

** EMBARGOED UNTIL 15 April **

Brokers upbeat on customer confidence

Four in five advisers expect customer confidence to improve, research finds

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Four in five mortgage brokers are upbeat about the coming year, believing customer confidence will rebound as inflation falls back and energy bills come down in April.

Mortgage network PRIMIS surveyed appointed representatives across the UK and found that 82 per cent of brokers expect overall customer confidence to improve as the year progresses.

Brokers in Scotland had the most positive outlook, with 88 per cent believing customers to be feeling more positive.

Even in Northern Ireland, where brokers were more cautious about the economic outlook and ongoing pressure of higher living costs, 78 per cent were of the view that things are getting better.

Claire Madge, Sales Director at PRIMIS, said: "It's been a tough few years for British households but it looks like the pinch of higher food prices, energy costs, rents and mortgage payments is beginning to lessen.

"Our advisers are right at the coalface when it comes to how their customers are feeling about their finances.

"And, with the prospect of a general election before the year is out, it may be that customers are finally looking forward to the future."

The Bank of England kept the base rate on hold at 5.25 per cent at its March meeting, but its governor Andrew Bailey indicated that a cut could be on the cards.

He told journalists the country is "on the way" to looser monetary policy and, in an interview with the BBC, said it was "reasonable" that markets are pricing in two to three base rate cuts this year.

He said: "That's not a prediction from me as to what's going to happen, either on timing or amount, but I am encouraged."

Madge said: "There are reasons to be optimistic about this year: the threat of inflation seems to be ebbing and this latest improvement in the Bank of England's mood on interest rates bodes well for clients coming up to remortgage later this year."

The PRIMIS research also highlighted that, while confidence is improving, the pressure on household finances over the past three years continues to weigh on some customers.

Two in five advisers across the UK said they do not expect the pressures on household finances to improve over the coming year, with three in five expressing some concern.

Madge warned the prospect of a rate cut later in the year could see some customers reluctant to lock into remortgage rates early, but with affordability still squeezed this may not be in their best interests.

“Advisers know that each and every situation is unique and helping clients to understand the impact of different routes they might take is ever more critical,” she added.

“With the Consumer Duty rules on new products bedded in and extending to include existing products and services from the end of July, brokers are even more mindful of ensuring good outcomes for their customers.”

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Notes to Editors

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