

We need at least a one per cent cut in base rates now

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As the [FT noted](#) yesterday:

The Bank of England may need to cut interest rates as many as five or six times over the coming year because of the stalling economy, a UK policymaker has warned, as he urged the central bank to take action to secure a “soft landing”.

They added:

Alan Taylor, an external member of the Monetary Policy Committee, said on Wednesday that the BoE’s “gradual” approach to rate reductions implied four quarter-point cuts by the end of 2025, taking the cost of borrowing to 3.75 per cent.

But in a speech he warned of an increasing risk that the weakening economy would need a “more accelerated pace of rate cuts” that would lead the BoE’s benchmark rate to fall by 1.25 or 1.5 percentage points in the next 12 months.

That this has been sad is welcome, of course. However, the pace of change he proposes is way too slow for the UK economy.

Our base interest rate is 4.75% when that in the eurozone is 3%.

Inflation is under control in the UK. The Bank of England thinks the rate is declining and on target.

Meanwhile, the economy, government, and lives are being crushed by the burden of high interest rates, which are increasing inequality and denying hope.

The need is for a rate cut of at least one per cent now. There is no reason to delay. More can then follow.