

Base Rate Mortgage Ready Reckoner

Ahead of Thursday's MPC decision, [TotallyMoney](#), the credit app which helps everyone move their finances forward, and [Moneycomms.co.uk](#) calculate the impact of the Bank of England's base rate rises on tracker and variable rate mortgages.

1. Potential impact of 16th June base rate increase on mortgage borrowers

This table highlights the impact of this week's potential hikes on variable rate mortgage customers with properties valued at £150k, £250k and £400k.

With 850,000 properties on tracker mortgages and 1.1 million on Standard Variable Rates, 1 in 4 mortgage customers currently have no protection against interest rate increases.

Rate hike	£150k mortgage extra cost per month	£250k mortgage extra cost per month	£400k mortgage extra cost per month
0.25%	£18	£30	£48
0.50%	£37	£62	£99
1.00%	£75	£125	£201

2. Potential cumulative impact of current series of base rate increases since 16 Dec 2021

Even before the 16th of June MPC decision, we have seen a cumulative base rate increase of 0.90%*. The following table shows the potential cumulative impact of these increases, including a further hike of 0.25%, 0.50% or 1.00%.

Rate hike 16 June	£150k mortgage: extra cost per month compared with Nov 2021	£250k mortgage: extra cost per month compared with Nov 2021	£400k mortgage: extra cost per month compared with Nov 2021
No hike On 16 Jun Means 0.90% to date	£68	£113	£180
0.25% On 16 Jun Means 1.15% to date	£87	£146	£233
0.50% On 16 Jun Means 1.40% to date	£107	£178	£284
1.00% On 16 Jun Means 1.90% to date	£147	£246	£393

Assuming capital and interest repayment mortgage with a term of 25 years.

Variable rate mortgages would typically see impact within 1 month. Those on fixed rates will be impacted when their deal comes up for renewal.

Rate hikes to date 16/12/21 (0.15%), 03/02/22 (0.25%), 17/03/22 (0.25%) and 05/05/22 (0.25%).

3. Impact to date on borrower in an average priced UK property

The table below shows the impact on mortgage borrowers on the average priced property of £270,708†, before this series of hikes started.

Date of rate rise	Amount	Increase in monthly payment	Cumulative increase in monthly payment
16/12/2021	0.15%	£14	£14
03/02/2022	0.25%	£26	£40
17/03/2022	0.25%	£26	£66
05/05/2022	0.25%	£26	£92
16/06/2022 ??	0.25%	£26	£118
16/06/2022 ??	0.50%	£52	£144
16/06/2022 ??	1.00%	£104	£196

Calculations based on a 75% LTV Mortgage i.e. £203,031

Alastair Douglas CEO TotallyMoney comments:

“With households already feeling the impact of soaring inflation, an increase to the base rate will serve as another blow to the two million mortgage customers on variable-rate deals.

“Those with a fixed-rate mortgage won’t be impacted, but it’s worth checking to see when the deal runs out to avoid any surprises to your payments. If you’re looking to switch to a new deal, make sure you include any fees and charges when calculating the costs.

“At TotallyMoney, we’re on a mission to help everyone move their finances forward. One way we’re doing this is by putting customers in control of their own financial data. As with other forms of credit, the most competitive mortgage offers are usually reserved for those with the best credit scores. So checking your report can be vital in moving toward a better financial future”.

Andrew Hagger, Personal Finance Expert of Moneycomms.co.uk comments:

”The latest hike in mortgage payments will be a hammer blow to households up and down the country, who are facing a tsunami of increased costs for essential goods and services.

“Those customers on a fixed rate will be shielded for now, but when their fixed rate comes up for renewal, some will face a triple-digit monthly payment increase”.

Sources

* *Moneycomms research commissioned by TotallyMoney June 2022*

** [UK Finance](#)

† [UK Land Registry](#)

About TotallyMoney

[TotallyMoney](#) is the credit app on a mission to help everyone move their finances forward. With over four million customers and a focus on the one in three UK adults financially under-served by the credit industry.

TotallyMoney believes people’s financial data should work for them, and not against them. Its service provides a free live credit report and score to help customers understand their financial position, and personalised recommendations so they can start creating financial momentum.

TotallyMoney works closely with leading lenders, to ensure eligible customers are matched with the right products, underpinned by its robust data, product and tech capabilities.

TotallyMoney is regulated by the Financial Conduct Authority (FCA).