

Press Release – The Money Charity – For Immediate Release

(BEGINS)

**Falling Inflation and Lower Deficit Brings
Modest Relief for UK Households
The Money Statistics November 2023**

With the inflation rate slowing somewhat, along with a lower-than-expected deficit, the end of the year is bringing some slightly more positive financial signs for UK households, according to the November 2023 Money Statistics, produced by The Money Charity.

Hard-pressed UK households have had little to be encouraged by financially during 2023, but the end of the year has brought some more hopeful indications for the coming months. In the year to October 2023, the CPI (Consumer Prices Index) increased by **4.6%**¹, down from **6.7%** as September, meaning the government have achieved their target of bringing inflation below **5.4%** by the year's end. While this means prices are still rising, their rate of rise has slowed more than had been anticipated.

Over the 12 months to October 2023, several inflation rates remain high, with food and non-alcoholic beverages at **10.1%**, alcoholic beverages and tobacco at **11.0%** and communication at **8.1%**. However, the lowest rate was for housing, water, electricity, gas and other fuels at **-3.5%**², meaning these prices are now actively falling after the unprecedented bill increases seen during 2022 and much of 2023.

In fact, in the year to October 2023, gas prices fell by **31.0%** and electricity prices by **15.6%**³, the lowest annual energy inflation rates since records began in January 1989. Energy prices do still remain high though, with the price of gas in October 2023 around **60%** higher than two years previous and electricity **40%**⁴ higher. The size of the percentage increases and decreases only serves to illustrate the financial turbulence of the last few years.

Other positive news suggests a smaller-than-expected deficit, helped by higher tax receipts reflecting higher wages and inflation, with the government borrowing **£98.3 billion**⁵ in total across the first half of the financial year. That is **£21.9 billion** more than a year earlier but less than the March forecast of **£115.2 billion**. Public sector net debt in October 2023 (excluding NatWest and Bank of England) was **£2,394.8 billion (88.6% of GDP)**⁶. This was **£243.2 billion** more than in October 2022, an increase of **£666 million per day**, mainly due to benefits and government measures to help people during the cost of living crisis, such as the Energy Price Guarantee.

Michelle Highman, Chief Executive of The Money Charity says:

“There has been little to nothing to cheer during 2023 as significant and increasing numbers of UK households have struggled to make ends meet. While this month's figures only show a fairly

¹ (The Money Statistics November 2023 Full Report, P19)

² (The Money Statistics November 2023 Full Report, P19)

³ (The Money Statistics November 2023 Full Report, P4.1)

⁴ (The Money Statistics November 2023 Full Report, P4.1)

⁵ (The Money Statistics November 2023 Full Report, P4.1)

⁶ (The Money Statistics November 2023 Full Report, P19)

modest slowing in just some of the soaring increases we have seen, the hope is that they point towards a trend which will start bringing relief to people's budgets in the new year and beyond.

"With that in mind, we look expectantly towards 2024 as a year where we will see more consistently positive news for the UK's Financial Wellbeing. With our sessions continuing to engage many thousands of people of all ages with Financial Education and Financial Wellbeing, we'll continue to play our vital role in seeing a healthier financial future for everyone."

Other Striking Numbers from the November Money Statistics:

- The Trussell Trust provided **1.5 million** food parcels between April and September 2023, a record high for this period and a 16% increase from the same period in 2022. (P4.1.)
- The UK population shrunk by an est. **151** people a day between 2020 and 2021. (P20.)
- Public Sector Net Borrowing (excluding NatWest Group and Bank of England) in the three months to October 2023 was **£40.6 billion**, an average borrowing of **£442 million per day**. (P19.)

Get the full picture and many more fascinating facts about money in the UK in our monthly 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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- Any media or press enquiries should be directed to our Communications & Marketing Manager, James Yelland, on james@themoneycharity.org.uk

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