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2022 Iress Mortgage Efficiency Survey highlights need for speed and scalability in shifting market conditions

Iress today announced the launch of the 2022 Mortgage Efficiency Survey, highlighting the opportunities and challenges faced by mortgage lenders over the past 12 months.

The Iress Mortgage Efficiency Survey - now in its 11th year - sheds light on lenders' use of technology to support the origination and writing of mortgage business, while uncovering the top issues affecting and defining efficient lending. Iress' annual investigation also aims to understand the commonality of experience among lenders and the difference of approaches employed to deliver lending objectives.

This year, 36 lenders shared their perspective through a series of detailed, face-to-face interviews, capturing the period from May 2021 to May 2022.

The results paint a picture of what would become a year of contrasts; beginning with a booming market in mid to late 2021 followed by emerging signs of more challenging economic and market conditions in 2022.

Over the survey period, lending volumes were up 31%, with house purchase transactions rising 47% and buy-to-let activity up 83%. The survey also found a significant shift in attitudes toward technology: Automation is on the rise, with all lenders stating their ID&V collection process was fully automated, and more lenders using Robotic Process Automation (RPA) to support the latter stages of the mortgage process. However gaps still exist, including connectivity to the conveyancing process and the completion process remaining stubbornly manual.

The improvements to the mortgage application process detailed in previous years' reports have meant that further efficiencies need to be uncovered elsewhere. Lenders also revealed they are now looking to improve their own processes to maximise those gains previously made in the front end.

More themes uncovered in the survey include:

- **Investment in technology has shifted from the front end to the underlying platforms.** Lenders' focus is now on investments in core banking platforms and process improvements, aiming for greater efficiencies.
- **Collaboration and interoperability is key.** Speed, efficiency and scalability are now key, and cloud technology is at the forefront of lenders' thinking when it comes to efficiency gains and the improvement to ESG credentials..

- **Open Banking is not quite there yet.** Involving bank data in the approval process raises more questions than it answers and does not necessarily provide a more helpful view of customer earnings. Indeed, some saw it as providing them with a reason not to lend.

Iress's business development director, mortgages, Steve Carruthers said, "This year we spoke to 36 lenders and welcomed many new participants. Every experience is important to develop the picture of a year that saw continued lack of supply, increased demand and growing house prices. With the cost of living crisis casting a deep shadow over the UK, and the resultant interest rate fluctuations, lenders' systems have been under immense pressure. It's clear that the months ahead could be very challenging indeed, and lenders' ability to ensure speed into and out of the market, while maintaining high levels of efficiency and client experience,will be paramount."

The full report can be downloaded at iress.com/mes2022

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