

What is the Bank of England trying to hide?

Published: January 13, 2026, 6:00 pm

The Bank of England [produced a new blog](#) on its Bank Underground website yesterday, which they used to suggest that there was little evidence of what is called greedflation* having taken place within the UK economy since late 2021.

In my opinion, this is a totally distorted and utterly naive view of the data that was presented. What they actually found was that whilst overall profits may not have changed much within the economy:

The aggregate fall in mark-ups masks significant heterogeneity across sectors: mark-ups rise significantly in the mining and quarrying sector (driven by oil and gas extraction firms), as well as in some other sectors (eg wholesale and retail).

From this they concluded:

This decline has not been uniform across firms, however: firms with higher market power have been better able to increase their margins; others have experienced large declines.

In other words, they found that very many companies undertaking a wide range of activities were subject to significant price pressure as a result of increasing raw material costs and higher energy prices which resulted in a decline in their profit margins. Those companies have to be those most exposed to competitive marketplaces.

In contrast, those companies with significant market power in areas where vertically integrated supply chains are commonplace or there is significant oligopolistic power, who just happened to be in the energy and retail (for which read food supply chain) markets, were able to exploit those market positions to increase their profitability quite considerably.

It was, of course, this exploitation that gave rise to the inflation that we have suffered, but mysteriously the Bank of England wish to sweep the evidence of this under the carpet.

What is it that they are trying to hide, apart from their stupidity in doing so?

* **Greedflation** is the term applied to companies exploiting their market power to increase their prices above the rate required to cover their increased costs during a period of economic uncertainty, which behaviour on their part then fuels the rate of inflation within an economy whilst significantly enriching their shareholders and (dare I say it) their senior management.