Statistical bulletin

Household Costs Indices for UK household groups: July to September 2026

Changes in costs for UK household groups and all households, including Household Costs Indices (HCIs), 12-month growth rates, expenditure shares, and contributions.

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1 . Main points

- Costs for low-income households (income decile 2) increased by 4.1% in the year to September 2026; this is higher than the increase of 3.7% for high-income households (income decile 9) over the same period.
- The difference in the annual rate of inflation between high- and low-income households is now 0.4 percentage points; this is the highest it has been since June 2025.
- Costs for social and other renters increased by 4.1% in the year to September 2026; this is higher than the increase for private renters (3.9%), mortgagor owner occupier and other owner occupiers (3.9%), and outright owner-occupiers (3.8%).

These are official statistics in development. 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 8: Data sources and quality.

2 . Overview of the Household Costs inflation

The Household Costs Indices (HCIs) show how changing prices and costs affect different household subgroups of the population. They are different from the Consumer Prices Index including owner occupiers' housing costs (CPIH) and the Consumer Prices Index (CPI), which show how the prices of goods and services consumed by all households in the UK change over time. The HCIs are intended to complement our lead measures of inflation, CPIH and CPI, by providing insight into the inflationary experience of different household subgroups. More details on this are available in Section 5: Relation to consumer price inflation measures.

Overall, costs for all the subgroups measured by the HCIs saw an increase in the annual rate of inflation between June and September 2026 (Table 1). Low-income households (income decile 2) saw household costs rise by 4.1% in the year to September 2026, up from a rate of 2.7% in the year to June 2026. This household group, alongside social and other renters, had the joint largest increase in their annual inflation rate between the end of Quarter 2 (Apr to June) 2026 and the end of Quarter 3 (July to Sept) 2026, at 1.4 percentage points.

Quarter 3 leads into a period in which households are more reliant on energy to heat their homes. This was the largest June to September increase in inflation for low-income households since 2008, when the rate rose by 1.8 percentage points.

Table 1: Household Costs Indices annual inflation rates, per cent, UK, June 2026 to September 2026

Household subgroup	Jun 2026	Jul 2026	Aug 2026	Sep 2026
Income decile 2	2.7	3.3	3.6	4.1
Income decile 3	2.7	3.2	3.5	3.9
Income decile 4	2.8	3.3	3.6	4.0
Income decile 5	2.8	3.2	3.4	3.9
Income decile 6	2.8	3.2	3.5	3.9
Income decile 7	2.8	3.1	3.3	3.8
Income decile 8	2.9	3.1	3.4	3.9
Income decile 9	2.8	3.1	3.3	3.7
Mortgagor and other owner occupier	2.8	3.1	3.4	3.9
Outright owner-occupiers	2.6	3.0	3.3	3.8
Private renter	3.0	3.3	3.5	3.9
Social and other renter	2.7	3.6	3.8	4.1
Retired	2.5	3.1	3.3	3.7
Non-retired	2.9	3.2	3.5	3.9
With children	2.8	3.2	3.5	3.9
Without children	2.8	3.2	3.4	3.9

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.

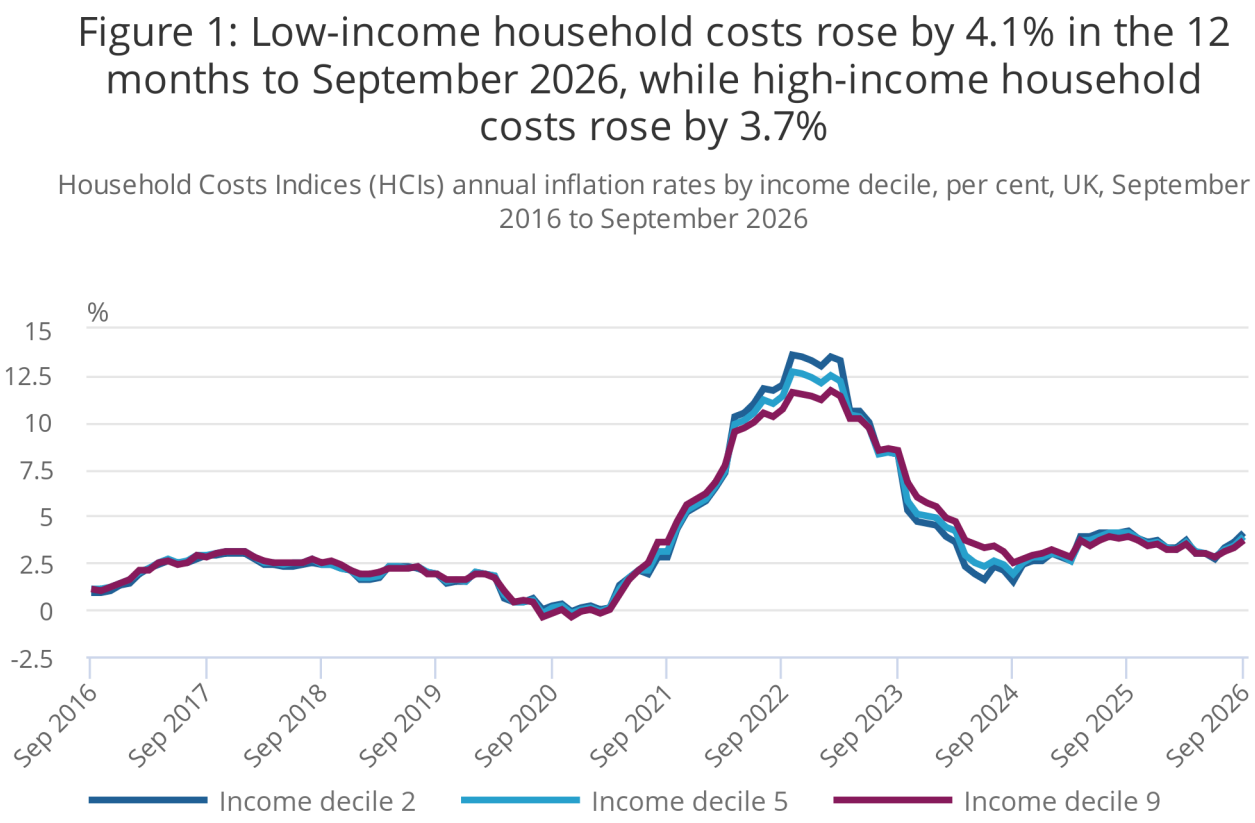
3 . Household Costs Indices by income decile

Over Quarter 3 (July to Sept) 2026, low-income households (income decile 2) experienced higher annual inflation than high-income households (income decile 9). Annual inflation increased each month in the quarter, and low- and high-income households saw annual inflation rise to 4.1% and 3.7%, respectively. By September, annual inflation for low-income households was 0.4 percentage points higher than for high-income households.

In contrast, in the year to June 2026, low-income households experienced lower inflation than high-income households, at 2.7% and 2.8%, respectively (Figure 1).

Figure 1: Low-income household costs rose by 4.1% in the 12 months to September 2026, while high-income household costs rose by 3.7%

Household Costs Indices (HCIs) annual inflation rates by income decile, per cent, UK, September 2016 to September 2026



Source: Household Costs Indices from the Office for National Statistics

Notes:

1. The second and ninth deciles are used to represent low- and high-income households rather than the first- and tenth-income deciles, as the composition of these groups can be unusual and may, therefore, be influenced by unrepresentative expenditures.

The increases in the annual rate for both low- and high-income households are largely because of increases to costs for housing and utilities. Electricity, gas and other fuels contributed 0.46 percentage points and 0.24 percentage points to the annual rate for low- and high-income households in September 2026, respectively. Electricity, gas and other fuels have a higher expenditure weight for households in income decile 2 than for households in income decile 9.

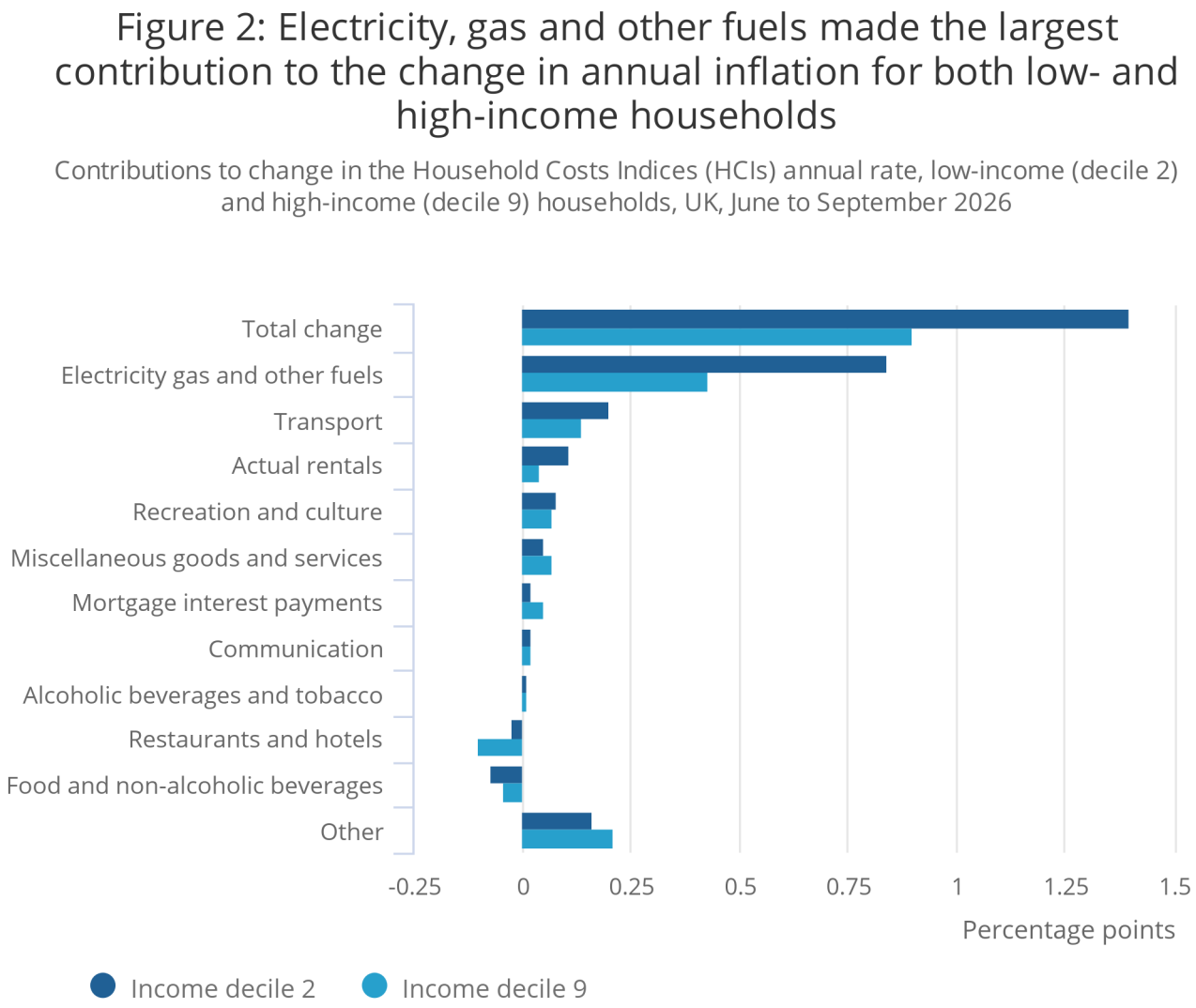
This follows the Office of Gas and Electricity Markets' (Ofgem's) rise in the energy price cap in July 2026. The illustrative annual cap (which limits unit rates and standing charges) for a typical dual-fuel household paying direct debit rose by an estimated 13%, compared with the 7% reduction in the annual cap in April 2026. The changes implemented in July were larger for gas than for electricity, with Ofgem estimating increases of around 24% and 5%, respectively, largely because of higher wholesale gas prices.

In August 2026, Ofgem announced a further 4% increase to the energy price cap from 1 October 2026. The announcement also reflected changes to Value Added Tax (VAT) on domestic energy. Any effects on household costs from this further increase to the price cap and the changes to VAT will be included in our next release, covering October to December 2026.

Following the previous rise in the energy price cap in July, the contribution from electricity, gas and other fuels had increased for both low- and high-income households. Between June and September 2026, this contribution increased by 0.84 percentage points for low-income households, from negative 0.38 to positive 0.46 percentage points. This compares with an increase of 0.43 percentage points for high-income households, from negative 0.19 to positive 0.24 percentage points (Figure 2).

Figure 2: Electricity, gas and other fuels made the largest contribution to the change in annual inflation for both low- and high-income households

Contributions to change in the Household Costs Indices (HCIs) annual rate, low-income (decile 2) and high-income (decile 9) households, UK, June to September 2026



Source: Household Costs Indices from the Office for National Statistics

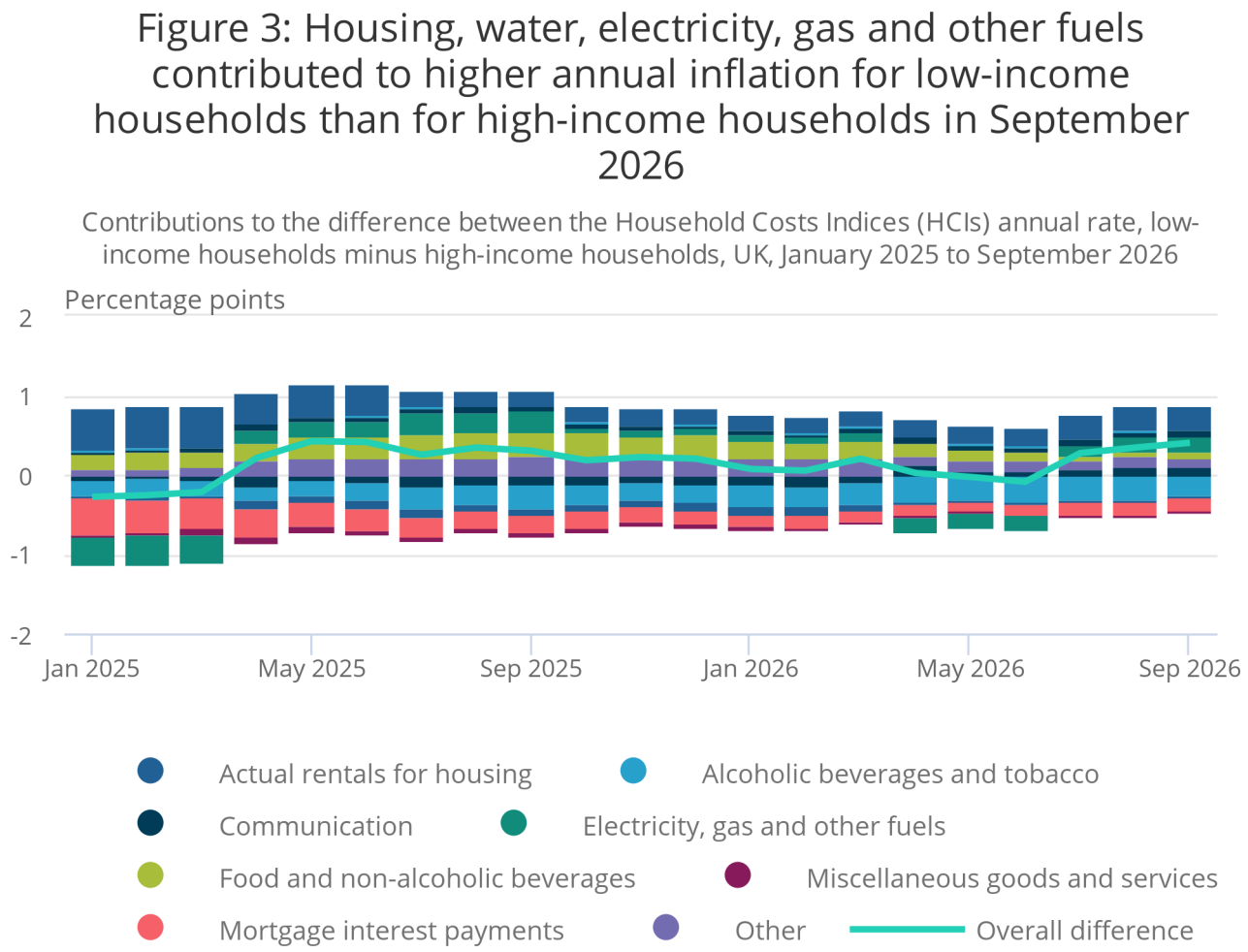
Notes:

1. Individual contributions may not sum to the total because of rounding.
2. The "Other" category contains all the remaining divisions measured in the HCIs that are not explicitly listed as a category in this chart.
3. The "Actual rentals" category contains private rentals, non-private rentals and UK holiday rentals for housing.

Electricity, gas and other fuels represent a larger proportion of the expenditure of low-income households than that of high-income households. This means that changes in these prices have a greater effect on the inflationary experience of low-income households. Contributions from housing, water, electricity, gas and other fuels to annual inflation were 0.45 percentage points higher for low-income households than for high-income households in September 2026, compared with 0.02 percentage points in June 2026 (Figure 3).

Figure 3: Housing, water, electricity, gas and other fuels contributed to higher annual inflation for low-income households than for high-income households in September 2026

Contributions to the difference between the Household Costs Indices (HCIs) annual rate, low-income households minus high-income households, UK, January 2025 to September 2026



Source: Household Costs Indices from the Office for National Statistics

Notes:

1. Contributions to the difference between subgroups may not sum to the overall difference because of rounding.

2. The "Other" category contains all the remaining divisions measured in the HCIs that are not explicitly listed as a category in this chart.

3. Positive contributions to the difference are contributing to higher inflation for low-income households (decile 2) or lower inflation for high-income households.

4. Negative contributions to the difference are contributing to higher inflation for high-income households (decile 9) or lower inflation for low-income households.

Transport provided the second largest contribution to the change in the annual inflation rate between June and September 2026 for both low- and high-income households, at 0.20 and 0.14 percentage points, respectively (Figure 2). Transport contributed 0.10 percentage points more to the household cost inflation of low-income households in the year to September 2026 than to that of high-income households, compared with 0.05 percentage points in the year to June 2026 (Figure 3).

The change in the difference for transport between June and September 2026 is much smaller than that seen for housing, water, electricity, gas and other fuels. This reflects the difference in proportional expenditure on transport between low- and high-income households, and the fact that transport prices did not increase as much over the quarter.

Mortgage interest payments also contributed to the rise in the annual inflation rate for both low- and high-income households in September 2026, at 0.06 and 0.22 percentage points, respectively (Figure 2). However, the difference in contribution changed by negative 0.04 percentage points, from negative 0.12 percentage points in June 2026 to negative 0.16 percentage points in September 2026 (Figure 3).

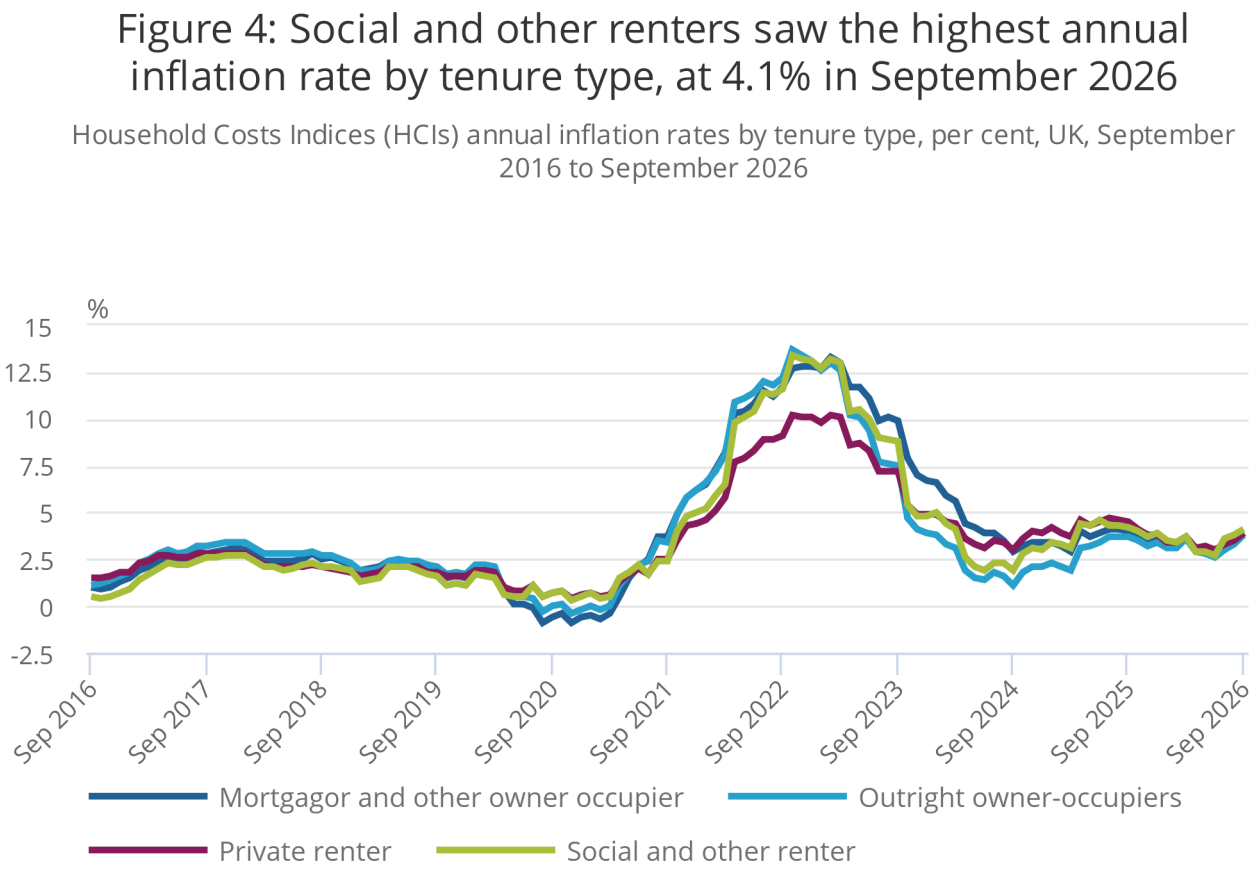
4 . Household Costs Indices across the other subgroups

By tenure type

Social and other renters experienced the highest annual inflation to their household costs, at 4.1% in September 2026, compared with other household subgroups by tenure type (Figure 4).

Figure 4: Social and other renters saw the highest annual inflation rate by tenure type, at 4.1% in September 2026

Household Costs Indices (HCIs) annual inflation rates by tenure type, per cent, UK, September 2016 to September 2026



Source: Household Costs Indices from the Office for National Statistics

Annual inflation for social and other renters was 0.2 percentage points higher than for private renters in September 2026, compared with it being 0.3 percentage points lower in June, when their rates were 2.7% and 3.0%, respectively. This represents a 0.5 percentage point increase in the annual inflation gap. The increase in the gap was largely caused by rising electricity, gas and other fuel costs, which make up a larger share of expenditure for social and other renters.

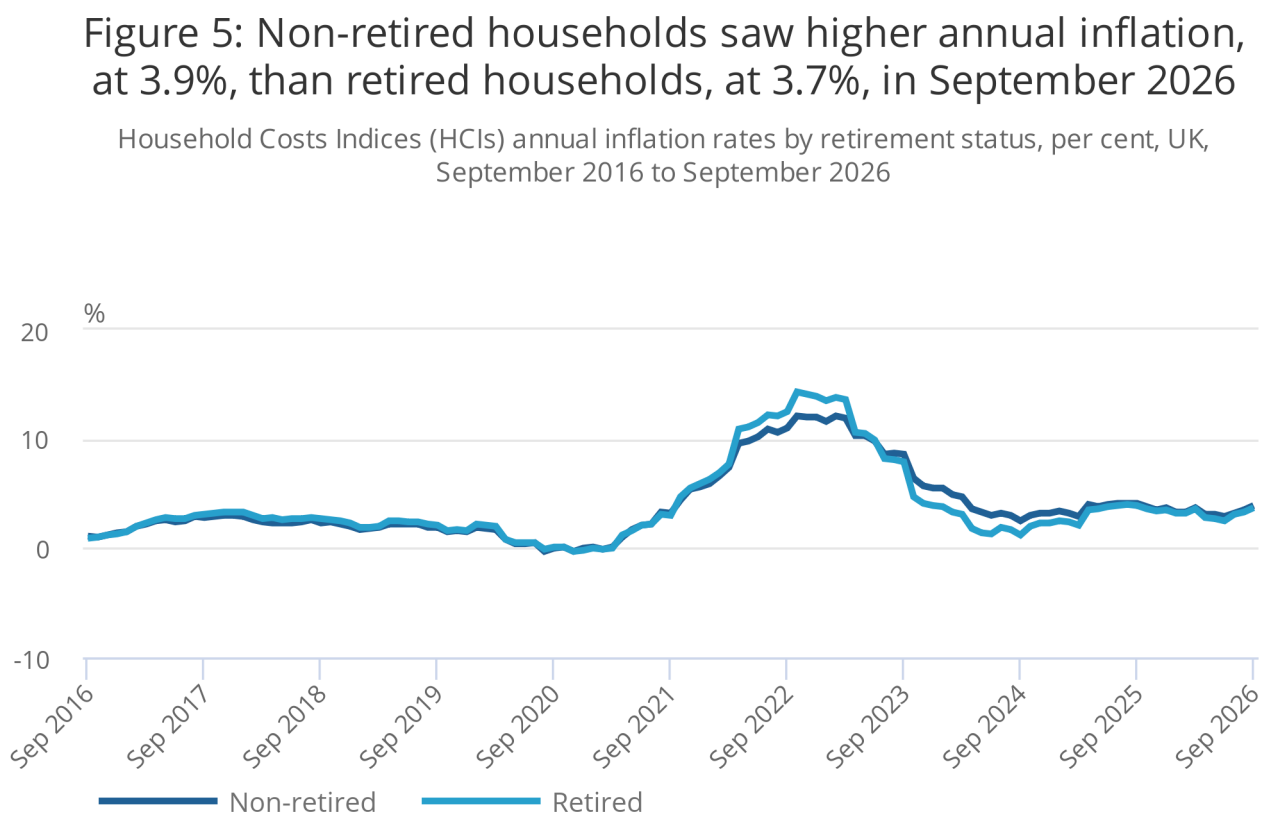
Mortgage holders and outright owner-occupiers saw household costs rise by similar amounts in the year to September 2026, with annual inflation rates of 3.9% and 3.8%, respectively. This narrowing of the annual inflation rate gap between mortgage holders and outright owner-occupiers, from 0.2 percentage points in June 2026, was also largely caused by increases in energy costs. Because energy costs make up a larger proportion of expenditure for retired households, increases in energy prices have a greater effect on their inflation rate. In contrast, mortgage interest payments make up a larger proportion of expenditure for non-retired households.

By retirement status

Non-retired households experienced higher annual inflation than retired households in September 2026, at 3.9% and 3.7%, respectively (Figure 5). This marks a narrowing in the annual inflation rate gap between the two household subgroups, to 0.2 percentage points in September 2026, compared with a 0.4 percentage point difference in June 2026.

Figure 5: Non-retired households saw higher annual inflation, at 3.9%, than retired households, at 3.7%, in September 2026

Household Costs Indices (HCIs) annual inflation rates by retirement status, per cent, UK, September 2016 to September 2026



Source: Household Costs Indices from the Office for National Statistics

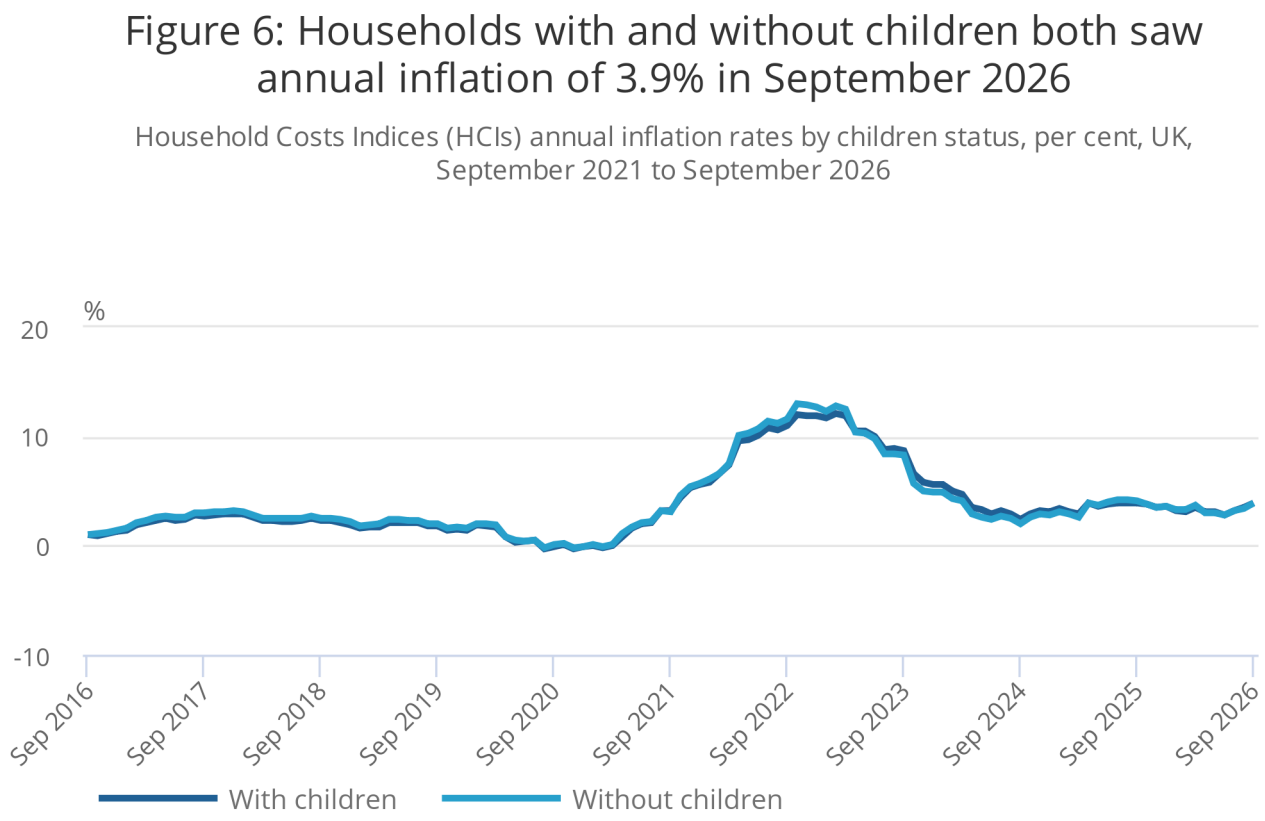
The narrowing in the annual inflation gap between non-retired and retired households is largely because of increases in energy costs. Because these costs make up a larger proportion of expenditure for retired households, being larger than the increase on mortgage interest payments, they add up to a significantly larger proportion of expenditure for non-retired than for retired households.

With and without children

Households with and without children both experienced annual household cost inflation of 3.9% in the year to September 2026. This was up from 2.8% for both in June 2026 (Figure 6).

Figure 6: Households with and without children both saw annual inflation of 3.9% in September 2026

Household Costs Indices (HCIs) annual inflation rates by children status, per cent, UK, September 2021 to September 2026



Source: Household Costs Indices from the Office for National Statistics

While annual household inflation in September 2026 was the same for households with and without children, there were some differences in the expenditure groups contributing to that rate. Housing and household services had the largest difference, contributing 0.07 percentage points more to annual inflation experienced by households with children than to those without.

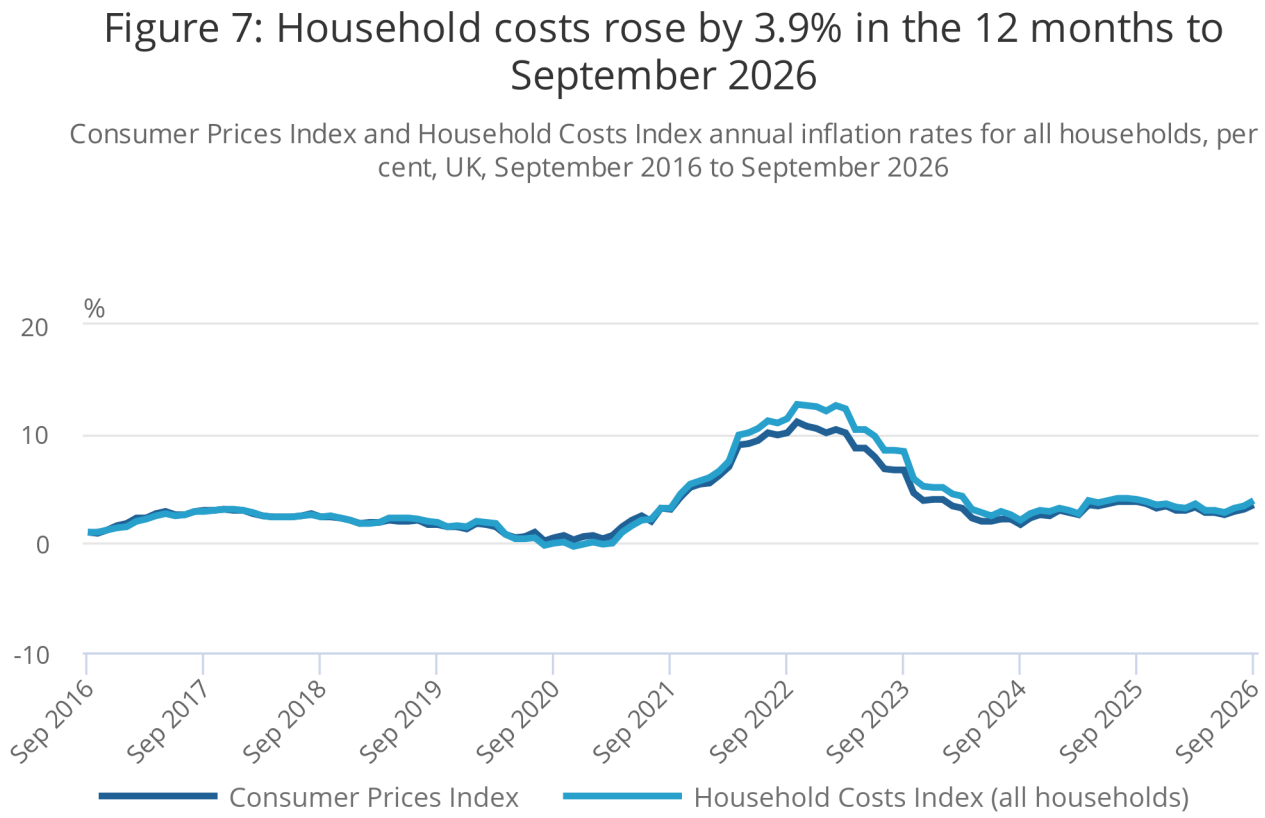
The UK Government's Great British Summer Savings scheme, which ended on 1 September 2026, introduced measures to help reduce potential costs over the school summer holidays for families with children. It is likely that the scheme ending may have resulted in price rises for admissions to cultural events, historic monuments and cinemas. However, its effects on household costs cannot be reliably isolated in the HCIs to quantify a distinct effect on the inflation rate of households with children.

5 . Relation to consumer price inflation measures

Households' experiences of inflation vary by type of household. While it is more meaningful to consider inflation experiences by subgroup, we provide an all-households figure for reference. The all-household Household Cost Indices (HCIs) annual rate was 3.9% in September 2026, compared with 2.8% in June 2026. The annual inflation rate in Consumer Price Index (CPI) in the year to September 2026 was 3.5% (Figure 7).

Figure 7: Household costs rose by 3.9% in the 12 months to September 2026

Consumer Prices Index and Household Costs Index annual inflation rates for all households, per cent, UK, September 2016 to September 2026



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

Consumer price statistics measure the change in price of a "fixed basket" of goods and services, as described in our Consumer prices indices technical guide. The weight of goods and services in the basket reflect the total share of expenditure across all households in the UK ("plutocratic" weights). In contrast, for HCIs the weight of each component in a household subgroup's "fixed basket" is based on the average household's share of expenditure ("democratic" weights).

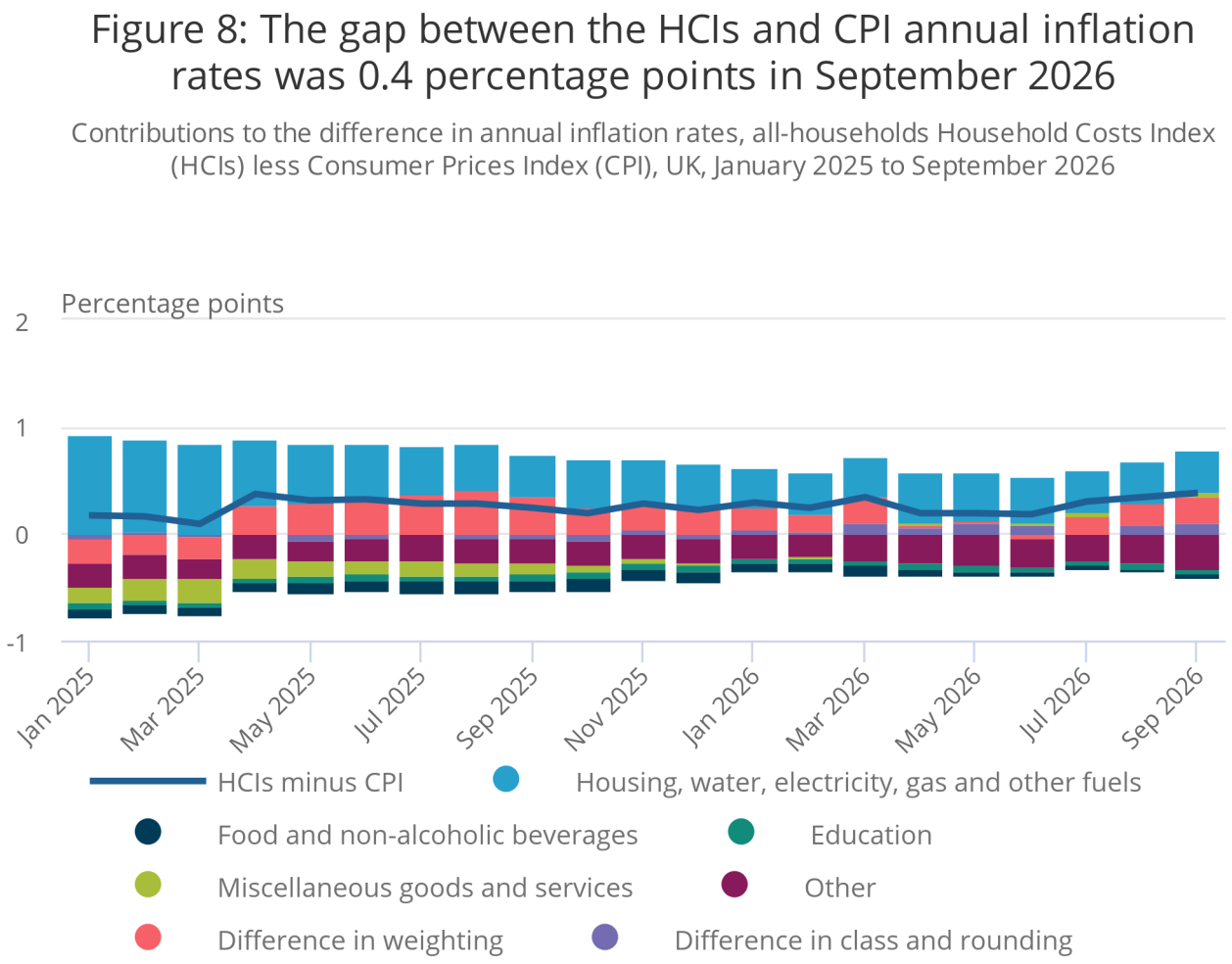
The HCIs also include changes in mortgage interest rates, stamp duty and other costs related to the purchase of a dwelling. These are omitted from CPI and estimated using equivalent rental prices in the Consumer Prices Index including owner occupiers' housing costs (CPIH), reflecting its different use case (see our Measuring changing prices and costs for consumers and households article). Further differences are described in our Calculating the Household Costs Indices supporting methodology article.

Figure 8 shows contributions to differences in annual inflation rates between the all-households HCIs and CPI from January 2025 to September 2026.

The gap between the HCIs and CPI annual inflation rates was 0.4 percentage points in September 2026, which is up from the difference of 0.2 percentage points in June 2026 (Figure 8). The largest difference in contribution between HCIs and CPI comes from housing and household services, at 0.39 percentage points. Council Tax is not included in CPI, but it contributed 0.21 percentage points to the HCIs annual rate in September 2026.

Figure 8: The gap between the HCIs and CPI annual inflation rates was 0.4 percentage points in September 2026

Contributions to the difference in annual inflation rates, all-households Household Costs Index (HCIs) less Consumer Prices Index (CPI), UK, January 2025 to September 2026



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 HCIs annual inflation rates because of rounding.

2. Differences in classification come from price uprating at the class level for HCIs, compared with subclasses for CPI.

3. Differences because of weighting come from the use of democratic weights, compared with plutocratic weights for CPI.

4. Differences because of classification and rounding from January to September 2026 are not currently available because of a lack of data availability. More information is available in Section 8: Data sources and quality.

5. Positive contributions are contributing to higher inflation for HCIs, or lower inflation for CPI.

6. Negative contributions are contributing to higher inflation for CPI, or lower inflation for HCIs.

6 . Data on Household Costs Indices

Household Costs Indices (HCI) for UK household groups
Dataset | Released 27 November 2026
Household Costs Indices inflation rates, indices, weights and contributions for income deciles, tenure types, retirement status and households with and without children, monthly data.

7 . 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 being the lowest. Deciles 2 and 9 are more stable and, therefore, more 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, 166KB) (opens in new tab).

Subgroups

Subgroups are subcategories of households grouped according to shared characteristics, allowing for differences in their experience of changing costs to be compared. In the Household Costs Indices (HCIs), subgroups include households grouped by income decile, tenure type, retirement status, and whether they have children.

Income deciles

Households are grouped into deciles (or tenths) based on equivalised income. The highest income decile (decile 10) is the 10% of households with the highest equivalised income. Similarly, the lowest income decile (decile 1) is the 10% of households with the lowest equivalised income. Deciles 2 and 9 are more stable and, therefore, more 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 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 people 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 contributes at least half the total gross income of the household.

8 . Data sources and quality

Further data improvements

2026 weights update

It has not been possible to update the weights for 2026 because of delays processing the underlying survey data and the need for further quality assurance. Instead, the most recent estimates have been compiled using the weights for February to December 2025. Estimates for 2026 will be revised once the updated weights have been applied.

Personal inflation and price comparison tools

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. Please note that the tool will not have data before 2025 for the newly introduced consumption segments for food, drink and tobacco items. However, the historical average prices for food, drink and tobacco items, which were in the tool before the update in 2025, is available in our Shopping prices comparison tool data download before the 2025 update.

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.

Feedback

Please share your feedback by completing this short questionnaire.

9 . Related links

Consumer price inflation, UK: October 2026
Bulletin | Released 18 November 2026
Price indices, percentage changes, and weights for the different measures of consumer price inflation.

Private rent and house prices, UK: November 2026
Bulletin | Released 18 November 2026
The Price Index of Private Rents (PIPR) measures private rent inflation for new and existing tenancies. The UK House Price Index (HPI) measures house price inflation.

Shopping prices comparison tool
Interactive tool | Updated 18 November 2026
Search the tool to see how the average prices of hundreds of shopping items are changing.

Personal inflation calculator
Interactive tool | Updated 18 November 2026
Use our inflation calculator to see how increases in the cost of living have affected you in the past year.

10 . Cite this statistical bulletin

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