



Mortgage Arrears and Possessions



Release date: 19 May 2022

UK Finance: Mortgage Arrears and Possessions Update Quarter 1 2022

The total number of customers in arrears with their mortgages continued to fall in the first quarter of 2022. Possessions have increased in the first three months of this year, rising from a low base as courts continue to work through the backlog of cases accumulated through the pandemic as a result of the possession moratorium from March 2020 - 1 April 2021.

Overall, there were 75,670 homeowner mortgages in arrears of 2.5 per cent or more of the outstanding balance at the end of March 2022, a reduction of nearly 4,000 homeowner mortgages compared with the previous quarter. This is five per cent lower than the same period a year prior.

Within the total, there were 24,980 homeowner mortgages in early arrears (those between 2.5 and five per cent of balance in arrears), a decrease of seven per cent on the previous quarter and 19 per cent fewer than the same period in 2021. In addition to decreasing, these early arrears figures remain substantially lower than the numbers seen before the pandemic began. Customers who are facing financial difficulty are encouraged to contact their lender early, as they stand ready to help.

Also within the total, there were 29,340 homeowner mortgages with more significant arrears (representing ten per cent or more of the outstanding balance), 670 less cases than the previous quarter. This is the first decrease in these arrears since Q4 2019 – before the pandemic began. Although it is too early to draw out a confirmed trend, this may reflect that customers in very long term financial difficulty and unable to recover are progressing to repossession or sale, which may allow them to realise any remaining equity and to seek more sustainable housing options.

There were a total of 5,860 buy-to-let mortgages in arrears of 2.5 per cent or more of the outstanding balance in the first quarter of 2022 – a decrease of two per cent compared with the previous quarter and five per cent down on the year previously.

In terms of possessions, 580 homeowner mortgaged properties and 370 buy-to-let mortgaged properties were taken into possession in the first quarter of 2022. It is important to note that year-on-year comparisons will look unusually large due to the Possession Moratorium from March 2020 - 1 April 2021, over which period no enforced possessions took place. In absolute terms there were 240 more possessions in Q1 2022 compared with the previous quarter, however the total for this quarter is less than half the total in Q4 2019.

The voluntary possessions moratorium, in response to the Omicron variant, ended on 4 January 2022, and the number of possessions has been gradually increasing as the courts resume working through the backlog of cases accumulated over the first moratorium. It is important to note that these borrowers had been in financial difficulty prior to the pandemic. Possession is always a last resort after tailored support is exhausted and a thorough court-based process has carefully considered the borrower's individual circumstances.

Notes to Editor

1 For more information please call the UK Finance press office on 020 7416 6750 or mail press@ukfinance.org.uk.

2 UK Finance is the collective voice for the banking and finance industry. Representing nearly 300 firms across the industry, we act to enhance competitiveness, support customers and facilitate innovation.

3 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.

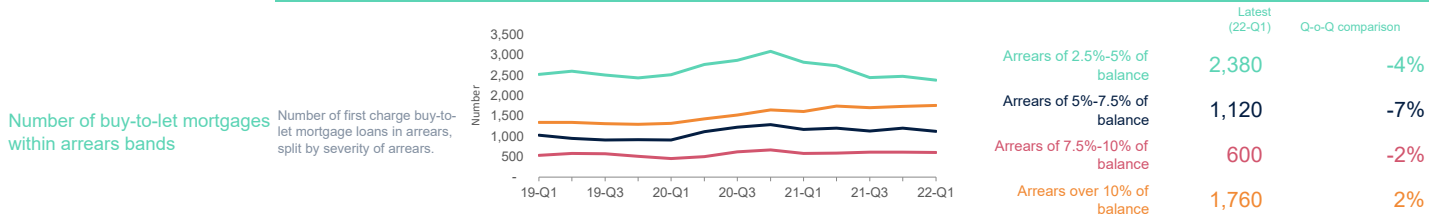
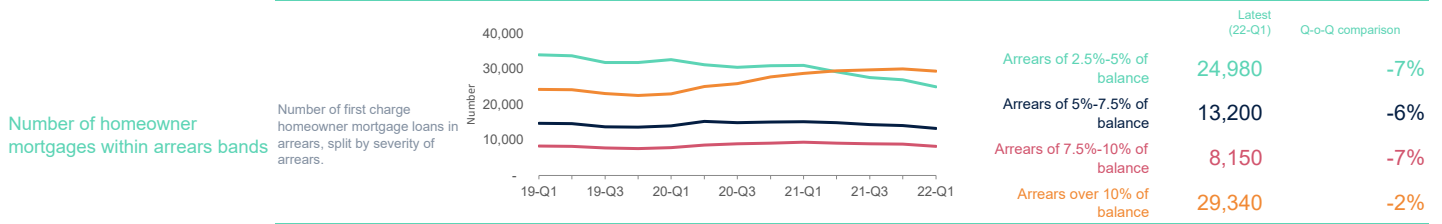
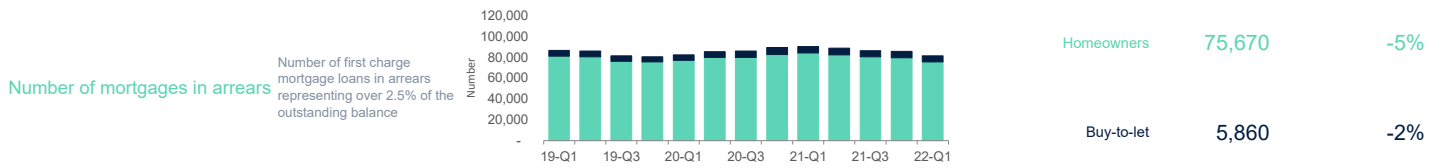
4 Arrears and possessions figures are for the UK as a whole. There is no breakdown of data for English regions or for individual countries in the UK.

5 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.

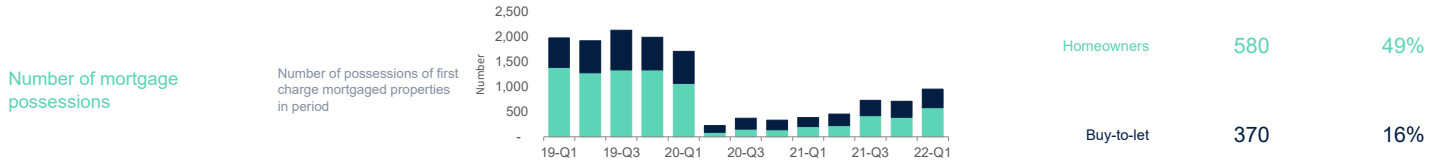
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11 August 2022

Mortgage Arrears



Mortgage Possessions



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Mortgages outstanding (000s)		19-Q1	19-Q2	19-Q3	19-Q4	20-Q1	20-Q2	20-Q3	20-Q4	21-Q1	21-Q2	21-Q3	21-Q4	22-Q1	Source table
Number of mortgages outstanding (000s)	Homeowners	9,010	9,020	8,990	9,020	9,000	8,970	8,960	8,980	8,980	8,990	8,980	8,950	8,940	AP2
	Buy-to-let	1,920	1,920	1,930	1,940	1,960	1,960	1,970	1,980	2,000	2,020	2,030	2,030	2,040	AP2
Mortgages in arrears (number)		19-Q1	19-Q2	19-Q3	19-Q4	20-Q1	20-Q2	20-Q3	20-Q4	21-Q1	21-Q2	21-Q3	21-Q4	22-Q1	Source table
Arrears of 2.5%-5% of balance	Homeowners	33,980	33,680	31,750	31,740	32,550	31,090	30,370	30,880	30,920	29,170	27,530	26,850	24,980	AP2
	Buy-to-let	2,520	2,600	2,500	2,430	2,510	2,760	2,860	3,090	2,820	2,730	2,440	2,470	2,380	AP2
Arrears of 5%-7.5% of balance	Homeowners	14,630	14,530	13,660	13,580	13,900	15,180	14,840	14,950	15,050	14,770	14,310	13,980	13,200	AP2
	Buy-to-let	1,030	950	910	920	910	1,110	1,220	1,290	1,170	1,200	1,130	1,200	1,120	AP2
Arrears of 7.5%-10% of balance	Homeowners	8,240	8,130	7,680	7,590	7,760	8,470	8,840	9,060	9,340	9,070	8,870	8,780	8,150	AP2
	Buy-to-let	530	580	570	510	460	500	620	670	580	590	610	610	600	AP2
Arrears over 10% of balance	Homeowners	24,200	24,080	23,020	22,520	22,880	24,970	25,850	27,720	28,700	29,370	29,660	30,010	29,340	AP2
	Buy-to-let	1,340	1,340	1,310	1,300	1,320	1,430	1,520	1,650	1,610	1,740	1,700	1,730	1,760	AP2
All arrears of over 2.5% of balance	Homeowners	81,050	80,420	76,110	75,430	77,090	79,710	79,900	82,610	84,010	82,380	80,370	79,620	75,670	AP2
	Buy-to-let	5,420	5,470	5,290	5,160	5,200	5,800	6,220	6,700	6,180	6,260	5,880	6,010	5,860	AP2
Mortgages in arrears (% of mortgages outstanding)		19-Q1	19-Q2	19-Q3	19-Q4	20-Q1	20-Q2	20-Q3	20-Q4	21-Q1	21-Q2	21-Q3	21-Q4	22-Q1	Source table
Arrears of 2.5%-5% of balance	Homeowners	0.38%	0.37%	0.35%	0.35%	0.36%	0.35%	0.34%	0.34%	0.34%	0.32%	0.31%	0.30%	0.28%	AP2
	Buy-to-let	0.13%	0.14%	0.13%	0.13%	0.13%	0.14%	0.15%	0.16%	0.14%	0.14%	0.12%	0.12%	0.12%	AP2
Arrears of 5%-7.5% of balance	Homeowners	0.16%	0.16%	0.15%	0.15%	0.15%	0.17%	0.17%	0.17%	0.17%	0.16%	0.16%	0.16%	0.15%	AP2
	Buy-to-let	0.05%	0.05%	0.05%	0.05%	0.05%	0.06%	0.06%	0.07%	0.06%	0.06%	0.06%	0.06%	0.05%	AP2
Arrears of 7.5%-10% of balance	Homeowners	0.09%	0.09%	0.09%	0.08%	0.09%	0.09%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.09%	AP2
	Buy-to-let	0.03%	0.03%	0.03%	0.03%	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	AP2
Arrears over 10% of balance	Homeowners	0.27%	0.27%	0.26%	0.25%	0.25%	0.28%	0.29%	0.31%	0.32%	0.33%	0.33%	0.34%	0.33%	AP2
	Buy-to-let	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%	0.08%	0.08%	0.08%	0.09%	0.08%	0.09%	0.09%	AP2
All arrears of over 2.5% of balance	Homeowners	0.90%	0.89%	0.85%	0.84%	0.86%	0.89%	0.89%	0.92%	0.94%	0.92%	0.89%	0.89%	0.85%	AP2
	Buy-to-let	0.28%	0.28%	0.27%	0.27%	0.27%	0.30%	0.32%	0.34%	0.31%	0.31%	0.29%	0.30%	0.29%	AP2
Mortgage possessions (number)		19-Q1	19-Q2	19-Q3	19-Q4	20-Q1	20-Q2	20-Q3	20-Q4	21-Q1	21-Q2	21-Q3	21-Q4	22-Q1	Source table
	Homeowners	1,390	1,280	1,340	1,340	1,070	90	150	140	200	220	420	390	580	AP4
	Buy-to-let	590	640	790	650	640	130	220	190	180	230	310	320	370	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.

For information or enquiries, please contact ukfstistics@ukfinance.org.uk

For media enquiries, journalists should contact press@ukfinance.org.uk

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