

2019 – connectivity and the consumer

Mark Loffhouse, CEO of Mortgage Brain.

According to the headlines, the mortgage industry is in the midst of game-changing innovation. Announcements of 'technological breakthroughs' that will 'radically change' our sector are rife and forecasting what will happen and the potential scale of the change is increasingly difficult.

In 2018, the arrival of digital customer journeys started to change our thinking and we're seeing an increase in digital adoption, but there's still a long, long way to go. What it has brought to the party, however, is to shine a spotlight on integration with lenders and the different ways to interact with the consumer - in a way that's defined by the consumer.

And while technology is the enabler, the driver really is the customer.

During the early part of 2018, we shared our innovative plans to help drive capability to the forefront with the launch and further development of two key initiatives. Lendex, a next generation digital lender gateway, which will secure Decisions in Principle from lenders in less than 30 seconds, and the Client Portal within The Key, which enables clients to input their own data, track progress, and securely submit messages and documents with 24-hour access so they can do it at a time most convenient to them.

These digital solutions benefit brokers, customers and the industry as a whole, and we've made that capability available to many thousands of advisers. This will improve efficiency in the mortgage sales process and enables brokers to spend their time giving advice which is what the consumer wants from them.

Advice was particularly pertinent last year as well. With challenger banks and large new entrants coming into the market, there was a lot more competition. We saw the number of products from lenders grow substantially - 29% in the last year - which has made the role of the broker more important than ever.

From the customer's perspective, mortgage rates stayed low but there were far more products to choose from, and far more product variations to understand. The need for expert advice, therefore, was, and has, never been greater.

Lender integration and the rise of APIs

There was much discussion last year about enhanced lender integration for brokers and consumers, and as part of this, the development of application programming interfaces (APIs).

It's a potentially complex process that can require substantial investment. There's no clear definition of what lenders are currently capable of delivering but a decision in principle, full application submission, case tracking and supportive document submission capabilities are what many are looking at as their vision.

The actuality is that it's a big and complicated thing to do, particularly for those who have been, or are using, older systems that aren't geared up to the integration capabilities that API technology offers. There's no doubt though that APIs are going to be a topic of the year in 2019 and we should start to see the reality of what is actually being delivered in the coming year.

Looking forward

2018 saw many companies putting technology at the forefront of their business, and rightly so. The range of technology driven possibilities available has created both a challenge and a myriad of opportunities to improve what, and how, solutions are delivered to advisers and their customers.

Throughout 2019, we will start to realise the next transformation of that technology and we'll see more adoption across the sector. This will happen first between the customer and adviser and later with the lender. The next wave will focus heavily on the customer and how we, as an industry, can achieve the best outcome for them as quickly, easily and securely as possible. The main two areas of realisation in 2019 will be building on how advisers interact with their customers and how advisers interact with lenders.

There are many different ways to deal with challenges and change but the key to unlocking this for advisers is to simply grab hold of the new tech and use it. Leaders are already using it to maximum effect and reaping the rewards, others still have a long way to go. With 24% of advisers not even having a website and only 6% having the capability for a customer to enter Fact Find information online, the scale of the change and size of the prize is self-evident*.

For those who aren't yet embracing technology, the focus really should be on finding someone within their organisation or business circle who really thrives on technology, as they will champion it and make it work to deliver optimum results. It's all about teamwork.

While there have been many advances over the past 12 to 18 months, the main innovation is yet to come. But it's probably the most uncertain time in recent UK political history to make

any predictions about the future and its potential effects on the market.

What is certain is that we will continue to explore the practical applications of the digital revolution with the tenacious, dedicated and customer-centric approach which embodies our industry for the benefit of the customer.

***Results from an attendee survey at the 2018 series of Mortgage Vision events.**

Mark Lofthouse is Chief Executive Officer of Mortgage Brain, a Microsoft Gold Certified Partner.

He can be contacted on 01527 557203 or mark.lofthouse@mortgage-brain.co.uk