

The ship is sinking

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Talking of credit cards, [as I have already done this morning](#), the FT [has reported that](#):

UK consumer card spending fell at its fastest pace since 2021 in November, as uncertainty around the Budget weighed on household purchases during the peak retail season.

The value of card spending declined by an annual rate of 1.1 per cent, the largest drop since February 2021, according to data from Barclays published on Tuesday.

They added:

The data is not adjusted for inflation, which hit 3.6 per cent in October, suggesting an even larger contraction in purchases.

Three thoughts.

First, Barclays will be unhappy. Making money out of credit creation, which is essentially costless, is their whole business model.

Second, Reeve's failure of timing and delivery is writ large all over this. Rarely, if ever, can a Chancellor whose stated goal is growth have done so much by doing so little with such apparent inability to deliver the exact opposite of what she states to be her desire. In any other role, it would be P45 time.

Third, I think people are now genuinely fearful of a recession. And why not? It might be the paradox of thrift, as Lord Keynes would have called it, that is delivering this, but c'est la vie; as he also noted, this is a recessionary phenomenon, and a Chancellor who does not recognise what is happening is not going to do anything to prevent that.

The ship is sinking. The captain and first officer have yet to notice.

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