

## [Transcript] The News Agents / Who's to blame for this mortgage pain?

I've probably lost about five K so far just over the last 10 months with the interest rate rises and ultimately we will just be paying thousands of pounds of interest and no capital of the property.

That is Rob's story and about a million other people who are coming off fixed rate mortgages and are seeing that what they're going to be paying is considerably north of where they were and are wondering how on earth they find the money to pay for these higher interest rates on their mortgage.

We've just had the 13th interest rate rise in a row and people with mortgages are really starting to feel the pain or continuing to feel the pain.

A jump of half a percentage point which takes it up to five percent altogether.

That is the highest rate that we've seen it since April of 2008, i.e. the middle of the financial crash which changed our world forever.

So today we're going to be talking about what it's like if you're trying to pay a mortgage, how we try and get inflation down and what it says about the state of our economy and how it's run altogether.

There was a phrase from a Tory Chancellor who said if it isn't hurting, it isn't working. Well it's hurting but bringing inflation down doesn't seem to be working.

Welcome to the news agents.

The news agents.

It's John.

It's Emily.

And we're at news agents HQ where we don't have a mortgage on this place thankfully.

And if you do have a mortgage and it's fixed rate and it's coming to an end and you've seen the news about how much interest rates are going up, you're probably not overly thrilled with life or the prospects for the next few years because interest rates are now at five percent and mortgage rates are going to be going through the roof.

Just to put this in some sort of context.

In 2019, your average five-year fixed mortgage was around 2.75 percent.

Today, the difference on these deals has jumped by 48 percent and the average five-year mortgage now costs 5.79 percent.

You will be feeling that if you are trying to pay back the price of your house each month because it will have to come from somewhere else.

And we're hearing stories from you already about the changes you're making, whether it's about having to downsize, whether it's about having to scrap holidays, whether it's about the end of spending money.

And I'm going to take you to James, who is one of our listeners.

He lives in Sulford.

He can tell you his story himself.

We're in a situation where we are facing down much, much higher mortgage repayments to what we currently are.

We took out our mortgage during lockdown, really low rates.

And now we are looking at an extra £300 a month.

It just starts to look really, really much, pretty much like there's just not much room for anything else other than our expenses at the minute.

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We heard at the top from Rob and the problems he's having.  
And actually, like a lot of people, his life is more complicated than just the mortgage.  
He's split up with his partner.  
The flat he's in has cladding issues.  
And so it's all like a perfect storm coming to engulf him.  
Hi, news agents.  
So I bought my first flat in Stratford in August 2017 with my girlfriend at the time.  
We went on to mortgage with Santander, which was 0.75 above the base rate that was obviously set by the Bank of England.  
January 2019, me and said the girlfriend broke up.  
So fast forwarded a number of years.  
I found a new partner.  
And excitingly, we found out we were having a baby.  
We therefore moved out into Walthamstow, into a three-bed house in August 2021.  
And at this point, the rental market was already crazy.  
Our interest was around about £300, so we set that as the mortgage, so no capital was obviously paid off.  
But then it was about £150 service charge.  
Give or take £150 council tax.  
Fast forwarded another two years, where obviously the interest rates are not in a good place and a hell of a lot worse than where they were two years ago, certainly.  
The interest is now over £1,000.  
And the service charges should add, and council tax have also gone out, the service charge going up to about £250 a month.  
And I should add, we're paying about nursery fees about £1,500 a month as well, so financially it's not ideal on many fronts that are kind of overpriced at this point in the UK.  
I've probably lost about £5,000 so far, just over the last 10 months, with the interest rate rises, and ultimately we'll just be paying thousands of pounds of interest and no capital of the property.  
Another newsagents listener got in touch.  
I'm due to remortgage in December, which is a scary prospect, as it's set to double.  
I am fortunate enough to be in a relatively well-paid job in the armed forces.  
However, as a sector we have seen no pay rise since the cost of living crisis, and when it does happen, we'll be at the mercy of the government, as we, unlike other public sector workers, are legally prevented from striking or unionising.  
The use of interest rates to try and control inflation is an outdated and blunt tool that disproportionately hits homeowners hardest.  
This government needs to work with the Bank of England to be creative in solving this issue and implementing long-term policies that prevent this in the future.  
So, what does creative mean?  
Well, we've already heard what it doesn't mean from the Chancellor Jeremy Hunt.  
He and the Prime Minister have both ruled out that they won't be stepping in to help people with mortgages.  
There will not be a bailout for people facing higher costs, quite simply they say, because

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if you're trying to bring down inflation, then you are not removing the problem when you just step in and pay people's mortgages, but he is getting a bit of heat from some of his own.

There are two or three maybe redwall Tories.

One is Jonathan Gullis, who is saying, you have to step in, you need to recreate a scheme like the one actually used in the Thatcher years to allow borrowers to claim tax relief for interest payments on their mortgages.

And there are other ideas as well.

Martin Lewis, famously the founder of moneysavingexpert.com says, banks shouldn't be taking as much profit.

So, they should have pressure on them to have lower margins.

Maybe they should be giving longer extensions on mortgages, so a 30 year goes up to 50 years. Or there are ways of making some of the feeling less painful without actually putting more money back into the system.

So the problem they've got is they want to inflict pain.

The whole way of making interest rates work as a policy to bring down inflation is it is meant to make you wins and you don't try and alleviate the pain.

And if they were to introduce what they had in the Thatcher years, which was, I think, Myrus, mortgage interest relief at source.

Great acronym then.

Yeah, Myrus, then it's very costly and the government isn't in the business of trying to alleviate pain.

It's in the business to cause pain so that you do adjust your spending habits and likewise for businesses as well.

If it costs more to borrow, then they're not going to do so many things and that way it will slow the economy down and bring down inflation.

That's the theory.

But so far we've had 13 interest rate rises and nothing.

Well, the pain also disproportionately affects people whose mortgage is a bigger part of their outgoing.

So it will affect poorer people more.

We know that.

And I think the problem with this is there will be social consequences to this.

I mean, we saw that in the financial crash.

We saw the social and the political consequences to a financial crash.

We saw that sense of when banks are being bailed out or when businesses are being propped up, but homeowners are basically being turfed out of their house and we've seen all the repossessions in America and around the world.

What happens is people start thinking that the system is fundamentally not for them and cannot help them and that creates, you know, not just ill will or frustration, but deep social division.

The funny thing is that when people talk about, isn't there an alternative?

Actually there is, but it's never happened in the UK.

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My colleagues in the US when I was living there and they were buying a place, they signed a deal for a 25 year or 30 year fixed rate mortgage.

And so young producers or whatever, they're trying to buy a flat or a house in DC and they would get a mortgage for life that is fixed.

And so you can plan.

Now obviously, if someone was to be offered a 30 year mortgage now in the UK at 6%, they're going to say, oh, bloody, oh, no, I'm not going to take that.

I'm going to wait until mortgage rates come down to 2%.

If you lock in at 2% and you've got it for 30 years, that's really lucky.

But at least you don't have the sudden shocks that you do.

You're not watching every single month.

You're not watching the fantasy, oh my God, what have they done now?

We just don't have that product available to us in the UK.

And I think it's really interesting that that would be a solution to it because everyone can make their decisions and planning accordingly without having this kind of cliff edge moments where your fixed rate is coming to an end and holy crap.

What's going to happen now?

What's going to happen now?

Well, look, let's talk now to Merrin Somerset where she's a senior columnist at Bloomberg, it's about wealth and personal finance.

Merrin, I guess if you have got a mortgage, it must seem just bloody awful at the moment.

It's a complete nightmare.

It's incredibly difficult for people.

There are a lot of mortgages rolling off two-year fixes at the moment, and those fixes will have been put on well below 2% a lot of them.

And now they're going to have to be renewed at 5% plus.

The average is about a 6%, but the best buy is that if you're lucky, you can get just over 5%.

But that is a massive increase in your monthly outgoing.

So yes, this is a very unpleasant dynamic if you're having to roll over your mortgage and look for refinancing.

And how many people do you think this is affecting?

I mean, have we got the figures on how many will now be hit by this?

Well, it depends who you are, it's the way you look, but it looks like it's about 800,000 people fixed mortgages coming off over the next six months.

That's a lot of people who are going to feel some very serious pain.

I mean, the only positive we can say about this is at least most people are on fixed mortgages, so it doesn't come immediately.

There's very little in the way of people on standard variable rates anymore, very little in the way of people on interest, only mortgages, which of course would hurt more.

Most people are on fixed.

Unfortunately, a lot of people are on 5% fixes, so they've probably got a bit longer.

But there is this quite large group of people who are going to see massive increases in their monthly payments coming up.

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There are ways to mitigate that, of course.

They can put some of their savings into the mortgage if they're lucky enough to have savings and bring down the loan value, which will of course bring down the payments.

They can possibly ask for the mortgage to be extended, although if it's quite new, there isn't that much room to do that.

But there are some things you can do to try and get the bank to help you bring down the monthly payment.

But that doesn't take away from the basic point, which is that mortgage rates have gone up very dramatically.

Interest rates have now gone up 13 times in a very short period of time, from close to 0% to 5%.

I mean, it's huge.

Merrin, am I right in saying that actually, so far, for all that you've just described, that staggered increase in interest rates that have taken place, the rate of repossessions of houses because people can't pay their mortgages, it's historically quite low because everyone's got a job at the moment.

And there's, in fact, labor shortages.

Absolutely.

There are a group of people who are going to be paying a lot more.

But remember, it happens slowly because of the fixes.

And this is one of the reasons why the Bank of England is finding it so difficult to bring down inflation because the transmission mechanism of putting interest rates up, causing pain, is much slower and more awkward than it used to be.

Remember, there are large percentage of people in the UK own their own homes outright, well over 30%.

And an awful lot of people are also renters.

And while they get hit as well, bit by bit, as by-to-let investors, et cetera, put up their rents.

Nonetheless, the number of people who are hit directly and immediately is very small.

And as you say, the employment rate is very high.

There are very few people unwillingly unemployed.

So that makes a difference as well.

There's a lot of resilience built into the economy at the moment.

And that means that the Bank of England has to really work to try and cause the pain that brings inflation down.

John was telling us that in the US, most people are on a permanent fixed-term mortgage rate.

They settle their interest rate for 30 years or the duration of their mortgage.

I don't know if other countries do the same.

But why don't we?

I mean, do you think we will think of moving to that model now?

Well, lots of countries do that.

It's pretty common.

And there have been endless conversations.

I mean, during my career, I don't know how many times this has come up and then been

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dismissed.

There are endless conversations about doing this in the UK, offering these very long-term mortgages.

But interestingly, there's very little appetite for it, or has historically been very little appetite for it, among UK mortgage holders.

Most people don't want to look in for 25 years.

We like to look in for two years or for five years.

Maybe we're more risk-orientated.

I don't know.

But we want to know that we can get the best rate next time around.

If we got people to look in for 25 years now at 5% or 6% or 7%, how furious would they be in two years when rates have acted down to 2% or 3% or that they probably will be, by the way.

But if they were, you'd end up within a whole cadre of furious people who now feel that they're paying too much.

So, while this has been floated many times in the UK, it's never quite taken off either with providers or with borrowers.

Merrin, you raised one other subject, which I thought was interesting, about how the governor of Bank of England has gone slowly, slowly, stealthily, stealthily, a little bit here, a little bit there, and although today 50 points, do you think that it would have been more dramatic the impact on inflation had he gone faster, quicker?

Most definitely.

Most definitely.

The Bank of England has been very, very behind the curve here, they've done an absolutely appalling job.

Their models have been wrong at every single term, and so has their policies.

They've got a lot to answer for that.

Had they gone in earlier, had they stopped this business of saying, this is transitory, it'll be gone in a couple of months, we don't have to worry about it, and instead looked at money supply, looked at how the second round effects of inflation usually work, look at the tightness of our labour market, all these things, and then what a lot of independent economists were doing and saying, actually, this looks quite scary, we need to go in quite hard and quite fast to knock it on the head.

I think things would be better now.

Yes, the Bank of England has got a lot to answer for at the moment.

Why were they so behind?

Because I remember hearing around the time of the Liz Truss Premiership and quasi-quarting as Chancellor, he was pointing the finger very clearly at Andrew Bailey, and I think people were less favourable to that as an explanation.

They thought he was just finding excuses for their disastrous economic policies.

But do you think he had a point?

Do you think that even back in September, October, we could see that this was all happening too slowly, we could see the car crash unfolding?

Quite clearly.

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He definitely had a point.

There were a lot of economists saying, hang on, we're moving too slowly here, you're missing this, you're not understanding the nature of the fast growth in money supply since March 2020, you're not understanding that tightness in the labour market.

One of the problems in the UK is that real wages, inflation adjusted, wages have barely budged in a decade.

People have done that much about it because 1%, 2% here, you don't really notice.

But once you get to inflation, it's 7%, 8%, 9%, 10%, people can really see that effect on their living standards, and that's when they come in and say, you know what, I need more money, you're going to have to pay me more.

That's why we have wages at the moment going up over 7%, and that's a number that makes it really hard to bring inflation back down to 2% from its current level of over 8%.

There's a huge gap there.

Merrin, thank you so much for explaining it so brilliantly and clearly.

Really good to have you with us.

Great to have you.

It's a pleasure.

Thanks.

Well, in a moment, we're going to consider the wider economic battle against inflation, not just the personal finance aspect of it, and also the politics of this and how it is playing out.

This is the news agents.

Welcome back.

So let's try and put it into, dare I say the words, a macroeconomic context.

Those are big words.

Very long and solid words coming out of my mouth.

But yesterday, we were all watching the inflation rate and expecting it to go down slightly, but it didn't.

We still sit at 8.7%, which is, to be honest, much higher than many of our neighbors.

And many of the other countries with whom we often compare ourselves.

And so questions are naturally being asked as to whether this is about something individual to the UK, whether it's to do with our trading relationship, whether it's to do with our government and policies, and whether, let's say the word, Brexit has come into this whole equation, not as the singular or only answer, but as something that helps us understand why things are so much harder now.

Surely it's undeniable that Brexit is a part of this.

If we are talking about a very tight labor market, i.e. there are more jobs than people to fill them, and tens of thousands of people we know left the UK when Britain left the European Union to go back to the EU, to Romania, to Bulgaria, to wherever it was that they came from, and you're suddenly having to pay an awful lot more for labor to come and fill the jobs.

So instead of paying 10 pounds an hour, you're having to pay 15 pounds an hour, that is what is stoking inflation.

It's because there are labor shortages, and you're having to pay much more in the hospitality



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sector than you were pre-Brexit.

And it's not just hospitality, I mean, hospitality is massive, but it's also to do with transport. Actually, we haven't got enough HDV drivers, we haven't got enough mechanics, we haven't got enough people actually running the transport hubs to make this frictionless.

And the problem is, once again, anything that you need delivering, anything, I mean, just about every business needs transport to work smoothly.

And if you are in a place where your supply side chains don't work properly because of extra checks, extra balances, shortages of people, more paperwork, more things needing sign off, and quite simply, us taking away the smooth running of our trading relationships, of course that's going to make everything harder and everything more expensive.

Just so we don't say it is purely Brexit, there is also a factor that after the pandemic, 400,000 people did not return to the workforce, signed off long-term sick, and economists would say, well, that's to do with the fragility of our health service, that actually people just not in a good enough physical state to work, and so you've lost them to the workforce as well.

So there are other aspects to it.

But to say that Brexit hasn't played a part would just be foolish and closing your eyes to it.

But given where we are now, I mean, Ted Heath used to accuse Nigel Lawson, when he was the Chancellor of the Exchequer, of being a one-club golfer.

In other words, he only had one club in his bag, and it was interest rates.

And if you've got an immediate problem like we have got now, and not one that has been brought about over seven years of a failure in policy, and slowness to deal with energy prices is another factor in there as well, then all you have got is interest rates.

And it is a really blunt instrument to use, because as you were saying, it really affects some vulnerable people at the bottom of the scale, really hard.

So we're going to hear from an economist, Vicky Price, former head of the UK's Government Economic Service.

And she maybe won't surprise you, disagrees with our last economist and thinks that actually you cannot point the blame at the Bank of England.

You have to look much more widely at government policy and Britain's place in the world right now.

We have tended to be, in addition to other structural issues that you talked about with which I agree entirely, we have generally waited until the very, very last minute before we gave support to, for example, the struggling households with higher energy costs.

It was really only finally when Liz Truss was Prime Minister briefly that we got support through the electricity price guarantee and the price cap that was put in place.

In loads of other countries, they had started subsidizing and helping households with the costs of energy in their homes much, much earlier.

And the inflationary expectations, therefore, in the UK were enormous at the time.

If you remember, we were talking and lots of banks were forecasting inflation of 14%, 18% before those support mechanisms were put in place.

We had encouraged workers to think that inflation was going to be very high.

So they started striking, asking for a lot more in terms of wage rises.



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And it wasn't really the Bank of England that was the problem.

The Bank of England, in fact, raised interest rates earlier than the US did and certainly much earlier than the European Central Bank, which still had negative interest rates back in July.

And yet here we are now with inflation in other countries being considerably lower where they moderated some of those increases, adjusted inflationary expectations.

And even on food, even though they've suffered from high food prices as well, there have been either voluntary or mandatory controls on food prices in many countries across the EU.

Interesting.

So Vicky, do you think that the Bank of England has acted with due speed?

Because there are an awful lot of people who are criticizing the bank for having been too slow behind the curve, and perhaps tellingly or even alarmingly, some of those criticisms are coming seemingly from within the Treasury itself?

Yes, it's a bit of a worry, but of course, you remember, I think List Trust as well was criticizing the bank and everyone else, in fact, at the time, if I remember.

If you're looking at what the bank has done, it acted, in my view, quite reasonably because at the time when they started, in fact, raising interest rates, the entire expectation of the world was, whether it was the World Bank or the IMF or anyone else putting forecasts together, that commodity prices were going to stabilize.

And in fact, we were probably going to be heading for deflation, which didn't materialize because we had the war in Ukraine.

The problem with the bank since, I think, is that it has perhaps sort of over promised and under delivered.

So if they had only said, well, inflation will take a little bit longer, but it will come down by the end of the year, then we wouldn't be shocked by the fact that inflation is stuck at 8.7% right now.

They're saying we got it wrong, which is a big, big mistake.

If you say we got it wrong, then the markets are just upwards in terms of what their expectations of interest rates and inflation is like to me, and that's what we're suffering from now.

That's really interesting.

What do you make of people saying recession is now the only cure for this?

I don't agree with that theory.

I have to say that we need recession to bring inflation down.

It is true that high energy costs were already more or less sort of pushing us in that direction.

And we've only just escaped it, frankly, and some parts of Europe have not escaped it.

We've seen what's going on with Germany in particular.

But the idea that you're going to kill the economy in order to bring this inflation down is terrible news for anyone involved in wanting to see growth in the economy again at some point and wanting to see investment and productivity improve.

You can't encourage any of this to happen.

So there has to be a different mechanism.

Perhaps controlling prices may be the way of doing it.

We know that Rishi Sunak met the supermarkets and food producers try to see what can be

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done there.

There is, I think, quite a lot that can be done to avoid this, but the idea that we need the pain and we need recession when other countries are managing it without that, such as the US, for example, it seems to me that would indicate that we got something very, very wrong with our government policies.

Do you think there's any chance that we will go down the route of price controls in the way that we tried in the 1970s?

I do think we'd go quite down that route, but there could be price controls in various areas.

I mean, after all, we did it with electricity prices.

Why can we not do it with other areas?

Now, of course, there will be people who say, if you try and do that with your mortgage interest rates and try and prevent the banks from raising those rates, and we know there are going to be discussions anyway in terms of assisting those most in need, the banks will do that.

So the concern is that that will sort of fuel inflation nevertheless, because the pain will be less.

But I think there could be all sorts of other areas where those price controls could indeed be applied.

When you look at countries like Germany, where for a while, in order to ease the cost of living pain, they were giving people almost free travel for nine euros.

You could travel the entire country with any public transport means that exist, which is really quite extraordinary.

Of course, when that stops, then inflation picks up a little bit and we've had a little bit of that.

But you could do it that way.

You could look at some of the VAT charges that are there now.

You could reduce them again and have an impact on that because prices come down as a result. Anything that affects inflationary expectations, in my view, is really what we should be focusing on right now.

If we are to see at least interest rates start coming down, maybe the 50 basis points increase now will convince the markets that perhaps that is the peak and that the Bank of England is taking it seriously, I'll keep my fingers crossed, frankly.

Thank you.

Thanks so much.

Thanks for joining us.

Thank you very much.

Thank you.

Welcome back.

Does the government know what to do to get us out of this economic hole?

It is, as we know, one of Rishi Sunak's top five priorities to bring inflation down.

But it's not really in his grasp with interest rates and he doesn't seem to have mastered it through any other levers.

I think yesterday you would have heard some news about inflation, today you may have seen

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what the Bank of England has announced with interest rates and I'm sure that actually fills many of you with some anxiety and some concern about what's going on and what does that mean for you and your families.

I'm here to tell you that I am totally 100% on it and it is going to be okay and we are going to get through this.

Rishi Sunak, they're clearly very keen to reassure that it is all going to be fine.

What we haven't quite got is the game plan because so far it's not working and it's not just the Conservatives that don't seem to have the answer on the tip of their tongue.

This was Rachel Reeves this morning.

What we need to do is to provide support for those people that are struggling most.

That is why for a year and a half now I've been urging the government to introduce a proper windfall tax on the huge profits that the energy company is making to help people.

I'm asking how Labour would get inflation down.

We're not what you do to help people who are suffering from it now.

What is the short-term plan of the government to get inflation down?

You can't simply rely on the Bank of England.

A Labour government, what would your short-term plan be to get inflation down?

Well actually what I would be doing if I was Chancellor would be helping people who are struggling with those higher costs and there's different ways you can do that but actually helping people by properly taxing the energy companies and using that money to help people with their bills is a practical thing that government could still do.

That doesn't get inflation down.

It can do actually.

No Nick, it can't do.

Well it does, it says I'm going to help you with the cost surprise.

And of course this is the political battle between now and election day about who is best placed to run the economy, who's making a mess of it, who's got the best alternative policies.

And if you ask the question so what are the policies of the respective different parties,

Labour and Conservative and how would they solve the problem?

There are sort of five-point plans and things like that but broadly speaking they're floundering a little bit.

Now clearly the Bank of England is independent.

You will not hear either politician or either party talk about influencing what they do in any way but what I think is striking is that on the surface of it you think well if the economy is in dire straits that's a massive political headache for the Tories right?

Oh they're bound to have a very tough electoral time if everyone's having an awful time economically.

I was speaking to one Labour strategist last night who actually tried to sort of redirect my thinking on this and I found it fascinating because he said actually when people are worried about household finances, when they're worried about the state of the economy, they are less likely to vote for Labour.

They still think that Labour has a problem with the economy and there is a what we call in American politics a rally round the flag aspect where people think at times of war or crisis you stick to the person or the party or the government that you know because you think

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they're going to be the ones that get you out of it and it was really interesting to hear this.

I mean they said remember people don't like voting for Labour.

There hasn't been a Labour government since 1974 and I was about to correct him and he said no don't confuse Labour with new Labour.

That was a vote for Tony Blair and new Labour.

Keir Starmer is sounding like old Labour and one of the most dangerous things he did recently was talk about this £28 billion a year green energy project.

We've talked about it on the news agents in the past.

It sounds like the answer to Joe Biden's inflation reduction act.

It sounds very positive and forward thinking and the strategist said yeah but you do that after you've got in.

You don't talk about spending money before.

It's very interesting.

I've heard this argument that Labour cannot win unless the economy is good and people feeling confident about the future because otherwise they're not going to jump and take the risk.

I think that where that is wrong on the 96-97 argument that this person was making to you last night is that actually in 95-96 we'd had the whole debacle of crashing out of the exchange rate mechanism and all that flowed from it.

The economy didn't seem fabulous at the time.

With hindsight you can realise that inheritance that Blair had in 97 was amazing.

That it was golden times for Labour to be coming into power.

But that was sort of after the event that you saw that and the British people were still pretty anxious about the state of the world going into the 97 election.

So yeah I take the new Labour argument as opposed to old Labour but I also think there was just a fan de siècle of feel about the Conservatives after 18 years in power and all the dissent and you just feel like my god having gone through trust, having gone through Johnson, the events of the privileges committee, Rishi Sunak not feeling strong enough to take a view on whether the report was correct or wrong about Boris Johnson, you do wonder wow it would be amazing for the Tories to pull it off next time round.

Yeah and you could hear Rachel Reeves.

I mean clearly for Labour the problem is when everyone's talking about sleaze and lies and lack of integrity they just stand there and sort of reap it all in.

But when people are actually talking about desperate times and they still feel that they can't mention spending money, I mean Rachel Reeves very very cautious in her interview this morning not wanting to promise things.

So what does Labour do?

They don't speak, they don't tell us, they can't actually articulate what they want to do in case it scares the horses from people who think oh spend thrifts, oh.

But come on, you and me covered the 2020 election in the US,

Joe Biden won by not being Donald Trump.

It's a risky strategy but there is a possibility that Kirstahmer wins by not being the Tories or Labour wins by not being the Tories after so many years.

I agree, I think the agenda that Labour has set out is not exactly setting the heather alight and people thinking there is a great new dawn coming around the corner.

## [Transcript] The News Agents / Who's to blame for this mortgage pain?

I mean some people do.

Who wants a forest fire?

But who wants a forest fire?

And I think the other thing that I think is telling at the moment is the words coming out of Treasury where you seem to be having special advisers pointing the finger at the Bank of England and saying it's all your bloody fault and you think ah, if things were going well and they were confident about this what we thought at the time was this kind of very modest objective.

You don't bicker when you're on top.

Don't bicker when you're on top, you just show that you are smooth running of government and it suggests to me there are political tensions and nerve endings that are very frayed by what is happening and the stubbornness of the inflation rate and the government's inability to bring it down.

To up some of our brilliant economic minds, we don't know what's going to happen.

Is that right?

Yes, I'm afraid I've let the cat out the bag.

Bye for now.

Bye bye.

And it's me flying solo tomorrow, God help me because Lewis is still off whatever he's doing.

You are the sitting tenant.

Pineapple baking in the Caribbean.

So I'm the sitting tenant here tomorrow.

We'll see you then.

Bye.