

Mortgage Solutions

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Bank of England holds Base Rate at 0.5%

Barney McCarthy

The Bank of England (BoE) has maintained interest rates at 0.5% for the eighth consecutive month.

It is also pumping a further £25bn into its quantitative easing programme.

Neil Young, chief executive of Young Group, said the Monetary Policy Committee (MPC) is unlikely to make any significant change to the base rate until the economy is firmly back on track.

He added: "Given current indicators pointing to the slow pace of the UK's economic recovery, it comes as no surprise that the Bank of England is considering an additional stimulus in the form of an extension to its quantitative easing programme.

"The MPC has previously acted decisively in a bid to stimulate the economy and lending markets. However, there is clearly still some way to go in getting the economy back on its feet.

"Despite some positive economic news beginning to filter through, the impact of the MPC's policy of quantitative easing has not yet crystallised; demonstrated by the consensus view that the MPC will announce plans to extend its programme by purchasing an additional £25bn to £50bn of assets. Until there are clear signs of stability and a steady return to growth, the MPC is unlikely to move towards a rise in the base rate."