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Halifax Rolls Out New Mortgage Rate Cuts Amid Heightened Market Competition

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Halifax has unveiled a range of mortgage rate cuts and changes to its product offerings, stepping up efforts to attract customers as lenders across the UK intensify their fight for market share. The move, effective from August 1, signals growing competition in the housing finance sector just days before the Bank of England's potential interest rate cut.

The high street bank, part of Lloyds Banking Group, has trimmed rates across several loan-to-value (LTV) bands for both remortgage and product transfer customers. Halifax's two-year

fixed product rate for borrowers with up to 60% LTV has been reduced by 0.21 percentage points to 3.81%, subject to a £999 fee.

Reductions are also substantial for those with higher LTV needs. The two-year fixed option within the 75% to 80% LTV range now sits at 4.33% after a 0.22 percentage point drop. The steepest cut applies to borrowers in the 85% to 90% LTV bracket, where the rate has fallen by 0.28 percentage points to 4.72%.

Halifax has lowered rates between 0.10 and 0.20 percentage points in its five-year fixed deals. Customers borrowing up to 60% LTV can now access a rate of 4.01%, while those in the 85% to 90% LTV range are being offered 4.37%. Both products carry a £999 fee.

The lender has also revised product end dates, aligning them to December of the respective year, giving borrowers more consistency in terms. Completion deadlines have also been extended for all remortgage, product transfer, and further advance applications, offering added flexibility.

These latest changes reflect the ongoing so-called 'mortgage rate war' in the UK, where banks and building societies are battling to retain and grow their customer base through competitive pricing. With the Bank of England widely anticipated to announce a base rate cut in the coming days, lenders are adjusting in advance to remain attractive in a shifting economic climate.

Elsewhere in the market, The Mortgage Works, the specialist buy-to-let division of Nationwide Building Society, has introduced cuts of up to 0.25 percentage points on its limited company mortgage products. For instance, a two-year fixed rate for limited company buy-to-let borrowers has been adjusted to 3.99% with a 3% fee. Its five-year buy-to-let remortgage product is now available at 4.44%, offered with no fee.

Coventry for Intermediaries has also lowered its rates across various segments, reducing some by as much as 0.19 percentage points. Key highlights include a two-year fixed residential product transfer at 3.88% and a five-year fixed rate for limited company buy-to-let remortgages at 5.24%.

Meanwhile, Nottingham Building Society has significantly updated its mortgage range, including rate reductions of up to 0.17 percentage points. The mutual has launched new cashback incentives of £1,000 for borrowers seeking loans at 90% and 95% LTV. It has

also relaxed criteria for higher earners by increasing loan-to-income limits and has lowered stress testing rates on all two-year fixed products.

In response to broker feedback, Market Harborough Building Society has broadened its eligibility criteria for residential products. The lender now allows for higher income multiples, with up to six times income for its tier two offerings and even more flexibility under tier three, subject to affordability. It has also started accepting more complex income sources, such as vested share income, and has introduced a savings-supported affordability model.

With a number of lenders introducing fresh incentives and pricing structures, the mortgage sector continues to evolve at pace. Many in the industry view these developments as a sign of sustained efforts by lenders to gain traction in a cautious but competitive borrowing environment.

All the new rates and lending terms are now available on lenders' intermediary portals and systems, providing brokers and customers with updated decision-making tools ahead of the Bank of England's upcoming policy announcement.