

Mortgage Meeting of Minds

Thursday 21 September 2023 – The Berkeley Hotel, Wilton Place, London, SW1X 7RL

Schedule of the Day						
Belgravia	0845-0930	Breakfast	Informal networking - Over breakfast and coffee			
The Ballroom	0930-0950	Keynote	Welcome - Incorporating the highlights of the Scene Setter research. With John Chapman , Director, Owen James			
The Ballroom	0950-1020	Keynote	State of the Market - As the headlines talk of a looming 'mortgage catastrophe', Richard Donnell , Executive Director, Research at Houseful will provide a clearer, less emotive picture			
Breakout Rooms	1025-1130	Roundtable Session	How might AI enhance the mortgage lending process?	Conveyancing – why is it all so slow?	A look at the buy-to-let market	Could playing a lead role in the housing ecosystem give you a head start?
Belgravia	1135-1155	Coffee	Grab a refreshment and catch up with your peers			
The Ballroom	1155-1225	Networking	Structured networking - An opportunity to meet some new faces			
Breakout Rooms	1230-1335	Roundtable Session	Could open finance help you match your customers to the right mortgage?	A look at the affordability of housing	Tightening up the definition of green mortgages	Are you doing your (consumer) duty?
The Ballroom	1335-1430	Lunch	A seated formal lunch			
The Ballroom	1430-1500	Keynote	Home Truths - A detailed look at the reasons behind, and the solutions to, the UK's housing shortage from author Liam Halligan . Wearing his other hat as Economics and Business Editor at GB News, Liam will also set out the political implications for the housing market with a potential change in Government on the horizon			
Breakout Rooms	1505-1610	Roundtable Session	How might AI enhance the mortgage lending process?	A look at the affordability of housing	Can we help Generation Rent become Generation Buy?	
The Ballroom	1615-1645	Keynote	The Penalty Shoot-Out. Making good decisions and executing tasks under pressure. Ben Lyttleton , football journalist and author, will pass on crucial leadership lessons from the world of football.			
Belgravia	1645-1730	Farewell and Fizz	We thank you for joining us over a glass of bubbly			

MORTGAGE MEETING OF MINDS

THE AGENDA

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THE BUSINESS ECOSYSTEM

1. WITH MORE AND MORE COMPETITION ENTERING THE MARKET, COULD PLAYING A LEAD ROLE IN THE HOUSING ECOSYSTEM GIVE YOU A HEAD START?

- How are you attracting new business? Are you an online broker offering ease of application? Are you an IFA, or a network or club member receiving your leads from the mother ship? Are you a building society with loyal customers relying on your specialist knowledge?
- The more tech savvy will go on line and seek an approach they feel comfortable with. The time poor will be keen to offload the whole process. Perhaps different generations favour different approaches. Or maybe it’s a blend
- So how do you stand out? Could playing a pivotal role in the wider housing ecosystem help you to stand out?
- A relationship with estate agents, solicitors, surveyors, property renovators, insurers,

builders, removal firms and even utility providers would ensure you are well placed to offer a fuller service to your customers. All customers seek to save time and money

- It would also help the business keep up to speed with local trends, new regulations and property developments.

You just need to identify which customer segments are most attracted to the ecosystem proposition, how to approach them, and which are most valuable. Easy peasy!

TECHNOLOGY

2. CONVEYANCING – WHY IS IT ALL SO SLOW? HOW STREAMLINED CAN IT GET?

- Can it really all be done online? What are the pitfalls?
- Is it the case that brokers use people and the tech players believe it can all be done online? Or are the lines far more blurred.
- The Land Registry have created a 22+ Digital Strategy. The goal is to reduce the time between offer and completion to 15 days... Now wouldn't that be nice! A faster, more dynamic market would have a tangible impact on GDP. People would be able to move for work purposes with greater confidence; the pace of house renovations would increase – a fillip for the building industry; the Government would receive the revenues from stamp duty in a timelier way; and the banks would not have to hold quite so much illiquid capital. What's not to like?
- Now here's a stat: The Land Register covers around 88% of the land area. The registered properties are worth around £8 trillion and have between £1 - £1.5 trillion of lending secured against them. The Register has more than 26 million entries. Well, quite a few statistics actually. So, who owns the other 12%?

Expert: Andrew Lloyd, Chief Customer Officer, PEXA

3. HOW MIGHT ARTIFICIAL INTELLIGENCE (AI) ENHANCE THE MORTGAGE LENDING PROCESS? WE HAVE ALL HEARD THE HYPE, BUT HOW MIGHT IT WORK IN PRACTICE?

Here are some suggestions:

- **Improve customer experience:** AI can provide real-time, personalised customer experiences, helping mortgage advisers better understand their customers' needs and preferences
- **Automate routine tasks** e.g., data entry and document processing
- **Provide useful insights:** AI can examine data from various sources to provide insights into market trends and customer behaviours
- **Enhance risk assessment:** AI algorithms can analyse vast amounts of data to help mortgage companies make better risk assessments and underwriting decisions
- **Optimise processes:** It can look at data from past transactions to identify areas for improvement in the mortgage lending process
- **Detect fraud:** AI can use machine learning algorithms to detect potential fraud in mortgage applications and prevent illegal activities
- **Automate document management:** AI can make it easier for mortgage advisers to store, manage and access customer information and loan documents

And if you were able to get this all up and running, your advisers would then be free to spend their time offering a more personal service to your customers. What's not to like?

4. OPEN FINANCE – A FINANCIAL HUB TAILORED TO THE NEEDS OF EACH CUSTOMER. COULD THIS HELP YOU MATCH YOUR CUSTOMERS TO THE RIGHT MORTGAGE?

- Marketplace banking (or the 'hub and spoke' model) is the hub into which the customer plugs different spokes, or services.
- The marketplace gives the customer a single place to discover and manage products and services based on their spending patterns and preferences. It helps them stay on top of their money. It means they never pay more than they need to for things like energy tariffs or insurance cover. Instead, the hub company finds, suggests and switches them to plans or deals that are perhaps more appropriate.
- By drawing from a deeper pool of data, open finance products can learn more about a customer's goals and spending habits. In the same way that open banking allows a finance app to give personalised savings advice, open finance could enable you to match a mortgage to the customer's exact needs.
- Are your customers receptive?

REGULATION

5. PRICE IS WHAT YOU PAY, VALUE IS WHAT YOU GET. ARE YOU DOING YOUR (CONSUMER) DUTY? AN OPPORTUNITY TO CHECK YOU HAVE ALL BASES COVERED.

Can the Consumer Duty help you differentiate your client proposition? Figuring out the right price to charge for your products and services is a fundamental consideration for anyone wishing to operate a profitable business. In the same vein, clients are always trying to assess whether they are being charged appropriately for the services they receive, particularly in these financially tough times.

The FCA describes Consumer Duty as:

- A new Consumer Principle that requires firms to act to deliver good outcomes for retail customers
- Cross-cutting rules requiring firms to act in good faith, avoid causing foreseeable harm, and enable and support customers to pursue their financial objectives
- Four Outcomes rules requiring firms to ensure consumers receive communications they can understand, products and services meet their needs and offer fair value, and the support they need.

Lenders expect you to be on the case as well. They may expect you to provide them with any relevant sales and management information, to demonstrate that their products are being distributed correctly with consideration of customer outcomes. This is in line with Consumer Duty rules and could include relevant sales information, such as your policies and treatment of vulnerable customers, or your complaints data, for example.

The Consumer Duty is ultimately about doing the right thing and being comfortable demonstrating doing the right thing. This session will ensure you have it covered.

YOUR CUSTOMERS

6. A LOOK AT THE AFFORDABILITY OF HOUSING. MAYBE NOT YOUR PRIORITY BUT PRESUMABLY MORE PEOPLE JOINING THE HOUSING LADDER MEANS MORE POTENTIAL CUSTOMERS IN THE FUTURE.

- The most common measure of the affordability of housing is the ratio of house prices to earnings. In 1995, the average house in London cost around three times the average wage. By the end of 2021, that ratio had risen to about 11. A multiple of three or below is generally deemed to be affordable. For the UK as a whole, the ratio is running

at about 7. So not great for those on lower incomes or without the perk of an account at the Bank of Mum and Dad.

- It is generally acknowledged that at the root of all this is the shortage of new housing. But as this will be addressed elsewhere in the programme, this session will focus on what can be done to aid affordability.
- There are the initiatives in place such as Rent to Buy, Shared Ownership and Help to Buy, and then there is all this talk of much longer repayment mortgages. However, according to Government figures the average first-time buyer is 34 years old, so a 40-year mortgage might not be that attractive.
- What do you feel is working well? Any gaps in the market? Can we reassure prospective first-time buyers that they mustn't give up?

7. CAN WE HELP GENERATION RENT BECOME GENERATION BUY BY GETTING THEM MORTGAGE READY?

- How on earth do people seeking to enter the property market save the substantial deposits needed? Lived expectations these days are different and expenditure which is taken for granted now was not part of the fabric of society in the past. For example, there were no iPhones, SKY, Pret etc. So, the amounts involved are daunting
- So, can we take these aspirational home owners on a journey to make that transition to saving for the mountainous deposit; to make them mortgage ready? There are a lot of companies out there trying to do just that
- We will ask them to explain how it works and whether it is working.

Expert: Lewis Scott, Homely Global Ltd

EVOLVING PRODUCTS

8. CHANGING PERSPECTIVES ON THE HOUSE AS AN INVESTMENT: A LOOK AT THE BUY-TO-LET MARKET

- The growth in landlords and the private rented sector was enabled by the introduction of the assured short hold tenancy and the buy-to-let mortgage lending market
- However, this may now be changing with the proposed introduction of the Renters' (Reform) Bill and the need for Energy Performance Certification to a high level
- Do you have the data? Are you aware of the measures your mortgagees will need to take to comply as, by the way, apparently the focus will then shift to lenders and their back books? Are you all ready?

9. IT IS LIKELY THAT GREEN MORTGAGES WILL HAVE AN ATTRACTION SO LET'S TIGHTEN UP THE DEFINITION.

As we wade our way through a soggy summer, global warming may seem a bit of a myth! However, there is no denying the direction of travel and so the greening of mortgages – or at least the mortgage process - would seem a natural step.

However, to widen the brief here are some suggested points for discussion:

- Understanding flood risk: working with third parties to harness flood risk and environmental data for lending decisions
- Reviewing the digital conveyancing process: working towards the removal of all paper or wet signatures
- Developing a valuation strategy which reduces the need for physical inspections or visits
- Scrapping jargon to help improve financial literacy

- Making UK homes more sustainable by educating and incentivising people to ensure their homes are well insulated
- Helping to reduce carbon emissions from UK homes
- Building partnerships and coalitions to push for change.

So, to tighten up that definition ... how about first looking at what we can control, and then looking at the ideal.

Expert: Rachael Hunnisett, Green Mortgage Campaign Lead, Green Finance Institute