

# Mortgages - UK - April 2021

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## This report looks at the following areas:

22% are planning to take out a mortgage to buy a property in the next two years with this figure rising to 44% among 25-34 year olds. However, not everyone's plans will come to fruition and only 7% have actually spoken to a lender/mortgage adviser, rising to 17% of 25-34 year olds.

COVID-19 led to a sharp fall in lending during 2020 as higher-risk products were withdrawn and the housing market was temporarily shut down. A surge in housing transactions during the second half of the year was not enough to offset the earlier decline and first-time buyers remained largely locked out of the housing market due a more cautious approach to lending.

The biggest threat to the mortgage market comes from the inevitable increase in unemployment. Although the latest forecasts paint a rosier picture than earlier in the crisis, the OBR still predicts that unemployment will reach 6.5% by the end of 2021. Fears over job security will be more widespread and this will mean borrowers remain cautious about taking on debt.

The pandemic has shown how unpredictable life can be and consumers are seeking ways to future-proof their finances as a result. Mortgage lenders have an opportunity to capitalise on consumer demand for certainty and control. Already, new products have come onto the market offering longer-term fixed rates than have previously been available on the UK market. However, these products also offer no, or time-limited, exit fees, ensuring that borrowers remain in control.

## Key issues covered in this Report:

- The short, medium and long-term impact of COVID-19 on the UK mortgage market.
- How COVID-19 has affected consumer attitudes towards buying a house and how it has changed what people want from a home.
- An analysis of competitive strategies and launch activity.



“Mortgage lending fell in 2020 as the housing market was distorted by lockdowns and the stamp duty holiday. The market was also disrupted by lenders being forced to embrace working from home, and the technical and financial challenges of implementing payment holidays.”

– Thomas Slide, Senior Financial Services Analyst

## Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- Levels of satisfaction with lenders, including a key driver analysis highlighting the key areas of focus to improve customer satisfaction.
- An assessment of the most important regulatory and legislative changes and how this is affecting the mortgage market.

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### OVERVIEW

- **Key issues covered in this Report**
- **Economic and other assumptions**
- **Products covered in this Report**

### EXECUTIVE SUMMARY

- **Impact of COVID-19 on the mortgage market**  
Figure 1: Short, medium and long-term impact of COVID-19 on the mortgage market, March 2021
- **The market**
- **COVID-19 disruption leads to a 9% drop in lending across 2020**  
Figure 2: Market size and forecast for gross mortgage lending, 2015-25 (prepared March 2021)
- **High-LTV mortgages disappear in 2020**  
Figure 3: LTV ratio for mortgage lending, Q1 2018- Q4 2020
- **Rising unemployment poses a risk to the market**  
Figure 4: Quarterly unemployment rate, Q1 2017-Q4 2025
- **Government interventions continue to shape the market**
- **Companies and brands**
- **Mortgage market experiences further consolidation**  
Figure 5: Market share of the leading mortgage providers, by total outstanding mortgage balances, December 2020
- **Combine flexibility with certainty to reach cautious consumers**
- **Lenders versus the climate crisis**
- **Advertising expenditure declines a third as lending is restricted**  
Figure 6: Total above-the-line, online display and direct mail advertising expenditure on mortgages, 2016-20
- **Mintel's brand research confirms the strength of Nationwide's reputation**
- **The Consumer**
- **Purchase activity exceeds remortgaging**  
Figure 7: Reason for taking out last mortgage, February 2021
- **Brand perception matters when taking out a mortgage**  
Figure 8: Important factors in deciding on a mortgage lender, February 2021
- **Speed of responding to borrowers should be prioritised**  
Figure 9: Key drivers of overall satisfaction with current mortgage provider, February 2021
- **COVID-19 drives consumers to demand more space**

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 10: Important features of a home, February 2021

- **A fifth of people have plans to take out a mortgage**

Figure 11: Mortgage plans, by age, February 2021

- **COVID-19 has made people less likely to move**

Figure 12: Impact of COVID-19 on moving plans, by age, February 2021

ISSUES AND INSIGHTS

- **COVID-19 has distorted the mortgage market**
- **The role of the mortgage market in achieving net-zero**
- **In uncertain times consumers are demanding certainty and control**

THE MARKET – KEY TAKEAWAYS

- **COVID-19 has had a significant impact on the mortgage market**
- **High-LTV mortgages disappear in 2020**
- **Rising unemployment poses a risk to the market**
- **Government interventions continue to shape the market**

MARKET SIZE AND FORECAST

- **COVID-19 has a significant impact on the mortgage market**

Figure 13: Short, medium and long-term impact of COVID-19 on mortgage lending, March 2021

- **Mortgage lending falls 9% in 2020**

- **Lending has slowed for a number of years**

Figure 14: Annual gross Sterling secured lending to individuals, 2014-20

- **Mixed recovery expected in 2021**

Figure 15: Market size and forecast for gross mortgage lending, 2015-25 (prepared March 2021)

Figure 16: Market size and forecast for gross mortgage lending, 2015-25 (prepared March 2021)

- **Outstanding secured lending grows 2.9%**

Figure 17: Gross outstanding lending secured against residential properties, Q1 2015-Q4 2020

- **Market drivers and assumptions**

- **Learnings from the last recession**

Figure 18: Total secured lending (not seasonally adjusted), 2006-12

- **Forecast methodology**

MARKET SEGMENTATION

- **House purchasing drove mortgage activity in 2020**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 19: Segmentation of gross mortgage lending, 2014-20

Figure 20: Segmentation of gross mortgage lending, 2015-20

- **High-LTV mortgages almost disappear in 2020**

Figure 21: LTV ratio for mortgage lending, Q1 2018-Q4 2020

## CHANNELS TO MARKET

- **Three quarters take advice**
- **COVID-19 will drive demand for specialist lenders and brokers**

Figure 22: Sources of advice for mortgage/remortgage, February 2021

## MARKET DRIVERS

- **Consumer confidence continues to recover**  
Figure 23: Financial confidence, weighted average of responses, January 2020-March 2021
- **Rising unemployment poses a risk to the housing market**  
Figure 24: Quarterly unemployment rate, Q1 2017-Q4 2020
- **House prices increase sharply in late 2020**  
Figure 25: Year-on-year house price changes, quarterly, Q1 2015-Q4 2020
- **Housing transactions slow in 2020**  
Figure 26: UK residential property transactions over £40,000, 2007-20
- **Interest rates for different products converge**  
Figure 27: Interest rates for selected types of mortgages, January 2015-February 2021
- **Government support has protected mortgage holders**  
Figure 28: Number of residential mortgage repossessions, Q4 2017-Q4 2020

## REGULATORY AND LEGISLATIVE CHANGES

- **Government introduces Mortgage Guarantee scheme**
- **Extension of stamp duty holiday**
- **Help to Buy extension granted**
- **FCA extends ban on repossessions to April 2021**
- **New guidance issued over cladding rules**
- **The prospect of negative interest rates for the mortgage market**
- **Government paper recommends lenders consider energy efficiency**
- **Stepping in to protect leaseholders**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## COMPANIES AND BRANDS – KEY TAKEAWAYS

- Mortgage market experiences further consolidation
- Combine flexibility with certainty to reach cautious consumers
- Lenders versus the climate crisis
- Advertising expenditure declines a third as lending is restricted
- Nationwide has a particularly highly rated brand in mortgage lending

## MARKET SHARE

- Further consolidation in the mortgage market
- NatWest Group grows its share
- HSBC's focus on mortgages leads to growth  
Figure 29: UK mortgage providers, by total outstanding mortgage balances, 2019 and 2020
- Halifax dominates Lloyds Banking Group mortgages  
Figure 30: Lender they hold their mortgage with, February 2021

## COMPETITIVE STRATEGIES

- Supporting customers during COVID-19  
Figure 31: Payment holidays granted, December 2020
- Targeting first-time buyers
- Mortgage lenders versus the climate disaster
- Combining flexibility and certainty
- Pulling back from an intensely competitive market
- Adopting a cautious approach to lending

## LAUNCH ACTIVITY AND INNOVATION

- Mortgage lenders embrace sustainability
- NatWest launches Green Mortgages
- Nationwide sets aside £1 billion to support energy efficiency
- Barclays expands its range of green home mortgages
- Ecology Building Society launches a new renovation mortgage product
- Saffron Building Society launches green Retro Fit mortgage
- Newbury Building Society adds GoGreen Reward for self-build mortgages
- LBG launches the Green Living and Eco Home Hub
- Addressing increasing financial complexity
- Metro Bank launches 'near-prime' mortgage range
- Bluestone launches 'Age of the Unlendables' campaign

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Combining long-term certainty with ongoing flexibility**
- **TSB launches Fix and Flex range**
- **Habito introduces a 40-year fixed-rate mortgage**
- **Perenna plans UK launch of 30-year fixed-rate mortgages**
- **Going beyond the industry standard to protect borrowers**
- **Nationwide bans repossessions for 12 months**
- **Leeds Building Society suspends arrears fees**

## ADVERTISING AND MARKETING ACTIVITY

- **Advertising expenditure declines by a third in 2020**  
Figure 32: Total above-the-line, online display and direct mail advertising expenditure on mortgages, 2016-20
- **Strong start followed by a slump in spending**  
Figure 33: Monthly above-the-line, online display and direct mail advertising expenditure for mortgages, 2020 compared to the five year average, 2016-20
- **Nationwide leads advertising expenditure**  
Figure 34: Total above-the-line, online display and direct mail advertising expenditure on mortgages, leading advertisers, 2020
- **Brand building makes up half of spending**  
Figure 35: Total above-the-line, online display and direct mail advertising expenditure for mortgages, by category, 2016-20
- **TV spending dominates for most of the leading advertisers**  
Figure 36: Above-the-line, online display and direct mail advertising expenditure on financial services, by media type and advertiser, 2020
- **Nielsen Ad Intel coverage**

## BRAND RESEARCH

- **Brand map**  
Figure 37: Attitudes towards and usage of selected brands, March 2021
- **Key brand metrics**  
Figure 38: Key metrics for selected brands, March 2021
- **Brand attitudes: Nationwide and Halifax stand out for service**  
Figure 39: Attitudes, by brand, March 2021
- **Brand personality: Santander boasts a 'fun' image**  
Figure 40: Brand personality – macro image, March 2021
- **HSBC more likely to be viewed as authoritative and prestigious**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 41: Brand personality – micro image, March 2021

- **Brand analysis**
- **Nationwide comes highly recommended**  
Figure 42: User profile of Nationwide, March 2021
- **Coventry Building Society is a lesser-known brand with a strong reputation**  
Figure 43: User profile of Coventry Building Society, March 2021
- **Halifax has a reputation for customer service**  
Figure 44: User profile of Halifax, March 2021
- **Yorkshire Building Society is better known but less used than other brands**  
Figure 45: User profile of Yorkshire Building Society, March 2021
- **Santander: a fun brand worth paying more for**  
Figure 46: User profile of Santander, March 2021
- **HSBC projects an authoritative and prestigious brand**  
Figure 47: User profile of HSBC Bank, March 2021
- **TSB is a brand that struggles to deliver**  
Figure 48: User profile of TSB Bank, March 2021

**THE CONSUMER – KEY TAKEAWAYS**

- **COVID-19 will lead to more complex lending decisions**
- **Speed of responding to borrowers should be prioritised**
- **COVID-19 drives consumers to demand more living space**
- **COVID-19 has made people less likely to move**

**IMPACT OF COVID-19 ON THE MORTGAGE MARKET**

- **COVID-19 will create more complex lending decisions**  
Figure 49: Impact of COVID-19 on finances, 19 February-1 March 2021
- **Growth in forced savings could get more people onto the property ladder**  
Figure 50: Changes to savings as a result of COVID-19, 19 February-1 March 2021
- **Increased importance of open space and local amenities**
- **Government support skews the market**

**REASONS FOR TAKING OUT A MORTGAGE**

- **Remortgagers stick to what they know**  
Figure 51: Reason for taking out last mortgage, February 2021
- **Flexibility and relationships are important for remortgagers**  
Figure 52: Important factors in choosing a mortgage, by reason for taking out last mortgage (net), February 2021

**What's included**

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

**Did you know?**

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

**Buy this report now**

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

### IMPORTANT FACTORS IN CHOOSING A MORTGAGE LENDER

- **Brand perception matters when taking out a mortgage**  
Figure 53: Important factors in deciding on a mortgage lender, February 2021
- **Set-up fees are a key driver of choice**  
Figure 54: Important factors in deciding on a mortgage lender, by age, February 2021

### SATISFACTION WITH MORTGAGE LENDERS

- **High levels of satisfaction with online functionality**
- **Communication and support during COVID-19 could have been better**  
Figure 55: Satisfaction with specific factors regarding mortgage lenders, February 2021
- **With age comes experience...and opinions**  
Figure 56: Overall satisfaction with mortgage lender, by age, February 2021

### KEY DRIVER ANALYSIS

- **Mortgage lenders must become more responsive**  
Figure 57: Key drivers of overall satisfaction with current mortgage provider, February 2021  
Figure 58: Overall satisfaction with current mortgage provider – key driver output, February 2021
- **Methodology**

### IMPORTANT FEATURES OF A HOME

- **COVID-19 drives demand for outside space**  
Figure 59: Important features of a home, February 2021
- **Demand for space driven by older people**  
Figure 60: Important features of a home, by age, February 2021
- **Young people are focused on affordability and work**  
Figure 61: Important features of a home, by age, February 2021
- **Families demand internal space and family ties**  
Figure 62: Important features of a home, households with children under 16 compared to the average, February 2021
- **Housing costs are a major driver of moving**  
Figure 63: Plans to move in the next two years, by important features in a home, February 2021

### EXPECTED MORTGAGE ACTIVITY

- **Moving plans peak among 25-34 year olds**

### What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 64: Mortgage plans, by age, February 2021

- **Flat dwellers persuaded to move by COVID**

Figure 65: Impact of COVID-19 on moving plans, by housing type, February 2021

## IMPACT OF COVID-19 ON POTENTIAL MORTGAGE ACTIVITY

- **COVID-19 has dissuaded many people from moving**

Figure 66: Impact of COVID-19 on moving plans, by age, February 2021

- **COVID-19 polarises parents on the topic of moving**

Figure 67: Impact of COVID-19 on moving plans, February 2021

## APPENDIX – DATA SOURCES, ABBREVIATIONS AND SUPPORTING INFORMATION

- **Abbreviations**
- **Consumer research methodology**
- **Key driver analysis methodology**
- **Interpretation of results**

Figure 68: Overall satisfaction with current mortgage provider – key driver output, February 2021

Figure 69: Satisfaction with current mortgage provider, February 2021

## APPENDIX – MARKET SIZE AND FORECAST

- **Forecast methodology**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



## About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.