Fuel Price Impact on Fleets

Whitepaper

Learn more

Introduction.

UK fuel prices have been volatile throughout 2026, creating fresh financial pressures for businesses that rely on fleets to keep operations moving.

Diesel spiked from around 143p per litre in early 2026 to a peak of over 192p per litre in mid-April, driven by conflict in the Middle East disrupting global oil supply and even after easing back, diesel remains roughly 25p per litre more expensive than before the conflict began, with fuel prices rising again in recent weeks.

For a business running a fleet of 20, 50 or 100+ vehicles, that isn't a rounding error — it's a direct hit to the bottom line, felt every single week at the pump.

So, what does this sustained fuel price volatility mean for fleet operators, and how can businesses respond? We surveyed 250 fleet decision makers from around the UK to see how they've been responding.

*"**Small efficiencies can make a big difference.** From route planning to fuel contracts, marginal gains across a fleet can add up to meaningful savings."*

David James
Revenue Director at Right Fuel Card.

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Key takeaways.

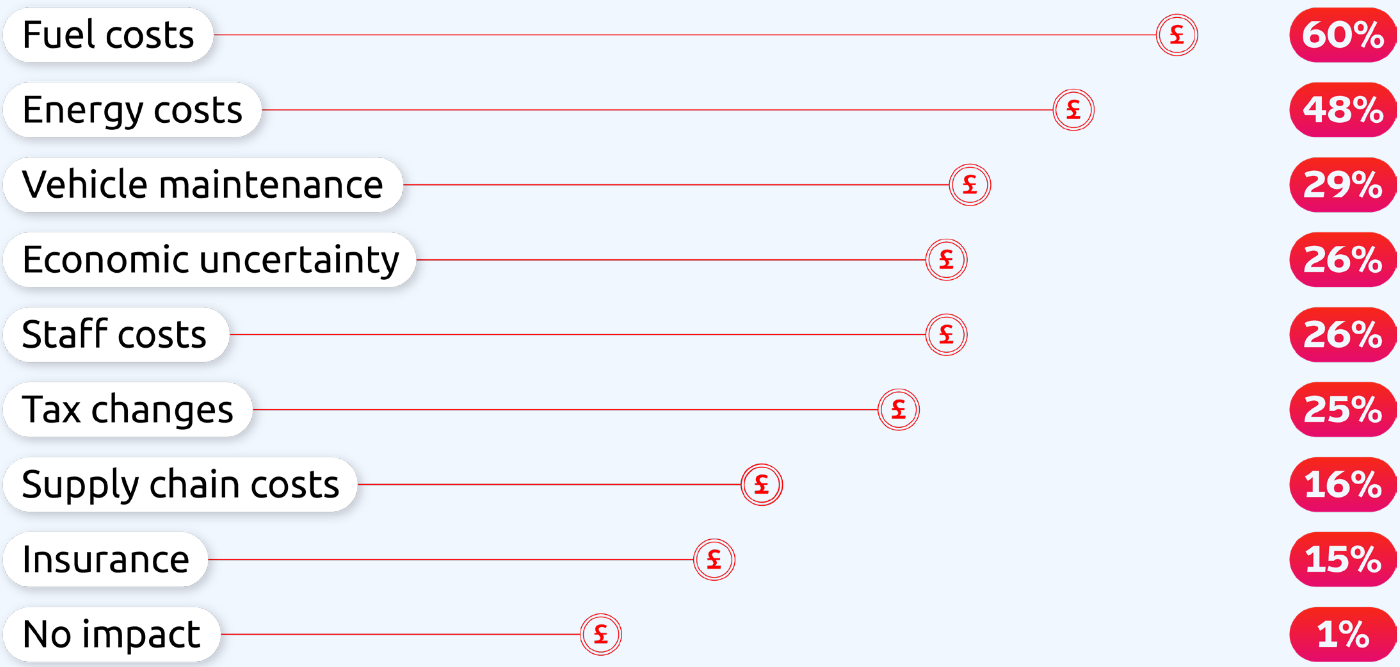
As fuel prices continue to rise alongside broader operating costs, UK fleet operators are facing growing pressure to rethink how they allocate budgets, manage risk and plan for growth.

These are some of the key data points around rising fuel costs before we break this data down further:

- **60% of UK businesses with a fleet say fuel costs have been their single biggest cost pressure** over the past 12 months — other named factors included energy costs (48%) and vehicle maintenance (29%), but fuel costs remain well ahead.
- **Only 14% of businesses feel confident they could absorb further fuel price rises**, and almost half (45%) expect fuel prices to directly reduce their profits over the next year.
- **27% of businesses are now monitoring fuel expenditure more closely,** and 24% have reviewed their vehicle types to improve fuel efficiency.
- **26% of businesses have already increased prices for customers as a result of rising costs** —13% did increase prices but found they lost customers in doing so.
- **If fuel prices rose another 10p per litre, 29% of businesses would raise prices for customers,** while 1 in 5 would delay hiring or business expansion.

Biggest cost pressures so far for businesses in 2026.

In the increasingly challenging economic landscape in 2026, businesses are being forced to reassess where costs are rising fastest and how they can improve efficiency. Our survey uncovered the key factors which had the biggest impact on businesses with fleets over the past 12 months:



As you can see, the biggest cost pressure facing fleet businesses by some distance is rising fuel costs, with **60% of respondents citing it as having the greatest impact on their operations** – that's over double the number who cited vehicle maintenance.

Given the disruption caused by ongoing geopolitical conflicts and global supply shocks, it's perhaps unsurprising that fuel prices remain a key concern for fleet owners. **Just 1% of respondents said none of these factors had impacted their business,** highlighting the widespread challenges facing fleet businesses.

Businesses' response to rising costs.

There's no one right way to combat the effects of rising fuel costs, and the businesses we surveyed were taking a broad range of proactive approaches to cut spending, including:

27%
Monitored fuel expenditure **more closely**.

26%
Increased their **prices** for consumers.

24%
Reviewed vehicle types to improve **fuel efficiency**.

23%
Reduced unnecessary journeys.

18%
Launched additional fuel-saving measures.

17%
Delayed hiring.

26% of respondents passed on the increase by raising their prices but, crucially, 13% of businesses raised their prices and lost customers by doing so. This highlights the delicate balance businesses must strike when managing increased costs, as passing on price rises can have wider implications for customer retention and competitiveness.

Just 4% of respondents said they were doing nothing; the overwhelming majority of businesses are taking active measures to protect themselves and their finances.

The largest proportion of our survey respondents, at **27%, said their business was now monitoring their fuel expenditure more closely** – having greater visibility and control when managing costs in a volatile fuel market is crucial to stay on top of spend.

What sets resilient businesses apart?

We asked our Revenue Director, **David James, what he thought separated businesses managing price increases well from those getting caught out**:

"Surviving. I think many businesses are using telematics and other fleet management tools as well. This can help optimise route management and create further savings."

Many businesses have, historically, used fuel monitoring and telematics tools to catch and identify instances of fraud or misuse, but **as prices increase and instability looms, using monitoring proactively is critical** to highlight inefficiencies or weak spots.

In a challenging financial setting, **being able to identify and optimise small inefficiencies can make a significant difference** to a business's financial resilience.

The outlook for fleet businesses.

In total, around 45% of those we surveyed expect to see a direct impact on their profits because of fuel prices:

- Just over **a fifth of respondents expect profits to fall** (by up to 5%).
- Around **1 in 7 expect a 6-10% decrease.**
- **1 in 10 expect a decrease of greater than 10%.**

While **60% of respondents cited fuel costs as having the biggest impact on their business over the last 12 months**, 18% said that fuel costs are becoming one of the biggest long-term threats facing their businesses. Just 14% of respondents said they feel confident that their business can absorb further increases in fuel costs, and **only 2% said they didn't believe fuel prices would affect their business at all.**

For his thoughts on what businesses should prioritise over the next 12 months, David James says,

"***Ensure you have fuel escalators in all contracts*** *— I know from talking to many haulage owners and transport managers that this is quite commonplace after the issues in 2022 [Russia's invasion of Ukraine], however many still don't." He added, "Clearly if there is a way to move to EV then you can move away from fuel volatility."*

Offering a dynamic pricing model, fuel escalators are vital to protect businesses against rising costs, particularly for those in haulage. When businesses are facing pressure to win work, there can be a temptation to remove escalators and offer a lower upfront quote.

In practice, the businesses that see the best results tend to be those who value consistent, fair pricing from a supplier over constantly chasing the cheapest rate each week.

How do rising fuel costs affect different industries?

Sitting at an average of **60% nationally, the percentage of businesses citing fuel as their largest cost pressure over the last 12 months** looks different in different markets:

- Manufacturing: **81%**.
- Transport & storage: **70%**.
- Construction: **67%**.
- Healthcare & pharmaceutical: **57%**.
- Technology: **47%**.
- Retail: **44%**.

Manufacturing has been the hardest hit by fuel costs at 81%, well above the 60% national average, with construction also significantly elevated at 70%. Additionally, these two sectors are the most likely to say they'd raise customer prices if fuel rose another 10p per litre (36% of respondents in each market, compared to just 18% of those in technology businesses).

Technology is below the average at 47% but stands out for its confidence about the future; 35% of those in tech businesses surveyed said they're 'concerned but believe they can adapt' to future changes, compared to just 11% of those in retail businesses. They are also leading the way with proactive monitoring of fuel spend, with 35% of respondents having implemented it.

Meanwhile, **transport & storage are ahead with switching behaviour**, with 40% of respondents already monitoring their fuel spend closely.

What happens if fuel costs continue to rise?

With ongoing cost pressures showing little sign of easing, **we asked fleet businesses how they would respond if fuel prices were to increase** by a further 10p per litre.

The largest proportion of respondents (29%) said they would pass the additional cost on to customers through higher prices, while 17% would introduce further cost-cutting measures and 11% would reduce journeys to help offset rising fuel expenditure. Together, these findings highlight the difficult trade-offs businesses face when operating in an increasingly volatile cost environment, balancing profitability with service levels and customer expectations.

Only 9% said they wouldn't make any changes to their business in light of a 10p per litre increase.

For the overwhelming majority, another rise in fuel prices would trigger operational or commercial changes, underlining how sensitive many fleet businesses have become to fluctuations in fuel costs.

Learn more

Impact of rising fuel costs by business size.

When comparing the responses of mid-market businesses (100-249 employees) against large enterprises (3,000+ employees), the former are more likely to anticipate taking or have already had to take cost-cutting measures:

- **18%** of mid-market businesses said they may have to reduce the size of their fleet, while no respondents from large enterprises said the same.
- **24%** of mid-market businesses said they had already delayed hiring because of rising costs, compared to 19% of large enterprises.
- **31%** of mid-market businesses have already raised prices for customers, while only 23% of large enterprises have.

Despite these discrepancies, **73% of large enterprises said fuel was their biggest cost pressure**, compared to just 49% of mid-market businesses; scale doesn't necessarily protect businesses from the effects of rising costs, but can help to create a buffer against larger structural changes, such as fleet cuts and hiring freezes.

Does scale really equal resilience?

While large fleets are less likely to anticipate the need for cost-cutting measures, that's not to say that they're not concerned about rising fuel costs.

Larger businesses often have an advantage when it comes to market experience and established supplier relationships, while SMEs may have fewer internal resources to draw upon during periods of rising costs. However, size alone does not determine resilience.

- **Access to liquid assets or a healthy cash reserve** can enable well-capitalised SMEs to absorb short-term cost increases as effectively as much larger competitors.
- **Businesses without that financial buffer may find themselves taking on work at little or no profit** simply to maintain cash flow, leaving them more exposed to ongoing cost pressures.

David James believes that industry has a larger role to play than the size of your business:

"***We know firsthand that for many of our customers fuel can be as much as 25-30% of OPEX,*** *so this can create a real problem with massive increases short term in fuel if our customer can't offset that expense. I don't believe this is any different from a large transport company to a small one. However, for businesses outside of transport and logistics, the cost pressure is often a lot lower — so* ***what industry you're in is a big part of how much a business can absorb.***"

Learn more

Impact of rising fuel costs by region.

While respondents in the **South West reported the most concern about fuel costs, with 73% citing it as their top cost pressure**, the West Midlands stood out as being particularly exposed.

As well as being the most likely to reduce fleet size if fuel were to rise another 10p/litre (17%) and most likely to have already delayed hiring (11%), **the West Midlands also came in with the second-highest number of respondents citing fuel costs as their number one cost pressure at 69%**, and second-highest number of respondents citing energy costs as their biggest pressure at 51%, after Scotland at 53%.

London bucks the trends, with only 46% of respondents citing fuel costs as their top pressure – the lowest of any qualifying region. However, this could be indicative of a heavier weighting towards smaller fleets and city-based operations than in other parts of the country.

Eastern England has the highest proportion of businesses already increasing customer prices as a direct result of rising costs at 38%, closely followed by the South East at 34%.

Conclusion.

The findings from our survey show that fleet operators are already adapting; however, reacting to rising costs is only part of the solution. As fuel prices and operating costs continue to fluctuate, businesses that take a proactive, data-driven approach will be better placed to weather uncertainty and protect their profitability.

In an environment where fuel prices can change rapidly and margins remain under pressure, visibility and control are becoming competitive advantages. **Businesses that invest in the right tools and processes today will be better equipped** to manage future volatility, build financial resilience and continue growing with confidence, whatever the market brings.

David James urges businesses to focus on the small things:

"*Marginal gains! Make sure everything is covered: fuel escalators in contracts to ensure you can pass on costs, telematics for route planning, driver training to ensure driver efficiency, maintenance of vehicles, tyre pressures, fuel card costs. They may feel like tiny things, but they add up.*"

Find out more

Manage fuel spend with Right Fuel Card.

Fuel cards offer a simple yet effective way to help fleets manage and reduce their fuel spend. Here are a few ways investing in fuel cards for your business can help you increase visibility over your costs, cut back on unnecessary costs and build resilience to ongoing price volatility.

- Get the best deal on fuel prices: With fixed, weekly pricing options, your business can save significantly compared to standard pump prices across a wide range of brands and fuel stations and stay protected against fuel price spikes.
- Cut admin costs: No more chasing receipts or petty cash – with a fuel card, all your spend is in one place, and on one invoice.
- Plan ahead with powerful reporting: Run consolidated reports on active fuel spend and pull key insights to support more accurate forecasting and budgeting.
- Keep an eye on things with real-time fleet telematics: Optimise your routes and cut down on unnecessary journeys with detailed vehicle tracking data to help ensure your team is sticking to your fuel policy.

Top tip:

Look beyond the pump price. Tracking cost per kilometer or mile gives fleet managers a consistent benchmark for performance. Comparing fuel spend, routes, vehicles, drivers, refuelling locations and other operational data against this metric can reveal inefficiencies and help businesses take targeted action to reduce costs.

Gain greater control over your fuel spend today; sign up for fuel cards that can help you reduce costs, improve visibility and drive greater efficiency across your fleet, or compare fuel cards to see which might be the best option for you.

Fuel Price Impact on Fleets Report is the result of a comprehensive national survey conducted by 3 Gem on behalf of Right Fuel Card. The survey polled 250 UK fleet decision makers between 07.07.2026 and 14.07.2026.

Learn more