

8 December 2009

Big names slash mortgage rates

Mortgage lenders have continued to cut fixed rates, causing the average two year fixed mortgage rate to continue to tumble.

Last week Moneyfacts.co.uk reported that the average two year fixed had fallen below 5.00% for the first time since June 2009, but since then rates have fallen further, standing at 4.86% today.

This is the biggest weekly fall since the beginning of the year, when the Bank of England cut bank rate by 0.50% to 1.50%.

Lenders who have cut fixed rates in the last week include:

- Abbey – selected rates cut by 0.20%
- Accord Mortgages – rates cut by 0.40%
- Alliance & Leicester – selected rates reduced by up to 0.25%
- Cheltenham & Gloucester – selected rates cut by 0.10%
- first direct – selected rates reduced by 0.05%
- Leeds BS – selected rate reduced by 0.26%
- Post Office – rates reduced by up to 1.30%
- Scottish Widows Bank – rates reduced by up to 0.40%
- Yorkshire BS – rates reduced by up to 0.30%.

Michelle Slade, spokesperson for **Moneyfacts.co.uk** commented:

“Lenders finally appear to be putting the ‘open for business’ sign back in the window and bringing competition back to the mortgage market.

“Margins on fixed rate mortgage deals have steadily increased in the last year as lenders looked to repair damaged balance sheets.

“Following their peak in October 2009, mortgage margins on the popular two year fixed deals have fallen steadily, now standing at the lowest level since August 2009.

“The number of two year fixed deals paying below 4.00% has increased by from 53 to 94 in last two months and now accounts for a quarter of all two year fixed deals on the market.

“Borrowers will be hoping that the early Christmas present they have received from lenders will continue into 2010.”

About Moneyfacts.co.uk

Moneyfacts.co.uk is the UK's leading **independent** provider of personal finance information. For the last 21 years, Moneyfacts' information has been the key driver behind many personal finance decisions, from the Treasury and the Bank of England to the high street.

Our increasingly popular consumer website www.moneyfacts.co.uk **helps customers make better financial decisions** and gives them the ability to check the latest best buy products and to search the **whole market** for products that suit their individual circumstances.

Moneyfacts.co.uk also supplies best buy charts to many of the UK national and regional newspapers, with a total weekly readership in excess of 22,000,000. Moneyfacts.co.uk also provides the personal finance data that powers many UK online comparison websites.

Our dedicated research experts produce three monthly publications as well as providing real time news and data services to the majority of banks and building societies. Additional information can be found at www.moneyfactsgroup.co.uk.

Contact us...

Looking for extra comment, a chart or more information, then please give us a call. We are always more than happy to help.

Press Office	Darren Cook Head of Press & PR Michelle Slade Press Officer Louise Holmes Press Officer/Administrator	01603 476207 dcook@moneyfacts.co.uk 01603 476454 msslade@moneyfacts.co.uk 01603 476204 lhomes@moneyfacts.co.uk
	Darren Cook Head of Press & PR Michelle Slade Press Officer	07803 899935 07803 145643
	Follow us at: http://twitter.com/MoneyfactsPress An ISDN line is available for broadcast: 01603 230551	