Businesses failing to consider cost of living payments

O
nly 1% of businesses have offered their employees a one-off cost of living payment despite inflation running rampant and a boost in the Bank of England base rate squeezing finances.

According to figures released by the Office for National Statistics (ONS) 5.5% of companies employing more than 250 staff had offered some kind of renumeration to help staff through the coming economic tempest that could see energy bills push to £4,200 a year in some of the most severe cases.

However, smaller companies under the 250 employee minimum found it harder to free up cash, hence the 1.1% figure.

Several large companies have offered some kind of financial support to employees.

These include high street bank Santander who, last month, awarded around 11,000 UK-based employees with a 4% pay rise to help with future challenges.

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In the same week, Virgin Money also announced that it would award a one-off cost of living payment of £1000 in this month's wage packet with 78% of current staff eligible for the windfall.

At the time, Virgin Media CEO David Duffy, said that the increase in the cost of living was "on everyone's minds", whether in political circles, in the media, or in the local supermarket.

Barclays is also set to give its 35,000 UK staff a £1,200 pay rise this month to help with essentials.

The high street lender said the award would effectively bring forward part of a pay review that was not due to happen until March.

In a statement, Barclays said that it would "continue to monitor the economic situation globally" and consider its approach to pay in each country in the local context".

According to the ONS business insights and impact survey for the UK economy, 27% of companies reported price inflation as their main concern for August followed by energy prices at 20%.