

Laura Farris MP
House of Commons
London
SW1A 0AA

15th November 2023

Dear Laura,

Many thanks for your letter to Simon Roberts regarding fuel prices in Newbury.

Firstly, I would like to thank you for getting in touch and want to emphasise that we understand that the current cost of living crisis is a real and ongoing challenge for many households. We are committed to helping our customers, colleagues and suppliers with these pressures as much as we can, and over the last two years have invested over £560 million in keeping prices low.

In response to your question about the variation in fuel prices across different locations, it has been confirmed by the Competition and Markets Authority (CMA), that competition in the fuel industry is inherently and fundamentally local. Local competition is highly dependent on the unique features of each site as assessed on a case-by-case basis, which may be impacted by factors such as the presence of competitors, their distance from the centroid site, location, congestion, entry/exit points and amenities, to name a few.

On that basis, prices do vary between sites given, for instance, differences in cost to serve and the conditions of local competition. However, as stated we remain fully committed to keeping prices low wherever we can, and in the three sites across your constituency we are the cheapest or second cheapest provider when compared to other fuel retailers that also have a local presence in your constituency. This is consistent with the CMA's recent finding following its road fuel market study that supermarkets play a key role in facilitating local competition for fuel, and that the local presence of a supermarket fuel retailer is associated with lower prices in that region. In addition, in its first interim monitoring report published on 9th November, the CMA once more reiterated that supermarkets remain the cheapest providers of fuel.

In your letter you also refer to "*potential price fixing*", which we refute, and would refer you to the fact that the CMA did not identify any such concern following its year-long analysis of the sector. We have and continue to work extremely hard to offer our customers a highly competitive proposition.

With regards to the ongoing CMA activity, we are fully supportive of its voluntary fuel price data scheme, as we welcome customers having greater visibility to make even more informed purchasing decisions. We are one of the retailers that opted to participate in this voluntary scheme from the date of its launch. I can confirm that we will continue to work closely and cooperate fully with both the CMA and Government as this work continues.

I hope that this information is helpful. Do let me know if you have any further questions.

Best wishes,

Melanie

Melanie Cherchian
Director of Category | Petrol, Kiosk & Wholesale, Sainsbury's