

# Online Mortgage Search and Competition Index

A monthly report by Koodoo in partnership with Iress

**August 2023**

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# Summary of findings

**July saw an overall decrease in search volumes, as there were fewer announcements on rate changes than seen in June and August, which typically drive traffic to comparison sites. Rate charts in Section 3 do not reflect recent well-publicised mortgage rate reductions as they show average rates up to end of July.**

There was a sharp drop in search volumes in July relative to June, with a 24% decrease in remortgage searches (Figure 1). Purchase and buy to let search volumes saw a much smaller drop in comparison.

**-24%**

decrease in searches for remortgage products

There have been marginal increases in the proportion of searches for variable products, in both residential remortgage and purchase segments and buy-to-let. The proportion of searches for variable remortgage products increased by 2.4 percentage points against a reduction in fixed searches (Figure 3).

**+2.4p.p.**

Increase in proportion of search for variable remortgage products

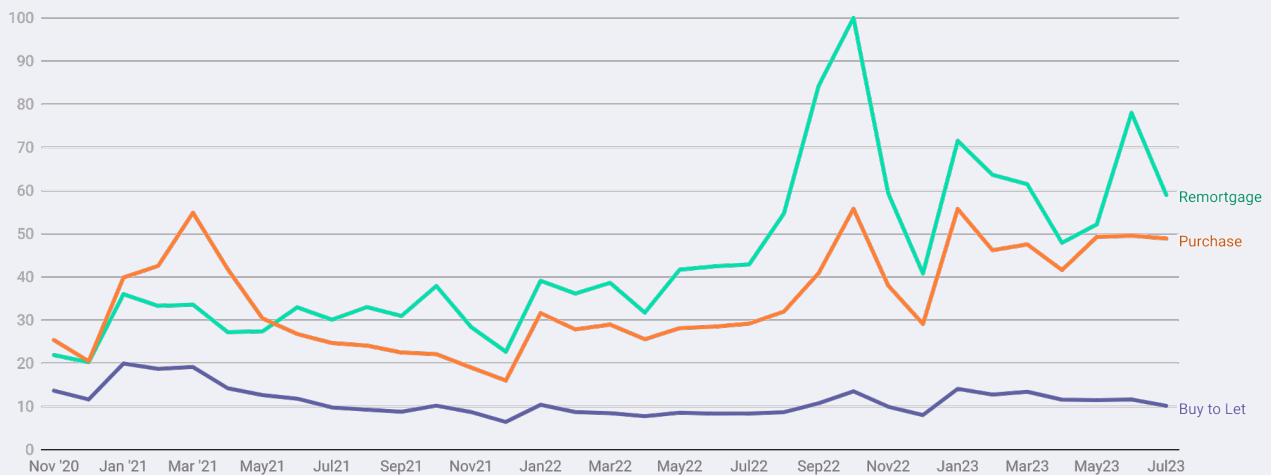
Competitiveness largely decreased or remained unchanged, which could be reflective of a number of lenders pulling products throughout July in order to reprice. Competitiveness scores for purchase products reduced by an average of 1.3% for LTV bands below 95% (Figure 16).

**-1.3%**

Average decrease in competitiveness for <95% LTV purchase products

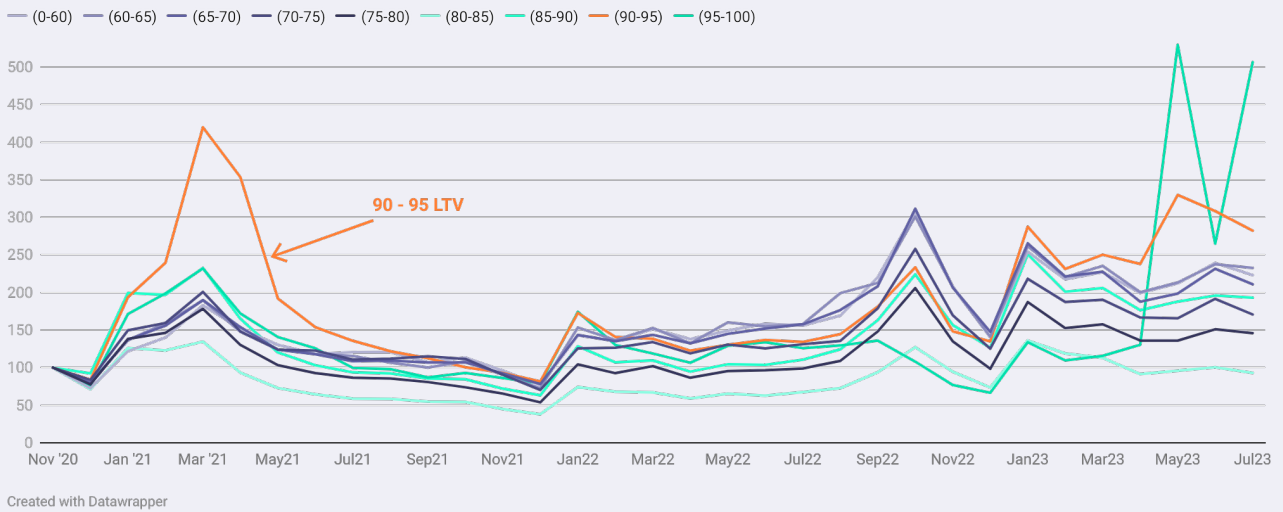
# Demand for mortgage types

**FIGURE 1** - Normalised monthly traffic through mortgage online journeys broken down by product category (Max monthly requests =100)



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**FIGURE 2 - Indexed monthly traffic through purchase mortgage online journey broken down by LTV band**



## Remortgage

**FIGURE 3 - Changes in search proportions for mortgage product initial periods and types**

Initial Period	% today	Monthly change (% points)	Trend Oct20 – Jul23
2 year - fixed	41.0%	0.3%	48.3 → 41
2 year - variable	10.0%	1.9%	4.6 → 10
3 year - fixed	11.1%	-0.9%	10.6 → 11.1
3 year - variable	1.4%	0.1%	0.9 → 1.4
5 year - fixed	25.2%	-2.5%	25.4 → 25.2
5 year - variable	2.2%	0.3%	1.8 → 2.2
7 year - fixed	1.8%	-0.1%	2.5 → 1.8
7 year - variable	0.2%	0.0%	0.2 → 0.2
10 year - fixed	6.7%	0.8%	5.2 → 6.7
10 year - variable	0.5%	0.1%	0.4 → 0.5
All fixed	85.7%	-2.4%	92 → 85.7
All variable	14.3%	2.4%	8 → 14.3

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# Purchase

FIGURE 6 - Changes in search proportions for mortgage product initial periods and types

Initial Period	% today	Monthly change (% points)	Trend Oct20 – Jul23
2 year - fixed	31.5%	0.2%	
2 year - variable	8.6%	1.6%	
3 year - fixed	11.9%	-0.8%	
3 year - variable	2.1%	0.2%	
5 year - fixed	31.6%	-2.0%	
5 year - variable	3.2%	0.2%	
7 year - fixed	1.1%	-0.0%	
7 year - variable	0.2%	0.0%	
10 year - fixed	9.1%	0.6%	
10 year - variable	0.7%	0.1%	
All fixed	85.2%	-2.0%	
All variable	14.8%	2.0%	

FIGURE 7 - Changes in online consumer search proportions for mortgage product loan-to-values

LTV	% today	Monthly change (% points)	Trend Oct20 – Jul23
(0-60)	16.4%	-0.9%	
(60-65)	3.1%	-0.0%	
(65-70)	4.6%	-0.4%	
(70-75)	6.9%	-0.7%	
(75-80)	8.9%	-0.2%	
(80-85)	9.5%	-0.6%	
(85-90)	25.0%	-0.0%	
(90-95)	16.9%	-1.2%	
(95-100)	8.7%	4.2%	

## Purchase (continued)

FIGURE 8 - Heatmap illustrating online consumer search proportions by loan-to-value and mortgage product initial period and type

Initial Period/ LTV	(0, 60)	(60, 65)	(65, 70)	(70, 75)	(75, 80)	(80, 85)	(85, 90)	(90, 95)	(95, 100)
2 year - fixed	4.4%	0.9%	1.5%	2.5%	3.4%	4.4%	9.3%	5.0%	1.0%
2 year - variable	1.1%	0.2%	0.3%	0.5%	0.7%	0.8%	1.8%	1.1%	0.3%
3 year - fixed	1.7%	0.3%	0.5%	0.8%	1.2%	1.5%	3.4%	2.2%	0.5%
3 year - variable	0.3%	0.0%	0.1%	0.1%	0.2%	0.2%	0.5%	0.4%	0.1%
5 year - fixed	6.1%	1.1%	1.8%	3.2%	3.5%	4.2%	8.0%	4.8%	1.0%
5 year - variable	0.5%	0.1%	0.1%	0.2%	0.2%	0.3%	0.7%	0.5%	0.1%
7 year - fixed	0.5%	0.1%	0.1%	0.2%	0.2%	0.2%	0.4%	0.3%	0.1%
7 year - variable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10 year - fixed	1.8%	0.3%	0.4%	0.6%	0.7%	0.7%	1.5%	1.2%	0.4%
10 year - variable	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.1%	0.1%

## Buy-to-let

FIGURE 9 - Changes in search proportions for mortgage product initial periods and types

Initial Period	% today	Monthly change (% points)	Trend Oct20 – Jul23
2 year - fixed	39.0%	-2.2%	
2 year - variable	12.8%	2.7%	
3 year - fixed	8.6%	0.3%	
3 year - variable	2.0%	0.2%	
5 year - fixed	26.7%	-2.1%	
5 year - variable	3.3%	0.5%	
7 year - fixed	1.3%	-0.1%	
7 year - variable	0.3%	0.0%	
10 year - fixed	5.3%	0.6%	
10 year - variable	0.7%	0.1%	
All fixed	80.9%	-3.5%	
All variable	19.1%	3.5%	



## Buy-to-let (continued)

FIGURE 10 - Changes in online consumer search proportions for mortgage product loan-to-values

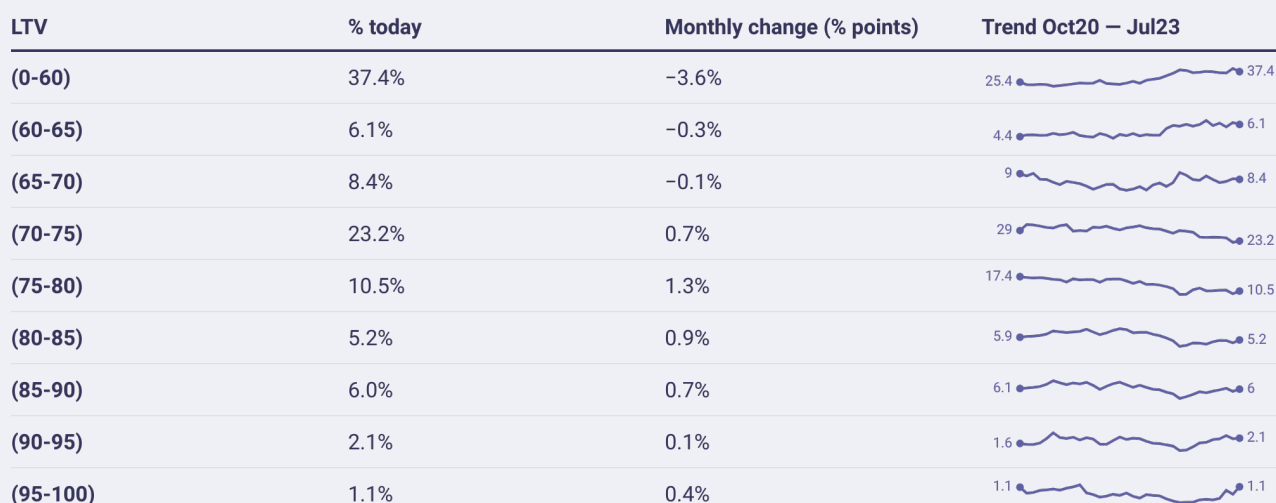


FIGURE 11- Heatmap illustrating online consumer search proportions by loan-to-value and mortgage product initial period and type

Initial Period/ LTV	(0, 60)	(60, 65)	(65, 70)	(70, 75)	(75, 80)	(80, 85)	(85, 90)	(90, 95)	(95, 100)
2 year - fixed	9.8%	1.9%	2.9%	11.0%	5.4%	2.5%	2.3%	0.6%	0.2%
2 year - variable	2.7%	0.4%	0.7%	2.1%	1.3%	0.6%	0.8%	0.2%	0.1%
3 year - fixed	2.7%	0.5%	0.8%	2.6%	1.4%	0.6%	0.7%	0.2%	0.1%
3 year - variable	0.5%	0.1%	0.1%	0.4%	0.3%	0.1%	0.2%	0.1%	0.0%
5 year - fixed	9.4%	1.7%	2.6%	9.9%	4.1%	1.6%	1.4%	0.4%	0.2%
5 year - variable	0.7%	0.1%	0.2%	0.6%	0.4%	0.2%	0.3%	0.1%	0.0%
7 year - fixed	0.5%	0.1%	0.1%	0.5%	0.3%	0.1%	0.1%	0.0%	0.0%
7 year - variable	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10 year - fixed	2.0%	0.3%	0.6%	1.8%	0.7%	0.3%	0.4%	0.2%	0.1%
10 year - variable	0.2%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%

# Competition for mortgage types

## Remortgage

**FIGURE 12** - Current segment competitiveness score and historical change, broken down by product initial period and type. Segment competitiveness is measured on a scale of 0 to 5, with 5 being the most competitive. See appendix for how this is calculated

Initial Period	Today	Monthly change (%)	Trend Oct20 – Jul23
2 year - fixed	4.49	0.2%	
2 year - variable	4.33	0.0%	
3 year - fixed	4.33	1.5%	
3 year - variable	3.50	-1.9%	
5 year - fixed	4.47	0.1%	
5 year - variable	3.28	-1.5%	
7 year - fixed	1.28	-49.0%	
7 year - variable	0.00		
10 year - fixed	4.22	-0.4%	
10 year - variable	0.00		
All fixed	4.38	-0.3%	
All variable	3.87	0.0%	



## Purchase

**FIGURE 15** - Current segment competitiveness score and historical change, broken down by product initial period and type

Initial Period	Today	Monthly change (%)	Trend Oct20 – Jul23
2 year - fixed	4.22	-3.1%	
2 year - variable	3.94	-2.9%	
3 year - fixed	3.83	-4.9%	
3 year - variable	2.25	-7.2%	
5 year - fixed	4.29	-3.2%	
5 year - variable	1.83	-25.6%	
7 year - fixed	0.03	173.0%	
7 year - variable	0.00		
10 year - fixed	3.07	-6.3%	
10 year - variable	0.00		
All fixed	4.01	-3.8%	
All variable	3.02	-5.6%	

**FIGURE 16** - Current segment competitiveness score and historical change, broken down by loan-to-value

LTV	Today	Monthly change (%)	Trend Oct20 – Jul23
(0-60)	4.22	-1.7%	
(60-65)	4.21	-2.6%	
(65-70)	4.22	-2.6%	
(70-75)	4.31	-0.9%	
(75-80)	4.30	-0.4%	
(80-85)	4.28	-0.8%	
(85-90)	4.16	-0.4%	
(90-95)	3.85	-0.7%	
(95-100)	0.82	0.1%	

## Purchase (continued)

FIGURE 17 - Heatmap illustrating current segment competitiveness scores, broken down by both loan-to-value and product initial period and type

Initial Period/ LTV	(0, 60)	(60, 65)	(65, 70)	(70, 75)	(75, 80)	(80, 85)	(85, 90)	(90, 95)	(95, 100)
2 year - fixed	4.4	4.3	4.3	4.5	4.6	4.6	4.5	4.5	0.0
2 year - variable	4.4	4.4	4.5	4.4	4.4	4.4	4.5	3.7	0.0
3 year - fixed	4.3	4.3	4.3	4.3	4.3	4.4	4.3	3.8	0.0
3 year - variable	3.9	3.9	4.2	4.1	3.5	3.2	2.8	0.0	0.0
5 year - fixed	4.3	4.3	4.2	4.4	4.5	4.5	4.6	4.5	2.6
5 year - variable	3.4	3.3	3.4	3.4	3.4	3.4	1.5	0.7	0.0
7 year - fixed	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
7 year - variable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10 year - fixed	4.4	4.3	4.4	4.3	3.7	3.3	3.0	3.2	0.0
10 year - variable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## Buy-to-let

FIGURE 18 - Current segment competitiveness score and historical change, broken down by product initial period and type

Initial Period	Today	Monthly change (%)	Trend Oct20 – Jul23
2 year - fixed	3.69	-2.9%	
2 year - variable	3.33	-1.7%	
3 year - fixed	2.02	15.4%	
3 year - variable	2.03	0.6%	
5 year - fixed	3.72	-1.8%	
5 year - variable	1.11	64.6%	
7 year - fixed	0.00	-100.0%	
7 year - variable	0.00		
10 year - fixed	1.99	-4.9%	
10 year - variable	0.00		
All fixed	3.35	-2.5%	
All variable	2.64	3.6%	

## Buy-to-let (continued)

FIGURE 19 - Current segment competitiveness score and historical change, broken down by loan-to-value

LTV	Today	Monthly change (%)	Trend Oct20 – Jul23
(0-60)	3.79	-0.2%	
(60-65)	3.84	-0.5%	
(65-70)	3.81	-1.4%	
(70-75)	3.88	-0.3%	
(75-80)	3.16	3.0%	
(80-85)	0.16	-24.5%	
(85-90)	0.00	-25.5%	
(90-95)	0.00	39.9%	
(95-100)	0.00	-31.3%	

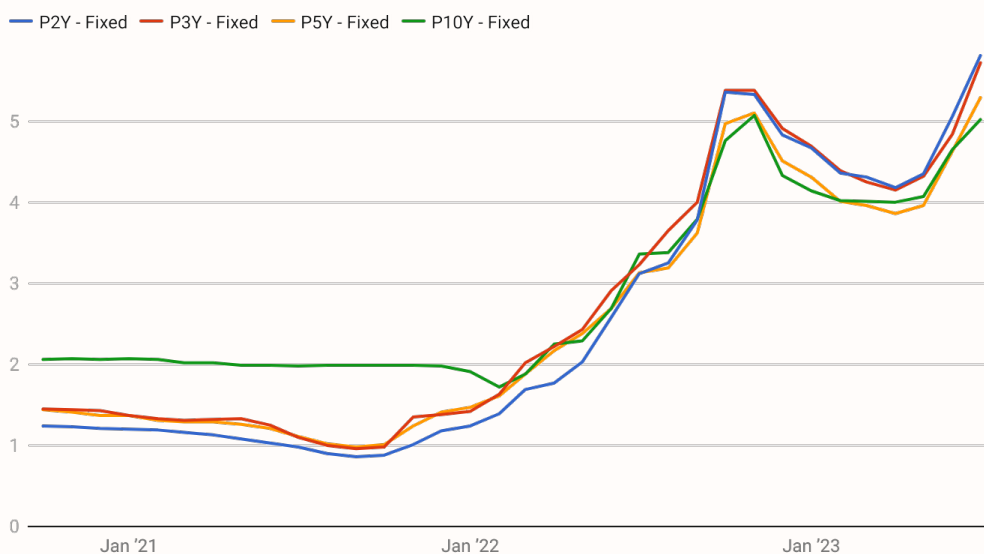
FIGURE 20 - Heatmap illustrating current segment competitiveness scores, broken down by both loan-to-value and product initial period and type

Initial Period/ LTV	(0, 60)	(60, 65)	(65, 70)	(70, 75)	(75, 80)	(80, 85)	(85, 90)	(90, 95)	(95, 100)
2 year - fixed	4.2	4.2	4.2	4.3	4.0	0.2	0.0	0.0	0.0
2 year - variable	3.9	4.0	4.0	3.9	3.2	0.0	0.0	0.0	0.0
3 year - fixed	2.7	2.7	2.6	2.4	1.6	0.0	0.0	0.0	0.0
3 year - variable	2.8	3.1	2.9	3.1	0.0	0.0	0.0	0.0	0.0
5 year - fixed	4.3	4.3	4.3	4.4	4.0	0.3	0.0	0.0	0.0
5 year - variable	1.6	1.5	1.5	1.5	0.7	0.0	0.0	0.0	0.0
7 year - fixed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 year - variable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10 year - fixed	2.7	2.8	3.0	2.9	0.0	0.0	0.0	0.0	0.0
10 year - variable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

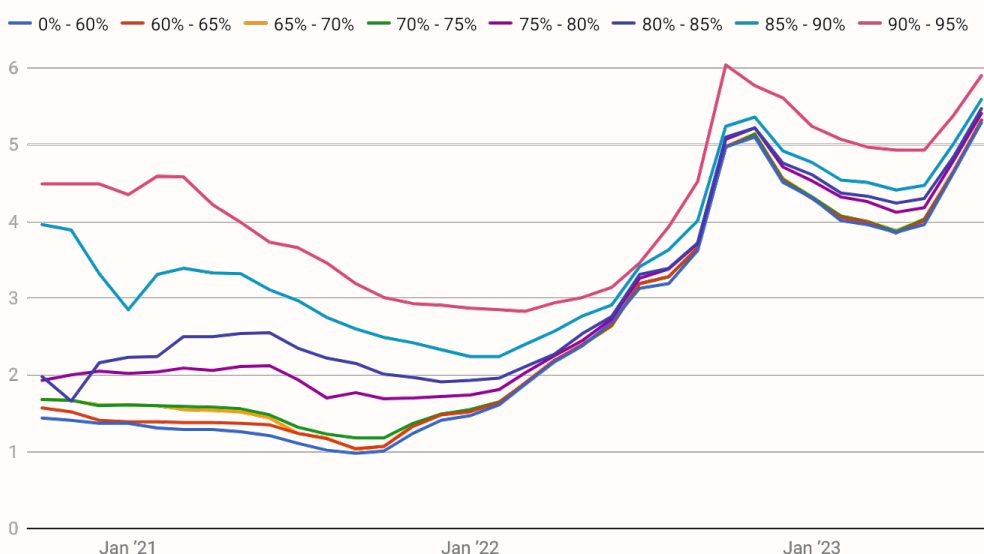
# Changes in initial rates

## Remortgage

**FIGURE 21 - Average initial fixed rate over time for the most representative LTV band for the category (0-60% LTV), broken down by initial fixed period**

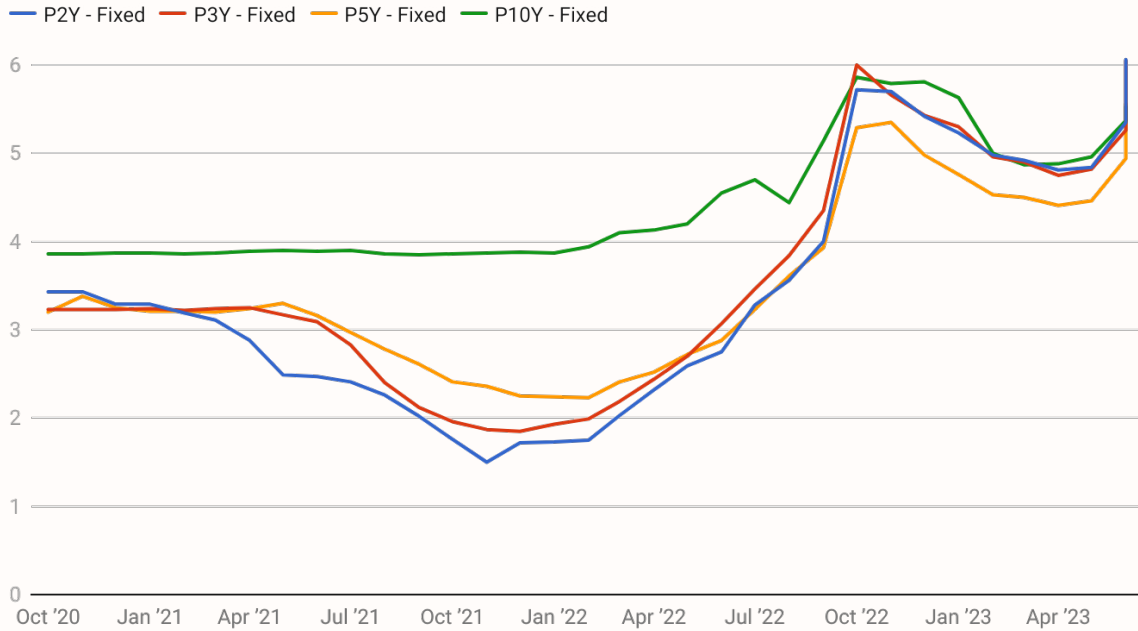


**FIGURE 22 - Average initial fixed period rate over time, broken down by LTV band**

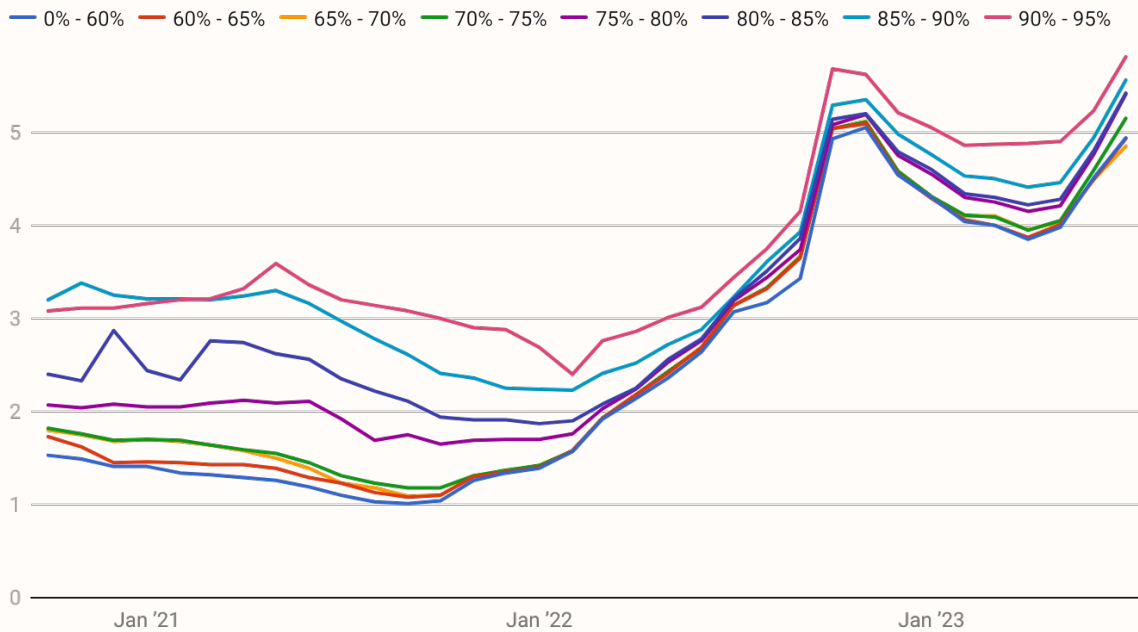


# Purchase

**FIGURE 23** - Average initial fixed rate over time for the most representative LTV band for the category (85-90% LTV), broken down by initial fixed period



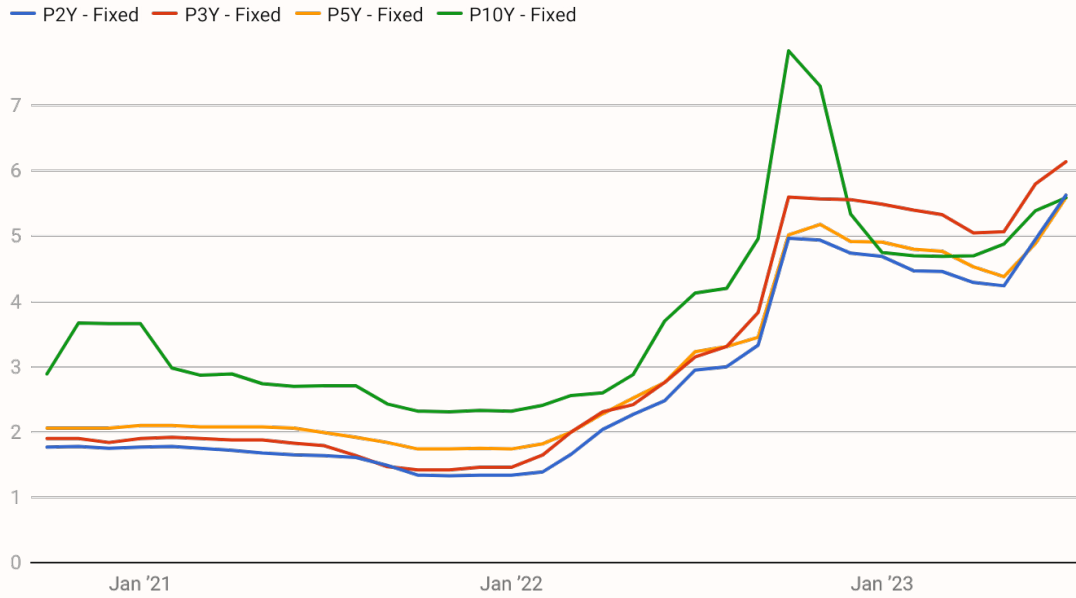
**FIGURE 24** - Average initial fixed period rate over time, broken down by LTV band



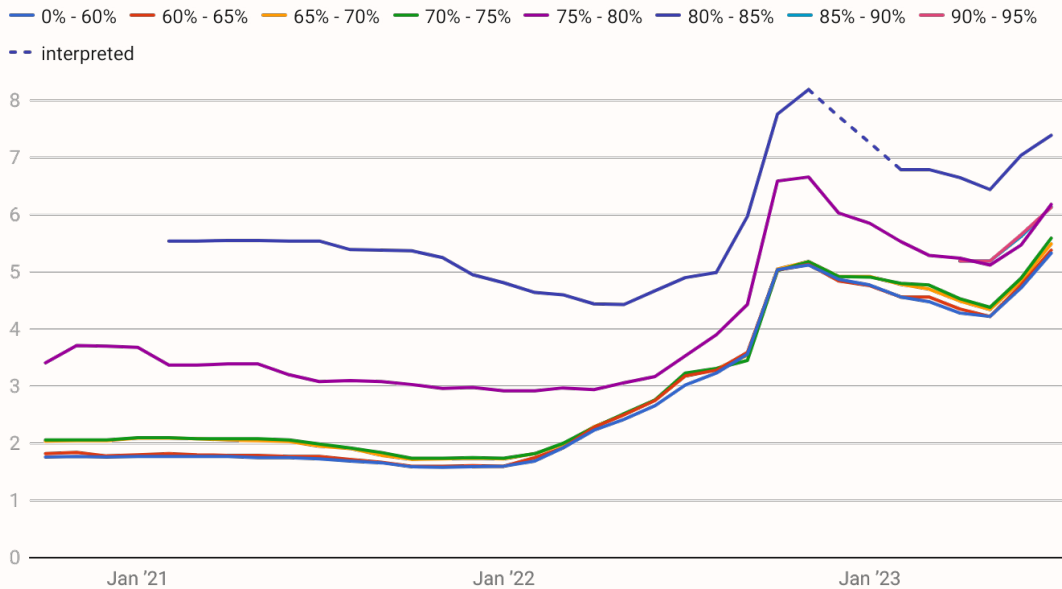


# Buy to let

**FIGURE 25 - Average initial fixed rate over time for the most representative LTV band for the category (70-75% LTV), broken down by initial fixed period**



**FIGURE 26 - Average initial fixed period rate over time, broken down by LTV band\***



\*The dashed line indicates the 80-85 LTV segment had no results during the period

# About us

In partnership with IRESS, Koodoo is now the largest provider of mortgage technology to UK price comparison websites and online lead sources. Research shows 80% of mortgage journeys start online and having a presence online is vital for lenders. IRESS and Koodoo have partnered to provide the mortgage industry with this regular report to support lenders in making informed product design decisions for the digital channel.



## About Koodoo

Koodoo is a market-leading mortgage distribution and decisioning platform, connecting customers in a digital channel to lenders through delightful online journeys. Koodoo powers major price-comparison websites in the UK, and also provides lender technology to help lenders with acquiring, retaining and processing leads digitally.

Contact Koodoo at [hello@koodoo.io](mailto:hello@koodoo.io)



## About Iress

Iress makes market-leading mortgage software that connects lenders and intermediaries, making selling, sourcing and completing mortgages better for everyone. Iress' software helps lenders and intermediaries give their clients the best mortgage experience through an efficient, simplified, connected mortgage journey.

Contact Iress at [sourcing@iress.com](mailto:sourcing@iress.com)

# Appendix

## Methodology

This report has been created using data from Koodoo's mortgage comparison platform which powers major price-comparison-websites. The report also takes data from IRESS' mortgage product data feed.

## Measuring demand for mortgages

This is measured using data from Koodoo's mortgage comparison platform, which powers leading price-comparison-websites in the UK. To preserve the confidentiality of Koodoo's clients and their audiences, this report focuses on the proportion of overall searches, and how this changes from month to month, indicating gradual changes in consumer behaviour. This demand index is different to indices that show search proportions conducted by mortgage intermediaries as it shows searches directly performed by consumers, rather than intermediaries performing searches on behalf of consumers.

## Measuring competition for mortgages

This is measured using a combination of data from Koodoo's mortgage comparison platform and IRESS' mortgage product data feed. The 'segment competitiveness score' is a proprietary algorithm that assesses how competitive a particular segment of mortgage products is. The score ranges from 0 (no competition) to 5 (most competitive). It considers factors such as number of lenders present in the segment, intensity of product bunching at the top of rate tables and relative pricing between the individual products.

## Sources and assumptions

Data for this report is sourced from Koodoo's mortgage comparison platform, which is used by major price comparison websites in the UK, as well as product data from IRESS. Searches are considered independently, meaning that a user august search for a few different types of product, all of which will be counted independently. For ease of reference, any searches above 100% LTV have been filtered out. Where possible, products which are only available to existing mortgage customers and products with special criteria or structures such as joint borrower sole proprietor mortgages have been filtered out to allow fair comparison.