



NEWS RELEASE

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OIL BUYING GROUPS – EXAMINE THE PROS AND CONS WARNS TRADE ASSOCIATION

Oil distribution trade association FPS (Federation of Petroleum Suppliers) is warning consumers who are or thinking of buying their heating oil through an oil buying group to look at the pros and cons and examine all ways of purchasing oil before making a decision as some consumers are finding that size is not always a benefit when it comes to purchasing oil.

Chief Executive of the FPS, Mark Askew comments: “Small, local buying groups in an immediate neighbourhood can benefit from the saving the distributor makes on travel time and costs. However, groups should be realistic about the level of savings to be made. Consumers get a pretty good deal and, with low margins, there is very little leeway to give them price reductions and still remain viable! Many claims of huge savings are actually comparing the highest quotes – possibly artificially high from a distributor who doesn’t want the business – with the lowest quote, as some of these high prices are just not feasible.

An individual consumer could do just as well buying alone in many cases and would also build a closer relationship with their supplier. As many larger buying groups found last winter, when supply and resources are tight, distributors naturally give priority to their individual, regular customers rather than the large buying groups who shop around. They do not want to tie up vehicles and drivers delivering to a large group and leave no time for their other customers.

It does not take long to ring round two or three distributors and get quotes yourself. And you then know which company you’re speaking to, have a quote for your own circumstances and can arrange a delivery time to suit. If consumers want to check that they are dealing with a bona fide distributor who adheres to the FPS Code of Conduct, they can ring or email FPS or



use the 'Find Your Local Distributor' facility on our website – www.fpsonline.co.uk, where you will also find advice about ordering oil.”

The FPS represents over 80% of oil distribution companies in Great Britain and has recently launched a Best Practice guide to Oil Buying Groups in partnership with Action with Communities in Rural England (ACRE), Citizens Advice Bureau, Department for Energy and Climate Change (DECC) and Consumer Focus and is urging consumers to look at this free guide before joining a buying group to ensure that they are getting the best deal.

A copy of the Best Practice guide to Oil Buying Groups is available on the FPS website – www.fpsonline.co.uk or www.oilsave.co.uk

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EDITORS NOTE

FPS (Federation of Petroleum Suppliers) represents the majority of oil distribution companies in Great Britain, who are, in the main, small family businesses responsible for deliveries of almost all the home heating oil used in Great Britain, in addition to marine, agricultural, commercial, industrial and forecourt deliveries. There are currently over 230 members of the FPS across the United Kingdom and the Republic of Ireland.

Top tips for domestic oil consumers

- Fill up your tank well before winter arrives. Suppliers are less busy and can offer better value (fuel is more expensive in December, January and February).
- Ask two oil suppliers for quotes and get the best price. You may find you can get a better deal if you develop a relationship with one supplier.
- If you have difficulty paying for your fuel on delivery, ask your supplier about flexible payment options.



- If switching supplier, give your new supplier accurate delivery instructions so they can then send an appropriate delivery vehicle and the driver can safely fill the correct tank.
- Get the best deal by ordering in a way that makes delivery efficient for both you and the oil supplier, for example by joining a local oil club. For details of how to do this/set one up, go to www.oilsave.co.uk