



HM Treasury



Department for
Energy Security
& Net Zero

16/03/2026

Dear colleagues,

Heating oil: follow-up to Wednesday's meeting

Thank you to those MPs who joined us to discuss the impact of the conflict in the Middle East on heating oil. It was extremely helpful to hear your views and concerns, particularly your emphasis on the pressures facing low-income households who rely on heating oil and have no choice but to top up their tanks.

We share an objective to minimise the impact of price increases on households dependent on heating oil, as the kerosene price has been especially affected by the conflict in the Middle East and risen faster than other fuels such as petrol and gas. Unlike gas and electricity, heating oil users do not have a continuous supply and many, including some of the most vulnerable households, will need to pay an upfront lump sum to top up their tanks as winter ends to maintain their heating and hot water. We wanted to set out for all MPs the next steps we are taking in response to concerns about rising heating oil prices, targeted on supporting those on the lowest incomes.

Firstly, we want to continue to reassure you that the UK has a strong energy supply, with access to secure and reliable sources.

We are working closely with industry to understand and tackle localised distribution issues, which have been driven by increased demand. We have communicated strongly to the industry that customers must be treated fairly and that price manipulation will not be tolerated. The Chancellor has written to the Competition and Markets Authority (CMA) asking them to monitor heating oil prices and advise if further regulation is needed. The Energy Secretary and Energy Minister have also spoken to the CMA. The CMA is examining reports of cancelled orders followed by higher quotes, and price increases for automated deliveries. They will not hesitate to act where there is evidence of breaches of consumer law.

We are also deepening our engagement with the heating oil industry to support supply resilience, with the Energy Minister continuing to work with suppliers and the Fuel Distribution Association (UKIFDA) so that supply chains can adjust as needed and customers – particularly vulnerable households – are treated fairly, including in relation to minimum delivery sizes. DESNZ has held discussions with UKIFDA to emphasise that members should provide their customers with flexibility on delivery size. We will keep this under close review and will not hesitate to call in UKIFDA and major suppliers if we do not see sufficient progress.



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We know households are concerned by the increased prices we have seen.

To support those on low incomes who face financial hardship in England, including those struggling with essential costs, the Household Support Fund is in place until 31st March, after which it will be replaced by the Crisis and Resilience Fund (CRF) from 1st April. £842 million a year has already been provided through the CRF, and the associated Barnett funding was made available to the devolved governments at Spending Review 2025.

We know that some low-income oil heating households are in a particularly vulnerable position because of the current spike in costs and because of having to top up their tanks soon. To address this, we will provide an additional £53 million of targeted financial support. This will be allocated across the nations of the UK in a way that accounts for the distribution of oil heating households across the country. In England the funding will be distributed via the CRF to areas that have higher rates of oil heating, such as rural communities. The CRF can provide help for exactly this kind of issue: to help vulnerable households facing financial difficulties as a result of a sudden unexpected expense.

DWP will update guidance to make it explicitly clear that local authorities can use the fund to help those who are facing immediate financial hardship because of the increase in heating oil prices. Local authorities will be able to provide support ahead of receiving additional funding from 1st April. In Scotland, Wales and Northern Ireland funding will be allocated to devolved governments to deliver as they see fit.

We recognise that this is a particularly significant issue in Northern Ireland. The Minister for Energy has been in contact with the Northern Ireland Secretary of State and the Northern Ireland Executive, including speaking with Minister Archibald last week, and we will continue to work closely with them on support and delivery mechanisms.

The Government this week also joined International Energy Agency (IEA) partners in a coordinated release of oil stocks to the market. A total of 400 million barrels of oil will be made available to the market, with the UK contributing 13.5 million barrels. This will help consumers by preventing short term global supply disruptions that lead to volatile oil prices, and this should help reduce costs.



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We recognise this is a difficult time for your constituents, and we will continue to engage with you. We would encourage you to share any further information if any further issues emerge, including if you become aware of companies behaving unfairly. We share your concern about the impact on households and have the same objective of ensuring the heating oil market works fairly. We are committed to working with you to identify any problems and to ensure they are properly addressed.

Yours sincerely,

Spencer Livermore
Financial Secretary to the Treasury

Michael Shanks MP
Minister of State for Energy



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Annex: Local Authorities in England receiving top up funding

Bath And North East Somerset	Norfolk
Bedford	North Lincolnshire
Buckinghamshire Council	North Northamptonshire
Cambridgeshire	North Somerset
Central Bedfordshire	North Yorkshire
Cheshire East	Northumberland
Cheshire West and Chester	Nottinghamshire
Cornwall	Oxfordshire
Cumberland	Peterborough
Darlington	Rutland
Derbyshire	Shropshire
Devon	Somerset
Dorset Council	South Gloucestershire
Durham	Staffordshire
East Riding of Yorkshire	Suffolk
East Sussex	Surrey
Essex	Telford And Wrekin
Gloucestershire	Warwickshire
Hampshire	West Berkshire
Herefordshire	West Northamptonshire
Hertfordshire	West Sussex
Isle of Wight	Westmorland and Furness
Isles of Scilly	Wiltshire
Kent	Windsor And Maidenhead
Lancashire	Wokingham
Leicestershire	Worcestershire
Lincolnshire	York