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First time buyers' mortgage hopes helped by pioneering Leeds Building Society and Experian collaboration

Aspiring homeowners can improve their chances of getting on the housing ladder thanks to extra evidence of a borrower's good financial track record being factored into mortgage checks by a leading lender.

Leeds Building Society has become the first UK mortgage provider to partner with Experian and connect to its free Experian Boost service.

It means the last 12 months' of regular debit payments, such as council tax and subscriptions to digital entertainment services like Netflix or Spotify, can now contribute to credit scores and be factored into mortgage applications to Leeds.

The service uses open banking to link the borrower's current account payments to their credit score which is then connected to the Society's lending systems. During testing, 7.5% of Society applicants would have gained an improvement in their credit score by using Experian Boost.

Leeds Building Society has more than 800,000 customers and last year it helped 18,000 people onto the housing ladder for the first time.

It lends up to 95% of the value of a home both for outright purchase and shared ownership mortgages, applications for which will also be eligible for boosted credit scores.

Last year the Society stopped lending on residential second homes to focus on first time buyers and also published a series of public policy proposals to address the homeownership crisis.

Richard Fearon, Chief Executive at Leeds Building Society, said: "We're proud to be the first mortgage lender in the UK to make it easier for aspiring homeowners by incorporating free, 'boosted' credit scores.

"This will particularly help younger borrowers, first time buyers and anyone on lower incomes who face the toughest challenge to prove their ability to repay. Often through no fault of their own, these groups can struggle to build a good credit score because they need to spend most of their earnings on rent and other regular payments. Indeed, the vast majority of existing Boost users are renters.

"Housing is at its least affordable point since our founding year in 1875, a sad indictment of decades of inertia over the UK's housing crisis. But we will continue to find ways we can help and put homeownership within reach of more people, just as we have for almost 150 years.

“It is no coincidence that a building society is the first to offer this service – we were the original homeownership pioneers and I’m delighted we’re maintaining that tradition.”

Sigga Sigurdardottir, Managing Director, Consumer Services at Experian, said: “Our partnership with Leeds Building Society further supports Experian’s mission to improve financial inclusion for consumers.

“As many people across the UK face barriers to homeownership, we’re delighted that Boost users can now use their boosted scores to help them get on the ladder, making that dream of home ownership more accessible for people across the UK.”

Customers can opt-in and out of the boost service at any time and the service is completely free. More information can be found at <https://www.experian.co.uk/consumer/experian-boost.html>

Ends

For further information:

John Brennan, Leeds Building Society External Relations Manager, 07553 645576

Notes to editors

- The option to include Experian Boost in credit scores with Leeds Building Society currently relates to residential, single applicant mortgage applications only. Dual applicant Boost scores are due to go live soon.
- Not all credit scores will increase with Boost, but it will never cause a credit score to go down. Free Experian account linked to your current account is required. Not all lenders use Boost.
- Open Banking is an initiative that allows consumers to share their bank transactions with FCA authorised third parties via a safe and secure connection. Data cannot be shared without the consumer’s explicit consent. The aim of Open Banking is to drive innovation in the quality of products and services that people can access. Open Banking uses APIs – or Application Programme Interfaces – which are technology that allow banks and other companies to conveniently and securely share data between their organisations.
- The Experian Credit Score is based on the information in their Experian Credit Report, such as how many credit accounts they have and how much credit they use as a percentage of their credit availability. It runs from 0-999 and can give someone a good idea of how lenders are likely to view them. The higher their score, the better the chance the individual has of securing the credit they’re after along with lower interest rates because they are predicted as more likely to pay back their borrowing. The table below is a score band guide to show what scores generally secure the best offers.

Experian Credit Score Bands

Very Poor	0 - 560
Poor	561 – 720
Fair	721 - 880
Good	881 - 960
Excellent	961 – 999

An Experian Credit Report already includes a wide variety of accounts such as loans, credit cards, mortgages, mobile phone contracts, bank accounts and even some regular household bills such as energy, water and broadband. Reports also include a

selection of relevant public records such as the electoral register as well as court judgments ('CCJs' in England and Wales) and insolvencies. In most cases, a credit report captures this information over the past six years.

Alongside the credit report, the lender might also assess the information on your application form (about your occupation and income, for example) along with any information it already knows about you if you've been a customer before.

FAQ

What is your credit rating and how is it used?

Financial organisations draw on information from credit reference agencies like Experian when they are deciding whether to lend money to someone. Credit reference agencies look at a person's financial history, such as seeing whether they have paid bills on time in the past, to create a credit score which is an indicator of how likely someone will be to repay debts in the future.

So how does credit scoring work?

Our individual borrowing record is the key part in determining our credit score. It's essential therefore that you always pay such things as your mortgage, credit card, utility and hire purchase payments on time, because failure to do so – no matter how small – will count against you.

How big a factor is a credit score in a mortgage assessment?

Aside from a credit score, there are many factors that are considered by lenders when assessing an individual's mortgage application, such as their income, employment status, and overall financial stability. However, Experian Boost can provide an additional layer of information, potentially tipping the scales in favour of someone who might have otherwise been rejected due to a lower credit score.

About Leeds Building Society

Leeds Building Society operates throughout the UK and has assets of £25.5bn (at 31 December 2022). The UK's fifth largest Building Society has its head office in the centre of Leeds, where it was founded in 1875.

The Society won the title of Best Shared Ownership Mortgage Lender in the 2022 What Mortgage Awards, its seventh consecutive year of success in this category. It also received a coveted five star rating in the Financial Adviser Service Awards, as well as a Gold Ribbon from Fairer Finance for savings accounts for the fifth year running, based on customer happiness and trust, along with the ability to explain things clearly.

<https://www.leedsbuildingsociety.co.uk/>

About Experian

Experian is the world's leading global information services company. During life's big moments – from buying a home or a car, to sending a child to college, to growing a business by connecting with new customers – we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organisations to prevent identity fraud and crime.

We have 21,700 people operating across 30 countries and every day we're investing in new technologies, talented people, and innovation to help all our clients maximise every opportunity. With corporate headquarters in Dublin, Ireland, we are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

Learn more at www.experianplc.com or visit our global content hub at our global news blog for the latest news and insights from the Group.