

Fuel price commentary

Oil heating users are the big winners on price

In the last edition of Fuel Price Commentary, we posed the question whether there could finally be some light at the end of the tunnel for heating users, following several years of extremely high prices

That question seems to have been timely because the latest data from the Sutherland Tables does indeed reveal some significant price falls, including for mains gas, the most popular fuel in the UK. Compared to a year ago, the average annual running costs for the majority of fuels have fallen, so let's focus on those that haven't. LPG users are the big losers with all regions seeing price increases. In the UK, Ofgem's price cap puts a ceiling on how much suppliers can charge for mains gas, but LPG is not included, and unlike heating oil, the global price has remained relatively high, although it is cheaper now than at the beginning of the year.

In Northern Ireland, the annual cost of wood pellets and some types of electric heating have also increased, which is bad news for the users concerned. However, in the UK and Republic of Ireland, prices for these fuels have fallen.

However, without doubt, the biggest winners continue to be users of oil heating, which is the cheapest heating fuel option in all regions. Not only is the annual cost lower than a year ago, but it is also cheaper than the longer term four-year average price. There's a good chance this will continue. The price of crude oil has fallen significantly since the beginning of the year, and it's likely that the price of heating oil will continue to fall through the summer as this feeds through. Unlike most other fuels, the price of crude oil has now returned to pre-pandemic, pre-Ukraine war levels and, with Trump back in the Whitehouse, they may well stay low.

Comparative space and water heating costs for a three-bedroomed home In Great Britain, Northern Ireland and the Republic of Ireland.

GREAT BRITAIN (Average)

	Mar-24	Mar-25	Price change	% Difference	4 year average
Electric storage heaters	3324	3036	-£288	-9%	£3,012
Gas condensing boiler	1577	1442	-£135	-9%	£1,375
LPG Condensing boiler radiators and DHW cylinder	1904	2023	£119	6%	£1,732
Oil condensing boiler, radiators and DHW cylinder	1373	1293	-£80	-6%	£1,349
Wood pellets	2340	1948	-£392	-17%	£2,120
Air source heat pump radiators	2744	2316	-£428	-16%	£2,625
Air source heat pump underfloor	2309	2116	-£193	-8%	£2,235

NORTHERN IRELAND

	Mar-24	Mar-25	Price change	% Difference	4 year average
Electric storage heaters	3675	3331	-344	-9%	£2,806
Gas condensing boiler	2215	1782	-433	-20%	£1,601
LPG Condensing boiler radiators and DHW cylinder	2209	2291	82	4%	£2,112
Oil condensing boiler, radiators and DHW cylinder	1333	1211	-122	-9%	£1,2364
Wood pellets	1817	1877	60	3%	£1,670
Air source heat pump radiators	2875	3003	128	4%	£2,448
Air source heat pump underfloor	2377	2517	140	6%	£2,069

REPUBLIC OF IRELAND

	Mar-24	Mar-25	Price change	% Difference	4 year average
Electric storage heaters	4039	3790	-249	-6%	€3,551
Gas condensing boiler	2398	2379	-19	-1%	€2,205
LPG Condensing boiler radiators and DHW cylinder	2856	2973	117	4%	€2,680
Oil condensing boiler, radiators and DHW cylinder	1899	1802	-97	-5%	€1,791
Wood pellets	2345	2248	-97	-4%	€1,984
Air source heat pump radiators	3420	2634	-786	-23%	€3,009
Air source heat pump underfloor	2884	2272	-612	-21%	€2,576

Notes: 4-year average April 2021 to March 2025

The tables above are based on quarterly data published by the Sutherland Tables. They show the annual average cost of a range of heating options for a typical pre-1980 three-bedroomed semi-detached home with a heat requirement of approximately 16,000 kWh. Prices are shown in pounds sterling (£) for Great Britain and Northern Ireland, and euros (€) for the Republic of Ireland.