

Mortgage Saver Review

February 2018 | Volume 02



Trussle

Introduction

At Trussle, we believe that everyone should love their journey of owning a home. It's why we're committed to improving the areas of the mortgage journey that negatively impact borrowers the most. The second volume of our Mortgage Saver Review presents solutions to key issues, with supporting proprietary data and analysis. We also call for industry-wide adoption of sorting deals by 'true cost' to provide a more accurate reflection of its costs over the full initial period.

Buying a home is more than just a transaction. It's a step towards building our lives and dreams. It's tragic therefore that millions of homeowners become so frustrated when securing a mortgage that they become disillusioned with what is one of the biggest emotional and financial decisions of their lives.

Mortgage deals are presented in a variety of ways, but the focus is almost always on the headline interest rate. We'll see later in this report that this rate rarely indicates how competitive the deal really is compared to others.

We've found that borrowers are resoundingly in favour of mortgage deals displaying not just the headline rate, but also its true cost, which accounts for all fees, charges, and incentives due within the initial period.

Some of the biggest hurdles faced by existing borrowers include complicated jargon, poor and inconsistent communication from lenders and brokers, and a negative first-time mortgage experience that discourages them from remortgaging when it's time to do so.

We now know that all of these issues contribute to 'switching inertia', collectively costing approximately two million homeowners almost £10 billion a year¹ - equal to the annual cost of all online fraud in the UK.²

For the average borrower, the difference between a market-leading deal and the average SVR is around £4,700 in extra interest each year³ - enough to pay for school fees, home improvements, or even that elusive family holiday.

Last year, Trussle called for a Mortgage Switch Guarantee to address many of these issues.⁴ The proposals included improving the way that lenders communicate with customers when it's time to switch, and simplifying the way that deals are displayed for fairer comparison.

We've since engaged lenders, policy makers, and the regulator to discuss how best to launch a Mortgage Switch Guarantee. I'm confident the data, insight, and arguments within this report give further credence to the cause and ultimately will help us create a better future for borrowers.



I. Malhi

Ishaan Malhi
CEO and founder of Trussle

1 CACI's "Mortgage Market Database"

2 [Police figures](#)

3 See Methodology for calculations

4 [Mortgage Switch Guarantee](#)

Today's borrowers face big challenges

Comparing deals is difficult due to the varying ways they're displayed online.

For this report, we commissioned new research to hear the experiences and opinions of 2,000 mortgage borrowers across the UK.

While some borrowers appeared to have navigated the mortgage market without issue, many ran into unnecessary difficulties.

One of the stand-out insights was that many borrowers are immediately put on the back foot while researching mortgage deals, due to the inconsistent ways products are displayed online. While comparison sites have gone some way to improve product clarity for their users, lenders are lagging far behind - often burying fees and charges in small print or behind expandable elements of the page.

This is clearly a frustrating borrower experience, and the lack of transparency also appears to have discouraged some borrowers from shopping around to find the most suitable deal, instead choosing to go direct to their current bank without considering other options on the market.

Borrowers are facing higher costs due to poor communication from lenders.

Communication between lender and borrower is another area where improvements are needed, particularly in the months prior to the mortgage deal's initial rate expiring. Without clear forewarning, a borrower could lapse onto their lender's high-interest SVR at the end of their deal's initial period, potentially costing an extra £390 a month.⁵

Borrower confidence is low, preventing many from engaging with their mortgage.

Worryingly, some borrowers have admitted to ignoring correspondence from their lender because they don't understand the jargon being used.

These challenges are clearly damaging borrower confidence. If left unaddressed, borrowers could find themselves disengaged with the mortgage process and without the education needed to make informed decisions.

⁵ See Methodology for calculations

**A lack of
transparency
is catching
borrowers out**

Many borrowers are being hit with unexpected charges.

Fewer than one in three (30%) borrowers surveyed understood all the information presented by lenders while considering their current mortgage deal. Almost half (46%) found the process confusing. A significant number of people (9%) even felt that the deals were hiding important information.

Worryingly, this lack of transparency has resulted in many borrowers being hit with unexpected charges or rate increases. Of the 21% who fell into this category in our study, around half experienced more upfront costs than anticipated, while a third paid a mortgage arrangement fee they weren't aware of.

The inconsistent way that deals are displayed is causing people to overlook important information.

Less than half (44%) of the borrowers we surveyed took account of upfront fees when they chose a deal. Just a third (33%) considered what the Standard Variable Rate would be once their initial term ended.

Evidently, this collective lack of transparency is making it difficult for borrowers to compare deals from different lenders.

If borrowers compare deals by initial rate (the most common metric) they risk choosing a deal that has a higher overall cost. We refer to this as the true cost, and will explain it further later in this report.

The borrowers we surveyed are keen to see improvements in this area, with three quarters (74%) wanting all fees and charges to be rolled into an easily comparable total true cost for the initial period of the deal.

How lenders displayed their deals

29th Jan 2018

RBS

Initial rate	Rate thereafter (variable)	LTV	Product fee	Monthly payment	Monthly payment if fee added to loan
--------------	----------------------------	-----	-------------	-----------------	--------------------------------------

Nationwide

Monthly payment	Initial rate	Product fee	APRC	Total paid over 2 years
-----------------	--------------	-------------	------	-------------------------

Barclays

Initial rate	Product fee	APRC	Follow on rate	LTV
--------------	-------------	------	----------------	-----

**Misplaced
loyalty is
preventing
borrowers
from getting
the right deal**

Many borrowers are being put off by an overly complicated market.

A consequence of borrowers not being able to easily compare deals is that they're more likely to end their search prematurely and go straight to their bank to get a mortgage.

Of those surveyed, one in three (33%) chose their current mortgage provider because they already banked with them. A further 7% chose a lender because a friend or relative had a mortgage with them.

Choosing to go straight to a bank can limit the number of deals available by up to 99%.

Two in five borrowers are therefore basing the biggest financial decision of their lives on what could be misplaced lender loyalty.

With more than 11,000 mortgage products on the market, it's highly unlikely that these borrowers will receive the most suitable deal for their particular circumstances.

**Poor
communication
is causing
borrowers to
disengage**

The extensive use of jargon is confusing borrowers.

A persistent problem for many borrowers is the amount of jargon used by lenders, brokers, and other partners involved in the mortgage process.

Half (51%) of the borrowers we surveyed had been sent communications from their lender or broker that included terms they didn't understand. Worryingly, of this group, a quarter (24%) ignored these terms and only read the remaining parts, while 16% stopped reading completely when they reached a section they didn't understand.

Two million borrowers don't understand essential parts of lender and broker correspondence.

What this means is that one in five borrowers - more than two million people - are failing to understand essential parts of the correspondence they receive. This will inevitably put them in a weaker position when it comes to making important decisions regarding their mortgage.

A disastrous consequence of this is a borrower becoming completely disengaged. In our study, almost one in ten (8%) confessed that they don't read any communication from their provider or broker.

Poor communication is causing borrowers to lapse onto their lender's SVR.

For many borrowers, the issue is not just the way in which their lender or broker communicates with them, but the frequency with which they do so.

One in five (21%) said they couldn't remember the last time their provider contacted them about their mortgage, while almost twice as many (37%) stated that their lender or broker doesn't do enough to keep them updated.

We already know from our previous Mortgage Saver Review that at least two million borrowers are currently on their lender's high-interest SVR because they didn't switch mortgage early enough. One reason for this is that many borrowers simply weren't aware that it was time to switch until it was too late.

To address this issue, the vast majority (83%) think it would be useful to receive a standardised letter from their lender three months before the end of their initial period telling them when it's time to switch to a new rate. Similarly, 79% of borrowers also think the switching process would be improved with more information on why they need to switch and how to go about doing it.

**Unnecessary
confusion
is stripping
away borrower
confidence**

Borrowers are putting off important decisions due to stress.

We've seen that the mortgage journey is marred by a lack of transparency and communication at both the point of securing the mortgage and the period leading up to switching.

We now know that this is contributing to confusion among borrowers, with 15% admitting a lack of basic understanding of interest rates. A third (32%) in the study were unable to recognise any benefit in occasionally overpaying on a mortgage.

The hurdles lined along the mortgage journey also seem to be contributing to stress and a lack of conviction. Just 50% of those surveyed said they feel confident about managing their mortgage themselves, while two in five (41%) said that they found the mortgage process stressful.

Paperwork is the biggest contributor to stress.

The biggest contributor to the stress factor, according to our research, is the mountain of paperwork needed to secure a mortgage. Borrowers are eager to see this area improved, as the vast majority want more mortgage information to be available online.

Borrowers want easy access to key information online.

In the study, three quarters (73%) said they thought mortgage providers should be legally required to make outstanding balances accessible online, while 70% said the same of mortgage statements, and two thirds (67%) in relation to the remaining time left of their initial term.

**Borrowers
expect an
improved
mortgage
experience**

Borrowers expect the same level of convenience they enjoy in other areas of their lives.

The findings from our latest research confirm that getting a mortgage and subsequently trying to stay on top of it can be a confusing and frustrating process which can leave borrowers feeling lost.

Whether trying to compare the vast array of deals online, decipher letters from lenders and brokers, or access their current mortgage status, millions of borrowers are encountering difficulties.

The research also shows that borrowers want change. Paperwork is the most stressful element of a mortgage application and the vast majority would like documents and status updates to be made available online.

With technological innovation transforming so many other service industries, borrowers now demand a certain level of convenience. Accessing their mortgage balance online is just the starting point.

Borrowers expect lenders to include true cost when displaying deals online.

Perhaps the most persuasive of statistics to come from our latest research is that the vast majority of borrowers want advertised mortgage deals to display all fees and incentives due within the initial period in one transparent true cost figure.

Doing so would greatly improve the ease and experience of comparing deals from different lenders and help borrowers make far more informed decisions when choosing their mortgage.

It would be relatively straightforward for lenders to implement and is one of the four recommendations made in the Mortgage Switch Guarantee proposed by Trussle last year to improve the mortgage switching process.

**Mortgage deals
are misleading
borrowers**

Deals with the most competitive headline rates often become far less so when the full cost is factored in.

Mortgage deals are frequently marketed in a way that fails to give borrowers a full or true picture of the total cost they'll need to spend over the initial period.

Lenders tend to publish headline mortgage rates in large bold font, relegating information concerning extra charges and incentives to the small print. This is a problem because, as we discovered earlier in this report, borrowers will naturally gravitate to these headline rates and end up paying little - if any - attention to the upfront costs and fees associated with a deal.

Borrowers are hardly to blame for this. With thousands of rates available, comparing deals is far from straightforward. Why should they end up paying more just because they've been seduced by the flashing lights of a mortgage rate advertised as a Best Buy?

Borrowers can often pay less over the initial period with a higher-rate but lower-fee deal.

Shown over the next few pages, we've analysed thousands of deals on the market from more than 70 lenders and ranked them in order of a true cost figure.

This figure includes all payments over the initial period of the loan, plus all upfront charges, such as a valuation fee or booking fee, minus any cashback incentives.

For example, both HSBC and Scottish Widows Bank's lowest two-year fixed rate deals are 1.34% (Appendix). If compared on rate alone, borrowers may be forgiven for thinking they'd cost about the same. However, when considering the true cost during the initial period, HSBC's deal would cost the average UK borrower⁶ £13,758, including £1,029 of upfront costs. Scottish Widows Bank's deal would cost that same person £13,513, including £774 of upfront costs - a saving of £245.

Adopting this approach, we've discovered that some of the most attractive deals become far less so once these extra considerations are taken into account. Conversely, deals with higher than average headline rates can become far more eye-catching when their true cost is revealed.

While raising awareness around this issue is crucial, we recognise that for most people, deciphering which deal might be most suitable using this method is extremely difficult.

That's why we're calling on all UK lenders to present the true cost alongside any mortgage deals they advertise, so borrowers can make more informed decisions without having to be experts. Getting a mortgage is the biggest financial commitment of most people's lives but most borrowers would struggle to identify the best deal on the market. This is a simple and easily implemented change.

⁶ See Methodology

**The lowest
initial rates
don't always
offer the best
value deal**

The lowest-rate deal on the market can be beaten by a higher-rate deal when compared by true cost.

All mortgage products come with a headline interest rate, which usually features prominently when they’re presented online. This rate applies only to the initial period of the loan – for a two-year fixed deal, the initial period would be two years. After this time, a borrower will typically be transferred to their lender’s much costlier Standard Variable Rate.

As borrowers are expected to switch mortgage before this happens, the value of a mortgage deal tends to be judged on how low the interest rate is for this initial period. But what we’ve found is that the lowest rates aren’t always the best deals.

This is proven by the following tables, which look at the lowest rate two and five-year fixed deals on the market, before re-ranking these deals based on true cost.

For example, Santander leads the two-year fixed market with an enticing rate of 1.09% (Figure 1), but when these products are ranked by true cost, the deal falls down to 21st (Figure 2) out of 72 lenders. Meanwhile, Danske Bank’s rate of 1.36% jumps from 15th place to 1st.

Figure 1: The lowest two-year fixed rate deals on the market, ranked by lowest initial rate.

Rank	Lender	Initial rate
1	Santander UK	1.09%
2	Sainsbury’s Bank	1.19%
3	Platform	1.19%
4	Principality Building Society	1.20%
5	Yorkshire Building Society	1.24%
6	Barclays Bank	1.28%
7	Nationwide Building Society	1.29%
8	Coventry Building Society	1.29%
9	The Co-Operative Bank	1.29%
10	Halifax	1.30%

Figure 2: The lowest two-year fixed rates on the market, re-ranked by lowest true cost.

Rank	Lender	True cost	Initial rate	Upfront cost
1	Danske Bank	£12,800	1.36%	£0
2	Nationwide Building Society	£13,213	1.29%	£519
3	Sainsbury’s Bank	£13,255	1.19%	£770
4	Yorkshire Building Society	£13,320	1.24%	£730
5	Clydesdale Bank	£13,343	1.39%	£539
6	Skipton Building Society	£13,420	1.76%	£6
7	Barclays Bank	£13,421	1.28%	£834
8	Teachers Building Society	£13,488	1.79%	£25
9	Scottish Widows Bank	£13,513	1.34%	£774
10	Ulster Bank	£13,586	1.63%	£389
21	Santander UK	£13,759	1.09%	£1,534

Upfront fees and incentives play a big part in determining a deal's longer-term value.

This reversal is down to the considerable difference in upfront cost - fees minus incentives - between the two products (Figure 2). Thanks to the £1,534 upfront cost that accompany Santander's 1.09% rate, the average borrower would pay £13,759 over the course of their initial period. A borrower with Danske Bank would pay just £12,800, with no upfront costs.

When ranked by initial rates, five of the top ten are among the UK's 10 biggest mortgage providers by total lending, but this falls to three when the same list of deals are ranked by true cost.

Among the 'big 10' lenders, which serve 80% of the mortgage market, Nationwide offers the lowest two-year fixed rate deal when ranked by true cost (Appendix). Its 1.29% rate would see the average borrower pay £13,213 over the initial period, almost £900 less than 30th ranked Lloyds Bank (£14,106). This is because there are virtually no upfront costs but £500 cashback attached to Nationwide's product.

For most people, the difference in true cost between these products would be a significant sum, enough to pay for an extra holiday each year. Clearly, if people had this information to hand, it would have a major influence on which mortgage they chose.

Comparing deals by true cost has a similar impact across both two-year and five-year fixed rate deals.

Ranking lenders' lowest rate deals by true cost has a similar, albeit less profound effect in the five-year fixed market. Principality Building Society has the lowest rate of 1.65% (Figure 3), but falls to 7th position when re-ranked by true cost (Figure 4).

Nationwide offers the lowest true cost deal when we reorder our list. With this mortgage, the average borrower would pay £34,172 over the initial five-year period. This is £650 less than the £34,823 they would pay with Principality's deal.

This shows just how important it is for borrowers to look beyond the headline rate and to understand that the lowest rates don't always equate to the lowest-cost deals.

It also highlights the important role brokers play in taking account of all charges and fees when advising customers on deals. Around 80% of borrowers go to brokers to get a mortgage so it's crucial that brokers are factoring in all costs when offering advice.

Figure 3: The lowest five-year fixed deals on the market, ranked by lowest initial rate.

Rank	Lender	Initial rate
1	Principality Building Society	1.65%
2	Coventry Building Society	1.75%
3	Yorkshire Building Society	1.77%
4	HSBC	1.79%
5	Nationwide Building Society	1.79%
6	NatWest	1.79%
7	Platform	1.79%
8	Royal Bank Of Scotland	1.79%
9	Santander UK	1.79%
10	Skipton Building Society	1.79%
11	The Co-Operative Bank	1.79%

Figure 4: The lowest five-year fixed rates on the market, re-ranked by true cost.

Rank	Lender	True cost	Initial rate	Upfront cost
1	Nationwide Building Society	£34,172	1.79%	£519
2	Coventry Building Society	£34,471	1.75%	£1,007
3	NatWest	£34,629	1.79%	£1,025
4	Royal Bank Of Scotland	£34,629	1.79%	£1,025
5	Santander UK	£34,637	1.79%	£1,034
6	HSBC	£34,665	1.79%	£1,029
7	Principality Building Society	£34,823	1.65%	£1,800
8	Platform	£34,842	1.79%	£1,249
9	Yorkshire Building Society	£35,276	1.77%	£1,730
10	The Co-Operative Bank	£35,328	1.79%	£1,759
11	Skipton Building Society	£35,589	1.79%	£2,001

**True cost is a
more effective
measure of
comparing
mortgage
deals**

The industry’s focus on headline rates is misleading borrowers’ judgement.

Lenders tend to promote their lowest rate mortgage deals the most and usually announce to the media when they’re launching a new low-rate product to the market.

A likely result of this is that borrowers end up thinking that the lowest rate deals on the market will cost them the least. This belief is compounded by the way that comparison websites tend to rank deals in ascending order by interest rate, but from our analysis, we know this is ineffective.

To use the example of Santander once again, it would be natural to assume that their 1.09% product - the lowest two-year fixed rate currently on the market (Figure 1) - offers better value than their 1.64% two-year fixed rate.

But this does not hold true when we look at the measure that matters, true cost. Whilst the first deal will see the average borrower pay £13,759 in the two-year initial period, this falls to £13,037 with their higher rate product (Figure 5), due to the far lower fees and the inclusion of incentives. That’s a £700 difference – a huge sum of money which could help to pay for new furniture or appliances for a home buyer.

Thousands of pounds can separate two deals with the same initial rate when compared by true cost.

This phenomenon isn’t limited to Santander. In the chart below, we’ve plotted the leading two-year fixed rate deals on the market against their true cost. What becomes clear is that some of the most attractive looking low-rate deals on the market can end up costing borrowers far more than they might expect. Meanwhile, two deals with similar initial headline rates can be worlds apart when looking at true cost.

Chart 1: Initial rate vs true cost.

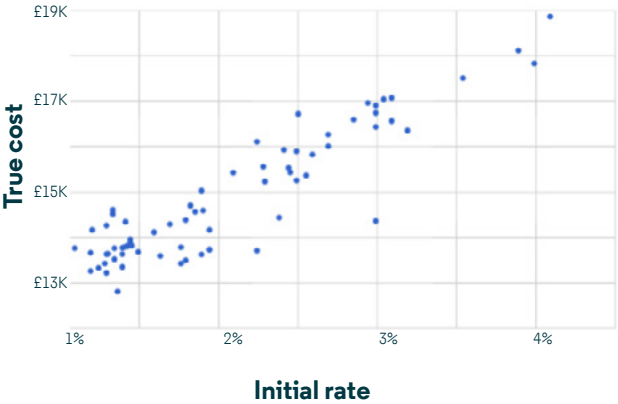


Figure 5: The most competitive two-year fixed deals on the market, ranked by true cost.

Rank	Lender	True cost	Initial rate	Upfront cost
1	Danske Bank	£12,800	1.36%	£0
2	Nationwide Building Society	£12,825	1.69%	-£480
3	Post Office	£12,994	1.78%	-£470
4	Platform	£12,998	1.49%	£0
5	Sainsbury's Bank	£13,021	1.49%	£25
6	Santander UK	£13,037	1.64%	-£215
7	Halifax	£13,090	1.70%	-£250
8	Principality Building Society	£13,112	1.55%	£25
9	Progressive Building Society	£13,138	1.89%	-£500
10	Skipton Building Society	£13,143	1.79%	-£344

Figure 6: Ten biggest UK lenders ranked by their best two-year fixed rate deals by true cost.

Rank	Lender	True cost	Initial rate	Upfront cost
1	Nationwide Building Society	£12,825	1.69%	-£480
2	Santander UK	£13,037	1.64%	-£215
3	Barclays Bank	£13,221	1.73%	-£165
4	Coventry Building Society	£13,251	1.65%	£8
5	TSB	£13,263	1.64%	£35
6	HSBC	£13,305	1.69%	£0
7	Yorkshire Building Society	£13,320	1.24%	£730
8	Virgin Money	£13,565	1.84%	£30
9	Royal Bank Of Scotland	£13,676	1.91%	£30
10	Lloyds Bank	£13,696	1.94%	£0

As Figure 5 shows, Danske Bank's two-year fixed rate is the most competitive deal on the market in terms of true cost. In fact, just two of the UK's 10 big lenders make the top 10 list – Nationwide and Santander.

Ranked second, Nationwide's deal would see an average borrower pay £12,825 over the initial period, at a rate of 1.69%. This is a full 0.6% higher than the lowest two-year fixed rate on the market from Santander (Figure 1).

Meanwhile, RBS, which serves 13% of the UK market, enters the rankings at a lowly 31st with its best two year fixed deal by true cost (£13,676).

Figure 6 shows how the UK's biggest lenders fare against one another. The lowest ranked deal from Lloyds Bank would cost a borrower over £870 more than Nationwide's best true cost deal.

Figure 7: The most competitive five-year fixed deals on the market, ranked by true cost.

Rank	Lender	True cost	Initial rate	Upfront cost
1	Santander UK	£33,448	1.79%	-£215
2	Danske Bank	£33,731	1.81%	£0
3	Metro Bank	£33,884	1.84%	£35
4	Nationwide Building Society	£33,958	1.99%	-£480
5	Coventry Building Society	£34,143	1.79%	£507
6	Sainsbury's Bank	£34,437	1.80%	£770
7	HSBC	£34,438	1.99%	£0
8	First Direct	£34,438	1.99%	£0
9	Principality Building Society	£34,478	2.00%	£0
10	Platform	£34,561	1.84%	£749

Figure 8: Ten biggest UK lenders ranked by their best five-year fixed rate deals by true cost.

Rank	Lender	true cost	Initial rate	Upfront cost
1	Santander UK	£33,448	1.79%	-£215
2	Nationwide Building Society	£33,958	1.99%	-£480
3	Coventry Building Society	£34,143	1.79%	£507
4	HSBC	£34,438	1.99%	£0
5	Royal Bank Of Scotland	£34,629	1.79%	£1,025
6	Barclays Bank	£34,659	1.82%	£934
7	TSB	£34,871	2.09%	£35
8	Virgin Money	£35,223	2.18%	£30
9	Yorkshire Building Society	£35,254	1.89%	£1,230
10	Lloyds Bank	£37,901	2.84%	£0

Looking at the most competitive five-year fixed rate deals by true cost, four of the top ten deals come from the UK's 10 big lenders (Figure 7).

Santander takes first place, with its deal costing the average borrower £33,448 during the initial period. Other lenders to rank highly include Nationwide (£33,958) and Coventry (£34,143).

Once again looking at how the ten biggest mortgage providers compare (Figure 8), we see a vast difference in true cost. Despite Santander's 1.79% deal coming at only slightly a lower rate than Yorkshire Building Society's 1.89% deal, the latter would cost the average UK borrower over £1,800 more during the initial period, a huge sum of money for most people.

**Borrowers
are being
penalised by
high-interest
SVRs**

Despite its importance, true cost isn't the only factor to consider when choosing the right deal.

For most people, the most important factor to consider when choosing a mortgage should be true cost.

But borrowers should also be aware of the lender's Standard Variable Rate, as this is the rate they'll be automatically transferred to if they fail to switch to a new deal once their initial introductory period has ended, or if they inadvertently fall into negative equity⁷ or become a mortgage prisoner.⁸

Some lenders have far higher SVRs than others, meaning borrowers who fail to switch at the right time can be hit particularly hard depending on who their mortgage is with.

⁷ Negative equity is when the value of a home falls below the outstanding balance on the mortgage used to purchase it

⁸ The term 'mortgage prisoner' refers to anyone who has become trapped on their current mortgage deal, unable to remortgage or move home.

Just one month on an SVR could cost over £400 in additional interest.

As shown in Figure 9, Yorkshire's SVR of 4.99% is ranked 41st, the lowest among the UK's 10 big lenders. For the average borrower, one month on Yorkshire's SVR would cost £420 in additional interest compared with their lowest true cost deal's rate of 1.24%.

The two lowest SVRs on the market come from Magellan Homeloans and Tesco Bank, at 3.18% and 3.89% respectively. It's worth noting the best deals offered by both of these lenders score relatively poorly in terms of true cost.

With this in mind, a borrower should never choose a mortgage deal based on its SVR. SVRs should be avoided by borrowers at all costs, but it's still useful to know which lenders will punish you the most for slipping onto it – something affecting one in five homeowners.

Figure 9: UK lenders ranked by SVR, accompanied by lowest true cost two-year fixed deal.

Rank	Lender	SVR	Lowest true cost
1	Magellan Homeloans	3.18%	£16,908
2	Tesco Bank	3.89%	£13,752
3	First Direct	3.94%	£13,228
4	HSBC	3.94%	£13,305
5	Nationwide Building Society	3.99%	£12,825
6	Halifax	3.99%	£13,090
7	Barclays Bank	3.99%	£13,221
8	TSB	3.99%	£13,263
9	Scottish Widows Bank	3.99%	£13,513
10	Ulster Bank	3.99%	£13,586
27	Santander UK	4.74%	£13,037
32	Virgin Money	4.79%	£13,565
41	Yorkshire Building Society	4.99%	£13,320

Figure 10: Big 10 UK lenders ranked by SVR, accompanied by lowest true cost two-year fixed deal.

Rank	Lender	SVR	Lowest true cost
1	HSBC	3.94%	£13,305
2	Nationwide Building Society	3.99%	£12,825
3	Barclays Bank	3.99%	£13,221
4	TSB	3.99%	£13,263
5	Royal Bank Of Scotland	3.99%	£13,676
6	Lloyds Bank	3.99%	£13,696
7	Santander UK	4.74%	£13,037
8	Coventry Building Society	4.74%	£13,251
9	Virgin Money	4.79%	£13,565
10	Yorkshire Building Society	4.99%	£13,320

Two million borrowers are collectively paying almost £10 billion in excess interest each year.

SVRs are a major issue in the UK mortgage market as there are around two million borrowers needlessly sitting on these rates, paying almost £10 billion in excess interest every year as a result.

By improving understanding around the pricing of mortgages and encouraging lenders to simplify the way that they display deals, we can help people to stay engaged with their mortgage. This will ultimately help reduce the near £10 billion wasted each year by homeowners on extra interest.

Closing Words

The latest volume of our Mortgage Saver Review is the first to analyse mortgage deals by their true cost. This is a far clearer, fairer, and more transparent way of marketing products and we're requesting the industry to adopt this as standard.

From the research shown in this report, we know how desperate today's borrowers are for the mortgage sector to modernise. We also know that a huge portion of borrowers find it difficult to compare and fully understand the vast array of products advertised online. Too many also fail to look beyond the headline rate.

Comparing deals is one of the first steps in the consideration of getting a mortgage to purchase or refinance your home. Frustrations at this stage are likely to contribute to disengagement in the future. This disengagement is partly responsible for the near £10 billion hole in borrowers' pockets caused by mortgage switching inertia.

To tackle the prevalent inconsistency in the way that deals are marketed and to make the comparison process easier, the vast majority of borrowers we surveyed are in favour of lenders rolling all charges and incentives into one true cost figure.

We've seen from our data just how useful it would be for a borrower to have a true cost figure to hand when they're choosing a mortgage. Some of the most attractive looking deals on the market become far less so once all of the extra costs are considered. It's unrealistic, however, to expect borrowers unfamiliar with the market to be able to calculate this and make an informed decision.

This is why Trussle is calling for all lenders to provide the true cost of deals. This would require knowing each prospective borrower's circumstances, but this could quite easily be achieved by providing an input field above a list of deals to allow borrowers to enter key details such as income and desired mortgage amount. With the technology available today, this shouldn't be difficult - in fact, most comparison sites have provided this option for several years.

Our true cost format is one of four recommendations we've made within our Mortgage Switch Guarantee proposal, put forward to improve the switching process for borrowers.

If lenders, comparison sites, and brokers can agree on a method for calculating the true cost of deals and make this information clearly available to borrowers, the market would become far more transparent and would function better for everyone as a result.



I. Malhi

Ishaan Malhi
CEO and founder of Trussle

Appendix

Table 1: Each lender's lowest initial rate two-year fixed deal, ranked by initial rate. Associated product details also shown.

Rank	Lender	Initial rate %	True cost £	Upfront cost £	Full term fees £	Incentives £	Lowest SVR %
1	Santander UK	1.09%	£13,759	£1,534	£1,759	£0	4.74%
2	Sainsbury's Bank	1.19%	£13,255	£770	£870	£0	4.24%
3	Platform	1.19%	£13,655	£1,249	£1,409	£0	4.74%
4	Principality Building Society	1.20%	£14,159	£1,800	£1,955	£0	4.90%
5	Yorkshire Building Society	1.24%	£13,320	£730	£820	£0	4.99%
6	Barclays Bank	1.28%	£13,421	£834	£1,114	£200	3.99%
7	Nationwide Building Society	1.29%	£13,213	£519	£1,084	£500	3.99%
8	Coventry Building Society	1.29%	£13,624	£1,007	£1,132	£0	4.74%
9	The Co-Operative Bank	1.29%	£14,258	£1,759	£1,958	£0	4.74%
10	Halifax	1.30%	£13,632	£999	£999	£0	3.99%
11	Post Office	1.33%	£14,516	£1,835	£2,030	£0	4.49%
12	Chelsea Building Society	1.33%	£14,608	£1,930	£2,020	£0	4.99%
13	Scottish Widows Bank	1.34%	£13,513	£774	£969	£0	3.99%
14	HSBC	1.34%	£13,758	£1,029	£1,029	£0	3.94%
15	Danske Bank	1.36%	£12,800	£0	£125	£0	4.85%
16	Clydesdale Bank	1.39%	£13,343	£539	£734	£0	4.95%
17	The Hanley Economic Building Society	1.39%	£13,625	£844	£939	£0	5.19%
18	First Direct	1.39%	£13,768	£922	£922	£0	3.94%
19	Accord	1.40%	£13,779	£995	£1,085	£0	4.99%
20	Bank Of Ireland	1.41%	£14,340	£1,525	£1,770	£0	4.49%
21	NatWest	1.42%	£13,802	£1,025	£1,025	£0	3.99%
22	Royal Bank Of Scotland	1.42%	£13,802	£1,025	£1,025	£0	3.99%
23	Leeds Building Society	1.44%	£13,876	£1,034	£1,233	£0	5.69%
24	TSB	1.44%	£13,951	£1,030	£1,030	£0	3.99%
25	Virgin Money	1.45%	£13,815	£1,025	£1,025	£0	4.79%
26	Furness Building Society	1.49%	£13,673	£619	£1,164	£400	5.54%
27	Lloyds Bank	1.59%	£14,106	£995	£995	£0	3.99%
28	Yorkshire Bank	1.59%	£14,110	£1,039	£1,284	£0	4.95%
29	Ulster Bank	1.63%	£13,586	£389	£514	£0	3.99%
30	Tesco Bank	1.69%	£14,285	£1,020	£1,110	£0	3.89%
31	Skipton Building Society	1.76%	£13,420	£6	£66	£0	4.74%
32	Norwich & Peterborough Building Society	1.76%	£13,779	£380	£470	£0	4.99%
33	Teachers Building Society	1.79%	£13,488	£25	£110	£0	4.99%
34	BM Solutions	1.79%	£14,379	£995	£1,290	£0	4.84%
35	Newcastle Building Society	1.82%	£14,698	£1,289	£1,414	£0	5.99%
36	Monmouthshire Building Society	1.85%	£14,563	£924	£1,299	£250	4.99%
37	Progressive Building Society	1.89%	£13,618	£0	£170	£0	4.75%
38	Hinckley & Rugby Building Society	1.89%	£15,029	£1,294	£1,444	£0	5.89%
39	Nottingham Building Society	1.90%	£14,592	£999	£1,139	£0	5.49%
40	West Bromwich Building Society	1.94%	£13,724	£30	£170	£0	4.24%
41	Metro Bank	1.94%	£13,731	£35	£85	£0	4.00%
42	Cambridge Building Society	1.94%	£14,160	£425	£485	£0	4.00%
43	Loughborough Building Society	2.09%	£15,424	£1,490	£1,610	£0	5.09%
44	First Trust Bank	2.24%	£13,705	£470	£85	£500	3.99%
45	The Mortgage Works	2.24%	£16,109	£2,015	£2,105	£0	4.49%
46	Pepper Money	2.28%	£15,559	£1,595	£1,648	£0	4.02%
47	Leek United Building Society	2.29%	£15,230	£1,015	£1,100	£0	5.44%
48	Aldermore Mortgages	2.38%	£14,434	£30	£120	£0	4.98%
49	The Mortgage Lender	2.41%	£15,930	£1,480	£1,595	£0	5.03%
50	Family Building Society (NCBS)	2.44%	£15,531	£1,204	£1,304	£0	4.79%
51	Paragon Banking Group PLC	2.45%	£15,431	£878	£1,118	£0	5.35%
52	Penrith Building Society	2.49%	£15,254	£673	£673	£0	4.15%
53	Kensington Mortgages	2.49%	£15,898	£1,317	£1,507	£0	4.00%
54	Market Harborough Building Society	2.50%	£16,719	£1,592	£1,777	£0	5.49%
55	The Melton Building Society	2.55%	£15,362	£683	£833	£0	4.99%
56	Ipswich Building Society	2.59%	£15,824	£1,034	£1,184	£0	5.49%
57	Darlington Building Society	2.69%	£16,008	£1,144	£1,244	£0	5.70%
58	Secure Trust Bank	2.69%	£16,269	£1,019	£1,049	£0	5.19%
59	Chorley Building Society	2.85%	£16,596	£1,242	£1,317	£0	5.49%
60	Masthaven	2.94%	£16,964	£1,295	£1,415	£0	4.25%
61	Tipton & Coseley Building Society	2.99%	£14,357	£1,056	£400	£1,356	4.99%
62	Mansfield Building Society	2.99%	£16,437	£1,024	£1,199	£0	5.59%
63	Foundation Home Loans	2.99%	£16,742	£1,495	£1,585	£0	5.03%
64	Magellan Homeloans	2.99%	£16,908	£1,495	£1,551	£0	3.18%
65	Vida Homeloans	3.04%	£17,048	£1,550	£1,690	£0	5.14%
66	Marsden Building Society	3.09%	£16,565	£1,023	£1,173	£0	5.95%
67	Precise Mortgages	3.09%	£17,077	£1,495	£1,615	£0	5.15%
68	Al Rayan Bank	3.19%	£16,357	£730	£970	£0	4.49%
69	Dudley Building Society	3.54%	£17,508	£1,149	£1,274	£0	4.99%
70	Kent Reliance	3.89%	£18,121	£1,048	£1,273	£0	6.08%
71	Buckinghamshire Building Society	3.99%	£17,832	£675	£775	£0	5.24%
72	Bluestone Mortgages	4.09%	£18,867	£1,530	£1,685	£0	5.50%

Table 2: Each lender's lowest true cost two-year fixed deal, ranked by true cost. Associated product details also shown.

Rank	Lender	True cost	Initial rate	Upfront cost	Full term fees	Incentives	Lowest SVR
1	Danske Bank	£12,800	1.36%	£0	£125	£0	4.85%
2	Nationwide Building Society	£12,825	1.69%	£480	£85	£500	3.99%
3	Post Office	£12,994	1.78%	£470	£225	£500	4.49%
4	Platform	£12,998	1.49%	£0	£160	£0	4.74%
5	Sainsbury's Bank	£13,021	1.49%	£25	£125	£0	4.24%
6	Santander UK	£13,037	1.64%	£215	£260	£250	4.74%
7	Halifax	£13,090	1.70%	£250	£0	£250	3.99%
8	Principality Building Society	£13,112	1.55%	£25	£180	£0	4.90%
9	Progressive Building Society	£13,138	1.89%	£500	£170	£500	4.75%
10	Skipton Building Society	£13,143	1.79%	£344	£66	£350	4.74%
11	Clydesdale Bank	£13,188	1.59%	£40	£235	£0	4.95%
12	Yorkshire Bank	£13,188	1.59%	£40	£285	£0	4.95%
13	Barclays Bank	£13,221	1.73%	£165	£115	£200	3.99%
14	First Direct	£13,228	1.64%	£0	£0	£0	3.94%
15	Coventry Building Society	£13,251	1.65%	£8	£133	£0	4.74%
16	TSB	£13,263	1.64%	£35	£35	£0	3.99%
17	Accord	£13,285	1.68%	£5	£585	£500	4.99%
18	HSBC	£13,305	1.69%	£0	£0	£0	3.94%
19	Bank Of Ireland	£13,306	1.55%	£225	£770	£300	4.49%
20	The Co-Operative Bank	£13,317	1.84%	£250	£199	£250	4.74%
21	Yorkshire Building Society	£13,320	1.24%	£730	£820	£0	4.99%
22	Teachers Building Society	£13,488	1.79%	£25	£110	£0	4.99%
23	Scottish Widows Bank	£13,513	1.34%	£774	£969	£0	3.99%
24	Furness Building Society	£13,523	1.57%	£369	£1,164	£650	5.54%
25	Virgin Money	£13,565	1.84%	£30	£30	£0	4.79%
26	Leeds Building Society	£13,572	1.84%	£35	£234	£0	5.69%
27	Ulster Bank	£13,586	1.63%	£389	£514	£0	3.99%
28	Chelsea Building Society	£13,618	1.89%	£0	£90	£0	4.99%
29	The Hanley Economic Building Society	£13,625	1.39%	£844	£939	£0	5.19%
30	NatWest	£13,676	1.91%	£30	£30	£0	3.99%
31	Royal Bank Of Scotland	£13,676	1.91%	£30	£30	£0	3.99%
32	Lloyds Bank	£13,696	1.94%	£0	£0	£0	3.99%
33	First Trust Bank	£13,705	2.24%	£470	£85	£500	3.99%
34	West Bromwich Building Society	£13,724	1.94%	£30	£170	£0	4.24%
35	Metro Bank	£13,731	1.94%	£35	£85	£0	4.00%
36	Tesco Bank	£13,752	1.96%	£25	£115	£0	3.89%
37	Norwich & Peterborough Building Society	£13,779	1.76%	£380	£470	£0	4.99%
38	Monmouthshire Building Society	£13,841	2.10%	£100	£275	£250	4.99%
39	Newcastle Building Society	£13,958	2.22%	£200	£125	£200	5.99%
40	Nottingham Building Society	£14,062	2.05%	£199	£339	£0	5.49%
41	BM Solutions	£14,149	1.79%	£745	£1,290	£250	4.84%
42	Cambridge Building Society	£14,160	1.94%	£425	£485	£0	4.99%
43	Tipton & Coseley Building Society	£14,357	2.99%	£1,056	£400	£1,356	4.99%
44	Hinckley & Rugby Building Society	£14,417	2.39%	£0	£0	£0	5.89%
45	Aldermore Mortgages	£14,434	2.38%	£30	£120	£0	4.98%
46	Family Building Society (NCBS)	£14,525	2.44%	£30	£130	£0	4.79%
47	The Mortgage Works	£15,071	2.34%	£765	£1,105	£250	4.49%
48	Leek United Building Society	£15,230	2.29%	£1,015	£1,100	£0	5.44%
49	Penrith Building Society	£15,254	2.49%	£673	£673	£0	4.15%
50	The Melton Building Society	£15,362	2.55%	£683	£833	£0	4.99%
51	Loughborough Building Society	£15,424	2.09%	£1,490	£1,610	£0	5.09%
52	Paragon Banking Group PLC	£15,431	2.45%	£878	£1,118	£0	5.35%
53	Pepper Money	£15,559	2.28%	£1,595	£1,648	£0	4.02%
54	Kensington Mortgages	£15,687	3.14%	£18	£208	£0	4.00%
55	Al Rayan Bank	£15,775	3.34%	£285	£255	£300	4.49%
56	Ipswich Building Society	£15,824	2.59%	£1,034	£1,184	£0	5.49%
57	The Mortgage Lender	£15,930	2.41%	£1,480	£1,595	£0	5.03%
58	Darlington Building Society	£16,008	2.69%	£1,144	£1,244	£0	5.70%
59	Secure Trust Bank	£16,269	2.69%	£1,019	£1,049	£0	5.19%
60	Marsden Building Society	£16,277	3.09%	£723	£1,173	£300	5.95%
61	Mansfield Building Society	£16,437	2.99%	£1,024	£1,199	£0	5.59%
62	Chorley Building Society	£16,596	2.85%	£1,242	£1,317	£0	5.49%
63	Market Harborough Building Society	£16,719	2.50%	£1,592	£1,777	£0	5.49%
64	Vida Homeloans	£16,740	3.44%	£555	£695	£0	5.14%
65	Foundation Home Loans	£16,742	2.99%	£1,495	£1,585	£0	5.03%
66	Magellan Homeloans	£16,908	2.99%	£1,495	£1,551	£0	3.18%
67	Masthaven	£16,964	2.94%	£1,295	£1,415	£0	4.25%
68	Precise Mortgages	£17,077	3.09%	£1,495	£1,615	£0	5.15%
69	Kent Reliance	£17,472	3.89%	£494	£719	£0	6.08%
70	Dudley Building Society	£17,508	3.54%	£1,149	£1,274	£0	4.99%
71	Buckinghamshire Building Society	£17,832	3.99%	£675	£775	£0	5.24%
72	Bluestone Mortgages	£18,867	4.09%	£1,530	£1,685	£0	5.50%

Table 3: Each lender's lowest initial rate five-year fixed deal, ranked by initial rate. Associated product details also shown.

Rank	Lender	Initial rate	True cost	Upfront cost	Full term fees	Incentives	Lowest SVR
1	Principality Building Society	1.65%	£34,823	£1,800	£1,955	£0	4.90%
2	Coventry Building Society	1.75%	£34,471	£1,007	£1,132	£0	4.49%
3	Yorkshire Building Society	1.77%	£35,276	£1,730	£1,820	£0	4.99%
4	HSBC	1.79%	£34,172	£519	£1,084	£500	3.99%
5	Nationwide Building Society	1.79%	£34,629	£1,025	£1,025	£0	3.99%
6	NatWest	1.79%	£34,629	£1,025	£1,025	£0	3.99%
7	Platform	1.79%	£34,637	£1,034	£1,259	£0	4.74%
8	Royal Bank Of Scotland	1.79%	£34,665	£1,029	£1,029	£0	3.94%
9	Santander UK	1.79%	£34,842	£1,249	£1,659	£250	4.74%
10	Skipton Building Society	1.79%	£35,328	£1,759	£1,958	£0	4.74%
11	The Co-Operative Bank	1.79%	£35,589	£2,001	£2,061	£0	4.74%
12	Sainsbury's Bank	1.80%	£34,437	£770	£870	£0	4.24%
13	Danske Bank	1.81%	£33,731	£0	£125	£0	4.85%
14	Barclays Bank	1.82%	£34,659	£934	£1,014	£0	3.99%
15	Metro Bank	1.84%	£33,884	£35	£85	£0	4.00%
16	Scottish Widows Bank	1.84%	£34,609	£774	£969	£0	3.99%
17	First Direct	1.89%	£34,966	£922	£922	£0	3.94%
18	Accord	1.92%	£34,883	£745	£1,085	£250	4.99%
19	Chelsea Building Society	1.93%	£36,100	£1,930	£2,020	£0	4.99%
20	Halifax	1.94%	£35,208	£999	£999	£0	3.99%
21	TSB	1.94%	£35,271	£1,030	£1,030	£0	3.99%
22	Nottingham Building Society	1.95%	£35,055	£800	£940	£0	5.49%
23	Monmouthshire Building Society	1.98%	£35,355	£924	£1,299	£250	4.99%
24	Leeds Building Society	1.99%	£35,439	£1,034	£1,233	£0	5.69%
25	Virgin Money	2.01%	£35,479	£1,025	£1,025	£0	4.79%
26	Clydesdale Bank	2.04%	£35,158	£539	£734	£0	4.95%
27	Leek United Building Society	2.04%	£35,635	£1,015	£1,100	£0	5.44%
28	Bank Of Ireland	2.09%	£35,839	£1,020	£1,110	£0	3.89%
29	Tesco Bank	2.09%	£35,844	£1,025	£1,270	£0	4.49%
30	Cambridge Building Society	2.19%	£35,235	£0	£170	£0	4.75%
31	Progressive Building Society	2.19%	£36,295	£1,024	£1,084	£0	4.99%
32	Norwich & Peterborough Building Society	2.24%	£35,475	£40	£285	£0	4.95%
33	Post Office	2.24%	£35,810	£380	£470	£0	4.99%
34	Yorkshire Bank	2.24%	£36,445	£1,025	£1,220	£0	4.49%
35	Digital Mortgages	2.25%	£36,357	£910	£910	£0	3.75%
36	Hinckley & Rugby Building Society	2.29%	£36,672	£999	£1,149	£0	5.89%
37	Ulster Bank	2.33%	£36,182	£389	£514	£0	3.99%
38	BM Solutions	2.38%	£37,933	£1,995	£2,290	£0	4.84%
39	First Trust Bank	2.41%	£35,155	£970	£85	£1,000	3.99%
40	West Bromwich Building Society	2.49%	£36,480	£30	£170	£0	4.24%
41	Newcastle Building Society	2.57%	£38,027	£1,289	£1,414	£0	5.99%
42	Saffron Building Society	2.57%	£38,191	£1,529	£1,609	£0	5.39%
43	Furness Building Society	2.63%	£37,926	£869	£1,164	£150	5.54%
44	Lloyds Bank	2.64%	£38,047	£995	£995	£0	3.99%
45	Newbury Building Society	2.69%	£38,151	£875	£1,005	£0	4.20%
46	Family Building Society (NCBS)	2.84%	£39,524	£1,704	£1,804	£0	4.79%
47	Pepper Money	2.88%	£39,691	£1,595	£1,648	£0	4.02%
48	The Mortgage Works	2.99%	£39,284	£765	£1,105	£250	4.49%
49	Darlington Building Society	3.09%	£40,100	£1,144	£1,244	£0	5.70%
50	Paragon Banking Group PLC	3.15%	£40,411	£1,199	£1,439	£0	5.35%
51	Aldermore Mortgages	3.18%	£40,901	£1,509	£1,599	£0	4.98%
52	Dudley Building Society	3.19%	£41,363	£1,980	£2,105	£0	4.99%
53	Kensington Mortgages	3.24%	£40,960	£1,317	£1,507	£0	5.00%
54	The Mortgage Lender	3.25%	£41,145	£1,480	£1,595	£0	5.03%
55	Secure Trust Bank	3.39%	£41,377	£1,019	£1,049	£0	5.19%
56	Masthaven	3.44%	£41,874	£1,295	£1,415	£0	4.25%
57	Precise Mortgages	3.49%	£42,174	£1,495	£1,615	£0	5.15%
58	Vida Homeloans	3.54%	£42,448	£1,550	£1,690	£0	5.14%
59	Loughborough Building Society	3.99%	£43,381	£489	£609	£0	5.09%
60	Kent Reliance	4.09%	£44,426	£1,048	£1,273	£0	6.08%
61	Market Harborough Building Society	4.25%	£46,720	£2,609	£2,794	£0	5.49%
62	Bluestone Mortgages	4.50%	£46,914	£1,530	£1,685	£0	5.50%
63	Mansfield Building Society	4.75%	£46,401	£25	£200	£0	5.59%
64	Together	6.74%	£59,688	£3,419	£3,569	£0	6.24%

Table 4: Each lender's lowest true cost five-year fixed deal, ranked by true cost. Associated product details also shown.

Rank	Lender	True cost	Initial rate	Upfront cost	Full term fees	Incentives	Lowest SVR
1	Santander UK	£33,448	1.79%	£215	£260	£250	4.74%
2	Danske Bank	£33,731	1.81%	£0	£125	£0	4.85%
3	Metro Bank	£33,884	1.84%	£35	£85	£0	4.00%
4	Nationwide Building Society	£33,958	1.99%	£480	£85	£500	3.99%
5	Coventry Building Society	£34,143	1.79%	£507	£1,132	£500	4.49%
6	Sainsbury's Bank	£34,437	1.80%	£770	£870	£0	4.24%
7	HSBC	£34,438	1.99%	£0	£0	£0	3.94%
8	First Direct	£34,438	1.99%	£0	£0	£0	3.94%
9	Principality Building Society	£34,478	2.00%	£0	£145	£0	4.90%
10	Platform	£34,561	1.84%	£749	£1,159	£250	4.74%
11	Scottish Widows Bank	£34,609	1.84%	£774	£969	£0	3.99%
12	NatWest	£34,629	1.79%	£1,025	£1,025	£0	3.99%
13	Royal Bank Of Scotland	£34,629	1.79%	£1,025	£1,025	£0	3.99%
14	Accord	£34,634	2.10%	£250	£90	£250	4.99%
15	Barclays Bank	£34,659	1.82%	£934	£1,014	£0	3.99%
16	Skipton Building Society	£34,702	2.14%	£344	£66	£350	4.74%
17	Progressive Building Society	£34,744	2.19%	£500	£170	£500	4.75%
18	Halifax	£34,836	2.09%	£0	£0	£0	3.99%
19	Nottingham Building Society	£34,836	2.09%	£0	£140	£0	5.49%
20	Leeds Building Society	£34,869	2.09%	£35	£234	£0	5.69%
21	TSB	£34,871	2.09%	£35	£35	£0	3.99%
22	Clydesdale Bank	£34,874	2.09%	£40	£235	£0	4.95%
23	Tesco Bank	£34,980	2.12%	£25	£115	£0	3.89%
24	The Co-Operative Bank	£34,997	2.19%	£250	£199	£250	4.74%
25	Monmouthshire Building Society	£35,095	2.18%	£100	£275	£250	4.99%
26	Post Office	£35,135	2.28%	£470	£225	£500	4.49%
27	First Trust Bank	£35,155	2.41%	£970	£85	£1,000	3.99%
28	Virgin Money	£35,223	2.18%	£30	£30	£0	4.79%
29	Yorkshire Building Society	£35,254	1.89%	£1,230	£1,320	£0	4.99%
30	Bank Of Ireland	£35,297	2.15%	£225	£770	£300	4.49%
31	Yorkshire Bank	£35,475	2.24%	£40	£285	£0	4.95%
32	Leek United Building Society	£35,536	2.20%	£265	£600	£250	5.44%
33	Cambridge Building Society	£35,675	2.19%	£425	£485	£0	4.99%
34	Chelsea Building Society	£35,800	2.33%	£0	£90	£0	4.99%
35	Norwich & Peterborough Building Society	£35,810	2.24%	£380	£470	£0	4.99%
36	Digital Mortgages	£36,094	2.40%	£10	£10	£0	3.75%
37	Ulster Bank	£36,182	2.33%	£389	£514	£0	3.99%
38	West Bromwich Building Society	£36,480	2.49%	£30	£170	£0	4.24%
39	Hinckley & Rugby Building Society	£36,637	2.29%	£999	£1,149	£0	5.89%
40	Newcastle Building Society	£37,248	2.73%	£200	£125	£200	5.99%
41	BM Solutions	£37,691	2.38%	£1,745	£2,290	£250	4.84%
42	Furness Building Society	£37,896	2.63%	£869	£1,164	£150	5.54%
43	Lloyds Bank	£37,901	2.84%	£0	£0	£0	3.99%
44	Family Building Society (NCBS)	£37,929	2.84%	£30	£130	£0	4.79%
45	Newbury Building Society	£38,151	2.69%	£875	£1,005	£0	4.20%
46	Saffron Building Society	£38,191	2.57%	£1,529	£1,609	£0	5.39%
47	The Mortgage Works	£39,284	2.99%	£765	£1,105	£250	4.49%
48	Pepper Money	£39,691	2.88%	£1,595	£1,648	£0	4.02%
49	Paragon Banking Group PLC	£40,090	3.15%	£878	£1,118	£0	5.35%
50	Darlington Building Society	£40,100	3.09%	£1,144	£1,244	£0	5.70%
51	Kensington Mortgages	£40,480	3.44%	£18	£208	£0	5.00%
52	Aldermore Mortgages	£40,901	3.18%	£1,509	£1,599	£0	4.98%
53	The Mortgage Lender	£41,145	3.25%	£1,480	£1,595	£0	5.03%
54	Dudley Building Society	£41,363	3.19%	£1,980	£2,105	£0	4.99%
55	Secure Trust Bank	£41,377	3.39%	£1,019	£1,049	£0	5.19%
56	Masthaven	£41,874	3.44%	£1,295	£1,415	£0	4.25%
57	Precise Mortgages	£42,174	3.49%	£1,495	£1,615	£0	5.15%
58	Vida Homeloans	£42,448	3.54%	£1,550	£1,690	£0	5.14%
59	Loughborough Building Society	£43,381	3.99%	£489	£609	£0	5.09%
60	Kent Reliance	£43,836	4.09%	£494	£719	£0	6.08%
61	Mansfield Building Society	£46,401	4.75%	£25	£200	£0	5.59%
62	Market Harbour Building Society	£46,720	4.25%	£2,609	£2,794	£0	5.49%
63	Bluestone Mortgages	£46,914	4.50%	£1,530	£1,685	£0	5.50%
64	Together	£59,688	6.74%	£3,419	£3,569	£0	6.24%

Methodology

Lender League Table

To produce the Lender League Table, Trussle obtained fixed rates, Standard Variable Rates (SVRs), and all associated fees and incentives for over 72 lenders from mortgage data provider Twenty7Tec. All stated rates pertain only to remortgage deals available to existing homeowners. All of the data was captured on Friday 5th January 2018.

The true cost calculations are based on a UK average house price of £225,956, with a 60% Loan-to-Value (LTV) of £135,574. The true cost includes all capital and interest repayments, fees, and incentives due over the initial period of the deal, so two or five years respectively.

Any 'two-year fixed' deals that fell outside the usual 24 month period (eg. 23 and 25 month deals) have been normalised to 24 months for ease of comparison. This process was also used for five-year fixed rate comparison.

Consumer Survey

Market research for the Mortgage Saver Review February 2018 (pages 3-16) came from an Opinium poll of 2,000 representative UK mortgage borrowers carried out in November 2017.

In the report, we say that the average homeowner wastes **£4,700** a year being on an SVR. This is the difference in annual cost between being on the market-leading two-year fixed deal, measured by true cost, and the average SVR on the market.

This is calculated in the following way:

- Average August 2017 house price: £225,956 (£135,573.60 mortgage at 60% LTV)
- Average SVR on 5th January 2018: 4.82% (£6,471.82 interest in first year)
- Lowest two-year fixed rate deal by true cost: 1.36% (£1,815.29 interest in first year)
- Therefore we're looking at a **£4,656.53 potential saving in interest per year, or £388 per month**

As there are at least two million mortgage holders on SVRs in the UK, according to CACI, we calculate that UK borrowers are spending close to £10 billion a year in excess interest.



Trussle

Teamspirit

Public Relations

trussle@teamspirit.uk.com

0207 360 7878

Nicolas Albrow

Teamspirit Public Relations

nalbrow@teamspiritpr.com

0207 861 3838

Oli West

Trussle

oli@trussle.com

0203 884 1660

**Your home may be repossessed if you don't keep up repayments on your mortgage.
You may have to pay an early repayment charge to your existing lender if you remortgage.**

© Trussle Lab Ltd 2018 | Registered in England and Wales: 09459339. 12 Mallow Street, London EC1Y 8RQ.

Trussle is a trading style of Trussle Lab Ltd, which is an appointed representative of Mortgage Advice Bureau Limited and Mortgage Advice Bureau (Derby) Limited which are authorised and regulated by the Financial Conduct Authority.