

One-third of Brits don't know how much their mortgage is costing them

- **YouGov and Habito research reveals a widespread knowledge gap among homeowners around the basic details of their mortgage – which may be caused by the pain and complexity of the application process**
- **33% of UK mortgage holders don't know what interest rate they are on**
- **Over 1.8 million mortgage holders don't know whether they have an interest-only mortgage or not**
- **People in Wales are most mortgage-savvy**

Almost 5 million people in Britain have no idea how much their mortgage is costing them, according to research released today by Habito, the world's only digital mortgage broker, commissioned by YouGov.

With 7.6 million active mortgages in Britain¹, the study found one-third (33%) of UK mortgage holders don't know what interest rate they are paying - despite it being one of the biggest financial commitments that most Brits have. The research has exposed the widespread lack of knowledge among homeowners over the basic details of their mortgage, potentially caused by the complexity and hassle of the mortgage application process, and a reluctance to manage mortgages effectively over the long-term. This is estimated to cost consumers £29 billion a year².

The research also revealed of the mortgage owners surveyed:

- One in eight (over 1.8 million mortgage holders) don't know if they have an interest only mortgage;
- Almost one in ten (over 1.4 million mortgage holders) don't know if their mortgage is a fixed or variable rate;
- Almost one in ten (over 1.3 million mortgage holders) don't know how long their mortgage term is;
- One in every 20 mortgage holders (over 700,000 mortgage holders) cannot even name their lender

Mortgage holders in Wales are the savviest in UK when it comes to knowing what interest rate they are paying on their mortgage, with far more people in the region (79%) knowing this than in other areas of UK. That compares to just 65% of mortgage holders in London and 63% in the South East, where house prices are often higher. The research also revealed a stark gender gap. Less than two-third of women (61%) know how much interest they pay on their mortgage, which rises to almost three quarters (73%) among men.

¹ Council of Mortgage Lenders Regulated Mortgage Survey, July 2015

² HSBC, November 2015

Daniel Hegarty, CEO and Founder of Habito, said:

“For most people, a mortgage is the biggest financial commitment of their lives, yet the application process is opaque, slow and untouched by technology. It’s no wonder there is such a widespread lack of awareness among existing mortgage holders and such reluctance to manage their mortgages over the long-term. Applying for a mortgage with a traditional broker is stressful and confusing – people just want it to be over as quickly as possible and then forget about it.

“It is time mortgages were brought into the 21st century. Technology has transformed and simplified other aspects of our lives beyond recognition, yet the mortgage application process is no different to 30 years ago. The industry has resisted change for decades and has been reluctant to put the customer at the heart of the process.

“Habito is here to change that. We’ve created a way to make the mortgage application process simple and transparent. We analyse every mortgage from over 100 lenders in seconds and find the best one for each customer. It is a simple, honest and transparent way to find and apply for the right mortgage.”

- ENDS -

Notes to Editors:

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 4236 adults, of which 1,258 were mortgage owners and 33 have a mortgage through shared ownership. Fieldwork was undertaken between 4th - 6th May 2016. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

According to the ONS, the GB 18+ population is 49,501,761.

Based on the YouGov results and calculations by Portland Communications, 30.48% are mortgage owners. This equates to 15,088,136 GB mortgage owners

Of this:

- 33.05% don't know what interest rate they are paying on their mortgage. This equates to 4,986,629 Brits
- 9.41% don't know if they have a fixed or variable rate interest rate of their mortgage. This equates to 1,419,714 Brits
- 12.09% don't know if they have an interest only mortgage. This equates to 1,824,156 Brits
- 4.77% don't know who the lender is for their mortgage. This equates to 719,704 GB Brits
- 8.88% don't know how long their mortgage contract is for. This equates to 1,339,826 Brits

About Habito:

Habito is using technology to bring the mortgage application process into the 21st century. Using Habito, home buyers can for the first time be sure they're getting the best mortgage for them. We have developed a simple, honest and transparent way to help people find and apply for the best mortgage. No jargon, no fees and no misinformation.

Our technology allows us to access and analyse every mortgage from over 100 lenders in seconds. We'll find the best match for you and help you make your application online in about 30 minutes. You can apply on your phone or tablet, 24/7. No appointment necessary.

We're a group of designers, engineers, mathematicians and mortgage experts with a really big idea. We hold ourselves to the highest standards and are committed to transforming the mortgage market.

Habito has raised £1.55m in seed funding, the round was led by [Mosaic Ventures](#), with participation from angels including Taavet Hinrikus, Samir Desai, Yuri Milner, Tom Stafford and Paul Forster.