

# Getting A Poor Return On Your Savings? Consider An Offset Mortgage



Released on: August 20, 2009, 7:28 am

Author: [London & Country Mortgages](#)

Industry: [Financial](#)

With the Bank of England Rate remaining at an all-time low of 0.5% in August, now could be a good time for many borrowers to consider an offset mortgage.

An offset mortgage works by using savings you have to reduce the amount you owe on your [mortgage](#) and therefore the amount of mortgage interest you pay. For example, if you have an outstanding mortgage of £120,000 and savings of £20,000, you would only pay interest on a mortgage of £100,000. You don't receive interest on your savings, but that also means that you don't pay tax on that interest.

This tax benefit, added to the fact that [mortgage rates](#) are typically higher than savings rates, means that you could save thousands of pounds in interest with an offset mortgage. Taking a mortgage rate of 3.99%, a basic rate taxpayer would need to earn at least 4.99% from a savings account to get the equivalent benefit. A higher rate taxpayer would need to earn 6.65%.

You could also cut years off your mortgage term by using the saving to make regular overpayments.

Richard Morea, Technical Manager at L&C said, "If you are frustrated with the low interest rates you are earning on your savings in the current market, then an offset mortgage is worth considering. They are not suitable for everyone, but if you have a decent amount of savings, offsetting them against your mortgage could save you thousands of pounds in interest."

-Ends-

Notes to Editor:  
London & Country (L&C) is the UK's leading no-fee mortgage broker. Based in Bath, it provides whole of market advice via telephone and post to clients nationwide. As well as residential mortgages, it also specialises in the Buy-to-Let and adverse-credit sectors.

L&C is a Climate Neutral company and for the last seven years has invested in climate friendly projects and tree-planting to help offset its emissions and those of its customers. For more information, go to [www.lcplc.co.uk/green](http://www.lcplc.co.uk/green).

**L&C has won numerous awards including:**

Best Mortgage IFA/Adviser of the Year – Money Marketing, 2004, 2005, 2006 and 2008

Best Technology Adviser – Money Marketing 2007

Best Mortgage Broker outside London – Mortgage Strategy, 2004 and 2005

Best National Broker – Mortgage Introducer 2005, 2006 and 2007

Best Overall Broker – Mortgage Introducer 2005

Overall broker of the year – Pink Home Loans, 2006 and 2007

Top 100 company in the Sunday Times Fast Track 100 for 2004 and 2005

Business of the Year – The Bath Business Awards 2005

Growth Strategy of the Year – National Business Awards (Wales and West) 2008

Business Leader (Broker) – British Mortgage Awards - 2008

Online Mortgage IFA of the Year – Financial Adviser - 2008

**Press Contacts:**

Richard Morea, Technical Manager

Office: 01225 341312

Mobile: 07970 885168

David Hollingworth, Head of Communications

Office: 01225 341211

Mobile: 07710 634044

[www.lcplc.co.uk](http://www.lcplc.co.uk)

**Contact Details:** 50 - 54 Putney High Street

Putney

London

sw15 1sq

~~~~~

Press release distributed via EPR Network (<http://express-press-release.net/submit-press-release.php>)