

Northern Rock increases tracker rates

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Northern Rock has increased its tracker rates by up to 0.30%.



For purchases it has increased its 70% LTV two-year tracker rate from 2.59% to 2.89%, base plus 2.39%, and its 75% LTV tracker rate from 2.84% to 2.99%, base plus 2.49%.

For its three-year trackers it has increased rates from 2.79% to 2.99%, base plus 2.49% for 70% LTV and from 2.89% to 3.19%, base plus 2.69% for its 75% LTV deal.

It has also made a number of increases to its remortgage trackers.

Aaron Strutt, product and communications director at Trinity Financial Group, says: "It will be interesting to see if any other lenders raise their trackers on the back of this - we have seen lenders follow their competitors' lead before.

"Lenders can increase their rates as a way of controlling volume, but we have not seen many examples of this recently. Northern Rock have had the lowest tracker rates for a while, although Abbey now comfortably undercuts them."

A spokesman for Northern Rock says: "We constantly look at volumes and take commercial decisions to manage these."