FOR MORTGAGE INTERMEDIARIES ONLY

Episode 1: First-time buyers (Powered by Partnership Podcast)

Hosted by Francesco Di Pietro, Newcastle for Intermediaries with Ben Riley, First Mortgage and Paul Broadhead, Building Society Association

English (UK)

00:00:22.120 — 00:01:37.550 · Speaker 1

Hi and welcome to the power BI partnership podcast from Newcastle for intermediaries. I am Francesco Di Pietro, head of intermediary mortgages at Newcastle Building Society, and across this series I will be talking to leading voices from across the mortgage industry about the issue ship in the market and what they mean for both brokers and their clients.

Where better to start than with first time buyers? In the UK, the average first time buyer is over 34 years of age. More than half need two incomes to buy, and nearly 1 in 3 now rely on family support to fund their deposit. But the market isn't standing still, and we're seeing lenders introduce new low deposit options and more flexible approaches designed to widen access to home ownership.

But our first time buyers are really aware. Are they making a real difference? And what can brokers do to help customers take advantage of the opportunities available today? To help answer those questions. I'm delighted to be joined by Ben Reilly, who's director of First Mortgage Northeast, and Paul Broadhead, head of mortgage and housing policy at the Building Society Association.

Let's get started. Morning, Paul. Morning, Ben. Franklin. How are we doing?

00:01:37.590 — 00:01:40.990 · Speaker 2

Well, good. Thanks for having us. Yes. Brilliant. Thank you. Great to be here.

00:01:41.670 — 00:01:51.150 · Speaker 1

In terms of a bit of an introduction, I think it would probably be really useful if you just give a bit of a background in terms of who you working for, what you're doing, your passion for the industry. Where did it come from? Did you fall into it?

00:01:51.270 — 00:02:22.550 · Speaker 2

So my my background, I've been in the mortgage industry now for I think this is my 31st year in the mortgage industry. Started my life out as building society. Um, have been right through that kind of conversion to a bank and done a whole host of roles in between. But the real attraction for me was taking this role on a number of years ago was to to set up the BSA's mortgage team, uh, come back to the building society sector and help to shape the policy environment that hopefully will support people to achieve the dreams of homeownership.

00:02:22.590 — 00:02:30.030 · Speaker 1

And, Ben, we've known each other for a little while now. Um, your business has grown from strength to strength. But how long have you been in the industry now?

00:02:30.790 — 00:02:32.270 · Speaker 3

Fell into the industry

00:02:33.630 — 00:02:56.870 · Speaker 3

back in 1999. Wow. And I got a job in northern Rock, um, as a mortgage advisor. Being a sporty kid, as soon as I got in there, I seen league tables, and it just, it just it just went from there. And then I went into the estate agency broker world and saw everything I didn't like about that world. Yeah. Um, I wanted to create, um,

00:02:58.030 — 00:03:04.980 · Speaker 3

a mortgage dream for advisors, where they just talk about mortgages and protection and helping people, um,

00:03:06.140 — 00:03:27.060 · Speaker 3

get the dream home and what have you. Um, and that that was started in 2007 when my business partner, Phil McGuire, from my my bedroom, not together on my yard. But I always say that since then, I mean, we were averaging, I don't know, 200 mortgages a year. Yeah. I think this year we'll complete on 8000 mortgages since getting into bed with the first mortgage.

00:03:27.100 — 00:04:12.810 · Speaker 1

Well. Thanks, Ben. Um, well, here to talk about first time buyers and the BSA have done some really good campaigns this year. Paul. Um, I've actually provided two of my favourite statistics of the year. Um, around the Think Again campaign. So it would be great if we can just get you to delve into that, because for me, these these are sort of really significant when I look at these stats that you put out there.

So what you have published is that the 47% of aspiring buyers had never spoken to a lender or a broker. Yeah, these are aspiring partners, but a frightening one for me is 67% would have bought sooner if the aware of the low or zero deposit options. So talk us through why did you put our campaign together and what has it done in terms of perception in the market?

00:04:12.850 — 00:05:34.160 · Speaker 2

Well, I think we know, don't we? The challenges facing first time buyers, typically around affording the mortgage payment or raising that, that deposit. But the third challenge, I think that quite often is overlooked is that perception gap. And there's a clear perception gap because people let's face it, I mean, look at the challenges we've had in recent years.

And, you know, first time buyers are consuming whether they like it or not, almost a daily dose of doom and gloom, information that just thinks, look, that's not going to be for me.

Um, and as you said, we've, we've, we've undertaken that research that shows, you know, half of them haven't spoken to a lender or broker, don't even know what the art of the possible is.

Yeah. And of those that have, they haven't done so in the, in the last year. And all of the innovation that we've seen going on across the building society sector, including at Newcastle. Um is really trying to address some of those challenges. It's making consumers aware that those opportunities are there, and it's just about saying to people, don't be concerned about seeing what your options are if you have an aspiration to buy, because if the answer is no, that isn't going to adversely affect your credit record at all.

But what that will give you is the tools to make sure that you get yourself mortgage ready and give yourself the best chance of achieving those dreams. Um, when you're ready to do so. But actually, for two thirds of those people that can achieve those dreams now and they didn't even know.

00:05:34.200 — 00:05:52.920 · Speaker 1

Yeah. And it's that information early in the process, isn't it? And, Ben, um, with your high street presence and online presence as well, I suppose you sort of see a number of first time buyers come through the door or the options that have been put on the table in terms of low and no deposit options, support a first time buyers.

Is it enough?

00:05:52.960 — 00:06:20.959 · Speaker 3

There needs to be more. Obviously I'm from a day and age where, you know, you could get 100% mortgages regularly by several different lenders. Um, and it did work. The problem came was the crash in 2000 and, you know, the late, the late 2000. Yeah. Um, but that did have a positive effect on the industry because, you know, affordability, affordability, calculators and, um, assessment of people's actual circumstances was far greater

00:06:22.080 — 00:06:25.760 · Speaker 3

than it's ever been, you know. So, um,

00:06:26.840 — 00:06:37.800 · Speaker 3

in terms of, like, buyers knowing about these schemes that they don't really, um, and it's difficult for a mortgage firm to, to get it out there because it costs money.

00:06:37.840 — 00:06:38.360 · Speaker 2

Yeah.

00:06:38.400 — 00:07:07.270 · Speaker 3

Yeah. You know, to market, um, you've now got all these digital platforms, you know, your TikTok's Instagrams and brokers such as ourselves. We are trying our best to get the message out to clients. But obviously, in terms of brokers, be all older you are, the less likely you are to want to use TikTok and Instagram and what have you.

So there's got to be more ways that brokers can actually get the message out without without costing costing money.

00:07:07.310 — 00:07:42.830 · Speaker 1

And should I just sit on brokers as well though, because from my perspective it feels as though we talk around partnerships. Yeah. Education of clients. So we know that the two biggest barriers to home ownership are deposit availability and affordability. We've mentioned that the third one, as you mentioned, there is that is the underpinning lack of knowledge of and awareness of what is available.

So you've got a number of brokerages trying to push that. You've got the base thing campaign. You've probably got lenders doing stuff in silos as well on the direct side, but also on the intermediary side as well. But but bringing all of that together feels as though it would be a really powerful thing to do.

How do we do it?

00:07:44.110 — 00:08:49.060 · Speaker 2

Well, we've got to we've got to work together as an industry, haven't we? We talk often about the mortgage market or the housing market. And now there are those are single homogenous entities are there. They are made up of brokers, um, lenders, uh, financial advisors, home movers, estate agents, conveyances.

The list can go on. Um, but what we need to do is to kind of bring all of that, the parts of that ecosystem together to start to address some of these challenges and get that message out there. Because the more we we talk about how difficult it is and let's not, you know, let's not glaze over that it is challenging out there for many.

You know, we did some research a couple of years ago that shows you that for first time buyers today, it's the most difficult it's been since the 1950s because you've got that double challenge of the cost of buying. So actually deposit and actually stamp duty and everything else, then the cost of owning.

Now we've seen what you might call a normalisation of of interest rates. But we've absolutely we can agree that the first thing that you should do if you're thinking about this is speak to a mortgage advisor or speak to a lender, and we can all get behind that message and we should all get behind that message.

00:08:49.100 — 00:09:15.500 · Speaker 1

Yeah. And doing it in partnership I think is a key piece as well, isn't it? What type of use are very, very Big Ben. From what I hear, um, from a lot of your brokers and customers as well. Um, nurturing the customer during the process, getting information to them early. Can you can you talk us through a little bit around, you know, how what technology have you deployed to help support customers awareness early in the mortgage journey, maybe before you even ready to transact?

00:09:16.420 — 00:09:27.500 · Speaker 3

Yeah. I mean, I'll start with a big point that would get a lot of first time buyers coming through the door when they've had an offer accepted. Yeah. You know, so they're not going to know about the schemes.

00:09:28.100 — 00:09:29.780 · Speaker 1

Sort of already came to you. You haven't.

00:09:30.180 — 00:10:37.290 · Speaker 3

They've had no advice. Yeah. You know the the when to view the house. Yeah. This estate agent hasn't asked for a decision in principle. I don't offer accepted. They've come in. Um, so it's kind after the horses. Yeah. Um. But then you get a lot who come, you know, a year out. Two years. Are we still sign people up for mortgages that were supposed 2 or 3 years ago?

Because the right, the right thing to do is, is what Paul said is come in. Get your ducks in a row and then, you know, you start the plan. Um, in regards to the how we support that, obviously we would have our initial meeting. We'd do the fine, find out where they're at, and sometimes they won't even have a deposit.

Um, they might have a lot of debt that's preventing them from saying for a deposit. So we'll put we'll put them on the right path to achieve what the what they're what they're after. Um, in terms of how we support that. Obviously any, any advisor within our firm would stay in touch with, with the client. Um, monthly.

Quarterly. Um, technology wise, we would put them on a nurture program.

00:10:37.410 — 00:10:40.570 · Speaker 1

Yeah. And how long does that usually take before you see some conversion?

00:10:40.970 — 00:10:50.050 · Speaker 3

It depends on the client, because a lot of the time a client will come in with no deposit. They'll go home, speak to one of the largest lenders in England, er in the UK, the Bank of Mum and Dad.

00:10:50.290 — 00:10:50.570 · Speaker 1

And all.

00:10:50.570 — 00:10:52.490 · Speaker 3

That. And as soon as they've had the advice,

00:10:53.920 — 00:10:56.040 · Speaker 3

Let's come back and say, actually, I've got a deposit.

00:10:56.240 — 00:11:32.960 · Speaker 2

Yeah, literally. Yeah. And that's, that's really important, isn't it, that, you know, that Bank of Mum and Dad is one of the largest lenders, and it's increasingly it's becoming that you can only really achieve your dream of home ownership if you've got that family support. And I think quite a lot of the innovation you've just touched on 100% mortgages and low deposit mortgages, we need that as well.

For those that haven't got that, that family wealth. And quite often we have this rhetoric around 100% mortgages, self-employed or this is what caused everything to go wrong back in 2008. Let's be clear. No, it isn't, uh, at all. Um, there was a whole range of moving parts then that.

00:11:33.240 — 00:11:35.280 · Speaker 1

Was more and more variables add up to that argument.

00:11:35.320 — 00:12:22.670 · Speaker 2

Absolutely right. And if you think about that provision of if somebody can get a mortgage with as little as a £5,000 deposit or, uh, no deposit at all, and they can afford that mortgage, that's life changing for them. And we know that if people don't achieve that dream of home ownership, there's some research done last year by Standard Life.

That shows if you have to rent for life, you need to save an additional almost £400,000 into your pension to pay your rent in retirement. Now, if you've not got a 10% or a 5% deposit in your 30s, you have not got 400,000 extra pounds in your late 60s and 70s to pay that rent. So it's really important for as a society and as a country that where people are creditworthy and have the aspiration to achieve homeownership, we support them where we can.

00:12:22.710 — 00:12:53.870 · Speaker 1

Yeah. And it feels like there's a there's a bigger, wider economic impact in terms of support and homeownership at an earlier age is 34. That trend continues to go forward. You mentioned the bank of mum and dad. You mentioned the entry of people who have that support. And just looking through the stats there 3 to 5 years earlier, they will achieve homeownership 3 to 5 years earlier.

For a 34 year old, that's only 10%, if not up to 1520 in some circumstances. So so what more can we do in terms of an industry? What we're seeing in terms of demand from first time buyers or a taken longer term span.

00:12:54.950 — 00:13:34.430 · Speaker 3

Absolutely. I mean, you've previously got I mean, when I started out advising, I think it was like people used to walk in and say, I want a 25 year old. Yeah, that was the that was the dumb thing. Was it? You know. Um, but a lot of a lot of guys come in now and based on the budgets, um, you know, a lot of people are taking for years.

And the beauty of being a 40 year, it doesn't have to be 40 years. You know, every time we sit down with our clients because it's a journey for us. We're not just there to get them in the house and forget about them. You know, we'll sit down with them after when the product end here comes and we'll look at, uh, the whole situation again and the budget.

And if they can afford it, we'll, we'll, we'll take the turn down.

00:13:34.590 — 00:13:37.150 · Speaker 1

Yeah. That's the key. Sorry, Paul. Go on.

00:13:37.270 — 00:14:13.420 · Speaker 2

No, I'm just going to say that that's that's really, really key, isn't it. Because we've got over half of first time buyers now take a mortgage term over 35 years. And again that sharp intake of breath quite often. But that's the key point that you know, that gets them starts somewhere on an even keel. So they adjust that affordability.

Life changes and they progress in their careers and the circumstances change. And keeping in touch with that mortgage broker, who's going to say to them, look, you've had that change. Now, if you do this, this is going to save you five years on your mortgage and tens of thousand pounds worth of interest for this much extra per month.

We can ask that your hand off. If you don't tell them, they don't know, they don't do it all.

00:14:13.420 — 00:14:30.740 · Speaker 1

You mentioned a little bit there on the societal advantages of creating more homeowners across the UK. From my perspective on that, or from your perspective, shall we say, we're here to listen to you. Um, you know, what benefits do you think it would bring if we could bring home ownership to more people earlier in their life?

00:14:30.780 — 00:15:46.650 · Speaker 2

Well, I think people, you know, well, let's go back to that research that those aspiring first time buyers, many of them are also putting off starting a family, getting in a long term relationship, or maybe for many of them, even starting a business. So actually, the societal benefit of those alone, you know, to that individual is huge.

So let's not overlook that. it also gives people pride in place. It gives them security of tenure and stability and to build their life going forward. So actually, the economic benefit for society of increased productivity, confidence and optimism is huge, uh, as a country. So we should absolutely focus on, on on that.

Um, and we need to support people. The other thing is, if we have seen much of the council housing stock over the last couple of decades sold off, we've got lots and lots of what would historically be social tenants now housed in the private rented sector. And if we don't support people, we need to sort that out, which again, is a huge bill for the government.

So to give people the tools to to kind of build their own lives and create their own security is great for us as a nation. And it's something that we should. Absolutely. We want to be an aspiration. We want to be an optimistic nation. Um, we also we need to be focusing on that.

00:15:46.690 — 00:16:15.250 · Speaker 1

Yeah. First time buyers. Right. So if we we know the demand I can't remember the exact transaction numbers. I believe it's over 300,000, which is up on the year before as well. So a significant part of the overall market I think just under 40% in total. That's going to put a strain on housing stock, which then puts a strain on house prices.

And then you get into affordability challenges. You need a bigger deposit. So I just really want to take your views on, you know, how on earth do we solve this supply versus demand issue.

00:16:15.370 — 00:17:18.880 · Speaker 2

So we've got well, first of all, as a you know, it's not successive governments have failed. For years I was just about to say but successive governments haven't failed. For years they've failed for decades to build enough homes were hugely under built in the UK. And we need to start focusing on a coordinated housing strategy that makes housing for people more affordable, accessible and appropriate for the needs of those people.

Right. That's where we we need to be. We know there are challenges for the housebuilding sector in terms of some of the economics that have happened in recent years. The government's doing some stuff on planning reform. But you know, there needs to be a long term strategy. Every single party. Every single election tells you that housing is pretty much in the top three on their list.

Can't we just work together on this and agree as a nation that irrespective who is the governing party, we need to focus on that, that housing supply and its diversity of housing supply as well. You've got the largest housebuilders that dominate. If you look at some of the lending that we do across our sector, we do virtually all of the self-build lending in this country.

And I speak to politicians.

00:17:18.880 — 00:17:20.640 · Speaker 1

Building societies, building societies.

00:17:20.839 — 00:17:41.200 · Speaker 2

Um, I speak to politicians. They say, yeah, but that's tiny, isn't it? No, no, that's the equivalent of a third or fourth largest house builder collectively. So let's focus on support that. Let's focus on support SMEs. So we absolutely need to get a grip of of that um, because you need that supply side intervention as well as the demand side of it, as you say house prices going off.

00:17:41.240 — 00:17:44.360 · Speaker 1

Cross-party solutions I think is the key one. And that one.

00:17:44.400 — 00:17:45.480 · Speaker 2

Will not be novel.

00:17:45.800 — 00:17:48.830 · Speaker 1

It will be lovely, it will be lovely, but we'll not get into that.

00:17:50.270 — 00:18:11.870 · Speaker 1

What we will get into is the performance of the North East property market. Um, because that has outperformed the rest of England. Um, predominantly because we've seen obviously lower prices and lower rents across the piece. Do you think that we can start to see the actual challenges that we've seen in the southern part of the country, reflect itself in the northern part of the country?

Probably one for you, Ben.

00:18:12.670 — 00:18:43.110 · Speaker 3

Yeah. I think, um, when it comes to, you know, rental demand in the northeast, it's probably been largely left, left alone, but it's it's now slowly filtering. So you've got a lot more landlords down south looking to invest in the northeast, which is difficult for first time buyers because some properties are getting snapped up.

And then you've got all these different schemes that have come in since I've been involved. You know, you've got Airbnb. Yeah, we've got the social housing now. Yeah. Um, so northeast is a very attractive area.

00:18:43.430 — 00:18:45.550 · Speaker 1

Um, because of them yields as well. Let's come back.

00:18:45.630 — 00:18:46.870 · Speaker 3

To the yields. Exactly.

00:18:46.910 — 00:19:27.540 · Speaker 2

Yeah. Because because the Eagles are huge. I mean, if you look at the house price growth in the northeast, it's double that of London in the southeast. Yeah. Look you've got the average yields for landlords and knocking on the door of 8% I think. Yeah. Um as well. So that makes it much more attractive. Uh, and we've got a government that wants, um, growth in every postcode, and that's really important.

And I don't like talking about averages because I've never met the average person. And if I did meet the average person, I probably wouldn't tell them that they were the average person. But but if you look at the average house price in the northeast versus the average income, we're still at five times. Yeah.

Now we've got a regulatory definition of high loan to income. That's at four and a half times. Yeah. Yeah. We're talking about five times being the most affordable part of the UK.

00:19:27.700 — 00:19:27.860 · Speaker 1

For the.

00:19:27.860 — 00:19:29.180 · Speaker 2

UK. So so regulation.

00:19:29.220 — 00:19:30.740 · Speaker 1

1213 when you're looking in.

00:19:30.780 — 00:20:02.940 · Speaker 2

Yeah exactly. So regulation has a real part to play. So make sure the regulatory environment still supports people to access home ownership when they try and take account of the changing demographics and the change in circumstances that the country faces and should focus on, you know, moving back from that kind of going far too far in terms of financial stability only and taking the risk out of lending to, um, regulating for growth.

And that's something that we need to focus on to make sure that people can afford to get access to home ownership, irrespective of which postcodes you live in.

00:20:03.060 — 00:21:08.490 · Speaker 1

Yeah. And also adhering to the responsible lending guidance as well. For sure. And there's lots of conversations that are going on isn't there from both a regulatory perspective trade body side, but direct lender as well to make sure that that happens. But if we sort of just look as well because we've got some stats there on the first time buyer sort of prices across the rest of the country.

Um, so we've got, again, 5.9% in the North West. There's been an increase of um, and in the Yorkshire and Humber again, that's also increased by 1.3%. So there's some significant growth across the whole of the UK in terms of what the average first time buyer price has been. So it's having an impact across the whole piece.

So so if we sort of unlock this demand, we get out there and we we educate all of the potential new first time buyers who now know they can move. We've talked a little bit around the sort of, you know, the challenges that we may have with supply and how we can try and overcome that and what we want to see for it as well.

Um, do we still think then, if that's the case, that deposit availability, affordability are going to be the biggest barriers to home ownership?

00:21:08.530 — 00:21:26.050 · Speaker 3

I'll give you two scenarios, but you've got a couple first time buyers okay. Living at home with parents. They've got a car loan. They've got a credit card. They've got a they've got a mobile phone. They're on the borders. Rule two of the again, they're people who are actually in rented living together.

00:21:26.090 — 00:21:26.730 · Speaker 1

Yes.

00:21:26.890 — 00:21:48.760 · Speaker 3

They've got none of that. They were just on the road, as are all. Yeah. Would a lender in. You're a lender. You know, would a lender say yes to applicants? One who were living with their parents? Yeah. Because they've got all of that. Because they've passed the score and potentially saying no to applicant twos who of proven they can pay rent.

Well, they've got no credit.

00:21:48.800 — 00:22:08.640 · Speaker 1

Yeah, that's a fundamental piece, isn't it? So you're what you're saying. They actually you've established a really good track record of the responsibility of being able to make your payments over here, and so have you over here. But that one's not on any sort of credit score at all. And that's an impact in your ability to go and purchase.

Well, what's your view from that to anything you say?

00:22:08.680 — 00:22:21.320 · Speaker 2

I think it's a really, really important point. You know, increasingly people have got a story to tell that shows how they're creditworthy. And let's let's go back to kind of basics of lending, what the lenders want to know from a borrower.

00:22:21.440 — 00:22:22.080 · Speaker 1

Yeah.

00:22:22.160 — 00:22:22.480 · Speaker 2

Can you.

00:22:22.480 — 00:22:22.720 · Speaker 1

Afford.

00:22:22.720 — 00:22:24.480 · Speaker 2

To pay me back? Yeah. Are you likely to.

00:22:24.520 — 00:22:24.760 · Speaker 3

Yeah.

00:22:24.800 — 00:23:12.720 · Speaker 2

Yeah. Okay. That's that's the question. As a lender, you want to address and you want to make sure that's sustainable and all the rest of it. One thing I would say is, if you look at the building society sector and every building society credit scores, so we've got an opportunity there there as well. And the other thing I would say, and I say this repeatedly, but I mean it hand on heart, I genuinely mean it that not every building society is going to be in a position to support every first time buyer, but every first time buyer will find a solution in the building society sector.

So I think, I think my message then is to to brokers and users exactly on it. Then it's to make sure that you're looking fully across the market and identifying these innovative solutions and introducing those to the throughout borrowers. And that's fundamental. And that is the value of of the advice and the support that you provide people to help them to achieve their dreams.

Yeah.

00:23:12.760 — 00:23:45.070 · Speaker 1

And in that instance as well, then for me, I think in terms of the partnership, because it's key that we're working together to educate clients on both the challenges, but the opportunities to you should be having that type of conversation, if you would. In that scenario, you're really comfortable to talk about, you know, the scenario of the people who are renting in that area.

You know, when do you bring the land in? And our conversation is the land that we should absolutely be doing what you're seeing there. Paul is trying to find a solution. So the computer may say no, but can we make a really good reason for it to say yes and back that up.

00:23:45.150 — 00:23:56.590 · Speaker 2

Yeah. And they said, this is the wristwatch technology, isn't it? That we put so much emphasis on the technology? Forget the human bit. The the computer's there to give us all of the information for the human to say yes or no, frankly, not the computer so much.

00:23:56.710 — 00:23:58.430 · Speaker 3

Yeah. No. It's fine. Um.

00:23:58.550 — 00:23:59.390 · Speaker 1

You get passionate.

00:24:00.710 — 00:24:32.030 · Speaker 3

Pause. Bang on. You've got you've got certain lenders that you know. Um, I mean, you did you did a case this week where we're classed as an exception, you know. Yeah. So there is, um, the human element. There was certain lenders, but some lenders just computer says no. But like you say, you know, we've got access to every single lender, broker lender in the UK.

So you may not fit there but we can put it there. Yeah. You know, so um, some lenders come with lots of flexibility, totally different ways of thinking.

00:24:32.030 — 00:24:47.940 · Speaker 1

So when we're thinking about this and thinking about brokers himself. Yeah. What's the most important thing that they should have in front and centre of their mind when they're trying to support a first time buyer through their obviously first ever. And well, that's a home ownership journey. It's probably a better way.

00:24:48.980 — 00:24:51.620 · Speaker 3

Springs to me. It's just the right customer outcome.

00:24:52.220 — 00:24:52.980 · Speaker 1

Deliver or not.

00:24:53.100 — 00:25:04.060 · Speaker 3

Delivering it. Just delivering a first class experience. Delivering, making sure they actually understand what they're getting into and actually know what the what the pain and what they're paying for.

00:25:04.100 — 00:25:05.220 · Speaker 1

Yeah. Powerful.

00:25:05.420 — 00:25:43.930 · Speaker 2

Well, yeah, I think for me it's the customer understanding. I mean, I completely just said about that outcome, but it's understanding as well. I think as, as we go forward with the, um, you know, the revolution almost of AI and the kind of tech that we've got, we need to make sure that we use that in a way that still gives us that human empathy to understand what people's needs are.

And don't assume, as we get this next generation of first time buyers who have grown up as digital natives, I mean, digitally savvy means financially savvy because that advice and handholding through that process towards the biggest purchase of their lives is vital. And I think you're really, really well placed to achieve that.

00:25:43.970 — 00:26:13.250 · Speaker 3

Yeah. I mean for us it's a it's a massive thing. The customer experience, the outcome that we do not like doing appointments over the phone. Yeah. Because you know we cannot gauge if the client understands or not. So since Covid we were very, very heavy. Face to face in our branches, high street presence we've had we're still obviously they're just like Newcastle or um, but we've had a, you know, heavily on video now and we encourage anyone who wants a phone call, let's get you on video so we can actually share what we're talking about.

00:26:13.290 — 00:26:22.410 · Speaker 2

Yeah, yeah. Sometimes you might want to come in and have a cup of coffee and think I'm a little bit concerned about this ban other, but otherwise it might be. Can you just clarify this for me. And it's important that we give them those opportunities.

00:26:22.450 — 00:26:29.050 · Speaker 1

Guys I really appreciate you both coming along today. Uh, genuine big thanks from me. And I think that's us done for the day.

00:26:29.130 — 00:26:29.850 · Speaker 2

Thanks for having us.

00:26:30.330 — 00:27:42.690 · Speaker 1

Aren't you? Well, that's all we've got time for today. A big thanks to Ben and Paul for joining me and sharing their insights. Before we go, here's my three key takeaways from today. Firstly, more options are opening up for first time buyers. We're seeing longer mortgage terms, higher LTV products and fresh approaches to affordability.

That makes it easier for more people to take that first step on the property ladder. Then it's known what's available really matters. There's still a big awareness gap when it comes to low deposit and flexible lending, and that's where brokers can add true value to the customers. And finally, the brokers rule is more important than ever.

It's not just about finding a mortgage. It's about helping customers understand what's possible. And a big thank you again to everyone who joined us today at Newcastle for intermediaries. We believe the best outcomes come from working together in partnership to find the right solutions for customers.

If you'd like to find out more about how Newcastle for intermediaries can support you and your clients, speak to your BDM or search for Newcastle for intermediaries online. Thanks for listening and we'll see you next time.