

Statistical bulletin

# Household Costs Indices for UK household groups: July to September 2025

Household Costs Indices, 12-month growth rates, expenditure shares, and contributions for UK household groups and all households.

Contact:  
Consumer Price Inflation (CPI)  
team  
cpi@ons.gov.uk  
+44 1633 456900

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## Table of contents

1. [Main points](#)
2. [Overview of the Household Costs Indices inflation rate](#)
3. [Household Costs Indices by tenure type](#)
4. [Household Costs Indices across the household groups](#)
5. [Data on Household Costs Indices](#)
6. [Glossary](#)
7. [Data sources and quality](#)
8. [Related links](#)
9. [Cite this statistical bulletin](#)

# 1 . Main points

- Overall UK household costs, as measured by the Household Costs Index (HCI), rose by 4.1% in the year to September 2025; this is an increase from 4.0% in the year to June 2025.
- Costs for low-income households (decile 2) rose by 4.2% in the year to September 2025, compared with 4.0% for high-income households (decile 9).
- Private renter households had the highest annual inflation rate of all tenure types in September 2025, at 4.5%; this has remained at a similar level since June 2025.
- Outright owner occupiers had the lowest annual inflation rate of all tenure types, at 3.8% in the year to September 2025; social and other renter households had the next lowest, at 4.1%.
- Non-retired households continued to experience a higher annual rate of inflation (4.1%) in September 2025 than retired households (3.9%).
- Costs for households with children grew by 4.1% in the year to September 2025, while costs for households without children increased by 4.0%; inflation rates have remained at similar levels since June 2025.

These are [official statistics in development](#), and we advise caution when using these data, as estimates may be revised because of methodological improvements. Priorities for development are discussed with our Advisory Panels. For more information, see [Section 7: Data sources and quality](#).

## 2 . Overview of the Household Costs Indices inflation rate

The Household Costs Indices (HCIs) complement the Consumer Prices Index including owner occupiers' housing costs (CPIH) and the Consumer Prices Index (CPI). The HCIs show how the prices of goods and services consumed by households in the UK change over time. They do this by offering insight into the inflationary experience of different household groups.

Consumer price statistics measure the change in price of a "fixed basket" of goods and services, as described in our [2017 guide to CPI](#). For the HCIs, the weight of each component in a household group's "fixed basket" is based on the average household's share of expenditure ("democratic" weights). By contrast, the CPIH and CPI baskets reflect the total share of expenditure across all households in the UK ("plutocratic" weights).

The HCIs also include changes in mortgage interest rates, stamp duty and other costs related to the purchase of a dwelling. These are omitted from CPI and estimated using equivalent rental prices in CPIH, reflecting its different use case (see our [Measuring changing prices and costs for consumers and households article](#)). Further differences are described in our [Household Costs Indices for UK household groups quality and methodology information \(QMI\)](#).

HCIs annual inflation rates for September 2024 and the most recent four months are presented in Table 1.

Table 1: Household Costs Indices annual inflation rates (%), UK, September 2024 and June to September 2025

Category	Sep 2024	June 2025	July 2025	Aug 2025	Sep 2025
<b>All Households</b>	2.1	4.0	4.1	4.1	4.1
<b>Income Decile 2</b>	1.5	4.2	4.2	4.2	4.2
<b>Income Decile 3</b>	1.7	4.0	4.0	4.1	4.0
<b>Income Decile 4</b>	1.9	4.1	4.1	4.2	4.1
<b>Income Decile 5</b>	1.9	3.9	4.0	4.0	4.0
<b>Income Decile 6</b>	2.0	3.8	3.9	3.9	3.9
<b>Income Decile 7</b>	2.2	3.7	3.9	3.9	3.9
<b>Income Decile 8</b>	2.4	3.7	3.9	3.9	3.9
<b>Income Decile 9</b>	2.5	3.8	4.0	4.0	4.0
<b>Mortgagor and other owner occupier</b>	2.9	4.0	4.2	4.2	4.2
<b>Outright owner occupier</b>	1.1	3.5	3.7	3.8	3.8
<b>Private renter</b>	3.0	4.5	4.6	4.5	4.5
<b>Social and other renter</b>	1.9	4.5	4.1	4.2	4.1
<b>Non-Retired</b>	2.5	4.1	4.1	4.1	4.1
<b>Retired</b>	1.2	3.8	4.0	4.0	3.9
<b>With children</b>	2.4	4.1	4.1	4.1	4.1
<b>Without children</b>	2.0	4.0	4.1	4.1	4.0

Source: Household Costs Indices from the Office for National Statistics

### Notes

1. The first and tenth income deciles are not included in this table. This is because the composition of these groups can be unusual and may therefore be influenced by unrepresentative expenditures.

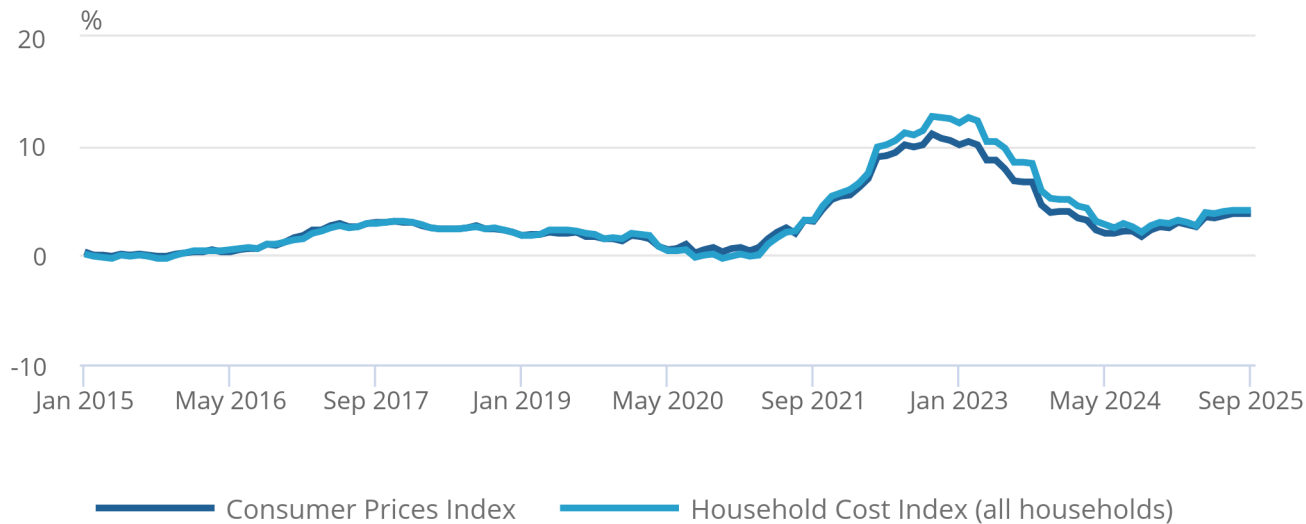
The all-household HCI annual rate was 4.1% in September 2025, which is broadly similar to the rate seen in June 2025 (4.0%). The annual inflation rate in CPI was 3.8% in the year to September 2025 (Figure 1).

**Figure 1: Household costs rose by 4.1% in the 12 months to September 2025**

Household Costs Index and Consumer Prices Index annual inflation rates for all households, UK, January 2015 to September 2025

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Household Costs Index and Consumer Prices Index annual inflation rates for all households, UK, January 2015 to September 2025



**Source: Household Costs Indices and Consumer Prices Index from the Office for National Statistics**

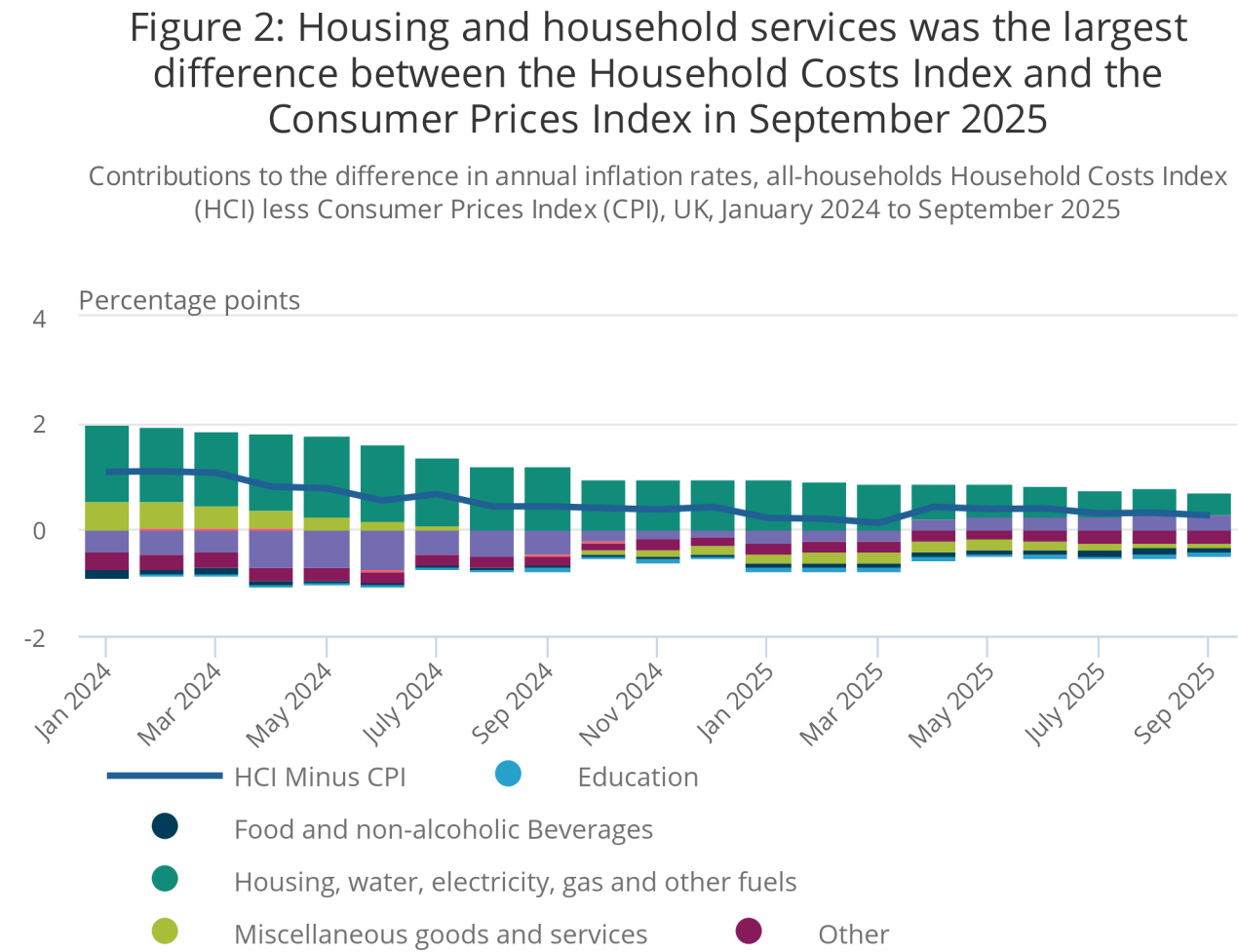
Contributions to the annual HCI inflation rate from transport costs increased from 0.16 to 0.42 percentage points between June and September 2025. Increases were also seen in restaurants and hotels, which increased from 0.31 to 0.44 percentage points between June and September 2025, and electricity, gas and other fuels, which increased from 0.35 to 0.39 percentage points in the same period.

This fall was partially offset by lower contributions in social and other rentals and recreation and culture, which fell by 0.09 and 0.08 percentage points, respectively, between June and September 2025.

Figure 2 shows contributions to differences in annual inflation rates between the all-households HCI and CPI from January 2024 to September 2025. Housing and household services contributed 0.43 percentage points more to the HCI annual rate than to CPI in September 2025. This was mainly because HCIs include owner occupiers' housing costs. This month also marked the smallest difference for the housing and household services division since January 2023, at 0.37 percentage points.

**Figure 2: Housing and household services was the largest difference between the Household Costs Index and the Consumer Prices Index in September 2025**

Contributions to the difference in annual inflation rates, all-households Household Costs Index (HCI) less Consumer Prices Index (CPI), UK, January 2024 to September 2025



Source: Household Costs Indices and Consumer Prices Index from the Office for National Statistics

Notes:

1. The sum of individual contributions may not exactly equal the difference between the CPI and all-households HCI annual inflation rates because of rounding.
2. Differences because of classification and rounding arise from the use of unrounded weights for HCIs, compared with rounded weights for CPI, and price uprating at the class level for HCIs, compared with subclass for CPI.
3. Differences because of weighting refers to the use of democratic weights, compared with plutocratic weights for CPI.
4. Differences because of classification and rounding from January 2025 to September 2025 are not currently available because of data availability. For more information, see [Section 7: Data sources and quality](#).

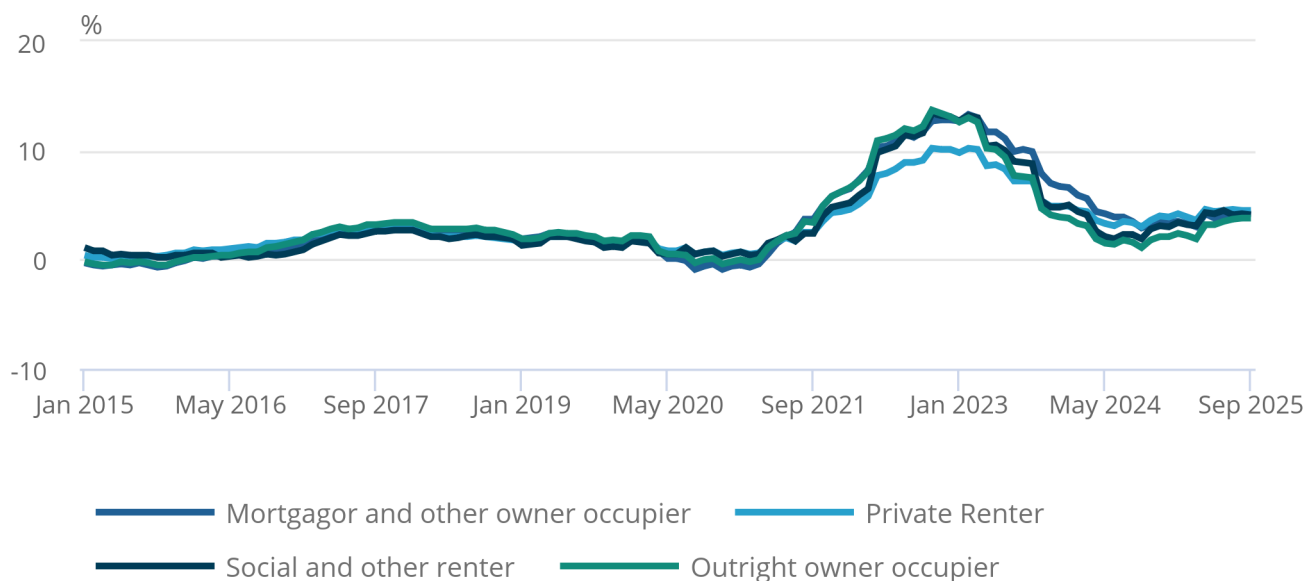
### 3 . Household Costs Indices by tenure type

**Figure 3: Private renter households experienced the highest inflation in the 12 months to September 2025**

Household Costs Indices (HCIs) annual inflation rates by tenure type, UK, January 2015 to September 2025

#### Figure 3: Private renter households experienced the highest inflation in the 12 months to September 2025

Household Costs Indices (HCIs) annual inflation rates by tenure type, UK, January 2015 to September 2025



**Source: Household Costs Indices from the Office for National Statistics**

Figure 3 shows the annual inflation rates for the different housing tenure groups between January 2015 and September 2025. Outright owner-occupier households have experienced the lowest inflation rate in the most recent three months, with an annual rate of 3.8% in the year to September 2025. This was followed by social and other renter households, with an annual rate of 4.1%.

Private renters experienced the highest inflation rate over the most recent three months, with annual inflation at 4.5% in September 2025, which is unchanged from June 2025. Mortgage households followed at 4.2% in the year to September 2025.

This was primarily a result of housing costs. Private rental costs contributed 1.59 percentage points to the annual rate for private renter households, which is a fall from 1.92 percentage points in June 2025. This was partly offset by an increase in the contributions from transport, which increased from 0.18 to 0.39 percentage points between June and September 2025.

Conversely, mortgage interest payments contributed 0.64 percentage points to the annual growth rate for mortgage households in September 2025. This is a decrease from a contribution of 0.78 percentage points in June 2025. Transport costs also rose for mortgage households to 0.51 percentage points in September 2025, which is up from 0.21 percentage points in June 2025.

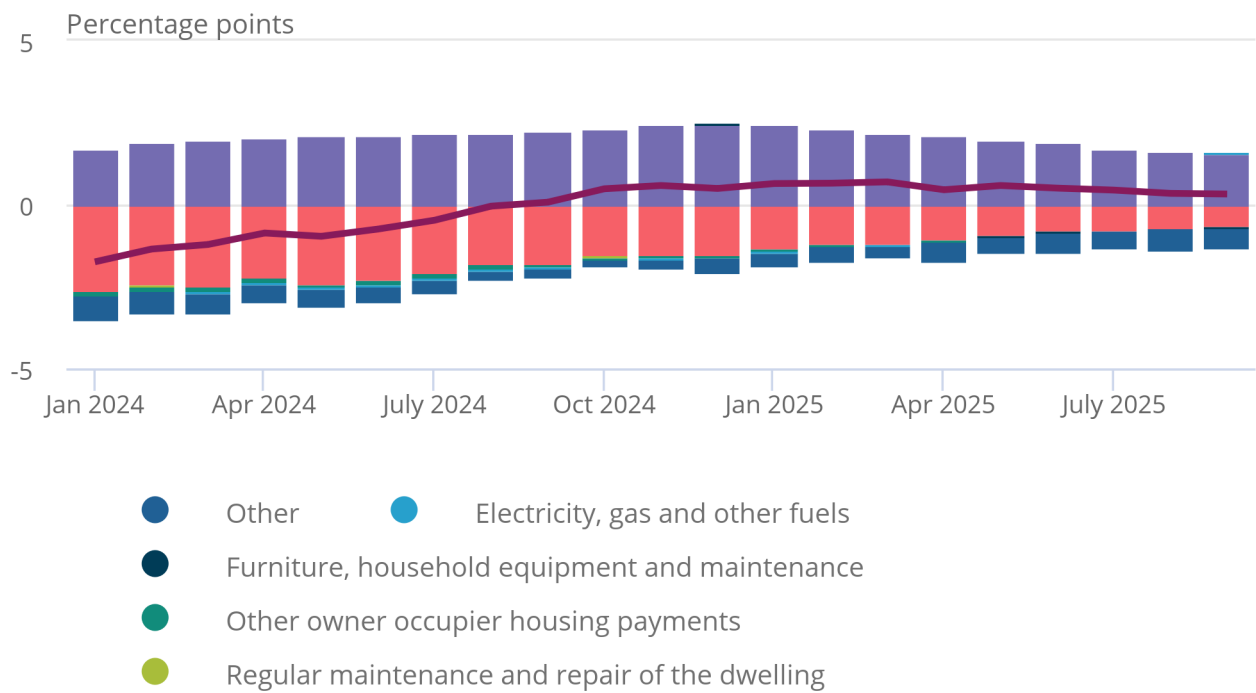
However, different outcomes are seen when looking at household costs over a longer period. Over the past five years, private renters faced the lowest cumulative HCI inflation rate, at 29.1%. This was followed by outright owner occupiers at 30.9%, social and other renters at 31.9%, and mortgage households at 36.4%.

Figure 4: Rental payments contributed to higher inflation for private renter households in September 2025

Contributions to the difference between the Household Costs Indices annual rate, private renter households minus mortgagor households, UK, January 2024 to September 2025

Figure 4: Rental payments contributed to higher inflation for private renter households in September 2025

Contributions to the difference between the Household Costs Indices annual rate, private renter households minus mortgagor households, UK, January 2024 to September 2025



Source: Household Costs Indices from the Office for National Statistics

Notes:

- Contributions to the difference between subgroups may not sum to the difference because of rounding.
- The “Other” category contains all the remaining divisions measured in the HCI that are not explicitly listed as a category in this chart.

Differences between groups are influenced by the interaction between price movements and expenditure weights. Differences in spending patterns mean that if a particular group of households spends more on a product with a relatively high inflation rate, they will experience a greater increase in costs relative to other households. Figure 4 shows that private rents and mortgage interest payments contributed the most to the difference in inflation rates in the year to September 2025.

## 4 . Household Costs Indices across the household groups

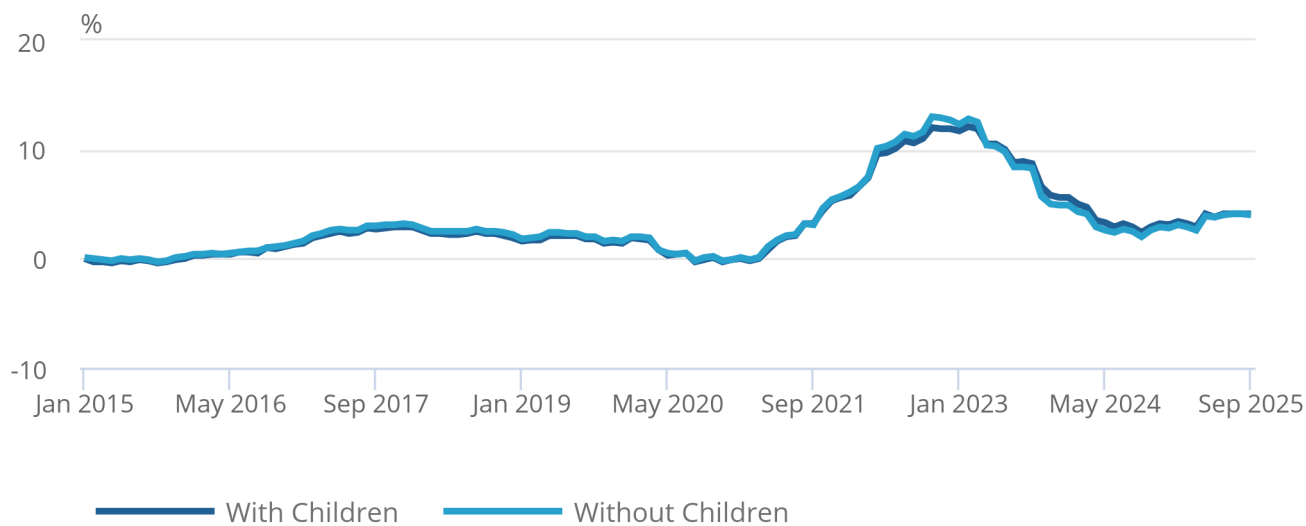
The factors influencing Household Costs Indices (HCI) inflation rates by tenure type also affected other household groups. Within each subgroup, households spending a larger share on rental payments also experienced higher annual inflation. Non-retired households and low-income households (decile 2) experienced higher annual inflation rates of 4.1% and 4.2%, respectively, in September 2025, compared with 3.9% for retired households and 4.0% for high-income households (decile 9) (Table 1).

**Figure 5: Households with children experienced slightly higher inflation than households without children in September 2025**

Household Costs Indices annual inflation rates by child status, UK, January 2015 to September 2025

Figure 5: Households with children experienced slightly higher inflation than households without children in September 2025

Household Costs Indices annual inflation rates by child status, UK, January 2015 to September 2025



Source: Household Costs Indices from the Office for National Statistics

Households with children saw slightly higher quarterly cost growth in 2025 (0.40%) than those without children (0.21%). However, the difference is not caused by any single component (Table 2).

Cumulative inflation has been similar for both groups over the past five years, at 32.8% for households with children and 32.3% for households without children.



Table 2: Household Costs Indices contributions to the annual inflation rate for households with and without children, June and September 2025

	Households with children		Households without children		Difference (Households with children less households without children)	
	June 2025	Sep 2025	June 2025	Sep 2025	June 2025	Sep 2025
Overall growth rate	4.1	4.1	4.0	4.0	0.1	0.1
Social and other rentals	0.26	0.15	0.18	0.10	0.08	0.05
Mortgage interest payments	0.38	0.32	0.20	0.16	0.19	0.16
Private rentals	0.40	0.34	0.31	0.26	0.09	0.07
Alcoholic beverages and tobacco	0.16	0.14	0.27	0.25	-0.11	-0.10
Transport costs	0.18	0.46	0.15	0.40	0.04	0.05
Motor fuels (of which)	-0.28	-0.04	-0.26	-0.03	-0.02	0.00
Restaurants and hotels	0.28	0.40	0.32	0.45	-0.04	-0.06

Source: Household Costs Indices from the Office for National Statistics

## Notes

- Contributions to the difference between households with and without children may not sum to the difference because of rounding.
- The full breakdown of contributions by category and subgroup can be found in our accompanying dataset.

# 5 . Data on Household Costs Indices

[Household Costs Indices \(HCI\) for UK household groups](#)

Dataset | Released 28 November 2025

Household Costs Indices inflation rates, indices, weights and contributions for income deciles, tenure types, retirement status and households with and without children, monthly data.

# 6 . Glossary

## Disposable income

Disposable income is money available for spending after taxes. It includes earnings from work, self-employment, pensions, investments, and benefits.

Households are grouped into ten groups (deciles) based on their disposable income, with decile 10 being the highest and decile 1 the lowest. Deciles 2 and 9 are more stable and useful for analysis.

## Equivalised

Equivalisation is the process of accounting for the fact that households with many members are more likely to need a higher income to achieve the same standard of living as households with fewer members. It considers the number of people living in the household and their ages, recognising that a two-person household is unlikely to need double the income of a single person household. This analysis uses the [modified Organisation for Economic Co-operation and Development \(OECD\) equivalisation scale \(PDF, 165KB\)](#).

## Expenditure deciles

Households are grouped into deciles (or tenths) based on equivalised expenditure. The highest expenditure decile (decile 10) is the 10% of households with the highest equivalised expenditure. Similarly, the lowest expenditure decile (decile 1) is the 10% of households with the lowest equivalised expenditure. Deciles 2 and 9 are more stable and useful for analysis.

## Households with children

A child is defined as any person aged under 16 years. People who are aged under 18 years and unmarried are also classed as children for the purposes of the family spending report, as described in our [Living Costs and Food Survey methodology](#). A household is classified as a household with children if it is defined as such where at least one member of the household is a child.

## Owner-occupier households

Outright owner-occupier households are defined as any household in which the residents own the property outright and use it as their primary or non-primary residence.

Mortgagor and other owner-occupier households are defined as any household that is buying their primary or non-primary residence property with a mortgage, or owning part of the property (for example, paying both rent and mortgage).

## Renter households

Private renter households are defined as any household that rents their property from a private sector landlord. This excludes households who live in their property rent free.

Social and other renter households are defined as any household that rents their property from a council or a registered social landlord or lives in their property rent free.

## Retired persons and households

A retired person is defined as anyone who describes themselves in the Living Costs and Food Survey (LCF) as "retired", or anyone over minimum National Insurance Pension age describing themselves as "unoccupied" or "sick or injured but not intending to seek work." A retired household is defined as one where the combined income of retired members contribute at least half the total gross income of the household.

# 7 . Data sources and quality

## Further data improvements

It has not been possible to update the weights for 2025 because of delays processing the underlying survey data and the need for further ongoing quality assurance. Instead, the most recent estimates have been compiled using the weights for February to December 2024. We will update the weights as soon as the data are available to use.

## Correction to Household Costs Indices – Education Component

An error was identified in an input file used to produce our Household Costs Indices (HCIs) publication tables. This issue related specifically to the education index, where the rise in private school fees in January 2025 was not accounted for.

As a result, the headline HCI annual growth rate for All Households in January, February, May, and June 2025 was understated by 0.1 percentage points. All items annual rates for subgroup series were similarly affected by up to 0.1 percentage points between January and June 2025. For education, differences at the class-level classification ranged from 3.0 to 4.1 percentage points. All Consumer Prices Index publications and all HCI data outside January to June 2025 remain unaffected. Please see our previous [Household Costs Indices for UK household groups: April to June 2025](#).

The error originated from an adjustment during quality assurance (QA) that did not reflect a genuine price movement linked to Value Added Tax (VAT) changes. We have revised the estimates for January to June 2025 in this bulletin.

To strengthen our processes and reduce the risk of similar issues in future releases, we will:

- incorporate additional economic context checks into our QA, including closer referencing of movements and drivers of the Consumer Prices Index (CPI)
- update internal guidance to clarify our methodology and enhance team knowledge sharing and training

These improvements will help ensure greater accuracy and transparency in our future HCIs publications.

## Personal Inflation and Price Comparison Tool

To help people understand how the rise in inflation affects their expenditure, we have produced a [Personal inflation calculator](#). The calculator allows users to enter the amount they spend to produce an estimate of their personal inflation based on those spending patterns.

Our [Shopping prices comparison tool](#) shows how the average prices of items have changed over time.

## Quality

More quality and methodology information (QMI) on strengths, limitations, appropriate uses, and how the data were created is available in our [Household Costs Indices for UK household groups QMI](#).

## Household-specific prices

Data constraints make the estimation of inflation rates for different household groups challenging in practice. An analysis of household group-specific inflation rates would ideally use price indices specific to each household group, as we do for expenditure weights. This would reflect the fact that different households will purchase goods and services from different outlets and therefore face different prices.

However, such data are not available and we have used national price indices as a proxy. There are also challenges that arise from the data sources that we have available for us to calculate the expenditure shares. These limitations do not affect the validity of the chosen methodology or its robustness. For more information, please see our [Methodology to calculate CPIH-consistent inflation rates for UK household groups](#).

## Feedback

Please share your feedback by completing this short [questionnaire](#).

## 8 . Related links

### [Consumer price inflation, UK: October 2025](#)

Bulletin | Released 19 November 2025

Price indices, percentage changes, and weights for the different measures of consumer price inflation.

### [Private rents and house prices, UK: November 2025](#)

Bulletin | Released 19 November 2025

Price Index of Private Rents (PIPR) measures private rent inflation for new and existing tenancies. UK House Price Index measures house price inflation.

### [Role of owner occupiers' housing costs in the Household Cost Indices, UK: 2023](#)

Article | Released 26 February 2024

The impact of higher mortgage interest rates on household costs, on average and by different household subgroup.

### [Average household income, UK: financial year ending 2024](#)

Bulletin | Released 2 May 2025

Final estimates of average household income in the UK, with analysis of how these measures have changed over time, accounting for inflation and household composition.

### [Shopping prices comparison tool](#)

Interactive tool | Updated 19 November 2025

Search the tool to see how the average prices of hundreds of shopping items are changing.

### [Personal inflation calculator](#)

Interactive tool | Updated 28 November 2025

Use our inflation calculator to see how increases in the cost of living have affected you in the past year.

## 9 . Cite this statistical bulletin

Office for National Statistics (ONS), released 28 November 2025, ONS website, statistical bulletin, [Household Costs Indices for UK household groups: July to September 2025](#)