

Mortgage Meeting of Minds

Thursday 24 October 2024 – Royal College of Physicians, 11 St Andrews Pl, London NW1 4LE

Schedule of the Day

| | | | |
|-------------------------|-----------|---------------------------|--|
| Platt Room | 0845-0930 | Breakfast | Informal networking - Over breakfast and coffee |
| Seligman Theatre | 0930-0950 | Keynote | Welcome - Incorporating the highlights of the Scene Setter research. With John Chapman , Director, Catalyst Partners |
| Seligman Theatre | 0950-1020 | Keynote | State of the Market - As the headlines talk of a looming 'mortgage catastrophe', we provide a clearer, less emotive picture |
| Breakout Rooms | 1025-1130 | Roundtable Session | <i>Strategic discussions under Chatham House Rules</i> |
| Platt Room | 1135-1155 | Coffee | Grab a refreshment and catch up with your peers |
| Platt Room | 1155-1225 | Networking | Structured networking - An opportunity to meet some new faces |
| Breakout Rooms | 1230-1335 | Roundtable Session | <i>Strategic discussions under Chatham House Rules</i> |
| Platt Room | 1335-1415 | Lunch | Buffet lunch and networking |
| Seligman Theatre | 1420-1450 | MortgageTalks | Short and punchy presentations from our sponsors, to tell you what they do - within the space of ten minutes. Their brief is to entertain and educate rather than pitch! |
| Breakout Rooms | 1455-1600 | Roundtable Session | <i>Strategic discussions under Chatham House Rules</i> |
| Seligman Theatre | 1605-1635 | Keynote | What's Going On? Deep insights from the heart of British politics |
| Platt Room | 1635-1730 | Farewell and Fizz | We thank you for joining us over a glass of bubbly |

MORTGAGE MEETING OF MINDS - DRAFT AGENDA

THE BACKDROP

The world of UK property finance is undergoing huge changes due to three global influences, which, when combined with the endlessly fraught UK political scene, makes for challenging times

1. Geopolitical upheavals affecting the world's economies
2. The push for Net Zero
3. Rapidly evolving technologies, including AI

This event will allow independent mortgage advice firms and the most senior figures from the mortgage networks, mortgage clubs, lenders and technology firms to meet and discuss these key trends affecting the mortgage industry today, as well as hear from influential keynote speakers.

Mortgage Meeting of Minds is an invitation-only event for the most influential people in the mortgage industry to meet, learn, debate and network.

Having launched our first Mortgage Meeting of Minds back in September, we are now very much looking forward to moving the conversation forward with the following suggested roundtables:

Contents

| | |
|--|----------|
| POLITICAL AND ECONOMIC OUTLOOK..... | 2 |
| 1. Responding to the changing economic landscape..... | 2 |
| 2. Anticipating a new political landscape in the UK..... | 2 |
| CLIENT DYNAMICS | 2 |
| 3. Understanding and responding to different client needs | 2 |
| 4. The fierce competition for remortgaging..... | 2 |
| DISTRIBUTION | 3 |
| 5. The potential of evolving channels to market | 3 |
| 6. The evolution of digital distribution..... | 3 |
| INNOVATION & DISRUPTION | 3 |
| 7. The role of AI in improving customer experience and digital efficiency..... | 3 |
| 8. What is holding the UK mortgage industry back?..... | 3 |
| 9. Opening the door to for more property data access..... | 3 |
| 10. How much difference can open banking make?..... | 4 |
| NETWORKS, PLATFORMS & TECH PROVIDERS..... | 4 |
| 11. The increasing competition among technology firms and networks..... | 4 |
| SUSTAINABILITY | 4 |

| | | |
|-------------------------|---|----------|
| 12. | The role of mortgage advisers in energy efficiency awareness..... | 4 |
| 13. | The retrofit funding opportunity..... | 4 |
| REGULATION | | 4 |
| 14. | How to strike a balance between compliance and innovation | 4 |
| 15. | How much has the Consumer Duty changed the game? | 5 |
| 16. | Will the HIPs replacement fare better than its predecessor?..... | 5 |

POLITICAL AND ECONOMIC OUTLOOK

1. Responding to the changing economic landscape

The era of low interest rates, suppressed wage inflation, cheap energy and hyper globalisation has ended. Labour and energy are now more expensive and globalisation is changing profoundly.

The world won't return to what we had before and we now have to live with a new normal. This session will therefore discuss how this economic predicament will affect the mortgage market.

2. Anticipating a new political landscape in the UK

At the time of this event the 2024 UK election will be upon us, which could herald big changes to the UK's policy framework.

This session will show brokers should prepare for potential changes, including:

- Changes to the taxes involved in property transactions
- The impact on house building

CLIENT DYNAMICS

3. Understanding and responding to different client needs

From first time buyers, home-movers and re-mortgagers, to landlords and renters, these different client segments are all experiencing new trends and challenges.

On the demand side, a more difficult purchase market means more demand for rentals while on the supply side, life is harder now for landlords which will see them leave the market. This means the buy-to-let market will continue to contract, despite spiralling rents.

How well do you understand the different client needs, in order to respond effectively?

4. The fierce competition for remortgaging

With less purchase business available the remortgage market is a new battleground. Brokers are in a great position to help their customers find a better deal, but competition from price comparison and lenders is becoming increasingly fierce.

This session will discuss the opportunities and creative solutions, that, combined with market expertise, will give brokers the edge.

DISTRIBUTION

5. The potential of evolving channels to market

Customers have traditionally accessed mortgage advice through estate agents or housebuilders, and these remain important channels.

Many estate agents do an excellent job of actively engaging with tenants to see if buying may be a good idea, and this is especially true when mortgage advisers partner with them as part of a group.

This session will look at whether finding the right partner is still sufficient, given the potential of evolving channels to market across entire ecosystem.

6. The evolution of digital distribution

The winning mortgage advice business needs to specialise in serving particular channels, or better still, develop a flexible operating model in order to service and nurture leads from all channels.

This session will discuss the evolving picture for property portals, price comparison and lender direct strategies, and how brokers should respond.

INNOVATION & DISRUPTION

7. The role of AI in improving customer experience and digital efficiency

On average a house purchase takes 153 days to complete and 30% of transactions fall through. Streamlining, standardising and digitising is all needed, which is why so many digital savvy clients find the idea of online brokers so appealing.

Automation of routine tasks such as data entry and document processing and optimisation as well as enhanced risk assessment can provide efficiencies for the modern mortgage advisory business, but a hybrid model is crucial for customers who still want the reassurance from a human.

This session will discuss how AI and other technology can help mortgage advisers meet their customers' needs and preferences alongside the hybrid tools available.

8. What is holding the UK mortgage industry back?

Despite the complexity, stress and uncertainty involved in getting a mortgage and buying a house, it is still highly unlikely we will see sudden market disruption in the UK.

The dominance of the largely manual broker channel, combined with the requirement for human advice, the fragmentation of the industry and lack of common technology and data standards make it hard to bring rapid digital decisions to market.

Meanwhile, the UK mortgage market is dominated by 6 major banks with low risk appetite, which means product innovation is left to smaller Fintech businesses, who lack the scale and distribution of the big banks.

The session will discuss the changes we need to see within the UK's funding model, distribution ecosystem as well as culture to propel the industry forward.

9. Opening the door to property data

The sharing and use of trusted open property data across a property transaction has become easier with the establishment of the Open Property Data Association (OPDA), designed to foster innovation and industry-wide collaboration for a more digitalised, streamlined home-moving process, by breaking down the data barriers in order to deliver one common, shared method and approach.

This session will discuss the extent to which more open property data access will cut fall throughs and transaction times.

10. How much difference can open banking make?

While open banking has potential to enhance mortgage processes, we are yet to see a big increase in adoption levels. Even though many lenders and fintechs have found great ways to personalise the journey and help assess needs and spending patterns through Open Banking, there are still many unknowns, including its ability to operate in line with strict regulatory guidelines.

This session will explore some of the specific use cases when it comes to open banking, including speeding up the application process by sharing data from the customer's bank account.

NETWORKS, PLATFORMS & TECH PROVIDERS

11. The increasing competition among technology firms and networks

With technology such a critical component when it comes to serving customers efficiently, firms need to continually evaluate and adopt different technological solutions to gain a competitive edge in the market.

The session will consider the effectiveness of pricing models, the best technology solutions, and the success of lead generation strategies in order to identify the winners and losers in this competitive landscape.

SUSTAINABILITY

12. The role of mortgage advisers in energy efficiency awareness

Currently, only 46% of housing stock has an EPC rating of C or above so there is a need to improve the sustainability of housing stock overall, not just for new housing or for new mortgages.

Even though progress is being made within the mortgage industry when it comes to the number of green mortgages available, what more needs to be done to make green home ownership a more attractive proposition?

13. The retrofit funding opportunity

Current green lending products reward customers who are already energy efficient, but do not help with the hard work of improving the carbon footprint of inefficient homes. The UK Committee on Climate Change estimates that £250 billion needs to be invested in UK home upgrades by 2050, creating a significant market for retrofit funding.

Lenders therefore need to make it much easier for home-owners and landlords to borrow to fund carbon-reduction improvements and seize the opportunities for green lending innovation.

REGULATION

14. How to strike a balance between compliance and innovation

The financial regulatory landscape is experiencing a dual push towards consumer protection and innovation facilitation. The FCA, while emphasizing consumer outcomes, also aims to adapt to digital consumer trends by fostering innovation.

This dynamic presents regulated firms with conflicting objectives: balancing conservative risk-aversion with promoting innovation.

This session will look at the strategies regulated firms can use to demonstrate robust processes, controls, and governance while capitalizing on opportunities for innovation.

15. How much has the Consumer Duty changed the game?

Today's challenging market means being readily available, empathetic, and proactive with customers is essential. However, regulatory priorities are also evolving, with an emphasis on consumer convenience alongside fairness and value.

The implementation of the Consumer Duty in 2023 aimed to provide brokers with a mechanism to showcase their commitment to ensuring the best outcomes for consumers. But how has this regulatory initiative translated into practice?

16. Will the HIPs replacement fare better than its predecessor?

The Law Society is currently beta testing a revamped Property Information Form (TA6) Part I, aiming to enhance the home buying process by equipping purchasers with upfront information for informed decision-making before making an offer.

We will discuss the expectations that this new mini-HIP to outperform its predecessor and the potential impact of reintroducing upfront property information in the home buying process.