

# Mortgage Arrears and Possessions



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## UK Finance: Mortgage Arrears and Possessions Update Quarter 2 2019

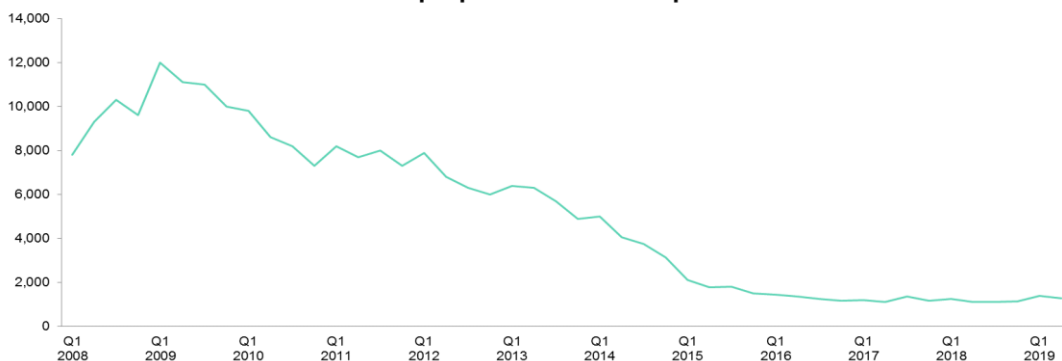
The proportion of homeowner mortgages in arrears remains at historically low levels, with the vast majority of borrowers continuing to repay their mortgages in full and on time each month. There were 75,890 homeowner mortgages (0.84 per cent of all residential mortgages outstanding) in arrears of 2.5 per cent or more of the outstanding balance in the second quarter of 2019, three per cent fewer than in the same quarter of 2018. Within the total, there were 23,370 homeowner mortgages with more significant arrears (representing 10 per cent or more of the outstanding balance on their mortgage), two per cent lower than in the same quarter of 2018.

1,270 homeowner mortgaged properties were taken into possession in the second quarter of 2019, 15 per cent more than in the same quarter of the previous year, but well below the levels seen between 2009 and 2014 (see chart below). This slight increase in possessions has been driven in part by a backlog of historic cases which are being processed in line with the latest regulatory requirements\*. Lenders continue to show flexibility to borrowers in financial difficulty and possession is always a last resort.

There were 4,660 buy-to-let mortgages (0.24 per cent of all buy-to-let mortgages outstanding) in arrears of 2.5 per cent or more of the outstanding balance in the second quarter of 2019, five per cent more than in the same quarter of the previous year. Within the total, there were 1,200 buy-to-let mortgages with more significant arrears (representing 10 per cent or more of the outstanding balance on the mortgage), 12 per cent higher than in the same quarter of the previous year. Although there have been some increases in buy-to-let arrears, these are small and from a low base.

590 buy-to-let mortgaged properties were taken into possession in the second quarter of 2019, two per cent more than in the same quarter of the previous year.

### Residential properties taken into possession



#### Notes to Editor

1 For more information please call the UK Finance press office on 020 7416 6750 or email [press@ukfinance.org.uk](mailto:press@ukfinance.org.uk).

2 UK Finance is the collective voice for the banking and finance industry. Representing more than 250 firms across the industry, we act to enhance competitiveness, support customers and facilitate innovation.

3 \*In 2017, the FCA introduced new guidance (FG17/4) on the treatment of customers with mortgage payment shortfalls, including the way firms calculate these customers' monthly mortgage instalments. Lenders have been reviewing a large number of cases on an individual basis in line with this guidance, applying for possession only when all other options have been exhausted. The FCA guidance can be found here: <https://www.fca.org.uk/publications/finalised-guidance/fg17-4-fair-treatment-mortgage-customers-payment-shortfall>

4 In our Q2 2019 Arrears and Possessions release, we revised the figures for buy-to-let possessions in 2018 due to an improvement in methodology.

5 The data shown are for first charge mortgages only. Figures are reported by most UK Finance mortgage members and presented here on a grossed-up basis from that sample to reflect total market size.

6 Arrears and possessions figures are for the UK as a whole. There is no breakdown of data for English regions or for individual countries in the UK.

7 As of Q2 2018, all arrears and possessions figures are rounded to the nearest 10 (excluding percentages).

8 The Ministry of Justice publishes mortgage and landlord possession statistics, which can be found here: <https://www.gov.uk/government/collections/mortgage-and-landlord-possession-statistics>. These include quarterly national statistics on possession claim actions in county courts by mortgage lenders and social and private landlords.

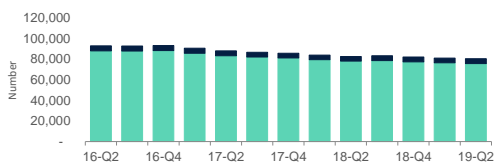
Next update:

14 November 2019

## Mortgage Arrears

### Number of mortgages in arrears

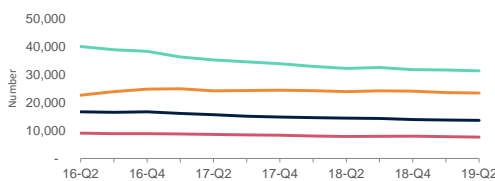
Number of first charge mortgage loans in arrears representing over 2.5% of the outstanding balance



	Latest (19-Q2)	Y-o-Y comparison
Homeowners	75,890	-3%
Buy-to-let	4,660	5%

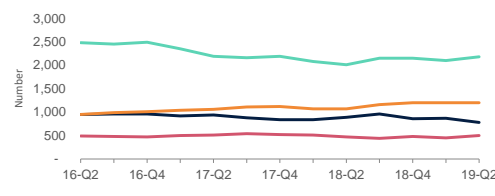
### Number of homeowner mortgages within arrears bands

Number of first charge homeowner mortgage loans in arrears, split by severity of arrears.



### Number of buy-to-let mortgages within arrears bands

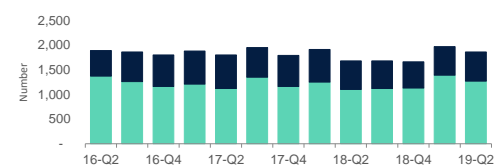
Number of first charge buy-to-let mortgage loans in arrears, split by severity of arrears.



## Mortgage Possessions

### Number of mortgage possessions

Number of possessions of first charge mortgaged properties in period



	Latest (19-Q2)	Y-o-Y comparison
Homeowners	1,270	15%
Buy-to-let	590	2%

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<b>Mortgages outstanding (000s)</b>		16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	18-Q3	18-Q4	19-Q1	19-Q2	Source table
Number of mortgages outstanding (000s)	Homeowners	9,240	9,230	9,210	9,210	9,160	9,160	9,110	9,080	9,070	9,050	9,030	9,020	9,030	AP2
	Buy-to-let	1,840	1,850	1,860	1,860	1,870	1,880	1,890	1,900	1,900	1,910	1,910	1,920	1,920	AP2
<b>Mortgages in arrears (number)</b>		16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	18-Q3	18-Q4	19-Q1	19-Q2	Source table
Arrears of 2.5%-5% of balance	Homeowners	39,980	38,790	38,270	36,220	35,200	34,480	33,810	32,900	32,140	32,480	31,710	31,590	31,280	AP2
	Buy-to-let	2,480	2,450	2,490	2,350	2,190	2,160	2,190	2,080	2,010	2,150	2,150	2,100	2,180	AP2
Arrears of 5%-7.5% of balance	Homeowners	16,660	16,450	16,660	16,100	15,630	15,050	14,810	14,590	14,380	14,260	13,880	13,700	13,610	AP2
	Buy-to-let	950	960	960	920	940	880	840	840	890	960	860	870	780	AP2
Arrears of 7.5%-10% of balance	Homeowners	9,040	8,880	8,860	8,730	8,600	8,420	8,290	8,000	7,870	7,880	7,970	7,770	7,630	AP2
	Buy-to-let	490	480	470	500	510	540	520	510	470	440	480	450	500	AP2
Arrears over 10% of balance	Homeowners	22,590	23,890	24,760	24,880	24,130	24,250	24,380	24,180	23,850	24,160	24,010	23,520	23,370	AP2
	Buy-to-let	950	990	1,010	1,040	1,060	1,110	1,120	1,070	1,070	1,160	1,200	1,200	1,200	AP2
All arrears of over 2.5% of balance	Homeowners	88,270	88,010	88,550	85,930	83,560	82,200	81,290	79,670	78,240	78,780	77,570	76,580	75,890	AP2
	Buy-to-let	4,870	4,880	4,930	4,810	4,700	4,690	4,670	4,500	4,440	4,710	4,690	4,620	4,660	AP2
<b>Mortgages in arrears (% of mortgages outstanding)</b>		16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	18-Q3	18-Q4	19-Q1	19-Q2	Source table
Arrears of 2.5%-5% of balance	Homeowners	0.43%	0.42%	0.42%	0.39%	0.38%	0.38%	0.37%	0.36%	0.35%	0.36%	0.35%	0.35%	0.35%	AP2
	Buy-to-let	0.13%	0.13%	0.13%	0.13%	0.12%	0.11%	0.12%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	AP2
Arrears of 5%-7.5% of balance	Homeowners	0.18%	0.18%	0.18%	0.17%	0.17%	0.16%	0.16%	0.16%	0.16%	0.16%	0.15%	0.15%	0.15%	AP2
	Buy-to-let	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.04%	0.04%	0.05%	0.05%	0.05%	0.05%	0.04%	AP2
Arrears of 7.5%-10% of balance	Homeowners	0.10%	0.10%	0.10%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.08%	AP2
	Buy-to-let	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.02%	0.02%	0.03%	0.02%	0.03%	AP2
Arrears over 10% of balance	Homeowners	0.24%	0.26%	0.27%	0.27%	0.26%	0.26%	0.27%	0.27%	0.26%	0.27%	0.27%	0.26%	0.26%	AP2
	Buy-to-let	0.05%	0.05%	0.05%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	AP2
All arrears of over 2.5% of balance	Homeowners	0.96%	0.95%	0.96%	0.93%	0.91%	0.90%	0.89%	0.88%	0.86%	0.87%	0.86%	0.85%	0.84%	AP2
	Buy-to-let	0.26%	0.26%	0.27%	0.26%	0.25%	0.25%	0.25%	0.24%	0.23%	0.25%	0.25%	0.24%	0.24%	AP2
<b>Mortgage possessions (number)</b>		16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	18-Q3	18-Q4	19-Q1	19-Q2	Source table
Mortgage possessions	Homeowners	1,370	1,260	1,160	1,210	1,120	1,350	1,160	1,250	1,100	1,120	1,130	1,390	1,270	AP4
	Buy-to-let	520	600	640	670	680	600	630	660	580	560	530	580	590	AP4

UK Finance publishes aggregate information on mortgages based on data supplied by our members, and grossed up to estimate total market size.

Source data tables are available to UK Finance members or data associates from [www.ukfinance.org.uk/industry-data-tables](http://www.ukfinance.org.uk/industry-data-tables)

For information or enquiries, please contact [ukfstatistics@ukfinance.org.uk](mailto:ukfstatistics@ukfinance.org.uk)

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