



RYAN FOWLER LEAD STORY NEWS RESIDENTIAL MORTGAGES 02/10/2023

### TSB cuts rates on residential mortgages and additional borrowing products

Share f t in e

TSB has announced reductions across a range of its financial products, including significant cuts in rates for residential, product transfer and additional borrowing. The rate cuts go up to 0.35% and start from a baseline of 4.89%.

The 2-year fixed house purchase and remortgage rates for loan-to-value ratios between 0 and 90% will be reduced by up to 0.25%. Meanwhile, rates for the 5-year fixed house purchase and remortgage will be trimmed by up to 0.30%.

For customers interested in product transfer, the rates for 2- and 5-year fixed terms with a loan-to-value ratio between 0 and 90% will be cut by up to 0.35%. Additionally, a 0.10% reduction will be applied to the 3-year fixed rate with a £995 fee and also to the 3-year fixed 75-85% loan-to-value rate that comes with no fee.

In the additional borrowing category, the bank is reducing the 2-year fixed rate by up to 0.20% and the 3-year fixed 75-80% loan-to-value rate by 0.10%. The 5-year fixed rate will also be reduced by up to 0.25%.

In addition to these rate cuts, all residential remortgage products from TSB will continue to offer a free basic valuation. Customers will also have the choice of receiving either free legal assistance or £300 cashback as part of their remortgage package.

Nick Mendes, mortgage technical manager at John Charcol, said: "TSB are the latest lender to break the 5% barrier to kickstart the week.

"Despite concerns that a recent rise in swaps will dampen the mood with lenders, it's great to see another high street lender make a reduction in fixed pricing."

### Further reaction

Stephen Perkins, managing director at [Yellow Brick Mortgages](#):

"It's great to see some fresh rate reductions despite fears that they may be coming to an end following the slight reversal in swap rates. This highlights very clearly the fact that lenders still have money to lend and are fighting with each other over a smaller number of borrowers. Right now, market share is an absolute focus of the big lenders."

Gary Bush, financial adviser at [MortgageShop.com](#):

"Any mortgage rate range that starts with a 4 is now very much welcomed. It's great to see the UK lender mortgage rate war rumble on."

Steven Hargreaves, mortgage and protection adviser at [The Mortgage Co](#):

"This is another sign that lenders are all having to cut their rates and margins to secure their percentage of the mortgage market and attract business. It's great news for us brokers and even better news for anyone needing a mortgage, as the reductions apply to buyers, remortgagors and product transfers."

Charles Breen, founder & director at [Montgomery Financial](#):

"It was only a matter of time before TSB followed suit with its competitors and made its move following reductions from other major lenders earlier in the week this will be another salvo in the current mortgage rate war, which is especially good for consumers.

"The battle for market share is getting scrappy, but it's a win-win for homeowners across the country. All these ongoing rate reductions by lenders suggest they have confidence that the worst is over and we have weathered the storm."

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