

## Major mortgage lender ups rates for second time this week - after big rivals hike too

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- Santander is upping fixed rates from tomorrow for second time this week
- Fixed rate deals will be rising by up to 26 basis points
- It follows similar moves from NatWest, Nationwide, HSBC and others

Santander has announced it is upping mortgage rates for the second time this week, as lenders continue to increase interest on their home loans. From tomorrow, the bank is increasing a number of its fixed rate deals aimed at home buyers and those remortgaging by up to 26 basis points.

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Homeowners have until the end of today to secure Santander's 4.4 per cent five-year fixed rate deal aimed at those remortgaging with at least 40 per cent equity. It is currently the second lowest five-year fixed rate on the market, but from tomorrow this could rise by up to 26 basis points.



**Two rate hikes in one week: Santander is increasing mortgage rates again tomorrow**

Anyone buying with a 25 per cent deposit may also be affected by Santander's rate changes. Its lowest two-year fix at 75 per cent loan-to-value currently charges 4.83 per cent with a £999 fee making it one of the best deals on the market. That could all change from tomorrow. As well as its homeowner mortgages, Santander is also increasing rates on its buy-to-let fixes by up to 22 basis points. Last week, more than 20 lenders upped rates, including TSB, Halifax, HSBC and Barclays.


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This week more joined them. NatWest and Nationwide increased mortgage rates on Monday and Tuesday, and Santander also increased some of its rates at that time. Mortgage brokers were out in force today citing concerns about rising interest rates after two weeks of continuous rate hikes. Ranald Mitchell, director at Charwin Private Clients told the news agency Newpage: 'Santander hiking rates for the second time in a week is a good barometer for market sentiment and mortgage borrowers are going to get burned badly if this trend continues.' Stephen Perkins, managing director at Yellow Brick Mortgages added: 'The current market feels like a chaotic game of pass the parcel, where lenders are scrambling to avoid holding the lowest rate when the music stops.'

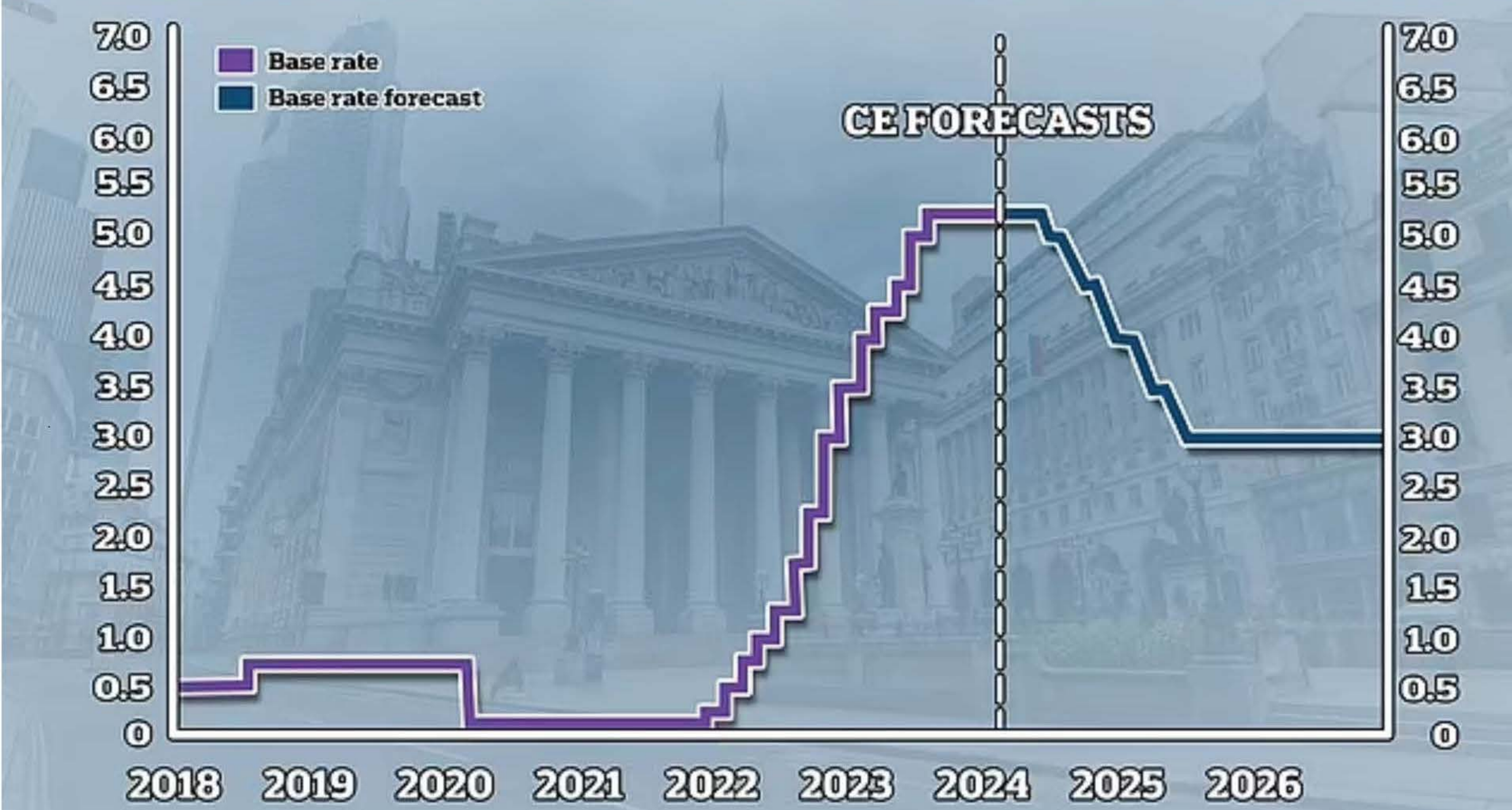
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'With rates increasing multiple times within the same week, advising clients becomes a real challenge in this ever-shifting landscape.' Many are hoping that the Bank of England will cut base rate when it meets next week on 9 May. Gary Bush, financial adviser at MortgageShop said: 'It's getting mighty sticky discussing mortgages with clients after the seemingly endless rate increases of this week. 'All we can hope or pray for is the Bank of England to save UK mortgage account holders with a base rate cut in the upcoming monetary policy meeting as the mortgage rate mood music turns very sour.'

# BANK OF ENGLAND BASE RATE FORECAST GRAPH



About to fall? Capital Economics is forecasting that the Bank of England will cut base rate to 3 per cent by the end of 2025. However, a base rate cut seems unlikely at present. Inflation is at 3.2 per cent as of March and remains above the central bank's 2 per cent target. Financial markets are also now forecasting only two or three base rate cuts this year with the first potentially coming in August, though there are still a few who think it could happen in June.

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