

Offset case study - family

Offset could help Alex and Emily reduce their mortgage term by 5 years and 4 months – and save them £46,095 in interest compared to a standard mortgage and savings account.

Alex and Emily are expecting their second child. They want to make the most of their savings but still have access to their money if they need it.

They like the security of a longer term fixed rate.



Income
£77,500 (joint)



Savings
£12,000 (lump)
£600 (monthly)



A better return on savings

Their instant access account pays just 3.25% gross. The benefit they get from offsetting their savings against their mortgage interest means their savings work harder.

Property value
£240,000



Alex and Emily have **22 years remaining** on their **mortgage of £175,000**.



With an Offset, they can switch between reducing their monthly payment and the term of the mortgage, whichever works best for them.

A saving of £46,095 in mortgage interest.
A reduced term of 5 years and 4 months.^

[^] Coventry Offset @ 4.86% Fixed to 31.10.2028 compared to a non-Offset mortgage and assuming that:

- 'Initial rate' based upon an average of top 10, 75% LTV, remortgage 5 year products, on a true cost basis, in the Intermediary channel only, against a loan size of £175K. Source: Moneyfacts @ 30.03.2023
- 'Reversion rate' based upon the average Revert Rate of available market. Source: Moneyfacts @ 30.03.2023
- 'Current Savings interest rate' based upon the average top 10 non-ISA Instant access savings rates. Source: Moneyfacts @ 30.03.2023
- Source: Moneyfacts @ 30.03.2023, Instant Access, via all channels, no opening restrictions, based on a £25k AER balance, using the top 10 highest rates available to get an average of 3.25%.
- Monthly deposits continue each month and no withdrawals are made.
- The variable rate on the mortgage doesn't change.
- The variable rate on the comparable non-Offset savings account doesn't change.
- The customer's tax status stays the same throughout the term.



0800 121 7788 Please check our website for our opening hours.



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COVENTRY
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How does our Offset mortgage work?



**Only pay
interest on
£163,000**

**Save mortgage
interest on £12,000
(+ monthly regular savings)**

**Pay capital
repayments
on £175,000**



(with no income tax liability on the savings)

Here's how our Offset calculator looks

Offset calculator

Offset mortgage details	Savings details	Comparison mortgage details
Loan amount: £175,000	Initial offset deposit: £12,000	Enter details of the non offset mortgage
Property value: £240,000	Regular monthly savings: £600	Initial rate: 4.05 % for 60 months
The LTV is 73%	You currently do not have any additional savings defined	Reversion rate: 7.25 %
Term: 22 years 0 months	Additional savings: >	Current savings interest rate: 3.25 %
Select mortgage type: <input checked="" type="radio"/> Repayment <input type="radio"/> Interest-only	Which tax rate does your client pay on the savings? <input checked="" type="radio"/> 0% <input type="radio"/> 20% <input type="radio"/> 40% <input type="radio"/> 45%	Reduce mortgage term: >
Select an offset mortgage: OFUS9 - Offset 4.26% Fixed to 31.10.28		Reduce monthly payments: >

Summary	Mortgage term	Payments	Savings comparison	Information
<p>The offset mortgage term is reduced by 5 years and 4 months</p> <p>At this point, your client will have saved £48,095 of mortgage interest compared to the non offset mortgage</p>	<p>The offset savings balance exceeds the mortgage balance after 10 years and 3 months</p> <p>Your client will not receive any benefit on excess savings held in their offset savings account. They could:</p> <ol style="list-style-type: none">1. Repay the mortgage in full2. Reduce their offset savings balance in line with their reducing mortgage balance			