



**8 October 2009**

## Bank holds interest rates, QE

UK interest rates have been held at 0.5 per cent for October, the Bank of England announced today.

The nine-member Monetary Policy Committee (MPC) also voted to maintain the ongoing £175 billion quantitative easing (QE) scheme.

Bank policy has been radicalised by the credit crunch and economic downturn, with the base rate now at its lowest level in the institution's 300-year history.

The QE programme, which sees the Bank buy up a mix of government and corporate loans in order to mechanically increase cash flows in the economy, is also unprecedented.

Both the rate changes and the QE have been made in order to boost credit supplies to UK businesses and consumers.

This could take the form of more affordable mortgage and loan rates. Commenting on the decision, Neil Young, chief executive of property specialists Young Group, said: "Base rate is unlikely to change until the Bank of England's [QE] policy has ceased and, as expected, the [MPC] has delayed making any decision regarding changes to its [QE] programme until after next month's quarterly inflation report."