

Dynamic pricing: the technology that could deliver mass...

Published: April 11, 2026, 8:07 am

The [Independent newspaper](#) reported this yesterday:

Supermarkets could introduce “dynamic pricing”, allowing them to increase the cost of goods when demand is high, the Bank of England has warned.

Consumers are already used to such pricing methods when they use Amazon, Uber or buy tickets for flights or concerts. But it could now become commonplace for even the most essential items, such as food.

The Bank says a third of companies are planning to use “market-responsive pricing tools”, up from one in five at present.

For those not familiar with dynamic pricing, this term describes a situation in which goods or services are sold in what is, in effect, a perpetual auction, with prices adjusted in real time to reflect current demand. A floor might be set, which might be called the “normal price”, but thereafter the price is allowed to increase if there is sufficient demand for the retailer to believe that they can command a higher price for the limited quantity of a product that they have on sale at that particular point in time because there is sufficient demand for it at that higher price.

To date, this dynamic pricing process has been seen primarily in consumer markets managed online. The notorious case arose with regard to the price of tickets for Oasis concerts, but dynamic pricing has now been used for the sale of tickets for many events, with the hysteria and hype surrounding fan-based ticket sales fuelling price increases that deliberately exclude many, exploit many more, and guarantee access to those with the deepest pockets.

This technology has not been readily replicable in retail environments to date because, as The Independent notes, legislation requires that the price on a supermarket shelf be reflected in the price charged to the same customer at the till. In that case, until the two are replicated by electronic linkage, which has been rare to date, dynamic pricing has been hard to implement. Given the rapid spread of technology, the report implies

that many retailers are exploring ways to overcome this constraint.

It is easy to imagine where this might be most easily achieved. I suspect, in view of the current uncertainties over petrol and diesel supply, the likelihood that these will be subjected to dynamic pricing quite soon is very high indeed. We are already used to the price of these products changing regularly, and usually upwards very rapidly, with a decided lag in their subsequent reduction. With dynamic pricing, a fuel crisis, and a desperate population, the opportunity for dynamic pricing in this market to benefit fuel suppliers at consumers' expense is very high indeed. Fuel rationing by price, about the unacceptability of which I have already been writing, could become very apparent, very quickly as a result, with on-the-spot exploitation becoming a normal factor of life very soon.

The extension of this idea into supermarkets is, however, what truly worries me. As Steve Keen and I [discussed today in our podcast/video](#), the risk of potential famine, including in the UK, is high right now. Our politicians might be in denial about this issue, but the fact is that the current prices of fuel and fertiliser are making many food supply chains impossible to manage.

Fertiliser supplies are not reaching those who need them in the modern agricultural environment, and the delivery of foodstuffs over very long distances is becoming prohibitively expensive. In addition, in some Southeast Asian countries, fuel rationing is already making local food distribution extremely difficult. There is a very real risk that this situation might be replicated here in the UK.

Combine that risk with the possibility of dynamic pricing, and the reality of rationing by price becomes very real indeed, with those on lower incomes being priced out of food altogether as a consequence. The warning that famine might result is very real in this situation.

I can see why retailers, with rising input prices and a focus on their own profitability, might find the prospect of dynamic pricing appealing, especially in situations where desperation and fear drive demand higher, with prices moving in the same direction. However, the social consequences of this might well be too catastrophic to contemplate, even for a government as neoliberal and indifferent to people's needs as our current Labour administration is.

The reality is that we are very likely to need food rationing and price controls this year to ensure the supply of essential items to everyone in the UK. As I have recently argued on this blog, equality of provision, meaning that everyone is guaranteed access to the essential goods and services that they need to ensure that they can live free from fear, might be both the best definition of equality that we can have and, simultaneously, one of the best indications of the duty of government that is available.

We are at significant risk of this access failing now, even in a country such as the UK,

where there is a high likelihood of there being sufficient food to go around if properly allocated, especially if waste is managed. The prospect of many going without is very real as this year progresses.

And please do not think that policy failure cannot lead to famine. The Great Starvation, as it is properly called, in Ireland in the late 1840s was not, as such, a famine caused by potato blight, but was the deliberate consequence of government policy that refused to take action to address the failure of that crop. At the time, there was sufficient food in Ireland for everyone to be fed. They were not, because the government refused to alter regulations and taxes to ensure that everyone had access to what they needed. The precise number of people who died as a result, and the number who emigrated, will never be known, but Ireland has never recovered in population terms from that event.

A failure by the government to act now might not be that catastrophic in the UK, though it could be in other parts of the world, where a refugee crisis could result. However, the need for government action at this time is very high indeed, and a reliance upon rationing by price would represent reckless irresponsibility on our government's part.

So, a rationing system needs to be designed, and the potential for its rollout needs to be planned. That said, the fact that not everybody has access to a smartphone would have to be taken into account.

At the same time, price controls on essential items must be considered, and regulatory changes to better manage waste are essential.

Simultaneously, the fact that the government might be injecting significant new money into the economy as a result will have to be managed. The only way to do that is to increase, potentially significantly, the rates of tax on wealth and on income and gains derived from wealth, with the last two being the initial points for change because they would be the easiest to alter.

At some point, the reality that we are living in a war economy, which is likely to continue for some time to come because there is little or no prospect of peace in the Middle East as a consequence of the actions of Israel, even if the [USA wants or needs to back out of the war it started](#), is going to need to be accepted. The sooner our government gets its head around the consequences of this and starts managing them, the better. The level of harm that might arise as a result of failing to do so is so great that the risk of inaction cannot in any way be justified.

In this situation, being prepared is essential, and we are a long way from being so. In that context, having plans to tackle price volatility, profit gouging, and exploitation is just one of the many issues to be addressed, but an essential one when there is a real possibility of it happening, with potentially devastating consequences for some in the UK population.