

39% of mortgage holders have never used a mortgage broker

Submitted by: Boon Brokers

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- Many consumers unclear on the benefits of mortgage brokers or what fees are involved
- Boon Brokers launches online Guide to Mortgage Broker Fees

Despite the fact a good mortgage broker is likely to be able to find homeowners a much better product than they could secure themselves, well over a third of mortgage holders (39 per cent) have never used one.

A survey of almost 2,000 mortgage holders conducted by mortgage broker Boon Brokers (<https://www.boonbrokers.co.uk/>) discovered that the number who had never used a broker rose to half (49 per cent) of over 55s. This means many homeowners could have reached full ownership of their property without ever having had professional advice to help them secure the best mortgage – potentially paying thousands of pounds on unnecessary interest and fees. Younger homeowners are more likely to consult an expert, with three out of four (74 per cent) of 25 to 34s saying they have used a broker for a home loan.

The survey found there was a general lack of understanding around what mortgage brokers can or should offer. One in seven of those who have used a mortgage broker don't know if they had whole of market access – if they don't have it, brokers may not be able to find clients the best deal on the market.

Mortgage broker fees can be another area of confusion for homeowners. Boon Brokers questioned 44 mortgage brokers across the country to find out more about their practices, revealing 59 per cent do charge clients a fee – with the average amount found to be £559 (GBP), but with some charging more than £1,000 (GBP). This is despite 100 per cent of the mortgage brokers questioned admitting they also get a procurement fee from the lender.

To help demystify the industry, Boon Brokers has created a detailed Guide to Mortgage Broker Costs (<https://www.boonbrokers.co.uk/mortgage-broker-costs/>) to help customers understand more about the process and what to expect.

Gerard Boon, founder and partner at Boon Brokers, said: “There is still a lot of confusion around mortgage brokers and what they can do. A good broker with whole of market access can find the very best mortgage product out there for a client, saving them a small fortune. One common misconception, however, is that homeowners have to pay broker fees when applying for a home loan or remortgage. Consumers shouldn't assume that broker fees are the norm, as all mortgage brokers in the UK are paid a 'procurement fee' by the lender upon completion of a mortgage application. Paying a broker fee does not guarantee a better service – there is no correlation between quality of service and broker fee charged. The only purpose of the broker fee is to increase the firm's profit margin.

“I think it's vital the industry is more transparent about what it is offering and what costs there might be for a homeowner – there should be nothing to hide, which is why we created what we believe to be the most comprehensive guide to mortgage broker fees available online. The fact some brokers charge a

fee even when a mortgage doesn't complete is totally unethical. People need to feel confident they know enough to question fees and charges they might encounter. Now more than ever, it is vital that homeowners understand all suitable mortgage options before agreeing to a mortgage product. The difference in interest rate and other costs, from lender to lender, can be substantial, even with mainstream lenders. I would certainly suggest that homeowners acquire expert mortgage advice before agreeing to any mortgage product in this market."

To access the Guide to Mortgage Broker Fees go to www.boonbrokers.co.uk/mortgage-broker-costs/

Boon Brokers is an independent mortgage, insurance and equity release brokerage. It does not charge client fees for mortgage or insurance advice or product arrangement and is directly authorised by the FCA to enable whole of market access.

ENDS

Survey conducted with 1,958 current or previous mortgage holders by TLF on behalf of Boon Brokers.

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Notes to editors:

Boon Brokers is an independent mortgage, insurance and equity release brokerage based in East Anglia. Co-founded by Gerard and Michael Boon, the company's vision is to offer the cheapest advice and arrangement of financial products whilst simultaneously providing the highest quality of advice.

Being independent and directly authorised by the FCA means that advisers can advise and arrange cases on a whole-of-market basis, identifying the most suitable lender/product in the UK to meet a clients' requirements. The company does not charge any client fees for mortgage or insurance cases. Free home consultations are provided in Norfolk/Suffolk.

With over 60 years of experience in the industry, the company is always seeking to innovate with new technology and systems to enhance a clients' experience.

For more information visit www.boonbrokers.co.uk