

HEATBASE Ltd Factsheet 36

Oil prices, oil companies and buying groups

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Oil prices are the lowest they've been in 4-5 years and it is now cheaper than Mains Gas to run; so be vigilant with your money. Kerosene prices have been as low as 23p per Litre but some Oil companies have still been charging 56p plus; more than double the true cost!

People often complain about how much their Oil heating bills cost even though it is comparable to Mains Gas in running costs and much cheaper than LPG. The problem is prices can vary so much from company to company and on the volume you buy; as well as the time of year you buy it.

It's not how much it costs you to buy the fuel, but the volume of fuel you use each year that dictates the true efficiency of your oil appliance, but if you're paying 25p per litre more than you should, then you automatically assume Oil Heating is expensive.

Oil Prices

Care should be taken when ordering your Oil; make sure your delivery is not too small, as you are often charged more for smaller loads. Try to avoid buying in the busy period when fuel costs rise when the demand is high e.g. Harvest Time, Beginning of Winter and especially the run up to Christmas. Make sure you contact several of the Oil companies to price check, as regular customers are often charged more. Always ask how much per litre they are charging.

Oil Companies

Price checking between Oil Companies can be misleading as most Oil Companies in our area are in fact owned by one group. Try to find one of the few Independent family owned suppliers, they usually give best value for money (details can be found on our website).

Buying Groups

The idea of a buying group is for multiple people to have their fuel delivered on the same day, in the same area by the same Oil Company. Transportation Costs are then cheaper for the Oil Company and the total volume of all deliveries are added together to purchase a "bulk" fuel delivery at a cheaper rate; well that's the theory. Oil Companies don't like buying groups as they keep the prices (and the profits) low, there have been occasions when it has been cheaper to buy a separate delivery of fuel from an Oil Company rather than through the buying group!

Beware of Buying Group sites, some are owned by the Oil Companies; the one used for our average prices is to provide an average price guide only and often shows a higher price than you could actually buy Kerosene for. They are great to use as a guide prior to calling for a price.

"Oil CAN" (Oil Community Action Northumberland) is a buying group run in association with Age Concern and has generated some of the lowest fuel prices in Northumberland. Their details are available on our website.