

UK inflation soars to 4.2% putting pressure on the Bank of England to shove up rates

Inflation soared in the last month, putting further strain on family finances and making an increase in [interest rates](#) before Christmas look like a racing certainty.


The [City](#) has been concerned for months that the [Bank of England](#) is too lax about inflation. The Threadneedle Street rate setters insist inflation will peter out next year.

Today's figures show inflation has jumped from 3.1% to 4.2% worrying politicians and some [economists](#).

The cost of transport, energy, groceries and eating out all rose.

ONS Chief Economist Grant Fitzner said: "Inflation rose steeply in October to its highest rate in nearly a decade. This was driven by increased household energy bills due to the price cap hike, a rise in the cost of second-hand cars and fuel as well as higher prices in restaurants and hotels.

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“Costs of goods produced by factories and the price of raw materials have also risen substantially, and are now at their highest rates for at least 10 years.”

Martin Lawrence at the Wesleyan Group said: “Inflation is now well past the Bank of England’s 2% target, driven by factors such as supply chain bottlenecks, labour shortages and rising energy prices.”

The Bank’s rate setting Monetary Policy Committee doesn’t meet again till December 16.

Shachar Bialick, CEO and founder of Curve, a financial super-app, said: “If Andrew Bailey is uneasy about rising inflation then Brits have every right to feel worried. Inflation is already rising and with UK inflation expected to hit 5% next Spring, well above the 2% government target, household income will be hit hard. US inflation is also at its highest level for more than 30 years at 6.2%. “

Chancellor of the Exchequer, Rishi Sunak said: “Many countries are experiencing higher inflation as we recover from Covid, and we know people are facing pressures with the cost of living, which is why we are taking action worth more than £4.2bn to help them.

“We’re helping people get into work, progress and keep more of what they earn, through our Plan for Jobs and by effectively cutting taxes for workers receiving Universal Credit.”