



Department for
Energy Security
& Net Zero

Empowering drivers and boosting competition in the road fuel retail market

Consultation on open data scheme and
ongoing monitoring function for road fuel
prices

Closing date: 12 March 2024



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Ministerial Foreword



The UK is a nation of drivers. There are 41.2 million vehicles on the road in the UK today¹. For many people, vehicles are a critical part of everyday life, connecting countless communities and businesses up and down the country – whether that’s getting to work, taking children to school, or for those living in rural areas.

When fuel prices are high the impacts are felt by everyone. From Covid-19, the unprovoked Russian invasion of Ukraine, and ongoing global uncertainty, we are all still feeling the effects of high interest and inflation rates.

However, when the Competition and Markets Authority (CMA) found that competition was not working as well as it should be in the retail road fuel market, the government was particularly concerned.

Wholesale costs of fuel had fallen and yet some fuel retailers were not passing on the savings to customers. With higher margins, this resulted in a combined additional cost of £900 million for consumers of the four largest supermarkets in 2022 alone.

The CMA’s road fuel market study published in July 2023, found that competition between fuel retailers at a national level has weakened since 2019. They found that a decision by the historic price-leaders to take a less aggressive approach to pricing increased their internal margins for fuel, but also increased prices for consumers.

The study also found price discrepancies at a local level, right across the UK. Nowhere was this felt more than on the motorway. In 2022, drivers were paying around 20p more on petrol and 15p more on diesel on average to fill up on the motorway.

We remain committed to ensuring that consumers get a fair deal at the pump. It is of utmost importance that we correct weakened competition to ensure the market works for consumers.

Igniting competition

We have acted swiftly to address this and committed to introduce a statutory open data scheme and an ongoing road fuels price monitoring function. These measures will empower consumers to find the best price for fuel, igniting competition among fuel retailers for their business.

The open data scheme will increase price transparency for consumers, allowing them to easily compare prices, so retailers must compete harder for their business. This will end the need to drive around to find cheaper fuel at the forecourt, instead enabling live price data to be displayed on in-car displays, apps, and price comparison sites.

It will grow our digital economy creating opportunities for third party app and website developers to use the data in innovative ways, like price comparisons tools and costed journey planning tools.

¹ [National Statistics: Vehicle licensing statistics: April to June 2023](#)

The monitoring function will act as a deterrent against businesses taking actions that may weaken competition. The function will hold industry to account, providing the government with an ongoing assessment of competition as we transition to net zero.

These measures will reinforce each other in providing a new source of competitive pressure in favour of greater competition. It will help address the imbalance caused by inflated prices, ensuring greater transparency and accountability of retailers.

The government has therefore amended the Digital Markets, Competition and Consumers Bill that will provide the CMA with the necessary information-gathering powers to undertake the monitoring of the road fuels retail market.

The Data Protection and Digital Information Bill will also provide government with the legislative basis with which to bring the open data scheme into law through secondary legislation.

We have not stopped there. In the interim the CMA has delivered both measures on a voluntary basis, setting the foundations in the market ahead of legislation. I want to reiterate the government's strong support for the CMA in its continued efforts to facilitate competition in the road fuels market and protect consumers. I want to thank those retailers who have participated to date, and encourage other retailers to participate, as well as providers of price comparison tools to use this data in their websites and apps so that consumers can make informed decisions.

A fair deal for drivers

Whilst the road fuel market is inherently volatile, and prices are being affected by wider geopolitical issues and increased costs, this does not mean we should ignore the issues that face the market and consumers.

We want to hear from everyone to ensure these two measures work effectively in facilitating a competitive market, delivering on price transparency, and protecting consumer interests.

We will assess all responses closely, which will then inform the design of these measures. Once both Bills have gained Royal Assent, we will work quickly to implement them, improving competition for the benefit of consumers and getting a better deal for drivers nationwide.



Rt Hon Claire Coutinho MP

Secretary of State for Energy Security and Net Zero

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General information

Why we are consulting

The Competition and Markets Authority (CMA) undertook a year-long market study into the road fuel sector. It concluded by recommending to the government to create a statutory open data scheme for fuel prices and an ongoing road fuels price monitoring function.

We are consulting to understand views on the best way to design and implement the open data scheme and elements of the monitoring function that are not outlined in the Digital Markets, Competition and Consumers Bill, and have set out our proposals in this consultation.

Consultation details

Issued: 16 January 2024

Respond by: 11:59pm on 12 March 2024

Enquiries to:

Road fuel price transparency team
Email: roadfuelprices@energysecurity.gov.uk

Consultation reference: Empowering drivers and boosting competition in the road fuel retail market.

Audiences:

We encourage stakeholders to engage and respond to the consultation; this includes fuel trade associations, petrol filling stations, wider industry members of the downstream oil sector, consumer & motoring groups, potential users, developers, aggregators of the open data, and the public.

Territorial extent:

We expect these proposals to be UK-wide open and will discuss with the devolved administrations as needed.

How to respond

The consultation period began on 16 January 2024 and will run until 12 March 2024. You can respond using the [online form](#). Please ensure that your response reaches us before the closing date. If you'd like further copies of this consultation document or require alternative formats please contact roadfuelprices@energysecurity.gov.uk.

When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it

clear who the organisation represents and, where applicable, how the views of members were assembled.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our [privacy policy](#).

We will summarise all responses and publish this summary on [GOV.UK](#). The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the government's [consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

Introduction

Overview

The UK road fuel market is inherently volatile, and retail prices are mainly driven by fluctuations in the global price of crude oil (priced in US\$). Prices are regularly affected by global circumstances, at times increasing to levels that are worrying for household budgets and putting significant pressure on businesses reliant on transportation. In July 2022 the price of both petrol and diesel went up by 60 pence per litre (ppl) compared to the previous year, following the Russian invasion of Ukraine. Although road fuel prices have now fallen below the levels of 2022, with petrol and diesel in January 2024 having decreased by around 50ppl since the peak in July 2022, they remain higher than average prices in 2021.

Drivers should be getting a fair deal on fuel across the UK. The government has already taken steps to support consumers by cutting fuel duty rates from March 2022 by 5ppl for a year. At Spring Budget 2023, the fuel duty cut was extended for another year.

Against this backdrop of unique circumstances globally causing pump prices to increase, in June 2022, the then Secretary of State for the Department for Business, Energy and Industrial Strategy asked the Competition and Markets Authority (CMA) to carry out an urgent review to consider the health of competition in the road fuel market.

This reported in July 2022² and found that while the retail fuel market appeared relatively competitive, there were local variations in the price of road fuel, including pricing disparities between urban and rural areas. Overall, retailer spread (the difference between wholesale and retail fuel prices) was a relatively small component of the pump price. It also found no evidence that petrol filling stations (PFSs) had failed to pass on the 5ppl fuel duty cut. The findings in the urgent review prompted the CMA to follow up with a year-long market study to explore whether the retail fuel market has adversely affected consumer interests, and to assess how far weaknesses in competition might be driving higher retail prices in certain parts of the UK.

CMA road fuel market study

The CMA published its final report³ on 3 July 2023, and found three areas of concern:

- **At a national level:** competition between fuel retailers has weakened since 2019, due to a decision by the historic price-leaders (Asda and Morrisons) to take a less aggressive approach to pricing by significantly increasing their internal margins for fuel. This coupled with other retailers maintaining largely passive pricing policies, pricing by reference to local competitors rather than responding promptly to cost movement and/or trying to win market share. As a result, consumers are paying generally higher prices than would otherwise have been the case, with estimated financial impact of an increased average supermarket fuel margin resulting in a combined additional cost of £900 million for consumers of the four supermarket retailers in 2022 alone. In addition, during 2023, competition has been significantly weaker for diesel than petrol.

² [CMA Road Fuel Review \(2022\)](#)

³ [CMA Supply of road fuel in the United Kingdom market study Final Report \(2023\)](#)

- **At a local level:** the national level weakening of competition appears to have affected pricing in different parts of the UK in a similar way. However, longstanding patterns of variable pricing between different local areas remain, meaning that consumers in some areas can pay significantly more for fuel than in others.
- **At motorway service areas (MSAs):** Competition remains weak between MSA PFSs, meaning that consumers without access to fuel cards pay significantly more to buy fuel on the motorway than off it.

CMA recommendations and government response

Given the findings in the CMA market study on the health of competition in the road fuels market in the UK, the CMA recommended that the government should introduce:

- A statutory open data scheme for prices in the retail road fuel sector. This would require all PFSs in the UK to share their prices on an open and real-time basis and allow drivers to easily compare prices to help them to find cheaper fuel.
- An ongoing road fuels price monitoring function within an appropriate public body and provide it with information-gathering powers, to monitor developments in the market, both nationally and locally, as we move through the net zero transition, provide ongoing scrutiny of prices, and consider whether further action may be needed to protect consumers.

The CMA's findings were hugely concerning. It is unacceptable for some PFSs to have failed to pass on savings when fuel costs fell. It is wrong that at a time when households are struggling with increased living costs, they are not getting a fair deal on fuel and are being overcharged.

That is why the Government accepted the CMA's recommendations as both these measures will work in a mutually reinforcing way to increase transparency to empower consumers to find the best prices possible for their fuel and increase pressure on PFSs to price more competitively.

Aims and scope of the consultation

The aim of this consultation is to support the government in the design of the statutory open data scheme and ongoing road fuels price monitoring function.

For the open data scheme, the scope of this consultation will cover:

- participation and coverage
- who needs to report the data
- types of data to be reported
- method of reporting
- frequency and timing of reporting
- data sharing

- enforcement
- funding mechanism
- challenges and risks

For the monitoring function, the government has decided that the CMA is best placed to lead this function given its expertise and knowledge of the road fuel market. The government has amended the Digital Markets, Competition and Consumers (DMCC) Bill at Commons Report stage to provide the CMA with the information-gathering powers required to carry out this role effectively. Therefore, for the ongoing road fuels price monitoring function the scope of this consultation will be limited in what it covers and focuses on the frequency of monitoring reports, what topical issues should be examined and how to support businesses with information requests.

Options considered

The government considered several options before deciding that a statutory approach was required.

Do nothing – status quo

Open data scheme

Doing nothing would leave consumers with a less transparent road fuels retail market, and reliant on needing to drive around to find cheaper fuel. Existing price comparison tools offer a helpful service; however, they do come with certain limitations. The data that underlines these tools is limited in terms of frequency with which it is updated and coverage, alongside this it can be expensive to buy. It would also mean the current weakened competition in the road fuels retail market identified by the CMA would not be addressed.

Monitoring function

Doing nothing would mean there would be no ability to determine whether road fuel retail prices reflect costs and assess the competitiveness of the market. The Department for Energy Security and Net Zero does monitor fuel prices by collecting and publishing weekly price data, however, as pricing data is collected from only a sample of providers, which is subsequently averaged out, this does not provide the granularity of data that would be required to gain a detailed market picture to monitor appropriately.

Without these powers, and effectively the government not acting, the CMA's ability to closely assess the effectiveness of competition in the road fuels sector would be limited. Having completed a market study in this sector, the CMA has found that competition is not functioning effectively and has recommended that ongoing monitoring of the road fuels market will improve competition.

Voluntary approach

Open data scheme

Introducing a voluntary open data scheme would be a quick and cost-effective solution that would deliver on some of the benefits that of a statutory open data scheme. A voluntary scheme may also bolster the existing data that is available for third party service providers to incorporate into their products, improving on the service they can offer to consumers.

The potential advantages, however, would not outweigh the disadvantages of implementing a voluntary open data scheme as a long-term solution. Such a scheme might not necessarily offer an effective means to gather fuel price data and enhance transparency, primarily because petrol and diesel providers would lack the incentive to co-operate.

This would likely lead to patchy data and so may only provide limited additional benefit over doing nothing and relying on the existing data. There would be no enforcement possible for non-compliance or providing inaccurate prices other than social pressure to gain compliance.

The CMA indicated in its final market study⁴ that with the nature of competition in the road fuel market, which is mainly driven by several large competitors, it prevents any incentives found in other sectors from working to encourage retailers to share their prices on a voluntary basis.

In the Government's response to the 'Smart data: putting consumers and SMEs in control of their data and enabling innovation' consultation⁵, it indicated that voluntary approaches would lead to continued slow progress, and possible duplication of work across sectors.

The CMA has implemented a scheme for PFSs to provide daily pricing data on a voluntary basis in the interim until the government puts the open data scheme on a statutory footing. The CMA notes that this will not deliver all the benefits of a statutory open data. To date, 12 fuel retailers had signed up to participate in the voluntary scheme including the major retailers and represents approximately 40% of all forecourts. Whilst the CMA's voluntary scheme has had some success and delivered on some of the benefits of a statutory open data scheme, as it relies on voluntary participation it limits its coverage in the short term and sustainability in the long term.

Monitoring function

The CMA already has powers within its existing remit which allow it to request information from retailers and could continue using those powers to undertake the role. However, retailers are under no obligation to provide that information with the CMA's current powers, outside of its market study.

This would offer a time efficient solution to delivering monitoring of the road fuels market. However, a monitoring function with no compulsory information-gathering powers would therefore likely not be an effective solution as companies would have no incentive to comply with any requests for information. As such, the monitoring function would not be able to provide a comprehensive assessment of the effectiveness of competition in the market and would limit the government's ability to decide if and when further intervention may be required. For example, the CMA used its general information-gathering powers to obtain public and commercially available data for its 'urgent' road fuel review in 2022 and it found that the retail road fuel market appeared relatively competitive and saw no evidence that PFSs had failed to pass on the 5p fuel duty cut. It was not until the CMA conducted its road fuel market study, which permitted it to use its compulsory information-gathering powers to obtain internal, company-specific accounting and margins data, that it identified serious concerns of weakened competition.

The CMA is undertaking the monitoring function on a voluntary basis using its existing powers, until we can provide it with the compulsory information-gathering power through the DMCC Bill. The CMA published its first report from the interim monitoring function on the 9 November 2023 and noted that because it is reliant on co-operation from retailers to provide information on a voluntary basis there are gaps in the analysis of their report and the need to introduce a permanent function as soon as possible⁶.

⁴ [CMA Supply of road fuel in the United Kingdom market study Final Report \(2023\), 82 \(Page 26\)](#)

⁵ [Government response to 'Smart data: putting consumers and SMEs in control of their data and enabling innovation' consultation \(2020\), 32 \(Page 13\)](#)

⁶ [Road Fuel interim monitoring update: November 2023](#)

Statutory approach

Open data scheme

To achieve increased fuel price transparency and give consumers the full information they need to make more informed decisions we consider that full coverage of all PFSs is required and with data being provided in an open, free, and 'real-time' basis. This can only be fully achieved if the requirements are mandated in legislation and to ensure there is a level playing field between all PFSs. Legislation would also provide for enforcement mechanisms to ensure compliance with the scheme.

Additionally, a certain level of price transparency is needed for competition to exist and function effectively, and PFSs would have little incentive to compete if consumers could not reasonably and easily compare retail prices of all PFSs near to them.

The government is already legislating for Smart Data schemes through the Data Protection and Digital Information Bill which would enable the government to lay regulations to establish the open data scheme for fuel prices. This would therefore not require any further new primary legislation.

We have also considered the costs that a statutory scheme will place on government and businesses to comply with, however, after careful consideration we believe that the benefit this scheme will bring to consumers outweighs the costs imposed on government and retailers.

Monitoring function

To act as a deterrent to anti-competitive pricing strategies, the monitoring function must have compulsory information-gathering powers (through legislation) which companies must comply with. These powers would enable the monitoring function to gain a full picture and assess the effectiveness of competition in the road fuels market. These insights will also be of huge importance with the transition to net zero and enable the monitoring function to advise the government on if and when further intervention may be required to increase competitive pressures in the road fuel market.

The government has amended the DMCC Bill at Commons Report stage to provide the CMA with the information-gathering powers required to carry out this role effectively.

Open data scheme for fuel prices

“The government should create, on a statutory basis, an open data fuel finder scheme. This would require retailers to share their prices on an open, real-time basis, meaning that drivers can easily compare prices in any area of the UK. In doing so, drivers will be more able to find the cheapest fuel at any given time, which in turn will increase incentives on retailers to compete hard on price and make it easier for consumers to identify where they are not doing so.”⁷

Rationale

Fuel price transparency is a key priority for the government. Price transparency can be described in terms of the cost, time, and difficulty with which consumers can access retail pricing information. Where these factors are lower, a market will have greater price transparency.

In general, increased price transparency benefits consumers. For competition to exist and function effectively a certain level of price transparency needs to exist. There would be little incentive for PFSs to compete if consumers could not reasonably and easily compare prices.

Currently there is an information asymmetry between PFSs and consumers. While real-time fuel prices are prominently displayed at forecourts, they are not typically provided by PFSs online. Therefore, in the absence of freely available high-quality data, consumers must drive around to find cheaper fuel or rely on price comparison tools which use data that does not provide the full picture of prices, is charged for, or otherwise restricted in its use.

Increased transparency, via an open data scheme, will rebalance the asymmetry that currently exists between PFSs and consumers. Providing consumers with better information will enable them to make more informed choices, which should have a downward pressure on road fuel prices.

Consumer behaviour

Consumers currently face high search costs if they want to compare prices between different PFSs, having to drive between forecourts, or relying on data with limitations.

The CMA highlighted research by the OECD Competition Committee in their market study that found that most often consumers only conduct limited comparisons of prices when they fill up their tanks and are not aware of all the prices quoted by PFSs they could reach at a reasonable cost.⁸

Increased visibility of fuel prices will lead to better informed consumers who will be able to easier compare where they buy their fuel. This in turn should lead to increased competition between PFSs who will need to be work harder to attract consumers by lowering prices.

⁷ [CMA Supply of road fuel in the United Kingdom market study Final Report \(2023\), 7 \(Page 8\)](#)

⁸ [OECD Policy roundtables: Competition in road fuel \(2013\), 4.3 \(Page 25\)](#)

Changes in behaviour from consumers when comparing fuel prices could lead to PFSs increasing the number of competitors they consider when setting prices, therefore bringing the potential for prices to be reduced further.

When buying fuel, the CMA final market study report outlined that price, location, and consumer experience are the most significant factors for consumers when buying fuel, with price being cited most frequently in CMA requests for information. Consumers are also generally happy to travel a short distance for cheaper fuel, however with the current limitations in data, it is not easy for consumers to adequately compare where the cheapest fuel is or to consider whether it is worth travelling to purchase that fuel.

We also recognise that an open data scheme may more likely benefit those who are technically enabled or capable. A survey undertaken by the RAC in 2022 reported that of the 68% who reported they kept abreast of fuel prices, only 16% used an app. However, we do not expect this to be a significant barrier for consumers to be better informed. For instance, if well-known navigational tools were to use the open data in their apps/websites, it would create an environment where consumers are informed of fuel prices along a particular route, or when searching for cheapest fuel near to a specific location. For those not technically enabled or capable, increased competition should result in cheaper prices paid at the pumps for all consumers.

Business innovation

Opening up retail fuel price data provides consumers with greater choice when considering where to buy their fuel, but it would also provide opportunities for third parties to use the data in innovative ways for consumers to access. As well as improving pricing accuracy of existing price comparison tools in the UK, it could also be included in navigational tools, mapping software and GPS to help users find the most cost-effective route based on fuel price data along the way. Businesses with fleet vehicles could also use the data, helping them to make more informed decisions about routes, refuelling schedules, and vehicle acquisitions, resulting in cost savings and more efficient operations.

These are only a small number of examples of how fuel price data could be used in creative solutions, but by opening up the data and making it freely available, it provides the opportunity for third parties to create new and innovative tools and combine with other consumer related data to ultimately improve consumer and business experiences. For example, Transport for London (TfL) makes its open data freely available to third parties to deliver new products, apps, and services for its customers. Over 17,000 developers have registered for TfL's open data, consisting of its API (Application Programming Interface) that powers over 600 travel apps in the UK with over 42% of Londoners using apps based on TfL's data⁹. Research undertaken on the scheme shows that the release of the open data by TfL is generating annual economic benefits and savings of up to £130 million per year. Alongside this the TfL open data scheme is estimated to directly support around 500 jobs that would not have existed otherwise¹⁰.

⁹ [Transport for London: open data policy](#)

¹⁰ [Assessing the Value of TfL's open data and digital partnerships](#)

Existing price comparison tools in the UK

There are a range of digital price comparison tools that allow consumers to find the nearest PFSs and compare prices, the majority of which rely on data from Experian. The below is not an exhaustive list but covers some of the most popular tools:

- **GoCompare and Confused.com:** Very similar to each other and free to use. GoCompare requires the consumer to login.
- **PetrolPrices.com:** The largest provider of fuel prices free of charge, working in a similar way to the other tools. It supplements the Experian data with data crowdsourced from consumers and data from the CMA's interim voluntary open data scheme.
- **MyRAC:** free to use regardless of whether consumers are a member of RAC or not, but consumers are limited to five searches a day.
- **AA:** only available to AA members and are limited to five searches a day.
- **Route navigation apps and physical satnavs:** some of these tools incorporate pricing data when displaying PFSs close to a route.
- **Consumer Council for Northern Ireland's fuel price checker:** works differently to the other tools. Consumers can compare the highest, lowest, and average petrol and diesel prices in each town in Northern Ireland. It does not show prices for individual PFSs, and the prices are only indicative as are based on a limited sample of PFSs. The data is only updated on a weekly basis.

These tools give consumers valuable information, helping them to make a more informed choice about where to buy road fuel. However, the data they rely on from Experian does have some limitations:

- **Cost:** Experian buys fuel card transaction data from AllStar (a fuel card supplier), which it then aggregates and sells to third parties e.g., price comparison tools, PFSs and car manufacturers. There is an annual subscription fee to access this data, which can differ depending on the services a business chooses. The cost also means there is a barrier to entry for other price comparison tools, limiting growth and innovation opportunities in the economy.
- **Coverage:** The data only covers around 85% of fuel stations in the UK, meaning consumers would not be making decisions based on a comprehensive pricing data set.
- **Timeliness:** The data is only as recent as the last fuel card transaction and how often the price comparison tool buys the data from Experian and how quickly it incorporates it into its tool.
- **Restrictions:** Experian places restrictions on how price comparison tools can use the data, meaning consumers may be restricted in how they receive or use the data. In addition, some tools require consumers to be members of a particular organisation, subscribe to particular services, or face limitations in the number of searches they may make in any one period.

Question 1: Do you have an estimate of the number of UK drivers that currently use price comparison tools?

Question 2: Are there any other price comparison tools that you are aware of that we have missed from this list?

Question 3: Are there any additional ways third parties could use the fuel prices data, other than price comparison/navigational tools, to maximise its benefits to the consumer?

International landscape

Similar statutory open data schemes have been adopted in other countries to improve consumers' access to current fuel prices which we have considered as case studies in the design of the scheme in the UK. Germany, Austria, Denmark, Chile, and several Australian states have all introduced open data schemes for fuel pricing to varying degrees of success.

Germany

The German Market Transparency Unit for Fuel (MTU) requires all companies that operate PFSs or have the power to set their prices to report any changes in price within five minutes of changing their price. The MTU collects price data from approximately 14,750 (c. 2018) petrol stations¹¹ and shares the data with c.50 registered third parties¹² which consumers can use to search for the latest prices of nearby stations.

In the MTU's evaluation report¹³, it found that transparency for consumers had increased significantly, enabling consumers to make more informed choices and shop around for cheaper fuel. The scheme has also created a new market for price comparison tools. Another study found that it also boosted competition amongst PFSs, with price margins decreasing by around 20% since its introduction.¹⁴ A 2020 academic study¹⁵ focused on the German market further supported this and found that prices had decreased as a result of the open data scheme in Germany. It also reported a 13% decrease in previous retail margins.

Austria

The Austrian Energy Regulator (E-Control) collects and aggregates fuel prices from PFSs and makes it available to consumers via its own website. PFSs are only able to increase their prices once a day at 12pm and must report the change within 10 minutes, there is no limit though on price reductions with changes having to be reported within 30 minutes. Upon searching, consumers are shown the ten closest PFSs but only shown prices for the five cheapest PFSs – this is to avoid price orientation upwards.

A 2018 study of the Austrian Fuel Price Fixing Act (which restricts PFSs ability to increase prices more than once a day) found that it can be considered a partial success as it appears to have fostered competition and therefore increased consumer welfare.¹⁶

¹¹ [The Bundeskartellamt, Annual Report of Market Transparency Unit for Fuels \(2018\)](#)

¹² [The Bundeskartellamt, Market Transparency Unit for Fuels](#)

¹³ [The Bundeskartellamt, Five years of Market Transparency Unit for Fuels \(2018\)](#)

¹⁴ [Germany's Market Transparency Unit for Fuels: Fostering Collusion or Competition? \(2019\), 4 \(Page 10\)](#)

¹⁵ [Montag and Winter, Department of Economics, Ludwig-Maximilians-University Munich, Price transparency against market power \(2020\)](#)

¹⁶ [Price Regulations and Price Adjustment Dynamics: Evidence from the Austrian Retail Fuel Market \(2018\), 6 \(Page 21\)](#)

Western Australia

The government for the state of Western Australian (WA) introduced a statutory fuel price reporting scheme in January 2001 in response to a Parliamentary Select Committee investigation. FuelWatch¹⁷ was the first fuel price reporting scheme in Australia, with other states then following. In WA, PFSs are required to provide the next day's fuel prices to FuelWatch by 2pm the day before, with prices fixed for 24 hours starting at 6am. This information is then published by the WA government and made available to consumers via the FuelWatch smart phone app and website.

The WA scheme appears to have increased fuel price transparency and helped to increase consumer knowledge, with users of the WA scheme potentially saving up to 30 cents (AUD) per litre on any given day, which equates to an \$18AUD saving when filling up a 60-litre tank¹⁸.

Queensland, Australia

The government for the state of Queensland, Australia, introduced a statutory fuel price reporting scheme due to high and inconsistent prices in the road fuel market. PFSs are legally required to report fuel prices changes within 30 minutes of the price changing to a government-appointed aggregation body which makes it available to third party apps/website developers which consumers can access.

In the Queensland government's final review of the scheme¹⁹ it found a small but statistically significant decline in average daily retail prices in most regions across Southeast Queensland, with a statistically significant increase in the spread of prices in 2020. The review also found that drivers who shopped around to fill up at the minimum price saved up to \$171 p/a in Brisbane, \$156 in Ipswich, \$145 on the Gold Coast, \$93 in Lockyer Valley, \$48 in Cairns, \$37 in Rockhampton and \$7.5 in Mount Isa. It also found that irrespective of shopping around, consumers as a group are estimated to have also saved about \$9.5 million a year in Brisbane and \$12.3 million a year in South East Queensland.

Summary

Having considered consumer behaviour; the existing price comparison tools in the UK; and transparency measures internationally we have concluded that there is compelling rationale for a statutory open data scheme.

Objectives and benefits

The objective of a statutory open data scheme - which requires PFSs to share their prices on an open, free, and real-time basis - is to increase transparency of retail road fuel prices.

Increased fuel price transparency would likely have several benefits:

- provide consumers with greater power and information to make more informed choices and decisions on where to buy fuel and make potential savings

¹⁷ [FuelWatch – Western Australia](#)

¹⁸ [FuelWatch, How FuelWatch works](#)

¹⁹ [QLD Government, Final assessment of the QLD Fuel Price Reporting Trial \(2020\) Executive Summary \(Page 3\)](#)

- increase pressure on PFSs to compete strongly to attract consumers by lowering their prices or improving their offering
- provide growth and commercial opportunities for innovative third party app and website developers to offer consumers real-time comparisons of fuel prices.

As a result of these benefits, we would expect to see a positive impact on the three concerns outlined in the final report of the CMA's road fuel market study:

- countering the weakened competition at a national level: as consumers would move away from more expensive PFSs and the premium they charge over local market leaders, this premium would become more visible in real time to consumers. This would lead to more intense competition as it would increase the incentive on a PFS to undercut prevailing prices, because they could expect their lower prices to be clearer to the public, and therefore to gain market share more efficiently.
- addressing price variation between local areas: in a similar way to the above, by increasing pressure on PFSs to reduce prices it would also widen the effective search area for consumers in a particular local area. This would allow them to consider buying from a wider range of PFSs and easily compare prices in real-time. This would not, however, completely eradicate local price variation, as the factors that are associated with lower prices in an area, in particular the presence of a supermarket competitor, would remain the same.
- affecting high prices at motorway PFSs: as consumers would become more aware of fuel prices at PFSs located close to motorway exits, these PFSs could exert more of a competitive constraint on motorway prices.

Any potential benefits of an open data scheme would have to be weighed against both the cost to the government of implementing a scheme, and the cost to business of complying with a scheme. The CMA noted in its road fuel market study final report that while implementing and maintaining an open data scheme for road fuel prices would introduce new costs, it considers that these would be relatively small and justified given the size and significance of the sector, and the CMA's findings. Through this consultation we are keen to design an open data scheme that realises the benefits whilst ensuring it is cost-effective for government and businesses.

Legislation

Part 3 of the Data Protection and Digital Information (DPDI) Bill includes Smart Data provisions²⁰ which will give the government the ability to establish and mandate participation in Smart Data schemes through subsequent regulations. Following Royal Assent of the DPDI Bill and the conclusion of this consultation process, the government will lay the necessary regulations to establish the open data scheme for fuel prices.

Delivery model

We have analysed and considered the delivery models of transparency schemes in other countries to identify the best model for the open data scheme in the UK.

²⁰ [Data Protection and Digital Information Bill, as brought from the House of Commons \(2023\), Part 3 \(Page 108\)](#)

We propose that the government would procure - through the usual standard government procurement processes - an 'aggregator,' to which retailers would be mandated to report retail price changes. The aggregator would be responsible for establishing the system, collecting, and aggregating the data, and sharing it freely and openly with third parties, such as fuel price comparison and navigational apps and websites which would make this information available to consumers. This is a similar model to that implemented in Queensland, Australia.

We believe this model would meet the objectives set out above and is the most efficient and effective way to deliver the scheme as quickly as possible.

Question 4: We propose that the aggregator model is the most practical and efficient way to deliver the open data scheme in the UK and should meet the objectives set out. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 5: Are there any considerations we should take into account for this aggregator model?

Question 6: What are the risks of an aggregator model and how could those be mitigated?

Participation and coverage

The government's intention is to introduce a UK-wide open data scheme for retail fuel prices, subject to discussions with the devolved administrations.

The UK's retail road fuel market is diverse and served by 8,365²¹ PFSs which operate in different ways, vary in size, and operate across different parts of the country. PFSs are primarily owned and run under the following business models:

- **Oil-company-owned:** these are owned by an oil company (such as BP, Esso, or Shell) which brands the PFS. They may be operated by the company (or its retail subsidiary) or by a dealer, in which case the dealer sets the prices
- **Supermarkets:** these are owned and operated by grocery retailers such as Tesco, Asda, Sainsbury's and Morrisons and are generally located next to, or close to their supermarket
- **Independents:** these are owned and operated by independent dealers which can be branded or unbranded. They differ significantly in size with some dealers owning a single PFS, and other businesses operating multiple PFSs.

The way that these models operate varies, with supermarkets typically seeing higher sales of volumes per site, and their revenue seeing a higher revenue proportion from non-fuel sales, such as food, drinks, and other consumer goods on the same site.

The existing fuel pricing comparison tools rely on incomplete data, which do not cover all the PFSs in the UK. We believe that in order for consumers to make the most informed choices they need to have comprehensive data available to do so, therefore we propose that it would

²¹ [CMA Supply of road fuel in the United Kingdom market study Final Report \(2023\), 2.16 \(Page 39\)](#)

be mandatory for all PFSs to participate in the open data scheme. This is similar to fuel transparency schemes in other countries. This approach would also ensure a level playing field for all PFSs to avoid the perception or risk of undue advantage by participating or not participating.

We recognise that very small and remote PFSs may find it difficult to participate in an open data scheme, but we think this could be mitigated in other ways by ensuring the scheme works for all types of PFSs as set out in the later sections.

Question 7: We propose that it should be mandatory for all PFSs in the UK to participate in the open data scheme. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Data to be reported

Consumers should be provided with the most accurate and easily accessible information they need to easily locate the cheapest fuels within a particular area.

The table below presents the data which we propose PFSs would provide and report on when there is a change. The data that would be publicly available is information that the aggregator would share with third parties, whereas the privately held information would be for the aggregator’s administrative purposes.

Data to be reported and publicly shared
Trading name for PFS
Location address
Global Position System (GPS) & location services
Trading hours
Telephone number for the site
Fuel types offered for sale (and brand if applicable)
Retail fuel prices (with timestamp of price change)

Table 1: Publicly available data

Data to be reported and privately held
Name of primary contact person for the site
Position or title of primary contact person
Mobile telephone number of primary contact person
Email address of primary contact person

Name of legal entity (parent company) that operates/is responsible for reporting for the site

Table 2: Privately held data

To ensure the consistency of the data and so that it can be easily integrated by third parties, the aggregator will specify the data standard that PFSs will need to report their data in.

Question 8: Do you agree with the proposed data that needs to be reported?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 9: Is there any other data that you think should be reported?

Method of reporting

To ensure consumers receive current retail pricing data as quickly and efficiently as possible, we need to make sure that the open data scheme makes full use of the modern technology available to us. However, given the diverse retail road fuel market we are keen to ensure all PFSs are able to report price changes to the aggregator with the minimum amount of effort whilst minimising additional cost and burden to their business. We have analysed the approaches taken by fuel price transparency schemes in other countries and considered what would be most appropriate for the UK. We propose the following methods for PFSs to use to meet their fuel price reporting obligation to the aggregator:

- **Online portal:** PFSs would input price data into a portal set up by the aggregator. This may be suitable for small retailers and individual retail sites
- **Application Programming Interface (API) System:** For automatic direct bulk data upload to the aggregator. This may be suitable for medium to large companies with multiple PFSs
- **SMS text message:** This option may be suitable for smaller PFSs where an internet connection is not reliable or available
- **Interactive Voice Response (IVR):** This option may be suitable for smaller PFSs without an internet connection

Question 10: We have proposed the following methods for reporting: online portal, Application Programming Interface (API) system, SMS text message and Interactive Voice Response (IVR). Are there other methods we should consider including, or removing, if they are not necessary?

Question 11: Are there any other methods for reporting we should consider for PFSs without a reliable internet connection?

Question 12: Are there any PFSs which would not be able to use any of these methods to report price changes?

Frequency and timing of reporting

Given the different business models for PFSs, we recognise that the price-setting process differs for all and on average prices change once a day. For PFSs, particularly those that are owned and operated by oil companies or supermarkets, prices may be set at a central office which are then cascaded to individual PFSs to implement the price change. It is then the responsibility of staff at the individual PFSs to change the price on the forecourt display. There can be a lag of some hours between a central office sending a change in price and the PFS implementing the price change on the forecourt, and there is often no feedback loop to the central office for it to know if and when the price was changed. To ensure consumers are provided with the current retail price, we propose that it is the responsibility of the individual PFS which changes the price on the forecourt display to have to report the retail price change to the aggregator. This will not only ensure that the consumer has the latest retail price, but also avoids the risk of the central office disclosing to the aggregator and ultimately putting into the public domain its future pricing intentions.

One of the key objectives of this open data scheme is to provide data that is fully accurate and current, ideally in real-time so that consumers search based on the most up to date prices. Mandatory fuel price transparency schemes in other countries vary on how quickly a retailer needs to report the price change from five minutes in Germany to 30 minutes in Austria and Queensland, Australia. In determining what is a proportionate and reasonable timeframe, we have considered a range of factors: methods available to report the data; practicalities for PFSs to comply with the scheme requirements (coordinating price changes from off-site, updating digital forecourt displays, clearing the forecourt of drivers who have seen a previous price on the digital display, and changing pump prices); burden and cost to retailers and balancing this against the objective to ensure consumers receive current and accurate data without being misled.

We propose that PFSs must report retail fuel price changes within 30 minutes of the price changing on the forecourt. While it is anticipated some PFSs could report price changes far quicker, we view 30 minutes as a reasonable timeframe and practical in a diverse market.

We considered whether there should be a small extension given to smaller or remote PFSs to report the price change to avoid unnecessary burden on them, however, we felt that this would risk delays in consumers knowing the latest price. We have sought to mitigate any unnecessary burden by ensuring there are suitable methods (as set out above) in place for them to easily report their price changes within the agreed timeframe.

We also considered whether PFSs should report prices every 24 hours even if the price has not changed to give consumers the assurance that the price shown is the current price. However, we think this would place unnecessary burden on PFSs, particularly smaller and remote PFSs. We believe that so long as each price change has a timestamp which the consumer can clearly see on the price comparison tool, and there is strong enforcement of the scheme to ensure PFSs are complying with it, this should provide consumers with the necessary assurances that the information they have is current. Therefore, if a price has not changed from one day to the next, we would not expect PFSs to provide the data again – only when the price changes. The majority of other data types provided by PFSs such as location address, fuel types for sale etc. will not change regularly or frequently, however if and when they do, we would expect these changes to also be reported within 30 minutes.

Question 13: We propose that it should be the responsibility of each individual PFS to report retail price changes. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 14: We propose that PFSs must report retail price changes to the aggregator within 30 minutes of the price changing. Do you agree this is a reasonable timeframe?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please provide your reasons.**

Question 15: Are there specific types of PFS who would find it difficult to meet the 30 minutes requirement, if so, how could they be supported?

Data sharing

The full benefits of an open data scheme can only be maximised when the data is shared freely and openly with third parties. We therefore propose that the data reported by PFSs should be shared by the aggregator freely and openly with third parties that wish to access it. This would include apps and websites providing price comparison tools, but also other PFSs, other types of organisations, the government, and individuals. We also propose that this data is shared via API or flat file transfer because we understand these to be common ways of disseminating information from an aggregator to existing price comparison tools.

- API is an automatic direct bulk data upload. API specifies how different software should interact with each other, with files sent back at a quicker rate and with less chance of human error. Our understanding is that it would be possible to integrate APIs as the specified format to share with third parties and would be able to integrate with most PFS systems.
- Flat file is also known as a text database and stores data in a simple text format. The file has no hierarchical structure of distinct elements, with each line representing a single record, and each record distinguished by delimiters such as commas or tabs. The end user can also decide the format of the downloaded file. We understand this is a common format for sharing price data with existing price comparison tools and would be able to integrate with most systems.

Sharing the data freely will provide commercial opportunities for innovative third party apps and websites to offer consumers real-time comparisons of fuel prices and support growth of the economy. We recognise that sharing the data with PFSs could increase the risk of price collusion between PFSs (considered in detail later), however we believe that ensuring the data is as accessible as possible to all consumers and competitors will help maximise the benefits of increasing competition and minimise the risks of collusion.

We are mindful that price comparison tools which consumers will use will be digital and so may prevent those that are digitally excluded, or less able to use digital price comparison tools, from accessing the information and making informed decisions on where to buy fuel. We would welcome views on how we can make this information as accessible as possible for those consumers too.

Question 16: We propose that the non-personal data outlined in Table 1 above, should be shared openly and freely with any type of third party that wishes to access it. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 17: We propose that the aggregator should share the data with third parties through APIs or flat file transfer. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 18: Are there particular restrictions we should impose on how the data is used by third parties?

Question 19: If the aggregator were to provide a price comparison tool for consumers, in addition to carrying out its aggregator role, would you have any concerns with this?

Question 20: Are there any considerations we should take for those consumers that are digitally excluded or less able to use digital price comparison tools?

Question 21: Are there ways to make this data more accessible for consumers?

Enforcement

Compliance with the open data scheme will be key to the success of it and realising the benefits. Effective enforcement acts as a deterrent against non-compliance, potential misconduct and mitigates the risk of anti-competitive practices in the market. Without proper enforcement in place, the effectiveness of legislation diminishes.

We will work with PFSs to provide the support and guidance necessary to ensure the smooth introduction of the regulations, and to assist in compliance with the regulatory requirements.

We will use the 'enforcement of data regulations' provision in Part 3 of the DPDI Bill to ensure compliance with the regulations. The regulations may confer powers of investigation on an 'enforcer', including powers to require the provision of information, and powers of entry, inspection, search, and seizure.

We anticipate that, where the enforcer considers there to have been a breach of the requirements set out in regulations, it may serve a notice on the person in breach describing the steps required to remedy it and by when. Where a person does not comply with the compliance notice, the 'enforcer' may impose a civil penalty, which will be set out in the regulations.

Any enforcement will need to be fair and proportionate and ensure that PFSs are not penalised for aspects over which they have no control. Civil penalties will be at the discretion of the enforcer, and we would expect the enforcer to take into consideration various factors before imposing them.

We would expect there to be a fair process, so the regulations are likely to include details on how the enforcer will implement procedures for the handling of complaints, reviews of a decision and appeals to a court or tribunal with regards to decisions made by the enforcer.

We would expect the enforcer to publish guidance on how it proposes to exercise its functions under the regulations. We will use this consultation to identify a suitable public authority to take on the role of the enforcer ahead of the government response.

Question 22: Which public authority is best placed to be appointed as the ‘enforcer’ of the open data scheme?

Question 23: Do you have views on the overall proposed approach to the enforcement of the open data scheme outlined in this section?

Question 24: What factors should the ‘enforcer’ take into consideration before imposing civil penalties?

Question 25: What should be the range and level of civil penalties? Please provide reasons.

Question 26: Should the government consider criminal offences for exceptional circumstances?

Answer: Yes; No; Unsure. **Please expand on your response.**

Question 27: How can we best support PFSs to ensure compliance with the requirements and regulations of the open data scheme?

Funding

Funding will be required to set up, implement and run the open data scheme, specifically to cover the costs of the aggregator and the ‘enforcer’ role but there may also be other associated costs.

In line with the government’s guidance on Managing Public Money and the DPDI Bill, there are several options possible for funding models:

- **Exchequer funding:** under this model the cost of the open data scheme would be met through general taxation via the consolidated fund.
- **Full or partial levy funding:** an alternative would be to consider covering the costs through fees, charges, or a levy on PFSs so that it is cost-neutral to the taxpayer. Subject to the provisions in the DPDI Bill, this approach could fund the full costs of the open data scheme or could be supplemented by Exchequer funding to cover certain costs. Further work is being undertaken to determine how this could work, including what the levy might fund, who would pay the levy and how it would be calculated.

Question 28: Should we explore partial or full levy funding, subject to the provisions in the DPDI Bill?

Answer: Yes; No; Unsure. **Please expand on your response.**

Question 29: What are the risks and challenges of a levy?

Challenges and risks

Support and guidance

We recognise that this will be a new requirement on PFSs and will present new challenges with technology and ways of working, particularly for individual PFSs. However, the government is keen to support PFSs in this process in the best way possible, should additional support be required at the outset, during implementation, or once the scheme is operational.

Question 30: What can the government do to support PFSs with the transition to the statutory open data scheme, in advance of it coming into force and during its operation?

Price collusion

Price collusion is where companies who are competitors agree or otherwise act in concert to coordinate prices and enhance retail margins, thereby weakening competition in the market, resulting in higher profits for all retailers involved, and higher prices for consumers.

Competition encourages businesses to improve and innovate for the benefit of their consumers. Competition law is in place in the UK as the Competition Act 1998, which is enforced by the CMA to ensure businesses are competing fairly and are protected from others acting unfairly.

Increased transparency through an open data scheme which shares information on an open, free, and “real-time” basis could potentially increase the risk of price collusion and/or anti-competitive exchanges of commercially sensitive pricing information between PFSs. Either of which could in theory lead to prices converging at higher levels than they otherwise would, resulting in unintended consequences for consumers.

The OECD Competition Committee²² noted that, while increasing public information on prices via the internet, mobile devices or through large displays at petrol stations is not risk-free, in that it increases transparency for consumers and reduces search costs but could also facilitate price collusion in markets which are susceptible to anti-competitive collusion, on balance most experts think it is beneficial for competition. This is because competitors already monitor each other’s prices closely, which we know is the case in the UK. Therefore, the disadvantages of more transparency amongst competitors through an open data scheme are deemed relatively low. The negative effects are expected to be outweighed by the pro-competitive effects of better-informed consumers, who will be more aware of price differences between petrol stations and will thus shop around more actively.

We have sought to mitigate the risk of collusion between PFSs through the proposals set out above by:

- mandating requirement for all PFSs in the UK to participate in the scheme to ensure full coverage and a level playing field for all PFSs
- outsourcing the collection, validation and sharing process to a third party aggregator to prevent direct exchange of information between PFSs

²² [OECD Policy roundtables: Competition in road fuel \(2013\), Executive Summary, 4 \(Page 25\)](#)

- ensuring disclosure of current prices rather than future pricing intentions to reduce the competitive sensitivity of the information by putting the responsibility of reporting the price change on the individual PFS rather than central office
- making data available openly and freely so that it is as accessible as possible to all competitors and consumers and guarantee parity of information available
- setting out enforcement plans against non-compliance with the regulations to ensure accurate information is reported promptly
- creating an ongoing road fuels price monitoring function (see next chapter) which would monitor road fuel prices and be able to provide advice to the government on the need for potential interventions to improve competition or consumer outcomes.

We also considered other potential measures which may mitigate the risk of price collusion but decided against these, including:

- prohibiting PFSs from increasing prices more than once a day, but with no limits on price decreases, as is the case in Austria – we do not think it is required for the government to regulate the pricing process in a market with no barriers to switching
- restricting price comparison tools to only show consumers the five cheapest fuel prices within in a particular area, as is the case with some existing tools in the UK – we believe this would limit consumers from making decisions based on comprehensive data, as consumers may not necessarily be looking for the cheapest PFS but one that also offers other services
- requiring PFSs to report fuel prices by a certain time for the following day with no further changes allowed, as is the case in Western Australia – we do not think it is necessary for the government to regulate the pricing process in a market with no barriers to switching
- restricting the aggregator from sharing the data with PFSs and only sharing it with price comparison tools – we believe this would limit the openness of the data, and PFSs could access the data by other means, for example by scraping websites.

We believe that the way we have designed the open data scheme should outweigh the risk of price collusion but are keen to get your views on potential further mitigations we should consider.

Question 31: What further mitigations should we consider to reduce the risk of price collusion?

Question 32: Are there any other risks that we have not considered?

Overall scheme design

The below graphic sets out the design of the open data scheme as covered by the sections above.

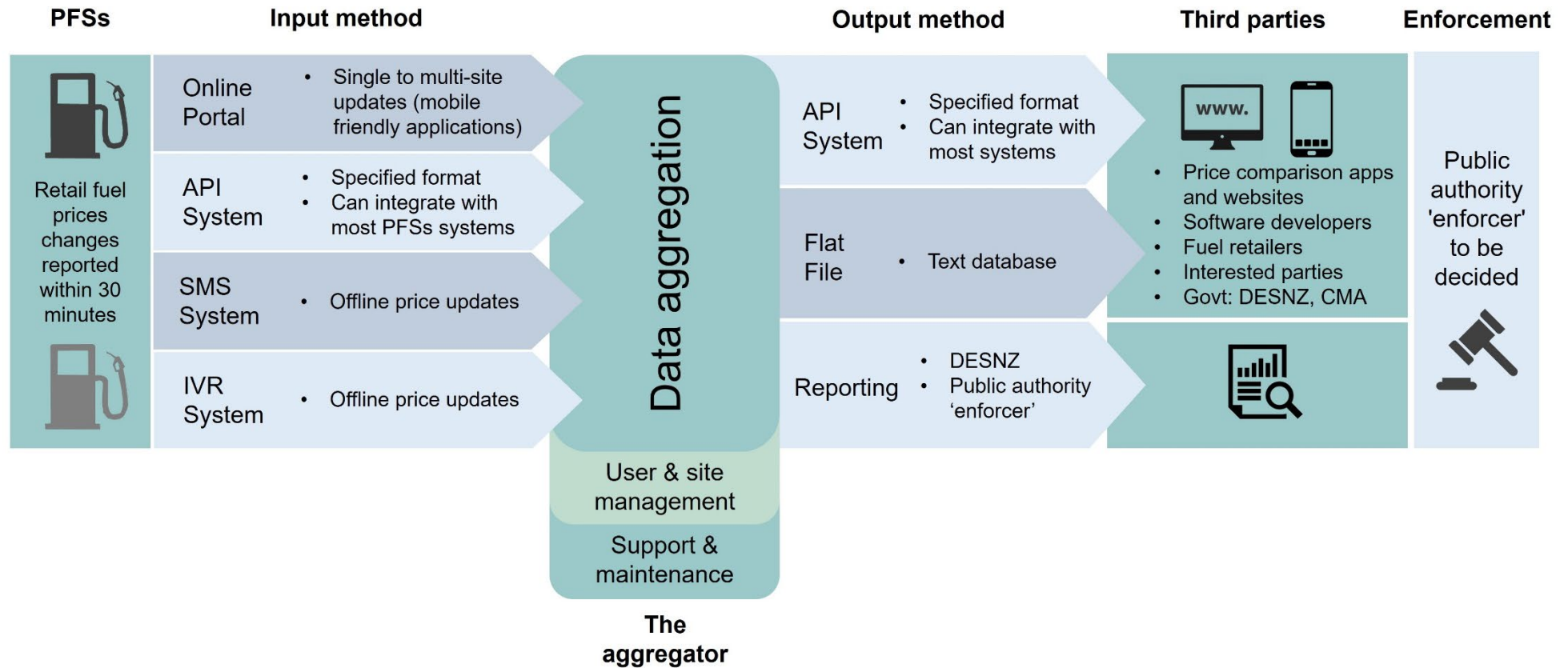


Figure 1: Overall open data scheme design

Ongoing road fuels price monitoring function

“The government should create an ongoing road fuels price monitoring function within an appropriate public body and providing it with information-gathering powers, to monitor developments in the market, both nationally and locally, as we move through the net-zero transition, provide ongoing scrutiny of prices (creating pressure for retailers to keep prices low) and consider whether further action may be needed to protect consumers.”²³

Rationale

The downstream oil sector is unregulated, with no licensing regime or regulator, unlike other sectors such as gas, electricity, telecoms, and water. In contrast to these networked sectors, there is no natural monopoly in the downstream oil sector and therefore the government considers there is no rationale for a regulator and that such a regime would be disproportionate.

Given the CMA’s findings of weakened competition in the road fuel retail market and expected transition to net zero which could impact the market and consumers, we believe there are several reasons for an ongoing road fuels price monitoring function (hereinafter referred to as “monitoring function”), with an aim to facilitate a well-functioning and competitive market.

The monitoring function will report on the state of the road fuels market and provide an ongoing assessment on competition. This will provide additional competitive pressure on the road fuels retail market whilst complementing the open data scheme which is aimed at increasing price transparency. The monitoring function will provide insights, similar to those gathered by the CMA, during its market study which could help government decide whether further intervention in this market, or support for consumers, is required. After consideration, the government has decided that the CMA is best placed to undertake the monitoring function given its knowledge and expertise of the road fuels market given its recent market study of the sector. The government has amended the Digital Markets, Competition and Consumers Bill to provide the CMA with the necessary information gathering powers which includes the penalties for not complying with these powers, therefore we are not consulting on these issues in this consultation.

Recent changes to the market and deterrent to prevent further weakening of competition

The CMA found weakened retail competition at a national level, persistent price variation between local areas and high motorway prices for those without access to fuel cards. There is a risk that without ongoing monitoring these issues could be exacerbated.

A monitoring function would act as a deterrent to PFSs taking actions that would further weaken competition. Where PFSs are aware they are under scrutiny, they will know that the reputational risk of raising margin targets or applying rocket and feather pricing will be

²³ [CMA Supply of road fuel in the United Kingdom market study Final Report \(2023\), 7 \(Page 8\)](#)

increased. The CMA noted in its final report that updates they provided during the year-long market study were followed soon after by price cutting announcements or notable falls in retail prices. For example, after the publication of the CMA's interim update in December 2022, Asda cut fuel prices by 5p a litre and the RAC reported that supermarkets cut diesel prices by more than 7p a litre after the CMA published its May 2023 update²⁴. While this shows correlation rather than clear causation, the CMA noted that this suggests that public scrutiny or monitoring may help reduce prices to benefit consumers.

Future changes to the market

With the transition to net zero and the government's commitment to ban the sale of new petrol and diesel vehicles from 2035, this will significantly affect the expected future path for the road fuels sector. The transition from fossil fuel to zero carbon vehicles is likely to lead to accelerating closure of infrastructure including PFSs and risks weakening of competition in the remaining fossil-fuel based road fuels market.

This transition is likely to be felt particularly by less well-off consumers and those living in rural areas. A monitoring function to monitor the market through this transition would benefit consumers by ensuring that the market continues to function effectively.

Potential for further intervention

Given the potential future changes to the market which may create conditions to further weaken competition and impact consumers negatively, it may become necessary for the government to consider further intervention to increase competitive pressures in the market. A monitoring function would support the government in this by providing an ongoing assessment of the effectiveness of competition in this market and whether further intervention is required.

International landscape

Similar monitoring functions have been adopted in other countries to improve monitoring of fuel prices.

Australia

The Australian Competition and Consumer Commission²⁵ (ACCC) has been monitoring the road fuel market since 2008, when the minister responsible directed them to monitor the prices, costs, and profit margins of unleaded petrol products for three years and provide an annual report. The ministerial direction has been extended numerous times, most recently in December 2022 with its remit extended to include diesel and liquefied petroleum gas.

The ACCC's functions are to hold price enquires; examine proposed price rises for goods and services in its remit; monitor the prices, costs, and profits of an industry as per the ministerial direction. The ACCC also has the power to compel the provision of information and documents where necessary.

The ACCC publishes several on regular basis an annual monitoring report and quarterly reports on the petroleum market.

²⁴ [RAC Press Release \(June 2023\)](#)

²⁵ [Australian Competition and Consumer Commission](#)

Germany

The German MTU for Fuels²⁶ oversees the price data sharing scheme for road fuel and also performs a monitoring function of the market.

Similar to the ACCC, the MTU for fuels publishes regular annual reports, ad hoc documents setting out data and analysis, and sector inquiries.

Summary

Given the CMA's findings in its final market study report, the expected future path that the road fuels market will take and the impact of similar schemes internationally we have concluded that the establishment of a monitoring function will benefit the road fuels market.

We expect that a monitoring function will facilitate greater competition within the road fuels market and will be an important measure to protect consumer interests.

Alongside that, taken together the monitoring function and open data scheme should reinforce each other. The proposed open data scheme alone would help to increase transparency; however, its exact impact is uncertain as it will ultimately depend on the take up of the price comparison tools and the impact of these tools on competition.

The CMA noted in its final market study report that, taken together, these two remedies would reinforce each other in providing a significant new source of pressure in favour of greater competition in the road fuel retail sector. They would also allow the government to carefully monitor the impact of fundamental change in the nature of the sector that may, in time, require further intervention to protect consumers.

We therefore believe the monitoring function to be an important measure to work in tandem with the open data scheme.

Monitoring function body

The government has decided that the CMA is best placed to undertake the monitoring function.

The CMA has knowledge and expertise of the road fuels market given its recent market study on the sector. We have considered other public bodies which could undertake the role, but this would not be possible without substantially changing their remits and requiring new primary legislation.

The CMA already has functions under the Enterprise Act 2002 which are relevant to the new role, in particular:

- Section 5 gives the CMA the general function to obtain, compile and keep under review information relating to competition and consumer issues.
- Section 6 enables the CMA to promote to the public the benefits that competition has for consumers and the economy. It allows for the CMA to publish educational material or take part in education activities (such as seminars or lectures) or support activities of others undertaking similar activity.

²⁶ [The Bundeskartellamt, Market Transparency Unit for Fuels](#)

- Section 7 enables the CMA to make proposals to the government on matters relating to competition in any market of the UK and it allows ministers to request for advice or proposals to the CMA relating to its functions.

Objectives and benefits

The objective of the monitoring function would be to increase monitoring of road fuel prices. Increased monitoring would likely have several benefits:

- Act as a deterrent to PFSs taking actions that would further weaken competition in the market and may help to reduce prices for consumers.
- Provide an ongoing assessment of the effectiveness of competition in the market, so that it can advise the government if and when further intervention is required.

Purpose

The remit of the monitoring function will be on petrol and diesel road fuel given this is where the CMA identified concerns in its market study.

The role of the monitoring function will be to:

- assess competition in the UK road fuels retail market.
- provide the government with regular, public updates on the state of competition at a national and local level in the UK road fuels retail market.
- periodically examine important topical questions in the UK road fuels retail market, for example potential changes in competition in particular fuels or regions.
- provide advice to the government in the medium term on the need for potential interventions to improve competition or consumer outcomes.
- consider the performance of any remedies in the UK road fuels retail market which may be introduced.
- provide a point of contact for drivers or local communities concerned about specific competition issues in their areas.

Question 33: We expect the transition to net zero to be a particular issue the monitoring function takes into account whilst carrying out its role and considers the impact of. What are your views on this?

Question 34: We propose that the monitoring function publishes an annual report, with two or three more focused updates during the year. Do you agree with this approach?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 35: What topical issues or themes should the monitoring function examine?

Question 36: How should the monitoring function decide on what topical issues or themes to focus on?

Information-gathering powers

The CMA recommended that the public body tasked with the monitoring function should be given compulsory information-gathering powers to carry out the role effectively. This is due to the complexity and volatility of road fuel markets, and the challenges in providing appropriate insights based on limited information.

Section 5 of the Enterprise Act 2002 provides the CMA with the function of, amongst other things, obtaining information but in the absence of specific information-gathering powers, the CMA can only do so on a voluntary basis. The government has therefore amended the Digital Markets, Competition and Consumers Bill²⁷ to provide the CMA with a compulsory information-gathering power for the purposes of carrying out the monitoring function.

The information-gathering powers are similar to the powers the CMA is able to exercise during a market study or market investigation. The powers will enable the CMA to request information from businesses involved in the distribution, supply or retail of petrol and diesel. The CMA will use the information obtained to carry out the monitoring function role set out above in the 'purpose'.

The CMA will be able to enforce the powers in the same way as is the case during a market study or investigation. These powers will only be used in instances of continued non-compliance, and we expect the CMA would look first to work with businesses to ensure they can comply with requests. The CMA will consider the circumstances of a particular breach in deciding whether to impose a penalty and the level of any penalty it might impose.

As set out in the amended DMCC Bill, this will include:

- **Civil penalties on an undertaking for failure to comply with information requests without reasonable excuse.** The CMA will be able to impose penalties for non-compliance, as is the case in a market study or investigation, and will consult and publish guidance on how it will exercise its statutory information gathering powers so that businesses understand how this will work.
- **Criminal offences for serious offences.** It would be an offence if a person destroys, falsifies, or conceals information that has been requested by the CMA or provides information to the CMA which is false or misleading. The maximum penalty on summary conviction will be a fine not exceeding the statutory maximum or on conviction on indictment, to imprisonment for a term not exceeding 2 years or to a fine or to both. In addition, if an offence committed by a body corporate is proved to have been committed with the consent or connivance of an officer of that body, the officer would also be liable to be proceeded against and punished.

²⁷ [Digital Markets, Competition & Consumers Bill as introduced into the House of Lords, clauses 309-316](#)

The powers available to the CMA include a sunset clause, meaning that they will expire five years after it comes into force, with further extensions possible following a Secretary of State review and subsequent regulations.

Question 37: How can the government and the CMA support businesses to comply with requests for information?

Impact

An assessment of benefits and costs resulting from the open data scheme and monitoring function described are available in the impact assessment published alongside this consultation. We estimate there will be a small annual net negative direct cost to UK PFSs of around £4.4m in total (in our central scenario). This breaks down as the following:

- The annual administrative cost for all PFSs to provide their fuel price and other information to an aggregator is estimated to be £4.4m.
- The total cost across all PFSs to familiarise themselves with the requirements of the statutory open data scheme and monitoring function are estimated to total £0.04m.

The open data scheme will indirectly benefit consumers through a fall in the price of both petrol and diesel by 3 pence per litre (which we assume in our central scenario). This is estimated to save UK consumers £10.1bn over a 10-year period and is a transfer from businesses and government.

- There will also be a cost to the government in setting up an open data scheme (for example sub-contracting a company to act as an aggregator etc.), which we estimate to be less than £5m a year.

There are other benefits of the scheme that we have not been able to monetise at this time. For example, benefits to innovative businesses who use the open data to create or improve price comparison tools. However, we aim to monetise these benefits in the final impact assessment when we lay regulations for the open data scheme.

For more information on the assessment of benefits and costs, and the methodology used for appraisal, please refer to the impact assessment published alongside this consultation.

Consultation questions

Open data scheme

Question 1: Do you have an estimate of the number of UK drivers that currently use price comparison tools?

Question 2: Are there any other price comparison tools that you are aware of that we have missed from this list?

Question 3: Are there any additional ways third parties could use the fuel prices data, other than price comparison/navigational tools, to maximise its benefits to the consumer?

Question 4: We propose that the aggregator model is the most practical and efficient way to deliver the open data scheme in the UK and should meet the objectives set out. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 5: Are there any considerations we should take into account for this aggregator model?

Question 6: What are the risks of an aggregator model and how could those be mitigated?

Question 7: We propose that it should be mandatory for all PFSs in the UK to participate in the open data scheme. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 8: Do you agree with the proposed data that needs to be reported?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 9: Is there any other data that you think should be reported?

Question 10: We have proposed the following methods for reporting: online portal, Application Programming Interface (API) system, SMS text message and Interactive Voice Response (IVR). Are there other methods we should consider including, or removing, if they are not necessary?

Question 11: Are there any other methods for reporting we should consider for PFSs without a reliable internet connection?

Question 12: Are there any PFSs which would not be able to use any of these methods to report price changes?

Question 13: We propose that it should be the responsibility of each individual PFS to report retail price changes. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 14: We propose that PFSs must report retail price changes to the aggregator within 30 minutes of the price changing. Do you agree this is a reasonable timeframe?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please provide your reasons.**

Question 15: Are there specific types of PFS who would find it difficult to meet the 30 minutes requirement, if so, how could they be supported?

Question 16: We propose that the non-personal data outlined in Table 1 above, should be shared openly and freely with any type of third party that wishes to access it. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 17: We propose that the aggregator should share the data with third parties through APIs or flat file transfer. Do you agree?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 18: Are there particular restrictions we should impose on how the data is used by third parties?

Question 19: If the aggregator were to provide a price comparison tool for consumers, in addition to carrying out its aggregator role, would you have any concerns with this?

Question 20: Are there any considerations we should take for those consumers that are digitally excluded or less able to use digital price comparison tools?

Question 21: Are there ways to make this data more accessible for consumers? Please expand on your response.

Question 22: Which public authority is best placed to be appointed as the 'enforcer' of the open data scheme?

Question 23: Do you have views on the overall proposed approach to the enforcement of the open data scheme outlined in this section?

Question 24: What factors should the 'enforcer' take into consideration before imposing civil penalties?

Question 25: What should be the range and level of civil penalties? Please provide reasons.

Question 26: Should the government consider criminal offences for exceptional circumstances?

Answer: Yes; No; Unsure. **Please expand on your response.**

Question 27: How can we best support PFSs to ensure compliance with the requirements and regulations of the open data scheme?

Question 28: Should we explore partial or full levy funding, subject to the provisions in the DPDI Bill?

Answer: Yes; No; Unsure. **Please expand on your response.**

Question 29: What are the risks and challenges of a levy?

Question 30: What can the government do to support PFSs with the transition to the statutory open data scheme, in advance of it coming into force and during its operation?

Question 31: What further mitigations should we consider to reduce the risk of price collusion?

Question 32: Are there any other risks that we have not considered?

Ongoing road fuels price monitoring function

Question 33: We expect the transition to net zero to be a particular issue the monitoring function takes into account whilst carrying out its role and considers the impact of. What are your views on this?

Question 34: We propose that the monitoring function publishes an annual report, with two or three more focused updates during the year. Do you agree with this approach?

Answer: Strongly agree; Partially agree; Neither agree or disagree; Partially disagree; Strongly disagree. **Please expand on your response.**

Question 35: What topical issues or themes should the monitoring function examine?

Question 36: How should the monitoring function decide on what topical issues or themes to focus on?

Question 37: How can the government and the CMA support businesses to comply with requests for information?

Next steps

The consultation will be open for 8 weeks closing on 12 March 2024. We will undertake extensive engagement with stakeholders during this time.

Following the closing of the consultation, the government will analyse the responses received and publish a response to the consultation.

This consultation is available from: www.gov.uk/government/consultations/empowering-drivers-and-boosting-competition-in-the-road-fuel-retail-market

If you need a version of this document in a more accessible format, please email alt.formats@energysecurity.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.