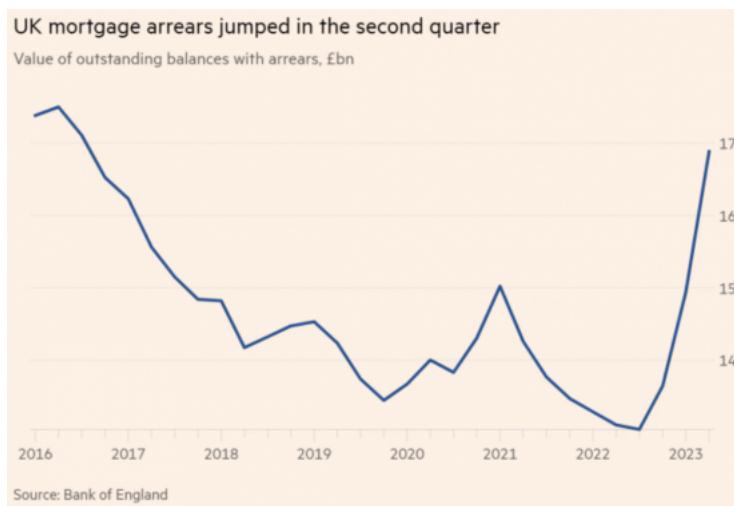


We are heading for a mortgage crisis of the Bank of Eng...

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As the [FT has noted](#) this morning, the number of mortgages in arrears has reached a seven-year high.

And it has not just crept up, it has leapt up:



That rate of change is both quite extraordinary and wholly predictable.

It is also completely predictable that the rate of arrears will rise very considerably over the next year as more of the mortgage payers who have already suffered massive increases in their rates give up the uneven struggle to maintain their payments. They will also be joined by maybe 1.6 million more households in the next year that will have to renew their mortgages at rates vastly higher than they have been paying to date. The current average offer is well over 6 per cent.

I accept that, at present, accounts in mortgage arrears only represent around 1 per cent of total mortgage accounts.

I suspect that will get very much worse and that the rate of repossession might rise considerably.

Despite this, the Bank of England will be looking at raising interest rates again soon and has already made clear that the chance that they will bring them down much for a very long time to come is very low.

We are heading for a crisis of the Bank of England's making - the scale of which appears to be beyond their comprehension, and beyond that of most of those commenting on inflation.

Could that be because they are nowhere near suffering from this mortgage problem?