

NEWS RELEASE

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CONSUMERS WASTE £245M A YEAR ON OVERPRICED MORTGAGE PAYMENT INSURANCE

- **moneysupermarket.com says shop around and save money**

A staggering 90% of consumers that buy mortgage payment protection insurance (MPPI) do so from the lender providing their mortgage who does not necessarily offer the most competitive rates.

Research from moneysupermarket.com, the website where consumers can compare personal finance products, apply online and save money, reveals that when consumers apply direct to the lender they will frequently end up paying rates of around £5 or £6 for each £100's worth of MPPI cover. This contrasts starkly with the cost of cover available on the wider market. Customers with MPPI can get better value if they shop around, amounting to a potential saving of £245m a year.

Mortgage protection insurance covers monthly repayments if a homeowner is unable to work because of accident, sickness or unemployment.

Stuart Glendinning, Marketing Director, moneysupermarket.com said: "Most customers buy MPPI from their bank or building society who provide their mortgage and are unaware that they have a choice and can buy elsewhere. With hefty MPPI commission rates, frequently topping 30%, there's no doubt that it pays to shop around to find the most competitive deal."

As the table below shows, if you shopped around and chose Paymentsshield, who have an exclusive deal with moneysupermarket.com, for your mortgage payment protection insurance, you would pay £159.36 a year, compared to Abbey National which would cost £326.16 a year, making a saving of £166.80 on a typical monthly mortgage payment of £450.

Provider	For £100 cover per month	For £450 cover per month	For £450 cover per month over a year	Benefit period	Excess period
Paymentsshield*	£2.95	£13.28	£159.36	12 months	30 days
Security First	£3.75	£16.88	£202.56	12 months	60 days
ABG	£4.55	£20.48	£245.76	12 months	60 days
HSBC	£5.94	£26.73	£320.76	12 months	30 days
Abbey National	£6.04	£27.18	£326.16	12 months	28 days

*With exclusive deal at moneysupermarket.com.

Stuart Glendinning continued: “Banks and building societies have used the boom in re-mortgaging to push their policies – this is yet another example of where the big financial players rely on inertia and lack of customer awareness to secure sales at a high margin product”.

- ENDS –

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Notes to editors:

About moneysupermarket.com:

- Moneysupermarket.com provides market wide information on mortgages, credit cards, personal loans, current accounts, utilities, savings accounts and cash ISAs and business banking. It was the first company to introduce the mortgage auction to the UK, where businesses bid for house-buyers' business.
- Moneysupermarket.com was launched to consumers in December 1999 by the Mortgage 2000 Group (M2).
- Mortgage 2000 was formed in 1993 to provide mortgage-sourcing software to Independent Financial Advisers (IFAs) and mortgage brokers. Mortgage 2000 has over 10,000 IFA and mortgage brokers subscribing on a paid basis to its trade software and an independent survey carried out by the IMLA involving over 10,000 intermediaries concluded that M2 has 50.2% of the intermediary mortgage sourcing market.
- Mortgage 2000 believes that over 30,000 mortgages are completed monthly through the M2 network - this represents almost 20% of the entire mortgage market.
- The company is based in Chester and has over 85 staff. Last year's Group profit was £1 million on turnover of £5 million.