

# UK inflation stays at 6.7%

Maintain or raise interest rates – what will be the Bank of England's next move?



By Rommel Lontayao  
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Annual inflation rate in the UK remained at 6.7% in September, dividing expert opinion on whether the Bank of England will raise or maintain interest rates again in November.

The latest consumer price inflation (CPI) data published by the Office for National Statistics (ONS) on Wednesday also showed a 6.1% rise in core inflation in the 12 months to September, down from 6.2% in August.

"After last month's fall, annual inflation was unchanged in September," reported Grant Fitzner, chief economist at the Office for National Statistics. "Food and non-alcoholic drinks prices eased again across a range of items with the cost of household appliances and airfares also falling this month. These were offset by rising prices for motor fuels and the cost of hotel stays.

"The annual rate of core inflation has slowed again this month, driven by a slowdown in the cost of many goods, through services prices did rise a little this month."

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Annual inflation was unchanged in September 2023:

- Consumer Prices Index including owner occupiers' housing costs rose by 6.3% in the 12 months to September, unchanged from August
- Consumer Prices Index (CPI) rose by 6.7%, unchanged from August.

[ons.gov.uk/releases/consu...](https://ons.gov.uk/releases/consu...)

**Annual CPIH and CPI inflation rates increased at the same rate as in August 2023**

CPIH, ODH component and CPI annual inflation rates for the last 10 years, UK, September 2013 to September 2023

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## Will the Bank of England maintain or raise interest rates?

"With inflation holding steady, I would not be surprised to see the Bank of England also do the same at their next meeting and hold rates," commented Richard Campo, founder at Rose Capital Partners.

"While it would have been great to see inflation fall further, so many of the factors that kept inflation up, like oil prices, can't be controlled by the Monetary Policy Committee, and with such a lag on previous rises yet to take effect, why inflict more pain on households that are already struggling?

"It does seem baffling to me that in 2023, we still don't have a better policy tool than simply raising rates until things fall over to quell inflation. Now would be the perfect time for a forward-thinking policy maker or economist to show true innovation, but alas, I don't think we are there yet."

Justin Moy, managing director at EHF Mortgages, also believes that the central bank "will likely keep everything the same at the next MPC meeting."

"Stickflation" isn't the worst result, but we would have loved a small reduction to keep momentum going," he said. "Oil prices will likely be the main contributor to bumpy inflation for the next few months, these are factors outside of our control,

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but we may end up paying for issues elsewhere.”

“The recent inflation data is not the news we were hoping for, with the Bank of England’s upcoming decision on the base rate just around the corner,” added Peter Stamford, director and mortgage expert at Moor Mortgages.

“While some experts are betting on another 0.25% hike, I predict the Bank might just sit tight. Why? Because factors like oil prices are out of their control, and households are already feeling the pinch.”

Other experts, however, think that the Bank of England will make a move and raise the base rate once again after keeping it at 5.25% in last month’s interest rate decision.

“This could be the trigger for another base rate increase,” opined Craig Fish, director at Lodestone Mortgages and Protection. “Eyes will now be firmly focused on energy prices moving forward, and if this doesn’t change then an increase of 0.25% is very possible.”

For Gary Bush, financial adviser at MortgageShop.com, the latest inflation “is a worrying sign that the Bank of England Monetary Policy Committee meeting on November 2 will see a further increase in the base rate.”

“The sticky inflation problem is a further sign that, post-pandemic, the Bank of England was asleep at the wheel and should have expected an uptick of this nature once the lockdowns ended,” he added. “Sadly, the Ukrainian war added further fuel to this fire that we are now all battling with for this elongated period.”

*Any thoughts on the latest UK inflation figures? Let us know by leaving a comment in the discussion box at the bottom of the page.*

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