

Barclays launches “loyalty mortgages”

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[Barclays](#) has become the latest lender to offer discounts on its mortgage products for its current account customers.

The lender will be launching a new range of products called “Barclays Loyalty Mortgages” from September 1. Customers with any of Barclays current accounts, including Premier, Additions and Graduate accounts, can all be eligible for the special rates.

The new mortgage range will give current account holders discounts of up to 0.54 per cent off selected mortgages. This includes a two-year tracker at 2.79 per cent - bank base rate plus 2.29 per cent - or a two-year fixed-rate at 2.95 per cent.

Offset mortgages and lifetime trackers will also be offered as part of the new loyalty mortgage range.

In order to have access to the loyalty range, customers must have had their current account for three months and pay a minimum of £800 each month into the account.

This comes as part of a growing trend by banks to offer special mortgage deals exclusively to current account customers.

In January, Halifax launched a “rewards” range for customers who pay £1,000 a month into a current account with the bank. Current account customers have access to mortgage rates that are around 0.2 per cent cheaper than rates offered to non-current account holders.

Abbey also has a number of special rates for existing current account customers. However, the customer must have had the current account for six months with a minimum of £1000 credited per month.

Mortgage brokers said the new range from Barclays was competitively priced.

“It does look like a good deal if you are a Woolwich existing current account holder as the rates are very competitive,” said Aaron Strutt of Trinity Financial Group. “Barclays has a 20 per cent share of all UK bank accounts and they are keen to increase this number.”

While these incentives can make mortgage and bank account deals seem attractive, brokers said borrowers should still make sure they compare rates across the whole of the market.

“We are always looking at how we can offer the most competitive mortgage rates we can and the most deserving people for these are our existing customers,” said Andy Gray of Barclays. “What this new scheme means is that our current account customers will now always have access to discounted rates in our range, as a reward from us to them for their loyalty.”