

HEATBASE Ltd FACTSHEET 40

Oil prices, oil companies and buying groups

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Over the last few years Kerosene prices have plummeted for various reasons and prices have been as low as 14p per Litre during the first COVID Lockdown in March 2020. Even in the 14 months following that period kerosene prices only briefly rose to 40p per Litre, but some Oil companies are still charging 60p plus; nearly double the true cost!

People often complain about how much their Oil heating bills cost even though it is comparable or cheaper than 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

There is no such thing as Premium Kerosene, its is standard kerosene with an aftermarket additive in it. Although some Oil Companies say they don't charge for this, they do, and it can add between 2 and 6p per Litre to the cost of the kerosene. In addition, aftermarket additives can cause problems if your oil tank or oil supply line contains sediment or water.

Some Oil companies will charge a higher price per litre for orders between 500 Litres and 1000 Litres, but many of them do not. Some Oil Companies actually give you an option on the cost per litre, the true price for deliveries between 1 and 2 weeks (which usually still turn up within the first week), a higher price for guaranteed delivery within a week, and then an extremely high price for an emergency delivery within 2 or 3 days. Other Oil Companies quote the higher price regardless and deliver when it suits them, not the customer. Keeping a closer eye on your fuel consumption and ordering within plenty of time can save at least 25% in the cost of fuel.

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 local 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 from the same Oil Company!

Beware of Buying Group sites, some are owned by the Oil Companies and others can quote 2 or 3 p per Litre more than buying from a local independent supplier.

Boiler Juice is the one used on our website to show for an average price. Asking them for an online quote can sometimes knock off another 5p per litre from the cost.