[The Bank succeeds in slowing money and credit – nothing to do with Brexit]

The Bank of England has taken a lot of action to tighten money and credit since early last year. As this gets little attention I thought it might be helpful to remind people what it has done:

1. Increased rates from 0.25% to 0.5%
2. Cancelled the Term Funding Scheme which allowed banks to borrow at low rates to lend on to the UK economy (£127bn used by end of scheme in April 2018)
3. Increased Counter Cyclical Capital Buffer banks have to hold to 1% from November 2018 to reduce bank lending for any given amount of bank capital
4. Toughened "prudent affordability limits" on home loans
5. Imposed new tight limits of mortgages above 4.5 times income
6. Warned against credit card zero interest rate promotions
7. Required tougher standards for car loans related to future value of vehicle
8. Warned that Central London office properties were expensive
9. Set out to "tighten consumer credit conditions"

Given this, as predicted here, it is not surprising the UK economy has slowed. Similar action is not being taken in the USA or the Eurozone. The Eurozone continues with zero interest rates and still more Quantitative easing. The USA is deregulating banks to allow more credit, and undertaking a major fiscal stimulus though it is raising rates.