

25 January 2010

SVR – winners and losers

Base rate has been at an all time low of 0.50% for the last ten months and with no incentive to move on to a new deal, increasing numbers of borrowers have moved onto their lenders' standard variable rate (SVR).

While some borrowers benefit from the cut in base rate being passed on in full, others have not been so fortunate, with a difference of £5,670 between the cheapest and the most expensive lenders.

See appendix for full list of cost of remaining on each lender's SVR for the last year.

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

"Many lenders' SVRs have become disjointed from base rate, with only a fraction of the cuts having been passed on.

"Many smaller building societies have passed on a fraction of the base rate cuts in a bid to deter borrowers from languishing on the SVR.

"Some borrowers on SVR may have paid more than double for the same mortgage than if they had been with a different lender.

"Those that have remained on the highest SVRs are likely to be those with little equity, which diminishes their options.

"The absence of rate cuts has been criticised in the past, but it appears to be a prudent step as other lenders such as Skipton BS have been left with no option but to increase their SVR.

"SVR has become a real product option for many borrowers. Many see little incentive to move on to a new deal where, in many instances, the rate is much higher than the SVR.

"Many borrowers are just looking at the here and now, and are not considering the future impact of base rate rises.

"When a base rate increase becomes more probable, we may see fixed rates start to rise.

"Borrowers who delay the decision to find a new deal may find they experience a more significant rise in their repayments when they do move."

Appendix

	Lender	Cost of £150,000 mortgage on SVR	Current Existing Borrowers SVR
1	Cheshire BS	£3,996.58	2.50%
	Derbyshire BS	£3,996.58	2.50%
	Cheltenham & Gloucester	£3,996.58	2.50%
	Lloyds TSB Scotland	£3,996.58	2.50%
	Nationwide BS	£3,996.58	2.50%
6	Bristol & West Mortgages	£4,731.58	2.99%
	Giraffe Money	£4,731.58	2.99%
	Bank of Ireland Mortgages	£4,731.58	2.99%
9	Coutts & Co	£5,116.03	3.25%
10	Stafford Railway BS	£5,340.62	3.49%
11	ING Direct (UK)	£5,439.25	3.50%
12	Halifax	£5,485.27	3.50%
13	Skipton BS	£5,508.90	3.50% (4.95% from 1.3.10)
14	first direct	£5,535.00	3.69%
15	The One Account	£5,707.81	3.65%/3.75%
16	HSBC	£5,942.88	3.94%
17	Scottish Widows Bank	£5,985.00	3.99%
18	Royal Bank of Scotland	£6,020.30	4.00%
19	NatWest Mortgage Services	£6,030.45	4.00%
20	RBS IP Royal Bank of Scotland	£6,041.75	4.00%
21	Ulster Bank	£6,042.86	4.00%
22	Cambridge BS	£6,177.00	4.59%
23	First Trust Bank (NI)	£6,222.53	3.99%
24	Allied Irish Bank (GB)	£6,296.38	3.99%
25	Harpenden BS	£6,408.29	4.19%
26	The Co-operative Bank	£6,440.14	4.24%
27	Abbey (Santander)	£6,492.53	4.24%
28	Britannia	£6,570.62	4.24%
29	Northern Bank (NI)	£6,579.66	4.35%
30	Newbury BS	£6,709.93	4.45%
31	Cumberland BS	£6,741.78	4.49%
32	Clydesdale Bank	£6,917.05	4.59%
33	Yorkshire Bank	£6,917.05	4.59%
34	Holmesdale BS	£6,978.29	4.54%
35	Ecology BS	£6,996.58	4.90%
36	National Counties BS	£7,056.58	4.69%
37	Coventry BS	£7,121.30	4.74%
	Godiva Mortgages	£7,121.30	4.74%
39	Progressive BS	£7,135.85	4.75%
40	Beverley BS	£7,157.05	4.75%
41	Hanley Economic BS	£7,198.19	4.74%
42	Buckinghamshire BS	£7,223.88	4.75%
43	Northern Rock	£7,244.38	4.79%
44	Bank of Scotland Mortgages	£7,260.00	4.84%
	Birmingham Midshires Solutions	£7,260.00	4.84%
46	Norwich & Peterborough BS	£7,315.27	4.85%
	Astra from N&P	£7,315.27	4.85%
48	Manchester BS	£7,393.81	4.84%
49	Earl Shilton BS	£7,466.67	4.95%
50	Barnsley BS	£7,485.00	4.99%

	Yorkshire BS	£7,485.00	4.99%
52	Melton Mowbray BS	£7,496.30	4.99%
53	Alliance & Leicester	£7,509.66	4.99%
54	Principality BS	£7,523.84	4.99%
55	Tipton & Coseley BS	£7,541.10	4.99%
56	Monmouthshire BS	£7,559.79	4.99%
57	Woolwich from Barclays	£7,565.14	4.99%
58	Loughborough BS	£7,567.77	4.99%
59	Dudley BS	£7,572.33	4.99%
60	Teachers BS	£7,576.44	4.99%
61	Vernon BS	£7,645.27	4.99%
62	Scottish BS	£7,788.90	5.29%
63	Bath BS	£7,830.70	5.10%
64	Leek United BS	£7,868.42	5.19%
65	Dunfermline BS	£7,871.30	5.19%
66	Egg	£7,935.00	5.29%
67	Mansfield BS	£7,935.82	5.59%
68	Ipswich BS	£8,058.86	5.49%
69	Saffron BS	£8,101.03	5.39%
70	Accord Mortgages	£8,170.27	5.99%
71	Furness BS	£8,182.60	5.44%
72	Leeds BS	£8,235.00	5.49%
73	Marsden BS	£8,295.41	5.95%
74	Market Harborough BS	£8,322.29	5.49%
75	Shepshed BS	£8,332.60	5.54%
76	Hinckley & Rugby BS	£8,460.00	5.64%
77	Chelsea BS	£8,685.00	5.79%
78	West Bromwich BS	£8,760.00	5.84%
79	Kent Reliance BS	£8,825.22	6.08%
80	Darlington BS	£8,952.25	5.95%
81	Nottingham BS	£8,985.00	5.99%
	Newcastle BS	£8,985.00	5.99%
83	Stroud & Swindon BS	£9,159.66	5.99%
84	Chesham BS	£9,686.30	6.45%
Source: Moneyfacts.co.uk – 25.01.10			

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