



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Lord Andrew Tyrie
Chairman
Competition and Markets Authority
The Cabot, 25 Cabot Square
London E14 4QZ

19th March 2020

Dear Andrew,

You will be aware of the issue of Mortgage Prisoners, which has featured heavily in the press in recent months. After several discussions with the FCA, it is clear that a large group of mortgage prisoners whose mortgages sit with unregulated funds do not benefit from the protections of the FCA.

We would therefore like to discuss the issue with the CMA and ask for an investigation. Much like the energy industry in recent years, mortgages held by unregulated funds sit on unreasonably high SVRs that trap homeowners into mortgages in which they are paying double or even treble market rates.

The effect on mortgagors cannot be understated. Poverty, mental health issues and unrelenting family strains put an unreasonable burden on households across the country. With limited to no access to fair market rates, mortgagors are subject to the excessive charges of the funds that own them, with no hope of recourse. Those in arrears, often only due to the excessive interest rates, are particularly vulnerable.

We would appreciate the opportunity to meet with you at your earliest convenience to discuss the situation.

Kind regards

Kevin

Kevin Hollinrake MP
Chair of the All-Party Parliamentary Group on Fair Business Banking