

# Road Fuel Pricing (Equalisation) Bill

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**B I L L**

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Require that companies selling road fuels be required to charge prices equalised between rural and urban areas; and for connected purposes.

**B**E IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

**1 Requirement to provide information about road fuel prices**

- (1) Where the Competition and Markets Authority (“the CMA”) is made aware of evidence that the price charged by a retailer of road fuels in any given wholesaler’s region for the same road fuel is higher at road fuel retailing sites in rural areas than at those in urban areas in that wholesaler’s region (a “price discrepancy”), the CMA must require the road fuel retailer concerned to provide the CMA with information explaining the reasons for the difference in the prices charged. 5
- (2) In the case of an overlap between two wholesalers’ regions, the CMA shall determine which wholesaler’s region is the relevant region for determining a price discrepancy. 10
- (3) Information required under subsection (1)—
  - (a) may be provided either in writing or in person to authorised officers of the CMA;
  - (b) must be provided within 14 days of the notice of requirement being received, unless the CMA makes provision for a different deadline. 15
- (4) Evidence of a kind mentioned in subsection (1) may be provided to the CMA by individuals, organisations representing consumers and organisations representing industry.
- (5) A person submitting evidence under subsection (1) must provide a record of price discrepancy over a minimum period of time if required to do so by the CMA. 20
- (6) The minimum period of time for the purposes of subsection (4) must be defined by the Secretary of State by order made by statutory instrument.

- (7) Where a company fails to provide information to the CMA under subsection (1), the CMA may impose a fine on the company of a maximum of £10,000 for each day of delay beyond the deadline set under subsection (3)(a).

## 2 Requirement on the CMA to intervene

If the CMA, having reviewed information provided under section 1(1), determines that a discrepancy in road fuel prices charged by a company is an abuse of a dominant position under section 18 of the Competition Act 1998, or determines that a company has submitted misleading information under section 1(1), it must publish a notice to that effect. 5

## 3 Requirement on companies which are the subject of a notice under section 2 10

- (1) When a notice of determination has been published under section 2, the company concerned must, within 14 days of the publication of the notice, set a single price for its retail fuel prices equivalent to the lowest national retail price charged by the company on the day the fine was imposed, for 30 days.
- (2) The CMA may impose a different price equalisation value should there be fluctuation in wholesale prices in the period between the date of the offence and the publication of the notice of determination. 15
- (3) The single price mentioned in subsection (1) shall be set so as to ensure equalisation between rural and urban fuel prices for the 30 day period.

## 4 Penalties 20

- (1) The CMA shall impose a fine on a company which is the subject of a notice under section 2 and which has failed to meet the requirement set out in section 3.
- (2) The level of the fine to be imposed under subsection (1) shall be calculated in the following manner – 25

$$F = 500000(c - a)$$

with all variables in pence Sterling, where

- F is the fine imposed on the company;
- 500000p is the level 5 fine in the Statutory Set of Levels specified in section 17(1) of the Criminal Justice Act (1991); 30
- c is the average price charged by the company as evidenced under sub-section 1(1); and
- a is the acceptable price for the wholesale region as defined in section 6.

## 5 Review of penalties 35

- (1) The CMA must review the system of fines mentioned in section 4 every three years to assess whether the objectives of this Act are being met, and must report the outcome of the review to the Secretary of State.
- (2) If in the opinion of the Secretary of State the system of fines imposed under this Act has failed to achieve the objectives of the Act, the Secretary of State shall make a new system of fines by order made by statutory instrument. 40

## 6 Definitions

- (1) The Secretary of State must make regulations made by statutory instrument defining the terms “urban area”, “rural area” and “wholesaler’s region” for the purposes of this Act.
- (2) The CMA shall determine—
  - (a) what constitutes sufficient evidence from an individual for the purposes of section 1. 5
  - (b) what is an “acceptable price” for a particular wholesale region taking into account information about the range of prices charged in that region, including but not limited to information provided to it under section 1(1). 10

## 7 Regulations

A statutory instrument containing an order or regulations under this Act is subject to annulment in pursuance of a resolution of either House of Parliament. 15

## 8 Short title, commencement and extent

- (1) This Act may be cited as the Road Fuel Pricing (Equalisation) Act 2015.
- (2) This Act comes into force at the end of the period of three months beginning with the day on which it is passed.
- (3) This Act extends to England, Wales, Scotland and Northern Ireland. 20

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To require that companies selling road fuels be required to charge prices equalised between rural and urban areas; and for connected purposes.

*Ordered to be brought in by Mark Garnier,  
Jason McCartney, Jim Shannon,  
Oliver Colvile, John Thurso,  
Mr James Gray, Mr Philip Hollobone,  
Peter Aldous, Jeremy Lefroy,  
Guto Bebb, Simon Hart  
and Pauline Latham.*

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*Ordered, by The House of Commons,  
to be Printed, 20 January 2015.*

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