

UK petrol and diesel sector

An OFT Call for Information

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for that reason, as well as making this price more vulnerable to manipulation.¹⁹⁷

- Platts wholesale prices are based on the Brent Crude benchmark, which is a market with relatively small volumes. As such, it may be open to manipulation with even relatively small volumes of traded product sold at an inflated price being needed to push up market prices.

7.25 However, although both IOSCO and some market participants have expressed concerns about price reporting, no respondent to the CFI has approached the OFT with evidence that any market player or group of players are carrying out practices that would inflate pump prices.

7.26 Inaccurate reporting of the crude oil and wholesale road fuel prices or attempts to distort or manipulate the reporting prices would raise significant concerns. However, in order to justify carrying out further work the OFT would need evidence giving it a reasonable suspicion that this conduct occurs. The OFT did not, however, receive evidence of such conduct.

¹⁹⁷ Platts defend their methodology by pointing out that trades that occur at the market close are the best reflection of the daily spot price, as it reflects the market's view of the most up-to-date information that has emerged during the day.

