

Fuel price commentary

One of the most frequent criticisms of oil heating is that it is much more expensive than other popular fuel options. Indeed, it's so often stated that it's widely assumed to be true – even governments quote it to justify wanting to end the use of oil heating. But is it actually correct?

Perhaps surprisingly, the long-term data from the Sutherland Tables reveals a different story. It shows that over the last decade, the average annual cost of mains gas has actually been slightly higher than oil. For example, in Great Britain, for a typical home using a condensing boiler, the annual average cost for mains gas was £1,086, but for oil it

was cheaper at just £1,063.

The story in Northern Ireland and the Republic of Ireland was similar. In Northern Ireland, the average annual cost for gas was £1,064, compared to £1,025 for oil. In the Republic, mains gas averaged €2,104, while oil cost only €1,458.

So why do so many people – even in our own industry - assume oil is more expensive? Perhaps the explanation is that while mains gas has been cheaper more often over the decade than oil, it is usually only slightly less expensive. By contrast, when the oil price is lower, it tends to be much cheaper than other options.

The off-gas grid fuel that is more expensive is oil's rival LPG. Only in two quarters over the last ten years has LPG been cheaper than oil. In Great Britain, its annual cost over the last ten years was £1,604, while in Northern Ireland and the ROI, it cost £1,594 and €2,410 respectively, all much higher than oil.

The current price charts back this up – for many households it will make depressing reading, but oil users can be pleased that they're using the cheapest fuel! So, if you're busy servicing boilers at the moment, why not tell your customers the good news!

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

GREAT BRITAIN (average)

	Jun-22	Jun-23	Price change	% Difference	4 year average
Electric storage heaters	3550	3430	-120	-3%	2618
Gas condensing boiler	1345	2124	779	58%	1158
LPG Condensing boiler radiators and DHW cylinder	1552	1836	284	18%	1565
Oil condensing boiler, radiators and DHW cylinder	1885	1296	-589	-31%	1142
Wood pellets	1819	2689	870	48%	1802
Air source heat pump radiators	2850	3220	370	13%	2299
Air source heat pump underfloor	2390	2700	310	13%	1873

NORTHERN IRELAND

	Jun-22	Jun-23	Price change	% Difference	4 year average
Electric storage heaters	2420	3268	848	35%	2197
Gas condensing boiler	1392	1993	601	43%	1190
LPG Condensing boiler radiators and DHW cylinder	2218	2251	33	1%	2052
Oil condensing boiler, radiators and DHW cylinder	1792	1190	-602	-34%	1097
Wood pellets	1446	2014	568	39%	1394
Air source heat pump radiators	2112	2738	626	30%	1963
Air source heat pump underfloor	1748	2264	516	30%	1581

REPUBLIC OF IRELAND

	Jun-22	Jun-23	Price change	% Difference	4 year average
Electric storage heaters	2994	4516	1522	51%	2801
Gas condensing boiler	1955	2836	881	45%	1662
LPG Condensing boiler radiators and DHW cylinder	2637	2856	219	8%	2508
Oil condensing boiler, radiators and DHW cylinder	2371	1720	-651	-27%	1533
Wood pellets	1757	2369	612	35%	1610
Air source heat pump radiators	2684	3798	1114	42%	2411
Air source heat pump underfloor	2286	3187	901	39%	2022

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.