

25% of available mortgages are restricted to existing customers

Independent financial research from Defaqto shows that while the number of mortgage products available has increased to 2,948 from only 1,686 in July 2009, over a quarter of the mortgages available today are restricted to the lender's existing customers.

Kevin Bray, Insight Analyst for Banking at Defaqto said: "While it is no surprise to see that almost 10% of mortgages are restricted to lenders' existing mortgage borrowers, there has been a noticeable move by the major lenders to launch mortgage deals that are only available to their current account holders."

He added: "The banks are clearly keen to further their ambitions of becoming one-stop shops for all their customers' personal financial product needs and offering special mortgage deals to their current account customers is a definite part of this strategy. The typical deal available has a rate that is between 0.05% and 0.20% cheaper than the lender's standard mortgage range. In some cases there are reduced fees and others permit higher loan-to-value borrowing than their standard range."

	Number of mortgages	Percentage of total mortgages available
Number of mortgages available	2,948	100.0%
Mortgages restricted to lender's existing mortgage borrowers	283	9.6%
Mortgages restricted to lender's current account customers	444	15.1%
Mortgages restricted to lender's existing members	25	0.8%
Mortgages restricted to lender's existing savers	5	0.2%
Total number of restricted mortgages	757	25.7%

Lenders offering special mortgage deals to their current account customers include Alliance & Leicester Direct, Halifax, HSBC, Lloyds TSB, Lloyds TSB Scotland, Nationwide Building Society, NatWest, Norwich and Peterborough Building Society, Royal Bank of Scotland, Santander, The Co-operative Bank, Ulster Bank.

More in depth analysis and a review of the retail banking market is available in Defaqto's latest report entitled 'A lack of funding' available via http://content.defaqto.com/marketreports/Report_Details.asp?ReportID=111

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Notes to Editors:

Defaqto provide whole of market best buy tables for a range of mortgages which are updated daily via <http://www.defaqto.com/best-buy-tables>

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.

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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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