

HSBC fails to break into top five lender league

13 September 2010 | By [Natalie Thomas](#), [Robert Thickett](#)

HSBC has not ranked in the top five largest mortgage lenders of 2009 and remains in seventh position for the second year running.

Figures released by the Council of Mortgage Lenders last week show that in terms of total mortgage balances outstanding, HSBC had a market share of 4.8% in 2009, up from 4.1% in 2008.

The lender was narrowly behind Northern Rock (Asset Management), which was in sixth place with a market share of 4.9% and the Royal Bank of Scotland in fifth place with a market share of 7.1%.

Unsurprisingly, Northern Rock, with its initial policy of encouraging borrowers to remortgage away after it was nationalised, reduced its value of total mortgages from £66.7bn in 2008 to £60.1bn in 2009.

Gross lending at HSBC fell to £14bn in 2009 from £17.2bn in 2008.

However, it actually increased its market share in terms of total gross lending going from 6.8% in 2008 to 9.7% in 2009.

Aaron Strutt, product and communications director at Trinity Financial Group, is surprised by HSBC's low ranking after its push to increase mortgage lending.

He says: "In 2008/09 a lot of lenders such as RBS practically shut their doors to new lending while HSBC was marketing its products and launching competitive rates."

Last week HSBC launched two 90% LTV deals. Its tracker deal is 3.69% above the Bank of England base rate, currently 4.19%. It is also offering a two-year fixed rate deal at 5.09%. Both deals have a £99 fee. HSBC is also extending its 2.19% lifetime tracker, again with a fee of £99, until October 31 2010.

The lender says it continues to approve four out of five mortgages applications.

But Strutt says: "There is no doubt it is receiving enquiries but if it wants to increase market share it may need to loosen its criteria."

The CML figures show that the five largest lenders accounted for 82% of all lending activity during 2009.

Lloyds Banking Group retained its number one spot for both total balances outstanding and gross lending, but year-on-year gross lending more than halved, falling from £78bn in 2008 to just £34.7bn in 2009.