

The Bank of England is failing to control inflation tha...

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The [FT has a post this morning](#) that says:



The article says:

The Bank of England is struggling to bring inflation back to target because price rises are increasingly driven by people who are immune to the pressures of higher interest rates, a senior policymaker has said.

Catherine Mann, speaking at a Financial Times event on Wednesday, said there was “a lack of consumer discipline” to rein in businesses’ pricing power in areas of the services sector where prices were often “sticky”, as they reflect conditions in the domestic economy rather than global shocks.

What she really means is that the wealthy are immune from the pressure that higher interest rates impose on the rest of the population, and even gain from them, and as a result of their considerable, and relatively excessive, spending power within the economy inflation is continuing at above 2% and there is no real prospect of that changing.

The consequence is that she admitted that the single tool that she claimed was available to the Bank of England to control inflation - which she said is the interest rate, whilst conveniently ignoring both quantitative easing and the massive current

quantitative tightening programme - is not able to bring the rate of inflation down at present because the richest in the UK are insisting on continuing to spend. This is despite the massive economic pressure being brought to bear on those with lower incomes, either from downward pressure on wages, which the Bank of England is heavily promoting, or from increased interest rates.

You would think, as a result, that Mann would realise that keeping interest rates high was a futile exercise. Far from it, though: she is still an advocate for raising them.

What is not hinted at in the reports of what she said are any indications that she thought that other tools might be brought into use to tackle this issue. Raising taxes on the wealthy would, of course, be one way to address this issue. That is glaringly obviously necessary, given the problem she outlines. I am sure it was not said.

Raising taxes on the wealthy and cutting interest rates would work even better. I think we can be sure that was not said either.

Why am I sure that these things were not said? That is because I have long felt that the Bank is engaged in class warfare against those who work for a living and live on moderate earnings. Nothing persuades me otherwise.

The comments Mann made confirm that the policy she supports of making the wealthy relatively wealthier is working and that, as a result, she wishes to punish those less well-off even more. You can't make callousness on this scale-up, but it appears to be happening.