

2007 Mortgage Lender Survey



About checkmyfile.com

Checkmyfile.com is the UK's first internet based credit reference agency, aimed firmly at serving consumers, rather than business users.

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 2007 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.

Nearly 700 people responded to the survey, with responses being processed by surveymonkey.com and analysed by checkmyfile.com.

This analysis was published on May 2nd 2007.

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.

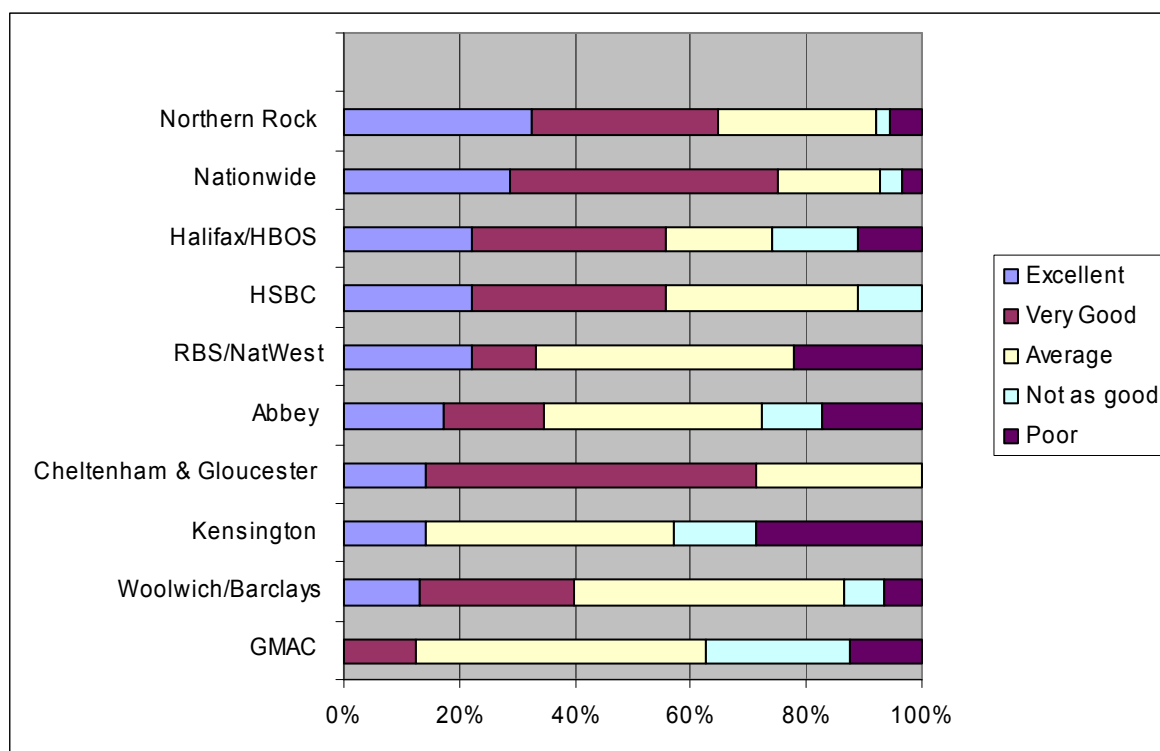


Summary of survey results

Fifty four per cent of the people surveyed rated the standard of customer service they received from their mortgage lender as being very good or excellent. 1 in 10 people said they were dissatisfied. These figures represent a drop in happy customers by about 4% on 2006, while the number of those dissatisfied with their mortgage lender has correspondingly risen by about 4% year on year.

Northern Rock was rated as providing the best level of customer service to its clients, for the second year running, by respondents. Nationwide, in second position, was also rated as having maintained its tradition of strong customer service. **Halifax wins the prize for the most improved customer service**, with respondents moving it up from second from bottom in 2006, to the Bronze medal position in 2007.

At the bottom of the table Woolwich/Barclays and GMAC were rated as providing the poorest level of customer service by respondents.



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

Recent interest rate rises by the Bank of England appear to have translated into an increase in consumers switching their mortgage to more competitive deals. In 2006, 21% of respondents had been with their lender for 5 years or more, that has dropped to just over 17% in 2007. The number of respondents who have had their current mortgage for less than 6 months increased from 17% to 20% year on year.

Mortgage lenders process around a third of mortgage applications within one week, with 84% of respondents having received written confirmation of their mortgage offer within one month



Summary of survey results continued...

of starting the process. **HSBC, as in 2006, was rated as the top mortgage provider for giving a written mortgage offer within a week.**

Respondents say there are regional variations in the time it takes to get a mortgage decision in writing. **Londoners are the least likely to get a written decision within two weeks**, and mortgage applicants from the Westcountry and the North East the most likely.

As was the case in 2006, two thirds of respondents found the mortgage application process easy or mostly easy, with only 6% finding the process stressful.

Mortgage brokers remain the most popular way to find a mortgage. **Intermediaries have successfully held off the challenge from the internet**, increasing their share of the mortgage finding process from 40% to more than half of mortgage applicants. Only 8% of respondents said they had found their mortgage online.

Regional variations show **Scottish consumers are the most likely to use a broker**, with nearly three quarters of Scots using brokers to find their mortgage, with that figure dropping to 41% in Yorkshire. **While Consumers in the South East and Yorkshire are the most internet savvy** when it comes to locating their home loan.

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

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.

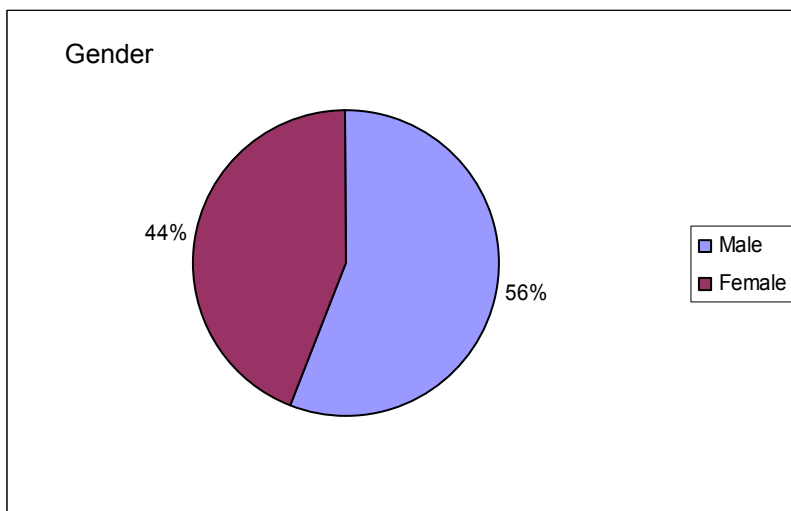
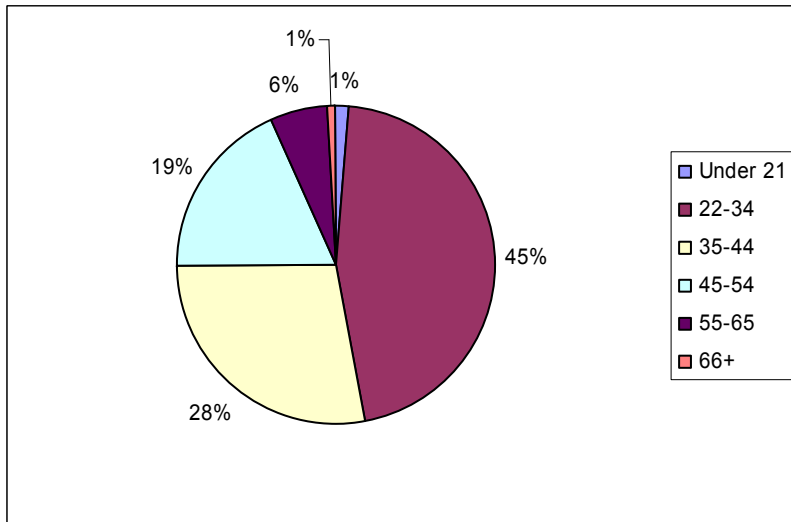
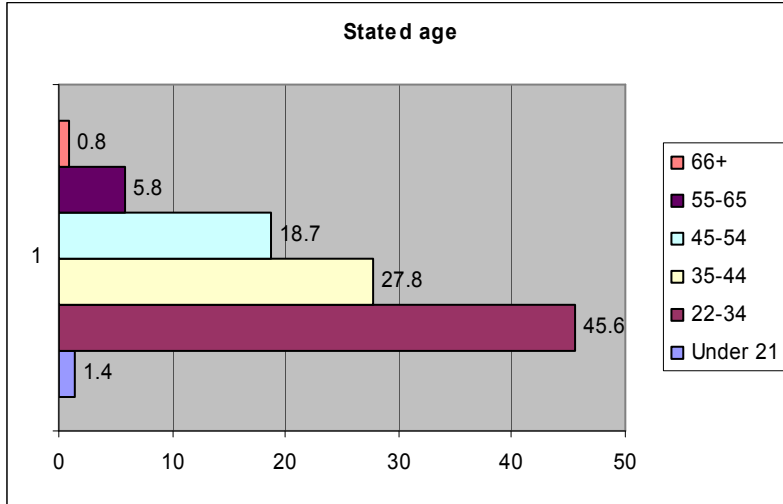
1 in 10 respondents said they had switched their mortgage provider within the past 12 months, and **the most common reason given was to free up cash from their property**, beating finding a cheaper deal and moving house into second and third place.

Nearly half of respondents believed recent moves to increase lending multiples to 5 times annual salaries was a good move by lenders as it would help to get more people on to the housing ladder, with around a third believing it would lead to an increase in over indebtedness.

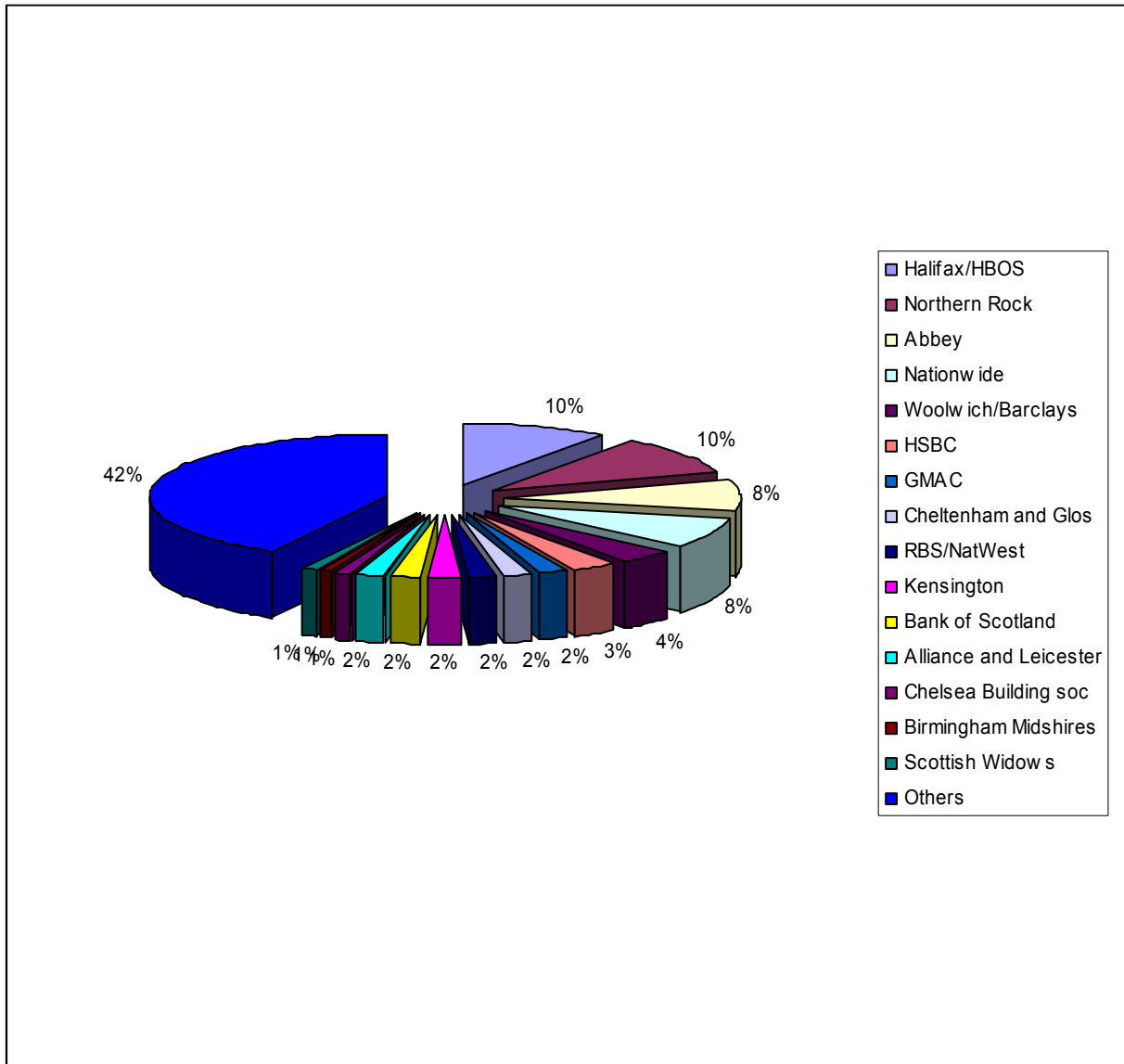
A comparison with the checkmyfile.com Banking and Credit Card Survey 2006 shows **the standard of customer service provided by the top financial institutions is mirrored across their current account, credit card and mortgage sectors.** HSBC and Nationwide were rated as providing high levels of customer service in both banking and mortgage accounts, while Barclays performed poorly across the two sectors. In 2007, respondents said Halifax has shown a marked improvement in the standard of customer service provided to its mortgage customers.



Age and gender distribution of sample



Distribution of mortgage relationship of sample



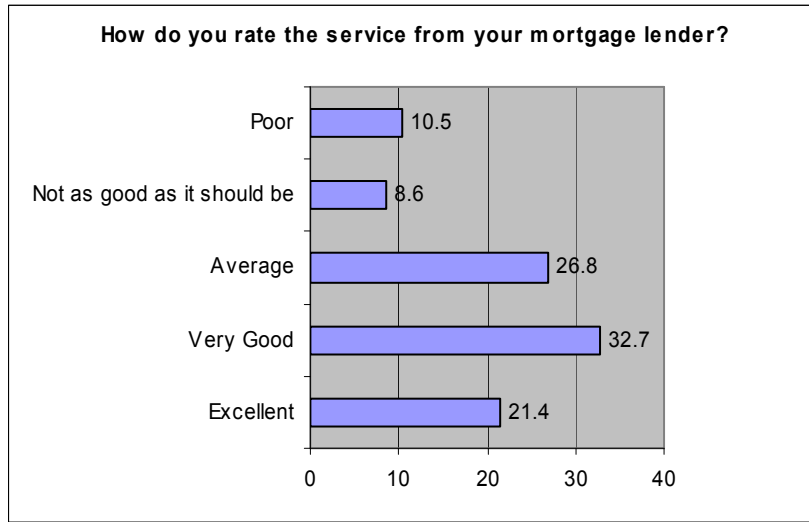
In a crowded mortgage market with over 240 UK mortgage lenders operating, nearly a third of our respondents had chosen a mortgage with one of the top four mortgage lenders, Halifax/HBOS, Northern Rock, Abbey and Nationwide.

Small mortgage providers still make up most of the United Kingdom's diverse mortgage market.

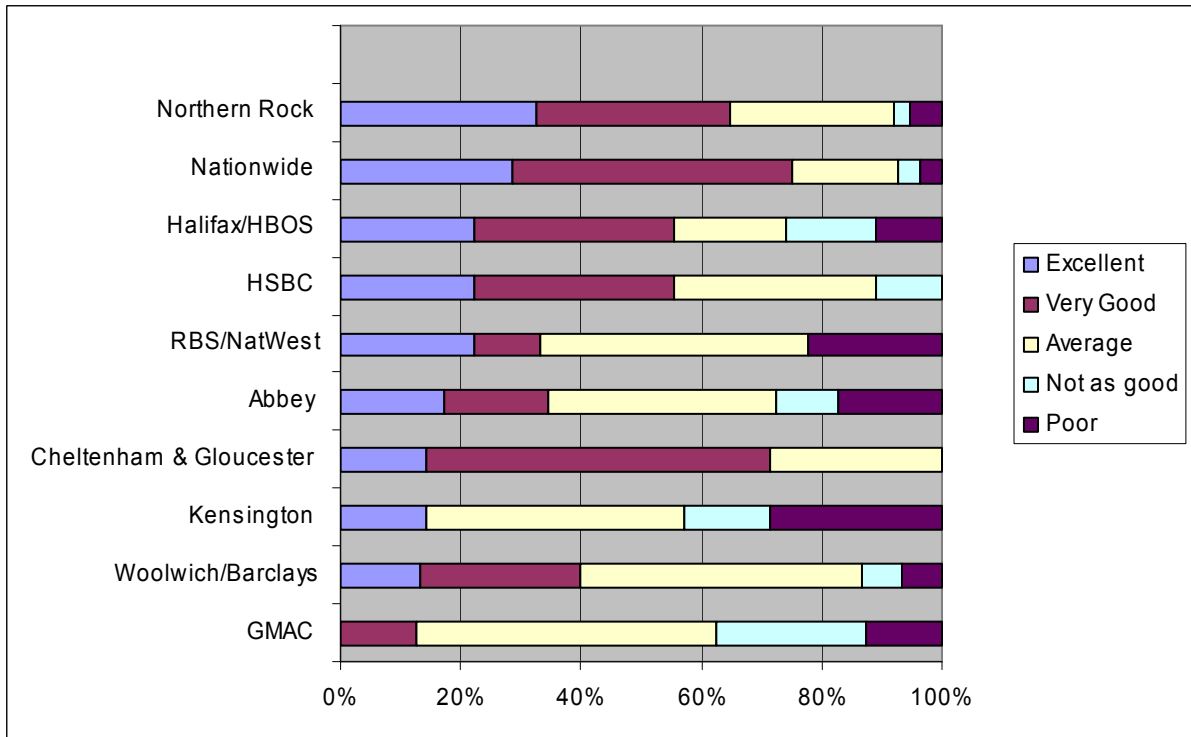
Halifax, for the second year running, was the lender respondents were most likely to have selected for their mortgage.



Customer service levels compared



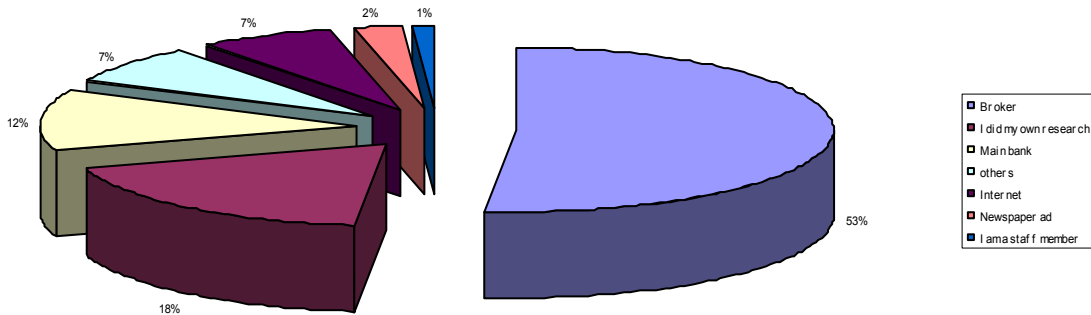
Fifty four per cent of respondents rated the customer service provided by their mortgage lender as excellent or very good, a drop of 4 per cent on 2006. The number of respondents dissatisfied by their home loan lender’s customer service also saw a slight rise, year on year.



Of the top 10 mortgage lenders, respondents rated Northern Rock as the top lender for providing excellent customer service, followed by Nationwide, matching their 2006 performance. While they maintained their positions at the top of our league table for customer service, it is with significantly reduced ratings. Respondents rated Halifax as having the most improved customer service, when compared to 2006, moving from second bottom in our 2006 customer service performance table to the bronze medal position in 2007.

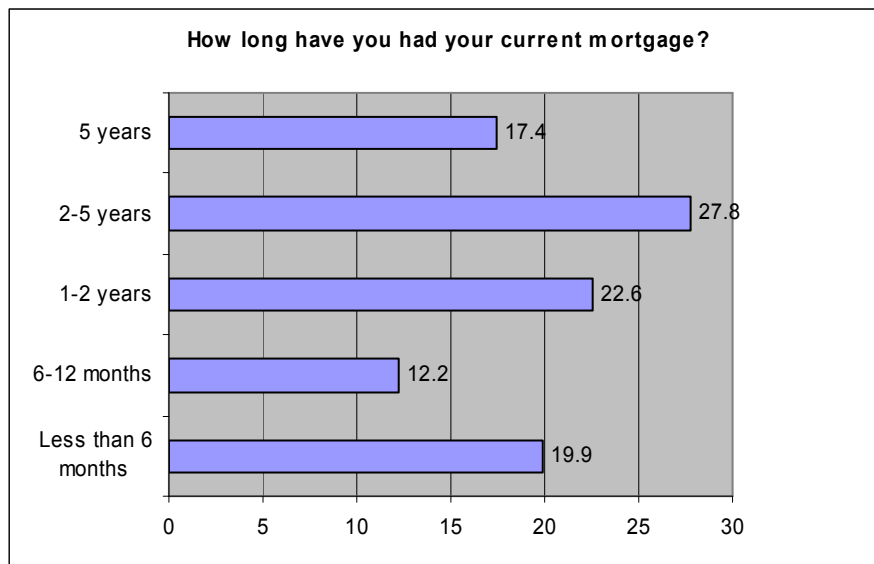


How did you find your mortgage lender?



56% of the survey respondents found their mortgage lender through a mortgage broker, an increase of 17% on 2006. Around 20% did their own research to track down their preferred lender, 8% of the sample went online to obtain their mortgage. 13% found their mortgage by going directly to their main bank, which is a slight drop on 2006.

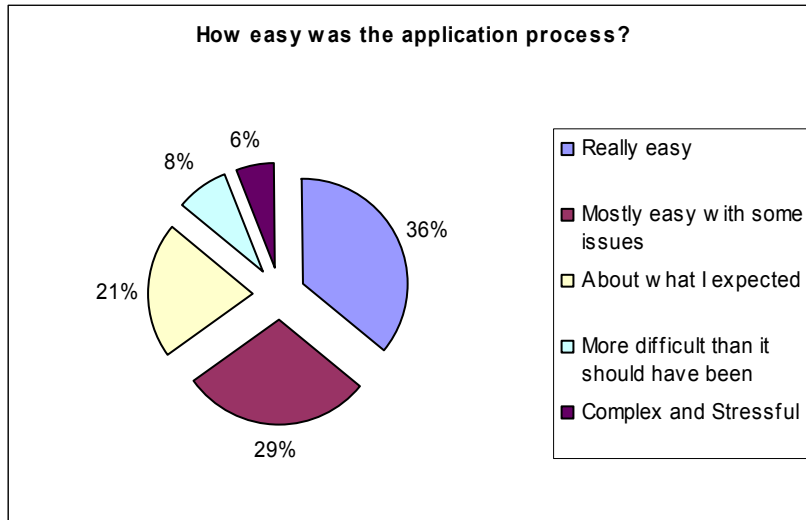
Time in account



45% of respondents have had their current mortgage for more than two years, a small drop on 2006. Nearly 20% have had their current home loan for less than six months. This is to be expected with recent interest rate rises pushing consumers to hunt out more competitive deals.

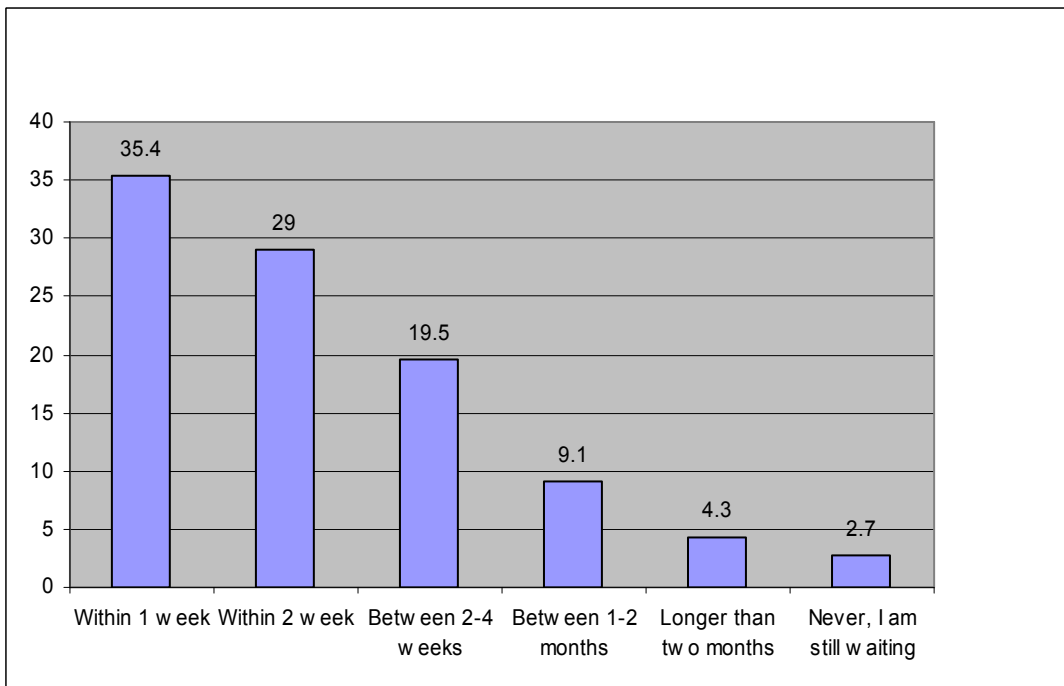


How easy was the application process?



Two thirds of respondents found the mortgage application process 'really easy' or 'mostly easy'. Only 14% found the process 'difficult' or 'stressful', a small drop on 2006.

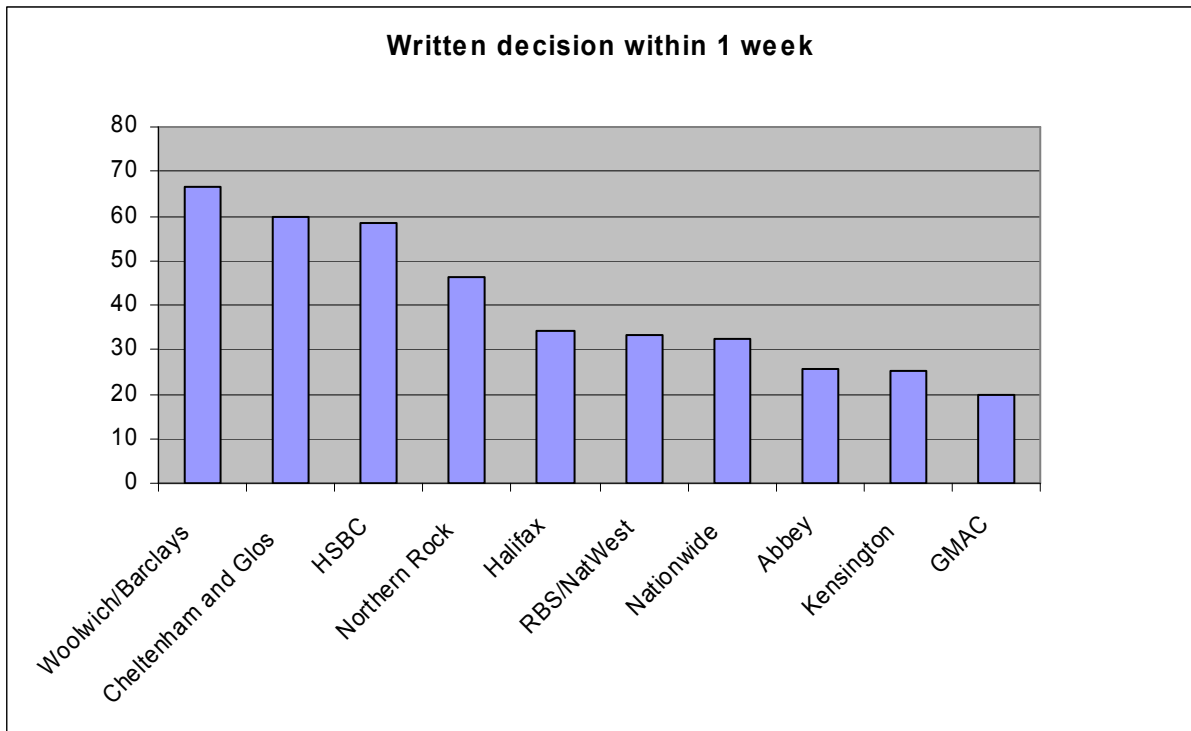
Speed of decision



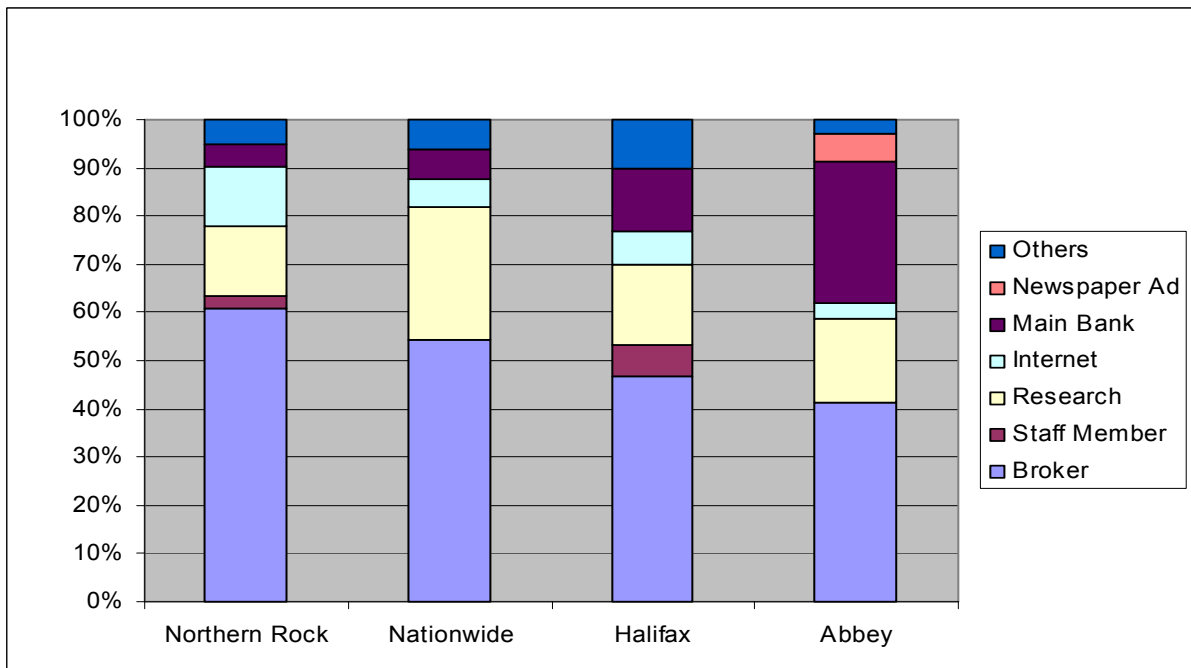
Nearly two thirds of mortgage applicants got a decision in writing within two weeks of applying. Only 17% of respondents had to wait longer than a month.



Speed of decision



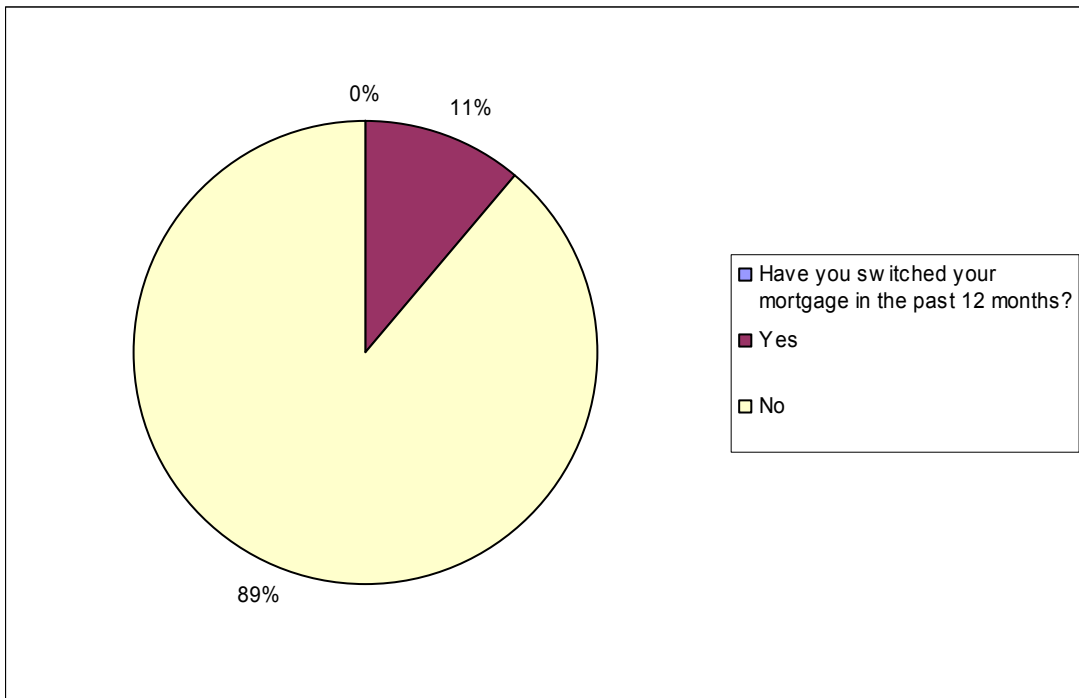
How the big four mortgage lenders find their customers.



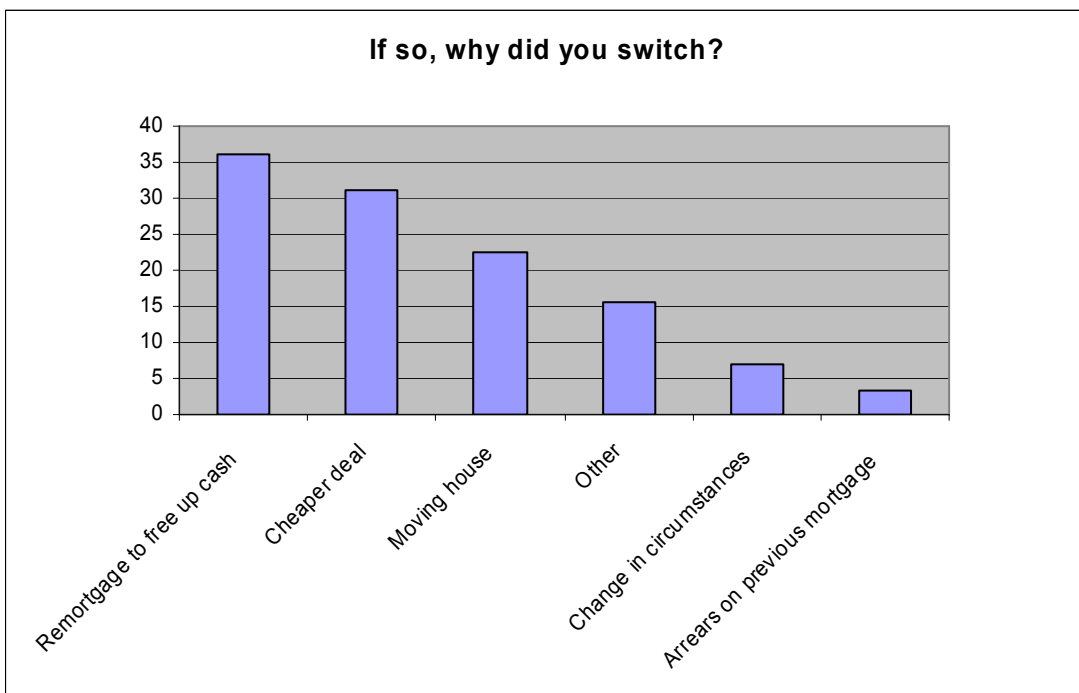
Respondents suggest brokers are most likely to send customers to Northern Rock, while a large chunk of Nationwide customers come to them via customer research. A good proportion of Abbey customers already use its banking facilities, and Halifax customers are more evenly distributed between all forms of marketing routes.



Have you switched mortgage in the past 12 months?



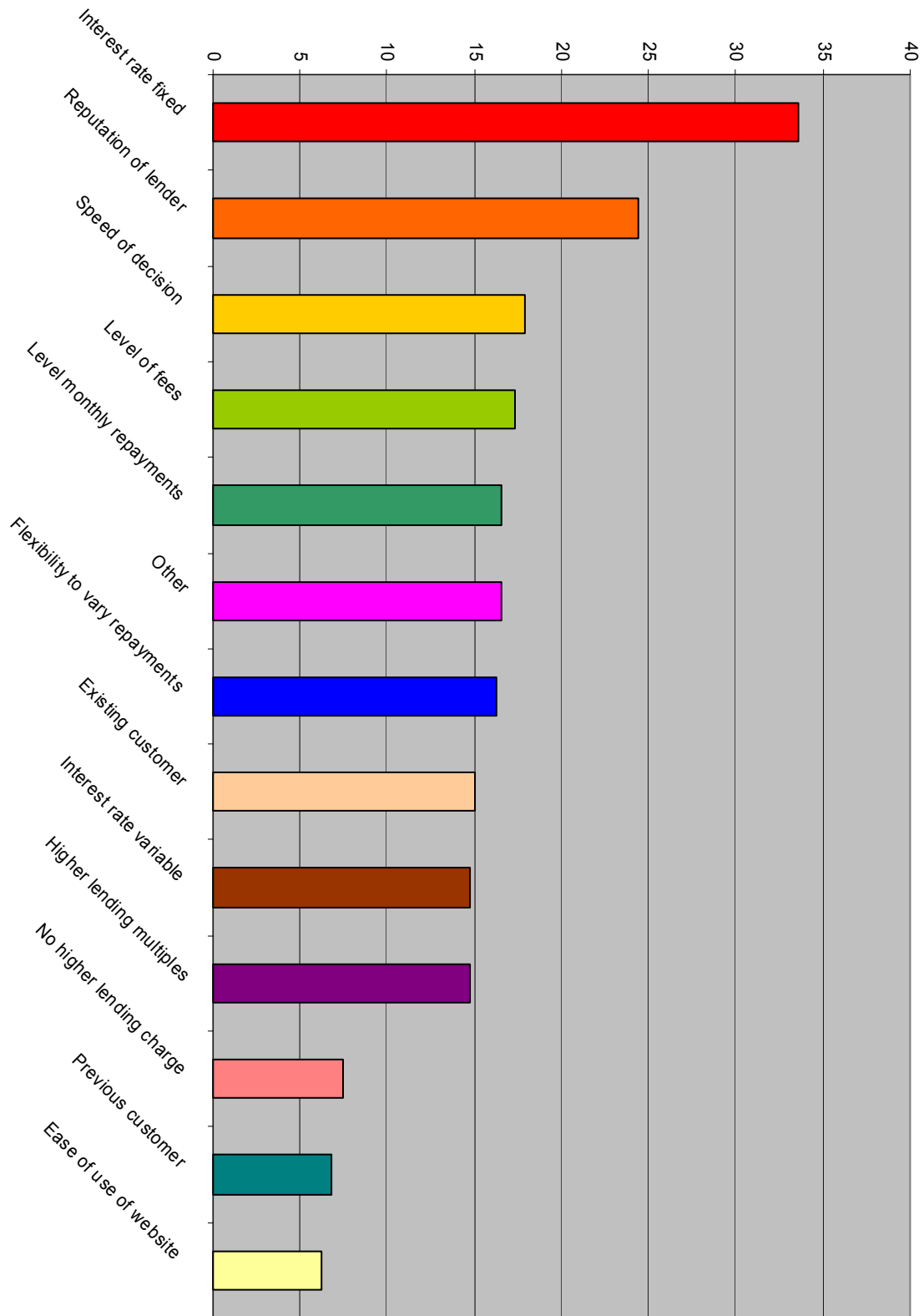
If so, why did you switch?



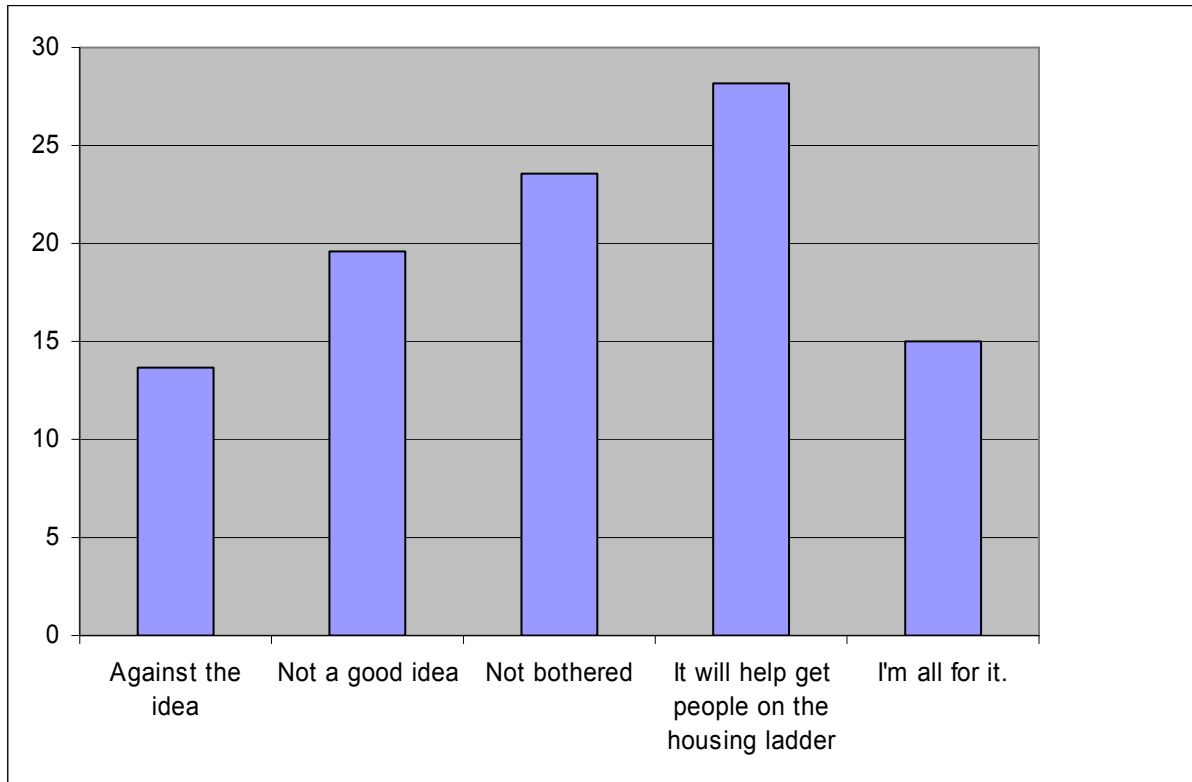
Our respondents said 11% had switched their mortgage in the past 12 months. Of that 11%, one third of them switched mortgage to free up cash from their homes for use elsewhere. Freeing up cash beat finding a cheaper deal and moving home as the top reason for switching lender.



What features attracted you to your mortgage lender?

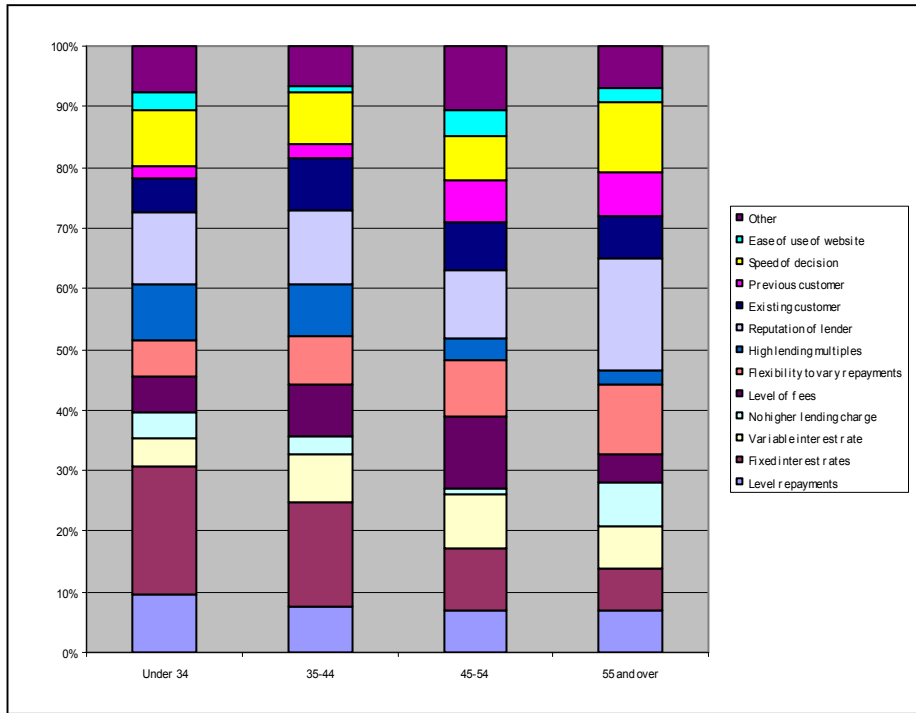


Is it a good idea for lenders to offer mortgages at 5 times salary?

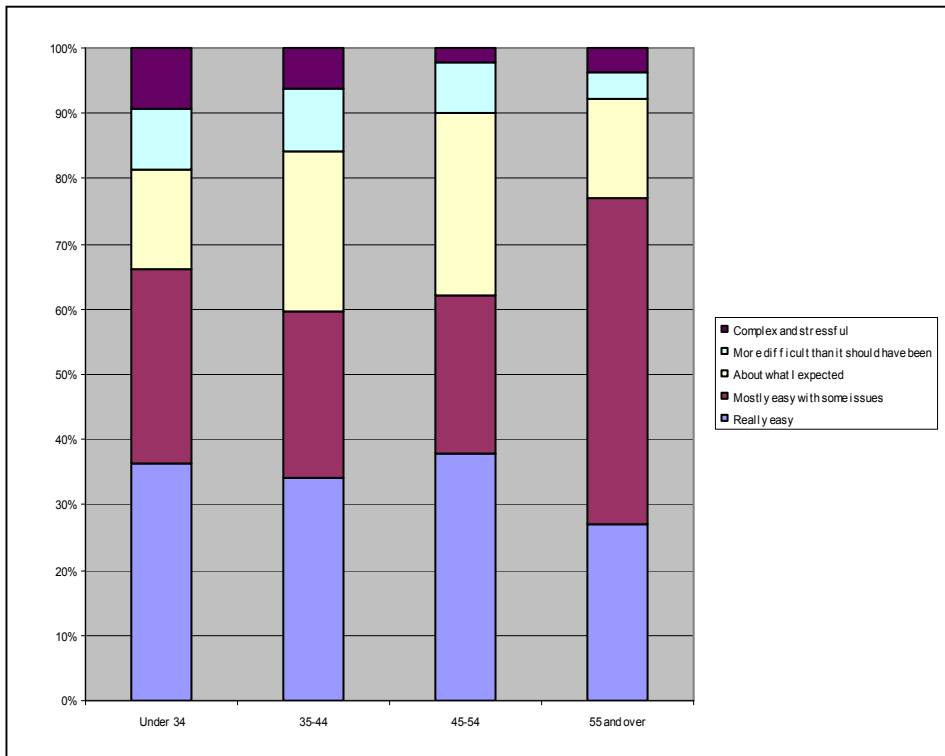


Answers to survey questions broken down by age group

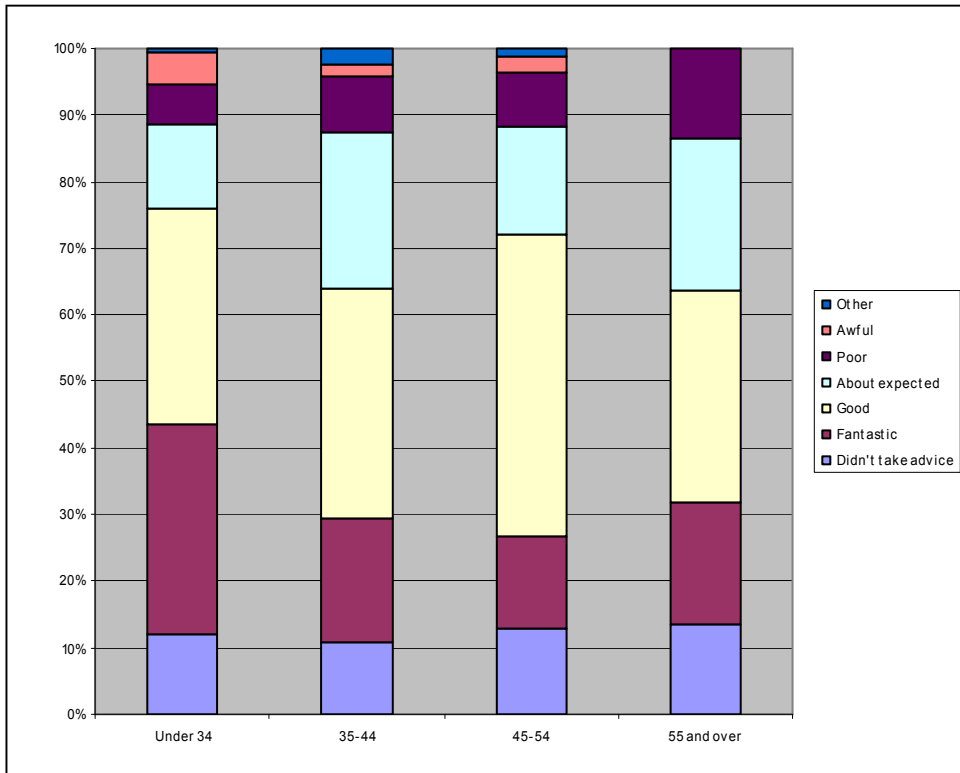
What features attracted you, by age group



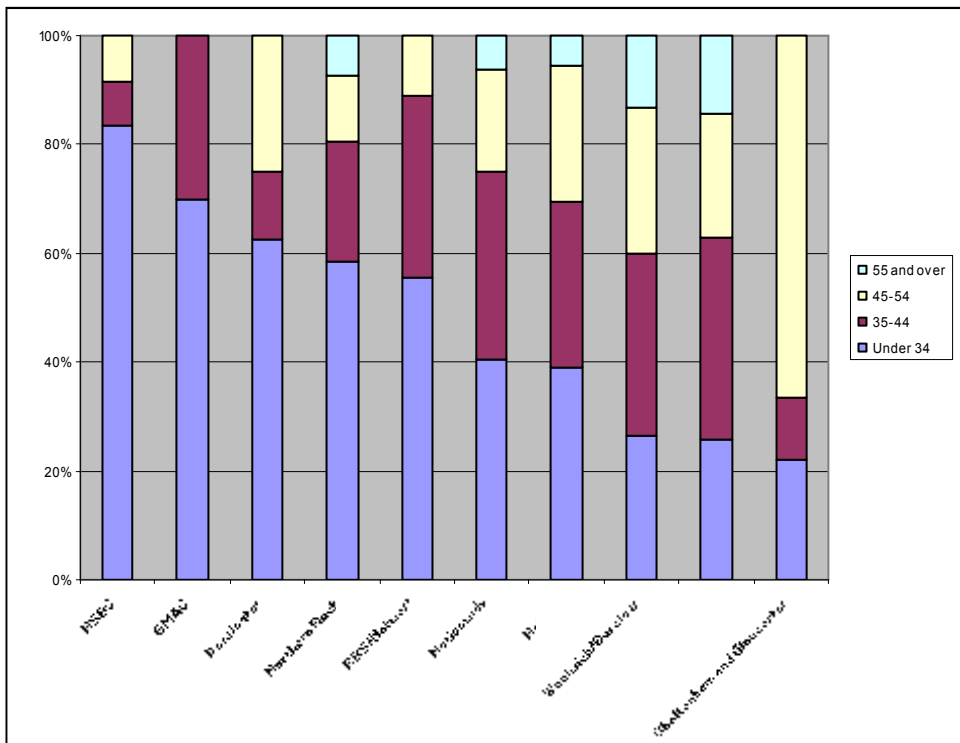
How easy was the application process, by age group?



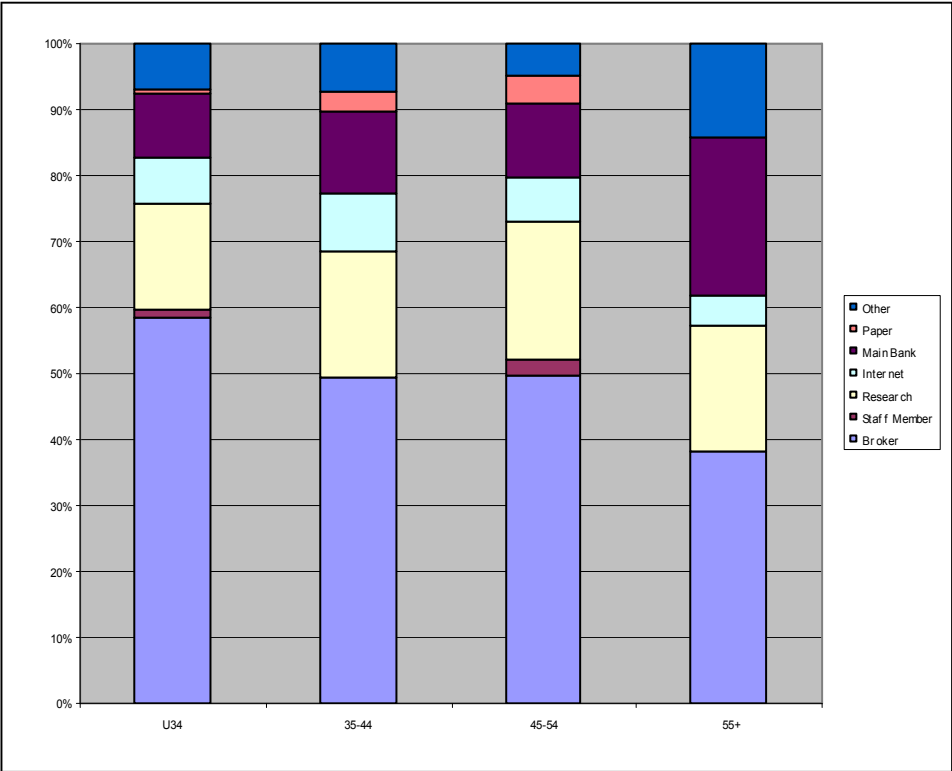
Quality of advice received, by age group



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

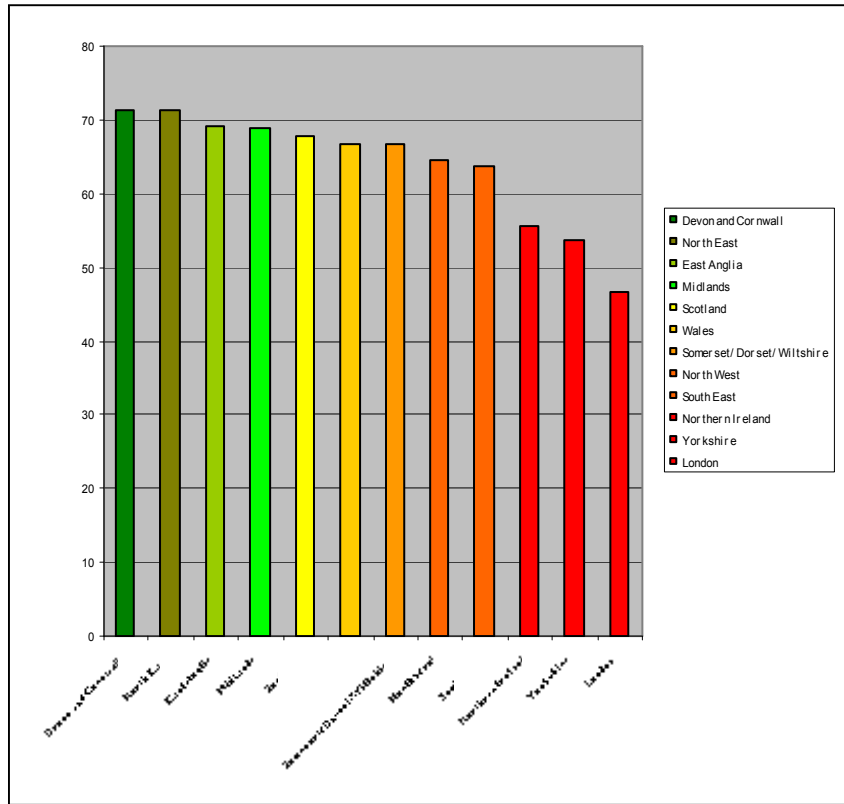


How respondents found mortgage, by age group

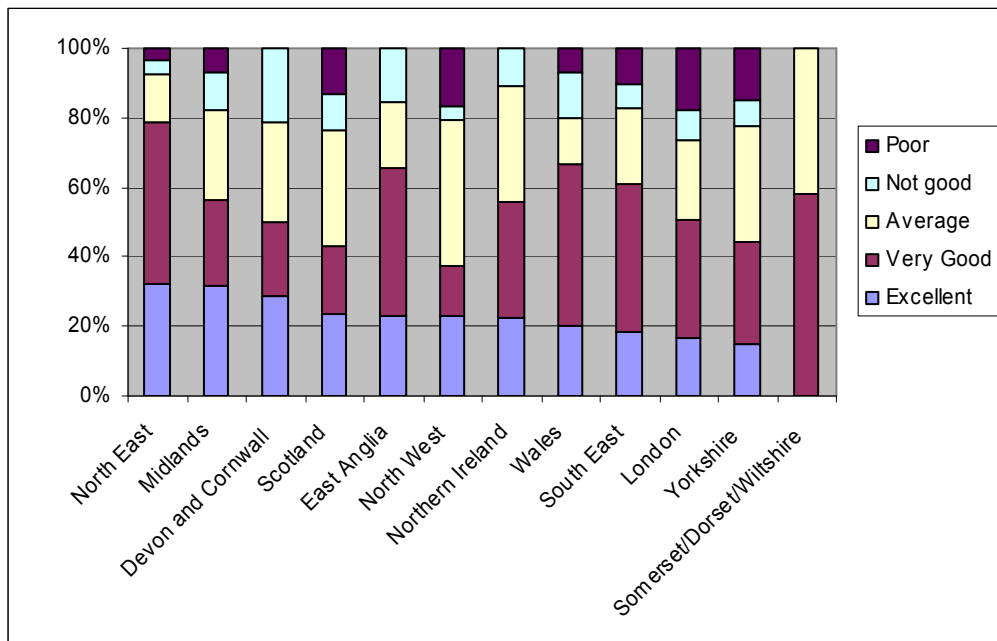


Mortgage attitudes by UK regions.

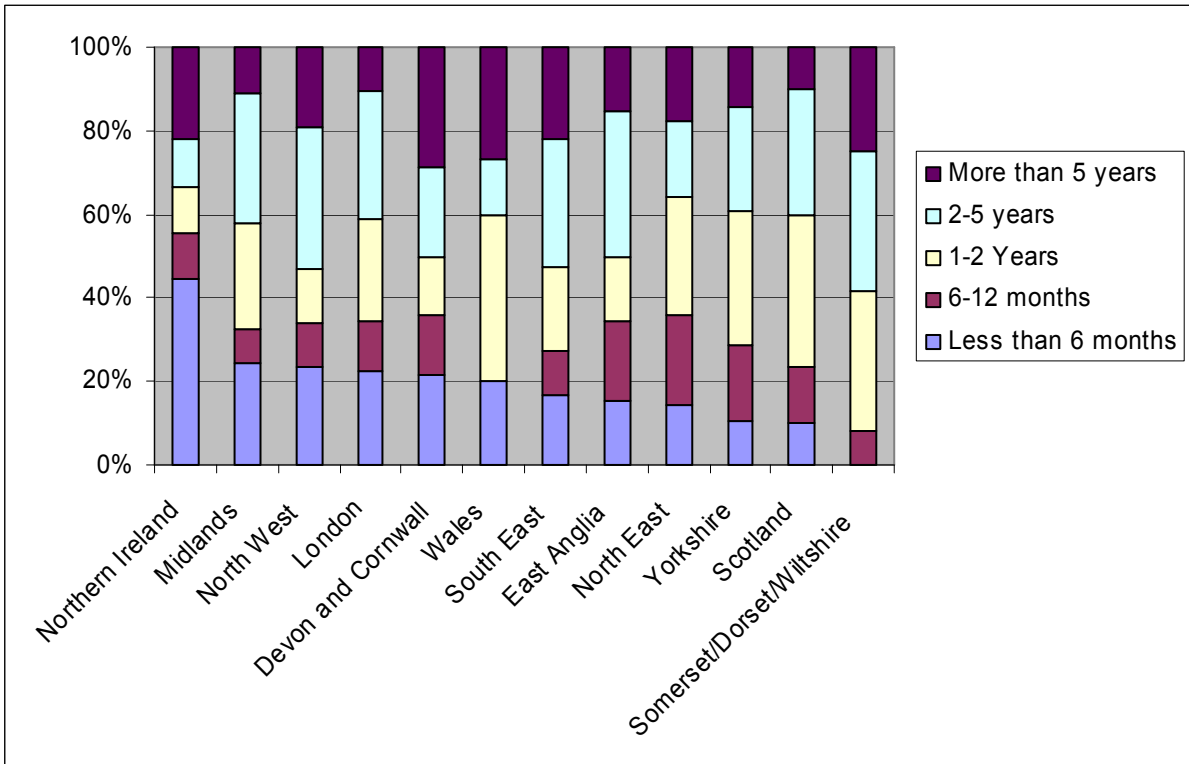
Proportion of respondents who received a written offer within two weeks?



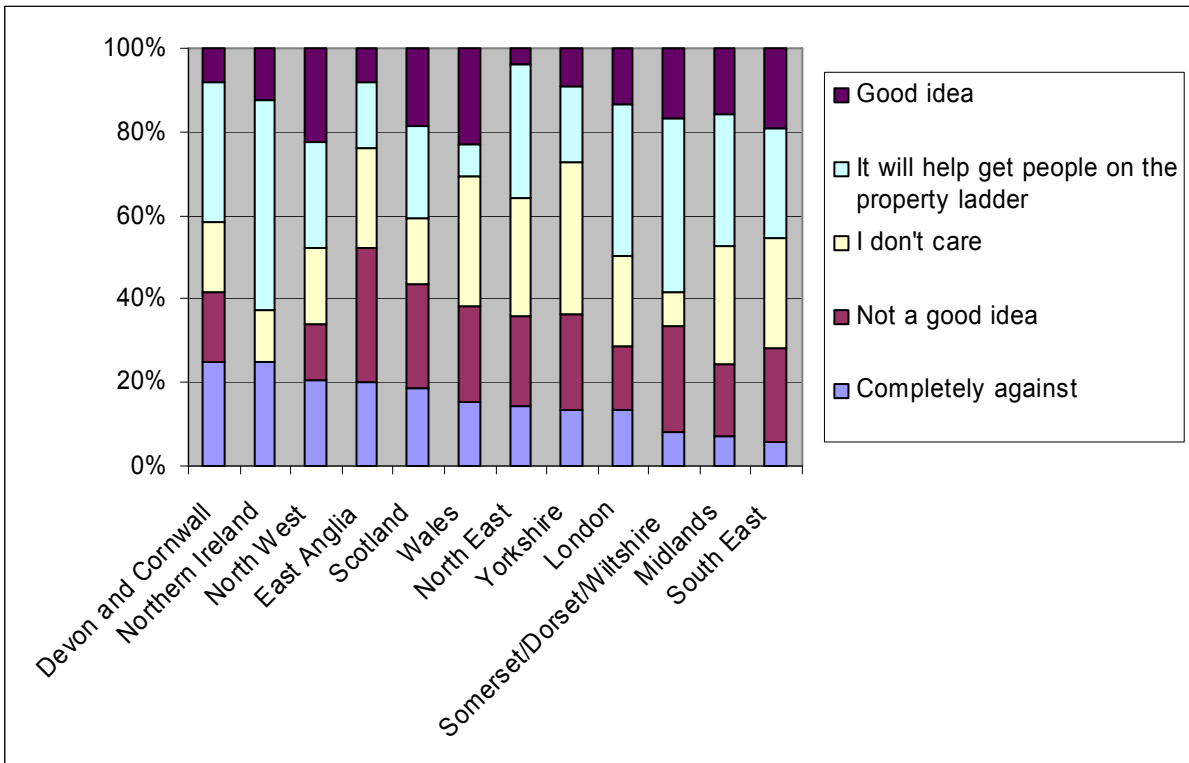
How did you rate the customer service of your mortgage lender?



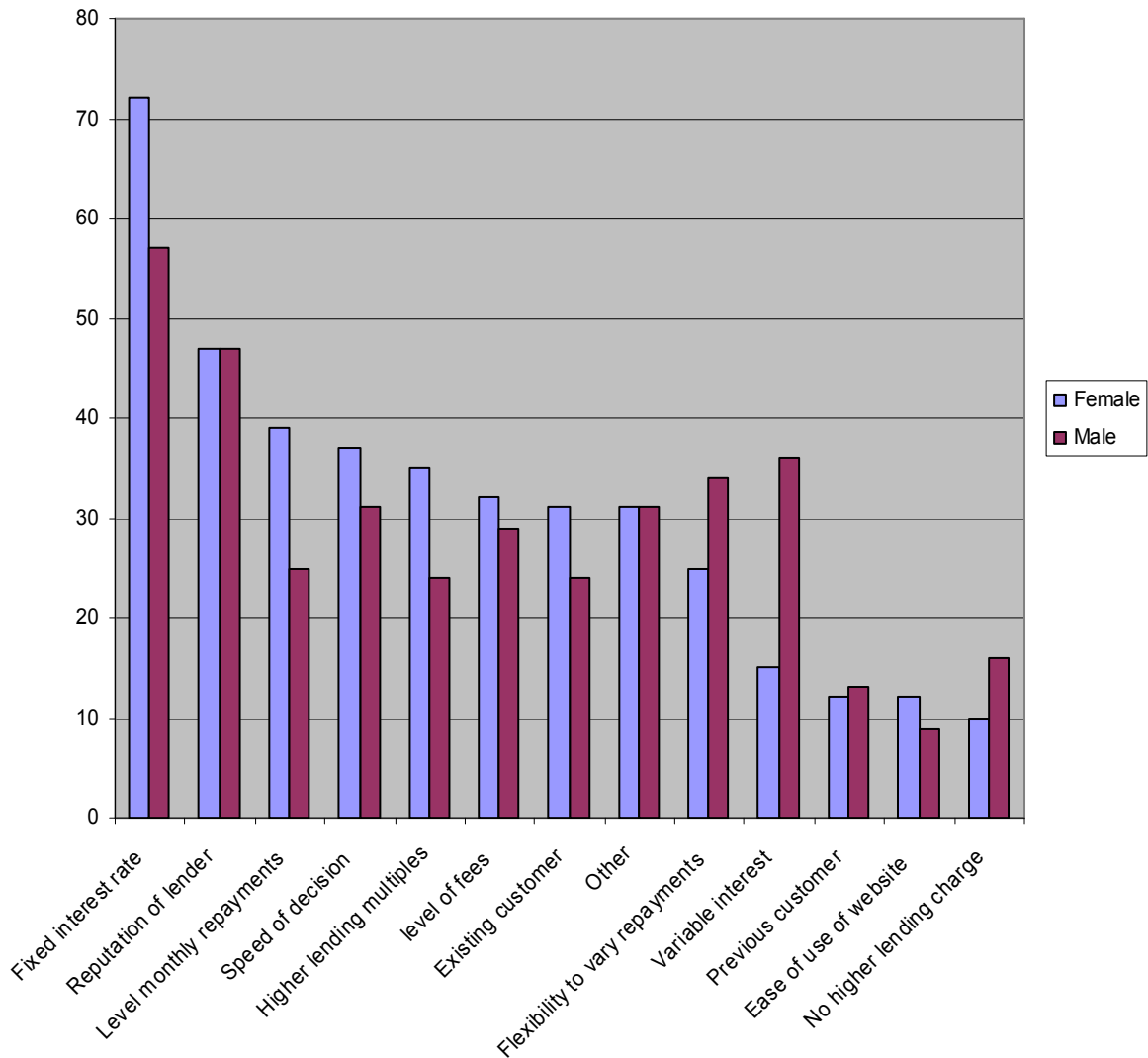
How long have you had your current mortgage, by region?



Is it a good idea for lenders to offer mortgages at 5 x salaries?



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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