

Mortgage Arrears and Possessions



Release date: 09 August 2018

UK Finance: Mortgage Arrears and Possessions Update Quarter 2 2018

Mortgage arrears and possessions continue to remain historically low

There were 76,740 homeowner mortgages in arrears of 2.5 per cent or more of the outstanding balance in the second quarter of 2018, 8 per cent fewer than in the same quarter of the previous year.

Within the total, there were 23,190 homeowner mortgages with arrears representing 10 per cent or more of the outstanding balance. This was 4 per cent fewer than in the same quarter of the previous year.

There were 4,440 buy-to-let mortgages in arrears of 2.5 per cent or more of the outstanding balance in the second quarter of 2018, 6 per cent fewer than in the same quarter of the previous year.

Within the total, there were 1,080 buy-to-let mortgages with arrears representing 10 per cent or more of the outstanding balance. This was 2 per cent greater than in the same quarter of the previous year.

1,060 homeowner mortgaged properties were taken into possession in the second quarter of 2018, 5 per cent fewer than in the same quarter of the previous year.

520 buy-to-let mortgaged properties were taken into possession in the second quarter of 2018, 24 per cent fewer than in the same quarter of the previous year.

Jackie Bennett, Director of Mortgages at UK Finance comments:

"Arrears and possessions are at an all-time historic low since we first started collecting this data over 24 years ago.

"While this is positive, last week's base rate rise coupled with the disappointing uptake of the Support for Mortgage Interest (SMI) loan could see arrears creeping up in the coming months.

"With well over 90% of new loans taken out at fixed rates, most recent borrowers will see no immediate impact from the Bank rate increase. However, anyone with concerns about managing their mortgage should contact their lender to discuss the advice and support available. Repossession is always a last resort."

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 a trade association formed on 1 July 2017 to represent the finance and banking industry operating in the UK. It represents around 250 firms in the UK providing credit, banking, markets and payment-related services. The new organisation brings together most of the activities previously carried out by the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association.

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 bases 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 As of Quarter 2 2018, all arrears and possessions figures are rounded to the nearest 10 (excluding percentages).

6 The Ministry of Justice's mortgage and landlord possession statistics can be found on the gov.uk website. These include quarterly national statistics on possession claim actions in county courts by mortgage lenders and social and private landlords.

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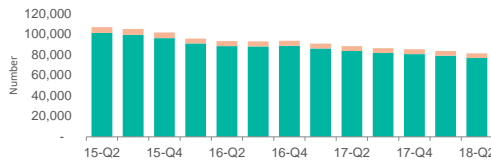


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Mortgage Arrears

Number of mortgages in arrears

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



Homeowners

Latest (18-Q2)

Y-o-Y comparison

76,740

-8%

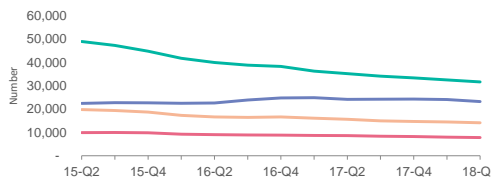
Buy-to-let

4,440

-6%

Number of homeowner mortgages within arrears bands

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



Arrears of 2.5%-5% of balance

Latest (18-Q2)

Y-o-Y comparison

31,630

-10%

Arrears of 5%-7.5% of balance

14,130

-10%

Arrears of 7.5%-10% of balance

7,790

-9%

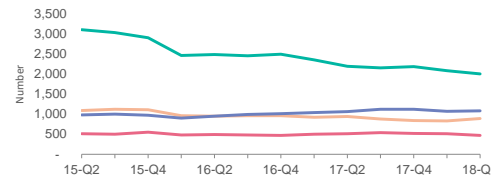
Arrears over 10% of balance

23,190

-4%

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.



Arrears of 2.5%-5% of balance

Latest (18-Q2)

Y-o-Y comparison

2,000

-9%

Arrears of 5%-7.5% of balance

890

-5%

Arrears of 7.5%-10% of balance

470

-8%

Arrears over 10% of balance

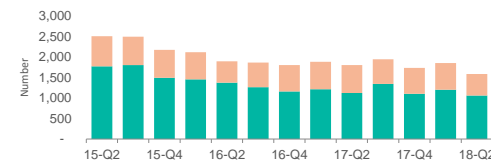
1,080

2%

Mortgage Possessions

Number of mortgage possessions

Number of possessions of first charge mortgaged properties in period



Homeowners

Latest (18-Q2)

Y-o-Y comparison

1,060

-5%

Buy-to-let

520

-24%

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Mortgages outstanding (000s)		15-Q2	15-Q3	15-Q4	16-Q1	16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	Source table
Number of mortgages outstanding (000s)	Homeowners	9,410	9,370	9,330	9,290	9,240	9,230	9,210	9,210	9,160	9,160	9,100	9,070	9,070	AP2
	Buy-to-let	1,700	1,740	1,780	1,830	1,840	1,850	1,860	1,860	1,870	1,880	1,880	1,890	1,890	AP2
Mortgages in arrears (number)		15-Q2	15-Q3	15-Q4	16-Q1	16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	Source table
Arrears of 2.5%-5% of balance	Homeowners	48,950	47,240	44,790	41,750	39,980	38,790	38,270	36,220	35,200	34,090	33,350	32,500	31,630	AP2
	Buy-to-let	3,100	3,030	2,900	2,460	2,480	2,450	2,490	2,350	2,190	2,150	2,180	2,080	2,000	AP2
Arrears of 5%-7.5% of balance	Homeowners	19,780	19,370	18,680	17,290	16,660	16,450	16,660	16,100	15,630	14,920	14,650	14,450	14,130	AP2
	Buy-to-let	1,090	1,120	1,110	960	950	960	960	920	940	880	840	830	890	AP2
Arrears of 7.5%-10% of balance	Homeowners	9,890	9,970	9,860	9,260	9,040	8,880	8,860	8,730	8,600	8,370	8,230	7,950	7,790	AP2
	Buy-to-let	510	500	550	480	490	480	470	500	510	540	520	510	470	AP2
Arrears over 10% of balance	Homeowners	22,430	22,740	22,680	22,490	22,590	23,890	24,760	24,880	24,130	24,190	24,310	24,110	23,190	AP2
	Buy-to-let	980	1,000	970	900	950	990	1,010	1,040	1,060	1,120	1,120	1,070	1,080	AP2
All arrears of over 2.5% of balance	Homeowners	101,050	99,320	96,010	90,790	88,270	88,010	88,550	85,930	83,560	81,570	80,540	79,010	76,740	AP2
	Buy-to-let	5,680	5,650	5,530	4,800	4,870	4,880	4,930	4,810	4,700	4,690	4,660	4,490	4,440	AP2
Mortgages in arrears (% of mortgages outstanding)		15-Q2	15-Q3	15-Q4	16-Q1	16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	Source table
Arrears of 2.5%-5% of balance	Homeowners	0.52%	0.50%	0.48%	0.45%	0.43%	0.42%	0.42%	0.39%	0.38%	0.37%	0.37%	0.36%	0.35%	AP2
	Buy-to-let	0.18%	0.17%	0.16%	0.13%	0.13%	0.13%	0.13%	0.13%	0.12%	0.11%	0.12%	0.11%	0.11%	AP2
Arrears of 5%-7.5% of balance	Homeowners	0.21%	0.21%	0.20%	0.19%	0.18%	0.18%	0.18%	0.17%	0.17%	0.16%	0.16%	0.16%	0.16%	AP2
	Buy-to-let	0.06%	0.06%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.04%	0.04%	0.05%	AP2
Arrears of 7.5%-10% of balance	Homeowners	0.11%	0.11%	0.11%	0.10%	0.10%	0.10%	0.10%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	AP2
	Buy-to-let	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.02%	AP2
Arrears over 10% of balance	Homeowners	0.24%	0.24%	0.24%	0.24%	0.24%	0.26%	0.27%	0.27%	0.26%	0.26%	0.27%	0.27%	0.26%	AP2
	Buy-to-let	0.06%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	AP2
All arrears of over 2.5% of balance	Homeowners	1.07%	1.06%	1.03%	0.98%	0.96%	0.95%	0.96%	0.93%	0.91%	0.89%	0.89%	0.87%	0.85%	AP2
	Buy-to-let	0.33%	0.32%	0.31%	0.26%	0.26%	0.26%	0.27%	0.26%	0.25%	0.25%	0.25%	0.24%	0.23%	AP2
Mortgage possessions (number)		15-Q2	15-Q3	15-Q4	16-Q1	16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	Source table
Homeowners	Homeowners	1,770	1,800	1,490	1,450	1,370	1,260	1,160	1,210	1,120	1,340	1,100	1,200	1,060	AP4
	Buy-to-let	730	690	680	660	520	600	640	670	680	600	630	650	520	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.cml.org.uk/industry-data/industry-data-tables/.

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

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

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