

The Scrooges are in their counting-house for Christmas

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The Bank of England announced at midday today that it was leaving interest rates unchanged at 5.25% this month. Scrooge is in the counting-house for Christmas.

That is not the full story though. [As the minutes note:](#)

Six members (Andrew Bailey, Sarah Breeden, Ben Broadbent, Swati Dhingra, Huw Pill and Dave Ramsden) voted in favour of the proposition. Three members (Megan Greene, Jonathan Haskel and Catherine L Mann) voted against the proposition, preferring to increase Bank Rate by 0.25 percentage points, to 5.5%.

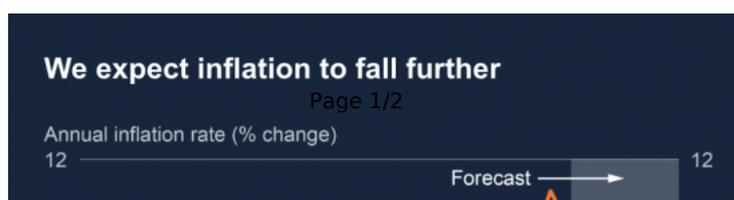
The reason for the decision to hold is noted as being concern that there is insufficient evidence of a downward trend in inflation as yet. This is [despite this evidence from the Office for National Statistics:](#)

CPIH, OOH component and CPI annual inflation rates for the last 10 years, UK, October 2013 to 2023



Source: Consumer price inflation from the Office for National Statistics

And this is also despite the fact that the [Bank of England itself has forecast](#) that inflation will fall as follows:



In other words, they think the pattern clearly evidenced in ONS data will continue, suggesting that current high-interest rates are likely to overshoot requirements unless reversed very soon - which reversal Governor Andrew Bailey is saying is very unlikely at present.

Two questions follow. First, what is it about the data that they do not understand?

Second, what is motivating their actions?

I can't answer the first question without involving stupidity in the answer.

On the second point, the three who voted for increases in interest rates despite this data all have one thing in common. They are all independent members of the Monetary Policy Committee. And, two have had very close links with the financial services industry that stands to gain from an increase.

There are, of course, no representatives of working people, mortgage account holders, small businesses or any other interested party on the Committee. Only bankers and those sympathetic to their cause get a look in.

No wonder we are in such a mess.

In the name of democracy, this kleptocracy must go.