



Help to make the most of your savings with an Offset Mortgage

Your savings could help you reduce your monthly mortgage payments or mortgage term.

What is an Offset Mortgage?

Very simply described, an Offset Mortgage is a way of using the credit balances in your Barclays savings and Barclays current accounts to help reduce the mortgage balance you are charged interest on.

By linking your savings to your mortgage, you can make your money work harder.

Any savings and current accounts you choose to link to an Offset Mortgage will not earn interest, but the more you hold in them, the more mortgage interest you will save. As interest is calculated daily[^], even savings held for a few days will reduce the mortgage interest charged. You can still have instant access to your savings whenever you want as they are not part of the mortgage loan.

Secure and trusted brand

Barclays is one of the UK's leading mortgage providers and one of the first to introduce Offset Mortgages to the UK so you can be confident in your choice.

What interest rate will I pay?

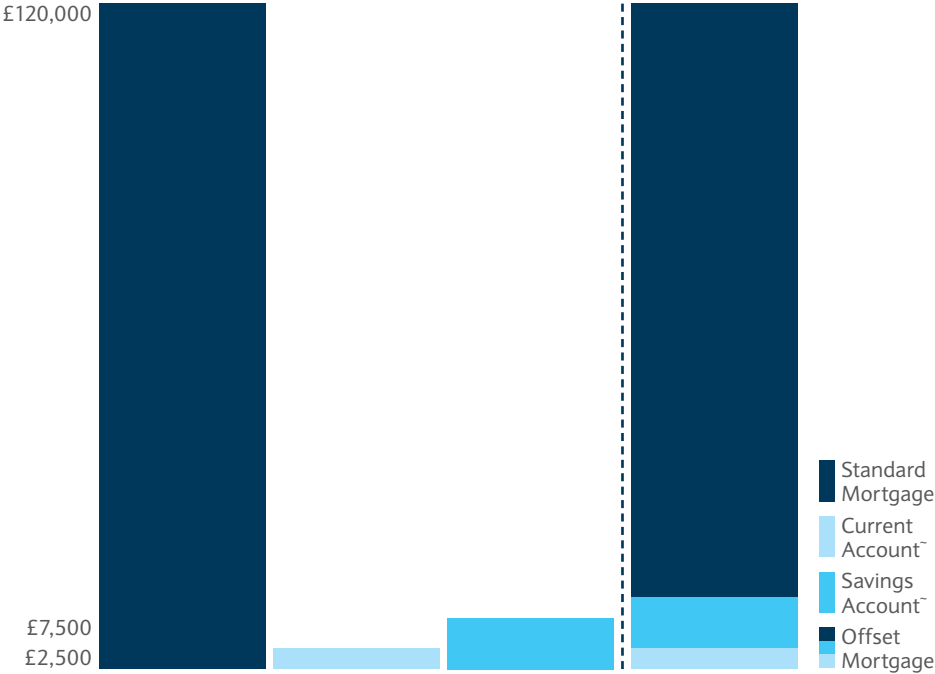
All Barclays Offset Mortgages are tracker mortgages and so the interest rate is variable. Most of our trackers change in line with the Bank of England Base Rate (BEBR)** which is a variable rate set by the Bank of England. Current rates are available online, on the telephone, or you can find out more from a Barclays Mortgage Advisor.

** The Bank of England Base Rate is a variable rate which can go up or down.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

[^]Deposits and withdrawals made over non-working days or after cut-off times on working days are calculated from the next working day. Our working days are generally Monday to Friday except public holidays. Different types of payment instructions have different cut-off times, which are the latest time on any day that we can start processing a payment. You can find out the cut-off times by asking us in branch or on the phone.

How the Barclays Offset Mortgage works



If you have a mortgage of £120,000 and have £10,000 in linked Barclays savings and current accounts, by offsetting you will only be charged mortgage interest on the £110,000 difference. You can choose to regularly overpay each month, without incurring early repayment charges, by making your contractual monthly payment. The interest saved will gradually reduce the mortgage balance and, therefore, the term of the mortgage or you can pay less each month.

To save even more interest you can also make adhoc overpayments on your mortgage at any time if it suits you.

Some charges may apply so please refer to your offer letter and Terms and Conditions.

Depending on how much you can offset over the course of the mortgage, you could save thousands of pounds in interest payments.

~No interest is payable on funds during the period when used in the offset arrangement.

How does it work?

You can use the mortgage interest you save by offsetting in one of two ways: later, by reducing the term of your mortgage or now, by reducing your monthly mortgage payments.

Taking the benefit later – ‘term reduction’

This could be ideal if you want to pay off your mortgage early. You make your regular monthly mortgage payment but the mortgage interest you save is used to reduce the balance each month and pay off your mortgage earlier – this could be days, months or even years earlier, depending on how much is offset against your mortgage.

Taking the benefit now – ‘payment reduction’

Payment reduction could be ideal if you want to reduce your monthly expenditure. The mortgage interest you save one month is used to reduce your monthly mortgage payment in the following month.

Your monthly payments will therefore depend on the credit balance in your linked savings and current accounts during the previous month.

So you can either keep payments the same and pay off your mortgage earlier or pay a reduced monthly mortgage payment each month. Whichever you choose, you won't receive interest on your savings as a result but you'll still have access to your funds when you need them. A Barclays Offset Mortgage really does give you the opportunity to manage your money as it suits you.

Linking your Current and Savings Accounts

In order to help you get the best out of your Offset Mortgage we will automatically link any eligible savings and current accounts held in your sole or joint names.

Please note that the offset accounts have to be in the same names as the mortgage or in the sole name of one of the parties to the mortgage – we will not link joint savings accounts to sole account mortgages.

Details of these accounts and the balances that have been offset each month will appear on your offset statement.

If there are any accounts that you do not want us to automatically link against your Offset mortgage please call **0800 022 4022*** and speak to the Offset Linking Team.

Why choose a Barclays Offset Mortgage?

It's designed to work around you – rather than change the way you deal with your finances. And because it's a mortgage from Barclays, you know you're in safe and expert hands. Let's look at some of the special features of a Barclays Offset Mortgage:

Offsetting can make sense whatever the level of interest rates

By offsetting with Barclays, you are effectively getting interest on your savings at the full mortgage rate. For example, if rates are low and affecting the returns you get on your savings accounts, you may find your savings work harder for you with an Offset Mortgage. This is because mortgage interest rates are usually higher than the rates you can get on your savings accounts.

For example, if your mortgage rate was 6%, your savings and current account balances would be offsetting the mortgage interest at that rate.

We calculate interest daily[^] – so your money works harder

Anything you put in your Barclays linked savings or current accounts reduces the interest charged on your mortgage, the following month.

The more you have in your Barclays linked accounts, the more interest you save on your mortgage. So you may want to consider transferring money held in other savings accounts to your Barclays linked accounts.

You can choose from many eligible accounts, and view and manage them online

Many Barclays current and instant access savings accounts are eligible to be offset as well as all

Barclays Mini Cash ISAs. You can see all your accounts online, alongside your mortgage account, and make transfers between accounts when it suits you.

You keep any historical cash ISA allowances

If you've saved money in a cash ISA, you can offset this. If in the future you don't want to offset your ISA accounts, you will not have lost your historical tax-free cash ISA capital allowance.

You may wish to check whether offsetting your cash ISA is right for you; this may depend on your personal circumstances and requirements as well as the interest rates payable on your cash ISA accounts.

Offsetting may be tax efficient

As no interest is earned on your Barclays linked Current and Savings Accounts, there is no tax to pay on savings interest received. This may be particularly efficient if you're a higher rate tax payer.

How to save even more

We let you overpay as much as you like, whenever you are able. However, fees may apply when you repay your mortgage in full[†].

[†] Your mortgage product may require the payment of an early repayment charge on early redemption (either fully or in part). Details are available on request by calling 0800 022 4022* or by reference to your original mortgage offer.

[^]Deposits and withdrawals made over non-working days or after cut-off times on working days are calculated from the next working day. Our working days are generally Monday to Friday except public holidays. Different types of payment instructions have different cut-off times, which are the latest time on any day that we can start processing a payment. You can find out the cut-off times by asking us in branch or on the phone.

Is an Offset Mortgage right for you?

If you have savings or a little left over each month, an Offset Mortgage could suit you. That applies whether you're remortgaging or buying a new home.

Your Situation	The Benefits of an Offset Mortgage
An Offset Mortgage could be particularly useful if:	
You want to save now, as well as pay off your mortgage faster	Your savings could work efficiently until you need them – and at the same time you could either reduce your monthly payments or the term of your mortgage
You want to save regularly towards your annual tax bill	
You want to be able to dip in and out of your savings as you need them	
You are self-employed or in a job where your income is variable and may consist of additional payments, such as bonuses or commission	As interest is calculated daily any regular monthly overpayments or any bulk payments to your offset accounts will start to save mortgage interest immediately
You have other sources of income such as rent	

If you are interested in an Offset Mortgage or would like more information after reading this booklet, please make an appointment to see a Barclays Mortgage Adviser in one of our branches, or call **0845 677 9993***.

Mortgage Current Account

An added feature of your Offset Mortgage is a Mortgage Current Account. The Mortgage Current Account is linked to your mortgage and can be used just like a normal current account.

The advantages of using the Mortgage Current Account

Any credit balance in the account offsets the mortgage balance, just like the linked savings. So, if you don't hold a current account with Barclays, you could consider having your salary paid into your Barclays Mortgage Current Account. It will then offset the mortgage balance, as long as the account remains in credit.

Makes paying in and out easy

You can use your cheque book and debit card to make payments from your mortgage current account. You can also manage the account online or by telephone to view statements, set up standing orders or manage regular payments.

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Your questions answered

How many people can be part of an Offset Mortgage?

Offset mortgages can be offered to one or two applicants.

Which accounts can I use to offset?

Many Barclays current and instant access savings accounts are eligible to be offset as well as all Barclays Mini Cash ISAs. With the exception of Cash ISAs we will automatically link all eligible savings and current accounts. However, you cannot offset Bonds. Check with your Mortgage Adviser if your Barclays accounts are eligible to be offset. If you don't have a suitable Barclays account, we can open one for you.

Can I offset accounts in individual names on a joint mortgage?

Yes, you can offset the savings or current accounts of an individual as long as they are named on the mortgage. Please be aware that eligible accounts in a sole name will automatically be linked to the offset mortgage, and account and balance details for both joint and individual accounts will appear on the monthly Offset statement.

How and when do I choose which accounts to offset?

You can open additional savings accounts at any time before your mortgage completes if you wish to keep your savings in different accounts. We will link all eligible savings and current accounts to your mortgage when it completes but not your Cash ISAs. You will receive a letter confirming the accounts that have been offset and you can contact us if you wish to open new accounts or to offset any Cash ISAs.

If you decide that there are accounts that you would prefer were not automatically offset against your Offset mortgage, please call **0800 022 4022*** and speak to the Offset Linking Team.

Will I get credit interest on my savings?

No, from the day your mortgage completes and your Offset Arrangement is set up, your linked savings will stop earning interest. The total balance of your offset accounts will instead be used to reduce the mortgage balance that interest is calculated on. The interest you save every month is known as your Offset Benefit.

How can an Offset Mortgage reduce the length of my mortgage?

If you choose 'term reduction', we'll collect your full monthly mortgage payment, and the interest saved from offsetting your savings (your Offset Benefit) will be used to reduce the capital part of your mortgage, thus helping to pay it off sooner.

If I choose to reduce my monthly payments, how will I know what I'm paying each month?

We'll send you an Offset statement at the end of each month showing a daily breakdown of the Offset Benefit you have earned from any accounts you have linked to your mortgage. This statement will also show the monthly payment that we will collect by direct debit in the following month.

What will my payment be in the month my mortgage completes?

As your mortgage can complete at any time during the month we will not collect your first payment until the following month. However, you will begin to earn Offset Benefit on the total balances in the accounts that you have linked to your mortgage.

What will I pay in the month after my mortgage completes?

In the first full month after your mortgage completes, the payment you will have to make is a full contractual monthly payment plus any mortgage interest carried forward from the month when your mortgage completed.

Your first monthly payment will be reduced by the Offset Benefit you have earned by the end of the month when your mortgage completes. This is because each monthly payment is reduced by the amount of Offset Benefit that you have earned in the previous month.

What will I pay each month thereafter?

Each of the following monthly payments will be reduced by the Offset Benefit earned during the previous month. If the total balance held in your offset accounts fluctuates during the month, this will be reflected in the following month's payment.

If I choose 'payment reduction' and have exactly the same in savings as I have on my mortgage, will I pay or receive any interest?

This is known as 100% offset, and in theory it would mean you pay no interest on your mortgage and receive no interest on your savings. In reality there would be slight anomalies. The monthly mortgage payment is calculated as 1/12th of the annual interest plus any capital repayment due (i.e. each 'month' is 30.4 days) whereas the Offset Benefit is based on the actual number of days in the calendar month. For example, the mortgage payment for March would be for 30.4 days less the Offset Benefit earned during the 28 days of February and there would, therefore, be a small amount to pay.

What happens if I have more in savings balances than I have outstanding on my mortgage?

Because of the way interest is calculated on an Offset Mortgage, you wouldn't receive any credit interest on the surplus savings.

Can I withdraw an account from the offset arrangement?

Yes. Simply let us know which account you no longer wish to offset and we can arrange this for you. Alternatively, you can remove the account yourself if you are registered for Online Banking.

Any account you choose to withdraw from the Offset Arrangement will continue to operate under the terms and conditions of the particular product. You will start earning interest (if applicable) on any credit balance held in that account and it will no longer be included in the interest calculation for the mortgage. You can return any eligible account to the Offset Arrangement at any time.

Would you like more information?

New Offset Enquiry

If you are interested in an Offset Mortgage or would like more information after reading this booklet, please make an appointment to see a Mortgage Adviser in one of our branches, or call **0845 677 9993*** to speak to a mortgage specialist.

Existing Offset Customers

If you already have an Offset Mortgage and have any queries about which accounts you can offset, please contact us on **0800 022 4022*** and speak to the 'Offset Linking Team'.

You can also find more information about Offset Mortgages at **[barclays.co.uk](https://www.barclays.co.uk)**

Your feedback

If you have a complaint about any aspect of our service then we would like to hear from you. You can contact us by phone, in person, or in writing, either by post or e-mail. Details of our complaints handling procedures are available on request from any branch, Barclays Group Information line on 0800 400 100*, or [barclays.co.uk](https://www.barclays.co.uk).

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You can request this in Braille, large print or audio. For information about all of our accessibility services or ways to contact us, visit [barclays.co.uk/accessibility](https://www.barclays.co.uk/accessibility)

Call monitoring and charges information

*Calls to 0800 numbers are free if made from a UK landline and international calls are charged at local rate, mobile costs may vary – please check with your telecoms provider. Calls may be recorded so that we can monitor the quality of our service and for security purposes.

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