

## Could the mortgage market undergo Uber-ification?

**Mark Loffhouse, CEO of Mortgage Brain.**

Want a taxi? Not a problem. Go onto the street and hail one, or book one over the phone. Simple and straightforward. It's always been done that way, always will be.

Except ... In 2011 two men launched the Uber app, which allowed anyone with a smartphone to make a trip request and have the cab closest to them make the pick-up. Five years on and Bloomberg estimated the company's revenues to be around \$5.5 billion dollars.

It's an astonishing story and one that was utterly inconceivable a few years ago. And Uber is not alone. Airbnb is another good example.

One of the reasons it happened is that no one 'owns' the taxi space. In the same way that no one 'owns' the mortgage space. As radical as it sounds, anyone is free to come in and be a 'disruptor', and if people like the idea then it could change the rules and irrevocably alter the way mortgages are sold!

The mortgage industry is rarely at the front of the queue for innovation. Apps, for example, were well established in other sectors before arriving in the mortgage market. 'Robo advice', however you interpret it, is commonplace in areas such as car and home insurance and it's now in its early stages for mortgages.

No one, however, has yet invented the mortgage industry silver bullet; the idea that could transform the industry. And what would it be anyway? Would it allow consumers to have mortgages that are tailor made? Mortgages that automatically change whenever a new and more desirable product appears? Maybe even a completely new way of buying a house that makes mortgages redundant at a stroke?

I'm not saying these ideas are feasible or even attractive but we shouldn't close our minds to them or discount the idea that someone, somewhere, could be working on something radical.

It's worth pointing out that coming up with a brilliant idea doesn't make you an overnight success. Techcrunch.com reports that Uber's losses are expected to hit \$3 billion in 2017, Airbnb has had it run ins with authority, and there will always be plenty of people willing and able to piggy back on the success of early adopters. But the tantalising possibility remains.

So what can the industry do about it? It's hard to fight against something that doesn't exist and that no one knows anything about, so the best defence is to make the industry as future proof as possible. This means moving with the tech times and offering as high a level of professionalism as possible. As the technology and service improves, so the window for uberification is reduced.

In the meantime, keep watching the skies.

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