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# **High net worth self employed clients missing out on high street borrowing?**

With the majority of 2020 and the early part of 2021 having a significant impact on many individuals’ income and financial situations, we anticipate that the self-employed particularly will require specialist residential finance going forward, whose propensity for complex income structures often throws them out of mainstream lending criteria.

When you see national media headlines like *‘*[*Money lenders shun the self‑employed for being too complex and too risk*](https://www.foundationforintermediaries.co.uk/2.%09https%3A/www.thetimes.co.uk/article/money-lenders-shun-the-self-employed-for-being-too-complex-and-too-risky-svvsqqvsw)*’* it’s clear that complex income poses challenges when it comes to securing a mortgage.

And the issue is certainly not reserved to borrowers in the lower income range. In fact, data suggests that the higher net worth individuals are seeing increasingly higher levels of delay and rejection in their mortgage applications. When focusing on high-net-worth individuals (HNWIs), [research from Butterfield Mortgages](https://www.financialreporter.co.uk/mortgages/half-of-high-net-worth-individuals-have-been-rejected-for-a-mortgage.html) suggested that a fifth (18%) of the HNWIs surveyed had been rejected for a mortgage in the last ten years, which is 6% higher than similar survey results in 2019. Of the HNWIs who have successfully or unsuccessfully applied for a mortgage in the last 10 years, 51% said they had at some point been turned down.

**So why would these individuals be rejected?**

63% of HNWIs said they had trouble securing credit because of their complicated income structures which are not simple monthly pay cheques. This is in comparison to a national average of 42%. 78% of HNWIs believe that banks lean too heavily on “rigid 'tick box' methods”.

[Try our income calculator here](https://www.foundationforintermediaries.co.uk/residential/affordability-calculator/?utm_source=tma&utm_medium=partner-article&utm_campaign=high-net-worth-april-2021)

More than a third (35%) of individuals in the UK have made mortgage applications in the last ten years said it has taken three months or more before they have heard back on whether their application was successful or not. This figure jumped to almost three fifths (58%) for those with investments worth over £100,000. Consequently, 62% of HNWIs have “lost confidence in high street banks’ ability to cater for the needs of property investors and buy to let landlords”.

We specialise in [mortgages for borrowers with multiple income sources](https://www.foundationforintermediaries.co.uk/residential/) including those who have recently become self-employed and employed people with high commission and/or bonus. We have one of the broadest income allowances of any lender, allowing advisers to use [100% of an extremely wide range of income types](https://www.foundationforintermediaries.co.uk/residential/) for their residential clients. We accept retained profits and one year's accounts for the self-employed and for the employed, we only require people to have been in employment for a minimum of three months.

Got a client with multiple income sources? [Try our calculator now.](https://www.foundationforintermediaries.co.uk/residential/affordability-calculator/?utm_source=tma&utm_medium=partner-article&utm_campaign=high-net-worth-april-2021" \o "Affordability Calculator)

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