

WELCOME.

The Mortgage & Protection Event

Jeremy Duncombe
Director,
Legal & General Mortgage Club



AGENDA

10.00 – 10.40 Brexit: The impact on your business

Richard Donnell, research and insight director, Hometrack

10.40 – 11.15 Protection: Model behaviour

Martin Reynolds, CEO, SimplyBiz Mortgages

11.15 – 11.50 Coffee break & networking

11.50 – 12.25 Fast acting, smart thinking

Paul Merrigan, CEO, Lifetime Group

12.25 – 13.00 Embracing the tech threat

Matt Lowndes, managing director, Coreco

13.00 – 13.30 Lender panel: *Your chance to grill the lenders.*

13.35 – 14.35 Lunch & networking – CLOSE OF EVENT

➤ SINCE LAST TIME.....



Lots Happened !



- MCD
- Brexit Vote
- PRA Buy to Let
- New Government
- Base Rate Drop
- Labour Leadership
- New London Mayor
- Leicester City
- US Election
- **UNCERTAINTY**

▶ WHAT'S CHANGED FOR THE WORSE?



**NOTHING HAS
CHANGED, BUT
EVERYTHING IS
NEW.**

QUOTEHD.COM

Jeff Duellman

- Appetite
- House Prices
- Demand
- Need for Advice
- Availability
- Mortgage Pricing
- Criteria
- Competition
- Proc fees
- Economy
- Unemployment



► SUMMARY 2016.



LENDING

2015 - £220bn

Last 4 quarters - £245bn

2016 H1 - £120bn

Q3 2016 - £63.6bn

2016 Forecast - £240bn ?

TRANSACTIONS

2015 - 1.23m

Rolling 12 months – 1.27m

2016 Forecast - £1.25m

SECTORS – H1

Movers - 30% (down)

Remo – 28% (up)

FTB – 20% (flat)

BTL – 17% (flat)

SHARE

Intermediary – 72% (+3%)

Direct – 28% (- 3%)

➤ BROKERS – 4 MAIN WORRIES



KNOWLEDGE

Research
Events
Websites
BDMs
Press & Social Media

COMPETITION

Lenders
Robo Advice
Regulation
Disruptors
Customers

COMPLACENCY

Too Complicated
Habit
Customer Behaviour
Easy

CHANGE

Investment
Capacity
Embrace
Market
Customer

► BUY TO LET MARKET – WHAT'S CHANGED



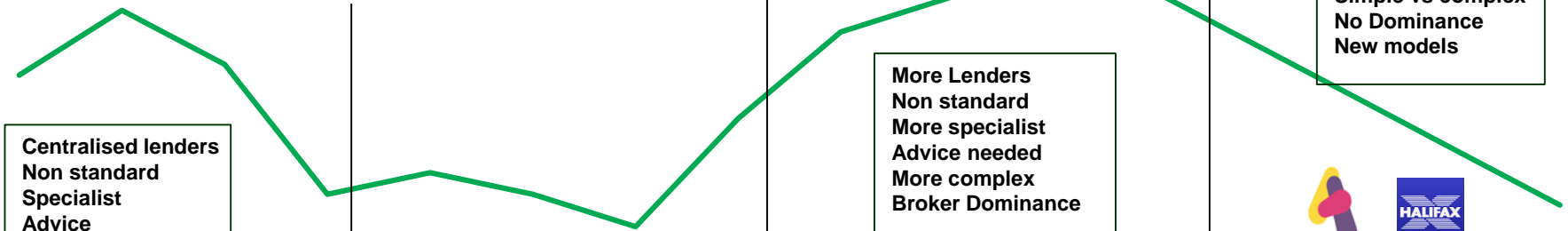
- **Volumes**
- **Stamp Duty**
- **Rental Calculations**
- **Stress Testing**
- **Tax Relief**
- **Ltd Company ?**
- **CP11/16 – SS13/16**

► KNOWLEDGE - BREXIT



- **Keep Calm and Carry On**
- **No Panic**
- **Lower Rates ?**
- **Different to Credit Crunch**
- **Opportunity**
- **Education**

COMPETITION – WHAT’S NEXT ?

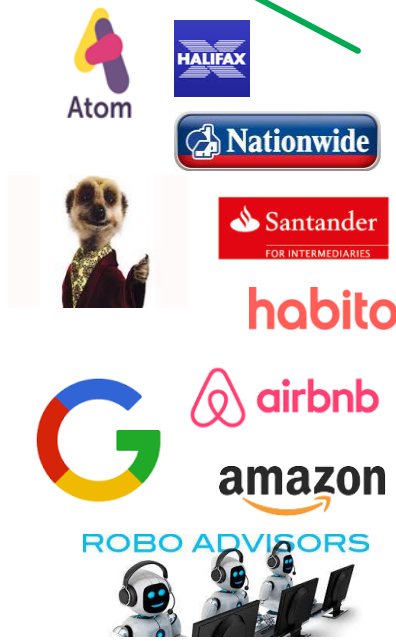


Centralised lenders
Non standard
Specialist
Advice
Complex
Broker Dominance

High Street Lenders
Standard
Non Specialist
Less Advice
Simple
Lender Dominance

More Lenders
Non standard
More specialist
Advice needed
More complex
Broker Dominance

New competitors
Non standard
Specialist Advice
Simple vs complex
No Dominance
New models



2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

➤ COMPLACENCY



OPTION 1 – DO NOTHING

- Just mortgage
- Reactive
- Proc fee only
- Little Technology
- New customers only
- Rely on market
- **EXPECT TO FAIL**

DISRUPTERS



► TIME TO CHANGE



OPTION 2 – HOLISTIC ADVICE

- Full client requirements
- Proactive & bespoke
- Several income streams
- Differentiate
- Customer retention plan
- Create your market
- EXPECT TO SUCCEED

SERVICE

amazon

first direct

John Lewis
in store | online | mobile

YOUR M&S

Waitrose

VS

ROBO ADVISORS



► BUT.....REASONS TO BE CHEERFUL



EMBRACE CHANGE

- Technology
- Efficiency
- Differentiate
- Specialise
- Diversify
- Service

► SUMMARY & CLOSE



YOU CHOOSE

- Technology
- Efficiency
- Differentiate
- Specialise
- Diversify
- Service