

**WRITTEN QUESTION TO THE MINISTER FOR EXTERNAL RELATIONS
BY DEPUTY P.F.C. OZOUF OF ST. SAVIOUR
QUESTION SUBMITTED ON MONDAY 23rd SEPTEMBER 2024
ANSWER TO BE TABLED ON MONDAY 30th SEPTEMBER 2024**

Question

“What assessment, if any, has the Minister carried out comparing variable and fixed residential mortgage rates available in Jersey with those offered in the UK; and will he explain the reasons for any differences, and advise what action, if any, he proposes to take to ensure Islanders are able to access similar rates to those in the UK?”

Answer

A review of mortgage rates available in Jersey was carried out as part of the Fiscal Policy Panel’s Housing Market Review published in April 2024. The report set out various possible reasons for the differences in rates between Jersey and the UK, including ringfencing, the relative scale of lending activities increasing costs, the number of lenders in the industry, riskiness of loans at higher loan-to-income ratios or the differing focus of lenders’ activities. Whilst there are different considerations in the pricing of Jersey products when compared to products offered by their relative banks in the UK, the Minister would expect firms to ensure that their products are fairly priced, and that the benefits of rates cuts are realised by customers. The Minister continues to have conversations with banking institutions about these matters.