Mortgage Lender

Benchmark

H2 2020

SUMMARY REPORT

Smart Money People

Mortgage Lender Benchmark

FOREWORD

Welcome to the fifth edition of Smart Money People's Mortgage Lender Benchmark (H2 2020).

The outputs provide an in-depth view on what's working well and, perhaps more importantly for lenders and technology partners, what isn't in the intermediary mortgage market from the broker's perspective.

Between 6th October and 26th October, over 490 brokers shared their feedback on 77 lenders, highlighting and explaining which lenders are performing best, and which have areas for improvement. In these challenging times, and with the market in flux, this research provides invaluable insight into the strengths and weaknesses of individual lenders' intermediary proposition and highlights focused areas for change.

The Mortgage Lender Benchmark, along with access to the full broker verbatim, has already delivered proven benefits to many lenders and wider stakeholders. Most notably our detailed lender analysis and heatmaps offer in-depth and unique insight on 44 lenders, responsible for 93%[1] of all mortgage lending in 2019.

In this edition, we continue to delve deeper into the role of technology and in particular how lenders can support brokers in non-office based / remote work environments and help them to achieve greater automation. This is critical to the future evolution of the mortgage market and the feedback clearly shows some are doing better than others. As with our last edition we also asked brokers to share their experience of CRM, affordability, criteria and product sourcing providers.

Set against a challenging market environment, the results make for interesting reading. There are some clear issues that have emerged, and whilst some lenders have fared well during Covid-19, others have struggled to adapt. Brokers have been candid in their feedback and what changes they would like to see. There are some real challenges in the market, and it will be interesting to see how things evolve in the coming months. We'll report on these in our next edition due to be published in June 2021.

JACQUELINE DEWEY

CEO AT SMART MONEY PEOPLE

[1] UK Finance – Largest Mortgage Lenders (Published 25.08.20)

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EXECUTIVE SUMMARY

KEY INSIGHTS

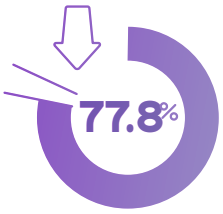
The response to this edition's benchmark shows brokers' overall satisfaction with lenders has fallen since H1 2020 and indeed it's the lowest score reported since tracking began in H2 2018. The overall satisfaction rating has fallen from 82.7% in H1 to 77.8% in this edition. This drop is seen across all sectors, with the exception of specialist lenders who seem to have been more resilient and their performance remained consistent with H1 2020.

Lenders' responses to the pandemic have varied, however there is an over-riding sentiment that service standards have dropped and a frustration growing amongst brokers that Covid-19 is being used as an excuse for poor service or slow processes. Speed to process an application remains the most commented upon theme in the benchmark and it has the biggest impact on a broker's likelihood to recommend a lender. The rating for speed saw the biggest fall and is down from 75.8% to 67.2%, highlighting broker annoyance.

Net Promoter Scores (NPS), a key measure of loyalty, ranged from +68.8 to -76.9, with the average across all lenders falling to +12.8, from +30.8. Being recommended by intermediaries matters, particularly in a competitive market and so the benchmark looks to help lenders understand what's really behind their decisions.

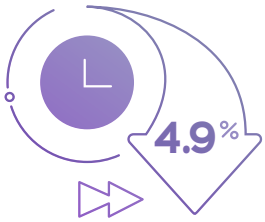
As well as speed, online systems remain a key influence on the likelihood to recommend a lender and feedback is very mixed across the market, and is the second most commented upon theme. Our report found that positive sentiment towards a lenders' online systems often led brokers to be more positive about other aspects of a lender's process including ease and communication.

Customer service has risen to third in the list of reasons not to recommend a lender, and the report saw skills and knowledge enter the list of detractors. Whilst the latter was only the 10th most commented upon theme, it had the strongest negative impact on NPS when it was mentioned. In some cases the lack of knowledge of staff, which may be symptomatic of more frequent product and policy changes in H2 2020, was an issue for brokers.



The overall satisfaction of brokers with mortgage lenders fell from 82.7% in H1 2020 to 77.8%

The NPS for lenders decreased by 18 points



At 4.9%, the rating for speed to offer saw the biggest fall

39% of brokers say lenders could better support them in remote working by offering better access to support and faster response times

OTHER KEY FINDINGS INCLUDE:

- **The rating for lender communication saw the second largest fall – down 5.3% against H1**
- **Building societies remain the highest overall rated sector despite seeing the greatest decline in scores, although banks now outperform them across several areas**
- **Overall satisfaction with first time buyer and home mover cases fell the most, by 7.1% and 6.8% respectively, with speed and communication again being pain points**
- **Cases involving the self-employed also attracted lower satisfaction, with the rating for speed falling from 74.8% to 65.0%. Product transfer and commercial Buy to Let remained consistent with H1 2020**
- **Broker sentiment around customer service noticeably decreased vs H1, although this was concentrated across banks and building societies. Customer service, together with speed, also attracted a greater share of feedback and when talked about negatively, both themes had a strong downward pull on the NPS of many lenders. Conversely however, brokers were particularly likely to recommend a lender if they said cases progressed quickly**
- **Broker sentiment towards product themes was slightly higher across all lender types**
- **A third of lenders saw an increase in their overall rating. Lenders who performed well vs H1 2020 tended to be particularly strong around customer service, criteria and underwriting, whilst lenders who's overall rating fell, often did well around product range and rates, but very poorly for speed.**

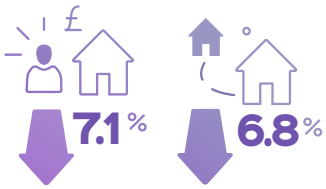
The research again delved into the role of technology asking brokers to share their experience of CRM, affordability, criteria and product sourcing providers. A lack of confidence in the accuracy of the latter three systems came through in their feedback and this has perhaps been exacerbated by rapid product change where the systems are not being updated with the same frequency.

With remote working looking likely to feature in all over lives for some time to come, we also asked brokers how lenders could better support them in a remote working environment. 39% of brokers said that lenders could improve support by having staff who were more accessible and responded faster. Brokers are keen to adopt new technology e.g. video conferencing, new ways of working, and are looking for lenders to adapt their working practices and operational processes to be more digitally appropriate. We would assert that without some of the changes brokers are looking for, satisfaction and sentiment towards lenders will continue to decline and those who are able to adapt will gain market share.

With brokers in the report anticipating an average 3% fall in house prices over the next 12 months, it's clear that market conditions will remain uncertain and challenging and the ability to meet brokers needs and address their frustrations is likely to result in another interesting data set to analyse for our next edition of the Mortgage Lender Benchmark.

One third of lenders saw an increase in their overall rating, driven primarily by strong customer service, criteria, underwriting and good or reasonable scores for speed to process applications

Building societies remain the highest overall rated sector, and specialist lenders were resilient, with scores largely in line with H1 2020



First time buyer cases and home mover cases saw the biggest drop in broker satisfaction down 7.1% and 6.8% respectively

ABOUT THE MORTGAGE LENDER BENCHMARK

Smart Money People's Mortgage Lender Benchmark (H2 2020) is an independent research study conducted every six months and is formed of three core elements: market insight, lender specific insight and technology enablement.

The market insight provides a series of league tables across the main lender types – banks, building societies, specialist, lifetime and buy to let lenders – ranking lenders performance by overall broker satisfaction.

The lender specific insight benchmarks broker views on the last five lenders they've tried to place cases with, covering key case characteristics as well as an assessment of key elements of the sales process such as speed to process, eligibility and communication.

Brokers are also asked to articulate what they like about each lender and what each lender could do better, with a particular focus on the lender systems. This is summarised in a series of detailed individual lender analyses as well as comparative heat maps and brand personality analysis by lender type.

The third part of the benchmark looks in more detail at the technology and systems used by the participant brokers, their views on what they like and what improvements would enable their business model.

The three parts combine to present a comprehensive view of the mortgage market from a broker's perspective and can help lenders, technology providers, regulators, investors and other interested parties better understand the service and proposition offered by UK lenders.

494

brokers shared feedback on the last 5 lenders they've dealt with

20

themes that matter most to intermediaries

2,470

pieces of in-depth qualitative and quantitative feedback

93%

Represents 93% of mortgage lending in the UK

ABOUT THE MORTGAGE LENDER BENCHMARK

FIRM SIZE	NO. OF FIRMS
>40 intermediaries	25
20-40 intermediaries	24
5-19 intermediaries	51
<5 intermediaries	123

REGION	% RESPONSES
South East	14
London	37
North West	6
East of England	12
South West	6
Yorkshire & Humber	6
West Midlands	4
East Midlands	3
North East	6
Scotland	1
Wales	4
Northern Ireland	1

SAMPLE POPULATION

- 409 brokers shared feedback on the last 5 lenders they've dealt with
- 2,470 pieces of in-depth qualitative and quantitative analysis
- 20 themes that matter most to intermediaries
- Feedback about 77 UK lenders (a full list can be found on pages 40 - 41)
- Feedback covers 93%[1] of mortgage lending in the UK

BROKER OVERVIEW

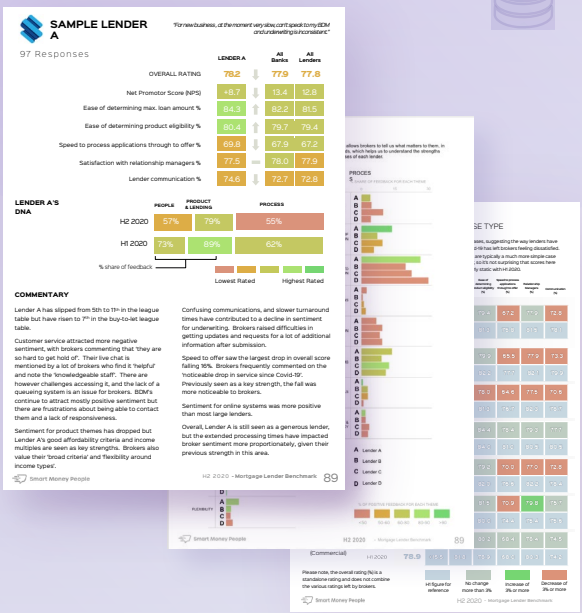
- Feedback from 223 firms was received
- Firms ranged in size from independent intermediaries to the largest intermediary firms in the UK
- 40% of brokers are directly authorized, 60% are appointed representatives

[1] UK Finance – Largest Mortgage Lenders (Published 25.08.20)

UNLOCK THE INSIGHT

The lock icon in the report signifies paid content. Our full report is available to all interested parties for £1,400 and includes:

- **Full league table data for all lenders**
- **Detailed lender analysis and heatmaps covering 44 lenders**
- **Broker tech heatmaps**
- **Full brand analysis for all lenders**



You can also buy the complete verbatim feedback for all lenders to allow for more detailed internal analysis.

TO BUY THE FULL REPORT CONTACT US:

0203 488 5075

hello@smartmoneypeople.com

Smart Money People

MISSING OUT?

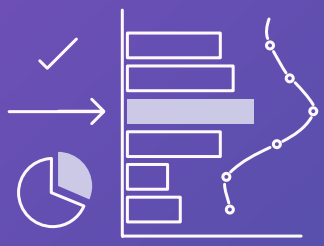
If **YOUR** firm is missing from our league tables and SWOT analysis, chances are we still received feedback for you, just not enough to meet the threshold. You **DON'T**, need to miss out though. We can work with you to understand how your proposition really stacks up.

COLLECT

We'll design a bespoke survey for you to share with your brokers

BENCHMARK

Your results will be compared against our wider Mortgage Lender Benchmark



LEARN

Gain actionable insights with a tailored report and face to face briefing

Smart Money People

CONTACT THE SMART MONEY PEOPLE TEAM TODAY TO FIND OUT MORE:

hello@smartmoneypeople.com

0203 488 5075

BANKING FIRMS

LEAGUE TABLE

We've seen some big shifts in the league table for banks in H2 2020, with 13 out of our 18 featured lenders seeing a drop in their overall rating in the last six months. Once again Halifax proves to be the brokers favourite lender, securing the top position for the fourth consecutive time.

1	Halifax
2	Paragon Bank
3	Scottish Widows
4	Kent Reliance
5	BM Solutions
6	Precise Mortgages
7	Atom Bank
8	HSBC
9	TSB

Please note, the overall rating (%) is a standalone rating and does not combine the various ratings left by brokers.

Lowest Rated — Highest Rated

TABLE CONTINUES ON THE NEXT PAGE

BANKING FIRMS

LEAGUE TABLE (CONTINUED)

10	Virgin Money	
11	Bank of Ireland	
12	NatWest	
13	Santander	
14	Aldermore	
15	Barclays	
16	Metro Bank	
17	Clydesdale Bank	
18	Platform	

Overall Rating Increased

Overall Rating Decreased

+/- 1% change H1 2020

New entrant

Lowest Rated

Highest Rated

Please note, the overall rating (%) is a standalone rating and does not combine the various ratings left by brokers.

BUILDING SOCIETIES

LEAGUE TABLE

Building Societies have seen some movements within the league table with scores generally decreasing across the board. However, they remain the highest rated sector of all our lenders.

1	Godiva
2	Coventry for intermediaries
3	Skipton Building Society
4	Accord Mortgages
5	Principality
6	Newcastle Building Society
7	The Mortgage Works
8	The West Brom
9	Leeds Building Society
10	Nationwide
11	The Nottingham

Overall Rating Increased

Overall Rating Decreased

+/- 1% change H1 2020

New entrant

Lowest Rated

Highest Rated

Please note, the overall rating (%) is a standalone rating and does not combine the various ratings left by brokers.

SPECIALIST

LEAGUE TABLE

Specialist lenders have seen improvements as a sector across many areas that are important to brokers, and there have also been two new entrants for H2 2020. When comparing the specialist sector to other sectors there's still room for improvement, and it's clear from the lower scores that brokers are frustrated, despite having more limited options for their clients.

1	Fleet Mortgages
2	The Mortgage Lender
3	Foundation Home Loans
4	Bluestone
5	Kensington Mortgages
6	Pepper Money
7	Vida Homeloans

Overall Rating Increased

Overall Rating Decreased

+/- 1% change H1 2020

New entrant

Lowest Rated — Highest Rated

Please note, the overall rating (%) is a standalone rating and does not combine the various ratings left by brokers.

LIFETIME LENDERS

LEAGUE TABLE

Generally lifetime lenders have dropped in their scores across the key areas in comparison to our H1 2020 report. In comparison to overall ratings for all lenders, half of lifetime lenders appear in the bottom 25%. The league table shows that results for lifetime lenders are very polarised, with a group who've done very well, and a group who've performed poorly.

1	Pure Retirement
2	Canada Life
3	L&G
4	More2Life
5	Hodge Lifetime
6	Just
7	Aviva
8	LV=

Overall Rating Increased

Overall Rating Decreased

+/- 1% change H1 2020

New entrant

Lowest Rated

Highest Rated

Please note, the overall rating (%) is a standalone rating and does not combine the various ratings left by brokers.

BUY TO LET

LEAGUE TABLE

Our Buy to Let lenders have seen mixed results for H2 2020. While some lenders have made good progress and improved their scores, other lenders have failed to impress brokers and dropped down our league table.

1	Godiva
2	Fleet Mortgages
3	Kent Reliance
4	Paragon
5	BM Solutions
6	Santander
7	The Mortgage Lender
8	Precise Mortgages
9	The Mortgage Works
10	Leeds Building Society
11	Aldermore
12	Barclays

Overall Rating Increased

Overall Rating Decreased

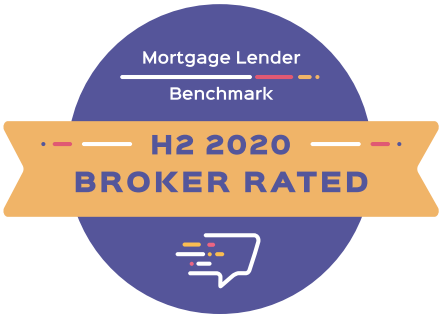
+/- 1% change H1 2020

New entrant

Lowest Rated — Highest Rated

Please note, the overall rating (%) is a standalone rating and does not combine the various ratings left by brokers.

WHO ARE THE BEST LENDERS OUT THERE?



We believe it's important to recognise the lenders who are doing a great job, and our badges are an easy way for brokers to identify which lenders are doing just that.

The lenders in our table have received the highest rated feedback across the themes that matter most to brokers, as well as recognising who is performing well within their sector.

To find out more about purchasing a badge and showing the rest of the mortgage industry how great you are, contact the Smart Money People Team:

0203 488 5075

hello@smartmoneypeople.com

BEST BANK	Halifax	
BEST BUILDING SOCIETY LENDER	Godiva	
BEST BUY TO LET LENDER	Godiva	
BEST LIFETIME MORTGAGE PROVIDER	Pure Retirement	
GREAT FOR LENDING CRITERIA	Kent Reliance	Accord
GREAT FOR UNDERWRITING	Accord	
GREAT FOR ONLINE SYSTEMS	Santander	The Mortgage Works
GREAT FOR SPEED TO OFFER	Atom	Canada Life
GREAT FOR COMMUNICATION	Godiva	Fleet Mortgages
GREAT FOR RELATIONSHIP MANAGEMENT	Pure Retirement	Paragon Bank

SECTOR INSIGHT - TOP LEVEL STATS

Overall satisfaction among brokers has dropped to 77.8%, the lowest figure since tracking began in H2 2018. All sectors have seen a decline in their feedback with the exception of the specialist lenders, where their performance has remained consistent with H1 2020.

Speed, relationship managers and communication are areas across multiple sectors where feedback has dropped. The declining scores across these themes highlights the difficulties lenders have faced in adapting to new ways of working with the pandemic.

		Overall Rating (%)	Net Promoter Score	Ease of determining Max loan amount (%)	Ease of determining product eligibility (%)	Speed to process applications through to offer (%)	Relationship Managers (%)	Communication (%)
All Lenders	H2 2020	77.8	+12.8	81.5	79.4	67.2	77.9	72.8
	H1 2020	82.7	+30.8	83.0	81.3	75.8	81.5	78.1
Banks	H2 2020							
	H1 2020							
Building Societies	H2 2020							
	H1 2020							
Specialist Lenders	H2 2020							
	H1 2020							
Lifetime Lenders	H2 2020							
	H1 2020							

Please note, the overall rating (%) is a standalone rating and does not combine the various ratings left by brokers.

H1 figure for reference | No change more than 3% | Increase of 3% or more | Decrease of 3% or more

WHAT MATTERS MOST TO INTERMEDIARIES?

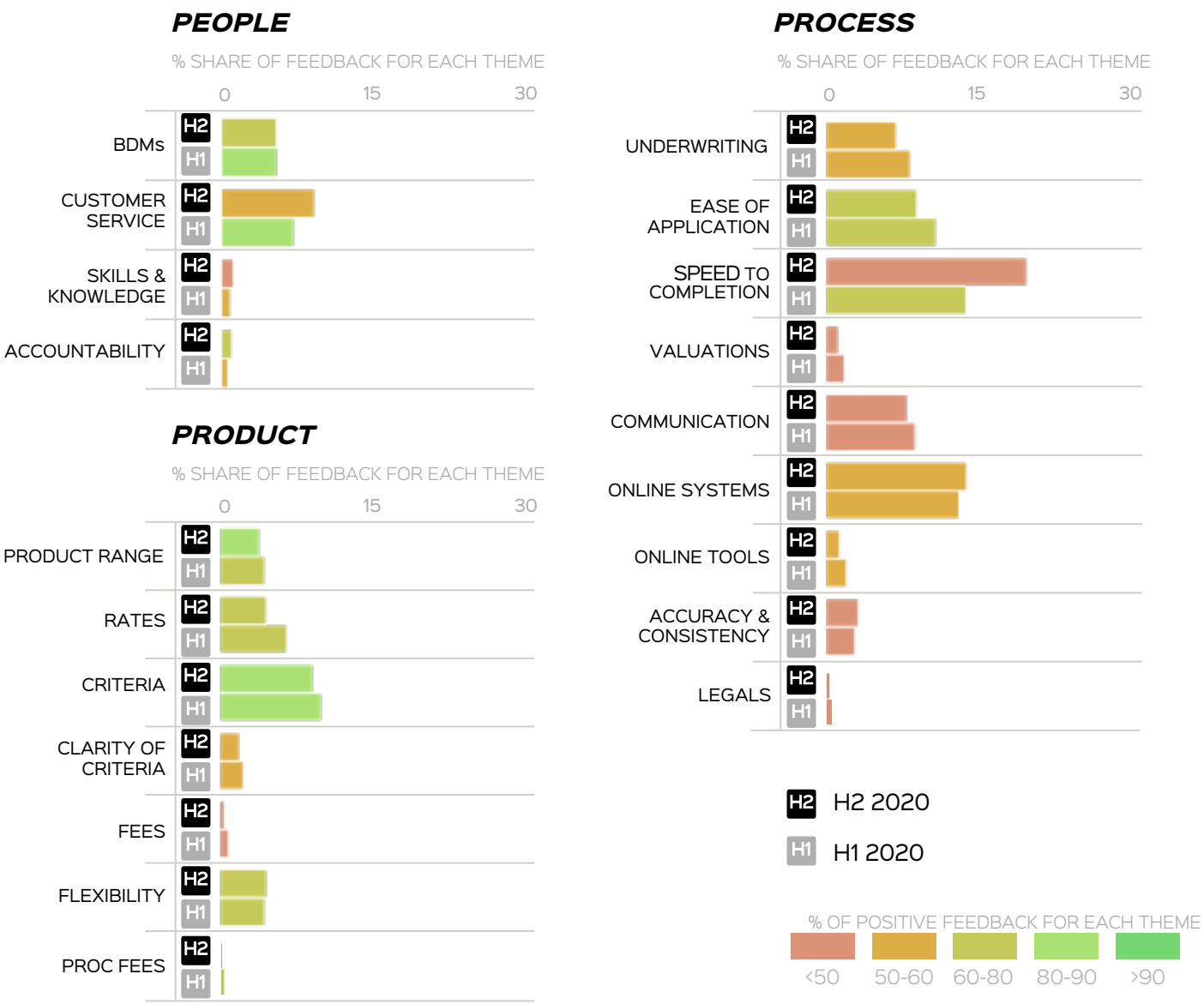
Speed to completion, online systems, criteria and customer service received the most feedback from brokers in this edition.

Less feedback was received across all product themes except for flexibility.

Broker sentiment decreased most for customer service, BDMs and speed to completion. In contrast, product range saw the greatest increase in broker sentiment.

Process continues to attract less satisfaction than people and product. Brokers remain frustrated with poor communication and a lack of accuracy & consistency. Feedback around online systems and underwriting remains very mixed.

Although clarity of criteria doesn't generate a large volume of feedback, it sees the greatest negative difference in sentiment vs H2 2019.



H2 2020: 2,470 pieces of feedback mentioned 4,008 items which have been mapped to the above 20 themes

SECTOR INSIGHT: HOW DO LENDER TYPES DIFFER?

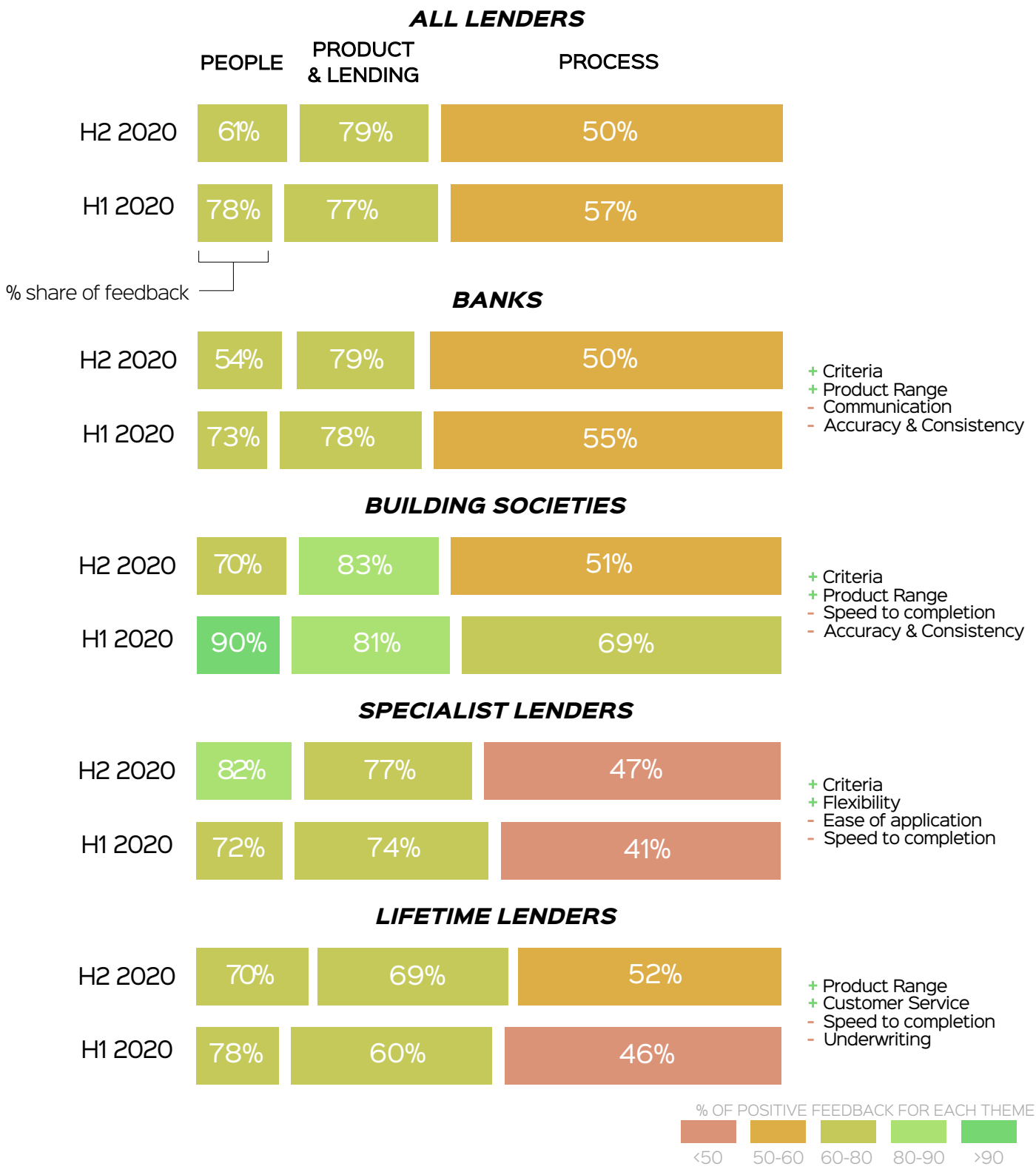
Broker sentiment around product themes has increased across all lender types, in particular lifetime lenders who saw 9% more positive feedback.

However satisfaction across people and process themes has decreased. Within people, brokers were noticeably more negative towards customer service and BDMs.

For process, speed accounted for much of the decrease, seeing a 22% drop in satisfaction across all lenders. For building societies this fall increased to 38%.

Specialist lenders countered the trend however, where satisfaction towards customer service and speed increased vs H1 2020.

Lifetime lenders also saw sentiment towards process increase, although this was due to greater satisfaction with online systems and communication.



SECTOR INSIGHT - SATISFACTION BY CASE TYPE

The high proportion of decreases in ratings for feedback by case type illustrates the difficulties shared by lenders, and frustrations of brokers, in trying to place new mortgage business. Speed, communication and relationship managers have declined for first time buyers, moving home and remortgage cases, suggesting the way lenders have adapted with Covid-19 has left brokers feeling dissatisfied.

Product Transfers are typically a much more simple case type to administer, so it's not surprising that scores here have remained fairly static with H1 2020.

		Overall Rating (%)	Net Promoter Score	Ease of determining Max loan amount (%)	Ease of determining product eligibility (%)	Speed to process applications through to offer (%)	Relationship Managers (%)	Communication (%)
All feedback	H2 2020	77.8	+12.8	81.5	79.4	67.2	77.9	72.8
	H1 2020	82.7	+30.8	83.0	81.3	75.8	81.5	78.1
First Time Buyer	H2 2020							
	H1 2020							
Home Mover	H2 2020							
	H1 2020							
Product Transfer	H2 2020							
	H1 2020							
Remortgage	H2 2020							
	H1 2020							
Buy To Let (Residential)	H2 2020							
	H1 2020							
Buy To Let (Commercial)	H2 2020							
	H1 2020							

Please note, the overall rating (%) is a standalone rating and does not combine the various ratings left by brokers.

H1 figure for reference | No change more than 3% | Increase of 3% or more | Decrease of 3% or more

SECTOR INSIGHT - SATISFACTION BY CASE CHARACTERISTIC

		Overall Rating (%)	Net Promoter Score	Ease of determining Max loan amount (%)	Ease of determining product eligibility (%)	Speed to process applications through to offer (%)	Relationship Managers (%)	Communication (%)
Self-employed	H2 2020							
	H1 2020							
Impaired credit	H2 2020							
	H1 2020							

Please note, the overall rating (%) is a standalone rating and does not combine the various ratings left by brokers.

H1 figure for reference

No change more than 3%

Increase of 3% or more

Decrease of 3% or more

WHAT'S BEHIND THE DECISION TO RECOMMEND A LENDER?

Being recommended by intermediaries matters, particularly in a competitive market. But while brokers often talk a lot about themes like speed and online systems, what really sits behind whether they're likely to recommend a lender or not?

In the below table, we've analysed the feedback for brokers recommending a lender. Each theme is ranked by both how much feedback it has attracted (ranking by share) as well as how strong an impact it's having on the overall likelihood of a broker to recommend a lender (NPS).

Speed remains the most commented on theme by brokers recommending a lender, and it's also having the strongest positive impact on this decision.

In this edition, online systems has risen to second spot in our ranking by share and fifth spot by impact. When brokers deem a lender to have a good online system e.g. easy to navigate, clear and good document upload, they were also more likely to be positive about other aspects of a lender's process including speed, ease and communication.

Flexibility is a newcomer to our top ten list, with brokers keen to recommend lenders that remained flexible with criteria despite Covid-19.

Although not appearing in our top ten most commented on themes in H2 2020, lenders that offered consistency and clarity of criteria were also particularly favoured by brokers.

THE THEMES PROMOTERS TALK ABOUT AND THE IMPACT OF EACH THEME

MOST TALKED ABOUT THEME BY BROKERS LEAVING AN NPS OF 9 OR 10 FOR A LENDER

THEME ASSOCIATED WITH THE HIGHEST NPS

H2 2020 RANKING BY SHARE		H2 2020 RANKING BY IMPACT	H1 2020 RANKING BY SHARE		H1 2020 RANKING BY IMPACT
1	Speed to completion	1	1	Speed to completion	1
2	Online systems	5	2	Ease of application	5
3	Ease of application	3	3	Online systems	9
4	Criteria	9	4	Criteria	7
5	Customer service	7	5	Customer service	4
6	Underwriting	2	6	BDMs	8
7	Communication	4	7	Underwriting	3
8	BDMs	6	8	Rates	10
9	Flexibility	8	9	Communication	2
10	Product Range	10	10	Product Range	6

FEEDBACK FROM INTERMEDIARIES RECOMMENDING THE LENDERS THEY WORK WITH

The following page highlights some of the feedback shared by brokers that are actively recommending (promoting) a lender they've shared feedback about. The themes that detractors talk about can be found on p.23.

The choice of comments and the lenders highlighted below and on p.24 has no overall significance.

SPEED TO COMPLETION

"Initial checks over the phone can mean case agreed instantly."

ONLINE SYSTEMS

"User friendly website - easy to navigate and any fields missed are clearly marked."

EASE OF APPLICATION

"Very straightforward process, case requirements minimal."

CRITERIA

"NatWest are a fantastic lender, policy allows them to take lots of income types, affordability is very generous and fair."

CUSTOMER SERVICE

"They do not keep brokers waiting when they call by phone (a few seconds) and they are exceptionally helpful and express a positive mental attitude."

UNDERWRITING

"You get to talk to underwriters and the communication is great. I also like that they will think outside the box and use common sense where justified."

COMMUNICATION

"Clear path of instructions and being kept up to date."

BDMs

"Excellent relationship with BDM who is experienced and pragmatic and knows their subject."

FLEXIBILITY

"Pragmatic. Flexible; will go off-piste if case can be made."

WHAT'S BEHIND THE DECISION TO NOT RECOMMEND A LENDER?

Speed to completion, communication, online systems and underwriting remain in the top five most commented on themes by brokers not recommending a lender. However, customer service has climbed into third spot, ousting ease of application.

Skills & knowledge is a newcomer to our top 10 list and, whilst it's only the 10th most talked about theme, it has the strongest negative impact on NPS when mentioned. Brokers complained about staff who lacked knowledge, sometimes of their own lending policy. This may be symptomatic of more frequent product and policy changes in H2 2020.

Speed to completion was ranked top by volume and its impact on NPS was also much more pronounced, indicating it is now more often a material issue for brokers versus H1.

Although generating lower levels of feedback, both underwriting and accuracy & consistency pack a punch when talked about negatively, having a very strong downward pull on a lenders' NPS. Brokers talked about 'picky' underwriting and lenders changing the goalposts after a case had been submitted.

THE THEMES DETRACTORS TALK ABOUT AND THE IMPACT OF EACH THEME

MOST TALKED ABOUT THEME BY BROKERS LEAVING AN NPS OF 0-6 FOR A LENDER

H2 2020			H1 2020		
1	Speed to completion	6	1	Communication	7
2	Communication	5	2	Speed to completion	10
3	Customer service	4	3	Online systems	6
4	Online systems	10	4	Ease of application	8
5	Underwriting	3	5	Underwriting	4
6	Ease of application	9	6	Accuracy & consistency	2
7	Accuracy & consistency	2	7	Flexibility	9
8	BDMs	7	8	Customer service	1
9	Flexibility	8	9	Clarity of criteria	5
10	Skills & Knowledge	1	10	BDMs	3
RANKING BY SHARE		RANKING BY IMPACT	RANKING BY SAHRE		RANKING BY IMPACT

THE THEME ASSOCIATED WITH THE LOWEST NPS

FEEDBACK FROM INTERMEDIARIES NOT RECOMMENDING THE LENDERS THEY WORK WITH

SPEED TO COMPLETION

"Been very, very, very, slow in the last few months due to COVID but were never the quickest anyway. Not coped well."

COMMUNICATION

"Their communication of underwriting decisions is very poor which means we always have to phone in for clarification and that is a waste of time."

CUSTOMER SERVICE

"Service on this case was abysmal. Having operational phone lines from the outset would have helped."

ONLINE SYSTEMS

"Their system is so slow, and it takes 5 x longer to key an application with them than anybody else."

UNDERWRITING

"Underwriting team ask a lot of questions for every case submitted and try to find a way not to lend."

EASE OF APPLICATION

"Application forms are ridiculously large and off putting to clients. Desperately need an online portal for KFI generation and applications. Having to ring up for KFI's is a relic of the past."

ACCURACY & CONSISTENCY

"Middle of the road. Never predictable, sometimes fast and efficient and sometimes lacking."

BDMs

"BDM not responding to any emails or calls."

FLEXIBILITY

"Very inflexible around self employed clients at present."

SKILLS & KNOWLEDGE

"Getting to speak to someone who can understand what your question is seems to be difficult."

CUSTOMER SERVICE

"Time waiting to speak to anyone is over 45 minutes."

ACCURACY & CONSISTENCY

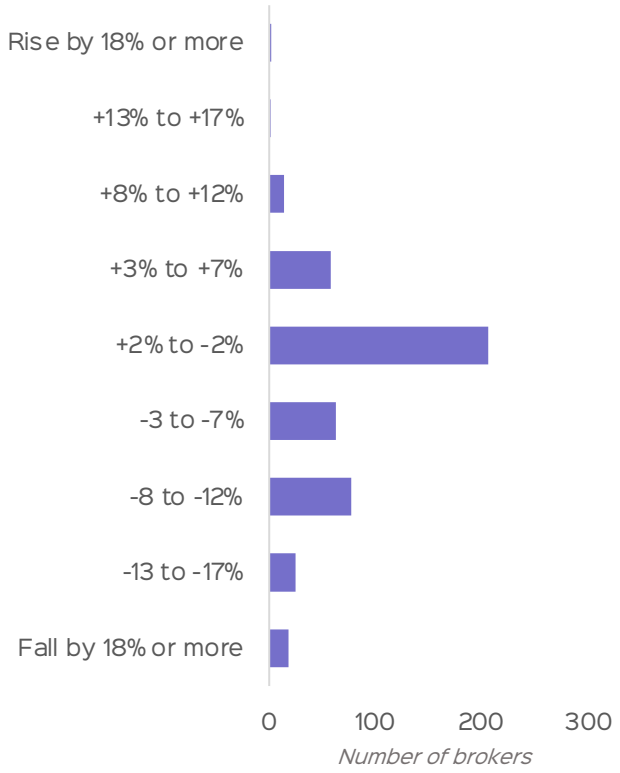
"Took 6 weeks to check documents then declined on the one thing I checked with them prior to submission."

WHAT DO BROKERS THINK WILL HAPPEN TO HOUSE PRICES IN THE NEXT 12 MONTHS?

It's no secret that the housing market has boomed in the last six months, which could be a surprise to some if we had predicted the housing market trends back at the start of the year.

So as part of our research, we asked brokers what they thought would happen with house prices in the next 12 months.

Brokers were pessimistic about house prices, with over 80% believing house prices will stagnate or decrease by Q4 2021.



Responses to changes in house prices ranged from a very pessimistic -40% to an optimistic +25%. The average of all brokers surveyed resulted in an expectation of prices decreasing by 3%.

"It's a bubble with the stamp duty incentive, more unemployment [is] on the way, lenders will be more cautious."

Over 51% of brokers believed that increased levels of unemployment and a general economic downturn would be the cause of a house price reduction or stagnation, likely to be as a result of the pandemic this year.

Unsurprisingly, coronavirus was cited by more than 47% of brokers as a reason for house prices not increasing into 2021.

"Estate agents have taken the stamp duty holiday as an excuse to increase house prices. Speaking with a local FRICS Surveyor he is of the opinion that housing stock is at least 8-10% over priced at present and that will almost certainly re-adjust following the Government's seeming desire for a 'crash out' Brexit and re-introduction of stamp duty."

Over 49% of brokers believed that the end of the stamp duty holiday and an end to the help to buy equity loan scheme, both scheduled to end in March 2021, would cause house prices to go down or flatten by the end of next year.

Our research also found that many of the more pessimistic brokers felt that the stamp duty holiday has contributed to a house price 'bubble' and felt that overall prices would even out once the scheme ended. Several brokers even claimed the end to the stamp duty holiday would cause an "arctic winter".

Of less concern to brokers was Brexit, which only 13% of brokers noted as having an impact on house prices.

We will be keeping a close eye on whether their predictions are correct, especially when we consider that the recession could deepen next year.

Mortgage Lender Benchmark

BROKER TECHNOLOGY PROVIDERS

WHO'S WINNING THE TECHNOLOGY RACE?

Brokers talk a lot about how easy a lender makes it to do business. And while several themes are often at play, technology does of course have an important role.

Themes like online systems and tools, the availability of live chat, and how well lenders source are all noted by brokers when discussing the strengths and weaknesses of a lender.

In the grid below, we share the intermediary view on which lenders are leading the technology race, with a specific focus on online systems and tools.

Online systems and tools generated the same share of feedback vs H1 and sentiment also remains unchanged.

Firm specific observations:

- Scottish Widows, Santander and [redacted] have seen the biggest improvement in broker sentiment towards their online systems and tools
- 90% of the feedback for Barclays was negative (in-line with H1 2020), followed by [redacted]
- [redacted] saw the biggest drop in broker sentiment vs H1 2020 (27%)
- Sentiment continues to be very polarised across lifetime lenders and brokers remain frustrated by Aviva's lack of an online portal

Which online systems and tools delight? And which require upgrading?

Top Quartile		Pure Retirement	Santander for Intermediaries
Upper Middle	Scottish Widows		
Lower Middle		platform	
Bottom Quartile		Virgin money	Barclays

Online systems and tools are responsible for 14% of all feedback shared by brokers when discussing what they like about a lender and/or what could be better. Above we've included the 24 lenders with the most feedback about online systems and tools.

HOW COULD LENDERS IMPROVE SUPPORT WORKING REMOTELY?

For many of us, Covid-19 has morphed spare rooms into home offices. Analysis of countries where the virus is under control suggests that remote working will be here to stay. So how can lenders better support brokers in a remote working environment?

Application processes have been slow to adapt for some lenders, with some still insisting on wet signatures and certified documentation - even more of a frustration given the restrictions imposed by Covid-19. Digital ID and income verification is also encouraged.

39% of brokers want staff to be more accessible and responsive. They encourage lenders to complement existing channels with online chat. Face to face interaction is often missed, with 10% of brokers encouraging greater use of video conferencing tools (e.g. Zoom).

Brokers have often felt out of the loop and want lenders and BDMs to communicate with them more. 4% of brokers suggested that webinars may be part of the solution.

Below lists the share of feedback each theme attracted, including broker verbatim.

1 BETTER ACCESS TO SUPPORT / FASTER RESPONSE TIMES

39%

"At the moment we could do with lenders being more available. It can take a lot of time to not speak with someone at the moment. They should maybe also offer support out of normal working hours."

"Answer the phone!"

2 BETTER COMMUNICATION

17%

"Consistent up to date service levels on their website."

"Communication!!! Stop withdrawing rates and giving us just 1 hour notice".

3 GREATER USE OF VIDEO CONFERENCING TOOLS

10%

"More Microsoft 'hangouts' so you don't have to keep calling all the time."

"Zoom meetings to discuss any updates/changes instead of no BDM visits at all."

"Video group calls to update and socialise."

4 MORE BDM CONTACT

9%

"Access to a BDM would be good they seem to have disappeared off the face of the planet. They play a vital role but almost entirely inaccessible."

"More interaction from BDMs to discuss lender strength & USP especially in the changing environment."

5 EASIER DOC SUBMISSION / ID VERIFICATION

8%

"Accepting photographs of documents and not requiring certified copies of documents."

"Take away the need for wet signatures on documents and also a digital certification of documents."

"More remote verification of ID and income checking."

6 IMPROVED ONLINE SYSTEMS

7%

"Working together with CRM providers to find an interface that allows data from CRM to transpose direct to lender applications to save time and effort."

"Clearer online tracking system with better notes for brokers."

"Clearer criteria databases that are easily searchable."

7 OTHER

6%

"To have the live chat team be able to access cases."

"Employ more underwriters to be able to keep up with the additional demand / spikes in demand."

"More person to person BDM visits, these add value."

8 HOSTED WEBINARS

4%

"Provider webinars or PowerPoint presentations that can be accessible anytime / offline ."

"Regular webinars."

"More regular webinars discussing products and changes in the market."

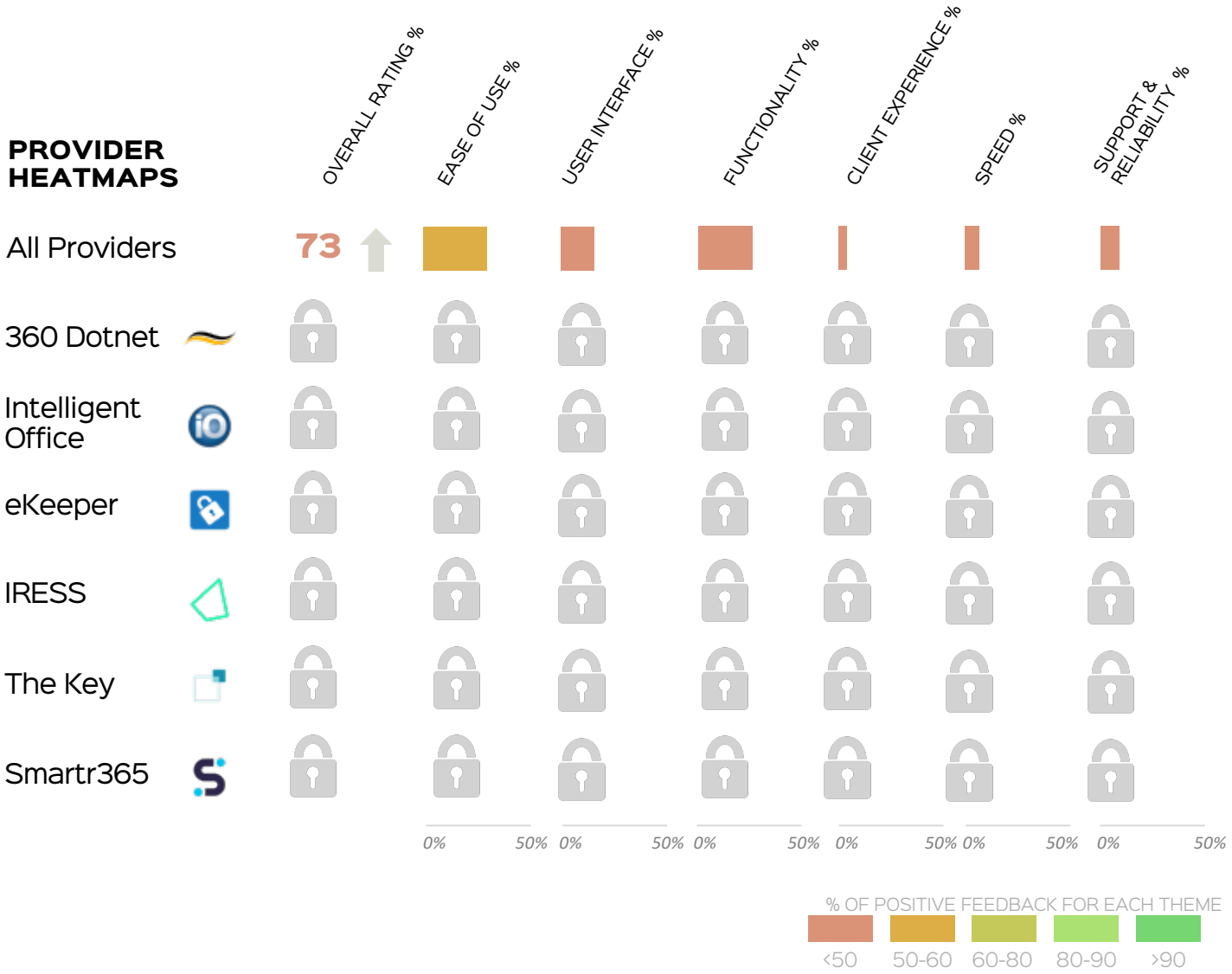
BROKER TECH: CRM

We asked brokers to tell us which CRM provider they use. They also left an overall rating and told us what they liked and/or what could be improved.

CRM systems are rated the lowest across tech provider types, with 360 Dotnet once again being an exception to this and maintaining its position at the top of the table.

Brokers value a CRM system that is easy to use and reliable, something that can't be said of all the providers we received feedback for. Brokers also feel some providers appear out of date and old fashioned to use.

Integration with other systems is also a desirable feature in a CRM system for brokers.



BROKER VERBATIM

"It has got the makings of a great system but needs investment."

"Good, but lots and lots of niggles. They do listen to feedback though."

"It's ok - a bit clunky. Too focused on investments / pension slant..."

"Some information is repetitive, or you need to input the same data multiple times."

"Thorough but missing an initial fact-find clients can complete."

BROKER TECH: AFFORDABILITY

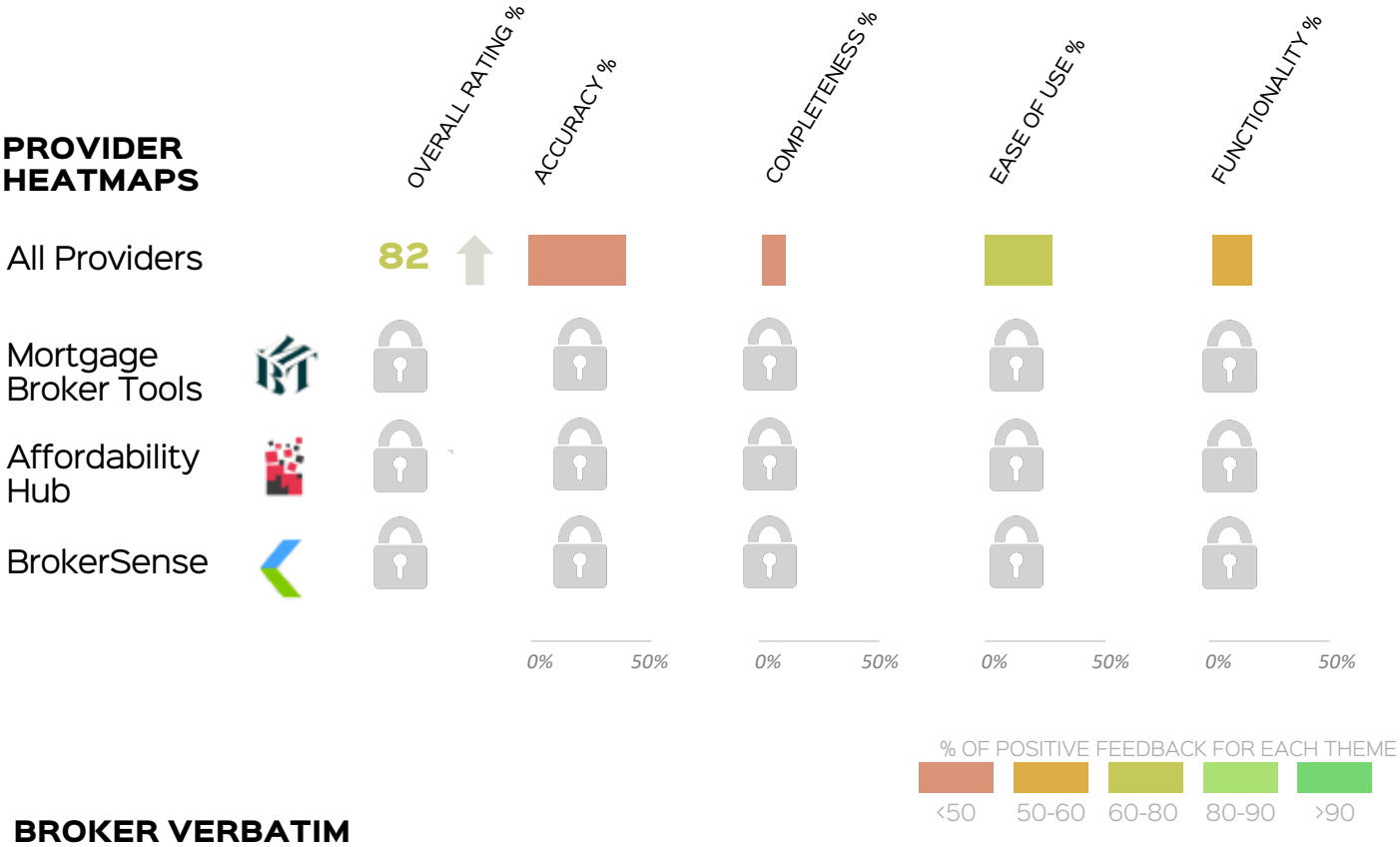
We asked brokers to tell us which provider they use when calculating affordability for their clients. They also left an overall rating and told us what they liked and/or what could be improved.

The overall rating of the affordability tools brokers use has improved slightly from H1 2020. Affordability Hub is a new entrant for H2 and attracts particularly positive feedback around ease of use.

Accuracy is key for brokers when calculating affordability. Brokers comment that the tools provide a helpful starting point to compare lenders.

However, the majority of brokers do not have complete confidence in the accuracy of the tools, and often find themselves going direct to the lender to check figures. This is even more so the case for more complex applications.

PROVIDER HEATMAPS



BROKER VERBATIM

"Cuts down research times dramatically by completing a universal calculator. Can be slightly inaccurate in some cases."

"Good interface, accurate results for the most part. More input options needed."

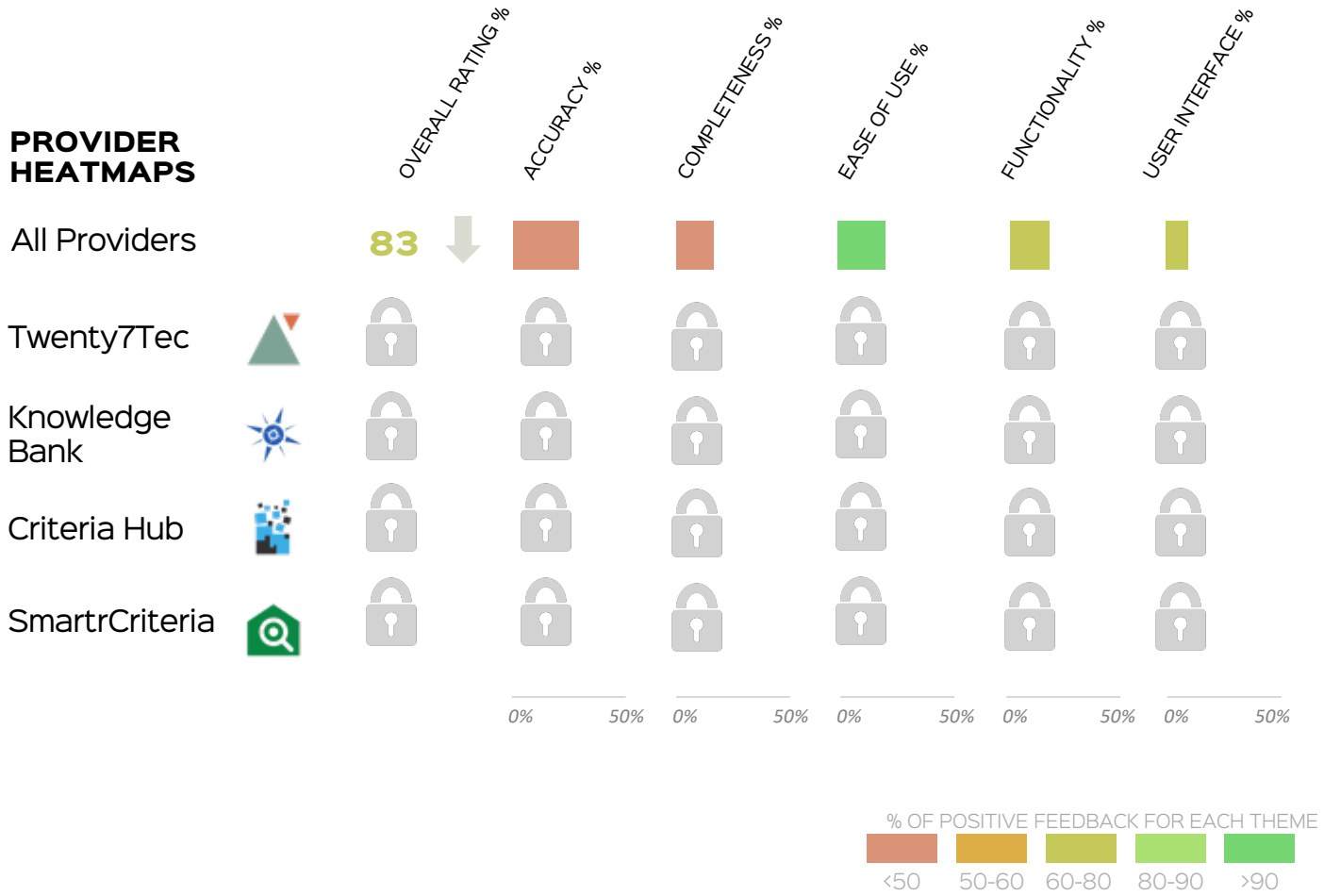
"Gives a good indication, although there are some mistakes with calculating affordability."

BROKER TECH: CRITERIA SOURCING

We asked brokers to tell us which provider they use for criteria sourcing. They also left an overall rating and told us what they liked and/or what could be improved.

General feedback for criteria sourcing tools shows that they are a useful piece of kit to assist brokers and can help narrow down the number of lenders that are suitable.

However, it is clear many brokers find the accuracy of the criteria tools to be frustrating. Brokers comment that lenders are changing criteria regularly in the current climate, and these changes are not being fed back to the criteria sourcing tools quick enough for them to be considered entirely reliable.



BROKER VERBATIM

"I love it, very user friendly and easy to navigate. Results are clear. I wish the results were more precise as sometimes lenders will rank in the results, despite not being applicable to client."

"It is a great way to filter lenders when trying to find the most suitable one for my clients. They are missing a lot of data and not all lenders have enough details, possibly due to the amount of information available being too vast."

"Fantastic, have more lenders on the site to compare against, some lenders on our panel have still not joined up with criteria hub."

Useful tool to give a steer of which lenders to approach. Not always accurate. Doesn't have every scenario / question on there."

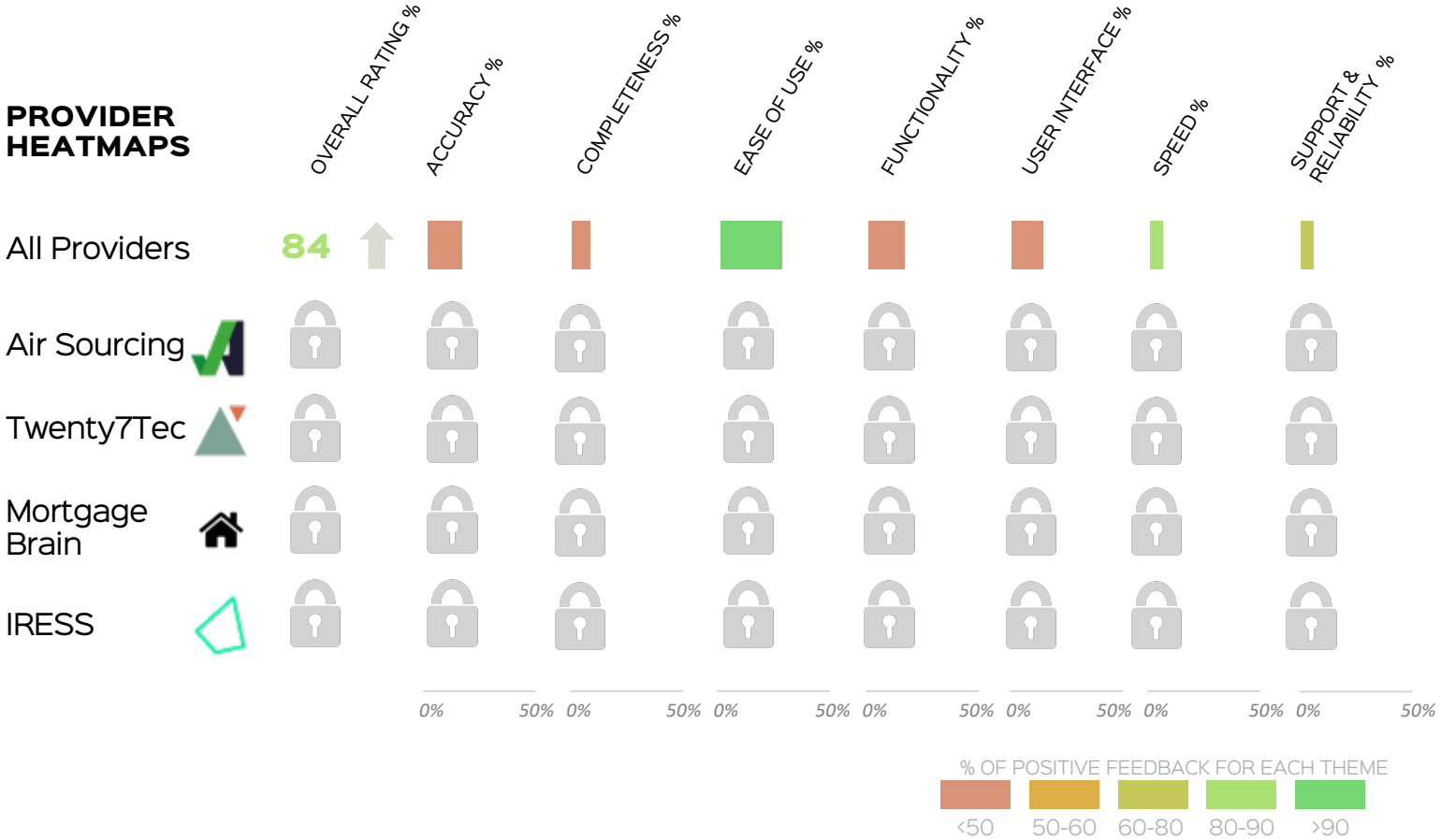
BROKER TECH: PRODUCT SOURCING

We asked brokers to tell us which provider they use for product sourcing. They also left an overall rating and told us what they liked and/or what could be improved.

Brokers generally feel the product sourcing system they access are easy to use, and brokers value the ability to filter down to a refined set of products.

However, while brokers consider these systems easy to use, for two of the product sourcing providers – Iress and Mortgage Brain – the feedback among brokers is that these systems still feel out of date and need some investment to modernise their interface and means of connecting to the system.

As with other technology providers, accuracy of these systems is often a concern to brokers, who highlight that systems can be slow to update once a lender has made changes to their product range.



BROKER VERBATIM

"Comprehensive, flexible and detailed information."

"Functional but it can be a bit spotty in results at times."

"Needs to go online and get away from system based to allow multiple platform uses."

"Good sourcing software, decent helpline. Could show reasons for lenders not sourcing more apparent."

WANT TO KNOW WHAT BROKERS ARE REALLY SAYING?

Mortgage Lender Benchmark

We know there's nothing quite like hearing what people are saying direct from the horse's mouth.

When you're having discussions within your business about where to make investments, or what changes you need more resource for, this can be particularly important. The more evidence you have to support your business case, the better.

So that's why, alongside our full report, we also offer the option to buy all the verbatim comments brokers have left about you, and all the other lenders we feature in our report.

If you'd like to know more, contact the Smart Money People Team to discuss what options are available. We'd love to hear from you.

"Good rates. Awful system, poor interface, hard to speak with anyone."

"Application system is good, easy to check what is missing and return to those sections easily."

"I like that their systems are easy to use and their staff are nice enough. Having true SLA would be great rather than misleading."

"Current service levels are awful and flexibility is non-existent. They should apply some logic to cases."

0203 488 5075

hello@smartmoneypeople.com

Smart Money People

Mortgage Lender Benchmark

LENDER ANALYSIS & HEATMAPS

THE 44 LENDERS IN OUR DETAILED ANALYSIS

Our detailed individual lender analyses summarise the broker feedback and cover key elements of the sales process such as speed to process, eligibility and communication for all of the lenders shown below. They also look at what brokers like about each lender and what each lender could do better, with a particular focus on lender systems.

We also pull the data together into comparative heat maps and brand personality analysis by lender type.

Examples of these are included on the following pages. If you'd like to buy the full data set, please email hello@smartoneypeople.com or call us on 020 3488 5075

Accord
Building Society

Aldermore
Bank

Atom Bank
Bank

Aviva
Lifetime

Bank of Ireland
Bank

Barclays
Bank

Bluestone
Specialist

BM Solutions
Bank

Canada Life
Lifetime

Clydesdale Bank
Bank

Coventry
Building Society

Fleet Mortgages
Specialist

Foundation Home Loans
Specialist

Godiva
Building Society

Halifax
Bank

Hodge Lifetime
Lifetime

HSBC
Bank

Just
Lifetime

Kensington Mortgages
Specialist

Kent Reliance
Bank

L&G
Lifetime

Leeds
Building Society

LV=
Lifetime

Metro Bank
Bank

More2Life
Lifetime

Nationwide
Building Society

NatWest
Bank

Newcastle
Building Society

Nottingham
Building Society

Paragon Bank
Bank

Pepper Money
Specialist

Platform
Bank

Precise Mortgages
Bank

Principality
Building Society

Pure Retirement
Lifetime

Santander
Bank

Scottish Widows
Bank

Skipton Building Society

The Mortgage Lender
Specialist

The Mortgage Works
Building Society

TSB
Bank

Vida Homeloans
Specialist

Virgin Money
Bank

West Brom
Building Society

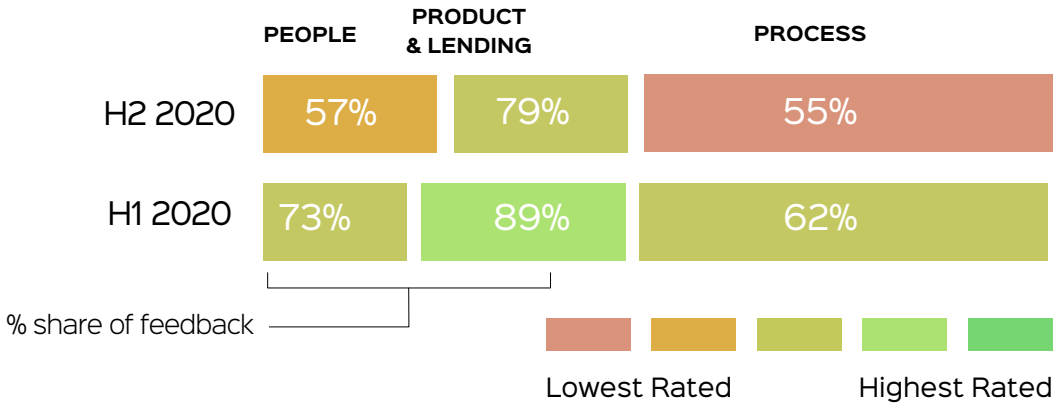
SAMPLE LENDER A

"For new business, at the moment very slow, can't speak to my BDM and underwriting is inconsistent."

97 Responses

	LENDER A	All Banks	All Lenders
OVERALL RATING	78.2	77.9	77.8
Net Promotor Score (NPS)	+8.7	13.4	12.8
Ease of determining max. loan amount %	84.3	82.2	81.5
Ease of determining product eligibility %	80.4	79.7	79.4
Speed to process applications through to offer %	69.8	67.9	67.2
Satisfaction with relationship managers %	77.5	78.0	77.9
Lender communication %	74.6	72.7	72.8

LENDER A'S DNA



COMMENTARY

Lender A has slipped from 5th to 11th in the league table but have risen to 7th in the buy-to-let league table.

Customer service attracted more negative sentiment, with brokers commenting that 'they are so hard to get hold of'. Their live chat is mentioned by a lot of brokers who find it 'helpful' and note the 'knowledgeable staff'. There are however challenges accessing it, and the lack of a queueing system is an issue for brokers. BDM's continue to attract mostly positive sentiment but there are frustrations about being able to contact them and a lack of responsiveness.

Sentiment for product themes has dropped but Lender A's good affordability criteria and income multiples are seen as key strengths. Brokers also value their 'broad criteria' and 'flexibility around income types'.

Confusing communications, and slower turnaround times have contributed to a decline in sentiment for underwriting. Brokers raised difficulties in getting updates and requests for a lot of additional information after submission.

Speed to offer saw the largest drop in overall score falling 16%. Brokers frequently commented on the 'noticeable drop in service since Covid-19'. Previously seen as a key strength, the fall was more noticeable to brokers.

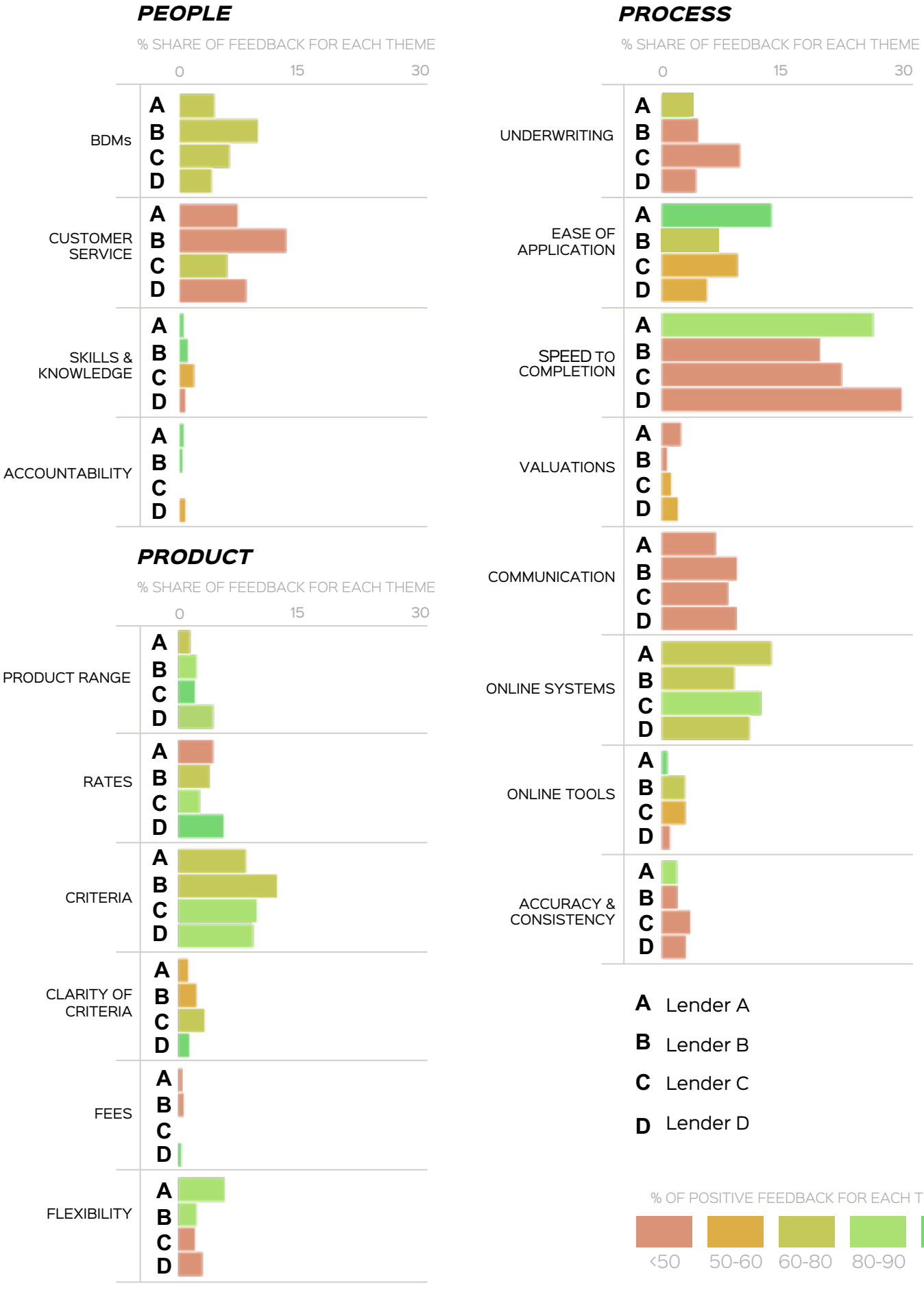
Sentiment for online systems was more positive than most large lenders.

Overall, Lender A is still seen as a generous lender, but the extended processing times have impacted broker sentiment more proportionately, given their previous strength in this area.

SAMPLE LENDER HEATMAP

The Mortgage Lender Benchmark asks brokers to 'tell us what you like about a lender, and/or what could be better.'

This question allows brokers to tell us what matters to them, in their own words, which helps us to understand the strengths and weaknesses of each lender.



SAMPLE BRAND ANALYSIS

PAGE 1 OF 9

	Sample Lender A		Sample Lender B		Sample Lender C	
	H2 2020	H1 2020	H2 2020	H1 2020	H2 2020	H1 2020
1	Easy	Easy	Helpful	Quick	Reliable	Easy
2	Quick	Quick	Fun	Easy	Friendly	Helpful
3	Reliable	Fun	Quick	Open	Easy	Efficient
4	Friendly	Friendly	Easy-going	Helpful	Honest	Honest
5	Efficient	Efficient	Friendly	Friendly	Flexible	Reliable
6	Quick	Helpful	Dependable	Quirky	Efficient	Easy
7	Flexible	Boring	Quirky	Exciting	Quirky	Quick
8	Fun	Confident	Approachable	Alternative	Happy	Fun
9	Efficient	Reliable	Slow	Unusual	Outgoing	Thorough
10	Approachable	Happy	Understanding	Kind	Helpful	Bubbly

LENDERS INCLUDED IN OUR STUDY

Accord
Building Society
50-99

Aldermore
Bank
30-49

Atom Bank
Bank
20-29

Avamore Capital
Specialist
<5

Aviva
Lifetime
20-29

Bank of Ireland
Bank
30-49

Barclays
Bank
>100

Bluestone
Specialist
10-19

BM Solutions
Bank
>100

Brightstar
Specialist
<5

Cambridge
Building Society
<5

Canada Life
Lifetime
10-19

Clydesdale Bank
Bank
30-49

Coutts
Bank
<5

Coventry
Building Society
50-99

Danske Bank
Bank
<5

Family
Building Society
<5

Fleet Mortgages
Specialist
10-19

Foundation Home Loans
Specialist
10-19

Furness
Building Society
<5

Gatehouse Bank
Bank
<5

Godiva
Building Society
10-19

Halifax
Bank
>100

Hampshire Trust
Bank
<5

Handelsbanken
Bank
<5

Harpenden
Building Society
<5

Hinckley & Rugby
Building Society
<5

Hodge Lifetime
Lifetime
10-19

HSBC
Bank
>100

Ipswich
Building Society
<5

Just
Lifetime
10-19

Kensington Mortgages
Specialist
10-19

Kent Reliance
Bank
30-49

Keystone
Specialist
<5

L&G
Lifetime
10-19

Leeds
Building Society
50-99

Leek United
Building Society
<5

LendInvest
Specialist
<5

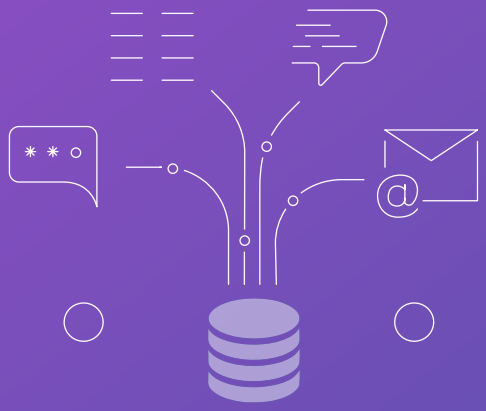
LV=
Lifetime
10-19

LENDERS INCLUDED IN OUR STUDY

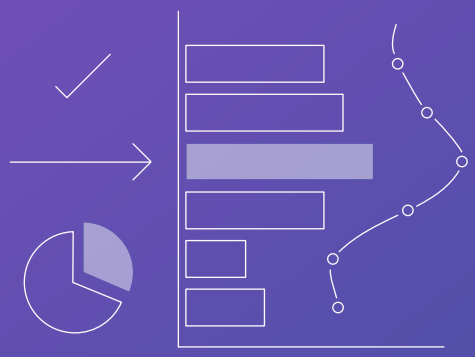
M&S **Bank** <5	Mansfield **Building Society** <5	Masthaven Bank **Bank** <5
Melton Mowbray **Building Society** <5	Metro Bank **Bank** 10-19	Monmouthshire **Building Society** <5
More2Life **Lifetime** 20-29	MT Finance **Specialist** <5	Nationwide **Building Society** >100
NatWest **Bank** >100	Newbury **Building Society** 5-9	Newcastle **Building Society** 10-19
Nottingham **Building Society** 10-19	One Family **Lifetime** <5	Paragon Bank **Bank** 10-19
Pepper Money **Specialist** 10-19	Platform **Bank** 30-49	Precise Mortgages **Bank** 20-29
Principality **Building Society** 10-19	Progressive **Building Society** <5	Pure Retirement **Lifetime** 10-19
Responsible Lending **Specialist** <5	Saffron **Building Society** <5	Santander **Bank** >100
Scottish Widows **Bank** 20-29	Shawbrook Bank **Bank** <5	Skipton **Building Society** 30-49
State Bank of India **Bank** <5	The Mortgage Lender **Specialist** 10-19	The Mortgage Works **Building Society** 50-99
Together **Specialist** <5	TSB **Bank** 50-99	Vernon **Building Society** <5
Vida Homeloans **Specialist** 10-19	Virgin Money **Bank** 50-99	West Brom **Building Society** 10-19
West One Loans **Specialist** <5	Zephyr Homeloans **Specialist** <5	

Smart Money People

ABOUT US



Smart Money People is the UK's largest financial services review website and insight business. Launched in 2014, Smart Money People uses its review data to help consumers research financial providers, and works with financial firms to help them better understand their customers, their competitors and the market to improve their products, services and customer experience.



Our dataset spans performance, regulatory and culture data points and customers can access their data through our proprietary insight portal.

To find out more about Smart Money People, our products, and how we could help your business, please get in touch.

smartmoneypeople.com

0203 488 5075

hello@smartmoneypeople.com

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