

Lloyds aims to cut out the loan brokers

LLOYDS BANKING GROUP, the UK's biggest mortgage lender, is reducing the number of loans available through brokers from the end of this month, pushing more borrowers to go direct to a branch to try to secure a deal, *writes James Charles.*

Brokers will no longer be able to offer deals through Lloyds' Cheltenham & Gloucester (C&G) brand,

although Halifax mortgages will still be available.

First-time buyers using a broker will be hardest hit because Halifax is more expensive than C&G for those with a 10% deposit.

C&G offers a two-year tracker deal at 5.29 points above Bank rate — or 5.79% — with a £1,495 fee. In contrast, the most attractive two-year deal from

Halifax, also owned by Lloyds, is a fixed 6.99% with a £999 fee. This is a difference of £150 a month on a £200,000 repayment mortgage. The cheapest five-year fix at C&G costs 6.89% with a £995 fee. Halifax offers 6.99% with £250 cashback.

Two-thirds of first-time buyer loans are arranged through brokers, according to figures released last

month by the Intermediary Mortgage Lenders Association, a trade body.

Aaron Strutt, of Trinity Financial Group, the broker, said: "Lloyds are simply doing it to reduce the amount that they lend."

The withdrawal of C&G deals through brokers also limits the availability of guarantor loans, where parents provide the security for their chil-

dren's mortgage. Halifax restricted guarantor deals to branches last year.

Ian Gray of Largemortgage.com, the broker, said: "Guarantor mortgage deals are one of the few options for first-time buyers. Forcing customers into branches for these deals limits their ability to get independent advice before they sign up."

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