

Statistical bulletin

Household Costs Indices for UK household groups: January to March 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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Release date:
29 May 2025

Next release:
28 August 2025

Correction

27 August 2025 12:43

We have identified an error in the Household Costs Indices (HCI) for Q1 2025, stemming from a chain-linking issue in the calculation of Stamp Duty and Interest on Debt components.

As a result, the annual growth rate for “All Households” in March 2025 was understated by 0.1 percentage points, published as 2.6% instead of the corrected 2.7%.

The error affects the published household cost indices for the following categories, across all subgroups: Stamp Duty and Interest on Debt adjustments.

- Stamp Duty adjustments were made across all subgroups. The most notable change was a 15.7 percentage point increase in the annual rate, from 135.4 to 151.1 pp. These adjustments are primarily reflected at the class-level classification for Stamp Duty.
- Interest on Debt adjustments were made across all subgroups. While differences ranged from -1.3 to $+1.6$ percentage points, these adjustments are observed at the class level classification for Interest on Debt.

A small number of other subgroups and income deciles experienced changes of up to 0.2 percentage points. In line with the Office for National Statistics (ONS) consumer prices revisions and correction of errors policy, indices for Q1 2025 in earlier publications have not been retrospectively revised. The error has been corrected in the August 2025 publication. More information on the changes, can be seen within the Household Cost Indices for UK household groups reference tables.

Separately, a minor error was identified in the CPI April and June publications, as noted in the Consumer price inflation consumption segment indices and prices quotes. As published CPI data feeds into HCI calculations, the HCIs are also affected by these errors. We investigated potential impacts on our Q1 HCI estimates and found negligible changes.

We will correct this error on 28 August 2025 alongside the next update of the HCIs. Please contact cpi@ons.gov.uk for more information.

19 November 2025 10:30

We have identified a minor error in the Household Costs Indices (HCI) for Quarter 1 (Jan to Mar) and Quarter 2 (Apr to June) 2025, arising from a processing issue specific to the Education index, which meant that the January rise in private school fees was not accounted for.

As a result, the headline HCI rate was affected. Specifically, the annual growth rate for “All households” in January, February, May and June 2025 was understated by 0.1 percentage points. All item annual rates for subgroup series were similarly affected by up to 0.1 percentage points, with impacts in every month between January and June.

The error affects the published HCIs for the Education category, across all subgroups. While impacts ranged from positive 3.0 to positive 4.1 percentage points, these errors are seen at the class-level classification for Education.

The error will be corrected and reflected in the next update of the HCIs, scheduled for 28 November 2025. Historical estimates will be revised in the November 2025 release, earlier publications have not been retrospectively updated. For more information, please contact: cpi@ons.gov.uk

More information on the changes can be seen in the HCIs for UK household groups datasets.

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1 . Main points

- Overall UK household costs, as measured by the Household Costs Index (HCI), rose by 2.6% in the year to March 2025; this is a fall from 2.9% in the year to December 2024.
- The all-households inflation rate has followed the sixth income decile most closely over the past 12 months; costs for these households rose 2.5% in the year to March 2025, compared with rises of 2.7% for high-income households (decile 9) and 2.5% for low-income households (decile 2).
- By tenure type, private renter households had the highest annual inflation rate of 3.6% in March 2025, reflecting rising private rental payments; this was followed by social and other renter households, which had a 3.0% inflation rate in the year to March 2025.
- Outright owner occupiers experienced the lowest annual inflation rate of all tenure types, at 1.8% in the year to March 2025; mortgage households had the next lowest (2.8%).
- Non-retired households continued to experience a higher annual rate of inflation (2.8%) in March 2025 than retired households (2.1%).
- The annual inflation rate for households with children fell from 3.1% in December 2024 to 2.8% in March 2025; for households without children, it declined from 2.8% to 2.6% 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 providing 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 March 2024 and the most recent three months are presented in Table 1.

Table 1: Household Costs Indices annual inflation rates, UK, March 2024 and January to March 2025

Category	Mar 2024	Jan 2025	Feb 2025	Mar 2025
All Households	4.3	3.1	2.9	2.6
Income Decile 2	3.6	2.9	2.7	2.5
Income Decile 3	4.0	3.0	2.8	2.5
Income Decile 4	3.9	3.1	2.9	2.6
Income Decile 5	4.2	3.0	2.8	2.5
Income Decile 6	4.2	3.0	2.8	2.5
Income Decile 7	4.5	3.0	2.8	2.5
Income Decile 8	4.7	3.1	2.9	2.6
Income Decile 9	4.7	3.2	3.0	2.7
Mortgagor and other owner occupier	5.6	3.4	3.1	2.8
Outright owner occupier	3.1	2.3	2.1	1.8
Private renter	4.4	4.1	3.9	3.6
Social and other renter	4.1	3.3	3.2	3.0
Non-Retired	4.7	3.3	3.1	2.8
Retired	3.1	2.5	2.3	2.1
With Children	4.7	3.3	3.1	2.8
Without Children	4.1	3.0	2.8	2.6

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.

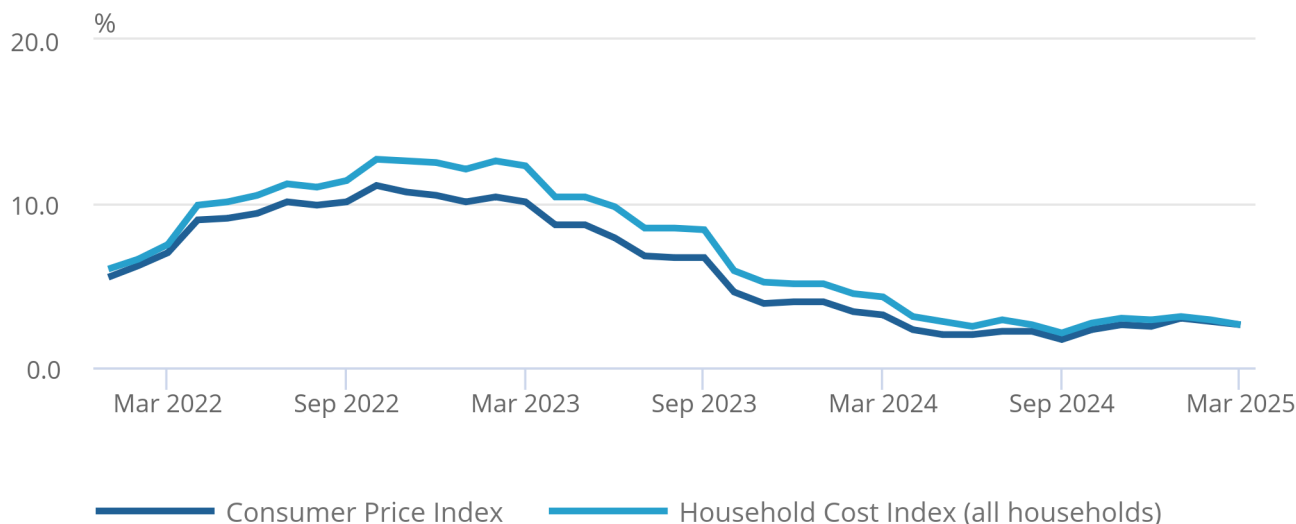
In the most recent month, March 2025, the all-household HCI annual rate was 2.6%. This is the same rate seen in CPI for March 2025 (Figure 1).

Figure 1: Household costs rose by 2.6% in the 12 months to March 2025

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

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



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

The overall annual growth rate of the HCI declined from 2.9% in December 2024 to 2.6% in March 2025. This reduction was mainly caused by falling prices for electricity, gas, and other fuels, along with a slowdown in the growth of mortgage interest payments. As a result, the contributions to annual HCI inflation from these categories dropped by 0.17 percentage points and 0.11 percentage points, respectively, between December 2024 and March 2025.

This fall was partially offset by higher contributions from transport and food and non-alcoholic beverages, which rose by 0.17 and 0.13 percentage points, respectively, between December 2024 and March 2025.

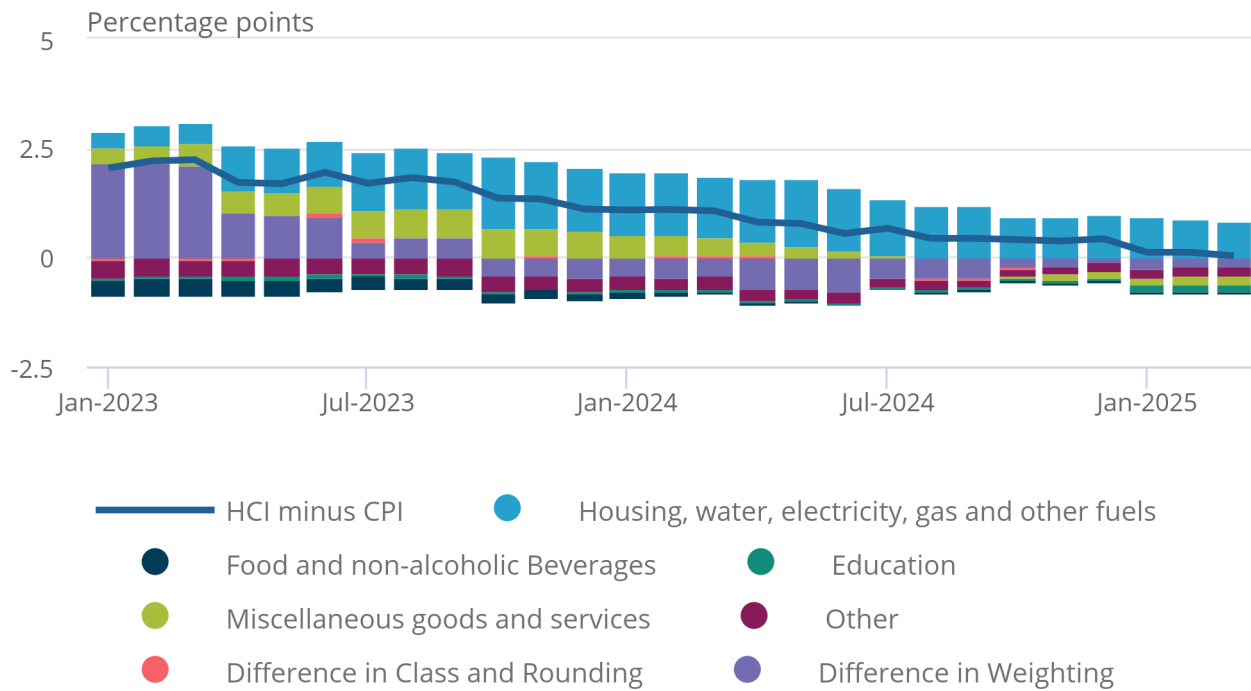
Figure 2 shows the contributors to differences in the annual inflation rates for the all-households HCI and CPI from January 2023 to March 2025. The largest difference came from housing and household services in the most recent three months, which contributed 0.83 percentage points more to the all-households HCI annual rate than to CPI in March 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 March 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 March 2025

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



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

Notes:

- Contributions to the difference may not sum to the difference between CPI and all-households HCI annual inflation rates because of rounding.
- 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.
- Differences because of weighting refers to the use of democratic weights, compared with plutocratic weights for CPI.
- Differences because of classification and rounding in January 2025 to March 2025 are not currently available because of data availability (for more information please see [Section 7: Data sources and quality](#)).

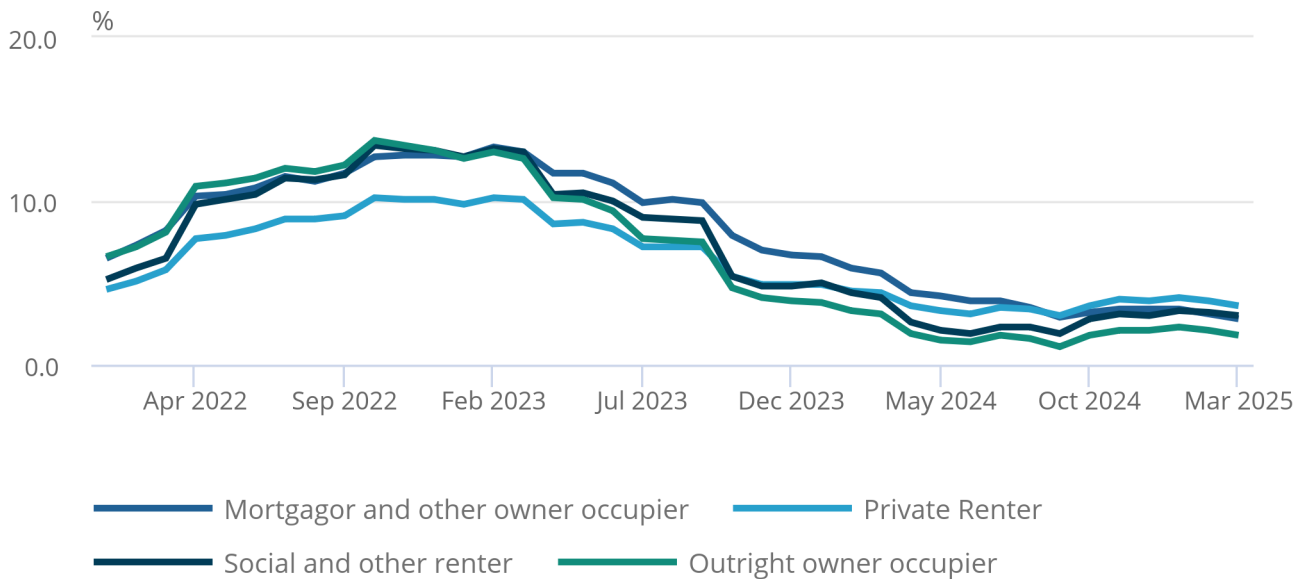
3 . Household Costs Indices by tenure type

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

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

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Household Costs Indices (HCI) annual inflation rates (%) by tenure type, UK, January 2022 to March 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 refer to [Section 7: Data sources and quality](#).

Figure 3 shows the annual inflation rates for the different tenure groups from January 2022 to March 2025. Outright owner-occupier households have experienced the lowest inflation rate in the most recent three months. Their annual rate was 1.8% in the year to March 2025, followed by mortgage households (2.8%).

Private renters had the highest inflation rate in the most recent three months. Their inflation was 3.6% in the year to March 2025, followed by social and other renters (3.0%).

This was primarily a result of housing costs. Private rental costs contributed 2.2 percentage points to the annual rate for private renter households. Social and other rental payments contributed 1.7 percentage points to the annual rate for social and other renter households.

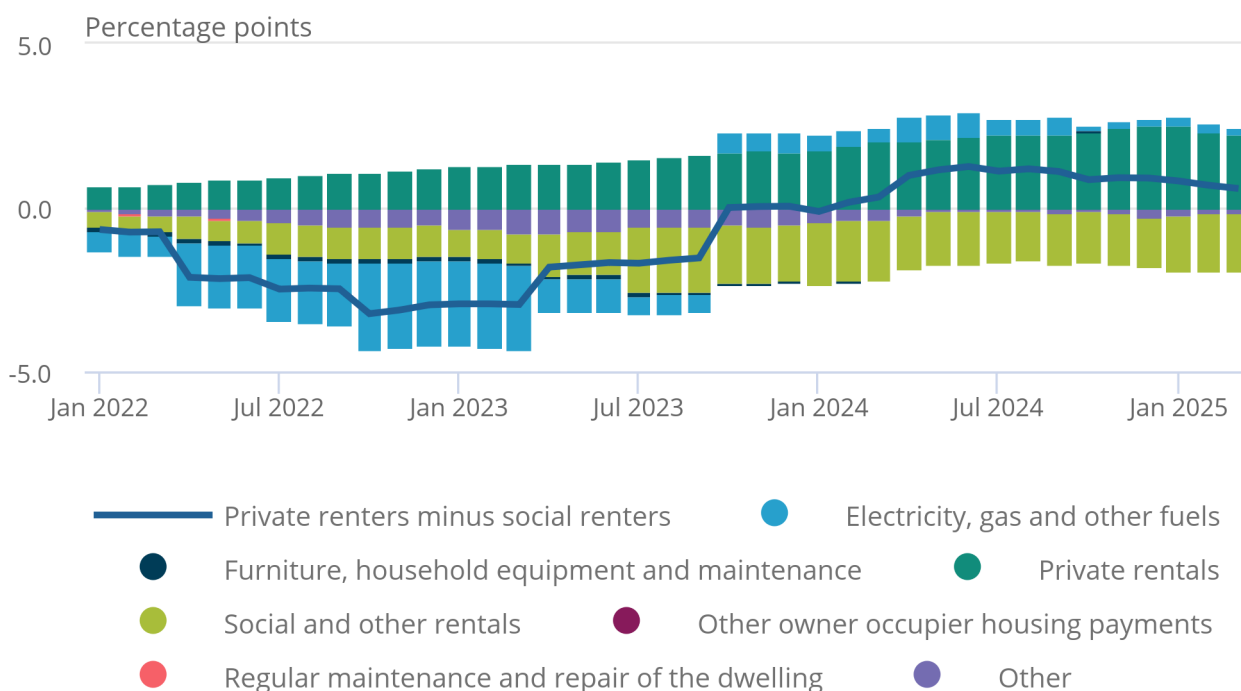
We see different outcomes when looking at household costs over a longer time. Private renters had the lowest cumulative HCI inflation rate over the past five year at 26.6%. This is followed by outright owner occupiers at 27.7%, social and other renters at 29.8%, and mortgage households at 32.1%.

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

Figure 4: Rental payments contributed to higher inflation for both private renter and social renter households in March 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 March 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 March 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 that gave a larger share of their spending to rental payments experienced higher annual household costs inflation than those who did not. Non-retired households and households with children both had higher annual inflation rates of 2.8%, compared with 2.1% for retired households and 2.6% for households without children (Table 1).

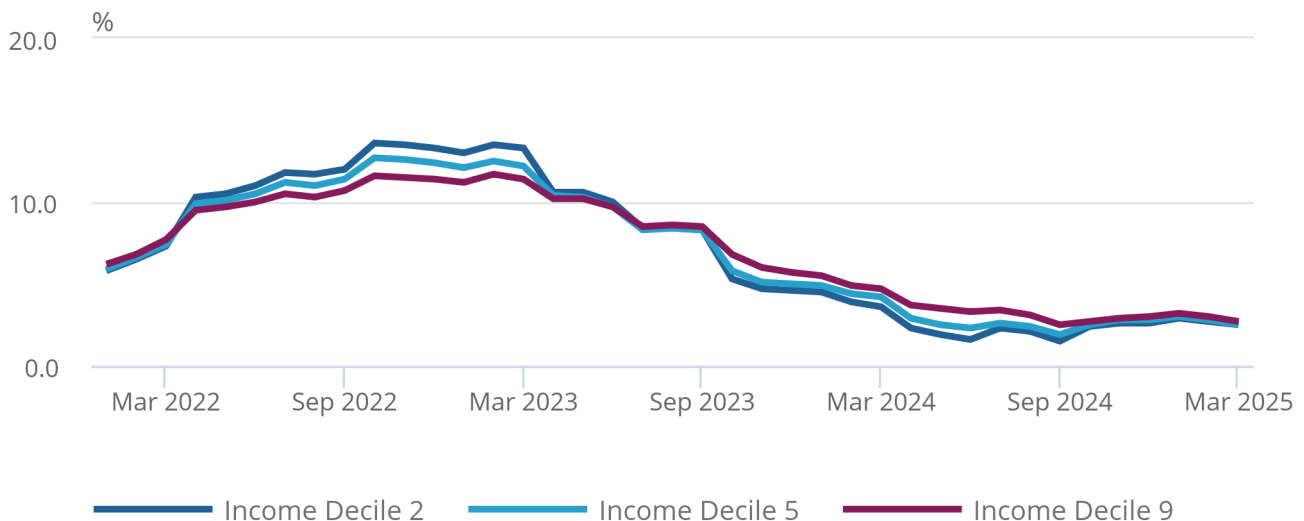
Annual inflation has remained higher for high-income households (2.7%) over the past three months , compared with low-income households (2.5%). This gap has narrowed since December 2024, when inflation stood at 3.0% for high-income households and 2.6% for low-income households (Figure 5).

Figure 5: High-income households experienced higher inflation than low-income households in March 2025

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

Figure 5: High-income households experienced higher inflation than low-income households in March 2025

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



Source: Household Costs Indices from the Office for National Statistics

High-income households continued to face greater inflationary pressure in the year to March 2025. This was largely owing to housing and household services. Mortgage interest payments were an important factor. They contributed 0.39 percentage points more to inflation for high-income households, compared with low-income households. However, this marks a decline of 0.12 percentage points from December 2024, when the difference in percentage contributions was 0.51 percentage points. Private rental costs eased slightly between December 2024 and March 2025. They fell from 0.44 to 0.38 percentage points for high-income households, and from 0.41 to 0.36 for low-income households.

These decreasing costs were partially offset for high-income households by relatively higher contributions from electricity, gas, and other fuels. This added 0.36 percentage points more to their inflation rate, compared with low-income households. Restaurants and hotels also had a greater impact on high-income households, contributing 0.22 percentage points more in the year to March 2025.

Low-income households were more affected by social rent payments, which contributed 0.57 percentage points to their inflation rate in March 2025. This is up from 0.52 in December 2024. This is 0.55 percentage points higher than for high-income households in the year to March 2025. Food and non-alcoholic beverages also had a greater impact on low-income households, contributing 0.18 percentage points more than for high-income households.

5 . Data for Household Costs Indices

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

Dataset | Released 29 May 2025

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

6 . Glossary

Disposable income

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

Households are divided into ten groups (deciles) based on their disposable income, with decile 10 being the highest and decile 1 the lowest. The second and ninth deciles are more stable and may be useful for analysis.

Equivalised

Equivalisation is the process of accounting for the fact that households with many members are 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 their 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. The second and ninth deciles are more stable, so users may wish to consider these in their 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 own 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. It 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 amounts to at least half the total gross income of the household.

7 . Data sources and quality

Changes to the current publication

This bulletin uses updated 2024 weights, which improves the accuracy of comparisons within the Household Costs Indices (HCIs) for UK household groups. This update has led to minor revisions in previously published comparisons.

The HCIs have been updated using revised 2024 weights. This led to small changes in the all-households HCI. The largest downward revisions were in January, February and March 2024. These months all had slight drops of 0.2 percentage points with the inclusion of the 2024 weights. The largest upward revisions were in July and August 2024, with both months increasing 0.2 percentage points with the inclusion of the 2024 weights. Similar impacts were seen across all household groups.

Further data improvements

It has not been possible to update the weights for 2025 in line with the standard methodology for consumer prices. This is because of delays in 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.

We introduced improved imputation methods, updated consumption segments, and enhanced private rental price statistics for Northern Ireland from the 26 March 2025 publication of the February 2025 Consumer Prices Index (CPI). These changes have also been applied to the HCIs from our Quarter 1 (Jan to Mar) 2025 bulletin.

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](#). This follows improvements in 2024 to private rental and used car indices for Great Britain, described in our [Impact analysis on transformation of UK consumer price statistics: private rents and second-hand cars, December 2023 article](#).

Households and the cost of living

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. In particular, 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 and its robustness. For more information, please see our [Methodology to calculate CPIH-consistent inflation rates for UK household groups](#).

8 . Related links

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

Bulletin | Released 21 May 2025

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

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

Bulletin | Released 21 May 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 | Released 3 May 2023

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

Office for National Statistics (ONS), released 29 May 2025 ONS website, statistical bulletin, [Household Costs Indices for UK household groups: January to March 2025](#).