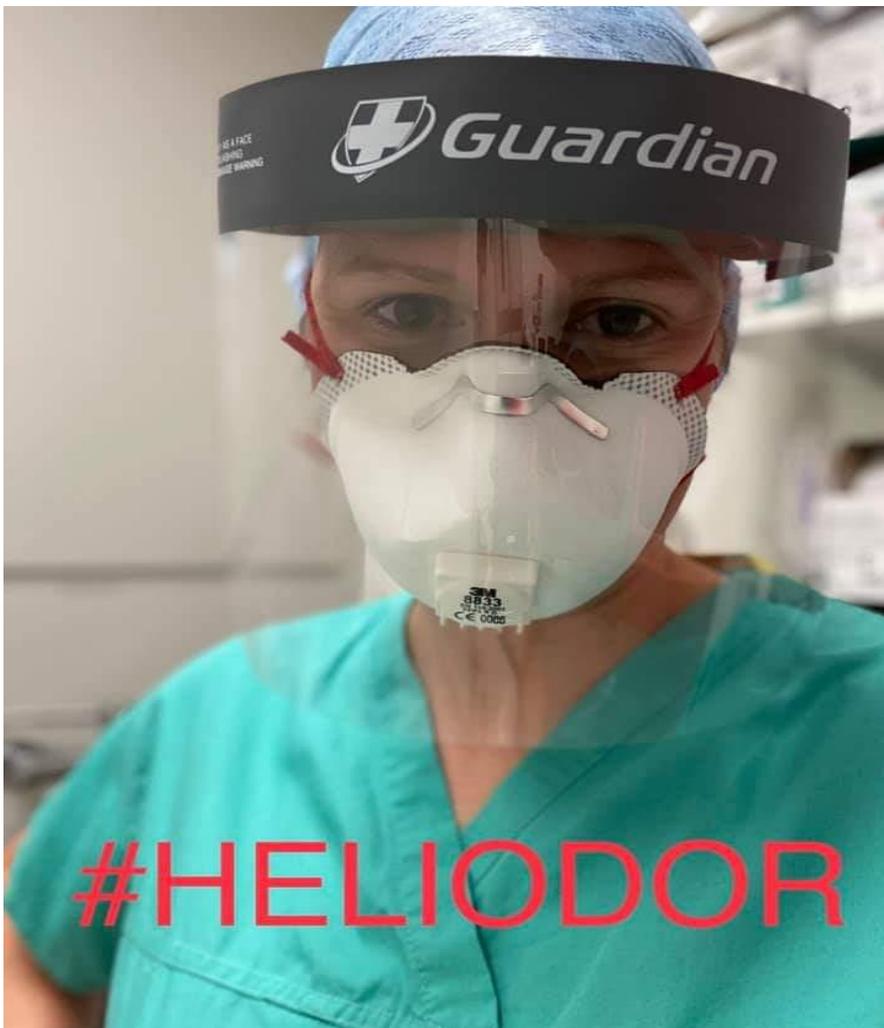


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UK
Mortgage
Prisoners

'FAIR MORTGAGES FOR ALL'
CAMPAIGN



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10th June 2020

UK MORTGAGE PRISONERS

A Thematic Report on Key Workers

Contents

Executive summary	2
Key Worker Survey Results	3
Christine, our Mortgage Prisoner Warrior	8
Conclusion.....	13

Executive summary

This is a rapid thematic report which was written at the request of APPG Mortgage Prisoners for the purpose of an emergency parliamentary debate. In March 2020, UK Mortgage Prisoners submitted a COVID-19 report to Government and subsequently to the Treasury Select Committee as evidence of the additional financial hardship and emotional stress mortgage prisoners would incur by the recent pandemic and financial crisis. Yet, as lockdown was announced, things took a more sinister turn for mortgage prisoners. It became apparent that many of our members are Key Workers. Whilst the nation was being asked to 'Stay Home' to 'Save Lives', they were being asked to work on the front line, literally 'saving lives'. Our Key Workers having been trapped paying interest rates, way beyond market rates, as a direct result of the 2008 global financial crisis, the nationalisation of high street banks, and the subsequent sale of their homes to book holders with no licence or intention to lend. While the nation clapped for Key Workers every Thursday evening in admiration, they were risking all to fulfil their vocations whilst also feeling forced to do so to keep a roof over their heads.

This brief report has emerged as a result of a survey distributed to Key Workers who are members of UK Mortgage Prisoners. We hope you share our dismay at the continued neglect of all mortgage prisoners after twelve years of indifference. But we particularly hope that you are touched by the hardship that our Key Workers have had to endure, and that this will inspire you to take proactive and immediate action to find appropriate solutions.

Finally, we would also like to dedicate this report to our late Mortgage Prisoner Warrior, Christine Kinsella. Christine was a teacher and worked in a hospital, a ringing endorsement of her kind and gentle character, someone who always wanted to help others. Christine sadly passed away earlier this year after a long battle with a terminal illness. Yet, when she approached Landmark for help with her crippling rates so that she could reduce her hours at work and enjoy her final years, all they offered her was an extension on her mortgage term, but that was beyond the five-year prognosis she had been given. Christine's son was finally able to take on the mortgage for her, but she soon deteriorated and sadly died some months later without ever having the opportunity to enjoy a **vulture fund** free life. Yet, she smiled on. Rest in peace, our dear friend, and Mortgage Prisoner Warrior.

Key Worker Survey Results

Our Survey received 287 responses. Respondents were asked what their profession was and who their 'mortgage provider' was. The majority were with inactive book holders, more commonly known as **vulture funds**: Heliodor; Landmark; Tulip/Engage Credit, Kensington, Whistletree, MAS and NRAM. To a lesser degree, yet similarly trapped, mortgages were held by other inactive entities and also high street banks Southern Pacific Mortgages Ltd, Yorkshire Bank, TMB, Bank of Ireland, The Mortgage Works, Bluestone Mortgages, Acenden, Rooftop, Santander, Halifax and Paragon.

Many of these Key Workers have paid 5% interest rates on their homes for the last twelve years. This is comparable to market rates of between 1% – 2%. They have not benefited from the record low rates that were implemented following the financial crisis of 2008 to support the nation through a decade of austerity and the job losses and business bankruptcies that followed in its wake. Watching the widespread financial support being provided during the current financial crisis has been a bitter pill to swallow. For many years, they have been blamed for being ill prepared, told that buying a mortgage is the risk you take. Yet, whilst they are asked to risk their lives, and that of their families – making huge sacrifices – they continue to be financially exploited without any choice as their job is vocational but also necessary to pay the crippling interest rates to keep the roof over their heads.

We asked Kelly, a nurse, to tell us about how it felt being on the front line:

“Well, at the moment I’m in the middle of working a run of night shifts. I’ve had three hours sleep to fuel a 12.5 hour shift tonight – anxiety isn’t helping with sleep and it’s all the rest time my mind would allow me.

The first time I heard we would be caring for positive COVID patients was during an emergency meeting in the early hours of a shift and, to be honest, I felt like I was going to be physically sick.

Caring for dying patients – the thought of them dying alone without family members by their side filled me with dread. My mind went into overdrive: what



if I die; what if I never see my children again and even worse, what if I take the virus home to them?

Their Dad isn't in the picture and all they have is me – just me and my parents. I admit to thinking of every excuse to go sick so I couldn't go into work again – then I'm tortured by the guilt through sleepless nights, anxiety and heart palpitations and so I

haven't yet missed a shift.

Laying down, exhausted, I look at the house around me that badly needs a huge revamp – it's way overdue but there's been very little money to live off – let alone decorate. Yes – I'm getting an income, £9,70 an hour, but the mortgage is just so high and I'm always left wondering how long can I actually continue – I really just don't know how much longer I can go on?

How much longer do I risk my life and my children's' lives all just to pay the mortgage.... but I HAVE NO CHOICE!

I have to work. This is our home. I love my job and care deeply for others”

Our Key Worker members come from diverse working professions. Many are providing goods, making sure that our shelves were stocked with food and that the supply chain continues undisturbed. Others work in vital services ensuring that financial systems could cope, and our utilities remain intact. Many are teachers, either working in schools to look after vulnerable

children and those of Key Workers who worked on the front line too. Those who stay at home, continue to work tirelessly behind the scenes, providing homework, preparing young people for exams, and unlimited hours of pastoral support. Social Workers continue to visit homes to safeguard children at risk, and adults with mental health and physical care needs.

KEY WORKER CATEGORY	TOTAL NO. OF KEY WORKER RESPONDENTS	KEY WORKER OCCUPATION TYPE DISCLOSED
CIVIL SERVICE	9	DWP + Military Support Staff
EDUCATION	41	Teachers, Teaching Assistants, SEN, Administrators
GOODS	50	Delivery Drivers, Logistical Planners, Shepherds, Sea Merchant, Shop Floor, PPE Delivery/Supplier, Milkman, Butchers, Welder, Warehouse
NHS/ HEALTHCARE	84	Nurses/Community Nurses, Doctors, Radiographer/ Radiotherapy, Healthcare Assistant, Elderly Residential Homes, Midwives, Specialist Support Workers, Clerical, Operating Theatre Practitioner, Sterile Technician, Vets, Pharmacy Assistant, Funeral Operative, Ambulance Service, Rehabilitation Coach, Lung Physiologist, Autism Advisor, Cognitive Behavioural Therapist, Anaesthetic Practitioner, Mass Fatality Manager
LOCAL GOVERNMENT	12	Social Workers, Responders
SECURITY	24	Military, Police Officers, Police Sergeant, Magistrate, Firefighters, Prisoner Officers, Prison Governor, Aviation Security, Sheriff Clerk, Lawyer
SERVICE	67	Waste, Postal Workers, Utilities, Financial Services, Communications, Engineers, Public Transport, Essential Cleaners, Child Care Services, Journalist

One teacher whose daughter has a heart condition and a husband recovering from cancer wrote an open letter to the Prime Minister, pleading for help:

“In 2017 my world fell apart when I had a brain aneurysm and I had to leave work to recover. During this time my husband was diagnosed with cancer and the treatment from Landmark was appalling they showed no compassion, hounded us for payment and made us feel totally useless. It is now bitter sweet that the people you now rely on to get us through this crisis are the people you have left to be abused and ignored for many years. We are stuck as many mortgage prisoners are on a height interest rate 5.03% and each month is a struggle

especially to meet those payments. Every single day mortgage prisoners are faced with real fear and no peace juggling money to just try and keep a roof over their head. The government sold our mortgage to the vulture funds through no fault of our own and yet you just continue to ignore them”

The Prime Minister is yet to reply...

Vital security services continued to ensure the battle against COVID-19 was fought whilst maintaining law and order with scarce resources in what was is an unpredictable and unprecedented time. Police Officers on the beat, Prison Officers and Governors working



within institutions where the virus was spreading fast and prisoners were facing months of cell lockdown whilst family visits were suspended. The military, Police Officers, Fire Fighters, all those security and lifesaving services upon which each of us rely. Asked by Government to save the nation whilst it continues to fail them. Stuck with **vulture funds**, who the Government sold their mortgages to. Unable to free themselves and escape to active high street lenders

because the retrospective legislation introduced following the last financial crisis of 2008 has left them trapped and discriminated against, financially exploited for over a decade.

Most of our Key Workers work in caring professions, in care homes, in the community and within our vital NHS. Doctors, radiographers, midwives, nurses, theatre practitioners, and other specialist health providers, literally saving the lives of the nation.

We clapped on our door steps every Thursday as a symbol of our appreciation. Yet, our members told us that they did not want the nation to clap for them, they just wanted a fair rate on their mortgage and a chance to own their home.

They wrote to the Prime Minister, pleading for help, but their letters went unacknowledged. This letter was from one NHS worker who was concerned for her own health yet still had to work to pay the crippling interest rates the government sold her home to:

“As should be obvious from my 38 years of service to date, I have always been very proud of my role as a Midwife and Nurse working in the NHS.

Sadly, I had to take early retirement due to having Fibromyalgia and Inflammatory Arthritis but, due to being a Mortgage Prisoner who is trapped on an extortionate SVR of 4.79%, I continue to work part-time so that I can still manage to keep the wolves from our door. Whilst my body can barely tolerate it, I am still working 26 hours per week; mainly nights. But still I remain proud.

I love my job Prime Minister – but I do find it incredibly tiring and my energy levels are always very low after a hectic shift. Ideally, I should be able to reduce my hours further – but, as I stated, I am a Mortgage Prisoner and my choices are few.

On Friday, I was working a night shift. It was 4am and we had a situation regarding a COVID-19 case. The responsibility I felt to keep my staff and patients safe was a very stressful experience and, whilst we in the NHS are frequently coming into contact with the unknown, our first and foremost priority is always that of patient care. Please Mr Prime Minister, do not underestimate the intensity of this responsibility. We work under extreme pressure and with so many staff shortages, it has become the norm to have no breaks during a 12-hour shift. It is both physically and emotionally exhausting”

Christine, our Mortgage Prisoner Warrior

Christine Kinsella is known amongst our members as the Mortgage Prisoner Warrior. Christine was one of our early members, always keen to get involved. Writing this report, we are reminded of her capacity to smile, even though she knew her time was limited, a scenario most of us never have to face. Christine was taken before her time due to pulmonary fibrosis, leaving behind her three grown children to whom she was devoted and spoke about with utter pride. A year ago, on the 6th June 2019, Christine attended a back-bench debate in parliament with a core group of mortgage prisoners. She had to be accompanied by her sons as she was too poorly to manage on her own, yet still travelled the six-hour round trip to show her support. We arranged a mobility scooter for her to reach the Commons gallery as she could barely walk due to her breathing difficulties.

Christine begged **vulture fund** Landmark for mercy, to reduce her extortionate 4.79% interest rate on her mortgage so that she could reduce her hours, to spend time with her children and start to complete her bucket list. They offered her an extension on her loan instead. Christine's health soon deteriorated, forcing her out of work. Luckily, her son was able to secure a mortgage in his name so that she did not have to return to work. It was too late for Christine to do the things that most people take for granted, yet she smiled on. We present her story, in tribute to her and her children, as we know that Christine, our Mortgage Prisoner Warrior, would want to speak beyond the grave, to make sure that no other mortgage prisoner, or Key Worker (as she would have been if she were alive today), is literally worked to death because their mortgage was sold to a **vulture fund** by the Government.

Rest in peace, beautiful soul.

"1996 was the terminal year for my rocky marriage. No marriage is perfect and we all have our ups and downs, but the latest in a string of violent episodes was too much for me to bare. Enough is enough. My ex and I had bought a home together with an endowment type mortgage with Northern Rock. We hadn't had that mortgage very long when we received a letter from the bank to say that it was unlikely our current plan would see the capital cleared at the end of the term so things were already on

the back foot with the bank. Now, however, was not the time to be restructuring the mortgage. There were other priorities.

During this period I was working full-time as a secretary. I was a busy single mum of one daughter, who by this point had left home, and two growing boys living at home. With this lifestyle, there is not much chance of respite from the daily grind. My ex-partner wasn't contributing anything of note financially, or otherwise and so I kept my nose to the grindstone. I soon fell into that familiar cycle of work, kids, school lunches and new uniforms, stealing whatever moments I could for myself. That is what a mother does. Cares.

After the split, my ex kept up the pressure. Physical punches became metaphorical ones as he chose to start complaining about losing the marital home. 12 months after we split, I was made redundant for the first time. I managed to get another job pretty much straight away although it was in effect a pay cut, being a term time only admin role at Keele University. By the time we have reached the semester breaks, I signed up with the temp agencies and got temp work. One of these temp jobs then became permanent bringing a substantial increase in salary. As I continued to work hard at my job, increased responsibility led to wage increases which led to choice. Choice, as they say, is power.

In an attempt to keep the peace and broker some kind of workable relationship with him I suggested that I sign the house over to him lock stock and barrel. This would cut the cord that tied us, allowing me to start over afresh. I could afford a place on my own now and it would be a clean slate for me and the boys to build from. Unsurprisingly he agreed to this and so taking the lead, I took it upon myself to sort out the paperwork with Northern Rock. I duly paid the £350.00 for the administration required to give my ex the house. It was sometime in 1998 that I invited him over to sign the paperwork and assume the house into his name. We sat at the table, paperwork ready and I handed him the pen. Here was his chance to assume some responsibility for his own life and start his own journey. He looked at me and simply said, "I don't want it".

Maybe we will never understand the inner working of men who punch to hide their own weakness. Those narcissistic personalities that seek to control another and feed off the negative energy that they create. I for one won't.

I persisted with the house for another 4 years, having it signed over to my name only. However, the chance of a fresh start had passed through my fingertips and I wanted that so much for myself and for my boys. The incoming endowment issue was still

lurking in the background too. There was no equity in the marital home but I decided to sell. We just covered what was required and I cashed in the dubious endowment to provide the deposit for our new home. I was so excited. This was that fresh start. Maybe the tide was turning. I put the deposit into a new mortgage with Northern Rock and we flew the nest to pastures new. I unofficially named my new house 'Home At Last'.

As with many who find themselves in this situation, the path behind us is littered with regrets. I was still working full time to keep the new home afloat and provide for my boys. Work hard was the ethic drummed into those of us of a certain age. "Work hard and you can have anything". Late in 2002, with the Christmas lights already twinkling and the rising excitement kids get as they start to think about what they would like and the ever-growing list of festive necessities making its presence felt, I received my second redundancy notice in 5 years.

This was a huge blow, as I had more than doubled the mortgage from my previous home. Despite the shock, I was lucky enough to get another job quite quickly with a temp agency and then subsequently a permanent position. Those punches keep rolling. Everyone leaves a mark.

Over the course of the next five years, I was to be redundant twice more. I kept picking myself up and dusting myself off. A woman's tenacity and strength is her gift. My two sons were still at home and were thankfully able to contribute financially. My life was becoming a blur of bland jobs and overtime.

I decided to retrain because I wanted to do something different, so I enrolled on a foundation degree course at Staffordshire University. As I'd had a little bit of redundancy money I managed the first year of the course without having to work. But as soon as that was over I had to take temporary work to cover me over the summer. I was lucky enough to find the job at the hospital I now work in. Throughout my degree, I was able to go into work on a temporary, zero hours basis between my courses at uni. I finished the degree in 2010 and then had a year's break before starting my PGCE at Keele University. Again working at the hospital in between times. On completing my PGCE I did get some teaching work, but only on a supply basis as there was nothing permanent available in Stoke-on-Trent at that time and I didn't want to move again. Nor did I have the energy and time to end up travel in a car for hours each day on a commute.

Of course, as history now testifies, in 2008 the world economy crashed. With it, went one of the organizations responsible for the fall, Lehman Brothers, who in turn took



down their UK counterpart Northern Rock. In all honesty, I was oblivious to the implications.

My life carried on. I was supply teaching and when not teaching, I was working at the hospital.

Then the supply work dried up a little bit and I began to get into financial difficulty. It was so bad I had to borrow money from my children. It was at that point I decided to take a 6-month fixed term contract here at the hospital, while I looked for something permanent in teaching.

However, as is often the case, the temporary situation became permanent as I struggled to make

ends meet. Life at the hospital is as you would expect. Relentless workloads of administration, red tape and targets. With 5 consultants and enough workload for two of me, it was not what I had dreamed of when taking my degree. The problem is that

ends meet. Life at the hospital is as you would expect. Relentless workloads of administration, red tape and targets. With 5 consultants and enough workload for two of me, it was not what I had dreamed of when taking my degree. The problem is that

the monthly commitment still rolls in and I am eternally grateful for my NHS job. I just hope that I do have more time. Sure life isn't ideal with this disease. Symptoms of this illness besides the ever decreasing ability to breathe are general tiredness and a constant feeling of being unwell most of the time. Side effects of the medication are nausea, vomiting and diarrhoea, not necessarily separately. I can and have had them all at the same time! So most days I am feeling sick and dizzy and nauseous from the morning dose. It is so important that I don't get a cold, flu, chest infection or any chest based trauma. I probably shouldn't be working with the risk of infection, especially in a busy hospital. I still go to work every day; some days I have had to go home because it has been quite bad, but the monthly bills keep coming.

All I want is for my interest to be reduced. To make my payments affordable so that I can reduce my hours. Recompense for the historic overpayment could change my life. Compensation for the stresses would be a bonus. I work hard full time. I can't afford to reduce the number of days I work. I can't re-mortgage with a zombie bank.

I'm not sure how much time I have left. It is an unknown quantity. I am positive, strong and determined because I have to be. I am finding immense comfort in knowing that I am not alone. In reality, though, I want to enjoy the years that I have left. I want to explore and see some of the worlds. To have some payback for the years I have grafted to keep my family safe and secure.

I can't stomach the idea that after everything I've been through, all the hard work and sacrifice, that I would reach the last mortgage payment and then just drop"

Conclusion

In conclusion, we believe there are simple yet effective solutions to our situation:

- **Stop** selling British mortgages to *vulture funds*
- **Extend** the regulatory perimeter
- **Cap** margins on SVRs
- Bring our mortgages back under **active lenders** to give us the **choice** to product transfer

We would also propose that bringing all mortgages back within high street, regulated lending would be of significant benefit to the post-COVID recovery as fairer mortgage rates would mean many 1000s of mortgages prisoners injecting disposable income into the economy. Please act now to support mortgage prisoners in the short and longer term so that we are not forgotten within yet another crisis, when we are still living in the one of the past.