



WINSTANLEY
MORTGAGE SERVICES

Mortgage & Protection news

The newsletter from Winstanley Mortgage Services Ltd



BASE RATE
stays at
4.25%
- but is still 1%
lower than last year
(Source: Bank of England,
19 June 2025)

Looking Ahead

BETTER NEWS!! Since the announcement in April of the Trump tariffs*, we've experienced a mixture of sizeable **mortgage rate** drops and rises. And whilst the **Base Rate** remained at **4.25%** in June, it's still much lower than it was a year ago, as are July Swap rates, and also the average mortgage deals on offer.

» **Fixed Rate mortgage deals** are the most popular form of mortgage borrowing, and these are influenced by a number of factors, including **Swap rates**.

Generally, the impact on fixed rates can be felt a few weeks later. So, you could have the situation where mortgage rates offered by lenders are rising, at the same time that Swaps are falling.

Swap rates fell sharply following the announcement in April of the reciprocal Trump tariffs. And then, they went on an upward path. Since then, and for most of June, there was broadly a downward trend, with a slight uplift as we move through July.

(Source: Chatham Financial, Swaps, 17 July 2025)

Competition amongst lenders

However, the interest rate pricing of deals is also influenced by other factors, such as world events. A further major consideration is the **desire by mortgage lenders to price competitively to win your business**, and, in turn, build their market share.

Currently, we are seeing a **price war** amongst some of those lenders, and that can only be good for borrowers - both existing and those hoping to step onto the property ladder.

Combine all of these elements, and it's no surprise that there's so much movement in the marketplace. This is **why it's important to seek advice** - to help make sense of your

options, and possibly lock in a rate, if your mortgage deal ends soon.

As it stands, the 'average' fixed rates for a 2-, or 5-year deal currently start with a '5', but better rates that begin with a low (or sub) '4' may be on offer. Although the latter generally applies to loans of 60%, or less, against the value of the property.

(Source: moneyfactscompare.co.uk, July 2025)

Additionally, there may be further good news on the horizon, as the industry regulator, the Financial Conduct Authority, is looking to **slightly relax the affordability criteria**, which could mean that borrowers may be able to borrow more.

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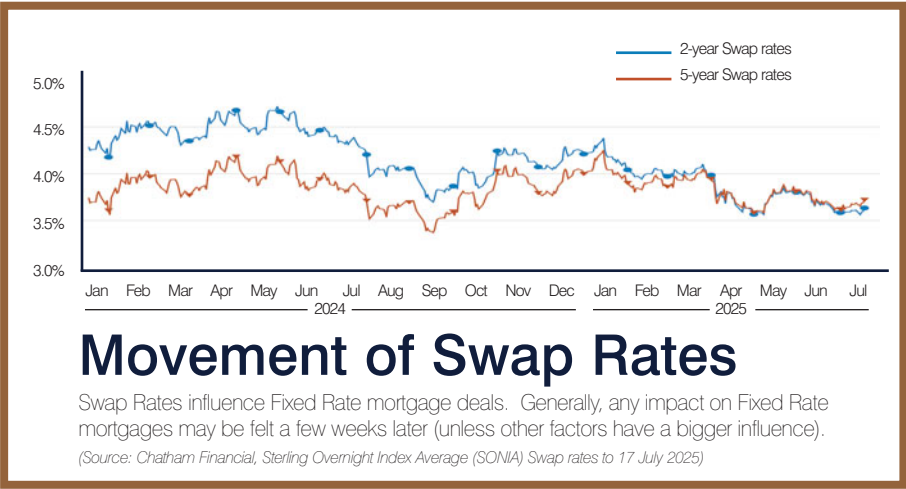
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Welcome.... to this newsletter, which covers what we believe are some of the key issues of the moment that affect mortgage, protection and insurance products - and sets out how **we may help you**.

■ Winstanley Mortgage Services Ltd is authorised and regulated by the Financial Conduct Authority.

■ **Your home may be repossessed if you do not keep up repayments on your mortgage.**

Looking Ahead (contd)



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Low deposit options

Continuing the good news theme, the government introduced a permanent, new **Mortgage Guarantee Scheme** in July. It's designed to deliver consistent availability of loan-to-value mortgage products in the realms of 91-95%.

Mortgages offered through the UK-wide scheme will enable eligible first-time buyers and home movers to buy a property with a deposit as low as 5%.

The scheme will deliver a government-backed guarantee for the participating lenders, effectively insuring against a portion of any potential losses on those mortgages.

Its creation should help deliver further positive sentiment in the marketplace and

sit alongside normal lender offerings which require a 5% deposit (or less, in some cases).

Positive developments

This scheme, along with some lenders relaxing stress tests and the ongoing considerations about loan-to-income rules, delivers a great combination for those struggling to afford a mortgage.

However, those borrowing at the higher ends of the loan-to-value spectrum will have little equity in their homes as a result, and would be more exposed should house prices drop.

Therefore, seeking professional advice before entering any arrangement is vital, to ensure that you meet the criteria required, and that the deal is suitable for your needs.

In fact, whatever your situation, we'd fully assess the suitability of the options on offer. And you can be reassured that we operate in this sector day-in day-out, plus have the qualifications and expertise to deliver advice that meets your needs.

You may have to pay an early repayment charge to your existing lender if you remortgage.

**The US tariff plans were announced on 9 April. In May, the basis of a US:UK trade deal was announced, where the full details will emerge over time. Most of the UK tariffs are now at a higher level than prior to the Trump presidency. Of course, the whole situation remains highly fluid, and changeable.*

■ Your home may be repossessed if you do not keep up repayments on your mortgage.

Spending Review

A key element of the government's Spending Review in June was to pledge a £39bn boost for affordable and social housing for the 2026-2036 period.

Additionally, £10bn will be invested through Homes England to help attract private investment.

These initiatives are designed to help the government hit their 1.3m new homes target, by the end of this Parliament.

MARKET FACTS...

Inflation...

Back in October 2022 annual inflation stood at a recent high of 11.1%. The latest annual CPI inflation figure to June 2025 is **3.6%**, just slightly up from the 3.4% yearly increase to May.

Core CPI (which excludes energy, food, alcohol and tobacco) stands at an annual 3.7%, up from the 3.5% yearly

increase in May. This metric tends to have a greater influence on the Bank of England's Base Rate decision-making.

(Source: Office for National Statistics, CPI, 16 July 2025)

Property prices...

If you want to get a feel for house price sales in your own local area, you can check out the following:

- gov.uk/search-house-prices (for England & Wales)
- scotlis.ros.gov.uk (for Scotl and)
- finance-ni.gov.uk (for N. Ireland)

Overall, the average annual UK property price rose by **2.1%** (to £271,619) in June, but equated to a 0.8% month-on-month drop against the May figure.

(Source: Nationwide, House Price Index, June 2025)



Here to HELP...

Over 20% of all outstanding residential mortgage borrowers will come to the end of their deal period this year.

(Source: UK Finance, Household Finance Review, Q4 2024, released March 2025)

» This equates to about 1.8m residential mortgages; on top of almost 250,000 buy-to-let loans that will also come to fruition.

(Source: UK Finance, June 2024 release)

Remortgaging to a different provider is expected to rise by 30% against 2024. Product transfers, where the borrower remains with the existing lender, are also expected to rise, but only by 13%.

(Source: UK Finance, December 2024)

Busy mortgage market

In addition to the sizeable remortgage numbers, there will also be those looking to get onto the property ladder for the first time. This group tends to account for over half of all home purchases made with a mortgage.

(Source: Halifax, First-Time Buyer report, February 2025)

Specific borrowing needs

Whilst some mortgage applications may be fairly straightforward, **many can be more complex**, and that may only become apparent, once we start discussing your situation, and what you require. This is why an increasing number of borrowers turn to advisers, such as us.

In some instances, the High Street lenders may not be a viable option, and that's why we also have relationships with specialist lenders, who may provide the solution.

Affordability

This has been an issue for some, but the affordability pressures may ease in 2025, in light of the desire from the Financial Conduct Authority for lenders to be more flexible with regard to stress-testing deals.

2-year vs. 5-year deals

After living in a higher interest rate environment for a few years now, those coming off 2-year fixes may see similar (or better) rates on offer (as the box item shows). However, those coming off 5-year deals will face the possibility that their new interest rate may be double what it was.

Product transfers

We can help you with renewing your new deal with your existing lender, although it may make sense for us to look at the wider marketplace first. Also, we'd assess if the positive factors for choosing your current lender 2, 3 or 5 years ago still puts them at the top of the tree this time round.

Remortgage elsewhere?

There are numerous elements to consider here, such as:

- **Your circumstances may have changed.**
- **Your property may have risen in value** (improving your loan-to-value metrics).
- **You may need to borrow more (or less).**

The outcome of this is that there may be

AVERAGE MORTGAGE RATES

Residential:

■ 2-year fixed rate deal

- 1 July 2025 = 5.09%

- 1 July 2023 = 6.41%

■ 5-year fixed rate deal

- 1 July 2025 = 5.08%

- 1 July 2020 = 2.25%

(Source: moneyfactscompare.co.uk, July 2025)

a different set of lenders to consider this time round, which may be more suitable for you.

Or, perhaps, we establish that a Tracker deal (with no penalties) is a better solution, enabling you to monitor future Fixed rate deal offerings, and act down the line.

And, whatever we'd discuss, this doesn't mean we kick into touch your existing lender, as they may still be the one to stick with, once we've gone through this process.

Consider locking in a deal

Also, as part of our service we'd be looking to discuss your future needs 4-6 months ahead of your current deal ending.

This may result in locking in a deal rate now, with the option of reviewing it as we go along, and maybe switching it to a better rate (on a comparable plan) from the chosen lender. **A 'win win' scenario for you**, but it's something a lender is unlikely to flag, and that's why borrowers turn to us, as we work on your behalf to save you time, stress, and, hopefully, money, interspersed with sound advice.

Please do get in touch if you'd like to have a chat about your borrowing requirements.

■ **Your property may be repossessed if you do not keep up repayments on your mortgage.**

Don't forget Protection cover...

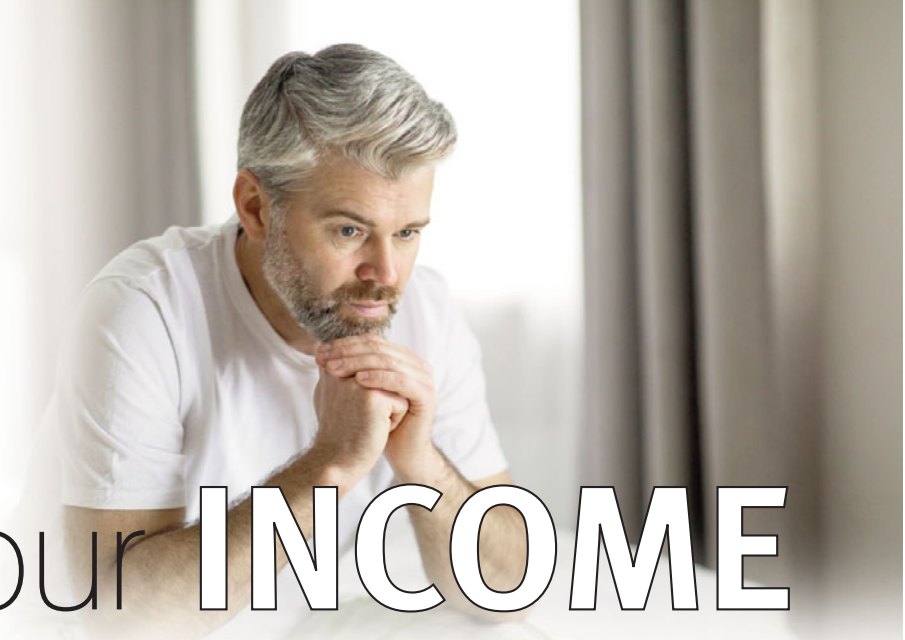
» Securing agreement to obtain the mortgage you require can often be the sole focus.

However, it's as important to ensure that you have policies in place that will help protect (or replace) your income stream, should you fall ill, face an

unexpected serious illness, or possibly die.

If any of these issues occur, then it's quite likely that others (and yourself, if recovering) may be reliant on a lump sum payout, or ongoing income stream, to help meet day-to-day costs, and the mortgage payments. **Do get in touch to hear more.**

■ **As with all insurance policies, terms, conditions and exclusions will apply.**



The government's furlough scheme showed many of us how important it was to benefit from an ongoing income stream to help meet everyday costs - when circumstances had dramatically changed. An **Income Protection** policy could deliver much the same.

Protect Your INCOME

» Instead of Covid affecting how you work, an Income Protection policy is designed to help counter wider issues which may stop you earning an income. This could encompass being off work long-term due to mental health issues, an illness, or injury. It's an extremely flexible product, and will generally cover up to around 60-65% of your gross income (if your claim is successful - and over 81% are).

(Source: Association of British Insurers, 2023 data, September 2024 release)

Dependent on the type of product you opt for, it could deliver a **tax-free monthly payout** until you're well enough to return to work, retired or have died, whichever occurs first.

Could it happen to me?

Of course, most of us will feel that being off work long-term, and unable to earn an income is highly unlikely. Yet, there are currently about **2.8m people** in the UK that aren't working due to long-term sickness. That equates to around one in nine of all full-time workers! *(Source: *Office for National Statistics, Labour market overview, July 2025 release)*

My employer, or the State will provide

This is true, up to a point. If your employer has a generous ongoing scheme in place, then you may not need this cover (assuming you remain with them). As for state support, if you qualify you may get about £120 a week for up to 28 weeks. You may think that around 6 months financial support from your employer or the state may cover your needs for the time-frame you might be off work. Possibly, but also consider this; some of the largest insurers are reporting that the **average length**

of their Income Protection claims is about 6 years. Interestingly, this product seems to resonate better with the younger generation. And this group may still have, for example, 350+ months of their working life ahead of them when bad things might occur. Which could then limit how they can financially provide each month for themselves, and, possibly, their family too.

Who should consider this?

- **Employees** - particularly those with little or no sick pay from their employer.
- **Self-employed and freelancers** - with about 4.4m workers encompassing this sector.*
- **Homeowners** - with mortgages.
- **Income earners** - with dependents relying on their income.

Reasons for claiming

Back, and mental health issues (such as anxiety and depression) tend to be the biggest areas for claims, with wider musculoskeletal problems, cancer and heart-related issues also being key areas.

Added value

As is the case with most protection policies these days, there may also be added value benefits that are designed to help get you back on the road to recovery, such as **rehab, physio, and counselling.**

As with all insurance policies, terms, conditions and exclusions will apply.

Short-Term Income Protection

If you recognise the importance of having some degree of cover in place, but are concerned about minimising your outlay, then a shorter-term version is also available. This option is designed to still deliver important financial support (if off work) but for a more limited period of generally up to two years - or even five, in some instances.

There may be a fee for arranging a mortgage and the precise amount will depend on your circumstances. This will typically be £495.

- The contents of this newsletter are believed to be correct at the date of publication (July 2025).
- Every care is taken that the information in the *Mortgage & Protection News* publication is accurate at the time of going to press. However, all information and figures are subject to change and you should always make enquiries and check details and, where necessary, seek legal advice before entering into any transaction.
- The information in this newsletter is of a general nature. You should seek professional advice tailored to your needs and circumstances before making any decisions.
- **We do hope that the newsletter is of interest to you, however, please inform us if you no longer wish to receive it.**