

LENDERS

Lenders offer complex prime deals for 'computer says no' borrowers

● NATALIE MARTIN

Lenders are starting to offer complex prime deals in a bid to cater for clients who don't fit the rigid criteria of other lenders' automated systems.

Complex prime is aimed at borrowers who might fail to meet a lender's credit score but are not considered risky.

This could include clients who are self-employed, receive regular bonuses or overtime payments and those whose circumstances are too complicated to meet the criteria of automated underwriting systems.

Kensington launched a range of two and three-year fixed rates last week aimed at complex prime borrowers. The lender says it intends to take decisions based on customers rather than credit scores.

Charles Morley, head of sales and product development at Kensington,

says a lot of prime customers want a mortgage but are excluded by big lenders because they fail automated decisions.

He adds that some lenders are using credit scores to cherry-pick customers.

Morley says: "When we returned to lending we said we were committed to supporting responsible, sustainable recovery in the mortgage market and we believe this launch represents a step on that road to recovery."

Dev Malle, group sales director at Personal Touch Financial Services, which recently added Kensington to its panel, says: "This introduces prudent lending by allowing access to good customers who may have been disenfranchised by other lenders, in particular those who fail



CHARLES MORLEY
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to meet credit score requirements for no apparent reason."

Meanwhile, All Types of Mortgages is working with five lenders to offer complex prime deals.

Last week it teamed up with Mortgage Intelligence Holdings to offer members of Mortgage Intelligence and Mortgage Next these products.

Dale Jannels, sales and marketing director at ATOM, says: "As a distributor of large volumes of mortgage funds we were becoming concerned at the number of quality cases declined by lenders' 'computer says no' mentality.

"Many high quality deals are being turned away simply based on credit scoring. This does not always reflect the quality of applicants."