Office for National Statistics

Statistical bulletin

Household Costs Indices for UK household groups: April to June 2025

Household Costs Indices, 12-month growth rates, expenditure shares and contributions for UK household groups and all-households. These are official statistics in development.

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1 . Main points

- Overall UK household costs, as measured by the Household Costs Index (HCI), rose by 3.9% in the year to June 2025, an increase from 2.7% in the year to March 2025.
- Costs for low-income households (decile 2) rose by 4.1%, compared with 3.8% for high-income households (decile 9) in the year to June 2025; from May 2025, low-income households have experienced a higher annual rate of inflation for the first time since June 2023.
- By tenure type, private renter households had the highest annual inflation rate of 4.5% in June 2025, reflecting rising private rental payments; this was followed by social and other renter households, which had a 4.4% inflation rate in the year to June 2025.
- Outright owner occupiers experienced the lowest annual inflation rate of all tenure types, at 3.4% in the year to June 2025; mortgagor households had the next lowest (4.0%).
- Non-retired households continued to experience a higher annual rate of inflation (4.0%) in June 2025 than retired households (3.8%).
- The annual inflation rate for households with children rose from 2.8% in the year to March 2025 to 4.0% in the year to June 2025; for households without children, it increased from 2.6% to 3.9% over the same period.

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 rates

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 June 2025 and the most recent three months are presented in Table 1.

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

Category	Jun 2024	Apr 2025	May 2025	Jun 2025
All Households	2.5	3.9	3.7	3.9
Income Decile 2	1.6	3.9	3.9	4.1
Income Decile 3	2.0	3.7	3.7	3.9
Income Decile 4	2.1	3.9	3.8	4.0
Income Decile 5	2.3	3.7	3.6	3.8
Income Decile 6	2.5	3.6	3.5	3.7
Income Decile 7	2.8	3.6	3.5	3.7
Income Decile 8	3.1	3.7	3.5	3.7
Income Decile 9	3.3	3.9	3.6	3.8
Mortgagor and other owner occupier	3.9	4.1	3.8	4.0
Outright owner occupier	1.4	3.2	3.2	3.4
Private renter	3.1	4.5	4.3	4.5
Social and other renter	1.9	4.2	4.2	4.4
Non-Retired	3.0	4.0	3.8	4.0
Retired	1.3	3.5	3.5	3.8
With children	2.9	4.0	3.8	4.0
Without Children	2.4	3.8	3.7	3.9

Source: Household Costs Indices from the Office for National Statistics

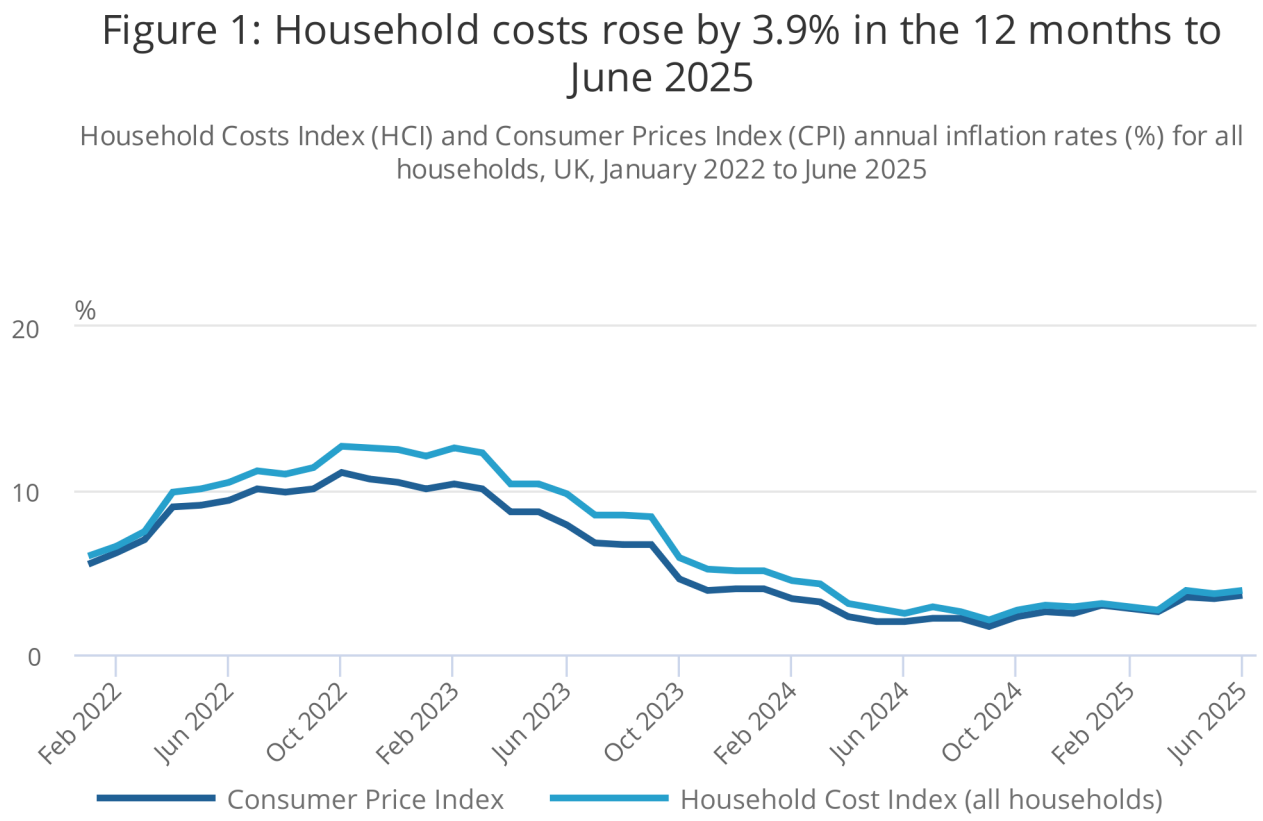
Notes

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

In the most recent month, June 2025, the all-household HCI annual rate was 3.9%, compared with 2.5% in June 2024. The annual inflation rate in CPI in the year to June 2025 was 3.6% (Figure 1).

Figure 1: Household costs rose by 3.9% in the 12 months to June 2025

Household Costs Index (HCI) and Consumer Prices Index (CPI) annual inflation rates (%) for all households, UK, January 2022 to June 2025



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

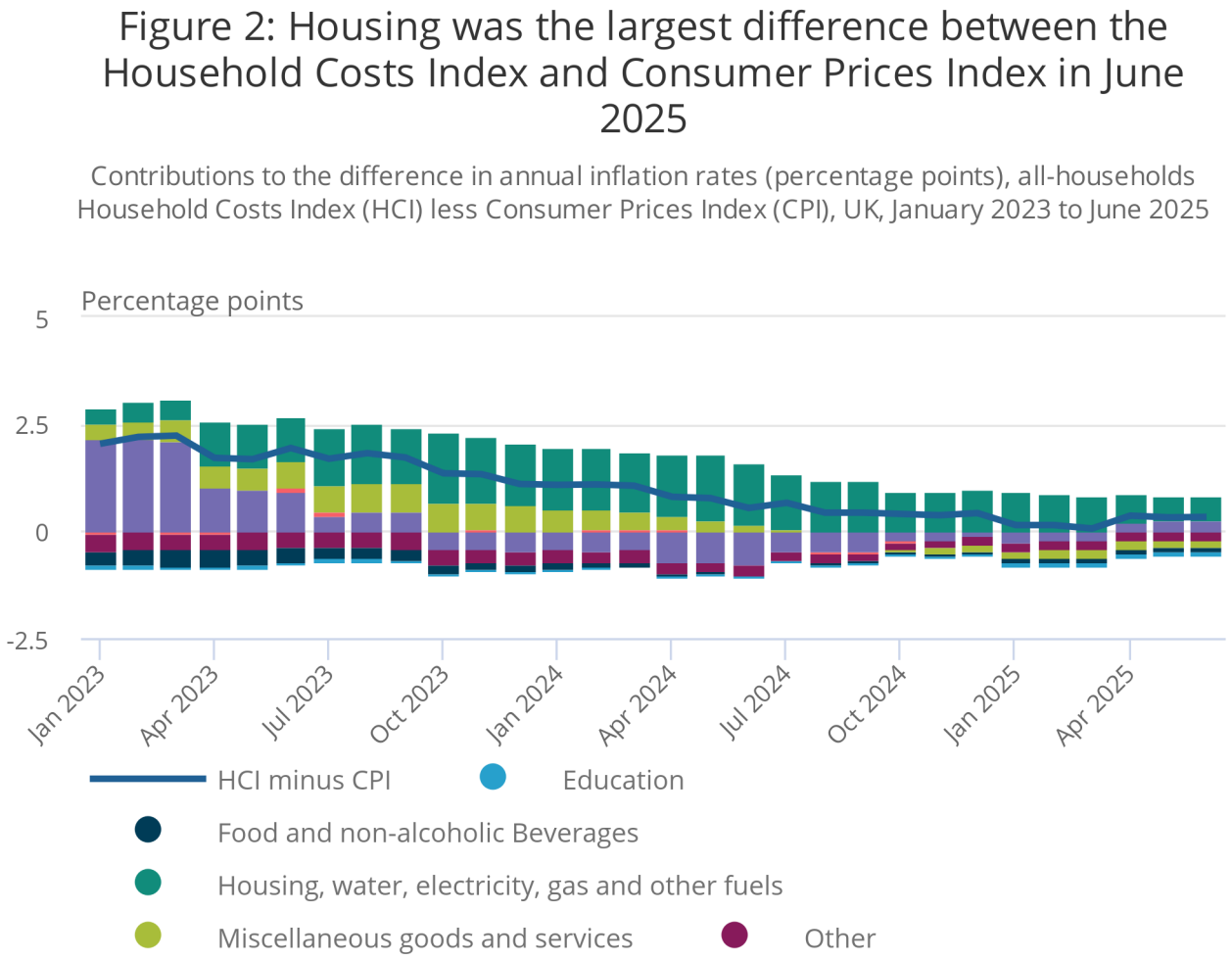
The overall annual growth rate of the HCI increased from 2.7% in March 2025 to 3.9% in June 2025. This increase was mainly caused by rising costs in electricity, gas, and other fuels, along with an increase in prices for water supply. As a result, the contributions to annual HCI inflation from these categories increased by 0.85 and 0.22 percentage points, respectively, in June 2025 compared with contributions in March 2025. Food and non-alcoholic beverages also increased by 0.19 percentage points to a total contribution of 0.57 percentage points in June 2025.

This fall was partially offset by lower contributions from actual rentals and mortgage interest payments, which both fell by 0.12 percentage points between March and June 2025.

Figure 2 shows the contributors to differences in the annual inflation rates for the all-households HCI and CPI over the period from January 2023 to June 2025. The largest difference came from housing and household services in the most recent three months, which contributed 0.57 percentage points more to the all-households HCI annual rate than to CPI in June 2025. This is due in part to the inclusion of owner occupiers' housing costs in the HCIs.

Figure 2: Housing was the largest difference between the Household Costs Index and Consumer Prices Index in June 2025

Contributions to the difference in annual inflation rates (percentage points), all-households Household Costs Index (HCI) less Consumer Prices Index (CPI), UK, January 2023 to June 2025



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

Notes:

1. Contributions to the difference may not sum to the difference between Consumer Prices Index (CPI) and all-households Household Costs Index (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.

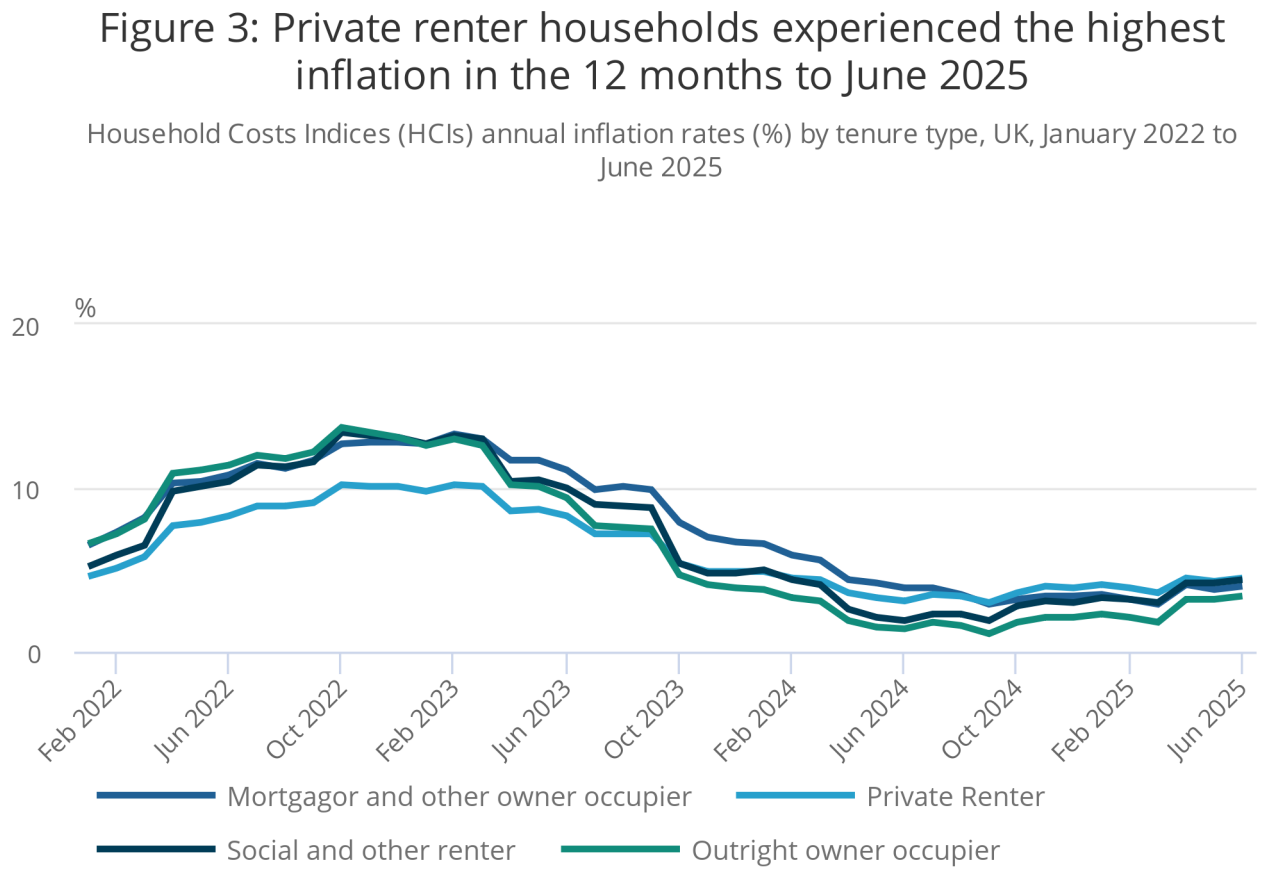
3. Differences because of weighting refers to the use of democratic weights, compared with plutocratic weights for CPI.

4. Differences because of classification and rounding in January 2025 to June 2025 are not currently available because of data availability (for more information please 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 June 2025

Household Costs Indices (HCIs) annual inflation rates (%) by tenure type, UK, January 2022 to June 2025



Source: Household Costs Indices from the Office for National Statistics

Notes:

1. The methodology for calculating changes in private rental prices was updated in February 2024 and February 2025; for more information please see Section 7: Data sources and quality.

Figure 3 shows the annual inflation rates for the different tenure groups from January 2022 to June 2025. Outright owner-occupier households have experienced the lowest inflation rate in the most recent three months. Their annual rate was 3.4% in the year to June 2025, followed by mortgagor households (4.0%).

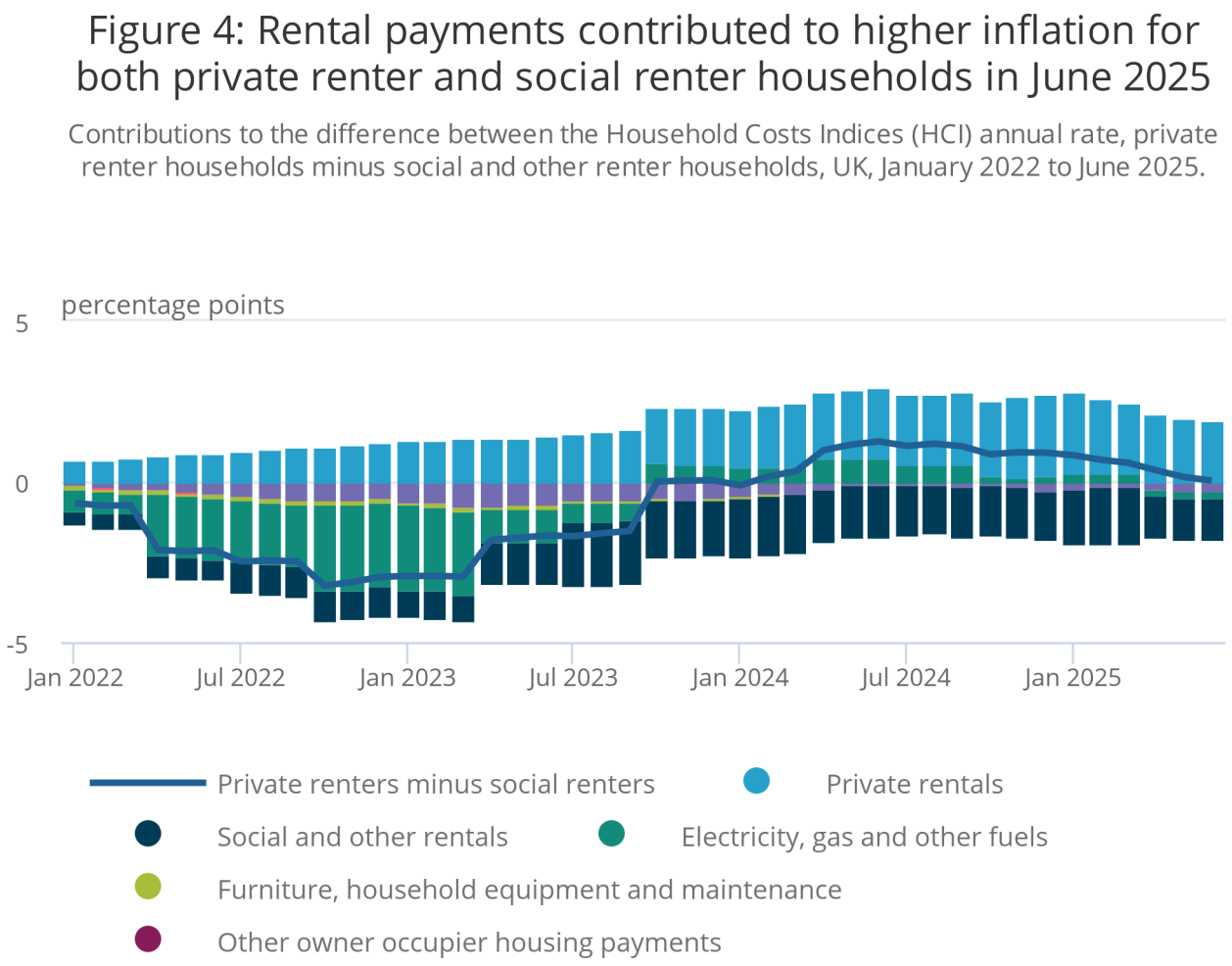
Private renters had the highest inflation rate in the most recent three months. Their inflation was 4.5% in the year to June 2025, followed by social and other renters (4.4%).

This was primarily a result of housing costs. Private rental costs contributed 1.9 percentage points to the annual rate for private renter households. Social and other rental payments contributed 1.3 percentage points to the annual rate for social and other renter households.

Different outcomes occur when observing household costs over a longer time period. Private renters had the lowest cumulative HCI inflation rate over the past five years at 28.9%. This was followed by outright owner occupiers at 30.6%, social and other renters at 32.0%, and mortgagor households at 35.7%.

Figure 4: Rental payments contributed to higher inflation for both private renter and social renter households in June 2025

Contributions to the difference between the Household Costs Indices (HCI) annual rate, private renter households minus social and other renter households, UK, January 2022 to June 2025.



Source: Household Costs Indices from the Office for National Statistics

Notes:

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

2. The "Other" category contains all the remaining divisions measured in the Household Costs Indices that are not explicitly listed as a category in this graph.

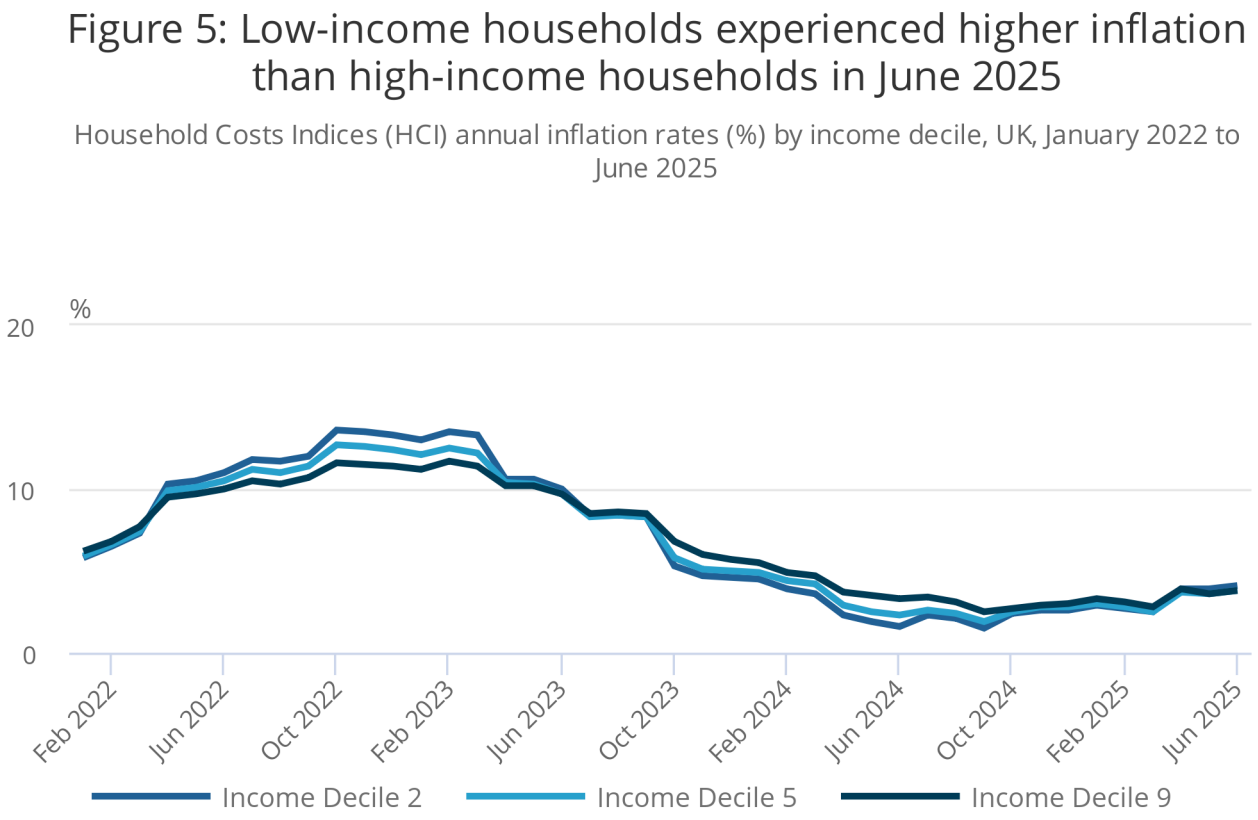
Differences between groups are influenced by the interaction between price movements and expenditure weights. Differences in spending patterns mean that, if a particular group of households spends more on a product with a relatively high inflation rate, they will experience a greater increase in costs relative to other households. Figure 4 shows that private rents and social rent payments contributed the most to the difference in inflation rates in the year to June 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. Households spending a larger share on rental payments experienced higher annual costs than those who did not. Non-retired households and those with children consequently experienced higher annual inflation rates of 4.0%, compared with 3.8% for retired households and 3.9% for households without children (Table 1).

Figure 5: Low-income households experienced higher inflation than high-income households in June 2025

Household Costs Indices (HCI) annual inflation rates (%) by income decile, UK, January 2022 to June 2025



Source: Household Costs Indices from the Office for National Statistics

Annual inflation was higher for low-income households (4.1%) than for high-income households (3.8%) since May 2025. This is the first time that low-income households have seen a higher inflation rate than their higher-income counterparts since June 2023. This follows a period of increasing growth rates for inflation for low-income households, which began in October 2024 when inflation stood at 2.7% for high-income households and 2.4% for low-income households (Figure 5). Both low-income and high-income households faced a similar cumulative HCI inflation rate over the past five years, with high-income households seeing a growth rate of 32.0%, compared with low-income households at 31.9%.

Table 2: Household Costs Indices contributions to the Annual Inflation Rate for low-income and high-income households, March and June 2025

	Income Decile 2		Income Decile 9		Difference (Income Decile 2 less Income Decile 9)	
	Mar 2025	**Jun 2025**	**Mar 2025**	**Jun 2025**	**Mar 2025**	**Jun 2025**
Overall growth rate	2.5	4.1	2.8	3.8	-0.3	0.3
Social and Other Rentals	0.57	0.43	0.02	0.02	0.55	0.42
Food and Non-Alcoholic Beverages	0.46	0.70	0.28	0.42	0.18	0.28
Water Supply and Miscellaneous Services	0.14	0.46	0.07	0.22	0.07	0.24
Electricity, Gas, and Other Fuels	-0.70	0.46	-0.34	0.23	-0.36	0.23
Private Rentals	0.36	0.31	0.38	0.33	-0.03	-0.02
Transport	0.10	0.11	0.17	0.28	-0.08	-0.17
Mortgage Interest Payments	0.15	0.10	0.54	0.36	-0.39	-0.26

Source: Household Costs Indices from the Office for National Statistics

Notes

1. Contributions to the difference between Income Deciles may not sum to the difference because of rounding.

Low-income households experienced greater inflationary pressure than high-income households in the year to June 2025. Electricity, gas and other fuels saw a greater contribution for low-income households, at 0.46 percentage points in June 2025, compared with 0.23 percentage points for high-income households in June 2025 (Table 2). This is because of increases in the costs of electricity and gas from April 2025.

Table 2 also shows that food and non-alcoholic beverages had a greater contribution for low-income households, at 0.28 percentage points more. Water supply and miscellaneous services also increased for both low-income and high-income households, rising to 0.46 and 0.22 percentage points, respectively, in the year to June 2025.

These increasing costs were partially offset for low-income households by reduced contributions for social and other rental costs, falling to 0.43 percentage points in the year to June 2025. Transport costs had a greater effect on high-income households, contributing 0.17 percentage points more than for low-income households.

5 . Data for Household Costs Indices

Household Costs Indices (HCI) for UK household groups
Dataset | Released 28 August 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 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-occupiers 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 we can.

The weights for 2024 have been applied from our May 2025 publication and have resulted in minor revisions to all-households inflation, sub-groups and divisions, compared with the weights for 2023. January and February 2024 saw the largest downward revisions of 0.2 percentage points, while July and August saw the largest upward revisions of 0.2 percentage points. Similar effects were seen across all household groups.

We provide users with indicative impacts of the improvements from January 2019 to June 2024 in our Impact analysis on transformation of UK consumer price statistics: January 2025 article.

An error was identified in two input files used to generate Household Costs Indices (HCIs) publication tables, affecting January to March 2025. These errors have now been rectified. Following reprocessing of the HCIs system code using corrected inputs, the all-households HCI annual inflation rate for March 2025 has been changed from 2.6% to 2.7%. No changes were made for January or February 2025. Minor discrepancies were observed across several publication tables for the same period.

Across sub-groups, errors were mainly at 0.1 percentage points, with income decile 10 seeing an error of 0.2 percentage points in January and March 2025. The errors apply specifically to stamp duty and interest on debt, which exhibited differences of approximately 15.7 and 1.6 percentage points, respectively at the lower classification level. Of the 12 Divisions covered by the HCIs, only "Housing, Water, Electricity, Gas and Other Fuels", and "Miscellaneous Goods and Services" were affected. The remaining 10 Divisions remain unchanged. All CPI publications and all HCI data outside of January to March 2025 remain unaffected by this correction.

An error was also identified with the imputation of seasonal items for months in which no price data was available, for the CPI bulletin. As CPI data is used to construct the HCIs, this error also affects HCI estimates between January and June 2025. The error had a negligible impact on some values for January to March 2025 only. The improved imputation method has been applied to the HCIs from July 2025 onwards. More information can be found at Consumer price inflation, UK: July 2025.

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 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 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 and 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: July 2025
Bulletin | Released 20 August 2025
Price indices, percentage changes, and weights for the different measures of consumer price inflation.

Private rents and house prices, UK: August 2025
Bulletin | Released 20 August 2025
The 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
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 20 August 2025
Search the tool to see how the average prices of hundreds of shopping items are changing.

Personal inflation calculator
Interactive tool | Released 19 June 2023
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

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