**Press Release – The Money Charity – For Immediate Release**

(BEGINS)

**UK Gripped by Cost-of-Living Crisis**

**The Money Statistics February 2022**

**Worrying indicators for the UK’s finances have come into full effect over December and January with households facing soaring bills, according to the February 2022 Money Statistics, produced by The Money Charity.**

Forecasts of a challenging winter for household budgets have come to fruition in the early months of 2022. With the inflation rate (CPI) at **5.5%[[1]](#footnote-1)** (the highest level since 1992), the UK has seen soaring energy, fuel and food prices. The Bank of England increased the base rate from 0.25% to 0.5% on 3 February 2022 to try and control inflation. However, many people in the UK are currently experiencing a worsening cost of living crisis, with reports of households having to cut back on essentials such as groceries and phone bills[[2]](#footnote-2).

Increasing rents across the UK are another indicator of this crisis. Northern Ireland (**5.0%**), the East Midlands (**3.6%**) and the South West (**3.5%**) saw the highest rates of increase in private rental prices in January 2022. Whilst London saw the lowest rate of increase at **0.1%,** private renters in London continue to face the most expensive rental payments in the country, with the median monthly private rent **54.8%** higher than the UK median. For the **18.5%** of households now living in homes that are privately rented, rental payments are often the most significant outgoing. Low-income households living in privately rented homes spent an average of **56.4%** of their income on rent[[3]](#footnote-3).

Fuel prices have also been a major recent driver of the overall price increases being felt by UK consumers and, while prices have now fallen for a second month in a row, the rate of reduction in price appears to be slowing. In January 2022, the average price of unleaded petrol fell by **0.4ppl to 145.7ppl** with diesel falling by **0.6ppl to 149.0ppl[[4]](#footnote-4)**.

**Michelle Highman, Chief Executive of The Money Charity says:**

“The cost-of-living crisis that we are currently experiencing is really concerning, testing the Financial Resilience of households across the UK to the extreme. More and more people are being forced to borrow money to afford essentials and to cover regular bills, let alone to be able to deal with and recover from unexpected financial shocks. If you are facing a debt crisis as a result, there is help available, reach out to Stepchange or Citizen’s Advice for free debt advice."

**Other Striking Numbers from the February Money Statistics:**

* 1.3 million more people in the UK are now claiming Universal Credit than at the start of the pandemic *(4.1).*
* 1 million adults in the UK went an entire day without eating over the past month because they could not afford to put a meal on the table *(4.1).*
* A fifth of UK households struggled to pay their TV, internet and phone bills over the past year *(4.1).*
* 400,000 more people are now classed as ‘economically inactive’ than at the start of the pandemic *(4.1).*

**Get the full picture and many more fascinating facts about money in the UK in our monthly** [**Money Statistics**](https://themoneycharity.org.uk/money-statistics/)**.**

Notes to Editors

* For over 25 years, The Money Charity has been the UK’s Financial Capability charity. We proactively provide education, information, advice and guidance to people of all ages, to reach our vision of seeing everyone achieving Financial Wellbeing by managing their money well. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. Find out more at <https://themoneycharity.org.uk/>
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* You may use any of the statistics quoted in this release, or within The Money Statistics, as long as:
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	+ You clearly acknowledge The Money Charity as the providers of the information and point your audience towards signing up themselves for the monthly report; and
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* If you’d like The Money Statistics emailed to you every month as soon as they’re published, please sign up at: <https://themoneycharity.org.uk/money-statistics/>
* If you’ve any questions, comments, or want any information about the source of these statistics, please contact us through hello@themoneycharity.org.uk
* Any media or press enquiries should be directed to our Policy and Marketing Officer, Olivia Sizeland, on olivia@themoneycharity.org.uk

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1. (The Money Statistics February 2022 Full Report, P19) [↑](#footnote-ref-1)
2. (The Money Statistics February 2022 Full Report, P4.1) [↑](#footnote-ref-2)
3. (The Money Statistics February 2022 Full Report, P12) [↑](#footnote-ref-3)
4. (The Money Statistics February 2022 Full Report, P14) [↑](#footnote-ref-4)