

Discount mortgages fall by 72 percent

Analysis by independent financial research company Defaqto has revealed that while there are now 33% more fixed rate mortgages and 36% more tracker mortgages available than there were 3 years ago, the number of discounted rate mortgage products available has fallen by an astonishing 72%.

David Black, Banking Specialist at Defaqto said: "There are significant differences in the Standard Variable Rates (SVR) being charged by lenders and given that discounted mortgages tend to be linked to the SVR this is a key reason for their decline in popularity. Lenders with competitive SVRs have little incentive to offer discounted mortgages because profit margins on their fixed and base rate tracker mortgages are better."

Current SVR facts:

- Average SVR is currently 4.77%
- Lowest SVR is 2.50%
- Highest SVR (from a mainstream lender) is 6.08%.

Number of prime residential mortgages available:-

Mortgage type	July 2007	Jan 2008	July 2008	Jan 2009	July 2009	Jan 2010	July 2010	% available in July 2010 compared to July 2007
Discounted	586	365	128	94	121	156	166	-72%
Fixed	1,426	1,492	910	996	1,032	1,352	1,890	+33%
Tracker	601	671	537	190	291	541	816	+36%

-Ends-

Notes to Editors:

David Black is a Banking Specialist at Defaqto

David joined Defaqto in May 2004 when Defaqto acquired the financial research company of Blay's Guides where he had 16 years of banking research experience for the majority of which he was a director. Previously he was a political risk underwriter in the City. David is Defaqto's Banking Specialist and specialises in credit cards, current accounts, equity release, mortgages, savings and unsecured loans. He was the Banking Analyst in Defaqto's Insight team until July 2009 when he switched to dealing with the press on all aspects of banking. He is a frequent commentator in both the printed and the broadcast media in his areas of expertise. He is ACII, CeMAP and CeRER qualified, as well as holding an Honours degree from Exeter University.

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About Defaqto: 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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