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Property experts warn if the Bank of England raises interest rates further 'the future is bleak'

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Ahead of this week's Monetary Policy Committee meeting, UK newswire, Newspage, asked a selection of financial services experts whether they think the Bank of England should increase rates this week and how they believe it has handled the inflation crisis to date.

Stuart Gregory, director at Lentune Mortgage Consultancy said that the Bank of England should not be raising interest rates on Thursday.

Gregory said, "Should the Bank of England hike rates? No. Will they? Yes. The true impact of the previous rate hikes has yet to be felt, and there's no sign these rate hikes are working on inflation.

"The Bank of England has been shambolic, which is not surprising given that Bailey was Johnson's preference."

Gary Dush, financial advisor at the MortgageShop.com said, "What happens on Thursday lunchtime will depend on what happens Wednesday morning when the inflation figure drops.

"We are hoping to see at least a 6 at the start of the inflation figure, and if this happens, to have had a 5% decrease since the peak last October "should" be good enough reason for some calm hopefully.

"Obviously, having inflation still raging far higher than the UK's target figure of 2% isn't great but the Bank of England not acting fast enough in raising rates by a great enough amount initially has led to where we are now. On my wish list is calm actions, let's see if we get them."

Kevin Bailey, managing director at Wessex Investment Management said, "The Bank of England shouldn't be increasing rates on Thursday. In fact, it should be reducing them.

"Threadneedle Street needs to prove it is independent of thought rather than a 'follower of fashion.'

"The economy cannot withstand the predicted 0.5% increase. Individuals and businesses will suffer. Home repossessions will begin to increase as borrowers default on their loans.

"If rates are raised further on Thursday, the future is bleak."

Luke Thompson, director at PAB Wealth Management said, "I think we are at a tipping point where the Bank of England really needs to think about what it is doing with interest rates.

"What they have been doing is having no real effect on the inflation figures and all they are doing is creating pain for homeowners. Even saying this, I expect them to up the base rate again by another 0.25%. They are following what they believe is a tried and tested path and I can't see them deviating away from it.

"I think the Bank of England has handled the whole situation around the base rate terribly. 18 months ago they were telling us the inflation figures were transitory when they clearly weren't and they were far too slow to react to inflation when it was starting to run away at the end of 2021.

"Andrew Bailey didn't do a very good job at the FCA and he has followed that up by appearing to be out of his depth as the Governor of the Bank of England."

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