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# Press Release

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For Immediate Release

## **BANK OF ENGLAND MISSES A TRICK, SAYS MONEYEXTRA.COM**

*There's broad agreement among economists that base rate will come down, so why's the Bank of England 'doing a Gordon' and dithering, asks Robin Amlôt*

Robin Amlôt, Senior Editor of Moneyextra.com comments, "Why wait a month? Money market interest rates in the form of 3-month LIBOR don't reflect past base rate cuts – standing at 5.79313% ahead of today's announcement – more than half a percentage point higher than when base rate was last at 5%\*. The last three quarter-point cuts in base rate have not had the impact they should have done.

"The banks still aren't lending to each other and they're making it increasingly harder for consumers to borrow – mortgage rates are still being re-priced upwards and higher deposits being demanded.

"Recent economic figures confirm the UK economy is slowing down. All housing market commentators now expect house prices to fall – they just disagree about how far. How many consumers have felt the benefit of lower interest rates? The Bank of England is worried about inflation but not even the Monetary Policy Committee can micromanage what's expected to happen to the inflation rate over the next few months by delaying a much-needed base rate cut now."

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### **NOTES TO EDITORS**

\*3-month LIBOR on 10/01/2007, the day before base rate was raised from 5.00% to 5.25%, stood at 5.35875%.

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