioritised.

(b) Research conducted on behalf of the UK Regulators Network found that self-declaration of vulnerabilities is often the first port of call for organisations identifying vulnerable customers and often works effectively for identifying static and long-term vulnerabilities.[445] However, self-declaration places the burden of identification on the vulnerable person, and an overreliance on consumer self-declaration may result in under-utilisation of the CWP scheme (and other initiatives available to vulnerable consumers) due to a number of behavioural factors. Consumers may not be aware of priority schemes, or may lack the time or motivation to disclose vulnerabilities, especially where additional barriers are in place – for example, in the case of the CWP, consumers must re-register for the scheme if they switch distributors, which places additional time and effort costs on the consumer.[446] In addition, consumers may not recognise their own individual characteristics or circumstances as contributing to vulnerability, or may lack trust in organisations to prioritise their needs effectively.[447]

(c) Outside of the CWP Scheme, distributors often report having informal policies in place to identify and prioritise vulnerable consumers, often through

[445] UK Regulators Network, Literature Review on Identifying Vulnerable Consumers, p.3, accessed 28 May 2026.
[446] UKIFDA, Cold Weather Priority Initiative, accessed on 28 May 2026.
[447] UK Regulators Network, Literature Review on Identifying Vulnerable Consumers, p10, accessed 28 May 2026.

a combination of self-declaration and relying on distributor employees to identify vulnerable consumers. As such, there is little evidence of policy, training or documentation systems that would allow distributors to apply a consistent approach to identifying vulnerable consumers. This means that customers may be treated differently depending on the relationship with their distributor and that some vulnerabilities which are physically evident (eg old age, physical disability) may be more easily identified than others (eg mental illness or financial hardship).

(d) The existing CWP Scheme focuses on only a single factor related to vulnerability – the age of the customer – potentially leading to missing support for other critical vulnerabilities. Even where distributors' informal policies take into account a wider range of vulnerabilities, reliance on self-disclosure likely benefits a subset of static or long-term vulnerabilities but may be less effective at identifying less commonly recognised forms of vulnerability (eg cognitive impairment), or temporary vulnerabilities (eg returning home after a medical procedure).[448]

Mechanisms to help consumers reduce or spread the costs of upfront payments for heating oil

5.63 Because consumers purchase heating oil periodically – typically 2-4 times per year[449] – their purchase cost for each order can be significant. Prior to the conflict, the average UK price for home heating oil was 64 ppl in February 2026. Those costs rose significantly as a result of the conflict, with average UK prices increasing to 104 ppl in March 2026 and peaking at 123 ppl in April 2026. We have therefore considered the means through which consumers could reduce or spread the cost of this upfront payment, with a focus on:

(a) the extent to which payment plans (ie that allow consumers to spread the costs of their heating oil purchase) are available; and

(b) typical minimum order volumes offered by distributors and whether they are commensurate with consumer demand.

Availability of payment plans

5.64 While payment plans may not overall reduce costs for consumers, they may provide an important option in moments of high price volatility if consumers want to spread the upfront cost of a heating oil purchase. We have there considered their availability and the extent to which consumers are aware of this option.

[448] UK Regulators Network, Literature Review on Identifying Vulnerable Consumers, p3, accessed 28 May 2026.
[449] UKIFDA's response to the CMA's Statement of Scope, p13.

5.65 The majority of distributors in England, Scotland and Wales who responded to the CMA's request for information indicated that they offered a payment plan to either allow customers to spread the cost of a heating oil order or to pay a fixed monthly amount to build credit over the warmer months to assist with budgeting (similar to a Direct Debit for on-grid energy sources).[450] Just under half of distributors who responded in Northern Ireland indicated they offered payment plans,[451] but the majority indicated they accepted a form of oil savings stamp[452] and/or payment via PayPoint.[453]

5.66 Some distributors indicated that fewer payment options were available for certain customers.[454] Examples of these differences include:

(a) requiring new customers to pay for orders upfront;[455]

(b) offering more payment options to customers with approved accounts with the distributor;[456] and

(c) offering long-standing customers more time to pay invoices.[457]

5.67 Consumer research undertaken in Northern Ireland suggest a mixed picture regarding consumer awareness of the availability of payment plans. Polling for CCNI of heating oil consumers in Northern Ireland found that

(a) 50% of respondents said they had not thought about it or were not aware of the range of payment methods offered by distributors;

(b) 29% said there was an excellent or good range of payment methods; and

(c) 22% said that options for payment methods were somewhat or highly limited (increasing to 32% for those who are disabled and 28% for those living in a household in receipt of benefits). [458]

5.68 Overall, the evidence suggests that payment plans are widely available. The CCNI survey results suggests that there could be a mismatch as between the availability of payment methods and consumers' awareness of their availability.

[450] Responses to the CMA's information request issued on 27 March 2026, questions 10 and 11.
[451] Responses to the CMA's information request issued on 27 March 2026, questions 10 and 11.
[452] Responses to the CMA's information request issued on 27 March 2026, questions 10 and 11.
[453] Responses to the CMA's information request issued on 27 March 2026, questions 10 and 11.
[454] Responses to the CMA's information request issued on 27 March 2026, questions 10 and 11.
[455] Responses to the CMA's information request issued on 27 March 2026, questions 10 and 11.
[456] Responses to the CMA's information request issued on 27 March 2026, question 10.
[457] Responses to the CMA's information request issued on 27 March 2026, question 10.
[458] Survey for CCNI, sample of 984 consumers in NI that use home heating oil, 8 April 2026-15 May 2026.

Minimum order volumes

5.69 Another factor that contributes to the high purchase costs faced by heating oil consumers is the volume at which home heating oil is purchased. We have therefore considered the options available to consumers to purchase lower volumes and whether these are commensurate with consumer demand. To do this, we:

(a) considered evidence from distributors submitted in response to our information requests;

(b) analysed trends in distributors' transactions data – and, for Great Britain, BoilerJuice transactions data – in relation to order volumes following the start of the conflict to understand whether there is increased demand for smaller volumes in periods of volatility;

(c) considered evidence from our website review in relation to intermediaries' minimum order volumes; and

(d) conducted an initial review of the regulations that apply to measuring systems used for liquid fuels delivered by road tankers to assess their impact on distributors' minimum order volumes.

Great Britain

5.70 All distributors who responded to the CMA's request for information indicated that they implement a minimum order volume.[459]

5.71 In Great Britain, a majority of distributors indicated a minimum order of 500 l.[460] However, some distributors have indicated they will either offer less than 500 l in extenuating circumstances [461] or have a minimum order volume lower than 500 l (ranging from 100 l to 350 l).[462] Over half of the distributors based in Wales indicated a minimum order volume lower than 500 l,[463] while all distributors based in Scotland had a minimum volume of 500 l.[464]

5.72 The most frequently cited reason for a 500 l minimum order volume was that the associated fixed costs make it less efficient to distributors and/or consumers to deliver less.[465] Some of the distributors offering minimum order volumes below

[459] Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
[460] Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
[461] Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
[462] Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
[463] Responses to the CMA's information request issued on 27 March 2026, question 9.
[464] Responses to the CMA's information request issued on 27 March 2026, question 9.
[465] Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.

500 l also acknowledged that the associated fixed costs with a delivery mean these orders are not as cost-efficient for consumers compared to a 500 l order.[466]

5.73 Another frequently cited reason for a 500 l minimum order volume among distributors related to measuring equipment installed on their tankers.[467] Some distributors indicated that their minimum order requirements reflected statutory requirements, particularly the Measuring Instruments (Liquid Fuel delivered from Road Tankers) Regulations 2006.[468] Others referred to industry guidance, noting that UKIFDA technical guidance recommends a minimum order volume of 500 l in order to comply with the same 2006 regulations.[469] UKIFDA told us that its industry guidance is that, given the current technology mix with respect to calibration accuracy of metering equipment attached to trucks, the minimum order to satisfy the legislation is set at 500 l.[470] In addition, several distributors pointed to Trading Standards or local authority oversight, explaining that meters are calibrated against defined tolerances.[471] We consider the impact of regulation on minimum order volumes below.

5.74 Analysis of transaction data for distributors who responded to the CMA's request for information indicates a clear shift in the distribution of order sizes towards lower volumes following the start of the conflict. While orders below 500 l remain a small (<10%) share of total transactions for almost all distributors, the proportion of such orders increased for most distributors (by c. 50% on average).[472] At the same time, average order sizes declined (by up to 25%) for all distributors.[473] There is also evidence of pronounced bunching at exactly 500 l, with the proportion of orders at this level increasing (by c. 20-170%) for all distributors.[474] Taken together, these patterns suggest that 500 l may act as a binding minimum for some consumers, with ordering behaviour clustering at this threshold. The observed changes are consistent with customers seeking to reduce purchase volumes in response to higher prices and may indicate latent demand for smaller delivery sizes that is not fully accommodated under prevailing minimum order requirements.[475]

5.75 The CMA has also reviewed data on orders facilitated through BoilerJuice's platform from January 2025 to March 2026.[476] This data likewise indicates a shift in consumer demand towards smaller delivery volumes following the start of the conflict, with average order sizes declining and the proportion of orders below 500

---

466 Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
467 Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
468 Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
469 Responses to the CMA's information request issued on 27 March 2026, question 9.
470 UKIFDA's response to the CMA's Statement of Scope, p20.
471 Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
472 Based on orders placed over the period 1 January to 27 March 2026. CMA analysis of responses to CMA's information request issued on 27 March 2026, questions 20 and 27.
473 As above.
474 As above.
475 As above.
476 BoilerJuice's response to the CMA's information request issued on 8 April 2026, question 16; BoilerJuice's response to the CMA's information request issued on 23 April 2026, question 1.

l increasing. At the same time, there is evidence of pronounced bunching at exactly 500 l, with a large proportion of orders concentrated at this level, consistent with it acting as a minimum threshold for many customers. However, this shift in demand is not reflected in a wider increase in supply at lower volumes. Although BoilerJuice allows for orders below 500 l,[477] the data indicates that only a subset of distributors offer pricing at these levels, and the number of distributors quoting per order for smaller-volume orders remains limited relative to higher-volume orders.[478] In contrast, orders at 500 l and above account for the vast majority of transactions, suggesting that distributor participation is considerably broader at these volumes.

5.76 The CMA conducted a review of intermediary websites, which is further outlined in Chapter 4. Our review found that the largest of the three intermediaries identified in Great Britain, BoilerJuice, allowed consumers to request and compare quotes below 500 l whereas the others require a minimum order of 500 l.

5.77 Taken together, this points to a misalignment between consumer demand and distributor offerings in Great Britain, where the widespread distributor practice does not reflect increased demand for smaller deliveries. As a result, minimum order volumes continue to act as a practical constraint, limiting the extent to which consumers are able to reduce purchase sizes in response to higher prices.

Northern Ireland

5.78 All distributors based in Northern Ireland also indicated they had a minimum order volume. In contrast to those in Great Britain, minimum order volumes range from 100-200 l.[479] One distributor noted that they would facilitate orders below 100 l if a customer were to request this by phone.[480]

5.79 Half of distributors indicated that the minimum was set in line with requirements imposed by Trading Standards, Weights and Measures regulations or guidelines produced my manufacturers of fuel meters.[481] Some of the remaining distributors noted that the level was set to support customers who would not be able to afford to purchase a larger volume,[482] while others suggested that this was to protect their margins, or to prevent unreasonable per-litre prices for customers.[483]

5.80 Transaction data for NI distributors indicates a substantially greater prevalence of smaller delivery volumes than in GB. Orders below 500 l account for a significantly

---

477 BoilerJuice indicate that the minimum order volume in most areas of the UK (outside NI) is 300 litres. See BoilerJuice, Is There a Minimum Order Quantity for Heating Oil?, accessed on 9 June 2026.
478 Approximately a third of the distributors quoting on BoilerJuice's platform between January 2025 and February 2026 made deliveries under 500 l.
479 Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
480 Response to the CMA's information request issued on 27 March 2026, question 9.
481 Responses to the CMA's information request issued on 27 March 2026, questions 9 and 10.
482 Responses to the CMA's information request issued on 27 March 2026, question 9.
483 Responses to the CMA's information request issued on 27 March 2026, question 9.

higher share of total transactions than in GB, in some cases constituting a large proportion (up to 67%) of overall sales.[484] As in GB, there is evidence of a shift towards smaller order sizes following the start of the conflict, with the share of sub 500 l orders increasing (by c.40-175%) across all distributors in the sample and average order volumes declining (by c.20% on average).[485] However, the extent of smaller-volume ordering in NI suggests a different underlying market dynamic, with consumers more routinely able to access lower delivery volumes. While some bunching at 500 l is still observed for certain distributors, the significantly higher proportion of smaller orders indicates that this threshold is less likely to act as a binding constraint in practice.[486]

5.81 None of the distributors who responded to the CMA's request for information increased their minimum order volume between 1 January 2026 and 27 March 2026.[487] Four stated that they have offered lower minimum order volumes in this period due to the impact of the Iran war.[488]

5.82 The CMA's review of intermediary websites found that the larger of the two intermediaries identified in Northern Ireland, CheapestOil, allowed consumers to request and compare quotes below 500 l whereas the other one required a minimum order of 500 l.

5.83 Overall, therefore, the evidence suggests that in Northern Ireland there is significant demand for smaller order volumes, and that a larger proportion of distributors are willing to supply smaller volumes of less than 500 l.

The impact of regulation on minimum order volumes

5.84 Our analysis of the regulatory framework governing the measurement of fuel delivered by road tankers indicates there is no generally prescribed minimum delivery volume of 500 l. Instead, the relevant legislation requires that measuring systems operate within defined limits of accuracy and that deliveries must not fall below the minimum measured quantity (**MMQ**) for which the system is approved.[489] [490] In both Great Britain and Northern Ireland, the MMQ represents the smallest quantity of fuel for which the measurement is considered metrologically acceptable, and is determined as part of the certification of the measuring system in question rather than being fixed in legislation.

[484] Based on orders placed over the period 1 January to 27 March 2026. CMA analysis of responses to CMA's information request issued on 27 March 2026, questions 20 and 27.
[485] As above.
[486] As above.
[487] Response to the CMA's information request issued on 27 March 2026, questions 9 and 10.
[488] Response to the CMA's information request issued on 27 March 2026, questions 9 and 10.
[489] Measuring Instruments Regulations 2016 (GB), Schedule 6, Part 4.
[490] Measuring Instruments (Liquid Fuel by Road Tanker) (Use for Trade) Regulations (Northern Ireland) 2007, Regulations 4 and 5.

5.85 Evidence gathered in the course of this study suggests that the commonly observed minimum delivery volume of 500 l has developed as an industry standard linked to the types of measuring systems most widely used on road tankers.[491] However, stakeholders also indicated that alternative measuring systems exist which are capable of operating within the required accuracy limits at lower volumes, and which may therefore be certified with a lower MMQ.[492] For example, one distributor told us their tankers are certified to deliver volumes down to 300 l.[493] In principle, this means that the minimum quantity that can lawfully be delivered depends on the characteristics and approval of the specific measuring equipment installed on the tanker.

5.86 Overall, the picture that has emerged from our analysis on minimum order volumes is one of inconsistency – particularly between Great Britain and Northern Ireland, with consumers in Northern Ireland having a much greater ability to access lower order volumes for a lower overall order cost. While the ppl for lower order volumes may be more expensive, the ability to access them may be important for those on lower incomes in particular to top up their heating oil at times of price volatility. The responses from distributors to the CMA appear to suggest inconsistent understanding and interpretation of the relevant regulations in relation to minimum order volumes, which could also be influenced by a lack of clarity on enforcement.

[491] Response to the CMA's information request issued on 27 March 2026, questions 9 and 10.
[492] Response to the CMA's information request issued on 27 March 2026, questions 9 and 10.
[493] Note of call with a third party on 17 June 2026, paragraph 21.

6. Recommendations

6.1 As set out in the chapters above, while a lack of competition does not appear to be driving negative outcomes for consumers in the home heating oil market, other features of the home heating oil market are resulting in poor outcomes for consumers, in particular during periods of volatility such as that following the Middle East conflict. Overall, we have identified four key concerns:

(a) Home heating oil households lack the regulatory protections available to consumers reliant on on-grid energy sources, placing them at a marked disadvantage. This lack of regulatory protections in the home heating oil market can lead to poor outcomes for consumers, especially during periods of volatility and for vulnerable consumers.

(b) While for large parts of the UK, heating oil households have many distributors to choose from, consumers are exposed to significant retail price spikes in times of wholesale price volatility. As described above, consumers have no regulatory protection from the resulting sharp increases in price, which can be particularly detrimental for vulnerable consumers. Particular features of the home heating oil market – namely, that customers do not have long-term contracts with distributors and make heating oil purchases relatively infrequently, filling up their tanks on average two-to-four times a year – mean that consumers' exposure to price spikes and other supply issues at times of volatility is acute.

(c) While price transparency is generally good across the four nations, we have identified limitations to price transparency via online platforms in Scotland. We have also identified that price transparency reduces throughout Great Britain during times of volatility.

(d) There is regional variation in consumer outcomes and experience, with consumers in certain areas (which tend to be remote, including parts of Scotland), being particularly exposed to negative outcomes. This includes by having fewer supply options and facing higher prices, although we have not found that profits are higher for distributors that serve these regions.

6.2 As outlined in Chapter 1, the home heating oil market has experienced recurrent periods of volatility in the past. Given this history of recurrent disruption, ongoing global political unrest leading to supply chain disruption, and increased episodic extreme weather as a result of climate change, we can expect that periods of volatility will continue to be a feature of this market in the future. Additionally, as the home heating oil market contracts with the shift to lower carbon technologies, the market is likely to become less resilient to future shocks and making the potential harm deriving from these concerns even greater for those left using heating oil.

6.3 In this chapter, we make a number of recommendations to the UK and devolved governments[494] to address these concerns. We also present other measures that merit further consideration. We summarise these in the following box and expand on them further below. The recommendations we outline in this chapter have been developed by the CMA following the analysis undertaken in this market study. We have engaged with the UK government, devolved governments and regulators as we have developed this thinking. At the start of the conflict the UK government also indicated that it was open to considering the appointment of a regulator, strengthening existing codes, and measures to support flexibility in delivery volumes.

6.4 In addition, following the market study, we will continue our work to address the detriment to consumers that may have resulted from the possible breaches of contract we have identified. In future, we would expect such consumers to benefit from the better regulatory protections we have recommended.

6.5 Further, and in line with its current practice, the CMA will continue actively monitoring merger activity in the home heating oil sector for any relevant acquisitions that may harm competition and will take account of the analysis undertaken in this market study regarding competitive dynamics as appropriate.

[494] The UK government has committed to issuing an official response to the CMA's recommendations within 90 days of report publication, with a presumption that the government will accept the recommendations unless there are compelling policy reasons not to do so.

Overview of recommendations

Consumer experience and protections

- **Recommendation 1:** UK government and the Northern Ireland Executive should enable, and Ofgem and the Utility Regulator should implement, the introduction of a **proportionate regulatory regime** that provides for the **authorisation of home heating oil distributors** and includes (i) a **system for identification** – and maintaining an up-to-date record – of **heating oil households** (ii) **a priority service programme** to ensure the prioritisation of vulnerable customers during periods of volatility (iii) a **mandatory code of conduct** that requires distributors to offer access to alternative dispute resolution services, sets clear and consistent standards for distributors' supply terms and conditions and requires clear signposting by distributors of available support schemes for vulnerable customers and rights; (iv) **enforcement powers** for Ofgem and the Utility Regulator; and (v) **a monitoring obligation** for Ofgem and the Utility Regulator.

- **Recommendation 2**: As an interim step and pending the introduction of Recommendation 1, UK government, the Northern Ireland Executive, and relevant consumer bodies should work together with UKIFDA and the Northern Ireland Oil Federation to **improve existing consumer protection initiatives, awareness of and access to ADR** and **codes of conduct**

Retail price spikes in times of wholesale volatility

- **Recommendation 3:** UK government and Northern Ireland Executive should conduct **a review of the rules and regulations that restrict minimum order volumes**

- **Recommendation 4**: Any code of conduct adopted under Recommendation 1 or Recommendation 2 should require authorised distributors to **clearly signpost available payment plans** and **minimum order volumes**

Regional variation in consumer outcomes and experience

- **Recommendation 5:** UK, Scottish and Welsh governments and the Northern Ireland Executive should explore how the findings in this report could be used to **inform existing** and **future schemes** aimed at addressing poor consumer outcomes, including whether to target support at home heating oil customers with particular vulnerabilities as well as whether to target support to those living in areas that are most exposed to higher prices, and whether such households should be prioritised for accelerated transition to alternative energy sources.

Price transparency

- **Option to consider:** The Scottish Government to consider **developing a permanent price checker tool**, using the CCNI Price Checker tool as a model, **for Scotland**

- **Option to consider:** UK government to consider **developing a temporary price checker tool**, using the CCNI Price Checker tool as a model, for **Great Britain** that could be **activated in times of volatility**

Home heating oil households lack the regulatory protections available to consumers reliant on on-grid energy sources, which can lead to poor outcomes for consumers, especially during periods of volatility and for vulnerable consumers

6.6 To address this concern, we make two recommendations:

(a) first, we recommend that the UK government and the Northern Ireland Executive enable, and Ofgem and the Utility Regulator implement, the introduction of a proportionate regulatory regime; and

(b) second, we recommend that – as an interim step – the UK government, the Northern Ireland Executive, and relevant consumer bodies work with UKIFDA and the Northern Ireland Oil Federation to improve existing consumer protection initiatives, awareness of and access to ADR and codes of conduct.

Recommendation 1: UK government and the Northern Ireland Executive should enable, and Ofgem and the Utility Regulator should implement, the introduction of a proportionate regulatory regime

6.7 We recommend that:

(a) as a first step, UK government and the Northern Ireland Executive should enable Ofgem (for Great Britain) and the Utility Regulator (for Northern Ireland) to regulate, in a proportionate manner, the supply of home heating oil; and

(b) as a second step, Ofgem and the Utility Regulator – in consultation with each other – design and introduce a proportionate regulatory regime in Great Britain and Northern Ireland, respectively.

6.8 We recommend that these protections are implemented by existing regulators to minimise additional regulatory overheads.

6.9 The detail of any regime would be for the Department for Energy Security and Net Zero and Ofgem, and the Northern Ireland Department for Economy and Utility Regulator to determine. In designing and implementing these regimes, Ofgem and the Utility Regulator should work closely with existing statutory consumer protection bodies to determine how to implement most effectively. In Northern Ireland, this should recognise and build upon existing functions performed by the Consumer Council for Northern Ireland and Trading Standards. However, based on our assessment, we consider that the regime should provide for the **authorisation of home heating oil distributors** and include the following:

(a) A system for **identification – and maintaining an up-to-date record – of heating oil households**.[495]

(b) A **priority service programme** to ensure the prioritisation of vulnerable customers during periods of volatility.

(c) A **mandatory code of conduct** – meaning that all authorised distributors are required to adhere to code terms – that:

 (i) requires distributors to offer access to **alternative dispute resolution (ADR)** procedures in the event of a dispute. This would ensure that, in the event of comparable disruption and the types of issues described in Chapter 5 above, there is a clear and binding process through which consumers could seek redress in future – we expand on this below.

 (ii) Sets clear and consistent standards for **distributors' supply terms and conditions**, including: (1) quoting (ie to ensure that consumers can readily access quotes in a standardised, comparable format, without unnecessary barriers to obtaining quotes and have clarity on when prices are confirmed); (2) distributor and customer cancellation rights; and (3) how (if at all) such terms and conditions vary in times of volatility. This would ensure that when navigating the heating oil market consumers have clear expectations regarding the circumstances in which suppliers can – under the terms of their contract – vary the terms of the supply or cancel their orders. This is of particular significance during times of supply disruption, when consumer experience of the market can be increasingly complex, with less clarity regarding the availability and pricing of heating oil.

 (iii) requires **clear signposting** by distributors of available support schemes for vulnerable customers, cancellation rights and access to dispute resolution services. This supports the elements of this recommendation outlined above by improving customer awareness of their rights.

(d) **Enforcement powers** for Ofgem and the Utility Regulator (for Great Britain and Northern Ireland, respectively). This could cover enforcement powers

[495] This could serve to underpin other initiatives, such as: a priority service programme to ensure the prioritisation of vulnerable customers during periods of volatility; to target home heating oil users with information (eg, in Northern Ireland, the Housing Executive's Oil Savings Network); and to readily deploy any future reactive interventions in times of volatility, should they be required.

against unauthorised suppliers selling heating oil, as well as the possibility of enforcement against firms for serious and repeat breaches of the mandatory code of conduct.

(e) **A monitoring obligation** for Ofgem and the Utility Regulator to assess changes to market dynamics as consumers transition away from home heating oil as part of the UK's shift to Net Zero.

6.10 A requirement to offer access to ADR will ensure that breaches of industry codes/standards are directly enforceable by consumers through an appropriate body and that redress is provided quickly to consumers. This could go some way to addressing concerns that breaches of contract take too much time to resolve and rely on individuals being willing to bring a claim in court, unless the distributor has voluntarily signed up to voluntary ADR schemes.[496] It would be open to government to expand ADR into a more general Ombudsman-style model with discretion not only to oversee the code of conduct but also to deal with customer complaints more generally. However, we observe in this regard recent comments from DBT on the scope for a general 'Consumer Ombudsman' to cover non-regulated sectors, so our recommendation should be considered in the context of any existing policy proposals in development to avoid unnecessary duplication.[497]

6.11 The heating oil market includes market participants that vary greatly in scale and financial resources, and it is vital that any regime that is introduced strikes the right balance between enhancing consumer protections and avoiding the introduction of disproportionate burdens on business that could negatively impact competitive dynamics.

6.12 In this context, and based on the information currently available regarding reforms of the regulatory environment in the energy sector, we consider that one option would be to implement such a regime through the introduction of a General Authorisation Regime (**GAR**) model. GARs were outlined by DESNZ in its recent Ofgem Review[498] as a means of allowing Ofgem (as the energy regulator for Great Britain) to oversee certain activities without requiring a full licence, instead applying proportionate requirements based on the level of risk. Consistent with our recommendation, the final report stated that the review 'mark[ed] the first step in giving Ofgem the power to regulate parts of the energy sector, such as heating oil'. A comparable model could be adopted in Northern Ireland for the Utility Regulator.

6.13 Once a regime is in place, the design of a priority service programme could make use of existing initiatives to simplify access to priority services to be expanded to include heating oil customers. For Great Britain, this could be through inclusion in any initiatives being taken forward further to the Department for Business and

[496] Department for Energy Security and Net Zero (2026) Fairer, Faster Redress in the Energy Market.
[497] Department for Business and Trade (2026) Consumer Action Plan, letter from Peter Kyle MP to Liam Byrne MP.
[498] Department for Energy Security and Net Zero (2026) Ofgem Review: final report.

Trade's commitment to developing a multi-sector 'Share Once Support Register'[499] and for Northern Ireland, the Utility Regulator's Customer Care Register project.[500] Similarly, the design of an ADR scheme could build upon the existing ADR scheme operated by UKIFDA.

Recommendation 2: As an interim step and pending the introduction of Recommendation 1, UK government, the Northern Ireland Executive, and relevant consumer bodies should work with UKIFDA and the Northern Ireland Oil Federation to improve existing consumer protection initiatives, awareness of and access to ADR and codes of conduct

6.14 Introducing a proportionate regulatory regime will take time.[501] As an interim step, we recommend that UK government and the Northern Ireland Executive and relevant consumer bodies should work with UKIFDA and the Northern Ireland Oil Federation (trade associations for distributors in the UK and Northern Ireland, respectively) to roll-out improvements to existing consumer protection initiatives, awareness of and access to ADR and codes of conduct, including:

(a) a review and update of existing voluntary codes of conduct to ensure that they reflect best practice with respect to the items outlined above, including in light of recent experience during the Middle East conflict; and

(b) requiring all members to participate in a **priority service programme** to ensure the prioritisation of vulnerable customers during periods of volatility. This could be modelled on UKIFDA's existing Cold Weather Priority Scheme, expanded to include categories of vulnerability beyond age.

6.15 We consider this an important immediate step which will improve consumer protections in the period preceding the introduction of the regulatory regime. However, we do not consider that these steps would be sufficient as a permanent solution. While these initiatives would represent valuable next steps and provide some protection for consumers, as voluntary measures they are not a substitute for the enforceable additional consumer protections that are required for such an essential good.

[499] Department for Business and Trade, 'Smarter regulation: delivering a regulatory environment for innovation, investment and growth', paragraph 40. In a recent report, the National Audit Office (**NAO**) highlighted that this initiative had made limited progress and recommended that, over the next 12 months, DBT, working jointly with other departments and regulators, should outline how it will take forward this commitment. NAO, 'Regulating water, energy and broadband to protect consumers in vulnerable circumstances', page 16.
[500] Best Practice Framework Customer Care Register project - Information and Decision Paper | Utility Regulator.
[501] As outlined above, if the GAR model as currently envisaged is followed, this will require: primary legislation to be passed to allow Ofgem (and, if adopted in Northern Ireland, the Utility Regulator) to propose new areas to be regulated under a GAR; and secondary legislation to introduce a GAR specific to heating oil.

While for large parts of the UK, heating oil households have many distributors to choose from, consumers are exposed to significant retail price spikes in times of wholesale price volatility.

6.16 While we find that heating oil households generally have many distributors to choose from, consumers have nevertheless faced significant price increases that were largely driven by increases in wholesale costs.

6.17 During the most recent conflict, governments responded to those significant price increases by providing funding that was distributed to heating oil consumers in financial hardship.[502]

6.18 We have explored whether there are (i) interventions that could help consumers to manage the impact of future price spikes; (ii) aspects of our findings that could assist in targeting any future support to those that are most in need; or (iii) alternative regulatory means of helping to suppress price increases.

6.19 For the reason set out below, we recommend that:

(a) UK government and Northern Ireland Executive, with the assistance of UKIFDA and the Northern Ireland Oil Federation: (i) conduct a review of the regulations regarding minimum order volumes and their impact on minimum order volumes in practice; and (ii) if it is the case that existing regulations are constraining minimum order volumes, consider introducing a mechanism through which rules could be relaxed, in particular in times of volatility;

(b) any code of conduct adopted under Recommendation 1 or Recommendation 2 requires authorised distributors clearly to signpost available payment plans and minimum order volumes and the reasons for those minimums; and

(c) UK government consider whether aspects of our findings, for example concerning price variation between nations and population density, should be taken into account in the design of any future financial assistance that is provided to heating oil customers during times of high price volatility – we outline this further as part of Recommendation 5 below.

6.20 We do not recommend regulation of the price of heating oil, for the reasons explained below.

[502] Over 50 million to help families struggling with soaring heating oil costs - GOV.UK; Support for households using heating oil and LPG - gov.scot; Thousands of Welsh households to get help with oil and LPG heating costs; Lyons announces agreement for home heating oil support | Department for Communities.

Recommendation 3: UK government and Northern Ireland Executive should conduct a review of the rules and regulations that restrict minimum order volumes

6.21 One means of reducing consumers' exposure to retail price spikes is to increase the opportunity to order lower volumes, thereby reducing the overall cost of purchase (albeit the per litre cost will be more expensive than if ordering a larger volume).This could be particularly beneficial to consumers during times of crisis, as they would have greater flexibility to purchase lower volumes whilst prices were inflated.

6.22 As set out in Chapter 5, our analysis of order volume trends in Great Britain following the start of the recent conflict indicates that there is latent demand for lower minimum order volumes than the 500 l industry standard, which is not matched by widespread distributor practice. Analysis for Northern Ireland suggests that distributor practice is more in line with consumer demand – with order volumes of less than 500 l being much more common – although there is some evidence to suggest that minimum order volumes of 500 l by some suppliers is still having a constraining effect. An initial review of the regulations that apply to measuring systems used for liquid fuels delivered by road tankers – which were frequently cited as constraining minimum order volumes – indicates that the regulations require that delivery volumes must not be less than the minimum volume for which the measuring system is certified. It appears that historically the technological limits of available measuring systems meant that in practice these regulations (indirectly) mandated a minimum order volume of 500 l, we have received evidence that this is no longer the case.

6.23 To help ensure that households can benefit from being able to buy lower volumes where appropriate, we therefore recommend that UK government:

(a) conduct a review of the regulations regarding minimum order volumes;

(b) work with UKIFDA, the Northern Ireland Oil Federation and Trading Standards to (i) clarify existing guidance on minimum order volumes and the reasons for this; (ii) understand the extent to which regulations are restricting minimum order volumes in practice – eg owing to a prevalence of measuring systems that are only certified to accurately measure a minimum volume of 500 l; and (iii) if it is the case that existing regulations are constraining minimum order volumes in practice, consider introducing a mechanism through which rules could be relaxed, in particular in times of volatility.

Recommendation 4: Any code of conduct adopted under Recommendation 1 or Recommendation 2 should require authorised distributors to clearly signpost available payment plans and minimum order volumes and the reasons for those minimums

6.24 Given the significant costs that households can face when making heating oil purchases, it is vital that consumers are aware of the options available to them to spread the cost of their purchase over time, or to make purchases of volumes below 500 l where available. However, as set out in Chapter 5, it appears that consumers may not have good awareness of the availability of payment plans. Similarly, consumers in Great Britain may not have good awareness of the option to purchase volumes of less than 500 l, owing to unclear and inconsistent messaging regarding the reasons for minimum order volumes.

6.25 We therefore recommend that any code of conduct that is implemented pursuant to Recommendations 1 and 2 incorporates requirements on distributors to:

(a) clearly signpost the availability of payment plans and the associated costs, so that consumers can easily identify and compare the plans that are available on the market; and

(b) clearly signpost the minimum order volumes that the distributor will allow households to order and the reasons for those (ie to accurately reflect the applicable law and how it applies to the distributors' offering).

6.26 We also considered whether it would be appropriate to require firms to offer payment plans. In our view such an approach would be disproportionate, given that many firms already make this option available to consumers, and a general requirement to offer such terms risks placing undue costs and burdens on smaller businesses in particular.

Proposal that we are not recommending at this stage: regulating the price of home heating oil

6.27 Given the high price spikes we have observed in this market, and their impact on the costs faced by households, we have carefully considered whether it would be appropriate to introduce price regulation and seek to cap that prices that can be charged for home heating oil.

6.28 We do not consider that the UK government or Northern Ireland Executive should seek to regulate the prices charged by home heating oil distributors at this stage (eg, in the form of a price cap) for two key reasons:

(a) we have found that, for the most part, heating oil households across the UK have many distributors to choose from alongside a range of tools to enable them to compare quotes effectively, such that price regulation is not required;

(b) for those areas with fewer distributors, other factors mean that a price cap is not an appropriate solution to this concern, namely that: (i) the price impact of any cap would be modest; and (ii) the dynamics of the retail home heating oil market – in particular, the absence of long-term customer contracts and difficulties in estimating distributor costs – mean that it could lead to worse outcomes for consumers.

6.29 However, as explained further below, we recognise that expected developments in the home heating oil market may affect this assessment. In particular, as outlined in Chapter 1, the UK's commitment to achieve Net Zero by 2050 (and in Scotland, 2045) involves a transition away from fossil fuel energy sources, including heating oil. This means that in the long-run, the number of households reliant on home heating oil will decline. As the market declines and the market structure evolves, it may be appropriate to review the need for price regulation (or other interventions) in future.

For the most part, conditions of competition mean there is no need for a price cap

6.30 The GB energy price cap was first introduced in January 2019 in response to concerns that households on default tariffs were being charged more for their energy than would be the case in a truly competitive market.[503]

6.31 For most of the UK, the conditions of competition in the supply of home heating oil are such that there is no competition concern for a price cap to address. As further detailed in Chapters 3 and 4, heating oil households across the UK currently generally have many distributors to choose from as well as a range of tools to enable them to compare quotes effectively.

Other factors mean that a price cap is not an appropriate solution to this concern

6.32 We have identified areas that are likely to have few suppliers and are at risk of weaker competition and higher prices. We do not, however, consider a price cap to be an appropriate response to this concern. Based on current market dynamics,

[503] Ofgem Discussion Paper 'Future of domestic price protection', 25 March 2024, page 11. The CMA had previously recommended a transitional price cap for customers on prepayment meters, being a set of customers for whom the detriment suffered by an adverse effect on competition (**AEC**) was particularly high. It considered whether the recommendation should be extended to include all SVT customers and particularly disengaged customers, as customers who also suffered detriment. As regards the former, it concluded that the disadvantages exceed the benefits, highlighting risks that such an approach would undermine the competitive process, potentially resulting in worse outcomes for consumers in the long run (through a combination of reducing the incentives of customers to engage, reducing the incentives of suppliers to compete and an increase in regulatory risk). As regards the latter, it found that a price cap would, overall, not be sufficiently effective and/or would be disproportionate, and the practical difficulties of such an approach would outweigh the benefits. CMA, Energy market investigation, Final Report, 24 June 2016, paragraphs 11.79 – 11.97.

price regulation would be capable of delivering only modest relief to consumers during times of high price volatility, while risking worse outcomes for consumers.

Modest price impact

6.33 Ofgem calculates the energy price cap by reference to an assessment of a variety of factors including suppliers' wholesale costs.[504] As set out in Chapter 2, the vast majority of the price increases following the start of the conflict were accounted for by increases in the wholesale price (83%, 34 ppl of the increase in March 2026 compared to February 2026). A small amount (6%, 2ppl) was accounted for by increased operating costs such as transport costs. A limited amount 11%, 5ppl was owing to increased distributor operating profits. By way of example, in actual terms, the increase in distributor operating profits amounted to an extra £20 on a 500 l purchase (based on the average order price of £520 in UK in March 2026). Therefore, any price cap that accounts for wholesale costs would have a very limited impact on the price paid by consumers in the event of wholesale price volatility.

It could lead to worse outcomes for consumers

6.34 There are particular features of the home heating oil market – namely, the absence of long-term customer contracts and difficulties in estimating distributor costs – which mean that price regulation carries a high risk of disincentivising distributors from supplying certain consumers or areas, leading to worse outcomes for consumers.

6.35 First, the market operates without long-term contracts between distributors and customers and with local competition for each individual order. This means that any supplier could choose not to serve a customer if they could not do so profitably due to price regulation. This means that there is a high risk that any price regulation could have the unintended consequence of reducing competition or leaving some customers without supply options.

6.36 Second, there are significant challenges in estimating the costs faced by heating oil distributors, which means that a price cap risks distorting distributors incentives to supply at certain times or to certain customers. For example, direct fuel costs differ between suppliers based on their contracting patterns and wholesale costs of energy are volatile and can change rapidly. Any price cap that estimated wholesale costs (as the on-grid energy price cap does over a period of time) would be challenging to estimate and would be likely to not cover wholesale costs during a period of volatility. In this scenario, a price cap set by reference to prior costs

[504] Energy price cap and standing charges explained | Ofgem.

could act to reduce distributors' incentive to supply fuel when wholesale prices are inflated.

6.37 Costs of delivering to individual customers vary significantly, based on individual characteristics, particularly for remote or hard to reach customers. Variations in these costs for individual customers would be extremely difficult to factor into any heating oil price regulation. Any delivery cost estimate that averaged costs would reduce the incentives to supply hard-to-reach customers. The introduction of multiple cost benchmarks would be difficult to monitor and would likely result in complex judgements as to the benchmarks that should apply to different customer types.

6.38 While some form of 'default cap' on gross margins could be considered, this would need to build in sufficient headroom to accommodate differences in operating and financing costs between suppliers, potentially reducing its effectiveness as a remedy to protect consumers from high prices.

Expected developments in the home heating oil market may affect this assessment

6.39 Expected developments in the home heating oil market may affect the assessment detailed above. In particular, as outlined in Chapter 1, the UK's commitment to achieve Net Zero by 2050 involves a transition away from fossil fuel energy sources, including heating oil. This means that in the long-run, the number of households reliant on home heating oil will decline.

6.40 As the market declines, consumers that remain reliant on home heating oil may face additional risks. For example, suppliers may choose to exit the market in response to declining consumer demand, leaving consumers that remain exposed to increasingly limited supply options and the risk that those suppliers are able to increase their prices and profits.

6.41 In such circumstances, consumers may require protections beyond those detailed in our recommendations in this chapter to manage this increased exposure. Such protections could potentially involve price caps or other interventions aimed at constraining prices, such as the introduction of a national supplier.

6.42 We consider that Ofgem and the Utility Regulator, in implementing the proportionate regulatory regime detailed in Recommendation 1, would be well placed to monitor relevant developments in the home heating oil market over time that affect this assessment.

There is regional variation in consumer outcomes and experience, with consumers in certain areas (which tend to be remote) having fewer options and facing higher prices

6.43 To address this concern, we make the following recommendation.

Recommendation 5: UK, Scottish and Welsh governments and the Northern Ireland Executive explore how the findings in this report could be used to inform existing and future schemes aimed at addressing poor consumer outcomes to target them at the consumers who need them most

6.44 As set out in detail in Chapter 2, our report identifies locations in Scotland and parts of England that are likely to have two or fewer suppliers. It also highlights factors – such as low heating oil household density, greater distances to refineries and import terminals and propensity to bad weather – that mean certain areas are more likely to face higher prices and supply disruption during terms of volatility. Together, this provides useful insights as to the areas that most susceptible to high prices and supply disruption during periods of volatility.

6.45 This analysis has informed our first recommendation, in particular where we set out the importance of developing a system of identification of heating oil customers, and the opportunity this creates to better identify vulnerable consumers who may benefit from targeted support.

6.46 In addition, we recommend that UK government and devolved governments explores how these findings could be used to inform existing and future schemes aimed at (i) addressing poor outcomes for vulnerable consumers and (ii) informing the targeted prioritisation of transitioning households to alternative energy sources so that those and to ensure that they are prioritised accordingly.

6.47 We set out examples below.

Existing schemes

6.48 For example, in March 2026, the UK government announced its Warm Homes Plan, through which it has pledged to deliver £15 billion of public investment to upgrade up to 5 million homes and lift up to a million families out of fuel poverty by 2030.[505] The plan includes, among other things: grants and loans to assist homeowners to install heat pumps, solar panels and batteries;[506] and the creation of a new Warm Homes Agency (WHA), a dedicated public body to support the

[505] Policy paper, Warm Homes Plan, 18 March 2026.
[506] The announcement noted that the vast majority of rural homes are suitable for a heat pump and there are a range of alternative solutions to heating oil and other fossil fuels for those that are not, including heat batteries and biomass.

delivery of the Warm Homes Plan and support consumers through home decarbonisation.

6.49 In Northern Ireland, home energy efficiency is supported through programmes delivered by the Northern Ireland Executive and its departments. The Executive's Energy Strategy[507] and Warm Healthy Homes Strategy,[508] recognise the importance of improving domestic energy efficiency to reduce fuel poverty and support net zero. Key schemes include the Affordable Warmth Scheme,[509] which provides improvements for eligible low-income households and is due to be replaced by the Warm Healthy Homes Fund in April 2027,[510] and the Northern Ireland Sustainable Energy Programme (NISEP), funded through electricity customers and administered by the Energy Saving Trust on behalf of the Utility Regulator to support energy efficiency measures for domestic consumers and businesses.[511]

6.50 The Scottish Government has invested over £400 million in its Warmer Homes Scotland scheme, which provides insulation and heating improvements to live in warmer, safer and more energy efficient homes.[512] It also has its own national framework for home energy efficiency and decarbonisation in Heat in Buildings Strategy[513] and other programmes including Home Energy Scotland, which provides advice and support to households, together with grant and loan schemes to help homeowners install energy efficiency measures and zero-emission heating systems such as heat pumps.

6.51 The Welsh Government delivers support through its Warm Homes Programme,[514] including its Nest scheme, has provided advice and free home energy efficiency improvements to over 60,000 households to date, and through wider investment in residential decarbonisation and retrofit.[515] The Warm Homes Programme is intended both to improve the energy efficiency of homes and to reduce fuel poverty, while contributing to Wales's net zero ambitions.

6.52 It is envisaged that the delivery of these schemes will have a critical role in place-based delivery including by supporting local partnerships, convening, facilitating and supporting where necessary to build capacity, to enable delivery to be successfully planned and led at a regional or local level. The findings in this report may provide a helpful basis for the to identify priority areas for the roll out of

[507] Policy paper, Energy strategy, Department for the Economy, 26 May 2026.
[508] Policy paper, Warm Healthy Homes 2026-2036: A new Fuel Poverty Strategy for Northern Ireland.
[509] NIHE - affordable warmth scheme.
[510] Warm Healthy Homes Fund announcement.
[511] Northern Ireland Sustainable Energy Programme list of schemes for 2026/2027.
[512] Delivering warmer homes that are cheaper to heat - gov.scot.
[513] Policy paper, Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings, 7 October 2021.
[514] Policy Paper, Warm Homes Programme, 15 June 2023.
[515] Nest Warm Homes Programme | GOV.WALES.

decarbonisation initiatives and to understand the particular challenges impacting the local areas with which it is working.

Future initiatives

6.53 The findings in this report may be used to inform the design of any future consumer support interventions in times of disruption to ensure that they can be readily implemented and accurately targeted at those areas of greatest need. In particular, the report has highlighted how prices vary across the UK and how prices vary according to heating oil household density. In the event that similar schemes are considered necessary in future, governments may wish to consider whether such findings should have any implications for their design.

While price transparency is generally good across the four nations, price transparency via online platforms is lower in Scotland and reduces across Great Britain during times of volatility

6.54 We set out our findings in relation to pricing transparency in Chapter 4. We find that there is generally good price transparency in the home heating oil market under normal trading conditions: consumers are able to access heating oil quotes over the phone and online, via a range of tools, and are able to compare the quotes they receive effectively.

6.55 However, we also find that price transparency via online tools varies by region and during times of volatility. Specifically, it:

(a) is lower in Scotland, where the reach of BoilerJuice is more limited, as compared to other nations of Great Britain (ie England and Wales) where use of BoilerJuice is more widespread and Northern Ireland (which is served by the CCNI Price Checker tool);

(b) it reduced in Great Britain following the start of the Middle East conflict, as distributors found it difficult to commit to prices at the time of ordering and reduced their activity on BoilerJuice.

6.56 Therefore, at times of volatility, consumers can be left with a particularly challenging landscape to navigate. In addition to high market prices, consumers can be faced with decreased price transparency. The cumulative effect of such challenges may be felt particularly strongly in remote, rural areas – many of which are in Scotland – in which consumers who already face few options for supply may have less clarity as to which suppliers may be able to accommodate their requirements. More generally, outside of periods of volatility, consumers in Scotland may experience more friction when looking to shop around, given the lower levels of transparency in combination with other challenges that are more common in that region as compared to other parts of the UK.

6.57 While it is not clear that price comparison tools are likely to be fully effective at constraining prices, in particular in times of volatility (when suppliers face challenges in providing price information days in advance of supply, and when supply shortages lead to a weakening of competition and limited choice in some areas), we consider that tools aimed at improving market transparency could nevertheless be beneficial. In this regard, we note the significant increase in consumer engagement with the CCNI Price Checker following the start of the Middle East conflict – with average views per week rising from 500 to over 6,000 – which indicates that consumers value such a tool. Further, clear information on recent pricing and availability helps consumers to make more informed decisions about whether, when and from whom they should make their next purchase of heating oil. This may be particularly valuable in an uncertain and rapidly changing market.

6.58 To address this concern, we have identified two options for UK government and the Scottish Government, as applicable, to consider.

(a) developing a permanent price checker tool, using the CCNI Price Checker tool as a model, for Scotland; and

(b) developing a temporary price checker tool, using the CCNI Price Checker tool as a model, for Great Britain – or England and Wales, if the above option was pursued – that could be activated in times of volatility.

Option to consider: The Scottish Government to consider developing a permanent price checker tool, using the CCNI Price Checker tool as a model, for Scotland

6.59 This would be active all-year-round, to address the lower price transparency available through online tools in Scotland. It would support households by providing increased transparency of the following:

(a) pricing;

(b) which distributors have availability during periods of volatility;

(c) which distributors offer payment plans and the terms offered; and

(d) the order quantities available from each supplier.

6.60 Following the CCNI Price Checker model, it would be voluntary (in that suppliers are not obligated to provide prices) and would rely on an independent team actively collating prices. It would further support those households in remote, rural areas – which are more prevalent in Scotland than elsewhere in the UK – navigate what can be a challenging market.

Option to consider: UK government to consider developing, using the CCNI Price Checker tool as a model, a temporary price checker tool for Great Britain[516]

6.61 This would be a temporary tool, in that it would be activated only in times of volatility to address lower transparency observed in Great Britain at those times. It would provide the same information as outlined above and would again follow the CCNNI Price Checker model. It would further support households navigate acute periods of disruption.

6.62 Although this tool may benefit some consumers by providing an additional tool to access information in the context of periods of disruption, there are various limitations that should also be considered. For example, given it would be used only temporarily, consumers may not have sufficient awareness of the tool for it to have a material impact on price transparency during periods of volatility.

Market Investigation Reference decision

6.63 When the findings of a market study give rise to reasonable grounds to suspect that a feature or combination of features of a market in the UK prevents, restricts or distorts competition, the CMA may decide to make a market investigation reference (**MIR**) where it would be appropriate and proportionate to do so.

6.64 The concerns we have identified in our report below arise from public policy-determined features, such as the extent of regulatory protections for consumers reliant on alternative fuel types (especially compared to on-grid fuel) and regulation relating to the certification of measuring instruments used in heating oil tankers. As such, the main levers for addressing the identified concerns sit with governments and public bodies.

6.65 The issues we have identified are therefore more appropriately and proportionately addressed through formal recommendations, rather than using the specific order-making powers available to the CMA following an MIR. We have also not received any representations to the effect that an MIR should be made.

6.66 The CMA has therefore decided not to make a reference under section 131 of the Act in relation to the supply of heating oil (predominantly kerosene) for domestic use in the UK.

Next steps

6.67 In its strategic steer to the CMA, the UK government commits to issuing an official response to the CMA's recommendations within 90 days of publication of this final report, with a presumption that the government will accept the recommendations

[516] Or England and Wales, if the option to develop and permanent price checker tool for Scotland was pursued.

unless there are compelling reasons not to do so.[517] The CMA stands ready to work with the UK, Scottish, and Welsh governments and the Northern Ireland Executive on the recommendations and their implementation.

[517] CMA (2025), Strategic steer to the Competition and Markets Authority.

Annex: aggregate gross profits and retail spreads

1. In Chapter 2, we focus on changes in the gross profit margin per litre (ie the difference between the revenue per litre and the purchase price of kerosene per litre), to understand the degree to which increases in wholesale prices resulted in increases in retail prices.

2. In this annex, we further explore the extent to which increases in retail prices are not fully explained by increases in wholesale prices, by analysing:

   (a) distributors’ total gross profits in aggregate – that is, the total revenue less the total cost of sales based on accounting information from a sample of distributors; and

   (b) retail spreads – that is, the difference between the daily average retail price paid by consumers, and the benchmark wholesale price at which distributors purchase the product.

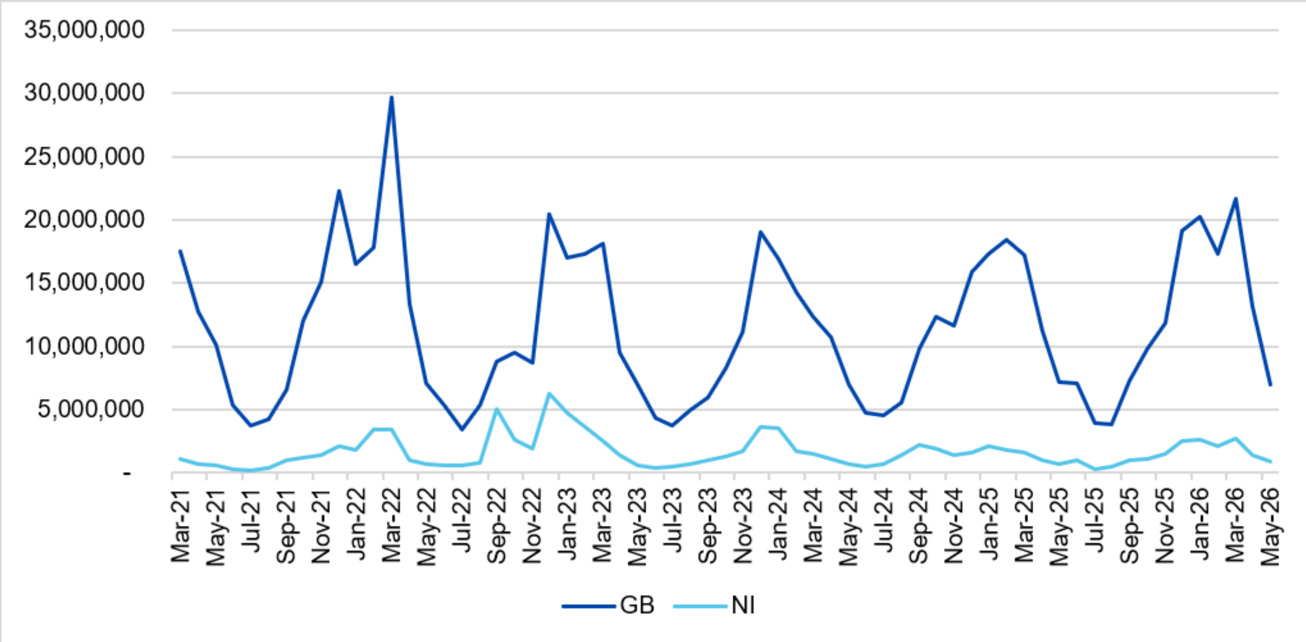
Aggregate distributor gross profit analysis

3. We have analysed the total aggregate gross profits of the sample of distributors. This metric allows us to understand changes in absolute distributor profitability, which takes account of fluctuations in volumes sold.

4. As with our analysis of gross profit margins per litre, our analysis of aggregate gross profits focuses on the five-year period leading up to and including the conflict in the Middle East (from March 2021 to May 2026),[518,519] as this allows us to understand medium- and longer-term trends. In Figure A.1 below, we chart monthly aggregate gross profits for the period from March 2021 to May 2026.

[518] Using data provided by 23 distributors based in Great Britain and 9 distributors based in Northern Ireland in response to the CMA’s information request issued on 27 March 2026, questions 19 and 25. The figures in the chart are not adjusted for inflation. Our sample does not include LCC, who we understand are one of the largest (and vertically integrated) distributors in Northern Ireland, as we were unable to collect the data from LCC in a format consistent with the other distributors in our sample.
[519] We consider that our samples are representative of the heating oil markets in Great Britain and in Northern Ireland as they are weighted towards larger distributors, and also include medium and smaller regional distributors from across the four nations of the UK.

Figure A.1: Monthly aggregate gross profits for distributors based in Great Britain and Northern Ireland in the period from March 2021 to May 2026 (£)[520]



Note 1: One small distributor in Northern Ireland did not provide financial data for May 2026. We have estimated their financial performance in May 2026 based on the performance of other distributors in Northern Ireland in May 2026. This allows for a like for like comparison between May 2026 and other months in the chart.

Source: CMA analysis.

5. Figure A.1 shows that:

(a) Aggregate gross profits are seasonal. Distributors make higher gross profits in winter and lower gross profits in summer.

(b) Aggregate gross profits increased in Great Britain and in Northern Ireland in March 2026. The increase in gross profits coincides with the start of the conflict in Middle East. In most other years (the exception being 2022) distributor gross profits peaked earlier, between December and February, and reduced in March.

(c) The ‘spike’ in aggregate gross profits in March 2022 coincides with the start of the war in Ukraine, which was also characterised by increasing and more volatile wholesale heating oil prices.

(d) Aggregate gross profits decreased in April 2026 and again in May 2026 to levels observed in previous years.

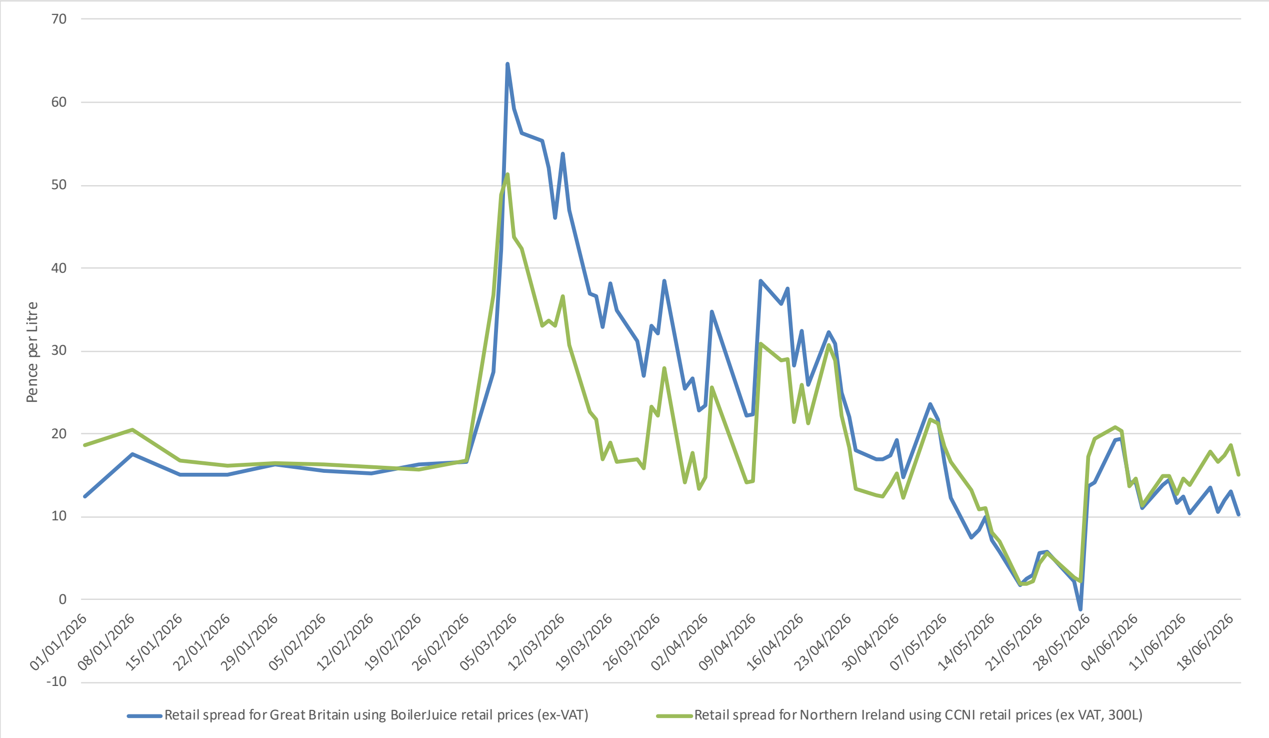
[520] Using data provided by 23 distributors based in Great Britain and 9 distributors based in Northern Ireland in response to the CMA’s information request dated 27 March 2026, questions 19 and 25. The figures in the chart are not adjusted for inflation.

Retail spreads

6. To further understand distributors' response to the conflict in the Middle East and to supplement the medium-term analysis of distributors' gross profits, we analysed daily retail spreads (that is, the difference between the retail and wholesale price in Figure 2.5 in Chapter 2) for heating oil in the period from 1 January 2026 to 19 June 2026.

7. In Figure A.2, we chart the retail spread for the period from 1 January to 19 June 2026.[521] The level of retail spreads for Northern Ireland and Great Britain shown in Figure A.2 are not directly comparable due to the differences in the underlying data collected by BoilerJuice and CCNI, but the trends can be compared.

Figure A.2: Retail spread for Great Britain and Northern Ireland (ex-VAT)



Source: CMA analysis of Platts data; BoilerJuice's response to the CMA's information request issued on 8 April 2026, question 12; BoilerJuice's response to the CMA's information request issued on 12 May 2026, question 2; BoilerJuice's response to the CMA's information request issued on 28 May 2026, question 1; BoilerJuice's response to the CMA's information request issued on 19 June 2026; CCNI's submissions to the CMA on 1 June 2026; and CCNI Home Heating Oil Daily Price Checker, accessed on 24 June 2026.

8. Figure A.2 shows that retail spreads in Great Britain increased rapidly and became more volatile following the start of the conflict. Spreads peaked in early March at over four times the pre-conflict average,[522] before declining through the rest of the month. While spreads briefly increased again in mid-April, they fell to around

[521] We use average retail pricing data from BoilerJuice for Great Britain, and from CCNI for Northern Ireland. We compare both to a two day lag of Platts prices as the benchmark wholesale price.
[522] The average retail spread between 1 January and 27 February 2026.

pre-conflict levels by the end of April. Spreads fell below the pre-conflict average in May and June but remained volatile with a small increase in June.

9. The trend in Northern Ireland shows a similar picture to that observed in Great Britain, with retail spreads initially increasing and becoming more volatile, before reducing from April onwards. Spreads peaked in early March at around three times the pre-conflict average. In May and June, spreads fell below the pre-conflict average but remained volatile throughout the period with a small increase in June.

10. The increase in retail spreads is consistent with the evidence from the gross profit analysis, indicating that wholesale prices explain a substantial part but not all of the increase in retail prices directly after the start of the conflict.