

2006 Mortgage Lender Survey



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About checkmyfile.com

Checkmyfile.com is the UK's first internet based credit reference agency, aimed firmly at serving consumers, rather than business users. It provides consumers with easy access to information

Checkmyfile.com was the first in the UK to:

- Provide consumers with online access to their credit files.
- To offer consumers the ability to check their own credit score for free and to give plain English explanations of how credit scoring works.
- To offer free identity theft assistance
- To match lenders to consumer credit ratings for free, to help consumers find the cheapest deals and to reduce the risks of being declined.

About this survey

In January 2006 checkmyfile.com asked its customers to rate their mortgage lenders. Respondents were incentivised by an invitation to enter a draw to win £50 of Marks and Spencer vouchers.

Checkmyfile.com uses the results to ensure when suggesting mortgage lenders to its customers, it can give an independent assessment of the service levels likely to be provided. It also ensures that applicants are matched to lenders who are most likely to say yes, so the risks of being declined are minimised.

By matching lender appetites to the consumer requirement, checkmyfile.com also checks that the APRs on offer are in line with the creditworthiness of the customer, so its customers don't pay over the odds.

504 people responded to the survey, with responses being processed by surveymonkey.com and analysed by checkmyfile.com.

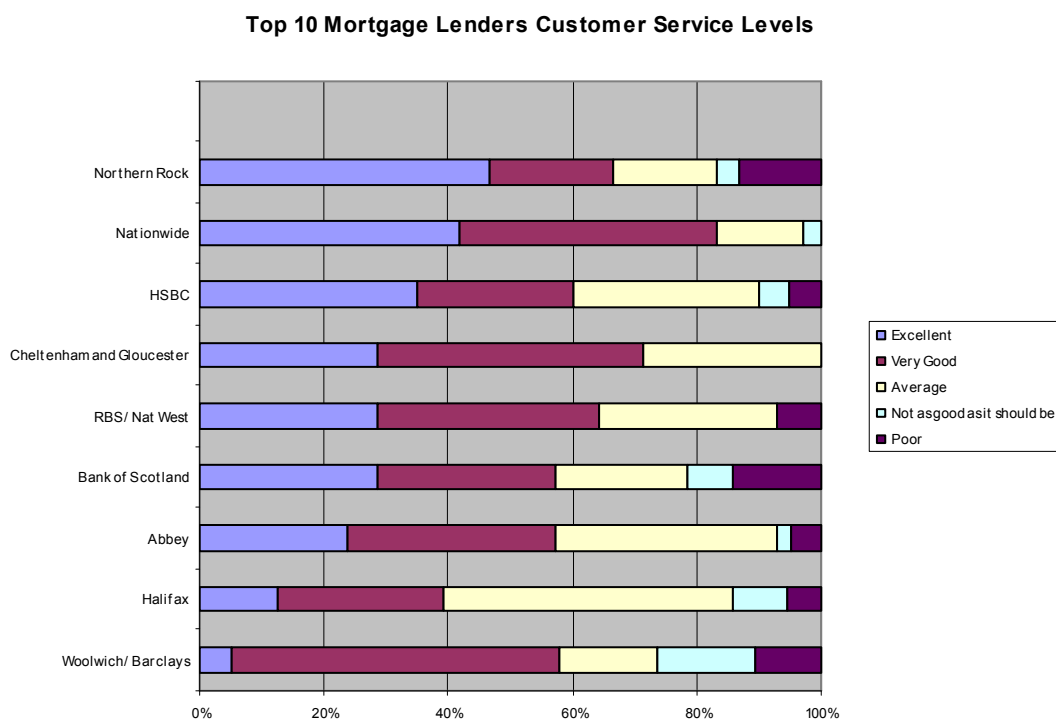
This analysis was published on 17 February 2006.

If you would like any further information about the survey results, or about checkmyfile.com, please email barry.stamp@checkmyfile.com or richard.goedegebuur@checkmyfile.com.

Summary of survey results

Almost 60% of the people we surveyed rated the standard of customer service they received from their mortgage lender as very good or excellent. One in six were dissatisfied.

Of the large mortgage lenders, **survey respondents rated Northern Rock and Nationwide as providing the best level of customer service to its clients.** At the bottom of the table Halifax and Barclays had the least amount of customers who were prepared to rate their customer service as excellent or very good.



The breakdown of respondent's mortgage lenders shows that **about one third of the UK's mortgage market is controlled by four lenders—Halifax, Abbey, Nationwide and Northern Rock.** The UK market has over 240 lenders offering thousands of different mortgage products. The survey results illustrate a wide divide between large and small lenders - the vast majority of lenders has a market share of 1% or less.

Mortgage lenders process nearly half of mortgage applications within one week, with 87% of respondents having received written confirmation of their mortgage offer within one month of starting the process. HSBC was rated as the top mortgage provider for giving a written mortgage offer within a week.

More than a third of respondents said they did not have to provide their mortgage lender with any additional information once the mortgage application form was posted. **Northern Rock and Nationwide were the two lenders with the best record of processing mortgage applications without requiring further information,** according to respondents.

Summary of survey results continued...

Two thirds of respondents found the mortgage application process easy, with only a small proportion finding the process stressful, or complex.

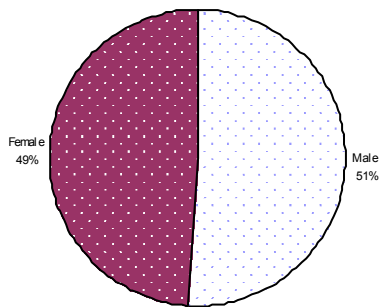
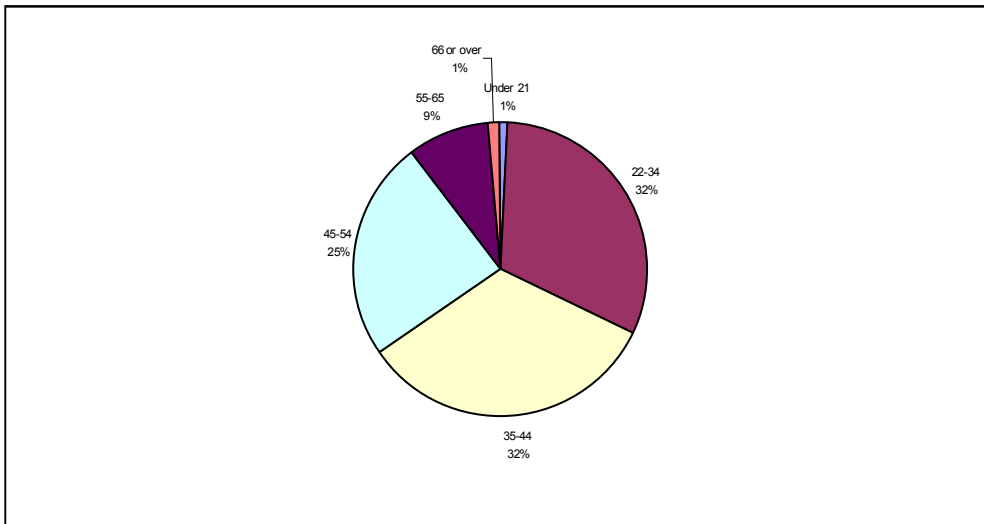
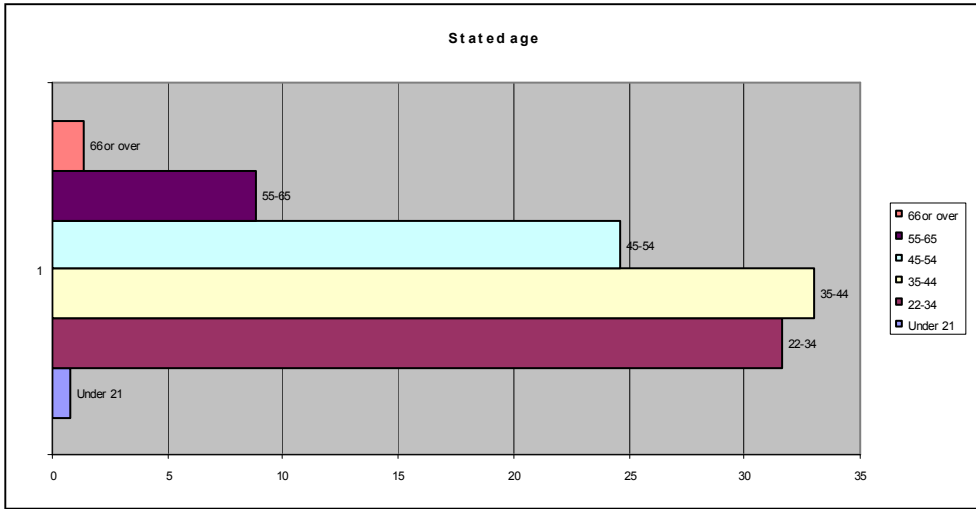
Mortgage brokers were the most popular way of finding a mortgage, while the internet was used by only a tenth of people to locate a suitable mortgage lender, though **applicants over 45 used the web significantly more than others to make a choice**, and waived the right to advice more than others.

The survey said the **most popular mortgage feature was the security provided by fixed rate mortgages**, followed closely by lender reputation.

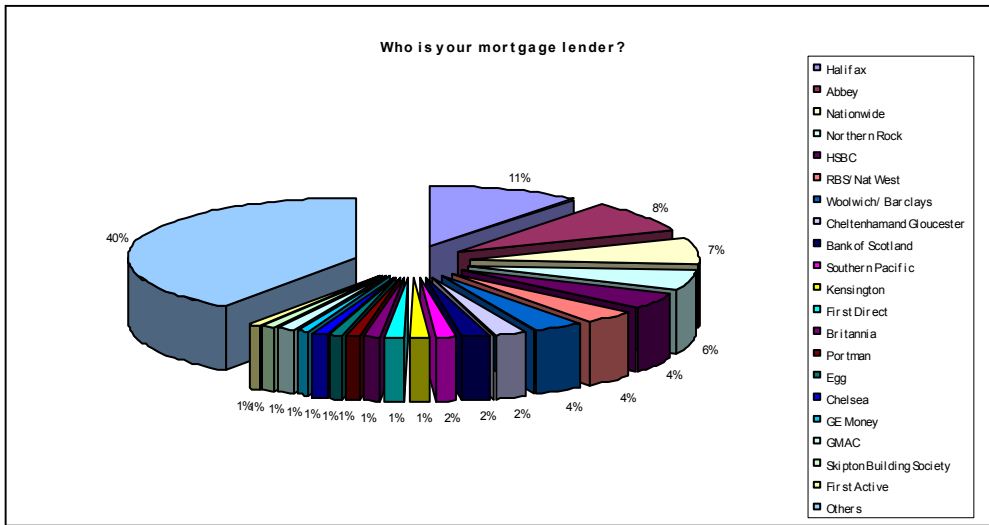
More than half of respondents believed the advice they received from their mortgage adviser was good. More than 1 in 10 of our respondents chose not to take any advice at all.

A comparison with the checkmyfile.com Banking and Credit Card Survey 2005 shows **the standard of customer service provided by the top financial institutions is mirrored across their current account credit card and mortgage sectors**. HSBC and Nationwide were rated as providing high levels of customer service in both banking and mortgage accounts, while Halifax and Barclays performed poorly across the two sectors.

Age and gender distribution of sample

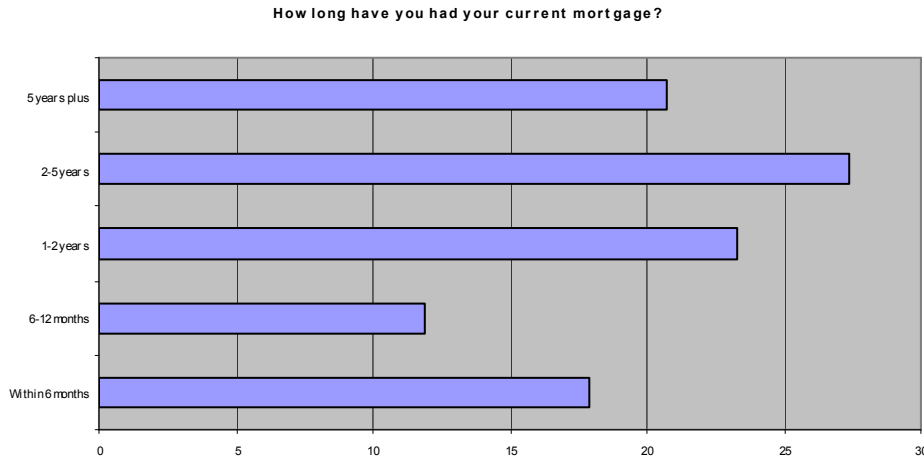


Distribution of mortgage relationship of sample



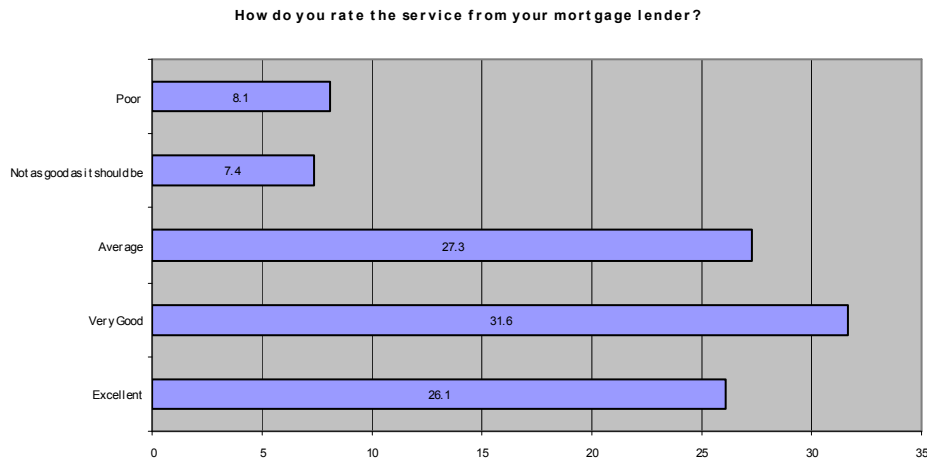
In a crowded mortgage market with over 240 UK mortgage lenders operating, nearly a third of our respondents had chosen a mortgage with one of the top four mortgage lenders, Halifax, Abbey, Nationwide and Northern Rock. Small mortgage providers still make up most of the United Kingdom's diverse mortgage market.

Time in account



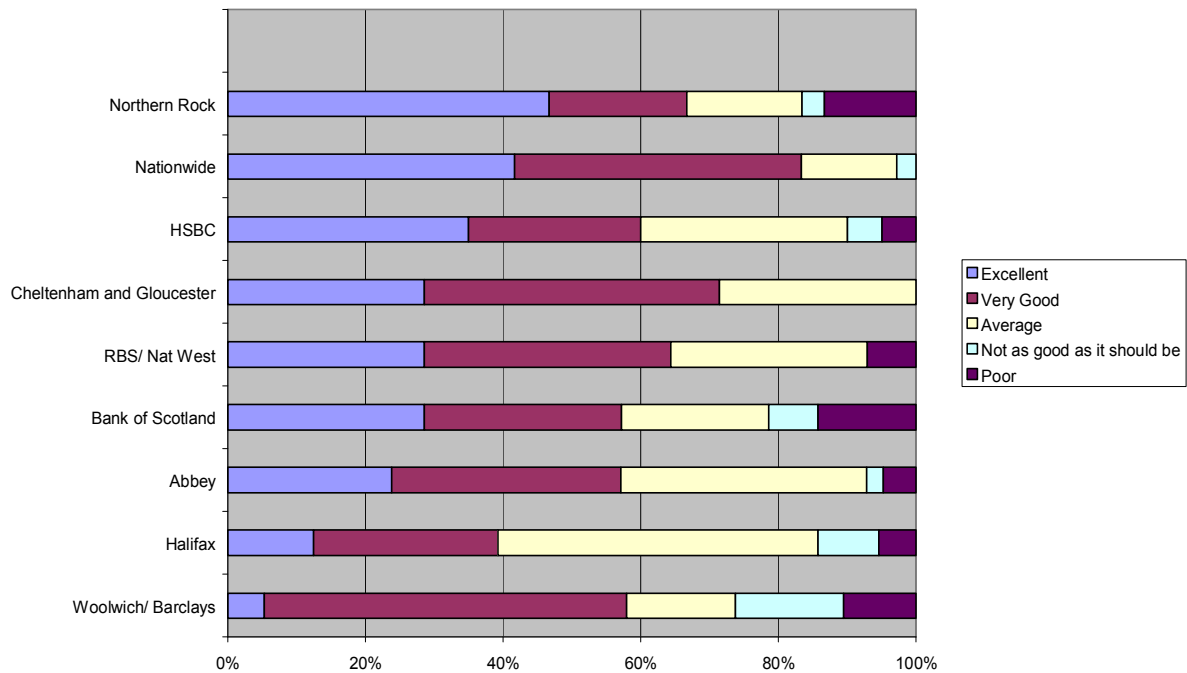
48.1% of respondents said they have had their mortgage for more than two years.

Customer service levels compared



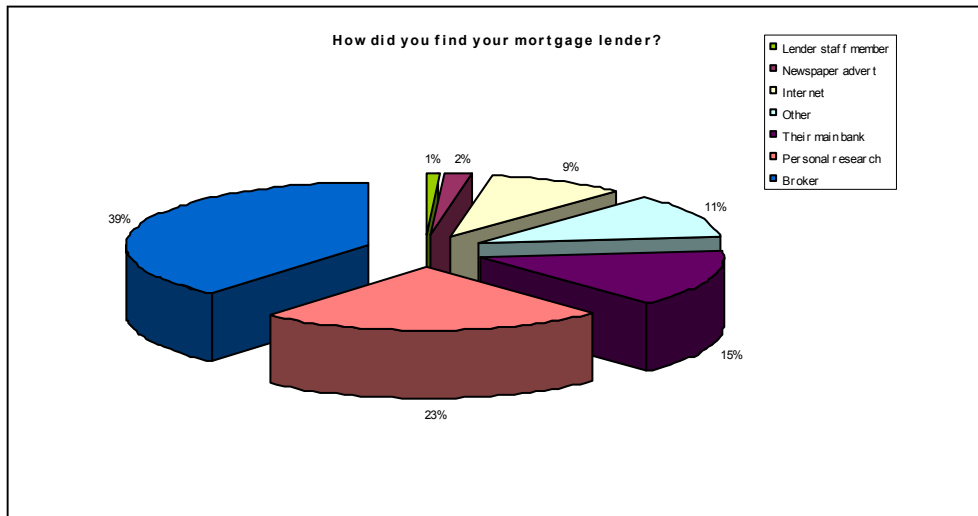
58% of respondents rated the customer service provided by their mortgage lender as excellent or very good.

Top 10 Mortgage Lenders Customer Service Levels



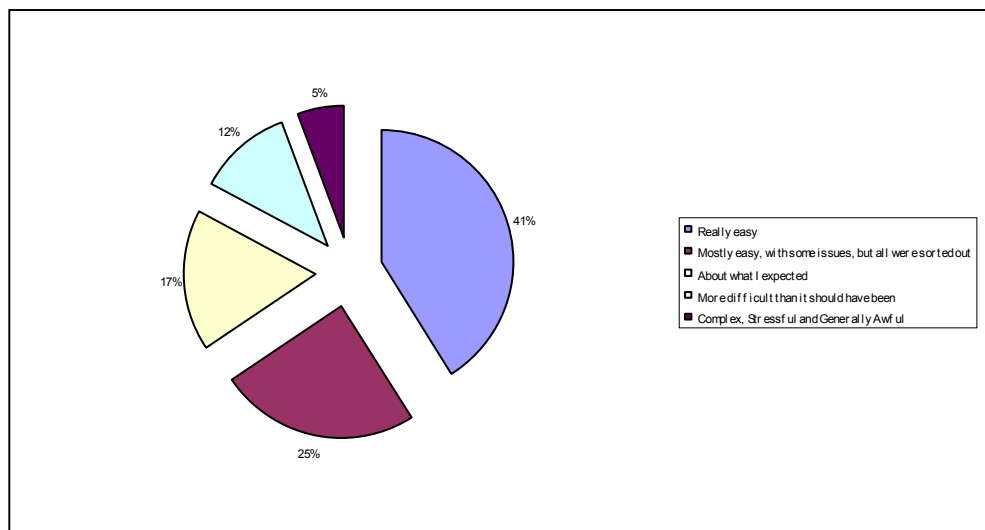
Of the top 10 mortgage lenders, respondents rated the Northern Rock and Nationwide as the top lenders for providing excellent customer service. At the bottom of the scale, Halifax, and Barclays fared the worst, with less than 20% of clients rating their customer service as excellent.

How did you find your mortgage lender?



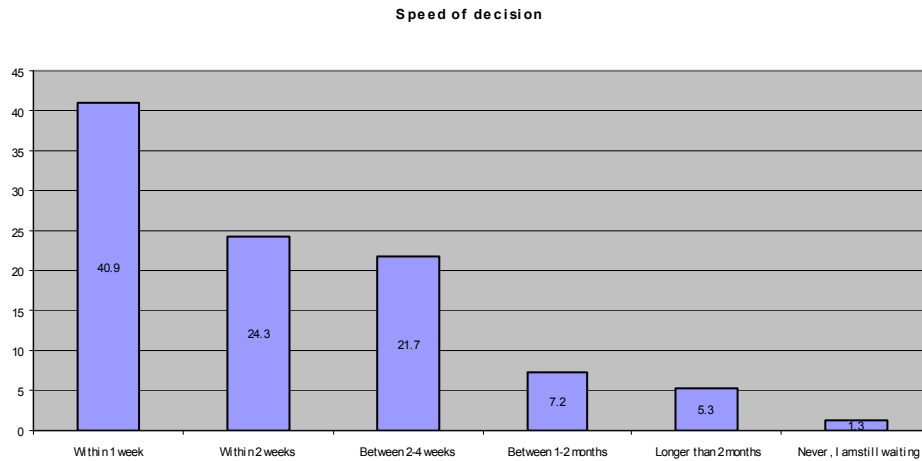
39% of the survey respondents found their mortgage lender through a mortgage broker. A little under a quarter did their own research to track down their preferred lender, while 9% of the sample went online to obtain their mortgage.

How easy was the application process?



Two thirds of respondents found the mortgage application process 'really easy' or 'mostly easy'. Only 17.4% found the process 'difficult' or 'stressful.'

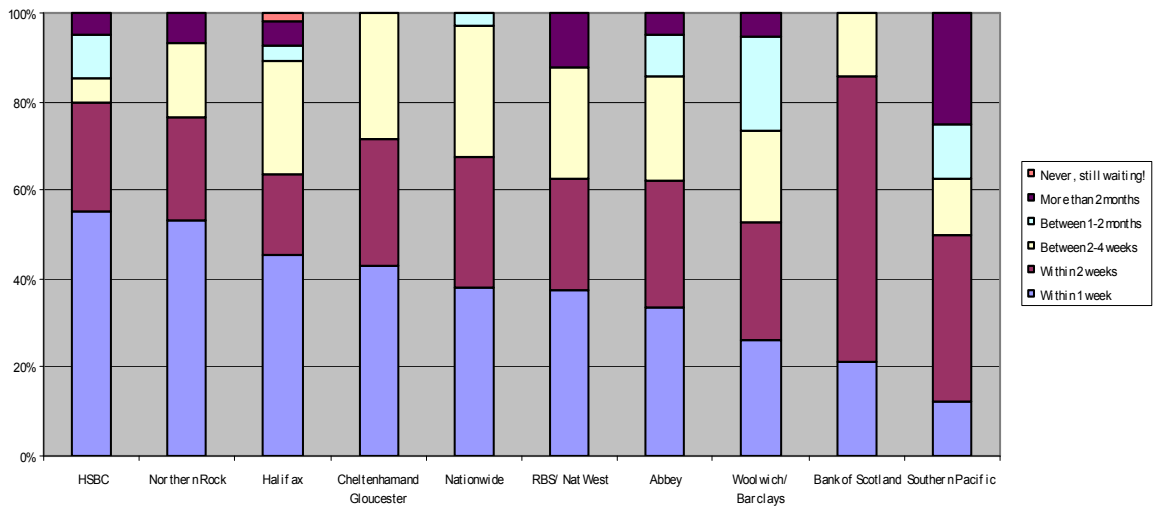
Speed of decision



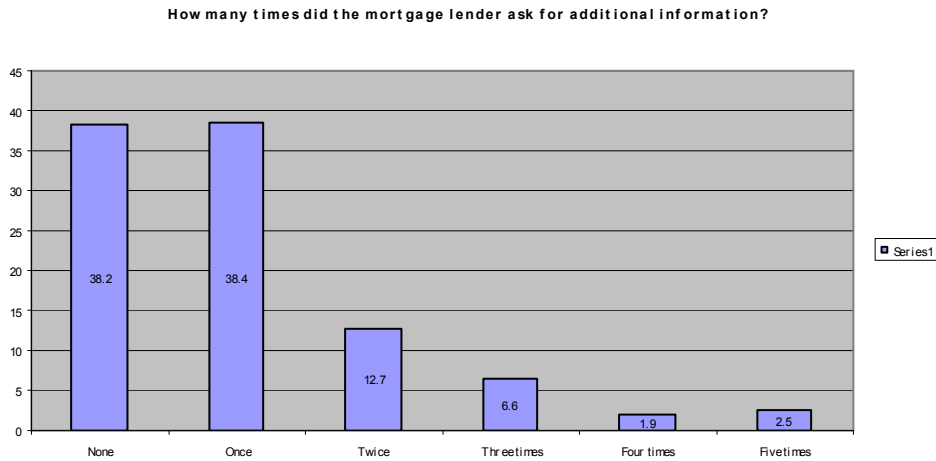
40.9% of respondents received written confirmation of their mortgage offer within one week of applying. The next 46% had their decision confirmed within a month. Only 6.6% were left waiting for more than two months.

Of the top 10 UK lenders, our survey found, HSBC is the best provider if a consumer is looking for a speedy mortgage decision.

Speed of mortgage decision by lender

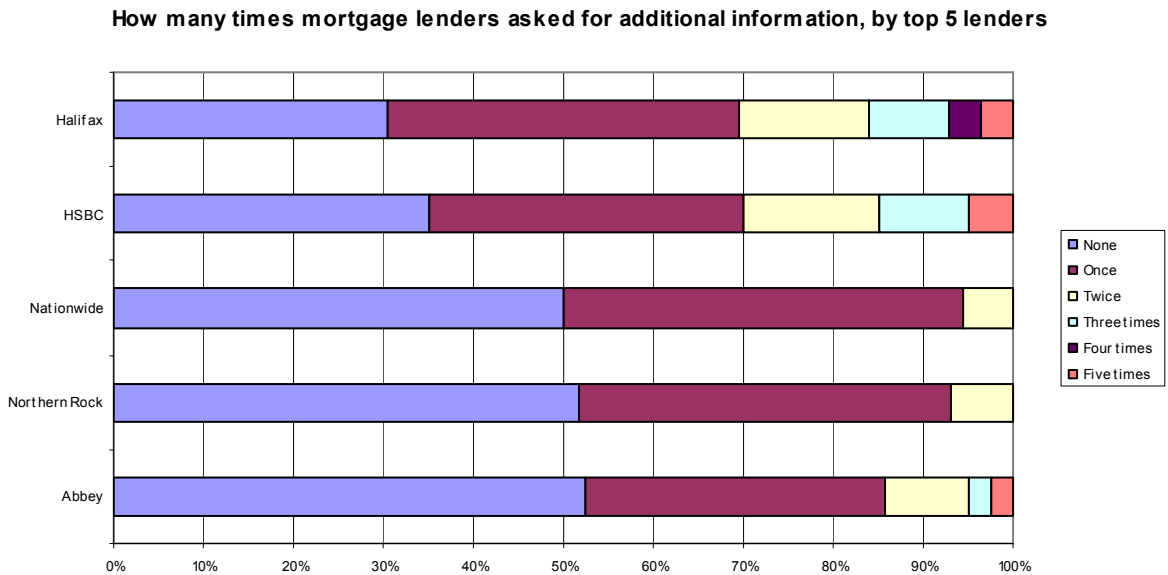


Additional information

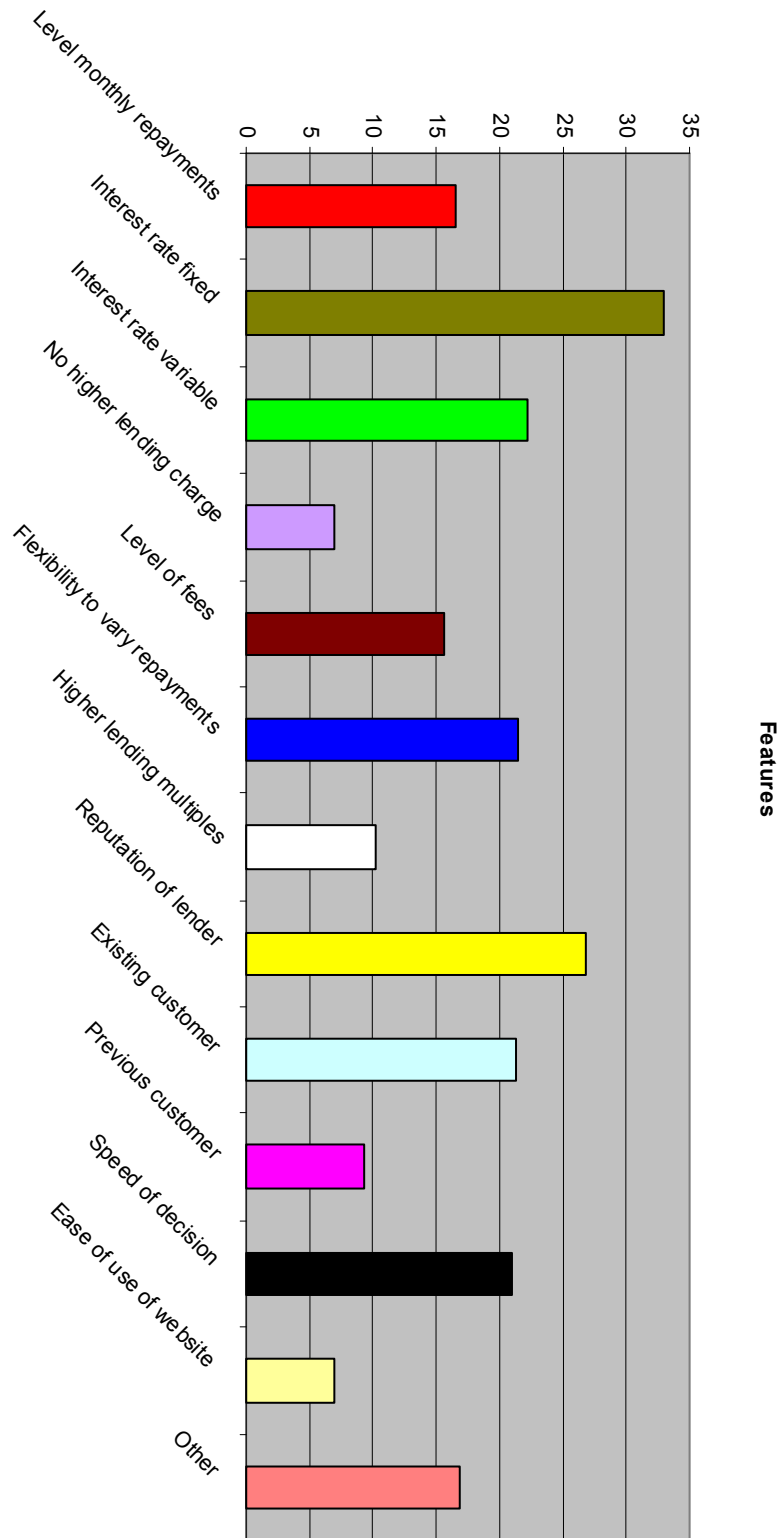


The respondents said mortgage lenders asked for additional information in nearly two thirds of mortgage applications, but only 1 in 4 were asked for additional information more than once.

According to our respondents, Nationwide processed more than 90% of their mortgage applications with either no need for further paperwork, or just one additional request for information. This compared to Halifax who managed the same in just under 70% of applications.

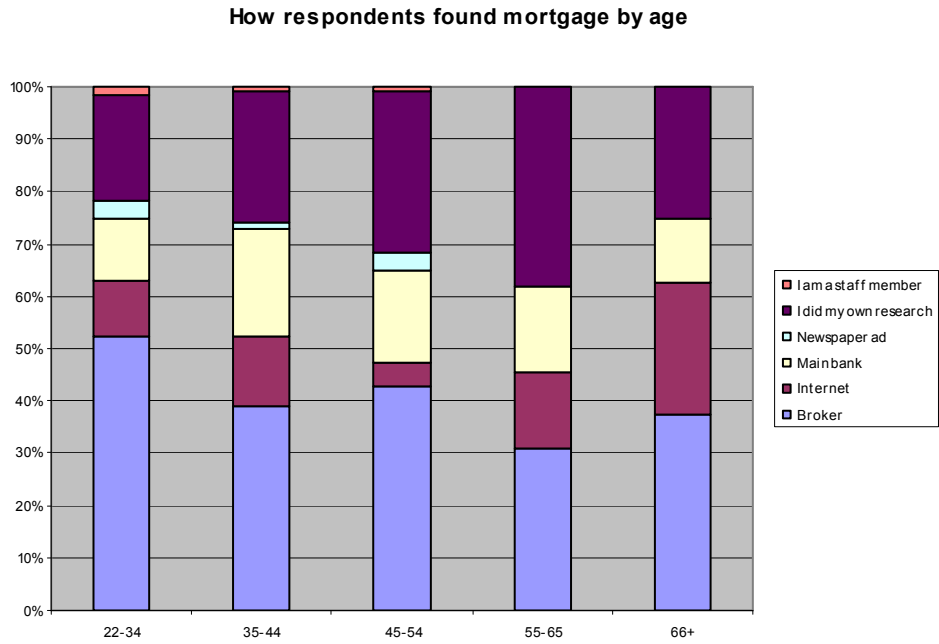


What features attracted you to your mortgage lender?

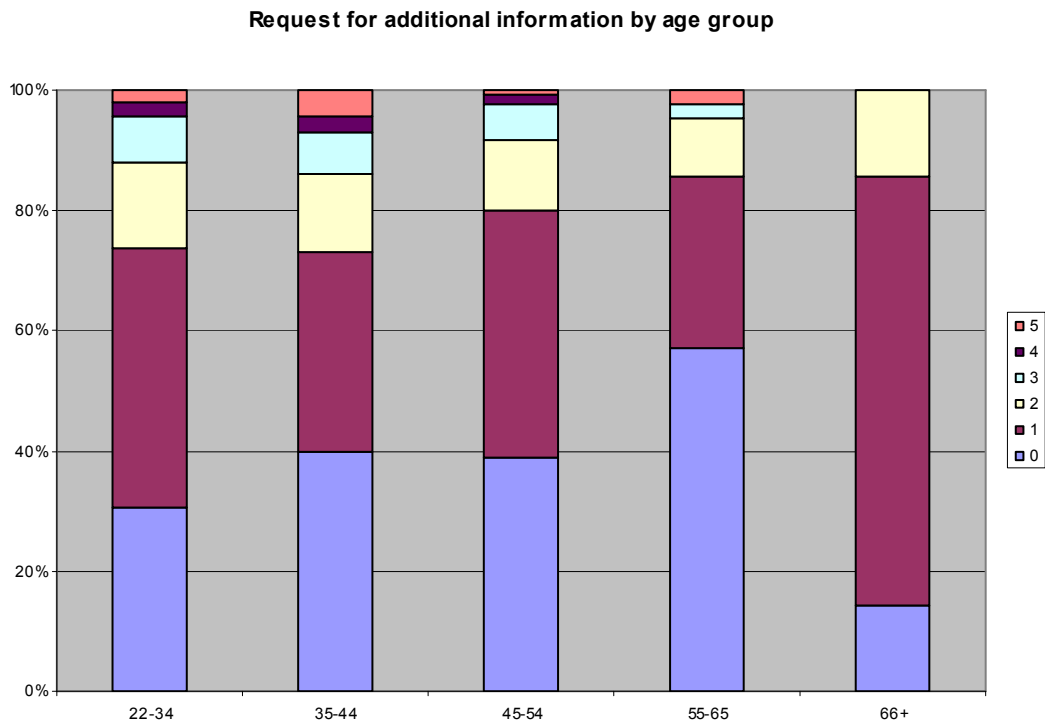


Answers to survey questions broken down by age group

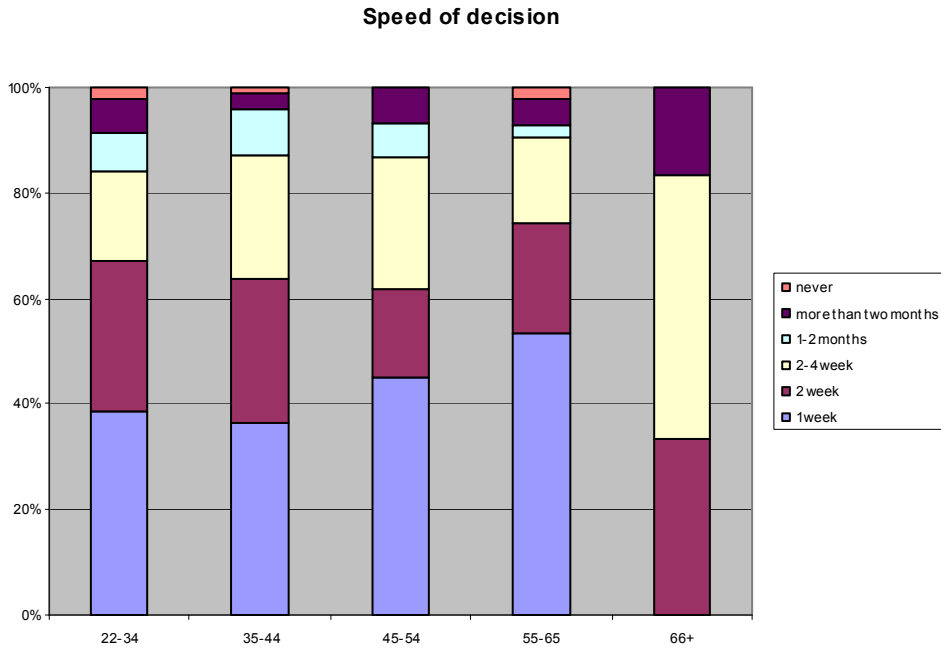
How respondents found mortgage, by age group



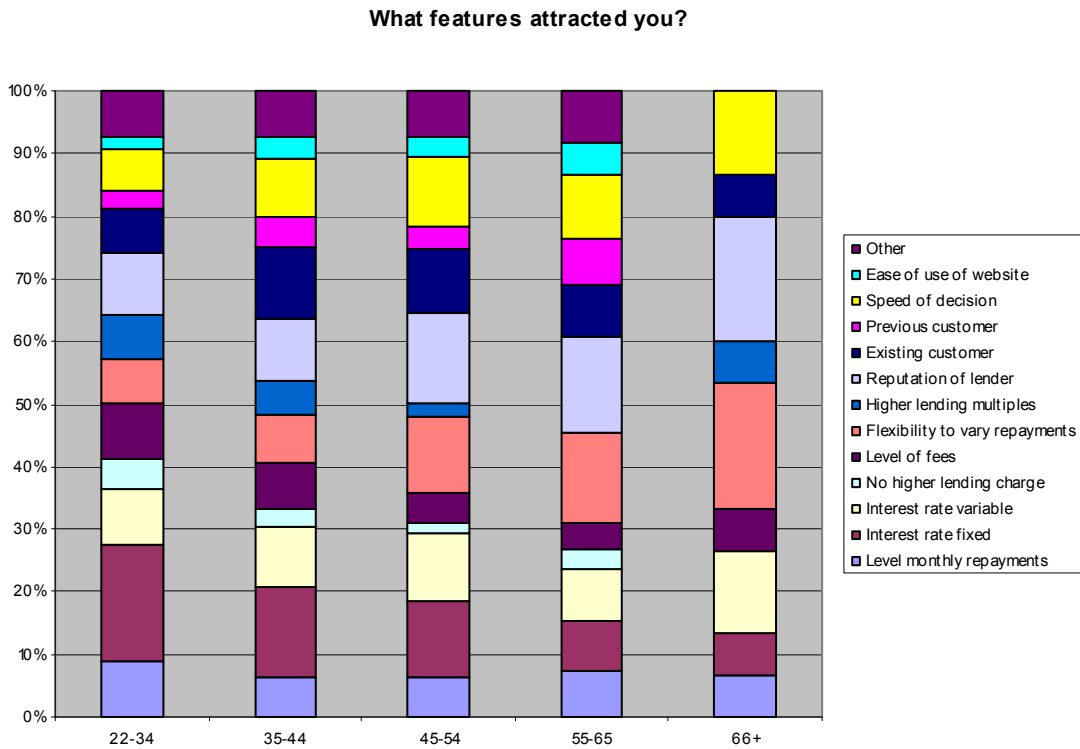
How many requests for additional information were made, by age group



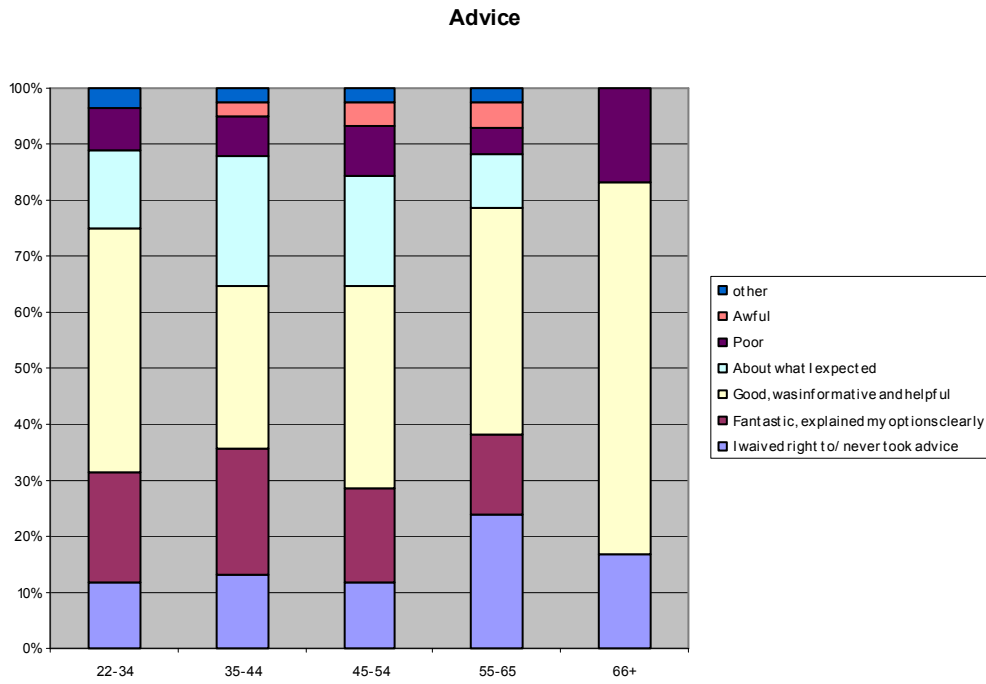
Speed of decision, by age group



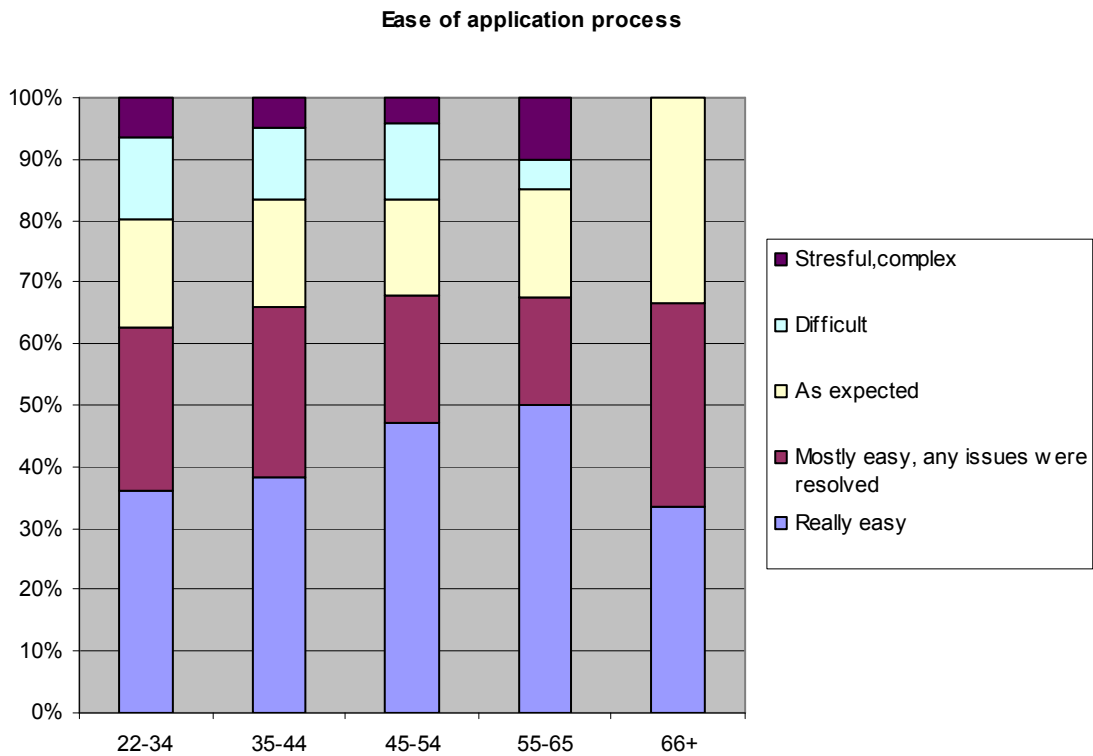
What features attracted you, by age group



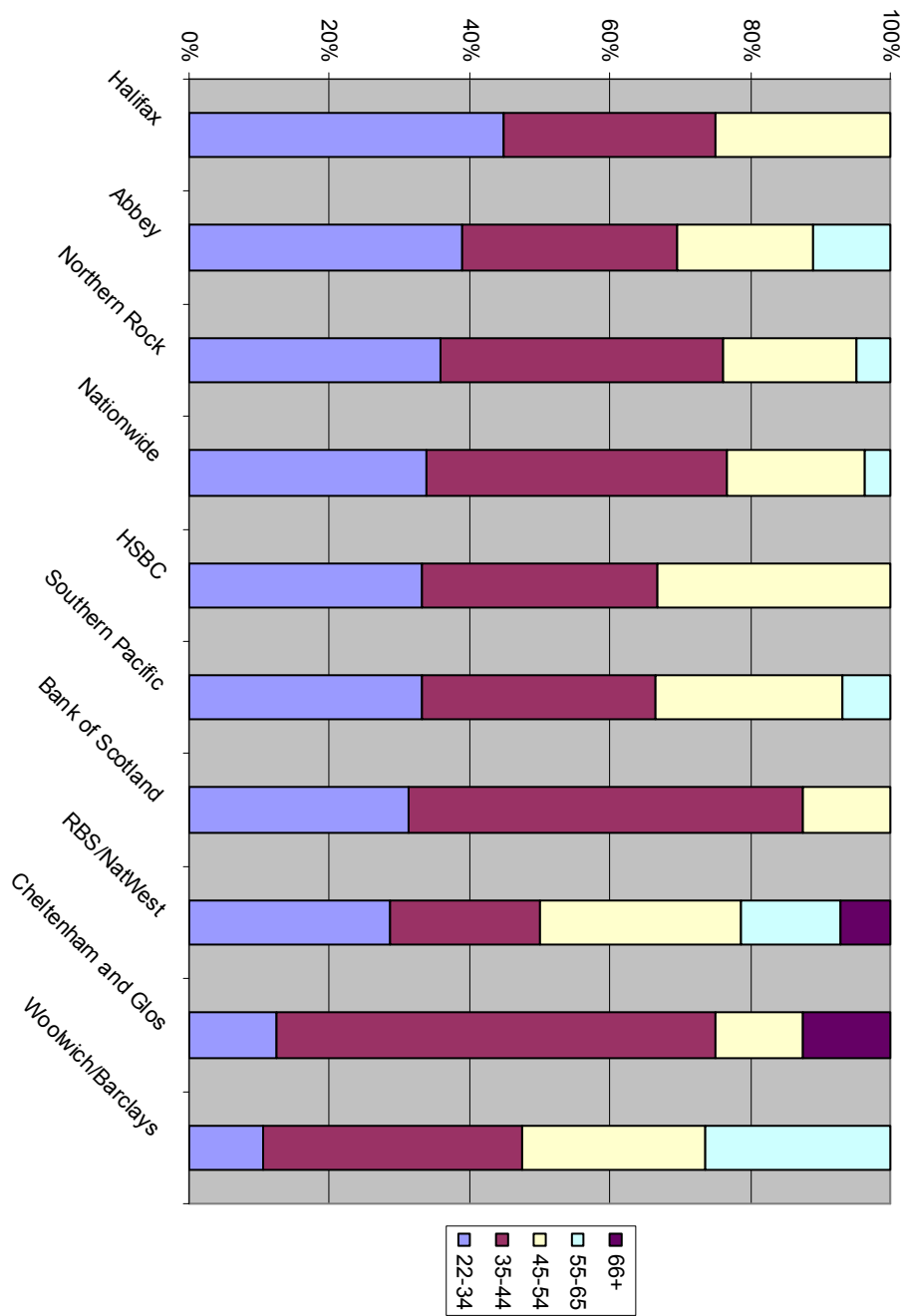
Quality of advice received, by age group



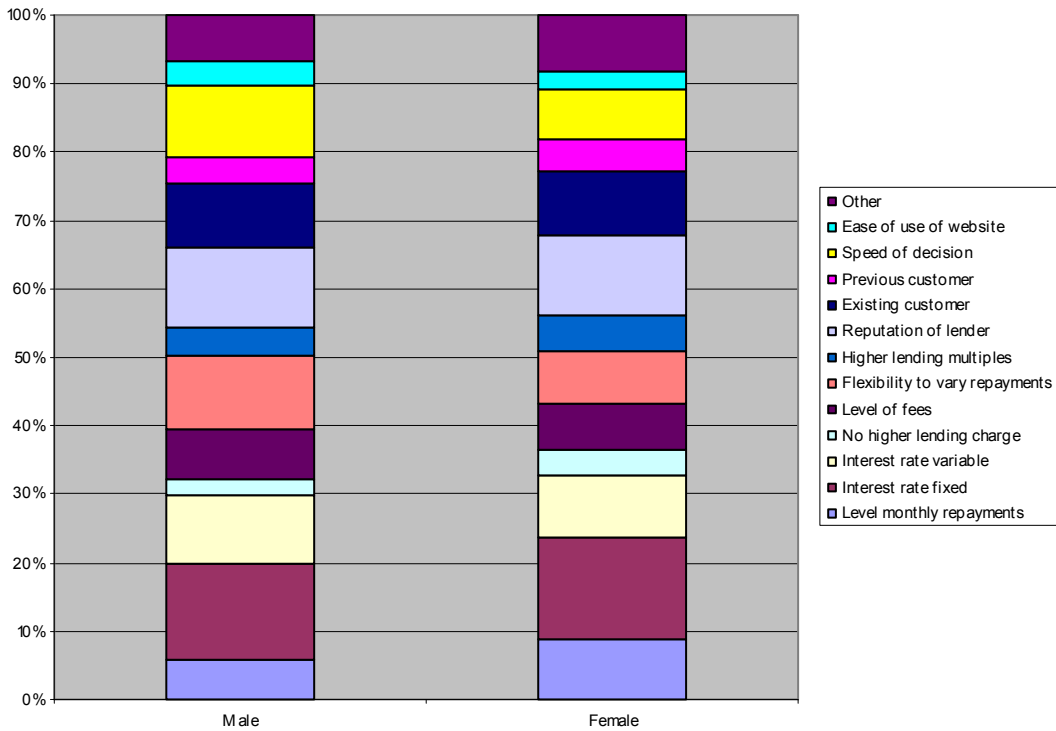
How easy was the application process, by age group?



Age breakdown of respondents, who replied saying they had a mortgage with one of the top 10 mortgage lenders



What features attracted respondents to their mortgage lender, by gender



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independent information experts

First in the UK to provide consumers with online access to credit files

First to provide consumers with online credit scores and ratings

First to provide free identity theft assistance

First to provide online credit monitoring services

Free access to credit scores, neighbourhood credit ratings, identity theft expert system and credit matching services.

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