

Arguing about Â£4,300 entirely misses the point in th...

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There is much talk in the news of the Treasury having entered the Brexit debate. It has produced a forecast that apparently suggests that the average UK household will be £4,300 worse off in 2030 as a result of leaving the EU.

I have to admit three thoughts follow. The first is that the Treasury's forecasts have been wildly inaccurate since 2010. Why this one should be any better than their others of late is hard to know.

Second, the direction of travel in Treasury errors has always been consistent: they have been wildly optimistic. Could it just be that this one is as optimistic, as the Brexit camp suggest, and yet again in the direction that suits the Treasury's political masters?

Third, and most importantly though, what the report suggests is that the Remain camp really do not understand how decisions like this are made. It is now, I thought, widely known that some decisions are rational 'head' decisions and others emotive 'heart' ones. The first category are small and relatively inconsequential. The stakes are limited and the number of variables low. We can rationalise in that case. The second group are the big decisions in life: our partners, homes and even cars. In these cases there are far too many potential variables to appraise to make anything that approaches a rational decision so we instead use our instincts, and usually quite appropriately. Only after the event can we, sometimes, rationalise why we came to make our choice.

The decision as to whether to stay in the EU or not is very definitely a heart and not a head decision, even if many of us would like to discuss aspects of it rationally. The Brexit campaign clearly know this and are playing on it, very successfully. The Remain campaign appears clueless about this, it would seem, and is presenting all the wrong arguments by relying on rationality as a result.

We may pay a high price for their mistake, especially if we are to believe their own numbers.