

Fuel price commentary

A mixed picture, but oil still the cheapest fuel

In Great Britain, compared to the previous quarter, the annual average cost of most heating fuels has increased slightly, with wood pellets and LPG the main exceptions. However, in the Republic of Ireland and Northern Ireland wood pellets have also increased in price; only LPG has fallen in all regions, although overall it remains an expensive choice.

In Great Britain, heating oil has crept up in price this quarter, as typically happens in the winter months, but it's actually fallen slightly in the Republic of Ireland and Northern Ireland which is good news for users there.

A slightly clearer picture emerges when we look at heating costs a year ago and the longer-term average compared to now, although clear trends are hard to detect. Except for heat pumps in the Republic of Ireland, which are significantly cheaper to run now compared to a year ago,

most fuel prices have been relatively stable for the last 12 months, being either cheaper or more expensive by just a few percentage points. Most prices remain relatively high, but the winners a year ago are still the winners now and... drum roll please... oil heating is still the cheapest option, regardless of where you live.

Looking at the longer term, most fuels are currently still more expensive than the four-year average. Oil heating has probably been the most consistent performer, with prices returning to normal more quickly after the Ukraine and Covid crises than other options, and the annual cost now is still lower than the long-term average.

Looking ahead, changes made by the Chancellor in the autumn budget mean that the price of gas and electricity may fall this year, however, a lot will depend on wholesale energy prices both in Europe and the wider world. Given the current political uncertainties, it would be a brave person who placed a bet on making significant savings!

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

GREAT BRITAIN (Average)

	Dec-24	Dec-25	Price change	% Difference	4 year average
Electric storage heaters	£2,954	£3,218	£264	9%	£3,172
Gas condensing boiler	£1,423	£1,440	£17	1%	£1,497
LPG Condensing boiler radiators and DHW cylinder	£2,001	£2,009	£8	0%	£1,844
Oil condensing boiler, radiators and DHW cylinder	£1,270	£1,206	-£64	-5%	£1,410
Wood pellets	£1,960	£2,101	£141	7%	£2,222
Air source heat pump radiators	£2,684	£2,531	-£153	-6%	£2,721
Air source heat pump underfloor	£2,298	£2,167	-£131	-6%	£2,330

NORTHERN IRELAND

	Dec-24	Dec-25	Price change	% Difference	4 year average
Electric storage heaters	£3,201	£3,411	£210	4%	£3,058
Gas condensing boiler	£1,782	£1,733	-£49	-3%	£1,764
LPG Condensing boiler radiators and DHW cylinder	£2,291	£2,317	£26	1%	£2,238
Oil condensing boiler, radiators and DHW cylinder	£1,192	£1,123	-£69	-6%	£1,322
Wood pellets	£1,869	£1,843	-£26	-1%	£1,777
Air source heat pump radiators	£2,933	£3,077	£144	5%	£2,679
Air source heat pump underfloor	£2,459	£2,578	£119	5%	£2,256

REPUBLIC OF IRELAND

	Dec-24	Dec-25	Price change	% Difference	4 year average
Electric storage heaters	€3,790	€3,755	-€35	-1%	€3,806
Gas condensing boiler	€2,379	€2,404	€25	1%	€2,418
LPG Condensing boiler radiators and DHW cylinder	€2,933	€3,046	€113	4%	€2,828
Oil condensing boiler, radiators and DHW cylinder	€1,767	€1,721	-€46	-3%	€1,880
Wood pellets	€2,397	€2,230	-€167	-7%	€2,144
Air source heat pump radiators	€3,410	€2,634	-€776	-23%	€3,123
Air source heat pump underfloor	€2,913	€2,272	-€641	-22%	€2,677

Notes: 4-year average is December 2021 to December 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.