Andrew Bailey's 'shambolic' performance exposed as BoE 'woefully behind the curve'

EXCLUSIVE: A finance expert has said you only have to look at the US to see how 'woefully behind the curve' the Bank of England is in its battle with inflation.

By **JON KING**

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Andrew Bailey's Bank of England is 'woefully behind the curve', a finance expert says (Image: Getty)

Bank of England Governor Andrew Bailey's performance is "shambolic" and the BoE is "woefully behind the curve" on inflation, experts have said.

The scathing criticism comes as Consumer Prices Index (CPI) inflation was 6.7 percent in August, down from 6.8 percent in July, despite widespread expectations it could increase as rising oil prices fed into higher costs at forecourts.

Chancellor Jeremy Hunt has welcomed the surprise fall announced by the Office for National Statistics on Wednesday (September 20).

But some finance experts have criticised Britain's central bank for its record on bringing prices down ahead of the BoE's Monetary Policy Committee (MPC), announcing its next interest rate move on Thursday (September 21).

Most economists predict another rate rise, although the fall in inflation might make the choice for policymakers less clear cut. Business groups have called for the Bank to hold interest rates at 5.25 percent.

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Amit Patel, adviser at Welling-based Trinity Finance, told Express.co.uk Mr Bailey is in over his head, adding: "The performance of the Bank of England during the current cost of living crisis has been shambolic right from the start.

"On the back of the inflation data released this morning, the Monetary Policy Committee must now pause increasing the base rate. If it doesn't, it will show how out of touch it is with the UK economy."

Wes Wilkes, CEO at Net-Worth NTWRK, said: "It's good to see inflation, in particular core inflation, moving in the right direction. However, you only have to look at the US to see how woefully behind the curve the Bank of England is in this inflationary fight.

"I would expect a very simple internal investigation on policy response would mean Andrew Bailey goes."

He pointed to "a catalogue of errors" from over-stimulating the economy in the Bank's Covid response, to attempts to tighten with rates but still print money through quantitative easing and then raising rates in "a limp manner".

Mr Wilkes said: "This is why we still have nearly double the inflationary rate of that in the US and we're almost 19 months into the process and miles away from [the BoE inflation target of] 2 percent."

The US inflation rate rose to 3.7 percent in August, up from 3.2 percent the month before.

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Inflation dropped in August, against market expectations of a rise (Image: Getty)

Meanwhile, the Organisation for Economic Co-operation and Development (OECD) on Tuesday said it expects UK inflation of 7.2 percent for 2023, increasing its previous forecast of 6.9 percent from June.

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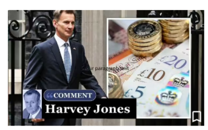

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Britain saw inflation average 9.1 percent over the year in 2022, with a peak of 11.1 percent.

This year's forecast 7.2 percent rate would be the highest rate across the G7 and the third highest across the G20. Prime Minister Rishi Sunak and Mr Hunt have pledged to halve inflation by the end of the year.

The OECD held its forecast of UK growth in 2023 at 0.3 percent for the year, predicted to be the second weakest among the G7 and third weakest among the G20.

Julian Jessop, Economics Fellow at free market think tank, the Institute of Economic Affairs, said the BoE should have hit the pause button on interest rate rises several meetings ago to assess the full impact of the "tight squeeze" already in place.

He added: "Even if the MPC does decide to hike one more time this week, they should signal that rates are then on hold for a long period – and that the next move is just as likely to be a cut."

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"I can still see a further increase of 0.25 [percentage points] tomorrow, and, if further rate increases follow in October, then the recession we have so far dodged will hit us like a wrecking ball."

Gary Bush, a financial adviser at MortgageShop.com said the lower inflation figure is "fantastic" news, adding: "This is further evidence that the Bank of England needs to pause its increases and give UK mortgage holders a break.

"It's their slow actions in the first place that put us in this position post-pandemic."

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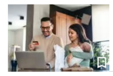
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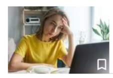
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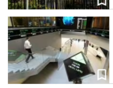
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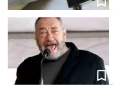
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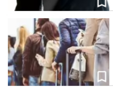
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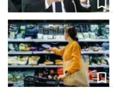
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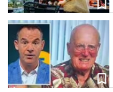
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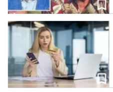
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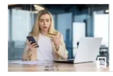

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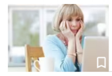

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