

Truflation UK CPI Inflation Index

Annual Expenditure Weighting Update Report for 2026

Date: April 15, 2026

Effective Date: May 6, 2026

Approved By: Truflation CPI Governance Board

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1. Summary

This report documents the updated annual category expenditure weights applied to the Truflation UK CPI Inflation Index.

The annual weight update incorporates the latest available data on UK household expenditure patterns, ensuring the index continues to accurately reflect the relative importance of the spending categories.

The updated annual category expenditure weights will take effect on May 6, 2026, replacing the previous 2025 weights, implemented on March 6, 2025. The revised weights will be applied to the unfrozen dataset from January 1, 2026. The frozen dataset will remain unchanged.

2. Truflation UK CPI Inflation Index Annual Category Weighting

The updated annual category weights were derived by triangulating multiple independent data sources to ensure robustness, neutrality and resilience against bias. The sources used in constructing the relative importance of the Truflation UK CPI Inflation Index include the Truflation Personal Inflation Calculator, Credit Card transaction data, Census / mini census data and household expenditure data sources from Global Demographics, NielsenIQ, Kantar and government offices including the Office of National Statistics. The calculation process follows the following steps:

1. Estimate category expenditure shares from available datasets
2. Normalize weights so that the total equals 100%

Finally the output is subsequently validated against Truflation's proprietary data feeds and additional third party sources, such as Retail Trade data, mortgage spending datasets and external reference providers. A comparison of the 2025 and 2026 weights is shown in Exhibit 1 below.

Exhibit 1: Truflation UK CPI Inflation Index Annual Category Weights for 2025 and 2026

Category	2025 weights	2026 Weights	Change
Food	18.533	18.473	-0.060
Housing	13.693	13.623	-0.070
Transportation	14.182	14.334	0.152

Utilities	9.956	9.870	-0.086
Health	1.19	1.196	0.006
Household durables & Daily use items	6.88	6.895	0.015
Alcohol & Tobacco	2.011	1.975	-0.036
Clothing & Footwear	4.196	4.219	0.023
Communications	2.908	2.872	-0.036
Education	1.12	1.091	-0.029
Recreation & Culture	14.937	15.027	0.090
Other	10.394	10.425	0.031

The primary changes in the updated weighting structure include:

- **Food (-0.060):** Weight declined as food price growth moderated relative to other categories and household spending shifted proportionally toward services and mobility related expenditures. As a result, food accounted for a slightly smaller share of total household consumption.
- **Housing (-0.070):** Housing decreased marginally as the relative share of housing related expenditures declined compared to other components of the consumption basket during the update period.
- **Utilities (-0.086):** Utilities' weight declined as energy and utility costs stabilized following earlier periods of sharp increases, reducing their share in overall household spending.
- **Transportation (+0.152):** Transportation weight increased as mobility related spending rose, reflecting higher expenditures on transport services, vehicle use, and travel activity relative to other categories.
- **Recreation (+0.090):** Recreation weight increased as household spending on leisure, entertainment and cultural activities expanded, raising the relative importance of discretionary services within the consumption basket.

3. Impact Analysis

Following the approval of the Truflation CPI Governance Board, the updated annual expenditure weights for 2026 were implemented on the Truflation UK CPI Inflation Index to reflect current household spending patterns. The implementation of the updated weights resulted in a minimal impact on the headline index from January 1 to April 1 2026.

- Average Headline Index level change: -0.0011
- Average Headline YoY inflation rate impact: -0.0000658%

- Observed Headline range changes: -0.001% to +0.020%

These results demonstrate strong continuity with the previous index structure, while improving with current expenditure patterns. The changes reflect a methodological recalibration rather than shifts in underlying price dynamics.

4. Implementation

The updated weights will be implemented on May 6, 2026.

The index will continue to follow the standard Truflation methodology:

- Component indexes are normalized
- Category indexes are weighted using expenditure weights
- The weighted aggregation produces the headline index

5. Review Policy

Category weights are reviewed on an annual basis and updated in April of each year when new expenditure data becomes available or when structural shifts in consumption patterns are observed.