

Funding the Future

There is no reason for the Bank of England to keep int...

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This is data on the consumer price index for the last year or so published this week by the [Office for National Statistics](#):

Table 1: CPIH, OOH component and CPI index values, and annual and monthly rates, UK, February 2023 to February 2024

		CPI Index (UK, 2015= 100)	CPI 12- month rate (%)
2023	Feb	127.9	10.4
	Mar	128.9	10.1
	Apr	130.4	8.7
	May	131.3	8.7
	Jun	131.5	7.9
	Jul	130.9	6.8
	Aug	131.3	6.7
	Sep	132.0	6.7
	Oct	132.0	4.6
	Nov	131.7	3.9
	Dec	132.2	4.0
	2024	Jan	131.5
	Feb	132.3	3.4

Source: Consumer price inflation from the Office for National Statistics

Why show it here? That's because this lunchtime, the Bank of England will almost certainly refuse to cut interest rates, saying that they cannot be sure that the supposed battle against inflation has been won as yet.

However, look at the figures highlighted in yellow in the above table, and you will see that, since May last year, there has been almost no change in the overall consumer price index. In other words, with minor variations from month to month apart, the so-called battle on inflation has been won, and the evidence that this is the case is overwhelming.

If high interest rates were meant to beat inflation, then there is no remaining case for

keeping them high. If, as I suspect, there will be no change in rates, what then will be the reason for keeping them at the extraordinary levels that they are now at? Could it be pure politics, with the aim of making the rich richer?