

## Direct only mortgages rise to over 50% of the market

Independent financial research company Defaqto has launched a new banking report which highlights the growth in direct only mortgage products.

Direct only mortgages are only available to prospective borrowers applying directly to the lender. However, it is possible for mortgage brokers to suggest a direct only mortgage, or indeed, to charge a fee to the prospective mortgage borrower for doing so. In 2007 direct only mortgages accounted for less than 22% of the mortgage products available in the market but with many providers no longer trading, and others struggling for funding, direct products now dominate the market.

Kevin Bray, Insight Analyst for Banking said “Our research shows that 12 of the top 20 best buy fixed rate mortgage products are only available directly from the provider. The steady growth in direct only products over the last 2 years has clearly placed mortgage brokers at a disadvantage but it also leaves consumers with a difficult choice to make. Do they seek the advice of a mortgage intermediary or do they do their own research and approach the provider directly?”

Mr Bray added “Mortgage intermediaries play an important role in helping buyers through the house buying process but consumers need to ensure that the broker they are using will advise them of the best deals in the market including “direct only” products.”

Distribution channels of available mortgages	Number of mortgages available		Percentage of mortgages available	
	April 2007	April 2010	April 2007	April 2010
Direct from provider only	590	1,400	22.0%	53.7%
Through intermediary only	691	480	25.8%	18.4%
Available through both channels	1,402	727	52.3%	27.9%
<b>Total number of mortgages</b>	<b>2,683</b>	<b>2,607</b>	<b>100.0%</b>	<b>100.0%</b>

Defaqto’s banking report entitled ‘*A lack of funding*’ is available via [http://content.defaqto.com/marketreports/Report\\_Details.asp?ReportID=111](http://content.defaqto.com/marketreports/Report_Details.asp?ReportID=111)

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## **Notes to Editors:**

### **About Kevin Bray**

Kevin has recently joined the Defaqto Insight team in the banking area. He has significant retail banking experience gained within The HBOS group during a 20 year career that involved roles such as senior mortgage underwriter, arrears & possessions manager, customer service manager and mortgage desk manager looking after national mortgage accounts. Additionally, project managing the implementation of the Halifax's image and workflow system in the East Midlands region and working with external consultants in re-engineering the mortgage application process. More recently he qualified as a mortgage adviser, running his own franchise for the last few years.

<http://www.defaqto.com/media-centre/kevin-bray>

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30 April 2010

### **About Defaqto: [www.defaqto.com](http://www.defaqto.com)**

Defaqto is an independent financial research company specialising in rating, comparing and analysing financial products.

Since 1994, Defaqto has built the largest, whole of market, financial product database and become one of the leading providers of financial product data in the UK. We now cover over 30,000 products across banking, life, pensions, investments and general insurance.

Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

Our products and services include the following:

### **Defaqto Star Ratings**

Our Star Ratings reflect the quality of a financial product and help to identify the range of features and benefits in each one. We review and assess every financial product across various categories and award a Star Rating from 1 to 5. The ratings are aimed at helping consumers and advisers decide which product suits their specific needs. Providers also use the ratings to ensure they offer products to meet differing consumer demands.

### **Aequos Online**

An extensive, independent, financial product analysis and comparison database available in the UK. The database contains feature, rate and fees information on more than 30,000 products from nearly 2,000 providers. Our customers include leading insurance and assurance companies, banks and building societies and investment organisations.

### **Defaqto Engage**



An integrated system for independent financial advisers (IFAs) and insurance brokers. The system makes the reporting, analysis, recommendation and review process easy, delivering the perfect product to meet client needs.

### **Defaqto Compare**

An interactive, comparison tool enabling consumers to easily compare product features against each other on a host of key features, using a simple 'traffic light' system.

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