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## UK Mortgage Arrears Fall, Market Shows Resilience

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– *Categories: Finance*

In the second quarter of 2025, the UK mortgage market demonstrated renewed robustness, with figures from UK Finance revealing a notable decline in delinquency rates and modest changes in property repossessions.

Homeowner mortgages in arrears, defined as payments overdue by at least 2.5% of the outstanding balance, fell by 3% to a total of 87,380 cases. Of those, 29,840 were in the lightest arrears band (2.5%–5% of balance), also representing a 3% quarterly decline. Buy-to-let (BTL) loans in arrears saw a larger decrease, dropping 5% to 11,270. Among these, 4,100 BTL cases were in the lightest arrears range, a 6% reduction.

Overall, arrears remain low, accounting for just 1.00% of homeowner mortgages and 0.58% of BTL loans.

Repossession numbers shifted slightly. Homeowner possessions rose by 10% to 1,340 properties in Q2 2025, reflecting a notable increase compared to previous quarters, though still below long-term averages. In contrast, BTL repossessions declined by 2% to 790 cases.

Charles Roe, Director of Mortgages at UK Finance, remarked that “Arrears are continuing to fall across both homeowner and buy-to-let mortgages, reflecting resilience in the market. The proportion of mortgages in arrears also remains below long-term averages, even amid the current economic conditions. Borrowers are responsible for managing their repayments, and early contact with lenders is recommended to explore available options.”

Mary-Lou Press, President of NAEA Propertymark, welcomed the data, noting the impact of recent changes in interest rates on mortgage affordability. She added: “Introducing more affordable mortgage products has affected the pressures some households have faced. Interest rate changes influence the affordability of mortgages and the overall market conditions.”

Though modest changes in repossessions were observed, the continued decline in arrears underscores the strength of the UK mortgage sector. Lenders emphasize that repossession is used only after borrowers have managed their repayment responsibilities.

More detailed mortgage arrears and possession data for Q2 2025 is available from UK Finance’s official release.