Should You Remortgage or Switch Lenders? A Straightforward Guide for Homeowners

Posted on 16 October 2025

It's that time again – your mortgage deal's coming to an end, and the letter from your lender lands on the doormat.

You know the one.

It's polite, formal, and slightly smug – reminding you your fixed rate is about to expire and you'll soon be on their **Standard Variable Rate (SVR)** unless you act.

Cue the question every homeowner asks at some point:
Should I stick with my current lender or switch to a new one?

It sounds simple, but it's one of those deceptively tricky financial crossroads. Each option has pros and cons – and the best choice depends entirely on your circumstances, goals, and how much hassle you're prepared to endure.

Let's unpack it properly.

The Basics: What "Remortgaging" Really Means

People throw the term around a lot, but it's often misunderstood.
Remortgaging simply means taking out a new mortgage on a property you already own – either with your current lender or a new one.

There are two main routes:

Type	Description	Typical Reason
Product transfer (stay with current lender)	You switch to a new deal with your existing lender	Convenience, simplicity, no new underwriting

Type	Description	Typical Reason
Full remortgage (switch lender)	You move your mortgage to a new lender entirely	Better rate, flexible terms, extra borrowing

The first is easy. The second can save you thousands – but it comes with more admin.

Think of it like renewing your car insurance. You can accept your provider’s renewal quote and be done in five minutes. Or you can shop around and probably get a better deal elsewhere, though it takes a bit of effort.

Why People Remortgage in the First Place

If your mortgage deal is about to expire, you’re not alone. In 2024, over **1.5 million UK borrowers** faced this exact situation as the era of ultra-low rates ended.

When your fixed term ends, you’re automatically moved onto the lender’s **SVR** – and that rate is usually several percentage points higher. That can easily mean an extra £200–£400 a month for the average homeowner.

That’s why most people **remortgage before** their deal expires.
It’s about getting a new fixed or tracker rate – often cheaper, more predictable, and better suited to your current needs.

But the reasons vary:

- Your income has changed and you want to adjust the term.
- You’ve built up equity and now qualify for a better loan-to-value (LTV) bracket.
- You want to raise additional funds for home improvements or debt consolidation.
- You’re considering a buy-to-let or a second home.

And sometimes, it’s just about feeling in control – not letting the lender dictate the next chapter of your financial story.

The Case for Staying With Your Current Lender

Let’s start with the easy route – staying put.
If you choose to **stick with your existing lender**, it’s known as a *product transfer*.

The benefits are clear:

1. **No new affordability checks.**
   Your lender already knows you. They might skip the usual deep dive into your income and spending.
2. **No property valuation (sometimes).**
   Some lenders use automated valuations, which means no one’s poking around your house again.
3. **No legal fees.**
   There’s no conveyancing or land registry work involved because you’re not changing lender.
4. **It’s fast.**
   You can often complete the switch in a matter of days.

That convenience is hard to beat. Especially if you’re busy, hate paperwork, or simply want an easy life.

But – and it’s a big but – convenience comes at a cost.

Your lender might not offer you their best rate. They reserve the most competitive products for new customers. Loyalty doesn’t always pay in banking.

So, while a product transfer is simple, you could end up overpaying over the life of the deal. And that’s where the decision gets interesting.

The Case for Switching to a New Lender

Now, the more adventurous option: switching lender.

This is a *full remortgage*, which means you pay off your existing mortgage with a new one from another lender.
It's more work – but potentially far more rewarding.

Here's what you get in return for that effort:

1. **Access to the whole market.**
   You can compare rates from 90+ lenders and thousands of products.
2. **Potentially lower rates.**
   Lenders fight for new customers. That means sharper pricing and juicy incentives like cashback or free legals.
3. **Chance to restructure.**
   You can change the term, borrow more, or even switch from interest-only to repayment.
4. **Better flexibility.**
   Some lenders offer features like overpayments, offset accounts, or porting that suit your lifestyle better.

That said, switching isn't always smooth sailing.
It involves affordability checks, credit searches, property valuation, and solicitor paperwork.

And if you've had changes in your circumstances – maybe you've gone self-employed, had a career break, or seen your income fluctuate – you might find the new lender's criteria stricter than you expect.

Comparing the Two: A Quick Overview

Here's how they stack up side by side:

Feature	Stay With Current Lender	Switch to New Lender
Application process	Very simple, usually online	Full application process
Affordability checks	Often skipped	Required
Credit check	Soft check or none	Full credit check
Valuation	Automated (usually free)	New valuation required
Legal work	None	Free legals or cashback deals

Feature	Stay With Current Lender	Switch to New Lender
Speed	Quick – days	Longer – 4–8 weeks
Potential savings	Moderate	Often higher
Flexibility/options	Limited to current lender’s range	Full market access

So, which is better?

If your circumstances haven’t changed much, and your lender’s offer is competitive, a product transfer can be perfectly fine. But if you’re even *slightly* unsure whether you’re getting the best deal, it’s worth exploring the wider market.

Because even a small rate difference adds up fast.

Let’s say your outstanding balance is £200,000 on a 20-year term:

Rate	Monthly Payment	Annual Cost
5.5%	£1,375	£16,500
5.0%	£1,320	£15,840
Savings		**£660 per year**

That’s the equivalent of a long weekend in Spain every year – or a decent overpayment that could shave months off your mortgage term.

How to Decide What’s Right for You

Here’s where I like to bring it back to reality.
Forget the marketing, forget the fancy calculators – it’s about *your* situation.

Ask yourself these questions:

- Is my lender’s offer genuinely competitive compared to others?
- Have my finances changed (income, debts, dependents, job type)?
- Am I happy with the level of service I’ve had from my current lender?
- Do I need extra borrowing – or just a better rate?
- How long do I plan to stay in the property?

If you’re planning to move soon, a short-term deal or one with low exit fees might be sensible.
If this is your “forever home”, a longer fix could give you peace of mind.

Sometimes, you’ll even do a bit of both – remortgage now, then switch again in two years when your income or equity position improves.

When Staying Put Might Be Smarter

There are plenty of cases where switching lender isn’t worth the effort – or even possible.

1. **Small remaining balance.**
   If you’ve only got £30,000 left, most lenders won’t offer attractive rates, as the margins are too slim.
2. **Complex income.**
   Self-employed, variable income, or recent job changes can make affordability tricky with new lenders.
3. **Credit blips.**
   Missed payments or high utilisation can make switching expensive or impossible.
4. **Early repayment charges.**
   If you’re mid-deal, the penalty for leaving early might outweigh any savings.
5. **Tight deadlines.**
   If your current deal ends next week, there’s probably not enough time to complete a remortgage before you fall onto the SVR.

In these cases, a product transfer keeps things moving and avoids financial limbo. You can always remortgage again later when the timing’s better.

When Switching Lender Makes Sense

Now the flip side – the moments when it *does* make sense to switch.

- **You’ve gained equity.**
  Maybe your house has gone up in value or you’ve paid off a chunk of the mortgage. That lower LTV could qualify you for a better rate bracket elsewhere.
- **Your lender’s offer isn’t competitive.**
  If other banks are offering deals 0.5% cheaper, that’s a big enough gap to warrant the move.
- **You want to raise money.**
  Whether it’s for home improvements, a new kitchen, or consolidating debts, new lenders often have more flexible borrowing criteria.
- **You’re after better features.**
  Offset accounts, overpayment options, or portability might be essential depending on your plans.

Yes, there’s paperwork – but it’s paperwork that can save you thousands.

How a Broker Can Help (Without Turning It Into a Sales Pitch)

I’m not here to push you towards one option or another.
But I will say this: most people who compare rates themselves only scratch the surface.

A whole-of-market broker can assess every deal out there, including exclusive rates you won’t find on price comparison sites. They’ll also tell you if staying put makes more sense – and handle the legwork if switching is the smarter move.

If you want a sense of how much you could save or whether a product transfer really is your best bet, take a look at our remortgage advice page. It covers the process in detail – including how lenders assess your situation, fees to watch out for, and tips for securing a deal that fits your goals.

Common Questions (And Straight Answers)

Q: Does remortgaging affect my credit score?
A little, yes – because the new lender will run a full credit search. But the impact is temporary and minimal if your credit's good.

Q: How long does remortgaging take?
If you're switching lender, allow **4–8 weeks**. Product transfers are quicker – often just a few days.

Q: Do I need a solicitor to remortgage?
Only if you're switching lender. Even then, many deals include free legal work or cashback to cover the cost.

Q: Can I remortgage early?
You can, but check for early repayment charges. Sometimes it's worth paying them – especially if rates have fallen dramatically.

Q: What if my home's value has dropped?
You might end up in a higher LTV bracket, which limits your options. It's usually best to speak to an adviser before your current deal expires.

Final Thoughts

At the heart of this decision is one simple truth:
Staying put is easier. Switching lender is often cheaper.

There's no universal answer. It depends on your balance, your plans, and your appetite for admin.

But one thing's certain – doing nothing rarely pays. The SVR is the financial equivalent of leaving the heating on all day with the windows open.

So, even if you only spend an hour comparing options, that hour could save you hundreds – every single year.

Note: The information in this guide was correct at the time of publication but is subject to change.