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## SCOTTISH HOMEOWNERS CONSIDER REMORTGAGING FOR A MONTHLY SAVING OF £135

While recent data suggests that homeowners have been choosing to remain on their existing mortgage deals while interest rates are low, the latest research from Bank of Scotland<sup>i</sup> indicates that more homeowners in Scotland are considering remortgaging this year and would be willing to do so for a monthly average saving of £135. Almost a third (31%) of homeowners would consider remortgaging for any saving at all.

One in five (19%) homeowners feel that 2013 could be a good time to consider remortgaging and three in ten (30%) expect there will be some good remortgage deals on the market over the next few months.

Almost a third of homeowners (30%) in Scotland agree that they could find a better interest rate if they remortgaged their property, while a fifth (22%) feel that remortgaging could save them a significant amount of money each month.

However, the research showed there are still a significant number of Scottish homeowners who prefer to remain on their current mortgage deal (69%). Of those who aren't considering remortgaging, over a third (35%) feel that they are on a low enough interest rate already or that the costs associated would be so high that they may not save money overall (31%). Nearly one tenth (9%) of those who are not currently considering remortgaging are holding off the decision to see whether mortgage rates will fall further.

Perhaps most interestingly, the research shows that half (50%) are unaware that standard variable interest rates for mortgages have actually been higher than fixed interest rates for more than a year. Fixed rate mortgages have fallen by 125 basis points since March 2009, and the average SVR at 4.83% is currently 0.68% more expensive than the average fixed rate of 3.7%<sup>ii</sup>, meaning many borrowers would now benefit from remortgaging.

### **Laurence Mann, Head of Mortgages at Bank of Scotland, commented:**

“Standard variable rate mortgages have been at historically low levels for quite some time, so it is no surprise that many homeowners haven't considered moving from them. But with fixed rate mortgages falling, and some good deals expected on the market this year, now is the time for borrowers in Scotland to consider the benefits of remortgaging.”

### **Offering a solution**

With the latest remortgage range from Bank of Scotland, eligible current account customers can receive £150 cashback if they remortgage to them. For those wanting lower monthly payments, Bank of Scotland offers a two-year fixed rate remortgage product at 1.89%<sup>iii</sup> (with a £1995 fee that can be added to the mortgage) - this is 2.94% lower than the average SVR. Bank of Scotland also offers a range of tracker rates, including a 2 year product from 2.29% for eligible current account customers.

**Ends**

### **For further information, contact:**

Zoe Redhead, Bank of Scotland Press Office

0131 655 5405

ZoeRedhead@bankofscotland.co.uk

Web: [www.lloydsbankinggroup.com/media.asp](http://www.lloydsbankinggroup.com/media.asp)

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<sup>i</sup> Populus interviewed 845 GB homeowners online between 8 and 13 March 2013, 152 of whom were homeowners in Scotland. Populus is a member of the British Polling Council and abides by its rules.

For more information see [www.populus.co.uk](http://www.populus.co.uk)

<sup>ii</sup> Bank of England (series IUMTLMV)

<sup>iii</sup> Rate correct as at 26 March 2013