Nationwide Rewards Loyal Customers With Best Mortgage Deals

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Society will shop around to make sure existing mortgage customers have lowest rates Loyal Nationwide mortgage customers looking for a new deal will be able to access the lowest-priced mortgages on the high street, thanks to its new Loyalty Rate Mortgages initiative.

The Society recently revamped its mortgage range, cutting rates by up to 0.70% across fixed rate and tracker deals, including those for customers with small deposits. Existing mortgage customers already benefit from an additional 0.1% discount on new customer rates.

From 18 September 2014, Nationwide will compare its mortgage rates for existing residential mortgage customers looking for a new deal against the remortgage rates of its top six high street competitors. These are NatWest/ RBS, Halifax, Santander, HSBC, Barclays/Woolwich and Lloyds.

Every Friday, Nationwide will do the shopping around for its mortgage customers, reviewing like-for-like competitor mortgage rates for its existing mortgage customers. If any of the competitor lenders has comparable remortgage rates that are lower than those the Society is offering, Nationwide's rates will be lowered the following Wednesday below the comparable competitor rates.

Nationwide's Divisional Director of Mortgages and Savings Richard Napier said: “Following our recent extensive reductions across our mortgage range, Nationwide's mortgage deals for existing customers are already extremely competitive. With Loyalty Rate Mortgages, we are taking that a step further. We are constantly reviewing the market so that our existing mortgage customers can be confident our rates compare favourably against those of our competitors. We are doing the work for them by checking the rates of the top six lenders to make sure that we offer the best rates.

“Nationwide is also demonstrating its mutual difference by doing more for our existing customers. Loyalty Rate Mortgages will further enhance our suite of offers for our members that reward customer loyalty, with other offers including Flexclusive benefits for main current account holders and Simply Rewards deals for current account and credit card holders. This demonstrates the benefits of being a Nationwide member and is another example that we are on their side.”

The Loyalty Rate Mortgages initiative is only available to Nationwide's existing mortgage customers who are looking to switch deal. Nationwide does offer a core range of competitive rates for all mortgage applicants, as well as a £500 discount on mortgage fees for first time buyers.

Notes to Editors:

Loyalty Rate Mortgages:

- Nationwide will compare like for like products against the comparable LTV tier and fee range of the Nationwide's top six competitors. Based on CML gross lending figures, these are currently NatWest/ RBS, Halifax, Santander, HSBC, Barclays / Woolwich, Lloyds. These lenders are fixed for the year and will be reviewed in September 2015.
- To qualify for the Loyalty Rate Mortgages promotion, mortgages have to be like for like, i.e. have the same product term and comparable arrangement/product/booking/application fee. Competitor products are those available to all customers through lenders' retail channels and will exclude deals through subsidiaries, intermediary exclusives, Buy to Let mortgages, those linked to schemes, such as Help to Buy and those with fees greater than £1000.
- If a competitor's mortgage deal is lower than the Nationwide equivalent, that product will be re-priced on the following Wednesday to be lower by at least 0.01%. This process will be repeated each week.
- The Loyalty Rate Mortgages promotion is ongoing, but can be withdrawn at any time.

Key features of Nationwide's fixed and tracker mortgage product range for new applications

1. Flexibility:

- Overpayments (maximum of 10% of the initial amount borrowed per annum where an ERC applies to the product. Where a product is not subject to an ERC, there is no maximum

overpayment allowance).
- Apply for a Further Advance, the additional borrowing facility.

2. Free Standard Valuation:

- No standard valuation fees for homebuyers (on Flexclusive products only*) or for those who are remortgaging.

3. Free standard legal fees for house purchase (on Flexclusive products only*) cover the conveyancer's professional charges relating to the house purchase only when using one of our panel legal firms. The customer will be liable for some additional fees relating to the disbursements, e.g. Land Registry fees and local authority searches. Due to Northern Irish law, Nationwide is unable to offer free legal fees for house purchases in Northern Ireland.

4. Cashback is payable one month after completion of the mortgage

5. Maximum LTV:

- Lending above 85.01% is available on fixed rate mortgages.
- 95% LTV mortgages are available to:
  Existing Nationwide mortgage borrowers switching at the end of their current deal or moving home.
  Save to Buy customers.
  NewBuy customers
- 90% LTV mortgages are available to:
  Existing Nationwide mortgage borrowers switching at the end of their current deal or moving home.
  First-time buyers and home movers.
- First-time buyers can access 95% LTV products through Save to Buy and NewBuy.
- Maximum 75% LTV on new build flats and 85% LTV on new build houses (90.01% to 95% LTV for approved NewBuy housing providers).

6. Base Mortgage Rate

- Any mortgage products reserved on or before 29 April 2009 will revert to the Base Mortgage Rate (BMR). If the borrower chooses to switch to a new Nationwide mortgage product, the new product will currently revert onto our Standard Mortgage Rate (SMR).
- Both are variable rates which we may vary in accordance with our mortgage terms and conditions. However, the BMR is guaranteed to be no more than 2% above the Bank of England base rate, whilst the SMR has no upper limit or cap. If the borrower chooses to switch to a new product from a BMR, it is not possible to switch back to the BMR at a later date.
- All mortgages reserved on or before 3 March 2010 include the option to apply for a payment holiday and borrow-back facility. Any mortgages reserved after this date will no longer include these facilities.
- If the borrower is currently letting their property they will be unable to switch to a new mortgage deal and their mortgage will automatically revert to the Nationwide variable rate as stated in their mortgage offer.

7. Early repayment charges for fixed rate and tracker mortgages

Throughout the deal period, a percentage of the outstanding loan is payable as detailed below. Overpayments of up to 10% per annum are permitted without the need to pay an early repayment charge.

- Two-year fixed rate mortgage: 2%
- Three-year fixed rate mortgage: 3%
- Four-year fixed rate mortgage: 3%
- Five-year fixed rate mortgage: 4%
- Two-year tracker rate mortgage: None
- Three-year tracker rate mortgage: None

*To get access to our range of Flexclusive offers customers must either:

1. hold a FlexAccount with a Visa debit card (not cash card or cash card+) and:

- have been paying in £750+ a month (excluding internal transfers) for the last 3 months; or

- complete an account switch to us (from a non-Nationwide account) using our Current Account Switch Team or have done so in the last 4 months; or

2. hold a FlexDirect or FlexPlus account.

About Nationwide Building Society
Nationwide is the world's largest building society as well as one of the largest savings providers and a top-three provider of mortgages in the UK. It is also a major provider of current accounts, credit cards, ISAs and personal loans. Nationwide has around 15 million members.

Customers can manage their finances in branch, on the telephone, internet and post. The Society has around 17,000 employees. Nationwide's head office is in Swindon with administration centres based in Northampton, Bournemouth and Dunfermline. The Society also has a number of call centres across the UK.

Nationwide Press Office

- Telephone: **01793 655198**
- Email: press.office@nationwide.co.uk

Company Contact:

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Pressat Wire

E. support[@]pressat.co.uk

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