

1 November 2018

Rt Hon Frank Field MP
Chair
Work and Pensions Committee
House of Commons
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Dear Frank,

NatWest Buy To Let mortgage policy

Thank you for your letter of 24 October regarding our Buy To Let mortgage policy.

I have personally reviewed the customer case you refer to and have been extremely disappointed by the way in which we have handled it. It is clear that we did not meet the level of service we would expect to provide and did not reflect the values of our organisation. I have identified a number of areas for improvement, which are now being addressed. Following your letter, a member of our Home Buying and Ownership team has spoken to the customer and offered our apologies and explained that we will be looking again at our policy in this area.

In line with a number of other lenders in the Buy to Let market, our mortgage policy for landlords with smaller property portfolios (i.e. fewer than ten properties) includes a restriction on letting to tenants in receipt of housing benefit. This reflects evidence that rental arrears are much greater in this segment of the rental market and we are satisfied that this restriction does not contravene equality legislation. We do serve larger landlords (i.e. those with portfolios of more than ten properties) through our Business Bank and this policy does not include the same restriction.

We are now in the process of conducting a review of our Buy To Let policies. As I say, I regret the way in which this particular case has been handled; I am however grateful it has brought a number of issues with the policy to our attention and now provides us with an opportunity to address them.

We have also responded to Shelter and have invited them to share their expertise as part of our review and we would value their input. I will write to update the Committee once this work has been completed.

Yours sincerely,



Ross McEwan