

One day the Office for National Statistics will get the...

Published: January 13, 2026, 7:52 am

The Office for National Statistics [admitted yesterday](#) that it thinks it has made a serious mistake in its accounting for UK national income. It has now significantly revised its estimates of UK GDP as a result of adopting new methodologies, about which it says the following:

- * Revisions from 1997 to 2019 are generally small, however there are larger revisions to 2020 and 2021, although the quarterly and monthly profile through the years is relatively little changed.
- * Annual current price gross domestic product (GDP) growth in 2021 is revised up 0.9 percentage points to an 8.5% increase; this follows an unrevised fall of 5.8% in 2020.
- * Annual volume GDP growth in 2021 is revised up 1.1 percentage points to an 8.7% increase; this follows an upwardly revised 10.4% fall in 2020 (previously an 11% fall).
- * Upward revisions to annual volume GDP growth in 2020 and 2021 mean that GDP is now estimated to be 0.6% above pre-coronavirus (COVID-19) pandemic levels in Quarter 4 (Oct to Dec) 2021; previously this was estimated as 1.2% below.
- * These revisions are mainly because we have richer data from our annual surveys and administrative data, we are now able to measure costs incurred by businesses (intermediate consumption) directly and we can adjust for prices (deflation) at a far more detailed level.

The reality of all this is that, as [the FT reports](#), is that these figures have been revised upwards because instead of UK companies selling off their stocks of unsold goods in 2020 and 2021, as the ONS thought they were doing, they were, in fact, increasing those stocks. That's all that really needs to be known about this restatement, and to claim that the UK was better off as a result can, as accounting claims go, be filed in the category that is politely referred to as complete codswallop (other words are available).

As any decent accountant will tell you, the movement in stocks of goods held for sale during the course of the period does not actually change the record of income arising

during the course of that period. There is good reason for that. Goods held for sale are an asset, or stock. They are not items sold or consumed, which is a flow. And the ONS is clearly incapable of spotting the difference. As a result, it is claiming an increase in assets is income when no one has actually seen the benefit in their consumption. That's a pretty big claim to make because by common understandings of what makes up income, that's just wrong.

One day we might, I hope, have UK national income data that makes accounting sense. Right now, we have to suffer from data produced by economists who have no understanding of what income really is and who undertake their work without any consideration of double-entry bookkeeping, which is the fundamental control that is necessary to make sure that accounting data is both verifiable and reliable whilst also appropriately distinguishing stocks of assets from flows of income. The information that the ONS produces does not need this basic standard, and for that reason, this restatement of national income by the ONS is ludicrous and simply wrong.

Meanwhile, the upward revision should not be celebrated too strongly by politicians: it makes the likelihood that current levels of activity will look like a recession much more probable. But I doubt they will understand that.