



# Barclays Offset Mortgage

Help and support guide

Make money work for you



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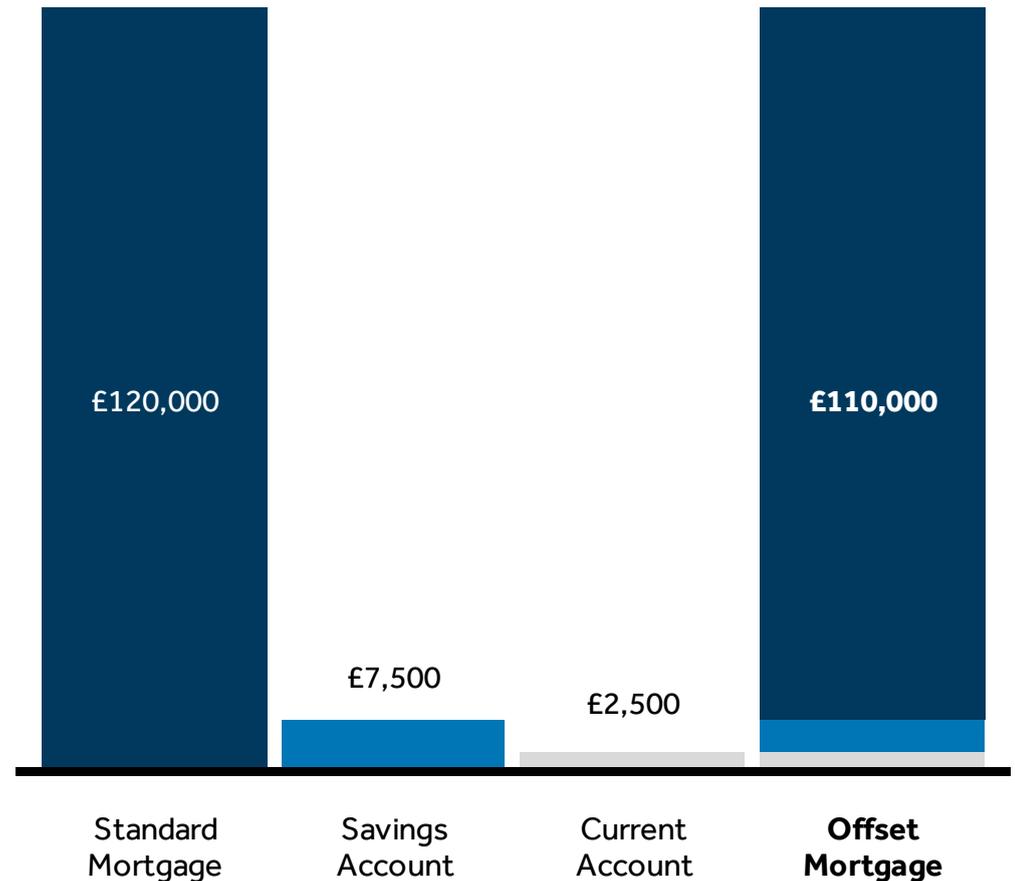
# What is a Barclays Offset Mortgage?

A Barclays Offset Mortgage is a flexible mortgage, linking current and savings accounts to help make your client's money work harder, reducing the mortgage balance they pay interest on.

## How does it work?

If your client has a mortgage of £120,000 and has £10,000 in linked Barclays savings and current accounts, by offsetting they will only be charged mortgage interest on the £110,000 difference.

Depending on how much your client can offset over the course of the mortgage, they could save thousands of pounds in interest payments. And, of course because their Barclays current account and savings accounts are not earning interest, tax will not be relevant on their savings, which can be particularly efficient for a higher-rate tax payer.



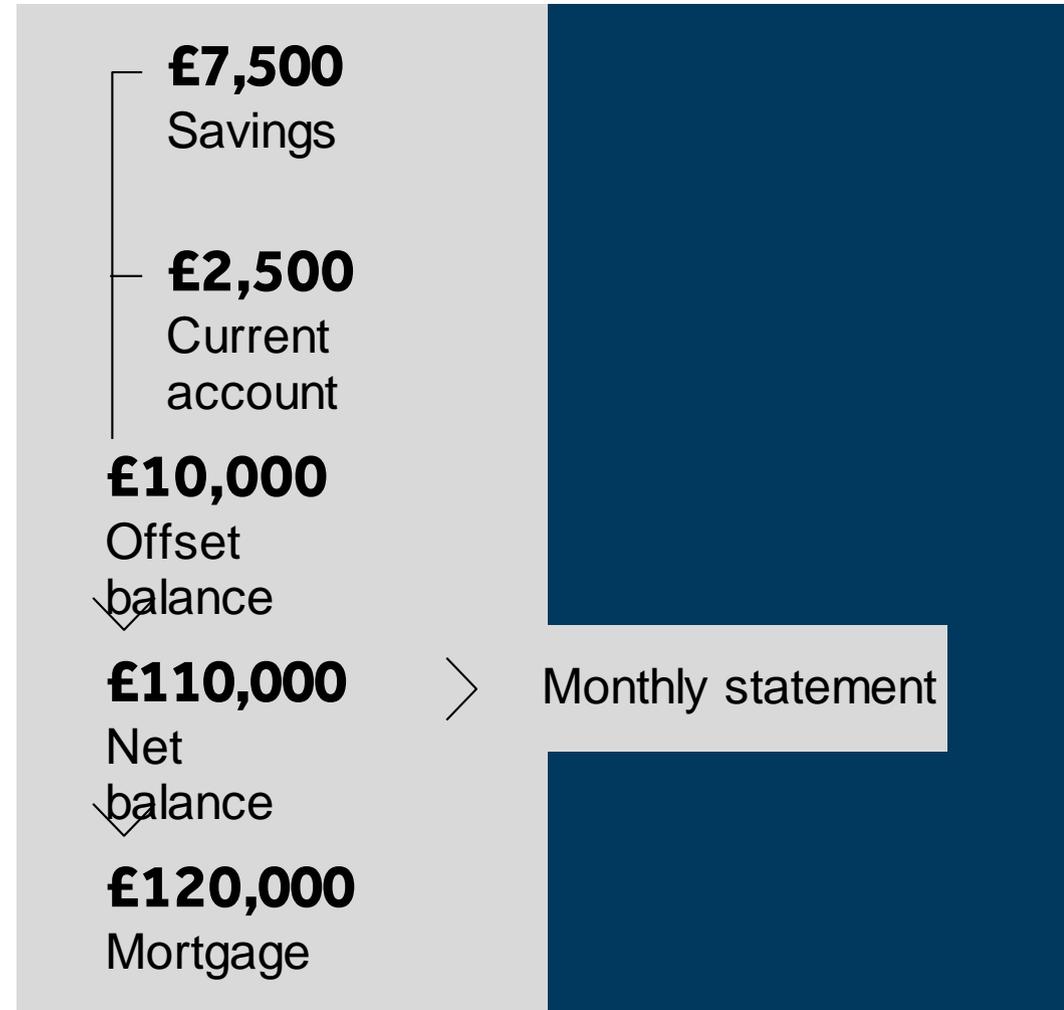
# Barclays Offset Mortgage

## A functional and flexible mortgage

A key selling point of the Barclays Offset Mortgage is its functionality and flexibility.

We calculate interest daily, so your client can **access** their money at any time without it being locked away for the term of the mortgage.

Clients can manage and access their money in **branch**, **online**, by **telephone** and by our award-winning **Mobile Banking App**, with up to 4 current accounts with a **debit card** and/or **chequebook**.



## Barclays Offset Mortgage

# How many accounts can I use?

A mortgage current account (MCA) is automatically opened when an offset mortgage is created. This is linked to the mortgage and can also act as the client's everyday account.

Up to 12 eligible accounts can be linked to the offset mortgage (up to 4 current accounts including the MCA (with cheque book and debit cards) and up to 8 cash ISA's and instant access savings accounts).

# 4

The number of Barclays current accounts that can be included in an offset mortgage.

# 8

The number of savings accounts that can be included in an offset mortgage.

# 12

There is the ability to offset 12 accounts which can include the four Barclays current accounts plus cash ISA's and a number of instant access savings accounts.



## What are the benefits for your client?

Your client can choose to benefit from term reduction or payment reduction.  
Clients can switch between either option at any time.

### Benefit later with 'Term Reduction'

This could be ideal if your client wants to pay off their mortgage early.

They make their regular monthly mortgage payment but the mortgage interest they save is used to reduce the balance each month and pay off the mortgage earlier. This could be by days, months or even years.

or  
**switch  
at any time**

### Benefit now with 'Payment Reduction'

Payment reduction could be the best option if your client wants to reduce their monthly expenditure.

The mortgage interest they save one month is used to reduce the monthly mortgage payment in the following month.

Barclays Offset  
Mortgage

## What are the benefits for you?

It is not only your clients who could benefit from a better financial planning tool, there are also many benefits for you:

Opportunity to build deeper client relationships

Clients becoming advocates for your business and a source of referrals

Increased loyalty from your clients

Increase in sales and income depending on your client's circumstances

# Who might benefit from an Offset Mortgage?



An Offset Mortgage could benefit your client if they are:

- Self-employed and have unpredictable cash flows or a high bonus to salary ratio (saving for tax bill)
- Looking for an option to overpay
- Landlords, buy to lets utilising Multi savings accounts
- Excess funds left in a current account at the end of each month
- Higher Rate Tax Payers

# Barclays Offset Mortgage Client Example 1

A client with a small one-off lump sum, no savings

Loan	<b>£100,000</b>
LTV	<b>50%</b>
Existing savings	<b>£0</b>
Savings Lump Sum expected	<b>£10,000 (one-off)</b>
Regular monthly savings	<b>£500</b>
Average c/a balance	<b>£1,000</b>
Term	<b>25 Years</b>
Repayment/IO	<b>Repayment</b>
Mortgage Rate	<b>2.47%</b>
Tax bracket	<b>20%</b>

## Term Reduction

### Term savings

Client could reduce the term of their mortgage by 4 years and 6 months

### Mortgage Interest Savings

Client could save £6,953.67 in mortgage interest when they offset their savings

### Term savings

Client could save paying £2,846.60 in tax on their savings interest

## Payment Reduction

### Monthly payments

Client could save £78.18 on their monthly payments

### Mortgage Interest Savings

Client could save £23,452.70 in mortgage interest when they offset their savings

### Term savings

Client could save paying £3,863.94 in tax on their savings interest

# Barclays Offset Mortgage Client Example 2

Landlord with monthly rental income  
paid into savings account

Loan	<b>£200,000</b>
LTV	<b>67%</b>
Existing savings	<b>£3,000</b>
Savings Lump Sum expected	<b>0</b>
Regular monthly savings	<b>£800</b>
Average c/a balance	<b>£1,000</b>
Term	<b>25 Years</b>
Repayment/IO	<b>Repayment</b>
Mortgage Rate	<b>2.47%</b>
Tax bracket	<b>20%</b>

## Term Reduction

### Term savings

Client could reduce the term of their mortgage by 3 years and 9 months

### Mortgage Interest Savings

Client could save £10,893.45 in mortgage interest when they offset their savings

### Term savings

Client could save paying £4,921.16 in tax on their savings interest

## Payment Reduction

### Monthly payments

Client could save £128.87 on their monthly payments

### Mortgage Interest Savings

Client could save £38,660.69 in mortgage interest when they offset their savings

### Term savings

Client could save paying £6,444.19 in tax on their savings interest

# Barclays Offset Mortgage Client Example 3

Regular high bonus earner with existing savings,  
high tax bracket

Loan	<b>£700,000</b>
LTV	<b>70%</b>
Existing savings	<b>£50,000</b>
Savings Lump Sum expected	<b>£50,000 (each year)</b>
Regular monthly savings	<b>£2,000</b>
Average c/a balance	<b>£4,000</b>
Term	<b>25 Years</b>
Repayment/IO	<b>Interest Only</b>
Mortgage Rate	<b>2.47%</b>
Tax bracket	<b>45%</b>

## Term Reduction

### Term savings

N/A interest-only mortgage

### Mortgage Interest Savings

Client could save £100,548.72 in mortgage interest when they offset their savings

### Term savings

Client could save paying £100,420.73 in tax on their savings interest

## Payment Reduction

### Monthly payments

Client could save £1,227.41 on their monthly payments

### Mortgage Interest Savings

Client could save £368,223.48 in mortgage interest when they offset their savings

### Term savings

Client could save paying £135,507.53 in tax on their savings interest

# Barclays Offset Mortgage Client Example 4

Professional with existing savings but no lump sum

Loan	<b>£300,000</b>
LTV	<b>60%</b>
Existing savings	<b>£20,000</b>
Savings Lump Sum expected	<b>0</b>
Regular monthly savings	<b>£500</b>
Average c/a balance	<b>£2,000</b>
Term	<b>25 Years</b>
Repayment/IO	<b>Repayment</b>
Mortgage Rate	<b>2.47%</b>
Tax bracket	<b>40%</b>

## Term Reduction

### Term savings

Client could reduce the term of their mortgage by 2 years and 11 months

### Mortgage Interest Savings

Client could save £12,411.34 in mortgage interest when they offset their savings

### Term savings

Client could save paying £12,002.16 in tax on their savings interest

## Payment Reduction

### Monthly payments

Client could reduce monthly payments by £142.53

### Mortgage Interest Savings

Client could save £42,759.24 in mortgage interest when they offset their savings

### Term savings

Client could save paying £14,767.84 in tax on their savings interest

## Barclays Offset Mortgage

# Why recommend a Barclays Offset Mortgage?

There are 8 reasons why you should recommend a Barclays Offset Mortgage to your client.

1. Your client can choose from many eligible Barclays accounts, and access at any time via branch, online, telephone or BMB
2. Your client can keep any historical cash ISA allowances
3. We calculate interest daily, so your client's money works harder
4. Offsetting can make sense whatever the level of interest rates
5. Our Switch and Save offer can help make switching as painless as possible
6. Unlimited overpayments available\*
7. We are covered by the Financial Services Compensation Scheme (FSCS)
8. Your client has access to their savings whenever they want



\*Subject to change

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