



NAVIGATING THE MORTGAGE MAZE

A Report by Dominic Payling and Paul Ormerod

Executive Summary

- A large majority of interviewees were happy with the mortgage they had chosen (86%) despite the majority of interviewees who were dissatisfied (expressed as confusion or frustration) with the mortgage research process (c. 60%)
- Friends and family and the internet were key sources of research information within the mortgage research process
- Typologies emerging from the research that chose to minimise the time they spent searching for the right mortgage expressed the least dissatisfaction with the process
- Circa 45% of people are not spending sufficient time researching their mortgage
- Four typologies of mortgage researcher emerged from the research. They match recently identified US and UK consumer typologies:
 - *Mortgage Sleuths*
 - *Mortgage Mensas*
 - *Near Enough Is Good Enough*
 - *Mortgage Sloths*
- In total, first time buyers spent over 46 days deciding on a mortgage¹, while those who had recently remortgaged spent 27.1 days.
- Londoners take the most time deciding on their mortgage – a whopping 52.6 days.
- If the elapsed time taken to reach a mortgage decision is costed out based on average earnings², it equates to:
 - £4,600 for first time mortgagees
 - £2,710 for those who are remortgaging
 - Londoners with a search cost of £5,260 incur the greatest costs

¹ Total time, from first thinking about getting a mortgage to signing up for one.

² Average earnings of £12.50 an hour according to Office of National Statistics figures