

Fuel price commentary

As regular readers of this column will know, the price of heating oil changes broadly in line with world crude oil prices and is less affected by what's happening in the UK or Irish domestic economies. That means it's liable to greater peaks and troughs in running costs than other types of heating fuels but, when averaged out, it has always been, and remains, a highly competitive option.

This is confirmed in the latest release of Sutherland Tables data. It shows the average annual price of oil heating in Great Britain is currently only slightly higher than gas, and cheaper than

all other options. In Northern Ireland and RoI the news is even better – oil heating is the cheapest heating option. Looking at the four-year average price, oil comes out best across the whole UK, and the RoI – so the often-stated idea that oil is an expensive option is shown once again to be a myth.

That isn't to say that oil prices are always low. For example, the most recent peak in June 2022, soon after the war in Ukraine began, saw oil heating cost £1,885 in Great Britain, some 43% higher than it is now. However, what's perhaps most

striking about the last two years is how unstable the price of energy has been generally, with gas and other fuels all fluctuating far more than usual.

The price of crude oil is expected to rise towards the end of this year, as demand increases across the world, but is expected to then fall further next year, so heating oil users can expect prices to stay competitive with other heating types. Although, as always, it should be remembered that oil prices can be affected by negative world events so, with the situation in the Middle East still very tense, the usual caveats apply.

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-23	Jun-24	Price change	% Difference	4 year average
Electric storage heaters	3430	2752	-£678	-20%	£2,866
Gas condensing boiler	2124	1283	-£841	-40%	£1,283
LPG Condensing boiler radiators and DHW cylinder	1836	1903	£67	4%	£1,620
Oil condensing boiler, radiators and DHW cylinder	1296	1319	£23	2%	£1,231
Wood pellets	2689	2356	-£333	-12%	£1,971
Air source heat pump radiators	3220	2284	-£936	-29%	£2,432
Air source heat pump underfloor	2700	2204	-£496	-18%	£2,049

NORTHERN IRELAND

	Jun-23	Jun-24	Price change	% Difference	4 year average
Electric storage heaters	3268	£3,201	-67	-2%	£2,571
Gas condensing boiler	1993	£1,716	-277	-14%	£1,438
LPG Condensing boiler radiators and DHW cylinder	2251	£2,231	-20	-1%	£2,062
Oil condensing boiler, radiators and DHW cylinder	1190	£1,237	47	4%	£1,161
Wood pellets	2014	£1,604	-410	-20%	£1,552
Air source heat pump radiators	2738	£2,698	-40	-1%	£2,227
Air source heat pump underfloor	2264	£2,231	-33	-1%	£1,858

REPUBLIC OF IRELAND

	Jun-23	Jun-24	Price change	% Difference	4 year average
Electric storage heaters	4516	3818	-698	-15%	€3,267
Gas condensing boiler	2836	2153	-683	-24%	€2,025
LPG Condensing boiler radiators and DHW cylinder	2856	2880	24	1%	€2,595
Oil condensing boiler, radiators and DHW cylinder	1720	1825	105	6%	€1,640
Wood pellets	2369	2132	-237	-10%	€1,819
Air source heat pump radiators	3798	3236	-562	-15%	€2,790
Air source heat pump underfloor	3187	2729	-458	-14%	€2,367

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. 4-year average is based on July 2020 to June 2024.