UK fuel and energy prices

What a litre of fuel and a year of energy cost, how much of each is tax, and how prices have moved.

Figures as of: 11 November 2026

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This is a snapshot. It was generated on 13 November 2026 and does not change. The figures may have been updated since: the live version is at https://whereyourmoneygoes.co.uk/reports/#uk-fuel-and-energy-prices.

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Executive summary

The key figures from each part of this report, with the change on a year earlier where the source gives one.

How much tax is in petrol?

170.7p
UK average petrol, a litre
+36.1p (+26.8%) vs 10 November 2025
As of 9 November 2026

81.4p
Tax in each litre
+6.0p (+8.0%) vs 10 November 2025
As of 9 November 2026

47.7%
Tax as a share of the pump price
−8.3 pts (−14.8%) vs 10 November 2025
As of 9 November 2026

How much tax is in diesel?

198.2p
UK average diesel, a litre
+54.9p (+38.3%) vs 10 November 2025
As of 9 November 2026

86.0p
Tax in each litre
+9.1p (+11.9%) vs 10 November 2025
As of 9 November 2026

43.4%
Tax as a share of the pump price
−10.2 pts (−19.1%) vs 10 November 2025
As of 9 November 2026

UK petrol and diesel prices today

170.7p
Petrol, UK average a litre
+36.1p (+26.8%) vs 10 November 2025
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Diesel, UK average a litre
+54.9p (+38.3%) vs 10 November 2025
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81.4p
Tax in a litre of petrol
+6.0p (+8.0%) vs 10 November 2025
As of 9 November 2026

Oil dearer, pump cheaper — and the other way round

42.8p
Crude oil in a litre of petrol
+12.7p (+42.2%) vs 10 November 2025
As of 9 November 2026

25%
Crude oil's share of the pump price
22% a year earlier
As of 9 November 2026

170.7p
Petrol, UK average a litre
+36.1p (+26.8%) vs 10 November 2025
As of 9 November 2026

How much of my energy bill is tax?

£166
Tax and levies on a typical £1,663 bill
10% of the bill, July to September 2026
As of 22 September 2026

0%
VAT on household electricity
Gas 5%; most goods 20%
As of 22 September 2026

£83
Policy levies on a typical bill
About 5% of a bill, down from 15%
As of 22 September 2026

The energy price cap explained

£1,723
Typical bill a year, 1 October to 31 December 2026
−£32 (−1.8%) vs 1 October 2025
As of 22 September 2026

26.32p
Electricity, a kWh
Plus 54.83p a day standing charge
As of 22 September 2026

7.97p
Gas, a kWh
Plus 29.68p a day standing charge
As of 22 September 2026

What renewables support costs you

£150
Per typical household a year
On the bill and through tax together
As of 22 September 2026

£12bn+
National cost a year, all three schemes
Renewables Obligation payments run to 2037
As of 22 September 2026

£150
A year of levies moved from bills to taxation
From April 2026
As of 22 September 2026

Why UK electricity is so expensive

26.63p
UK industrial electricity a kWh, 2024
−0.52p (−1.9%) vs 1 July 2023
As of 1 July 2024

16.33p
IEA median, industrial, 2024
The middle of the member countries
As of 1 July 2024

1 of 25
UK rank for industrial prices, dearest first
IEA members, 2024
As of 1 July 2024

UK electricity prices compared with the world

30.45p
UK household electricity a kWh, 2024
−5.45p (−15.2%) vs 1 July 2023
As of 1 July 2024

2 of 27
UK rank for household prices, dearest first
IEA median 20.89p
As of 1 July 2024

26.63p
UK industrial electricity a kWh, 2024
−0.52p (−1.9%) vs 1 July 2023
As of 1 July 2024

How much tax is in petrol?

Your bills · Last updated 13 November 2026 · https://whereyourmoneygoes.co.uk/tax-on-petrol/

As of 9 November 2026, **81.4p of the UK's 170.7p average litre of petrol is tax** — 48% of what you pay. That is 52.95p of fuel duty plus 28.5p of VAT, charged at 20% on the fuel and on the duty. The remaining 89.3p covers the crude oil, refining, distribution and the forecourt's margin. Pump prices are the Department for Energy Security and Net Zero's weekly UK average; the duty rate is the one HMRC applied that week.

Key figures

170.7p
UK average petrol, a litre
+36.1p (+26.8%) vs 10 November 2025
As of 9 November 2026

81.4p
Tax in each litre
+6.0p (+8.0%) vs 10 November 2025
As of 9 November 2026

47.7%
Tax as a share of the pump price
−8.3 pts (−14.8%) vs 10 November 2025
As of 9 November 2026

£44.77
Tax on a 55-litre fill
+£3.30 (+8.0%) vs 10 November 2025
As of 9 November 2026

52.95p
Fuel duty in each litre
Frozen until at least 31 December 2026
As of 9 November 2026

What is in a litre of petrol?

What you pay for a litre of petrol, 9 November 2026

Part of the price	Pence per litre	Share
Fuel, refining and retail	89.3p	52%
Fuel duty	52.95p	31%
VAT at 20%	28.5p	17%
Tax in total	81.4p	48%
Pump price	170.7p	100%

How much tax do I pay on a tank?

A 55-litre fill of petrol carries **£44.77 of tax**: £29.12 of duty and £15.65 of VAT.

What a 55-litre fill of petrol is made of, week to 9 November 2026



Crude is Brent at that week's exchange rate; refining, distribution and retail is what is left after crude, duty and VAT, as on the oil price page.

Duty is a fixed amount per litre, so when prices rise the tax share falls even though the tax paid rises.

Why is VAT charged on the duty?

VAT applies to the whole pump price, duty included, so every penny of duty costs you 1.20p. At today's rate that tax on a tax adds about **10.6p** to a litre. It also means VAT always works out at exactly one sixth of whatever you pay at the pump, whichever forecourt you use.

Is petrol taxed more than diesel?

No. Duty is the same flat rate on both: 52.95p a litre. Petrol and diesel differ at the pump because of what they cost to make, not because of tax. Diesel averages 198.2p, so it carries 86.0p of tax against 81.4p on petrol — the difference is VAT following the higher price, not a higher rate.

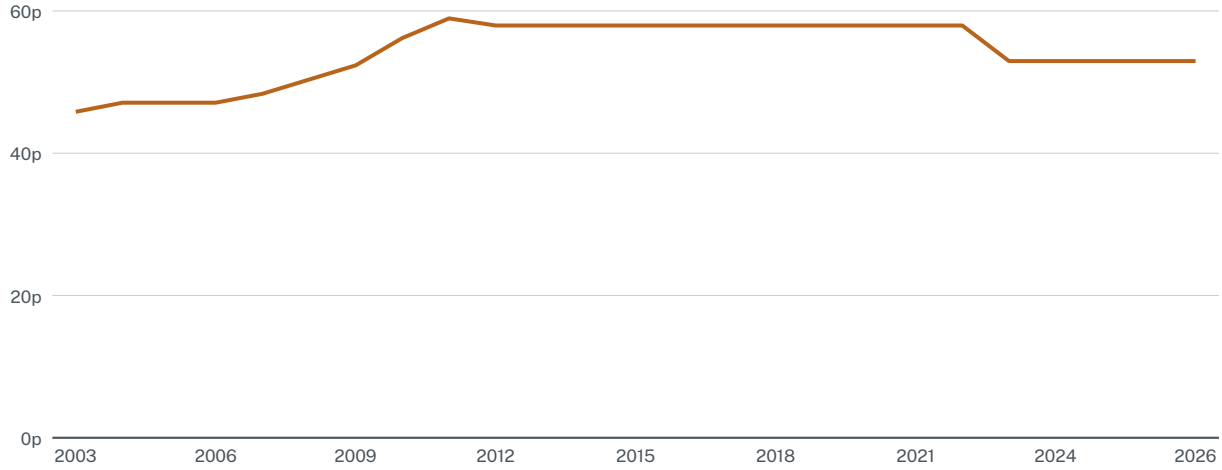
Petrol and diesel compared, same week

Fuel	Pump price	Duty	VAT	Tax share
Petrol (E10)	170.7p	52.95p	28.5p	48%
Diesel (B7)	198.2p	52.95p	33.0p	43%

How has the tax on petrol changed?

Duty is unchanged on a year ago, frozen at 52.95p until at least 31 December 2026. Total tax per litre still moves, because VAT is a percentage: when the pump price rises, the VAT on it rises too. Tax per litre is +6.0p (+8.0%) on a year earlier, while the pump price is +36.1p (+26.8%).

Fuel duty on petrol, pence per litre



Line chart of UK fuel duty on petrol from 2003 to 2026, starting at 45.82p and standing at 52.95p.

Common questions

- **How much tax is on a litre of petrol in the UK?** 81.4p of the 170.7p average litre, or 48%: 52.95p fuel duty plus 28.5p VAT, as of 9 November 2026.
- **How much tax is on a 55-litre tank of petrol?** About £44.77, of which £29.12 is fuel duty and £15.65 is VAT.
- **Is VAT charged on fuel duty?** Yes. VAT at 20% applies to the whole pump price including the duty, so each penny of duty costs 1.20p and the tax on the tax adds about 10.6p a litre.

How much tax is in diesel?

Your bills · Last updated 13 November 2026 · https://whereyourmoneygoes.co.uk/tax-on-diesel/

As of 9 November 2026, **86.0p of the UK's 198.2p average litre of diesel is tax** — 43% of what you pay. That is 52.95p of fuel duty plus 33.0p of VAT, charged at 20% on the fuel and on the duty. The remaining 112.2p covers the crude oil, refining, distribution and the forecourt's margin. Pump prices are the Department for Energy Security and Net Zero's weekly UK average; the duty rate is the one HMRC applied that week.

Key figures

198.2p
UK average diesel, a litre
+54.9p (+38.3%) vs 10 November 2025
As of 9 November 2026

86.0p
Tax in each litre
+9.1p (+11.9%) vs 10 November 2025
As of 9 November 2026

43.4%
Tax as a share of the pump price
−10.2 pts (−19.1%) vs 10 November 2025
As of 9 November 2026

£47.29
Tax on a 55-litre fill
+£5.03 (+11.9%) vs 10 November 2025
As of 9 November 2026

52.95p
Fuel duty in each litre
Frozen until at least 31 December 2026
As of 9 November 2026

What is in a litre of diesel?

What you pay for a litre of diesel, 9 November 2026

Part of the price	Pence per litre	Share
Fuel, refining and retail	112.2p	57%
Fuel duty	52.95p	27%
VAT at 20%	33.0p	17%
Tax in total	86.0p	43%
Pump price	198.2p	100%

How much tax do I pay on a tank?

A 55-litre fill of diesel carries **£47.29 of tax**: £29.12 of duty and £18.17 of VAT.

What a 55-litre fill of diesel is made of, week to 9 November 2026



Crude is Brent at that week's exchange rate; refining, distribution and retail is what is left after crude, duty and VAT, as on the oil price page.

Duty is a fixed amount per litre, so when prices rise the tax share falls even though the tax paid rises.

Why is VAT charged on the duty?

VAT applies to the whole pump price, duty included, so every penny of duty costs you 1.20p. At today's rate that tax on a tax adds about **10.6p** to a litre. It also means VAT always works out at exactly one sixth of whatever you pay at the pump, whichever forecourt you use.

Is diesel taxed more than petrol?

No. Duty is the same flat rate on both: 52.95p a litre. Diesel and petrol differ at the pump because of what they cost to make, not because of tax. Petrol averages 170.7p, so it carries 81.4p of tax against 86.0p on diesel — the difference is VAT following the higher price, not a higher rate.

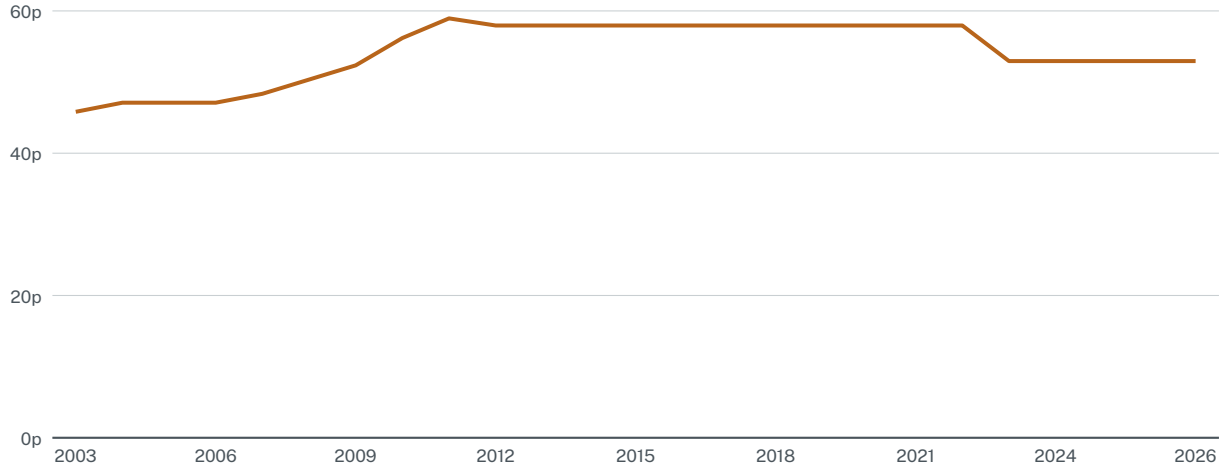
Petrol and diesel compared, same week

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Diesel (B7)	198.2p	52.95p	33.0p	43%

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Duty is unchanged on a year ago, frozen at 52.95p until at least 31 December 2026. Total tax per litre still moves, because VAT is a percentage: when the pump price rises, the VAT on it rises too. Tax per litre is +9.1p (+11.9%) on a year earlier, while the pump price is +54.9p (+38.3%).

Fuel duty on petrol, pence per litre



Line chart of UK fuel duty on petrol from 2003 to 2026, starting at 45.82p and standing at 52.95p.

Common questions

- **How much tax is on a litre of diesel in the UK?** 86.0p of the 198.2p average litre, or 43%: 52.95p fuel duty plus 33.0p VAT, as of 9 November 2026.
- **How much tax is on a 55-litre tank of diesel?** About £47.29, of which £29.12 is fuel duty and £18.17 is VAT.
- **Is VAT charged on fuel duty?** Yes. VAT at 20% applies to the whole pump price including the duty, so each penny of duty costs 1.20p and the tax on the tax adds about 10.6p a litre.

UK petrol and diesel prices today

Your bills · Last updated 13 November 2026 · https://whereyourmoneygoes.co.uk/uk-fuel-prices/

In the week to 9 November 2026, the UK average pump price was **170.7p a litre for petrol** and **198.2p for diesel**, according to the Department for Energy Security and Net Zero's weekly series. Petrol is +36.1p (+26.8%) on a year earlier and diesel +54.9p (+38.3%). 48% of the petrol price is tax.

Key figures

170.7p
Petrol, UK average a litre
+36.1p (+26.8%) vs 10 November 2025
As of 9 November 2026

198.2p
Diesel, UK average a litre
+54.9p (+38.3%) vs 10 November 2025
As of 9 November 2026

81.4p
Tax in a litre of petrol
+6.0p (+8.0%) vs 10 November 2025
As of 9 November 2026

$92.14
Brent crude, a barrel
+$28.28 (+44.3%) vs 11 November 2025
As of 11 November 2026

43.3p
Crude oil in a litre of petrol
+12.8p (+42.0%) vs 11 November 2025
As of 11 November 2026

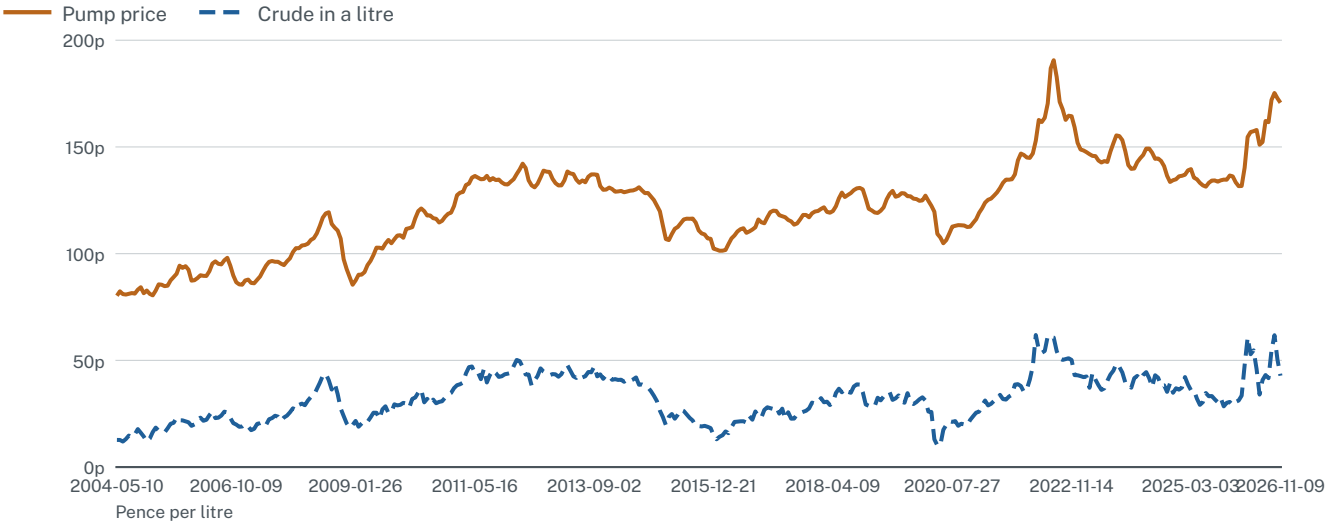
What is the average price of petrol and diesel?

These are national averages for the week to 9 November 2026. Individual forecourts vary widely: motorway services typically charge around 22p a litre more than other stations.

What is driving the price right now?

Brent crude is $92.14 a barrel, +$28.28 (+44.3%) on a year ago, and the pound buys $1.3371. Together those put **43.3p of crude oil in every litre** — +12.8p (+42.0%) on a year earlier. Duty is fixed at 52.95p, so when crude moves, the pump price moves by less in percentage terms than it would in a country with light fuel taxes.

Pump price and crude, both in pence per litre



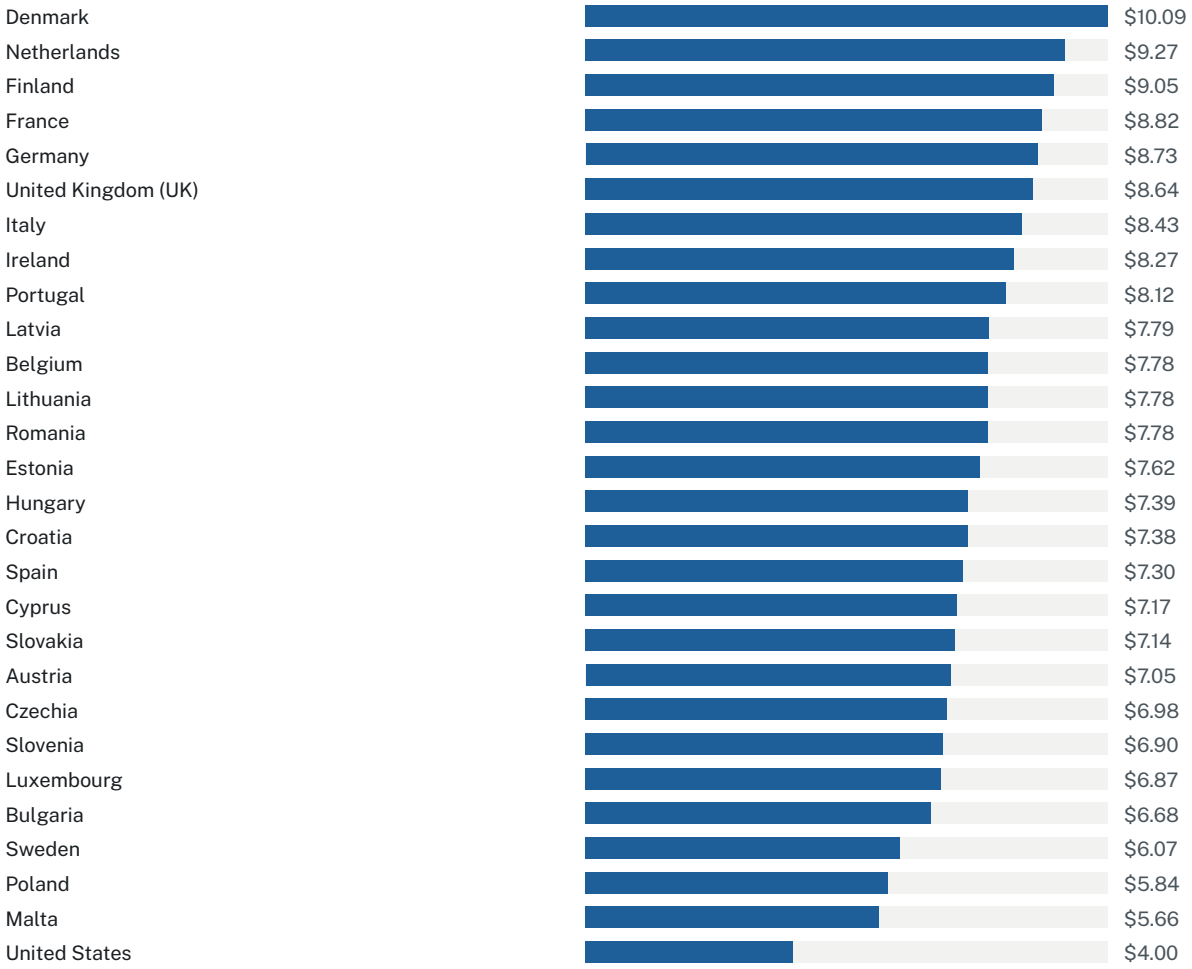
Line chart comparing the UK pump price with the cost of the crude oil in a litre, both in pence per litre. The gap between the two lines is duty, VAT and the refining and retail margin.

How much of today's price is tax?

How do UK prices compare with other countries?

UK petrol works out at about $8.64 a US gallon, 6 of 28 countries compared. US petrol is $3.995 a gallon, roughly half the UK level, almost entirely because US fuel taxes are far lower.

Petrol including tax, US dollars a gallon



Petrol, US dollars per gallon, including taxes. EU prices are the Weekly Oil Bulletin converted at the market euro rate; the UK is the DESNZ weekly average at the same week’s sterling rate; the US is the weekly EIA regular grade average.

Petrol including tax, US dollars a gallon, against the week of 10 November 2025

Country	Now	A year ago	Change
Denmark	$10.09	$8.59	+$1.50
Netherlands	$9.27	$8.50	+$0.77
Finland	$9.05	$7.28	+$1.77
France	$8.82	$7.51	+$1.31
Germany	$8.73	$7.57	+$1.16
United Kingdom	$8.64	$6.69	+$1.95
Italy	$8.43	$7.45	+$0.98
Ireland	$8.27	$7.61	+$0.66
Portugal	$8.12	$7.46	+$0.66
Latvia	$7.79	$6.74	+$1.05
Belgium	$7.78	$6.74	+$1.04
Lithuania	$7.78	$6.16	+$1.62
Romania	$7.78	$6.48	+$1.30
Estonia	$7.62	$6.67	+$0.95
Hungary	$7.39	$6.52	+$0.87
Croatia	$7.38	$6.34	+$1.04
Spain	$7.30	$6.46	+$0.84
Cyprus	$7.17	$5.85	+$1.32
Slovakia	$7.14	$6.62	+$0.52
Austria	$7.05	$6.65	+$0.40
Czechia	$6.98	$6.22	+$0.76
Slovenia	$6.90	$6.31	+$0.59
Luxembourg	$6.87	$6.54	+$0.33
Bulgaria	$6.68	$5.28	+$1.40
Sweden	$6.07	$6.29	−$0.22
Poland	$5.84	$6.11	−$0.27
Malta	$5.66	$5.86	−$0.20
United States	$4.00	$3.02	+$0.98

Common questions

- **What is the average price of petrol in the UK?** 170.7p a litre in the week to 9 November 2026, the UK average published by DESNZ.
- **What is the average price of diesel in the UK?** 198.2p a litre in the week to 9 November 2026.
- **Why is diesel more expensive than petrol?** Duty is the same on both at 52.95p a litre. Diesel costs more because of the refining and wholesale market for middle distillates: the refining and retail margin on diesel is 69.4p against 46.5p on petrol.

Oil dearer, pump cheaper — and the other way round

Your bills · Last updated 13 November 2026 · https://whereyourmoneygoes.co.uk/oil-price-vs-pump-price/

As of 9 November 2026, only **42.8p of the UK's 170.7p litre of petrol is crude oil** — about 25%. 52.95p is fuel duty and 28.4p is VAT, both of which barely move with the oil price, and 46.5p is refining, distribution and the forecourt's margin. That is why a large percentage fall in Brent produces a much smaller percentage fall at the pump. Crude is Brent converted at that week's exchange rate; the pump price is the DESNZ weekly average.

Key figures

42.8p
Crude oil in a litre of petrol
+12.7p (+42.2%) vs 10 November 2025
As of 9 November 2026

25%
Crude oil's share of the pump price
22% a year earlier
As of 9 November 2026

170.7p
Petrol, UK average a litre
+36.1p (+26.8%) vs 10 November 2025
As of 9 November 2026

46.5p
Refining and retail margin, petrol
+17.4p (+59.5%) vs 10 November 2025
As of 9 November 2026

$92.14
Brent crude, a barrel
+$28.28 (+44.3%) vs 11 November 2025
As of 11 November 2026

The short version

- **A 10% fall in crude** takes only about 2.5% off the pump price before anything else changes, because duty and VAT barely move with it.
- **Rises and falls:** Half of a rise in crude reaches the pump in about 2.7 weeks; half of a fall in about 3.0 weeks.
- **Oil dearer, petrol cheaper:** In November 2007 Brent was $92 against $91 now, yet petrol was 99.4p against 170.7p, 71.3p cheaper.
- **Wide margins:** 160 weeks sit well above the margin's own 52-week average; of the last 8 such episodes, the widest peaked at 46.5p a litre in Nov 2026.

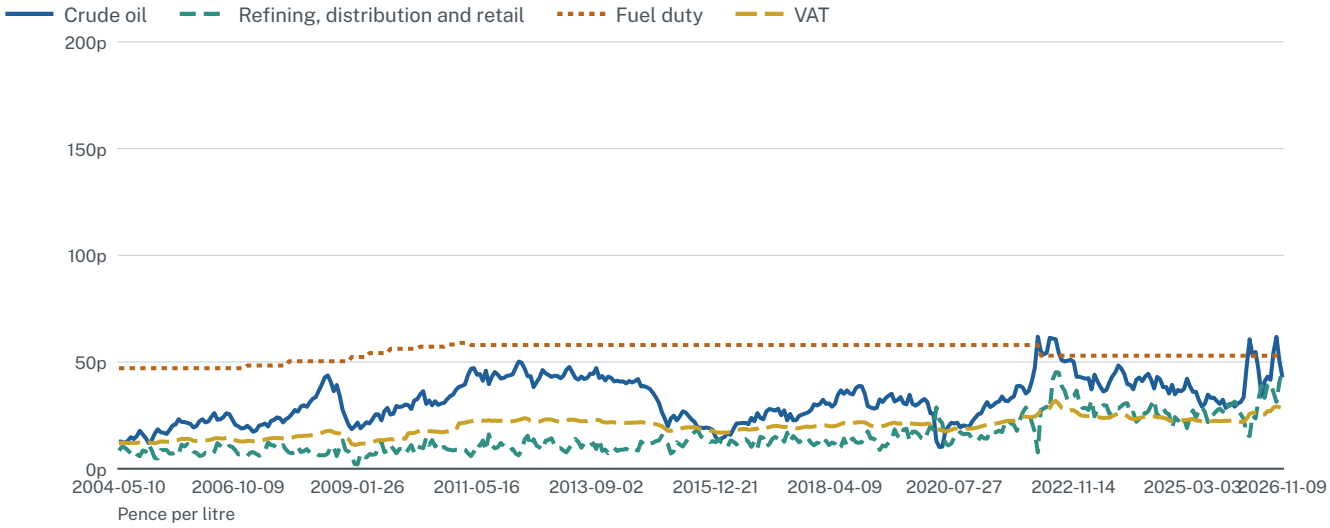
What is a litre actually made of?

A litre of petrol built up from its parts, week to 9 November 2026



Crude is Brent at that week's exchange rate; refining, distribution and retail is what is left, as the method below explains.

What a litre of petrol is made of, week by week



Stacked area chart of UK petrol price from 10 May 2004 to 9 Nov 2026, split into crude oil, refining and retail margin, fuel duty and VAT. In the latest week the 170.7p litre is 42.8p crude, 46.5p margin, 52.95p duty and 28.4p VAT.

The amber bands are tax. They are close to flat over time for duty, and move with the price for VAT. The blue bands are cost: crude, and the residual that covers refining, shipping, storage, distribution and the forecourt.

Has oil ever been dearer than today while petrol was cheaper?

Yes, and the site checks for it automatically every night. Two versions of the test: one comparing the barrel price in dollars, which is how the oil market quotes it, and one comparing crude converted into pence per litre, which takes the exchange rate out and leaves duty, VAT and the margin to explain the rest.

Which weeks, measured in dollars a barrel?

In November 2007 Brent was $92 against $91 now, yet petrol was 99.4p against 170.7p, 71.3p cheaper: crude adds 14.9p, duty adds 2.6p, VAT adds 13.7p, the refining and retail margin adds 40.1p. Sterling accounts for about 15.5p of the crude difference.

Weeks with Brent dearer than today in dollars a barrel but petrol cheaper, most striking first. Today: Brent $91.03, petrol 170.7p a litre.

Week	Brent, $ a barrel	Petrol, a litre	Petrol cheaper by
5 November 2007	$92.16	99.4p	71.3p
29 September 2008	$95.96	109.8p	60.9p
6 December 2010	$91.25	120.5p	50.2p
1 September 2014	$101.12	128.0p	42.7p
2 July 2012	$95.28	130.5p	40.2p

Which weeks, measured in pence a litre?

In June 2008 Brent was 42.9p a litre against 42.8p a litre now, yet petrol was 117.7p against 170.7p, 53.0p cheaper: duty adds 2.6p, VAT adds 10.9p, the refining and retail margin adds 39.6p.

Weeks with Brent dearer than today in pence a litre but petrol cheaper, most striking first. Today: Brent 42.8p, petrol 170.7p a litre.

Week	Brent, pence a litre	Petrol, a litre	Petrol cheaper by
16 June 2008	42.9p	117.7p	53.0p
28 February 2011	43.5p	129.7p	41.0p
25 November 2013	43.2p	130.0p	40.7p
7 January 2013	44.0p	131.9p	38.9p
2 January 2012	43.8p	132.4p	38.3p

From the pump price in Nov 2007 to today's, part by part



The first week in the dollar list above. A minus sign means that part was larger then than now. Parts are rounded, so the total can differ from the pump price by a tenth of a penny.

The difference between the two lists is the exchange rate. Brent is priced in dollars, so a weaker pound raises the cost of a litre even when the barrel price has not moved.

When has the margin run unusually wide?

The margin here is a residual: whatever is left after crude, duty and VAT. 160 weeks in the series sit more than 1.5 standard deviations above their own 52-week rolling average.

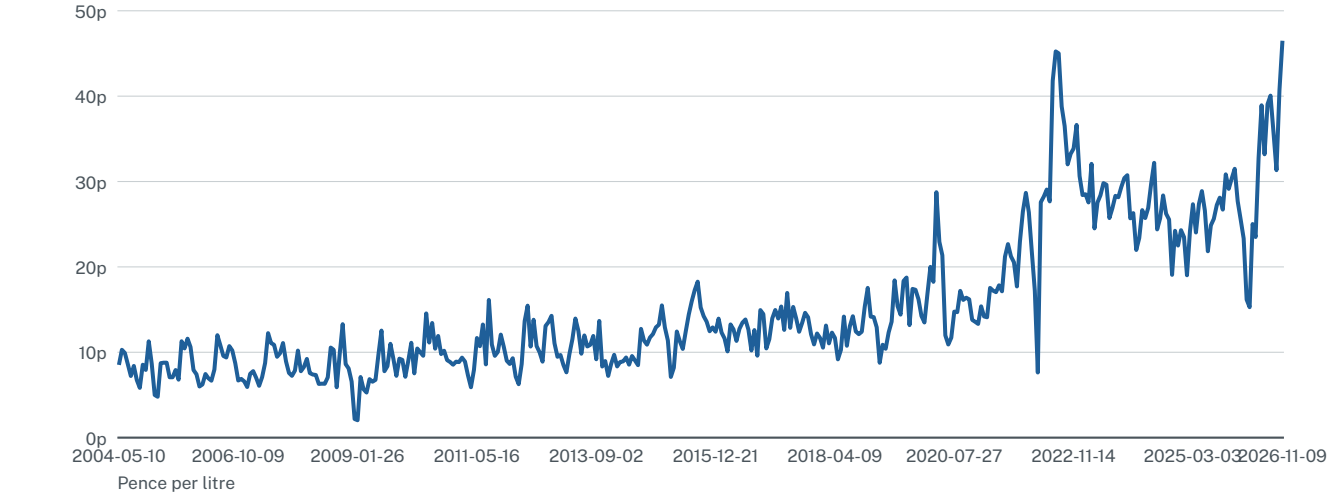
Peak petrol margin in the last 8 wide-margin episodes



An episode is a run of weeks with the margin more than 1.5 standard deviations above its 52-week rolling average. Pence per litre, not adjusted for inflation.

A wide margin has several innocent explanations — refinery outages, the lag between buying a cargo and selling it, and crack spreads that the crude benchmark does not capture — so this flags and measures, and stops there.

The refining and retail margin, week by week



Line chart of the residual refining and retail margin in a litre of UK petrol. 160 weeks sit more than 1.5 standard deviations above their own 52-week average; the most recent episodes are listed in the table below.

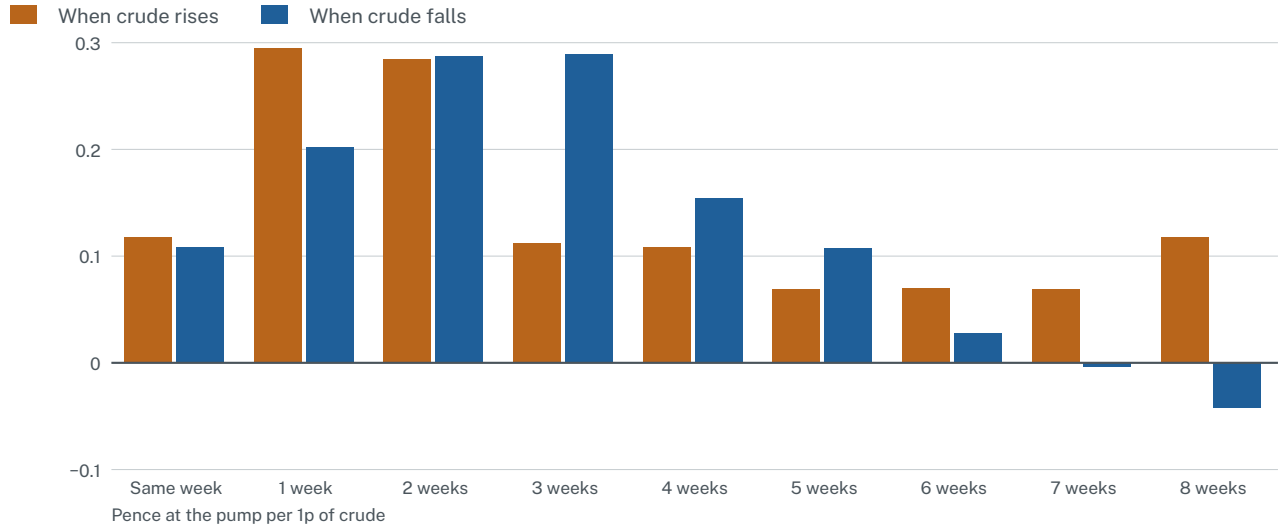
Do pump prices rise faster than they fall?

Half of a rise in crude reaches the pump in about 2.7 weeks; half of a fall in about 3.0 weeks. On this measure rises and falls reach the pump at much the same speed. In the week of the move itself about 10% of a rise shows up at the pump against about 10% of a fall. Over the full 8-week window a 10p move in crude is associated with about 12p at the pump on the way up and about 11p on the way down. Both exceed 10p because refining and retail costs tend to move with crude as well, so this is the response to a crude move,

not the crude cost alone.

Estimated from 1160 weeks of data with an eight-week lag structure, fitting weekly changes in the pump price to the positive and negative parts of weekly changes in crude. The fit explains 59% of the week-to-week variation. This is one specification on national weekly averages, not a finding about any particular retailer.

How a move in crude reaches the pump, week by week



Bar chart of estimated pass-through by lag. Half of a rise in crude reaches the pump in about 2.7 weeks; half of a fall in about 3.0 weeks. On this measure rises and falls reach the pump at much the same speed. In the week of the move itself about 10% of a rise shows up at the pump against about 10% of a fall. Over the full 8-week window a 10p move in crude is associated with about 12p at the pump on the way up and about 11p on the way down. Both exceed 10p because refining and retail costs tend to move with crude as well, so this is the response to a crude move, not the crude cost alone.

How is this worked out?

Crude is Brent converted at that week’s exchange rate: dollars per barrel divided by 158.987 litres, divided by the pound in dollars, times 100. VAT is the share of the pump price the rate implies, duty is the rate DESNZ publishes for that week, and the margin is whatever is left: refining, shipping, storage, distribution and the forecourt. It is a residual, so anything the Brent benchmark misses, such as biofuel content or refinery timing, lands in it.

The full method, including the pass-through regression, is on the methodology page.

What would a given oil price mean at the pump?

A barrel is 158.987 litres. Move the sliders to see what a given oil price, exchange rate and margin would mean at the pump. The starting values are the latest actual figures.

An interactive map or explorer appears here on the live page.

Common questions

- **How much of the petrol price is the oil price?** About 42.8p of a 170.7p litre, or 25%, as of 9 November 2026.
- **Why does petrol not get cheaper when oil falls?** Because most of the price is not oil. 52.95p is fixed duty and 28.4p is VAT, so a 10% fall in crude is only about 2.5% off the pump price before anything else changes.
- **Do pump prices rise faster than they fall?** Half of a rise in crude reaches the pump in about 2.7 weeks; half of a fall in about 3.0 weeks. On this measure rises and falls reach the pump at much the same speed. In the week of the move itself about 10% of a rise shows up at the pump against about 10% of a fall. Over the full 8-week window a 10p move in crude is associated with about 12p at the pump on the way up and about 11p on the way down. Both exceed 10p because refining and retail costs tend to move with crude as well, so this is the response to a crude move, not the crude cost alone.

How much of my energy bill is tax?

Your bills · Last updated 13 November 2026 · https://whereyourmoneygoes.co.uk/tax-on-energy-bills/

Much less than on road fuel. Of a typical £1,663 annual dual-fuel bill, about **£166 is tax and policy levies** — 10% — made up of roughly £83 of VAT and £83 of policy costs that fund renewables support and schemes such as the Warm Home Discount. VAT on domestic gas is 5% and on electricity 0%, against 20% on most goods. The shares are Ofgem's own breakdown of the July to September 2026 price cap.

Key figures

£166
Tax and levies on a typical £1,663 bill
10% of the bill, July to September 2026
As of 22 September 2026

0%
VAT on household electricity
Gas 5%; most goods 20%
As of 22 September 2026

£83
Policy levies on a typical bill
About 5% of a bill, down from 15%
As of 22 September 2026

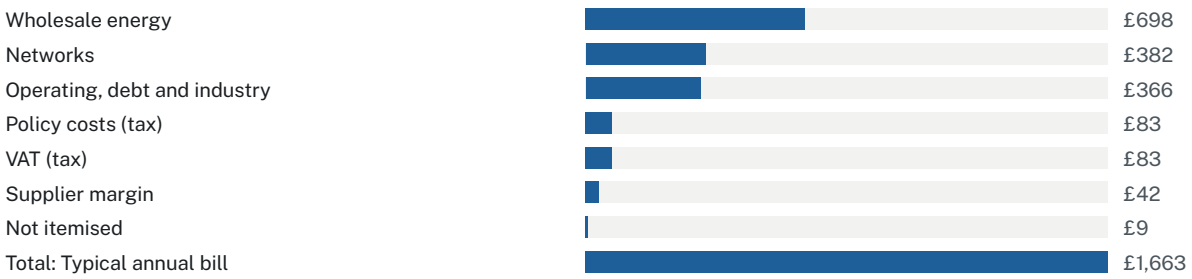
£1,723
Price cap, typical household a year from 1 October to 31 December 2026
–£32 (–1.8%) vs 1 October 2025
As of 22 September 2026

The short version

- **Against petrol:** tax is 10% of a typical energy bill, against 47.7% of the price of a litre of petrol.
- **Moved, not removed:** since April 2026 about £150 a year of levies is paid through general taxation instead of bills.
- **Electricity costs 3.3 times as much as gas per unit**, because most levies and the carbon cost of gas power land on electricity.
- **Fastest-rising part:** Networks went from £397 to £463 of the cap between the first and second quarters of 2026.

What is in a typical energy bill?

How a typical £1,663 dual-fuel bill is built up, July to September 2026



Shares of the July-September 2026 cap. Pound figures are those shares applied to the total and rounded. In the October cap wholesale rises to about 47% and electricity VAT drops to zero.

How much VAT is on gas and electricity?

Domestic energy has carried reduced-rate VAT of 5% since the 1990s, against 20% on most goods. VAT on domestic electricity is zero from 1 October 2026 to 31 March 2027; gas stays at 5%.

What are the policy levies on my bill?

For years, government schemes were paid for through bills rather than general taxation: support for renewable generators (the Renewables Obligation, Feed-in Tariffs and Contracts for Difference), the Energy Company Obligation insulation scheme, and the Warm Home Discount. Because a levy on a bill takes the same amount whether you are rich or poor, critics called them regressive.

From April 2026 the Energy Company Obligation stopped being charged on bills, and 75% of the Renewables Obligation cost moved to the Treasury — together worth about £150 a year to a typical household. The cost has not disappeared: taxpayers now fund it instead of bill payers. Policy costs are now about 5% of a typical bill, down from around 15%.

What renewables support costs you sets out the three schemes and what each adds to a household bill.

Why does electricity cost so much more than gas per unit?

Electricity is 26.32p a kWh against 7.97p for gas — about 3.3 times as much. Two reasons. Most historic levies were loaded onto electricity rather than gas. And the wholesale electricity price is usually set by the last gas power station needed to meet demand, so electricity inherits the gas price plus the cost of carbon. Gas generators pay for their emissions through the UK Emissions Trading Scheme plus a UK-only top-up, and that cost is built into the wholesale electricity price everyone pays.

Why UK electricity is so expensive goes into this in full.

Which part of the bill is rising fastest?

With levies falling, the part now growing fastest is networks: grid expansion to connect new generation, and payments to wind farms to switch off when the grid cannot carry their power. Networks went from £397 to £463 of the cap between the first and second quarters of 2026.

What does every part of the bill pay for?

Typical dual-fuel bill, July to September 2026

Part of the bill	What it pays for	Per year
Wholesale energy	The gas and electricity your supplier buys	£698
Networks	Pipes, cables, pylons, the grid operator keeping supply and demand balanced, and grid upgrades	£382
Operating, debt and industry	Billing, smart meters, bad debt, costs of failed suppliers	£366
Policy costs	Levies funding renewables support, the Warm Home Discount and similar schemes	£83
VAT	5% on the total (gas and, until October, electricity)	£83
Supplier margin	Capped earnings allowance	£42
Not itemised	The part of the bill Ofgem's rounded percentage shares leave out.	£9

Common questions

- **How much of a UK energy bill is tax?** About £166 of a typical £1,663 annual dual-fuel bill, or 10%: £83 VAT and £83 policy levies.
- **What is the VAT rate on energy bills?** 5% on domestic gas and 0% on domestic electricity. VAT on domestic electricity is zero from 1 October 2026 to 31 March 2027; gas stays at 5%.
- **What are green levies costing me?** Policy costs are about £83 a year on a typical bill, roughly 5% of it, down from around 15% before the Energy Company Obligation and most of the Renewables Obligation moved to general taxation.

The energy price cap explained

Your bills · Last updated 13 November 2026 · https://whereyourmoneygoes.co.uk/energy-price-cap/

From 1 October to 31 December 2026 the Ofgem price cap is **£1,723 a year** for a household with typical consumption paying by direct debit. It caps unit rates and standing charges, not your total bill: electricity at **26.32p a kWh** plus 54.83p a day, and gas at **7.97p a kWh** plus 29.68p a day. Use more and you pay more. Figures from Ofgem, checked by hand on 22 September 2026.

Key figures

£1,723
Typical bill a year, 1 October to 31 December 2026
−£32 (−1.8%) vs 1 October 2025
As of 22 September 2026

26.32p
Electricity, a kWh
Plus 54.83p a day standing charge
As of 22 September 2026

7.97p
Gas, a kWh
Plus 29.68p a day standing charge
As of 22 September 2026

10%
Of a typical bill is tax and levies
£166 of £1,663, July to September 2026
As of 22 September 2026

The short version

- **Not a cap on your bill:** it limits the price per unit and per day on a standard variable tariff. A fixed tariff is not covered, and Ofgem resets the cap every three months.
- **Standing charges add up:** 54.83p a day for electricity and 29.68p for gas, paid whatever you use.
- **Prepayment:** electricity is 26.11p a kWh and gas 7.33p on a prepayment meter.
- **The peak so far:** £3,549 a year for a typical household from Oct 22, when the government guarantee held bills to £2,500.

What are the current unit rates and standing charges?

Standing charges vary by region; these are the national averages Ofgem publishes. VAT on domestic electricity is zero from 1 October 2026 to 31 March 2027; gas stays at 5%.

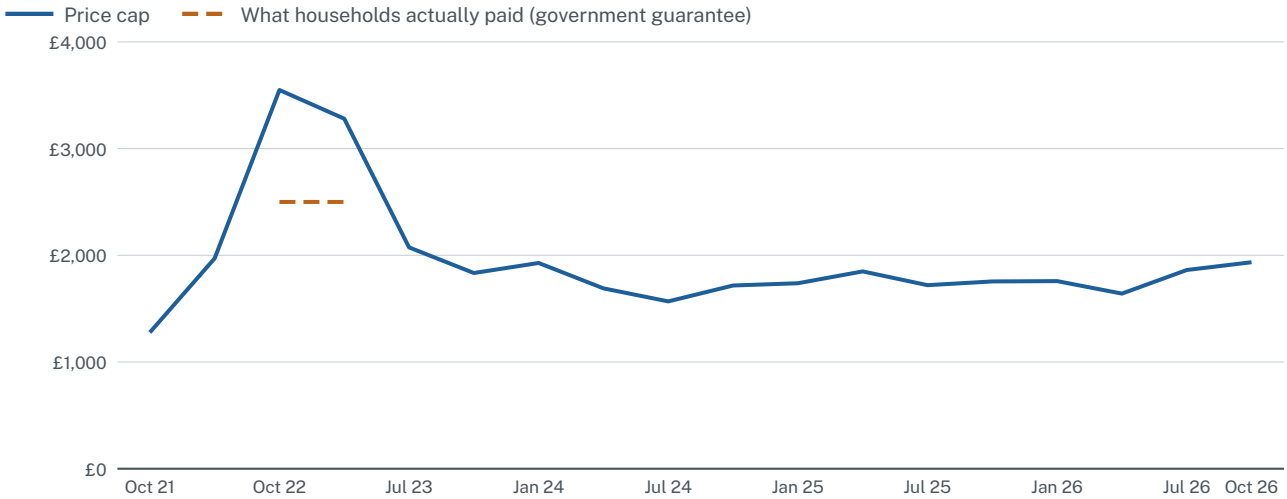
What does the price cap actually cap?

It caps the maximum a supplier can charge per unit of energy and per day as a standing charge, on a standard variable tariff. It does not cap your bill. The headline £1,723 figure is what a household using a typical amount would pay over a year at those rates; use more energy and you pay more.

You are not protected by the cap if you are on a fixed tariff, and Ofgem resets the cap every three months. Ofgem reduced its definition of typical use in July 2026, so cap levels before and after that change are not directly comparable.

How has the price cap changed?

The Ofgem price cap since 2021



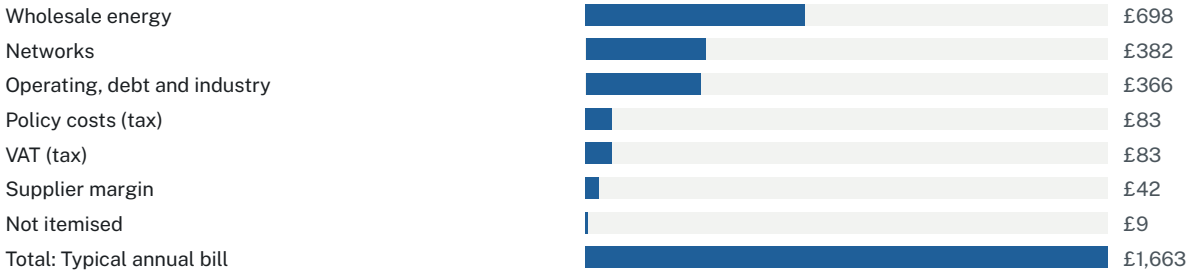
Line chart of the Ofgem typical annual dual-fuel price cap from Oct 21 to Oct 26. It peaked at £3,549 in Oct 22, when the government guarantee held actual bills at £2,500, and stands at £1,935.

Annualised typical bill, direct debit. The 2026 Q3 and Q4 points use the pre-July-2026 typical-use basis (£1,862 and £1,935) so the line stays comparable. Earlier figures are approximate.

What does the capped price pay for?

Wholesale energy is the largest single part. Tax and policy levies are about £166 of the £1,663 typical bill, 10% of it. How much of my energy bill is tax breaks this down in full.

How a typical £1,663 dual-fuel bill is built up, July to September 2026



Shares of the July-September 2026 cap. Pound figures are those shares applied to the total and rounded. In the October cap wholesale rises to about 47% and electricity VAT drops to zero.

What about prepayment meters?

Direct debit and prepayment rates compared, 1 October to 31 December 2026

Tariff	Electricity per kWh	Electricity standing charge	Gas per kWh	Gas standing charge
Direct debit	26.32p	54.83p	7.97p	29.68p
Prepayment meter	26.11p	57.19p	7.33p	29.04p

Prepayment rates are set separately by Ofgem and published alongside the direct debit rates. Standing charges also vary by region; these are the national averages.

Common questions

- **What is the energy price cap now?** £1,723 a year for a typical dual-fuel household paying by direct debit, from 1 October to 31 December 2026.
- **Does the price cap cap my bill?** No. It caps the unit rate and the daily standing charge. The headline figure is what a household using a typical amount of energy would pay; use more and you pay more.
- **What is the electricity unit rate under the cap?** 26.32p a kWh plus a standing charge of 54.83p a day, on average across regions.

What renewables support costs you

Your bills · Last updated 13 November 2026 · https://whereyourmoneygoes.co.uk/renewables-levies/

Renewables support costs a typical household about **£150 a year**, roughly £13 a month, across three schemes: the Renewables Obligation, Contracts for Difference and Feed-in Tariffs. Since April 2026 most of the largest of them is paid from general taxation rather than bills, so it no longer shows on your bill — but you still pay it. Nationally the three schemes cost around £12bn a year. Figures checked by hand on 22 September 2026.

Key figures

£150
Per typical household a year
On the bill and through tax together
As of 22 September 2026

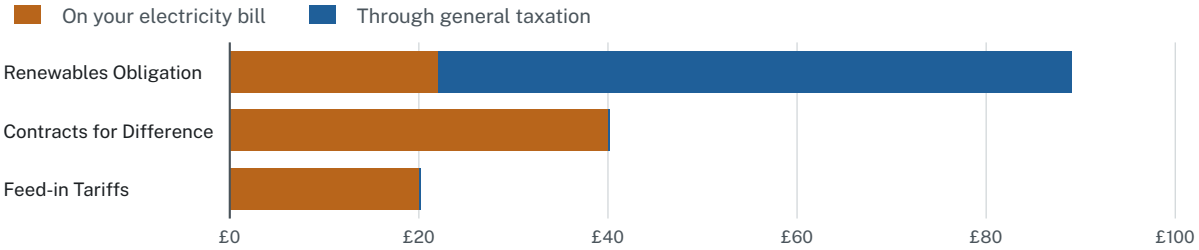
£12bn+
National cost a year, all three schemes
Renewables Obligation payments run to 2037
As of 22 September 2026

£150
A year of levies moved from bills to taxation
From April 2026
As of 22 September 2026

5%
Policy costs as a share of a typical bill
Down from about 15%
As of 22 September 2026

What do the schemes cost?

What renewables support costs a typical household each year



Stacked horizontal bar chart of renewables support per typical household: Renewables Obligation about £89 a year, £22 on the bill and £67 through tax; Contracts for Difference about £40 a year, £40 on the bill and £0 through tax; Feed-in Tariffs about £20 a year, £20 on the bill and £0 through tax.

What are the three schemes?

The three renewable support schemes

Scheme	What it pays for	National, per year	Typical household, per year	How you pay
Renewables Obligation	A top-up for every unit generated by older wind farms, solar parks and biomass plants. Closed to new projects; payments run to 2037.	£8.5bn+ (2026/27 forecast)	£89: £22 on the bill, £67 through tax	Bill and general taxation
Contracts for Difference	A guaranteed price for newer offshore wind, solar and nuclear. When the market price is above the guaranteed price, generators pay the difference back.	£2.3bn (2024/25)	£40	Electricity bill
Feed-in Tariffs	Payments to small generators, mostly rooftop solar installed 2010-2019.	~£2bn	£20	Electricity bill

Household figures are for typical electricity use. Households use only around a third of the country's electricity; businesses pay the rest through their own bills and pass it on in prices, so the true household cost is higher than the bill line alone.

What moved from bills to taxation?

From April 2026 the Energy Company Obligation stopped being charged on bills and 75% of the Renewables Obligation cost moved to the Treasury, together worth about £150 a year to a typical household. Policy costs on the bill are now about 5% of a typical bill, down from around 15%. The money is still being spent; it now comes out of general taxation rather than the energy bill, which changes who pays rather than how much.

Are the schemes good value?

The case that they cost too much

- Renewables Obligation contracts were generous and index-linked, and run for another decade.
- Over £13bn has been paid out under Contracts for Difference since the scheme started.
- Moving costs to taxation hides them rather than reducing them.
- They sit on top of rising grid costs to connect and balance the same generators.

The case that they are good value

- During the 2022 crisis, Contracts for Difference generators paid money back, cutting bills.
- One estimate puts wholesale power at around £100/MWh without contracted wind, against £76 now.
- Newer contracts are far cheaper than the old Renewables Obligation.
- Less exposure to imported gas prices, which caused the last two price spikes.

What other levies are on the bill?

The Warm Home Discount, a £150 rebate for low-income households, is funded by everyone else's bills. There are also charges for the Capacity Market, which pays power stations to be on standby, and a levy to fund new nuclear. Carbon pricing is the least visible: gas power stations pay for their emissions at £18 a tonne on top of the UK Emissions Trading Scheme, and that cost is built into the wholesale electricity price.

Common questions

- **How much do green levies cost per household?** About £150 a year for a typical household, counting both what appears on the bill and what is now paid through general taxation.
- **What is the Renewables Obligation?** A top-up for every unit generated by older wind farms, solar parks and biomass plants. Closed to new projects; payments run to 2037.
- **Did green levies come off bills?** Partly. From April 2026 the Energy Company Obligation and 75% of the Renewables Obligation moved to general taxation, worth about £150 a year on a typical bill. The cost did not disappear; taxpayers fund it instead.

Why UK electricity is so expensive

Your bills · Last updated 13 November 2026 · https://whereyourmoneygoes.co.uk/why-uk-electricity-is-expensive/

UK industrial electricity cost **26.63p a kWh** including taxes in 2024, against an IEA median of 16.33p — the UK has the highest industrial electricity prices of the 25 IEA members in the 2024 table. It is not mainly tax at the point of sale: household electricity carries 0% VAT, and the UK is dearest even before taxes. The cost is built in further up the chain: gas usually sets the wholesale price, carbon costs ride on that, policy levies sit on electricity rather than gas, and network and balancing costs are rising. Figures from DESNZ, derived from IEA data.

Key figures

26.63p
UK industrial electricity a kWh, 2024
−0.52p (−1.9%) vs 1 July 2023
As of 1 July 2024

16.33p
IEA median, industrial, 2024
The middle of the member countries
As of 1 July 2024

1 of 25
UK rank for industrial prices, dearest first
IEA members, 2024
As of 1 July 2024

30.45p
UK household electricity a kWh, 2024
−5.45p (−15.2%) vs 1 July 2023
As of 1 July 2024

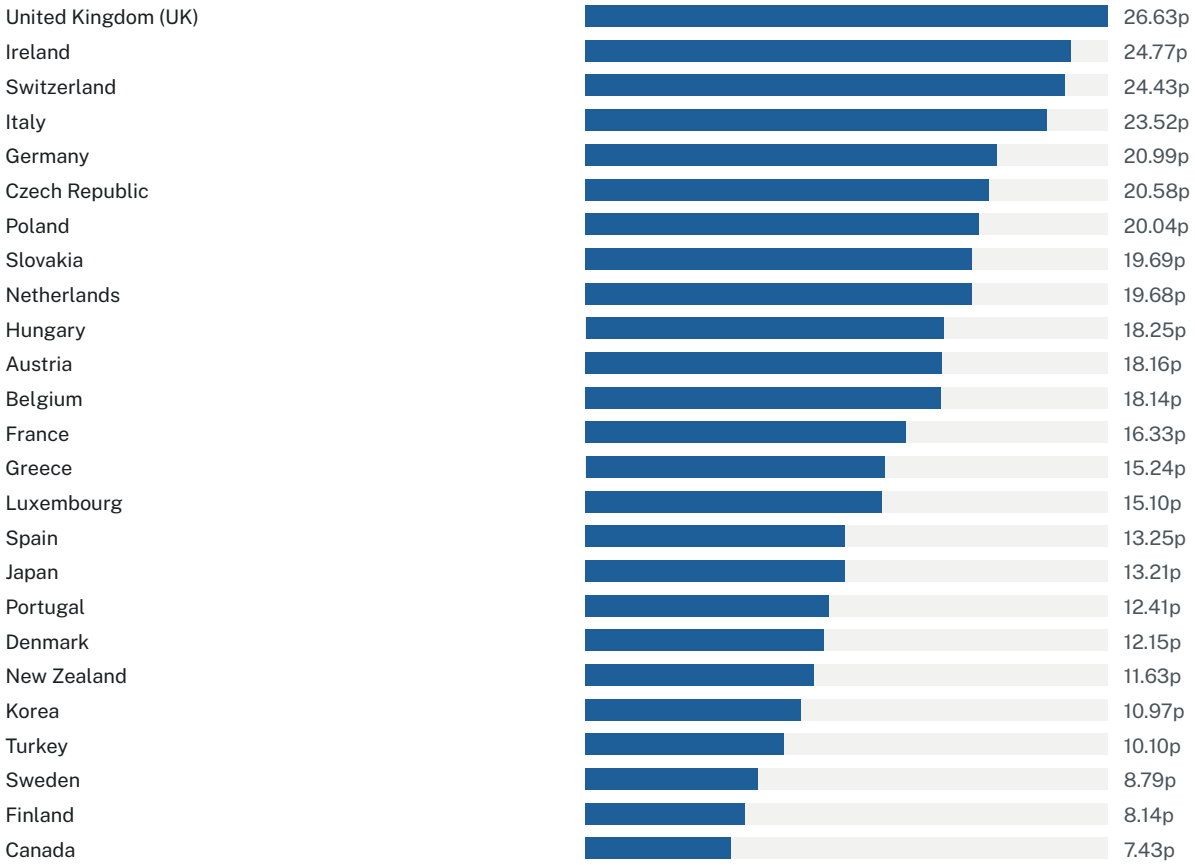
3.3×
Electricity against gas, per kWh under the price cap
26.32p against 7.97p
As of 22 September 2026

The short version

- **Industrial prices are 3.4 times their 2010 level:** 7.84p a kWh then, 26.63p in 2024.
- **Households:** 2 of 27 IEA members at 30.45p a kWh, against a median of 20.89p.
- **Carbon:** gas plants pay a UK-only top-up of £18 a tonne, and because gas sets the price it lands on every unit.
- **Per unit, electricity costs 3.3 times as much as gas** under the price cap, partly because levies sit on electricity.
- **What cheap countries have:** large hydro and nuclear fleets, or plentiful home-produced gas.

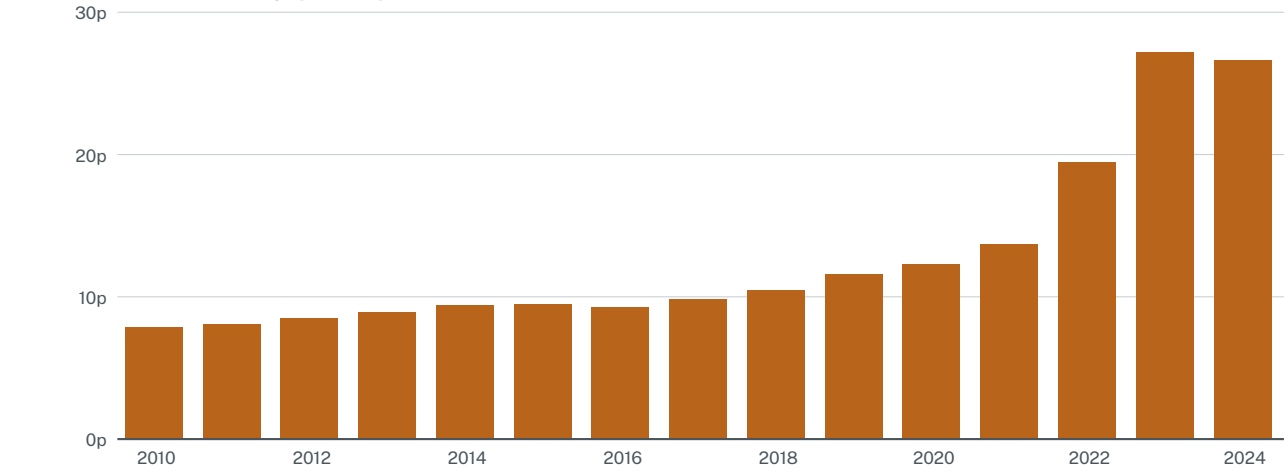
How much more does the UK pay?

Industrial electricity prices including taxes, pence a kWh, 2024



DESNZ international comparison tables, derived from IEA data and converted at annual average exchange rates.

UK industrial electricity, pence per kWh



Bar chart of UK industrial electricity prices from 2010 to 2024, rising from 7.84p to 26.63p per kWh.

Why does the gas price set the electricity price?

Britain generates a large share of its power from gas and heats most homes with it. In a wholesale market the last power station needed to meet demand sets the price for everyone, and in Britain that is usually a gas plant. So when gas prices spike, electricity follows even though much of it comes from wind and nuclear. The UK now relies on imported LNG and Norwegian pipeline gas rather than cheap Russian pipeline supply, which pushed its gas costs up alongside the rest of Europe.

How much do carbon costs add?

Gas power stations pay for their emissions under the UK Emissions Trading Scheme, plus a UK-only top-up, the Carbon Price Support, of £18 a tonne. Because gas usually sets the price, that carbon cost lands on every unit sold, not just on the gas-fired ones.

Why are policy costs on electricity rather than gas?

Renewables subsidies and other schemes have mostly been loaded onto electricity bills rather than gas bills, for historical reasons rather than by design. Businesses pay more of these than households, which is a large part of why UK industrial prices stand out even more than household ones.

What do network and balancing costs add?

The grid was built around big power stations near cities. Wind is mostly in Scotland and offshore, so the grid needs major new lines, and until they are built the system operator pays wind farms to switch off and gas plants elsewhere to switch on. Both costs go on bills.

What do cheaper countries have that the UK does not?

The countries with the cheapest power in the developed world have either large hydro and nuclear fleets (Norway, Sweden, Canada, France) or abundant home-produced gas (the United States). The UK has neither in the same quantity: North Sea gas is declining and much of the nuclear fleet is closing before new plants arrive.

Those who blame policy argue

- Renewables subsidies, carbon taxes, balancing and capacity payments add over £15bn a year to electricity costs.
- Grid spending to connect remote wind will keep pushing bills up.
- Other countries shield industry from these costs more than the UK does.

Those who blame gas argue

- The 2022 and 2026 price spikes were driven by gas, not by green levies.
- Policy costs are now about 5% of a household bill.
- Contracted wind lowers the wholesale price compared with gas.
- Less gas dependence is the way to stop the spikes recurring.

Common questions

- **Why is UK electricity so expensive?** Chiefly because gas usually sets the wholesale price, carbon costs ride on that price, policy levies were loaded onto electricity rather than gas, and network and balancing costs are rising. Tax at the point of sale is a small part: the UK is dearest even before taxes.
- **Does the UK have the most expensive electricity in the world?** For industry, yes among IEA member countries: 26.63p a kWh in 2024, the highest of 25. For households the UK is among the highest but not the highest.
- **Are green levies why UK electricity is expensive?** They are part of it, not the whole of it. Policy costs are about 5% of a household bill, while wholesale energy is the largest single component and is set mainly by gas.

UK electricity prices compared with the world

Your bills · Last updated 13 November 2026 · https://whereyourmoneygoes.co.uk/uk-vs-world-electricity-prices/

In 2024, **the UK had the highest industrial electricity prices of the 25 International Energy Agency member countries** at 26.63p a kWh including taxes, against a median of 16.33p. For households the UK is **among the highest but not the highest**: 30.45p a kWh, ranking 2 of 27. Both figures come from DESNZ's international comparison tables, derived from IEA data and converted at annual average exchange rates.

Key figures

30.45p
UK household electricity a kWh, 2024
−5.45p (−15.2%) vs 1 July 2023
As of 1 July 2024

2 of 27
UK rank for household prices, dearest first
IEA median 20.89p
As of 1 July 2024

26.63p
UK industrial electricity a kWh, 2024
−0.52p (−1.9%) vs 1 July 2023
As of 1 July 2024

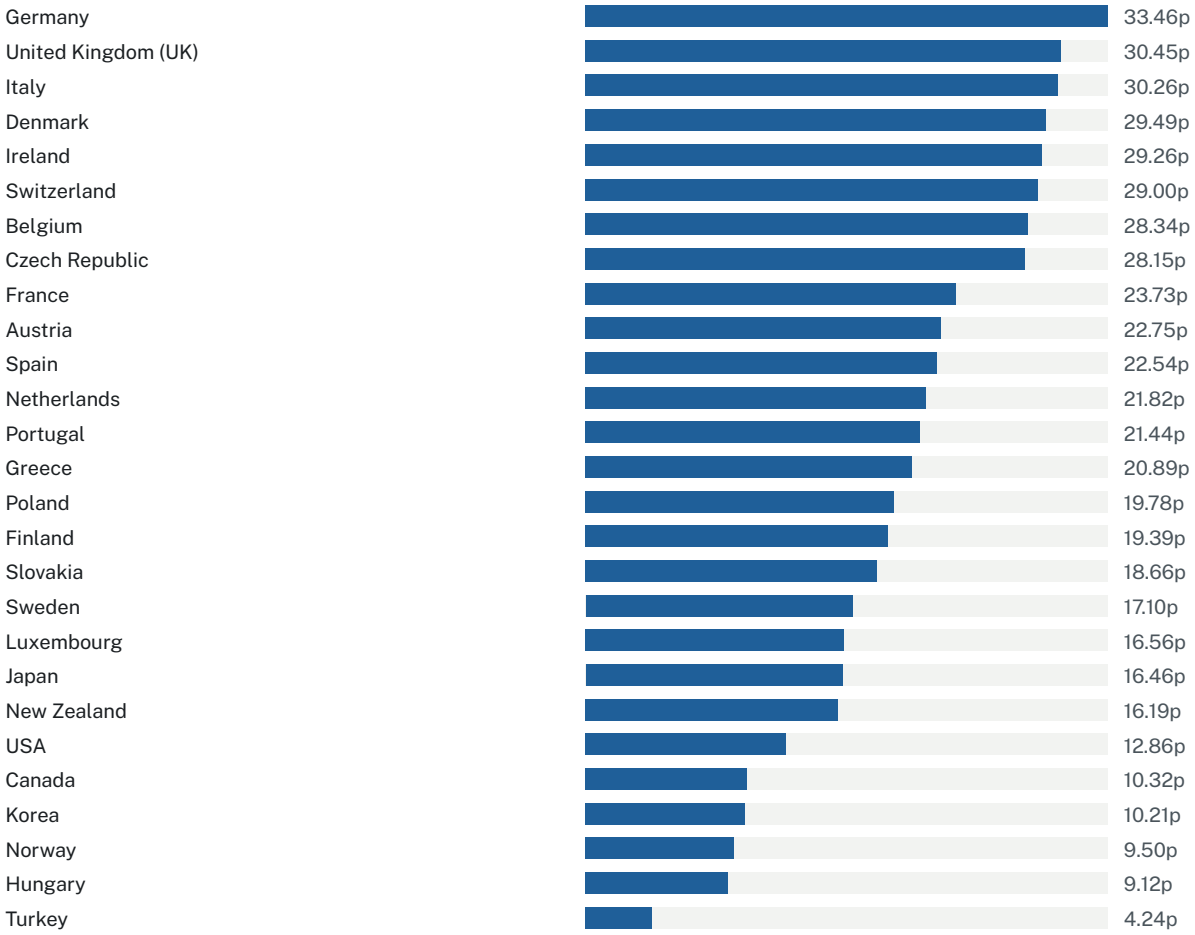
1 of 25
UK rank for industrial prices, dearest first
IEA median 16.33p
As of 1 July 2024

€0.2832
EU average household electricity a kWh
−€0.0047 (−1.6%) vs 1 January 2025
As of 1 January 2026

Where does the UK rank for household electricity?

For households the UK is among the highest but not the highest: 2nd of 27 IEA members in 2024. Exchange rates move these rankings year to year, so a one-place change is not meaningful; the UK sitting in the top handful is.

Household electricity prices including taxes, pence a kWh, 2024

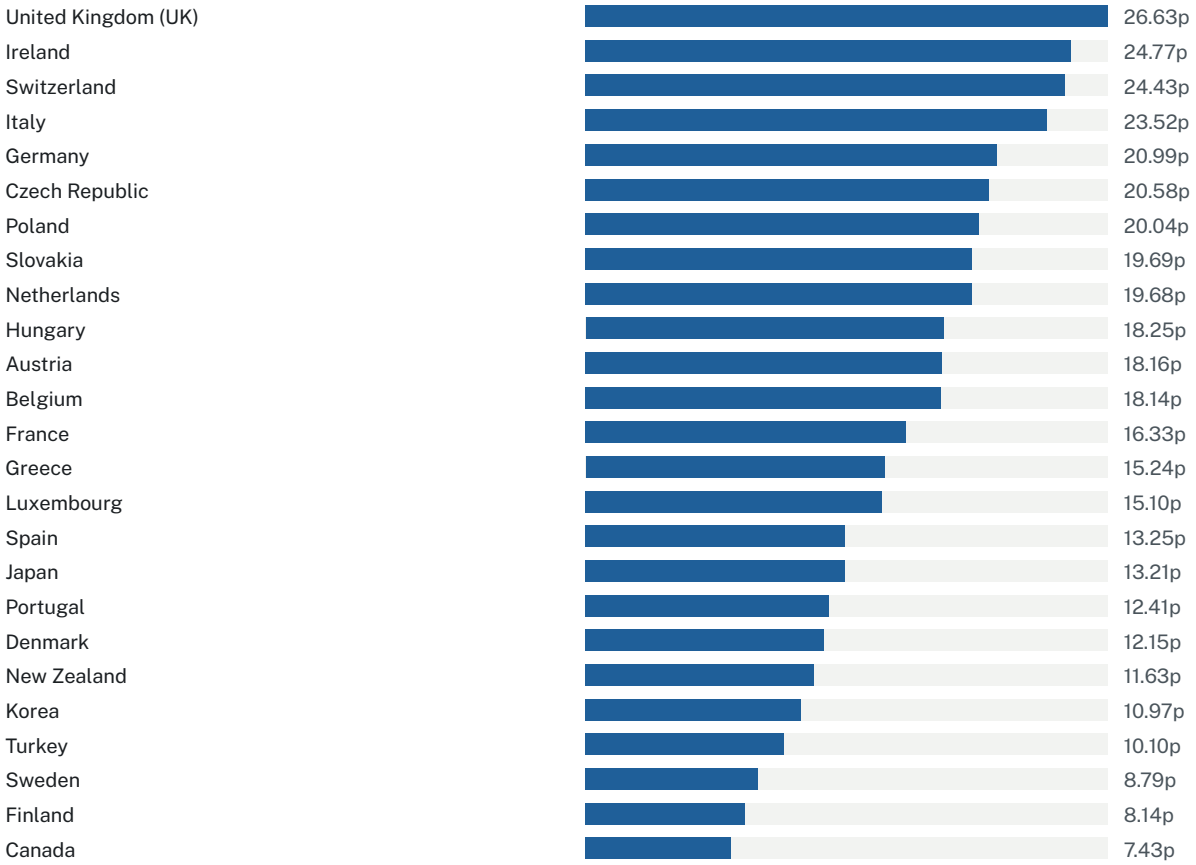


DESNZ international comparison tables, derived from IEA data and converted at annual average exchange rates.

Where does the UK rank for business electricity?

The UK has the highest industrial electricity prices of the 25 IEA members in the 2024 table, and it was also highest in the previous year's table. Businesses carry more of the policy costs than households do, which is much of why the industrial gap is wider than the household one.

Industrial electricity prices including taxes, pence a kWh, 2024



DESNZ international comparison tables, derived from IEA data and converted at annual average exchange rates.

What about gas?

Gas is a different story. UK household gas prices are around or below the European median. The EU average household gas price is €0.1103 a kWh on Eurostat's latest half-year, against €0.2832 for electricity. The UK's own capped gas rate is 7.97p a kWh.

Why is the UK so high?

Not mainly because of tax at the point of sale: the UK is dearest even before taxes. Why UK electricity is so expensive sets out the five reasons in full — gas setting the marginal price, carbon costs, policy levies on electricity rather than gas, network and balancing costs, and the absence of the large hydro or nuclear fleets that make power cheap elsewhere.

Common questions

- **Does the UK have the most expensive electricity in Europe?** For households, no: the UK ranks 2 of 27 IEA member countries in 2024 at 30.45p a kWh. It is among the highest, not the highest.
- **Does UK industry pay the highest electricity prices in the world?** Among IEA members, yes: 26.63p a kWh in 2024, the highest of 25, against a median of 16.33p.
- **Are UK gas prices high too?** No. UK household gas prices are around or below the European median. The gap is specific to electricity.

Sources and licences

Every dataset behind the figures in this document, with its publisher, the date its figures are as of, and the licence they are used under.

Source	Publisher	Figures as of	Licence	Used in
Weekly road fuel prices	Department for Energy Security and Net Zero	9 November 2026	Open Government Licence v3.0	How much tax is in petrol?; How much tax is in diesel?; UK petrol and diesel prices today; Oil dearer, pump cheaper — and the other way round
https://www.gov.uk/government/statistics/weekly-road-fuel-prices				
Brent crude oil spot price (FRED DCOILBRENTEU)	Federal Reserve Bank of St. Louis	11 November 2026	US public domain, via FRED (FRED terms of use)	How much tax is in petrol?; How much tax is in diesel?; UK petrol and diesel prices today; Oil dearer, pump cheaper — and the other way round
https://fred.stlouisfed.org/series/DCOILBRENTEU				
US dollar / sterling (FRED DEXUSUK)	Federal Reserve Bank of St. Louis	6 November 2026	US public domain, via FRED (FRED terms of use)	How much tax is in petrol?; How much tax is in diesel?; UK petrol and diesel prices today; Oil dearer, pump cheaper — and the other way round
https://fred.stlouisfed.org/series/DEXUSUK				
US regular all formulations gas price (FRED GASREGW)	Federal Reserve Bank of St. Louis	9 November 2026	US public domain, via FRED (FRED terms of use)	UK petrol and diesel prices today
https://fred.stlouisfed.org/series/GASREGW				
US dollar / euro exchange rate (FRED DEXUSEU)	Federal Reserve Bank of St. Louis	6 November 2026	US public domain, via FRED (FRED terms of use)	UK petrol and diesel prices today
https://fred.stlouisfed.org/series/DEXUSEU				
Ofgem, energy price cap unit rates and standing charges	Ofgem	22 September 2026	Open Government Licence v3.0	How much of my energy bill is tax?; The energy price cap explained; Why UK electricity is so expensive
https://www.ofgem.gov.uk/your-energy-supply/your-energy-bill/energy-price-cap-unit-rates-and-standing-charges				
Electricity prices for household consumers (nrg_pc_204)	Eurostat	1 January 2026	CC BY 4.0 (Eurostat)	How much of my energy bill is tax?; UK electricity prices compared with the world
https://ec.europa.eu/eurostat/databrowser/view/nrg_pc_204/default/table				
House of Commons Library, what makes up an electricity bill (May 2026)	House of Commons Library	22 September 2026	Open Parliament Licence v3.0	How much of my energy bill is tax?; What renewables support costs you
https://researchbriefings.files.parliament.uk/documents/CBP-10505/CBP-10505.pdf				
Industrial electricity prices in the IEA (QEP 5.3.1)	DESNZ, derived from IEA Energy Prices and Taxes	1 July 2024	IEA terms (IEA data is excluded from the Open Government Licence) link only	Why UK electricity is so expensive; UK electricity prices compared with the world
https://www.gov.uk/government/statistical-data-sets/international-non-domestic-energy-prices				
Domestic electricity prices in the IEA (QEP 5.5.1)	DESNZ, derived from IEA Energy Prices and Taxes	1 July 2024	IEA terms (IEA data is excluded from the Open Government Licence) link only	Why UK electricity is so expensive; UK electricity prices compared with the world
https://www.gov.uk/government/statistical-data-sets/international-domestic-energy-prices				

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