

Mortgages Jul 6 2023

## Halifax has 'priced itself out of the market', say brokers



"This is the new normal" (Gareth Fuller/PA Wire)

By **Tom Dunstan**



**H**alifax has decided to "effectively price itself out of the market" one broker has argued following recent rate increases.

Amit Patel, a broker at Trinity Finance, also described the situation as "absolute carnage".

This was in response to Halifax introducing rate increases on selected fixed rate remortgage products in which its 60 per cent LTV two-year mortgage rate reached 6.52 per cent.

Explaining the situation, Altura Mortgage Finance managing director, Rob Gill said: "Halifax now has a big discrepancy between their purchase rates and those for remortgage.

"They've also dramatically increased their product transfer rates for existing client switches."

Gill also went on to describe Halifax's actions as "namely within the letter of the law but probably not the spirit".

The rates rises themselves were attributed, by Mather and Murray Financial independent financial adviser, Samuel Mather-Holgate, to "the sheer uncertainty in the market".

Mather-Holgate added: "Halifax clearly don't want a lot of new business, and who could blame them in the current environment?"

Many brokers argued that Halifax's rate rises could be the start of a larger trend, as Patel stated: "This is the new normal, with no apparent end in sight, unless the Bank of England starts lowering the base rate, which looks unlikely."

This sentiment was echoed by Alfa Mortgages founder, Adam Smith, who also described the situation as "the new normal", but added that "these rates feel brutal at the moment but in a couple of months we will look back and consider them a good deal."

Large Mortgage Loans founder and CEO, Paul Welch, added: "I'm afraid to say that we are at the beginning of a domino effect."

He explained that, now that Halifax has announced the rises to "sky-high rates", it's only a matter of time before other mainstream lenders follow suit.

"I'm now thinking that rates of 7 per cent, before the summer is out, was a conservative estimate," he added.

Looking to the future, Mather-Holgate stated: "When rates turn and start heading south I would expect to see a Halifax product back at the top of the best buy tables."

A spokesperson for Halifax said: "In such a volatile market, maintaining a sustainable competitive position may impact the way that we price some of our

products"

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