

Financial Ashes: Oz brokers valued as information providers

By BN | Tuesday, 25 August 2009

A new survey looking at what motivates UK and Australian borrowers to use a mortgage broker has found that locally brokers are valued more highly for the information they provide, while in the UK convenience is a greater factor.

Carried out by Retail Finance Intelligence (RFI) it asked borrowers if they agreed with statements regarding why they would use a mortgage brokers.

Nearly four out of five (79%) Australian respondents agreed that seeing a broker meant they saw 'a range of loans from a range of mortgage lenders', while just over two-thirds (67%) agreed that brokers 'can save me time'.

In comparison, 62% of UK borrowers, that had taken out a loan through a broker or were planning to do so, most strongly agreed that using a broker saved time that it would have taken them to do their own research, while 57% agreed that brokers were valuable because they could see a wide range of loans.

Top reasons borrowers use a broker

...in Australia (ranked in order of importance)

1. To see a range of loans from range of lenders
2. To save time
3. Get a better deal
4. They offer independent advice
5. They are available after work or at weekends

...in the UK (ranked in order of importance)

1. To save time
2. Get a better deal
3. Provide advice on all products
4. Available outside of branch opening hours
5. Offer independent advice

Source: The Lucky Country? (Retail Finance Intelligence)

In the report, RFI commented that it appeared that "convenience was a greater factor for UK borrowers using a broker, while Australian borrowers were more liable to see brokers as having more information, and therefore able to provide more mortgage options and be able to negotiate from a position of strength".

"The ability of mortgage brokers to save borrowers time was important to all borrowers," the RFI commentary said.

In both countries respondents valued the availability of mortgage brokers after work or on weekends less highly than factors of getting choice of products, saving time and getting a better deal.