

Fuel price commentary

Are things finally looking up for heating users?

When it comes to heating costs, consumers have had a pretty tough time for the last few years. Political instability across the world, caused by a toxic combination of war and the Covid crisis, has had disastrous consequences for many household budgets. So, could there finally be some light at the end of this long dark tunnel?

The data from the latest Sutherland Tables suggests there might be. In Great Britain, the general price trend appears to be downward. While there have been some increases compared to the last quarter, all prices are lower than a year ago. In the case of heating oil and wood pellets, annual average prices are over £400 less than last year, and oil is at its lowest price since December 2021, below even the long-term four-year average. Irrespective of where you live, oil is the overall cheapest heating option.

In Great Britain, electricity and gas prices have been

affected by the Energy Price Cap, which sets a limit on how much suppliers can change. Both rose significantly between September and December, though much less than in 2023. However, in Northern Ireland, where the cap doesn't apply, average prices were even higher. In Northern Ireland and RoI, the price of LPG has also increased.

Looking ahead, there are promising signs that the trend towards generally lower oil prices will continue. Crude oil is predicted to fall further in price through 2025 and into 2026, with production increasing across the world – and likely to be stimulated further by President Trump's "drill baby drill" comments, although whether that's good news for our warming planet is another matter. Future gas and electricity prices are less easy to predict. They may increase slightly in the short term, and it may take several years for them to return to pre-2020 levels.

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-23	Dec-24	Price change	% Difference	4 year average
Electric storage heaters	3162	2954	-£208	-7%	£2,953
Gas condensing boiler	1626	1423	-£203	-12%	£1,337
LPG Condensing boiler radiators and DHW cylinder	2134	2001	-£133	-6%	£1,704
Oil condensing boiler, radiators and DHW cylinder	1746	1270	-£476	-27%	£1,317
Wood pellets	2370	1960	-£410	-17%	£2,093
Air source heat pump radiators	2750	2684	-£66	-2%	£2,592
Air source heat pump underfloor	2313	2298	-£15	-1%	£2,190
NORTHERN IRELAND					
	Dec-23	Dec-24	Price change	% Difference	4 year average
Electric storage heaters	3675	3201	-474	-13%	£2,720
Gas condensing boiler	2215	1782	-433	-20%	£1,547
LPG Condensing boiler radiators and DHW cylinder	2166	2291	125	6%	£2,093
Oil condensing boiler, radiators and DHW cylinder	1429	1192	-237	-17%	£1,234
Wood pellets	1860	1869	9	0%	£1,630
Air source heat pump radiators	2875	2933	58	2%	£2,370
Air source heat pump underfloor	2377	2459	82	3%	£1,995
REPUBLIC OF IRELAND					
	Dec-23	Dec-24	Price change	% Difference	4 year average
Electric storage heaters	4304	3790	-514	-12%	€3,461
Gas condensing boiler	2659	2379	-280	-11%	€2,141
LPG Condensing boiler radiators and DHW cylinder	2831	2933	102	4%	€2,650
Oil condensing boiler, radiators and DHW cylinder	2021	1767	-254	-13%	€1,750
Wood pellets	2370	2397	27	1%	€1,933
Air source heat pump radiators	3640	3410	-230	-6%	€2,970
Air source heat pump underfloor	3069	2913	-156	-5%	€2,535

“Notes: 4-year average January 2021 to December 2024
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.