

News Midlands News Your Money

'Music to ears' warning issued to anybody with Lloyds, Barclays, HSBC, Natwest, Santander mortgage

The Chair invited the Committee to vote on the proposition that Bank Rate should be maintained at 5.25 per cent.

NEWS By James Rodger Content Editor
12:53, 2 NOV 2023

Bookmark   



'Music to ears' warning issued to anybody with Lloyds, Barclays, HSBC, Natwest, Santander mortgage
(Image: iStockphoto.com/Rico Brown)

The Bank of England has made the decision to leave rates unchanged, with financial services experts, estate agents and other small business owners based around the UK saying it's a "sigh of relief". The Chair invited the Committee to vote on the proposition that Bank Rate should be maintained at 5.25 per cent.

After the Bank of England decision, some experts said it would be "music to the ears" of mortgage holders with the UK's biggest lenders like Lloyds, Barclays, HSBC, Natwest and Santander. Andrew Montlake, Managing Director at Coreco told **Newspage**: "You can almost hear the collective sigh of relief from mortgage borrowers across the country as the Bank of England sensibly decided to keep interest rates on hold once more."

"They do now seem to be heeding the warnings from some quarters that going too far with rate rises could cause significant problems for the economy as a whole. There is some evidence now that inflation is naturally waning, and we could see the pace pick up over the coming months."

READ MORE [Strictly's Rose Ayling-Ellis defends herself from Giovanni Pernice complaints and says 'it's not'](#)

"In fact, there is some debate now as to whether the Bank should start to cut rates in the near future. Whilst many expect interest rates to stay higher for longer, as thousands more borrowers come off low fixed rates into the current environment, this could have a profound effect. The Bank is walking a narrow tightrope now, and its next decisions will prove crucial not just for borrowers and the economy at large, but also weigh in on the upcoming General Election next year."

Gary Bush, Financial Adviser at [MortgageShop.com](#) commented: "The Monetary Policy Committee's decision to hold the base rate at 5.25% will be music to the ears of UK mortgage borrowers. This will inject positivity and calm into the general public and should allow 2023 to end on a high, something we definitely need after a turbulent year."

Jack Tutton, Director at [SJ Mortgages](#) commented: "The Bank of England has prevented another storm today by holding the base rate at 5.25%, the second time in a row that they have held it at this level. Whilst the rate is still at a 15-year high, this will be welcome news to mortgage holders as this should breed further confidence in the financial markets. This will hopefully lead to more lenders reducing the cost of mortgage products in the coming weeks."

Rob Gill, Managing Director at [Altura Mortgage Finance](#) commented: "With the housing market and wider economy showing increasing signs that the medicine of higher interest rates is working, a pause by the Bank of England is sensible. The aim is to cure the economy of the scourge of inflation, not mortally wound it by choking off growth unnecessarily."

John Lamerton, Small Business Author at [Big Ideas... for Small Businesses](#) commented: "Rates may have been left on hold but higher for longer is killing small businesses. Homeowners only feel the pain when their fixed-rate deals end. Small business owners have been hurting for years now, dealing with enforced lockdowns, supply-chain issues, a lack of skilled workers, a gloomy economic outlook and sky-high inflation and interest rates. Interest rates being left unchanged is welcome but for many it will be too little, too late."

John Choong, Senior Equity Research Analyst at [Investing Reviews](#) commented: "Although CPI remained stagnant in September, the MPC has made better judgement in acknowledging that inflation will continue to fall in the months to come and have opted for another pause today. With rate cuts expected as soon as Q3 2024 and an increasing number of cuts through to 2026, it seems like the rate-hiking cycle has officially come to an end. Wage growth is tapering off and the services PMI figures have been in contraction, while the BRC's latest shop price inflation also saw disinflation. Swap rates are also falling, which will lead to more mortgage rate cuts, hence why housebuilders and banks are rallying today. That said, markets shouldn't get complacent. While inflation is expected to continue falling, sticky services inflation may continue to present a problem in getting CPI back down to the Bank of England's target of 2%. This could lead to unpleasant surprises as Andrew Bailey and his cohort may opt to leave rates higher for longer."

Riz Malik, Founder & Director at [R3 Mortgages](#) commented: "The mortgage markets will react positively and I think we should still see rates falling over the next week. If the Autumn Statement has an early **Christmas** present for the property market, we may, just may, finish this disastrous year on a high."

Follow BirminghamLive

 Facebook  Twitter

B MORE ON

Your Money

NEWS ALL

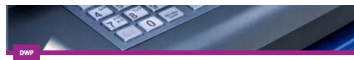
Most Read Most Recent



2 ITV Vera taken off air and replaced with substitute confirmed



3 BBC Breakfast star announces 'I'm going home' midway through show



DWP explains it will look for 'two things' when checking bank accounts

DWP will check bank accounts under new powers to crackdown and clampdown on fraudulent benefit claims, it has emerged, ahead of the rules.



BBC



Cody Fisher murder trial grinds to a halt unexpectedly as judge says 'it's frustrating'

DIGRETH



BBC Strictly Come Dancing's Craig Revel Horwood says 'not only' as he 'backs' Giovanni in Amanda Abbington row'

STRICTLY COME DANCING

TOP STORIES >



Cody Fisher murder trial grinds to a halt unexpectedly as judge says 'it's frustrating'

DIGRETH



Four lesser-known reasons Birmingham City Council faces £300m budget gap - from parking to inflation

POLITICS



Two young girls found dead alongside man and woman as 'knife recovered in woodland'

CRIME



DWP full list of Cold Weather Payments postcodes after days of snow - £25, £50 and £75 due

DWP



DWP fraudster falsely claimed £57,000 while renting out second home

DWP



Prince Harry breaks silence after withdrawing legal action to focus on 'family's safety'

PRINCE HARRY



British Gas customers say 'it's disgusting' after 'impossible to justify' update

BRITISH GAS



UK households not on benefits will get £500 towards cost of living

YOUR MONEY