



NEW ZEALAND

Consumer Access to Mortgages 2024

Explore the attitudes, perceptions and priorities of New Zealanders towards accessing and securing mortgage finance in 2024.

Foreword by FAMNZ

As finance and mortgage advisers, our goal is to help clients achieve the best mortgage they can with the smoothest journey possible. To achieve that, it is important that we understand our market and reflect on the current state of play and see how we can do better.

FAMNZ's mission is to grow the market share of the adviser channel, and deliver results for our clients. The *Consumer Access to Mortgages 2024* report provides us with the detailed information necessary to address consumer wants and needs. We can ensure that the adviser channel is not only leading the way for consumer lending, but that our customers value and trust us.

As you read this report, we encourage you to reflect and ask yourself how you can use this to plan your future processes. How can you improve marketing, what do you need to change in order to increase your business, and how can you better service your customers?

Here are some important revelations in this report:

Awareness is everything

Through this report, we can see awareness is a key challenge to overcome, some New Zealanders are unfamiliar with what services mortgage advisers can provide.

Further, those not familiar with the advice channel have a neutral or in some cases negative perception of the channel. This is a clear contrast to those who are familiar and have a positive perception. Challenging these misconceptions is essential for market growth.

We need to prioritise educating consumers so that they can recognise the value mortgage advisers can bring to them.

Advisers are trusted by their customers

Trust is the pillar of the adviser-consumer relationship, and we should be proud of the trust we have developed with borrowers who have sought mortgages with an adviser. In fact, 86% of borrowers who have taken out a mortgage through a mortgage adviser say that they trust their mortgage adviser.

Trust leads to loyalty

The overwhelming majority of borrowers who have previously worked with advisers intend to continue to do so if they take out another mortgage in the future.

The future state for NZ mortgage advisers

Looking forward, the *Consumer Access to Mortgages 2024* report shows us that New Zealanders are actively looking to invest in property over the next 12 months, despite current economic challenges. Advisers should be discussing these options with their customers.

Building awareness and positive relationships with existing and potential customers is the path forward for finance and mortgage advisers in New Zealand.

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Introduction

In 2024, borrowers are seeking a better home loan experience, and more are turning to mortgage advisers to achieve it.

FAMNZ's *Consumer Access to Mortgages 2024* report is an annual research initiative conducted by independent research firm, Agile Market Intelligence, in partnership with the Finance and Mortgage Advisers Association of New Zealand (FAMNZ).

FAMNZ is an adviser-focused professional association with the mission of growing the market share of finance and mortgage advisers in New Zealand. FAMNZ represents, educates, and supports advisers throughout their careers, across the country.

This report builds on the success of its sister report with the Finance Brokers Association of Australia (FBAA), which has been running since 2019 to unearth the experiences of Australian borrowers.

The historical data of these reports shows a trend of increased pressures on borrowers as mortgage and interest rates increased. Given this pressure, demand for third-party advisers increased to help borrowers get the best rates they could.

The Reserve Bank of New Zealand has set the Official Cash Rate (OCR) higher and higher since mid-2020, leading to New Zealanders facing similar challenges.

We can see this reflected in this report, as a majority of borrowers may be experiencing mortgage stress and more and more borrowers turn to professional mortgage advisers to help manage their mortgage application.

In fact, 46% of new mortgages within the last 12 months were applied for through a mortgage adviser, significantly higher than the rate of borrowers from before this period, at only 32%.

Throughout this challenging time for households, FAMNZ's *Consumer Access to Mortgages 2024* report provides insights into the impact of the cost-of-living crisis and the number of consumers being affected by mortgage stress.

The objective of FAMNZ's *Consumer Access to Mortgages 2024* report is to provide an overview and comparison of consumer preferences. We explore preferences for proprietary channel lenders and third-party channel mortgage advisers, the overall consumer satisfaction and trust with each of these channels, and which channel they would prefer if they were to apply for a mortgage again in the future.

A nationally representative sample of 1,000 consumers completed the online, self-accessed quantitative survey.

We encourage you to read this report in full to learn more about the current state of consumers' perceptions towards New Zealand's mortgage lending sector.



Michael Johnson
Michael Johnson

Director
Agile Market Intelligence

Key findings



Mortgage advisers are **highly trusted** by consumers throughout their home loan experience.

MORTGAGE ADVISER TRUST:

TRUST (Top-2): **86%**

COMPLETE TRUST: **41%**



More than **7 in 10 mortgage adviser** clients will turn to an adviser for assistance with their next mortgage application.

PROPRIETARY CHANNEL LOYALTY: **73%**

MORTGAGE ADVISER LOYALTY: **73%**



1 in 2 future first-time borrowers are likely to choose a mortgage adviser to assist them.

49%

of future first-time borrowers plan to choose a mortgage adviser.



4 in 10 New Zealanders said their financial situation has worsened over the last 12 months, including 7% who believe it is "significantly worse."

37%

of consumers have seen their financial situation worsen.



Approximately **3 in 5 New Zealand mortgage holders** may be experiencing mortgage stress.

59%

of mortgage holders have mortgage repayments greater than 30% of their household income.

Methodology

FAMNZ's *Consumer Access to Mortgages 2024* survey was conducted between 5–11 July 2024.

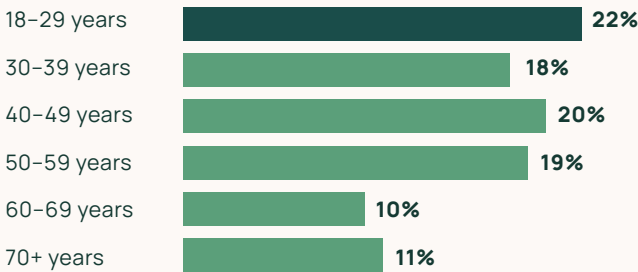
The survey encouraged a nationally representative sample of New Zealanders to complete the questionnaire from Agile Market Intelligence's consumer panel.

The survey received a usable sample of 1,000 responses, including 489 current mortgage holders and 511 non-mortgage holders.

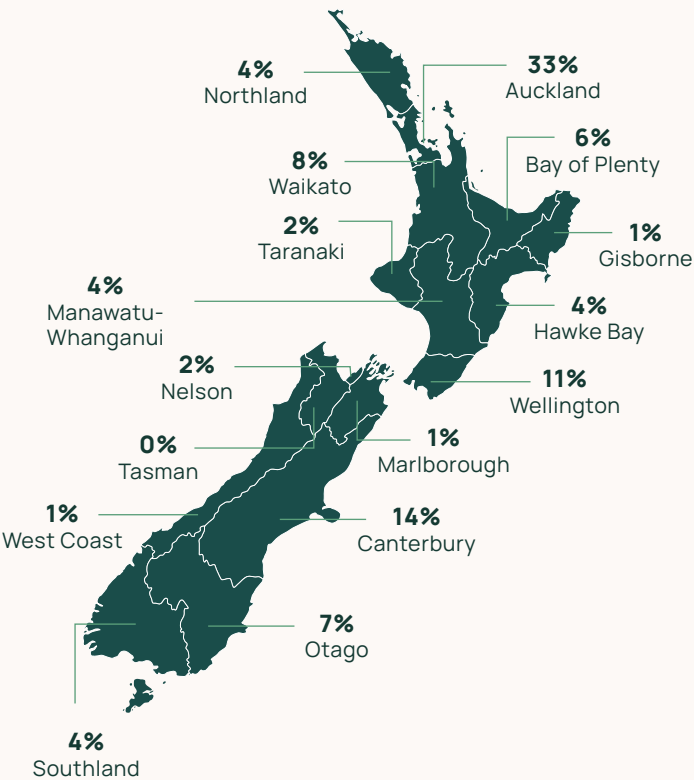
The survey sample was captured based on a nationally representative sample of New Zealanders, conducted by Lightspeed.

Sample size **1,000 (All respondents)**

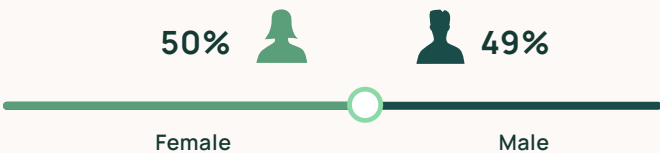
What is your age?



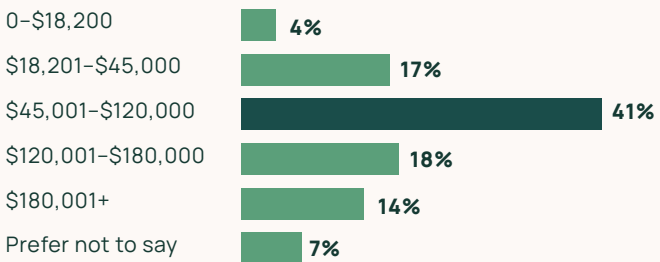
What is your region?



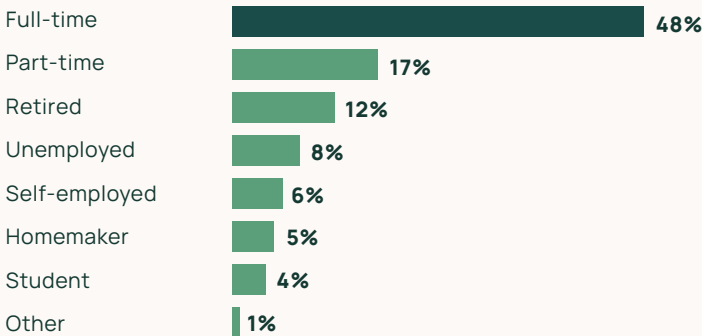
What is your gender?



What is your total household annual income?



What is your employment status?



What is your current living situation?



Due to rounding errors, some figures may not exactly equal 100%. All figures have been rounded to their nearest decimal for the purpose of this report.

SECTION 1

Mortgage lending experience

This section explores key relationship measures of borrowers, including satisfaction and trust, across third-party and proprietary distribution channels.

Mortgage activity

Almost 1 in 5 consumers are looking to secure their first mortgage for a home or investment property in the next 2 years.

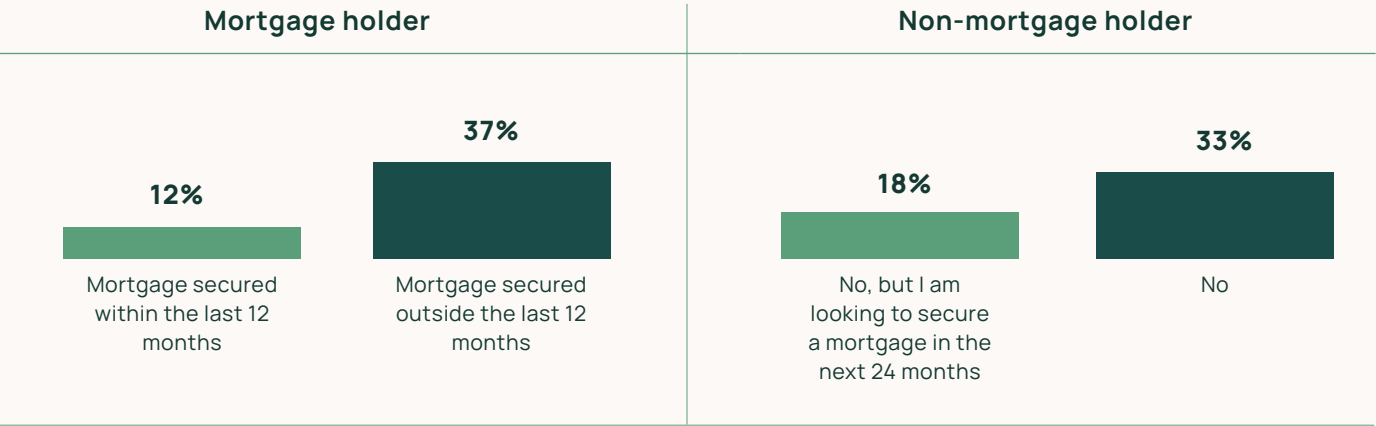
To understand FAMNZ’s *Consumer Access to Mortgages 2024* report participants, we first needed to determine whether they had previously secured a mortgage for a home or investment property.

Among this sample, we identified that 12% of consumers secured or refinanced their mortgages in the last 12 months. Interestingly, the research highlights that 18% of consumers are looking to secure their first mortgage in the next two years.

For those borrowers who secured their mortgage in the last 12 months, the majority secured the mortgage for an owner-occupied purchase, which includes purchasing their first or subsequent primary residence.

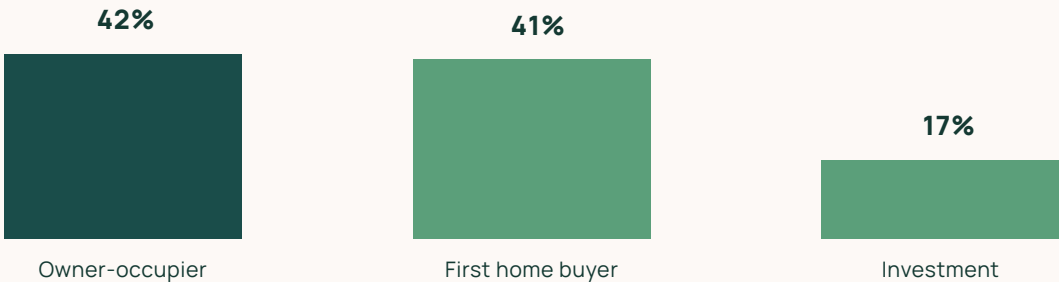
This highlights that the majority of consumers (over 4 in 5) are focusing on purchasing a primary residence, while some importance is placed on property investment purchases within the last 12 months.

Have you ever taken out a mortgage for a home or investment property?



What was the primary purpose of your most recent mortgage?

(Those who have taken out a mortgage)



Mortgage distribution channel

1 in 3 (35%) of all borrowers secured their mortgage with a mortgage adviser—within the last 12 months, almost 1 in 2 (46%) did.

Nearly half (46%) of borrowers who took out a mortgage in the last 12 months reported that they applied for a mortgage through a mortgage adviser.

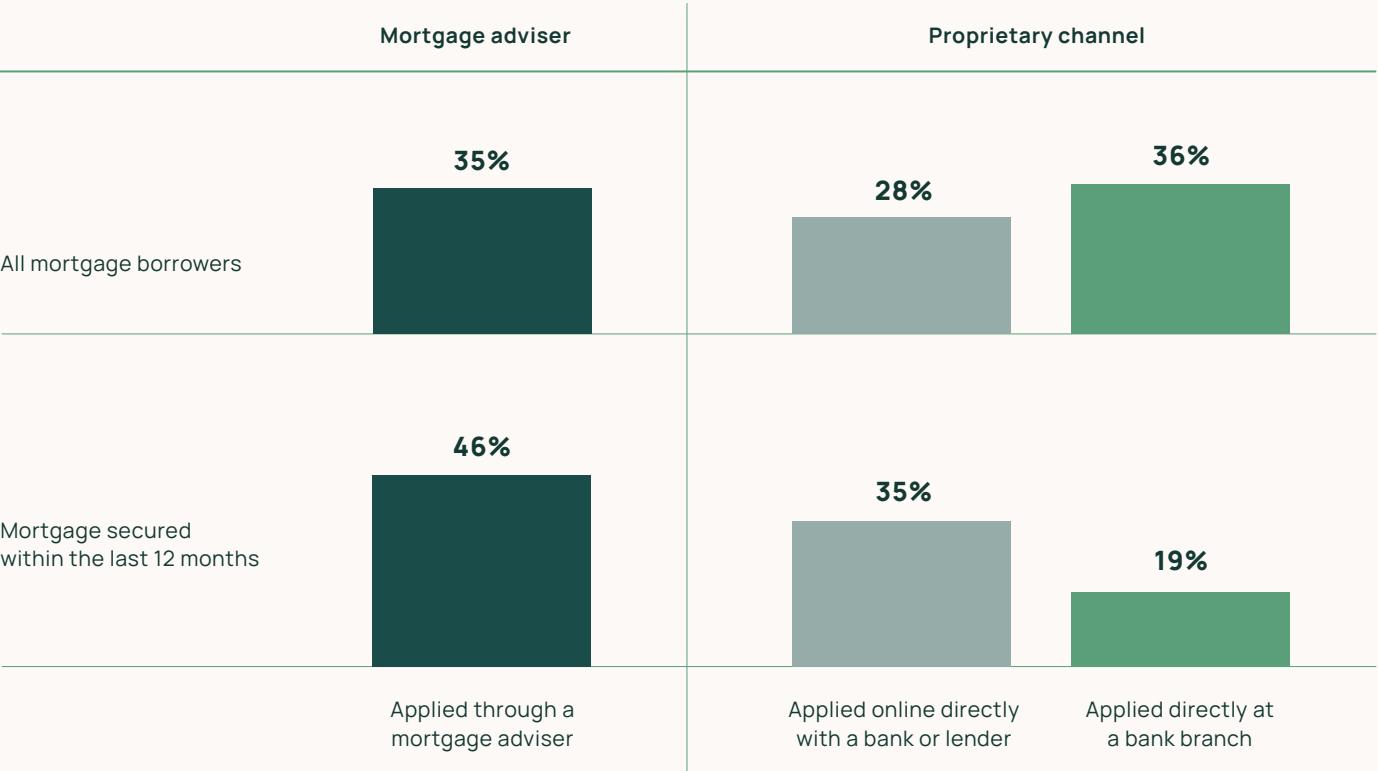
That is higher than the rate of all borrowers, (inclusive of the last 12 months as well as any period before) which sits at 35%

This increase from 35% to 46% of channel market share highlights the growth in the mortgage advice channel.

In the last 12 months, 54% of borrowers worked with the proprietary distribution channel of lenders. The majority of these participants applied online directly with their lender. Less than 20% of those who secured a mortgage in the last 12 months applied directly at a bank branch.

In comparing the proprietary channel, there is a clear switch in focus to online applications over bank branches.

The last time you took out a mortgage, which approach did you use?



Mortgage distribution channel

First home buyers are increasingly turning to mortgage advisers over proprietary channels.

First home buyers have been the most likely cohort to choose the mortgage advice channel, with 42% of all first home buyers and 59% of first home buyers in the last 12 months using mortgage advisers.

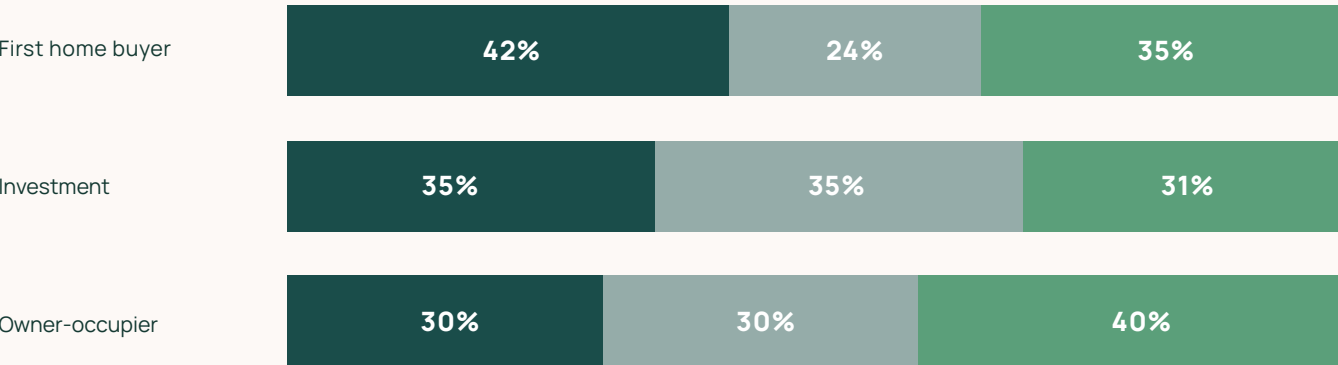
This change is likely to account for the fact that older generations are historically more likely to use a lender directly, due to the rapid growth of the third-party channel over the last few decades.

While owner-occupied purchasers have been less likely to choose the channel in the past, owner-occupied purchasers are now increasingly likely to choose a mortgage adviser over the proprietary channel.

Interestingly, the appetite for property investors to use mortgage advisers has remained relatively consistent when comparing all-time to last-12-month borrowers.

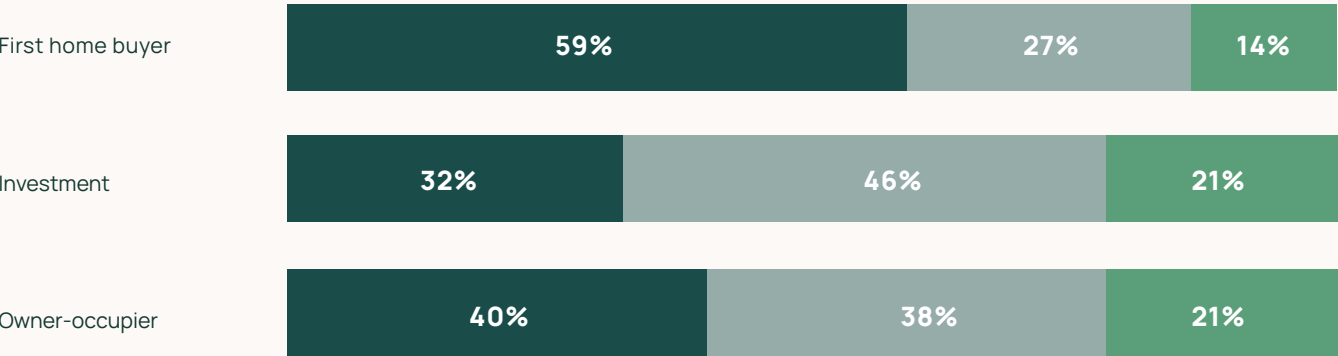
The last time you took out a mortgage, which approach did you use?

(Those who have taken out a mortgage all-time)



The last time you took out a mortgage, which approach did you use?

(Those who have taken out a mortgage within the last 12 months)



■ Applied through a mortgage adviser ■ Applied online directly with a bank or lender ■ Applied directly at a bank branch

Home loan experience

87% of mortgage advice channel borrowers are satisfied with their experience, compared to 80% of proprietary channel customers.

Satisfaction is a key relationship measure that not only indicates the quality of the collaboration and experience between the borrower and the lender or adviser, but is also a key indicator of each channel's ability to retain existing customers and generate repeat business.

In this year's study, borrowers were asked to rate their overall home loan experience to uncover which distribution channels have the highest level of customer satisfaction.

FAMNZ's *Consumer Access to Mortgages 2024* survey uncovered that customer satisfaction across advisers was higher than proprietary channels for borrowers who secured their mortgage in the last 12 months, at almost 90%.

Top-2 satisfaction (extremely satisfied or satisfied) for the mortgage adviser channel equalled 87%, while the proprietary channel scored a Top-2 satisfaction of 80%.

MORTGAGE ADVISER SATISFACTION:

LAST 12 MONTHS: **87%**

ALL-TIME: **83%**

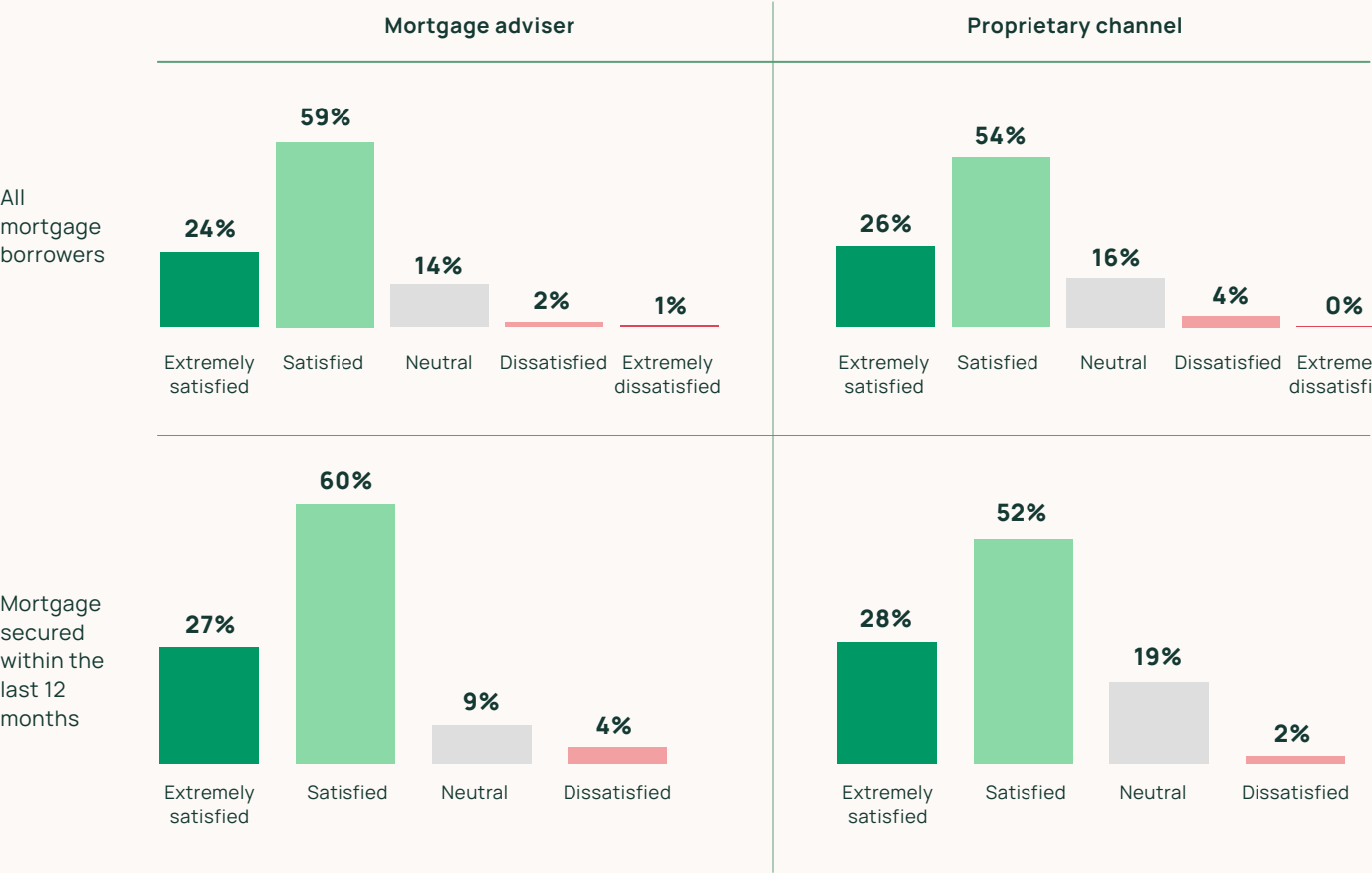
PROPRIETARY CHANNEL SATISFACTION:

LAST 12 MONTHS: **80%**

ALL-TIME: **80%**

How satisfied were you with your overall home loan experience?

(Those who have taken out a mortgage)



Trusted relationships

Borrowers have higher levels of trust in their mortgage advisers compared to the lender representatives they interact with.

Trust is a long-term key relationship measure, developed over an extended period after multiple quality interactions between a consumer and an adviser.

Trust reflects a consumer’s ability to have confidence that they are working with an adviser or lender who communicates truthfully, reliably, and meets their expectations.

Mortgage advisers naturally perform these duties because of the long-term, high-quality relationships they form with their clients over time.

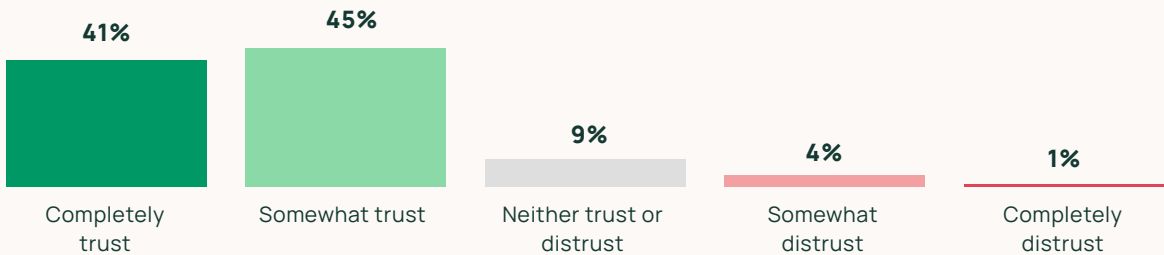
FAMNZ’s *Consumer Access to Mortgages 2024* survey revealed that 86% of mortgage adviser clients trust their adviser, including 41% who “completely trust” their adviser.

In contrast, consumers reported having slightly lower levels of trust with representatives from the lenders they had interactions with.

MORTGAGE ADVISER TRUST:	PROPRIETARY CHANNEL TRUST:
TRUST (Top-2): 86%	TRUST (Top-2): 81%
COMPLETE TRUST: 41%	COMPLETE TRUST: 37%

How much do you trust your mortgage adviser?

(Those who have taken out a mortgage through a mortgage adviser)



How much do you trust the representatives of the lender that you had interactions with?

(Those who have taken out a mortgage)



SECTION 2

Channel preferences

This section explores the preferences and priorities of consumers when thinking about their next mortgage lending decision.

Loyalty and attraction

44% of repeat borrowers would work with an adviser for their next mortgage.

While only 35% of mortgage borrowers surveyed used a mortgage adviser for their most recent mortgage (see page 9), 44% would choose to use an adviser in their next transaction.

This uplift of 9% indicates that the mortgage advice channel is growing and coincides with the level of borrowers who used a mortgage adviser for loans taken out in the last 12 months (46%).

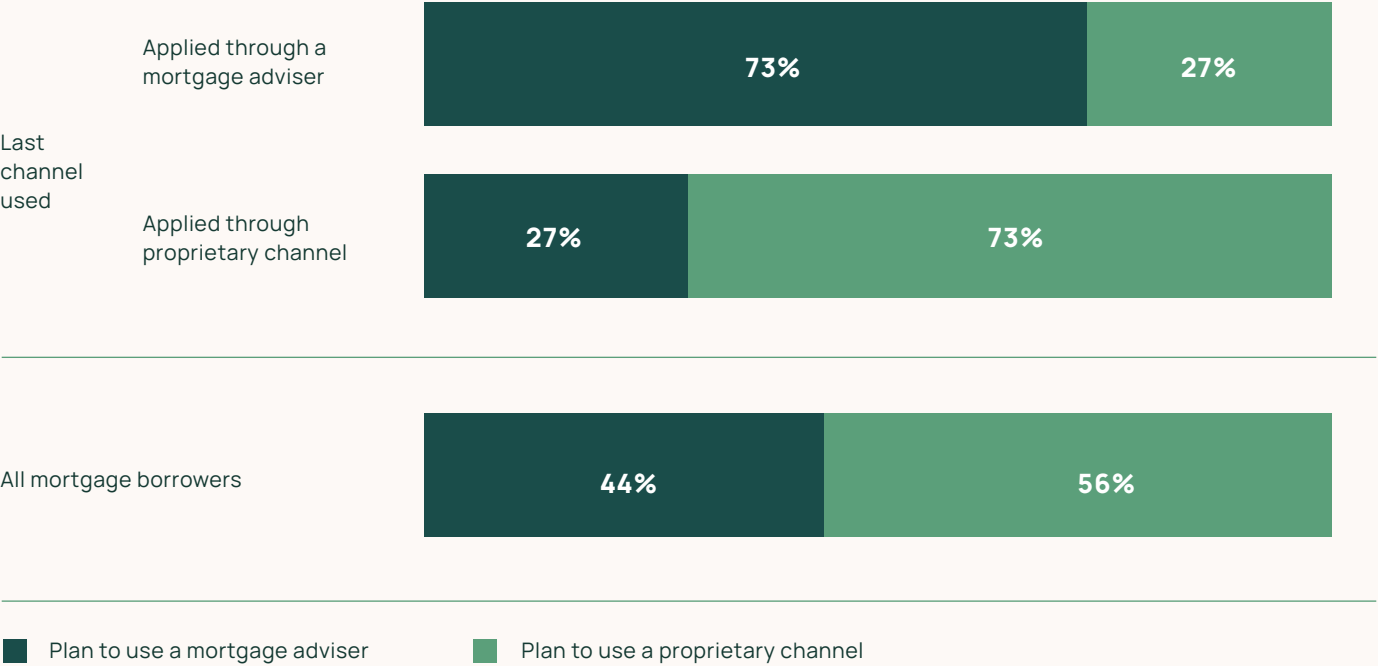
Customer loyalty for future transactions across both the mortgage advice and proprietary channels sits at 73%, indicating that 73% of borrowers from each channel would return to that channel.

Because the absolute growth in new customers (those detracting from the proprietary channel) is greater than the absolute number of lost customers (broker customers choosing to use the proprietary channel in their next transaction), the mortgage advice channel will continue to grow.

MORTGAGE ADVICE PREFERENCE:	44%	PROPRIETARY CHANNEL LOYALTY:	73%
PROPRIETARY CHANNEL PREFERENCE:	56%	MORTGAGE ADVISER LOYALTY:	73%

If you were to take out another mortgage in the future, which approach would you follow?

(Those who have taken out a mortgage)



Future channel decisions of repeat borrowers

Borrowers are likely to go directly to a mortgage adviser or directly to a branch of their primary personal bank.

There are many ways borrowers can find a lender that will offer a home loan to suit their needs.

When exploring which channel borrowers would likely choose for their next home loan, it is important to note that borrowers have the expertise and experience to make an informed decision on how best to approach their next mortgage application.

The research found borrowers are likely to go directly to a mortgage adviser or directly to a branch of their primary personal bank.

Interestingly, the majority of mortgage adviser clients would speak directly with their mortgage adviser rather than researching options online first. This reinforces a mortgage adviser’s value in guiding their clients through their journey so they can save time and money and make the right decisions.

Borrowers who worked with the proprietary channel are most likely to submit directly to their primary personal bank (either online or at a branch).

If you were to take out another mortgage in the future, which approach would you follow?

(Those who have taken out a mortgage)				
		All mortgage borrowers	Mortgage adviser customer	Proprietary channel customer
Plan to use a mortgage adviser	Speak directly with a mortgage adviser	34%	64%	17%
	Research options online and then apply via a mortgage adviser	9%	9%	10%
	Total	44%	73%	27%
Plan to use a proprietary channel	Apply directly with your primary personal bank at a branch	33%	18%	41%
	Apply directly with your primary personal bank online	14%	6%	18%
	Research options online and then apply at a bank branch	8%	2%	10%
	Research options online and apply to a lender online	3%	1%	3%
	Total	56%	27%	73%

Future channel decisions of first-time borrowers

1 in 2 future first-time borrowers are likely to choose a mortgage adviser to assist them with their mortgage.

Understanding how potential future clients plan to approach a mortgage research and application process is a critical element of FAMNZ’s *Consumer Access to Mortgages 2024* report.

Although these participants may not be ready to purchase a property today, it is critical for the mortgage distribution sector to understand attitudes and preferences to guide messaging and education about the options available.

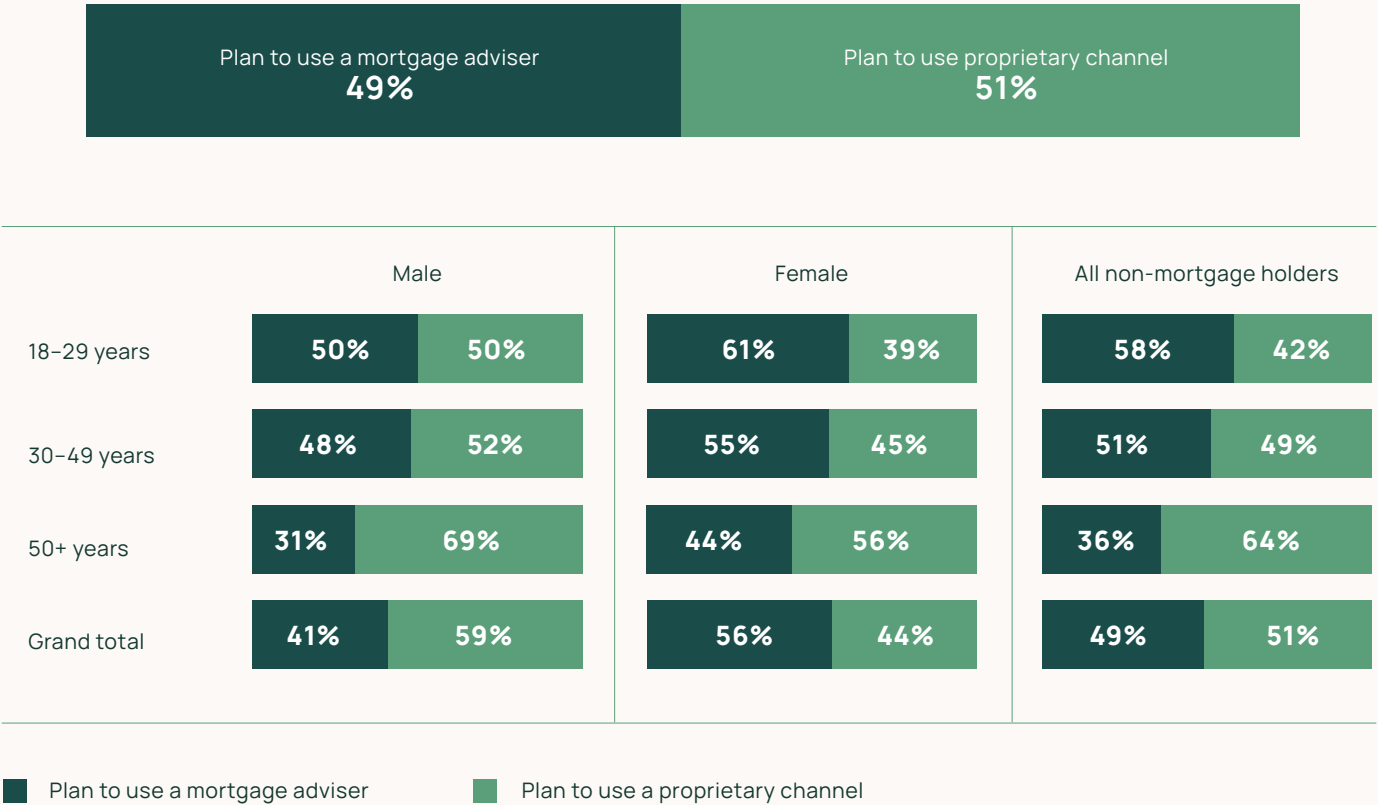
Close to 1 in 2 (49%) future first-time borrowers are likely to choose the mortgage adviser channel, with greater levels of younger participants likely to choose a mortgage adviser over the proprietary channel.

Interestingly, female consumers have significantly higher levels of mortgage adviser preference (56%) compared to male consumers (41%). This could infer that male consumers are less likely to ask for professional advice and instead conduct their own research to choose a lender. However, it is not abundantly clear in the research that this is the driving factor.

With greater levels of mortgage advice preference in younger generations, this highlights an opportunity for the channel to grow its footprint as these consumers move into their prime earning years and have the opportunity to purchase a home or investment property.

If you were to take out a mortgage in the future, which approach would you follow?

(Those who have not taken out a mortgage)



Future channel decisions of first-time borrowers

Speaking directly to a mortgage adviser or a primary personal bank are the most common approaches for future first-time borrowers.

The most popular approaches for future first-time borrowers are speaking directly with a mortgage adviser (34%), followed by speaking with their primary personal bank at a branch (21%).

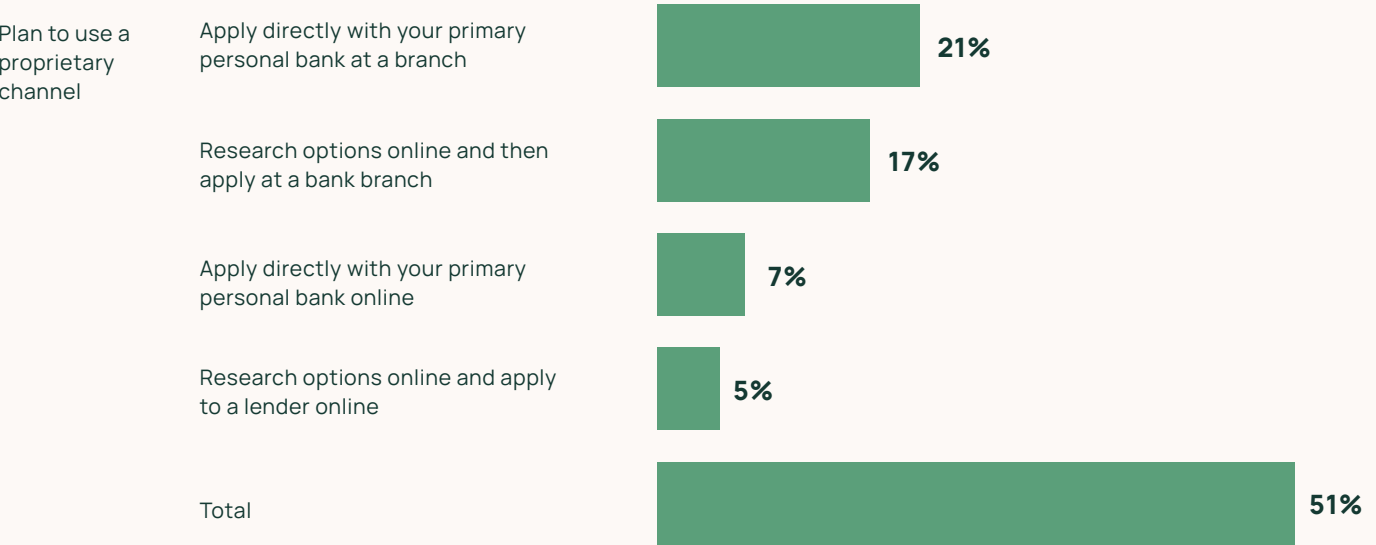
Interestingly, over one-third (38%) of future first-time borrowers intend to visit a bank branch (with their primary or another lender) to start or continue their mortgage research and application process.

Only about 1 in 10 (12%) of future first-time borrowers intend to make an application directly online, either through their primary personal bank (7%) or via another lender (5%).

Looking at this in the inverse, 88% of future first-time borrowers will seek some level of human interaction (either via a mortgage adviser or at a branch) to help guide them on their decision.

If you were to take out a mortgage in the future, which approach would you follow?

(Those who have not taken out a mortgage)



Rationale behind channel choice

Ease and convenience are the primary factors in channel choice for the broker and proprietary channels.

Understanding the rationale behind the choices of borrowers when thinking about their next mortgage is critical to shaping the success of the mortgage advising channel.

For repeat borrowers (those who have already taken out a mortgage in the past), the primary reason they would choose either channel is based on a perception of ease and convenience.

For those who plan to use a mortgage adviser, many other factors also come into play, including receiving a better rate and guidance on the application process and available mortgage products.

Interestingly, despite the choice of lenders available through mortgage advisers and the ability to find the

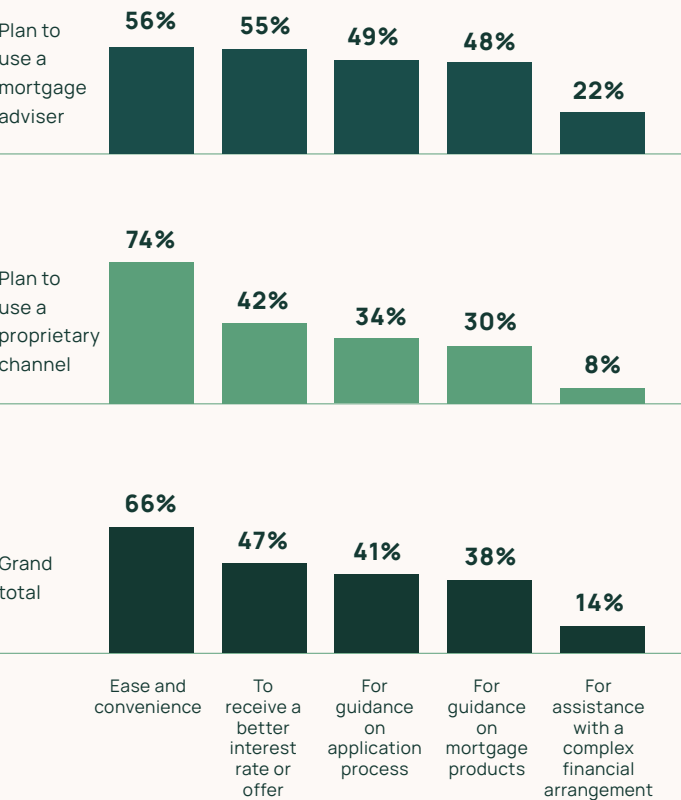
best deal across a range of lenders, 42% of repeat borrowers (and 45% of future first-time borrowers) will choose the proprietary channel as they believe this will grant them a better interest rate or offer on their next mortgage.

Guidance on the application process is a key driver for both repeat borrowers and future borrowers, with two in five future borrowers (40%) and repeat borrowers (41%) highlighting this as a core factor.

This highlights the importance of education and demystifying the application process for first-time borrowers.

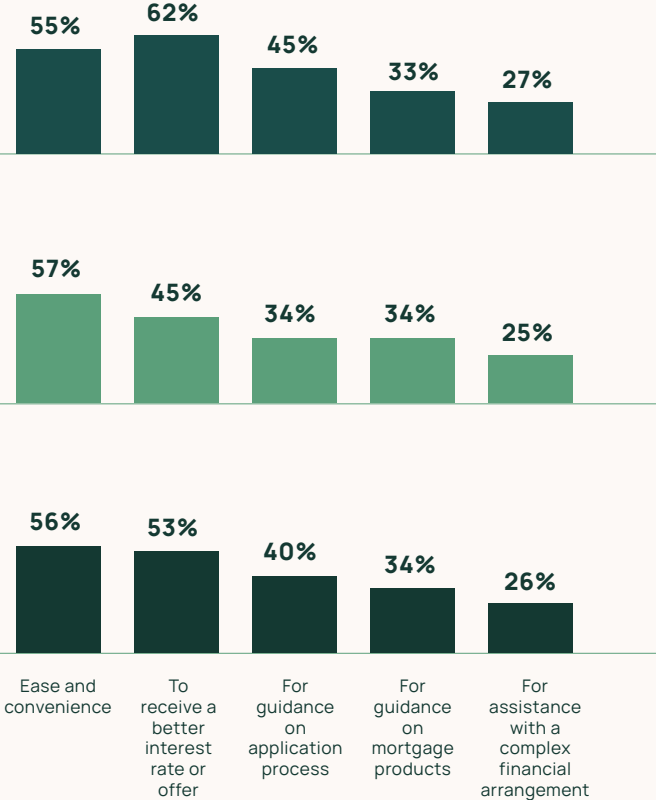
Mortgage holders

Why would you choose this approach?
(Those who have taken out a mortgage)



Non-mortgage holders

Why would you choose this approach?
(Those who have not taken out a mortgage)



SECTION 3

Impact of cost of living

This section explores the challenges consumers are facing due to an uncertain economic environment.

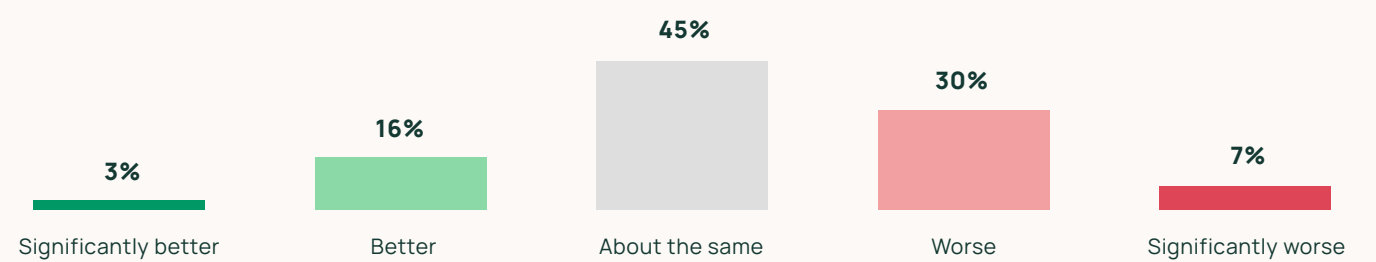
Financial situation

Almost 2 in 5 New Zealanders have seen their current financial situation worsen over the last 12 months.

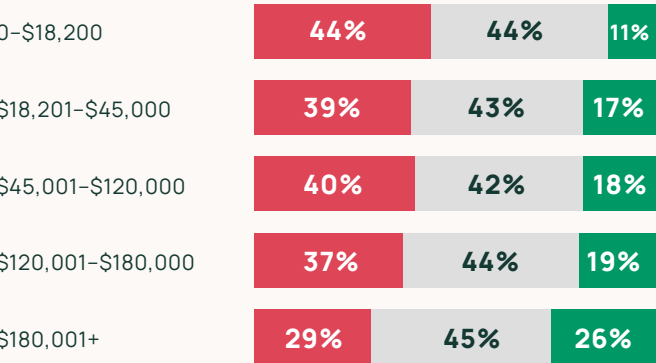
Our research found that almost 2 in 5 (37%) of consumers said their current financial situation worsened in the last 12 months, including 7% who believe it is “significantly worse.”

This is particularly the case for those on lower household incomes and those who rent or own their home with a mortgage, which are both directly or indirectly exposed to rising interest rates.

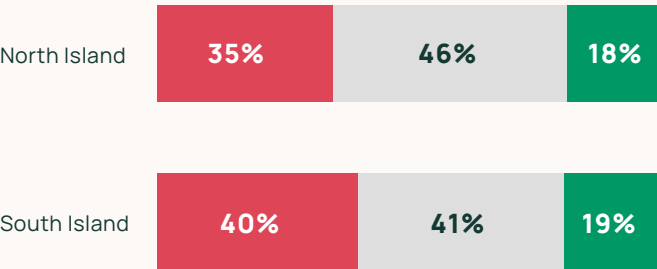
How would you describe your current financial situation compared to 12 months ago?



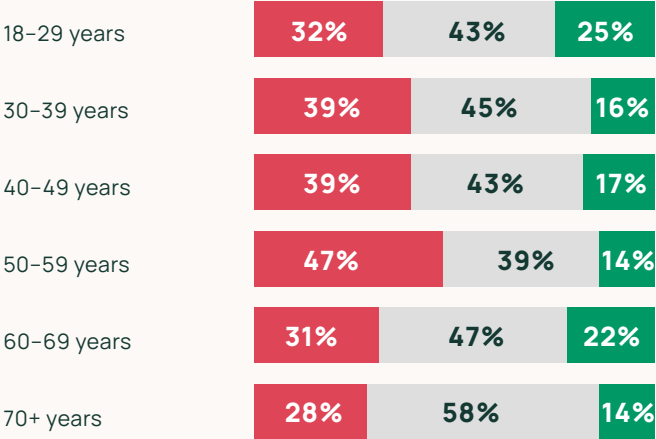
Financial situation change by household income



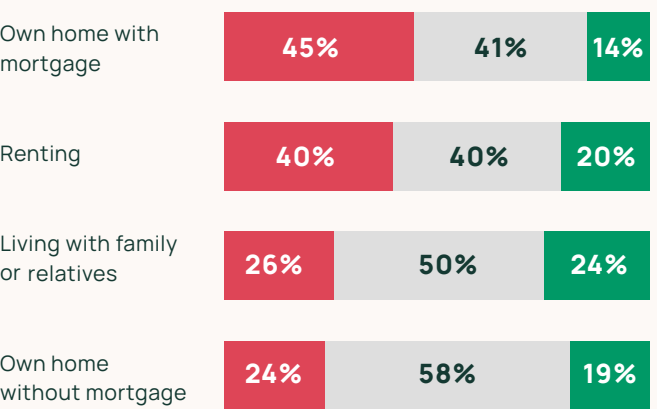
Financial situation change by location



Financial situation change by age band



Financial situation change by living arrangements



Worse (Bottom-2) About the same Better (Top-2)

Cost-of-living crisis impacting New Zealanders

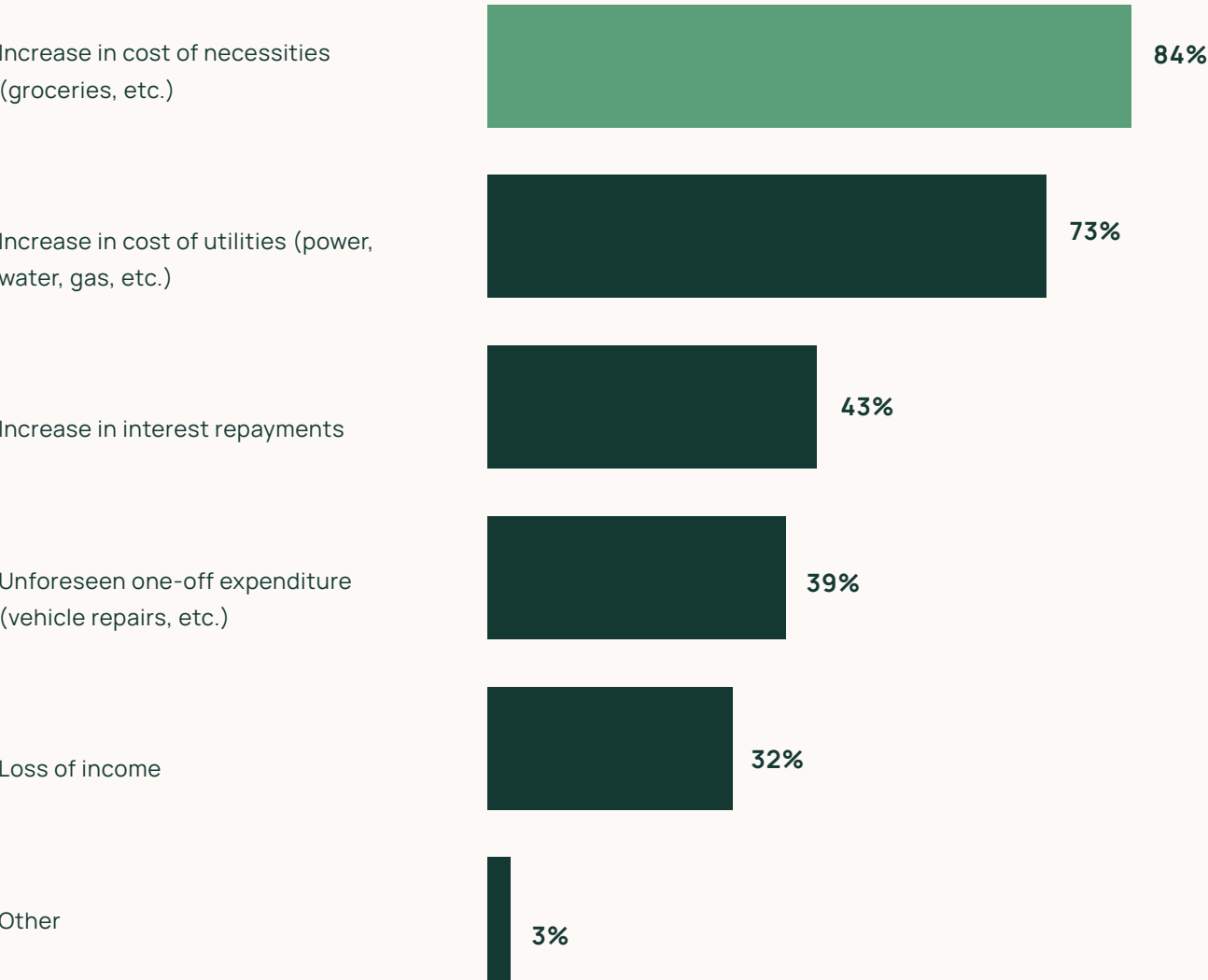
Cost increases in necessities, utilities and interest payments are the primary drivers for worsening financial situations.

With almost 2 in 5 (37%) of New Zealanders experiencing worsening financial situations, it is unsurprising to find that the core drivers are directly associated with the increase in the cost of necessities and utilities.

Over 4 in 5 (84%) New Zealanders attributed their worsening financial situation to an increase in the cost of necessities, making it the biggest contributing factor. This was followed by rising costs of utilities (73%) and an increase in interest payments (43%).

Which factors have had the greatest impact on your worsening financial situation?

(Those whose financial situation has worsened)



Mortgage stress

Approximately 3 in 5 New Zealand mortgage holders may be experiencing mortgage stress, with the OCR the highest it's been since 2008.

Mortgage stress is a term used to classify mortgage holders who may be at risk. Borrowers with mortgage repayments that are 30% or greater than household income are considered at risk.

Mortgage holders participating in this study were asked what proportion of household income they spend on their mortgage repayments.

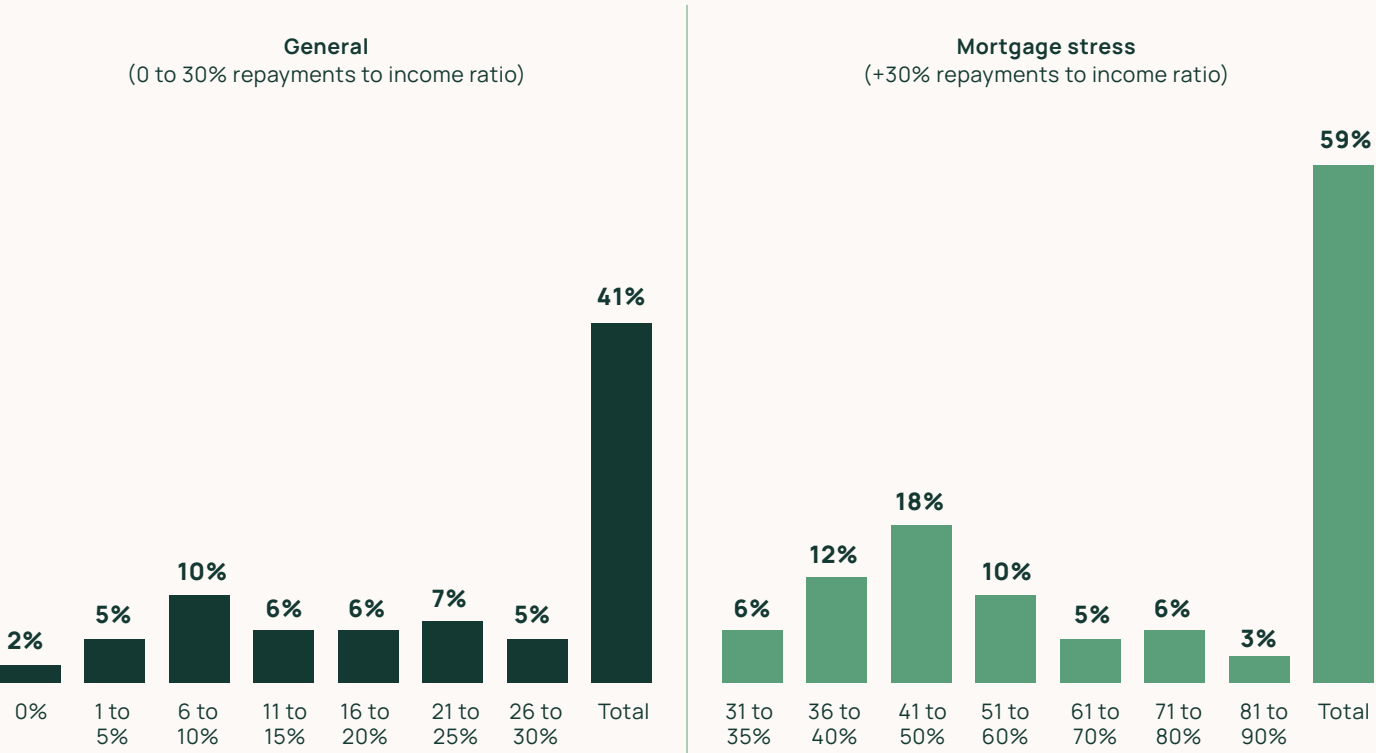
It is important to note that borrowers may choose this proportion based on their relative income level.

However, amid rising costs, the highest interest rates in a decade, the highest Official Cash Rate (OCR) since the 2008 financial crisis, and borrowers rolling off fixed rates, mortgage stress is a challenge many households are facing.

The survey indicates that almost 3 in 5 (59%) of New Zealand mortgage holders have mortgage repayments greater than 30% and therefore may be experiencing mortgage stress.

Approximately what percentage of your household income are you spending on your mortgage repayments?

(Those who have taken out a mortgage and have mortgage debt)



Refinancing

1 in 4 mortgage holders under stress are ‘mortgage prisoners’ as they believe they are unable to refinance due to servicing requirements.

Refinancing is an option for borrowers looking to extract equity or reduce their interest rates by refinancing to a new lender.

requirements triggered by interest rates or due to other financial circumstances.

This study found that one in five (20%) mortgage holders have already refinanced. Additionally, an even greater proportion (26%) are actively considering refinancing.

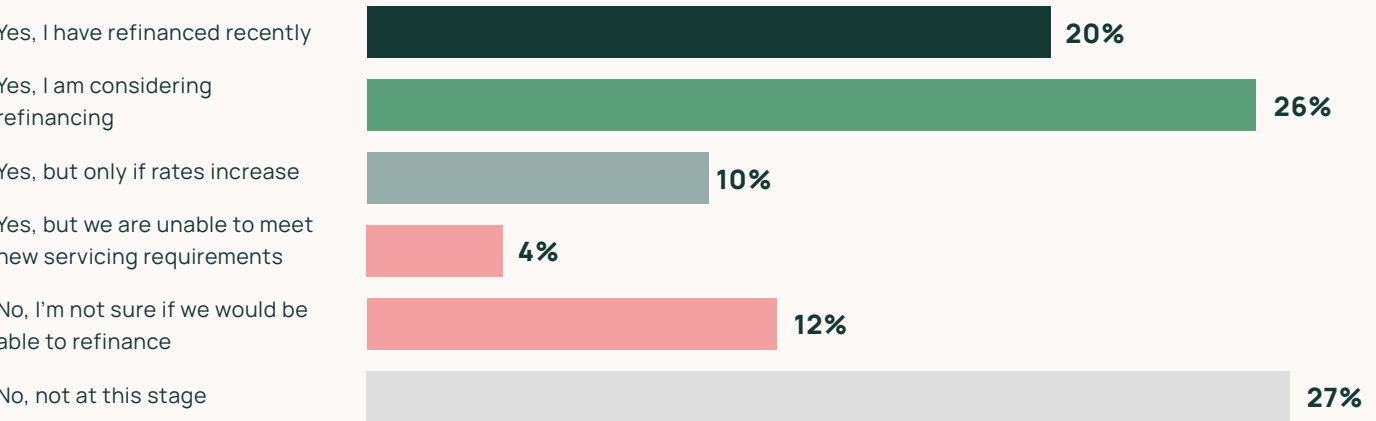
For those borrowers classified in our study as in “mortgage stress”, 1 in 4 (27%) may be considered mortgage prisoners.

However, a number of borrowers (16%) could be classified as “mortgage prisoners” as they believe they will be unable to refinance due to new servicing

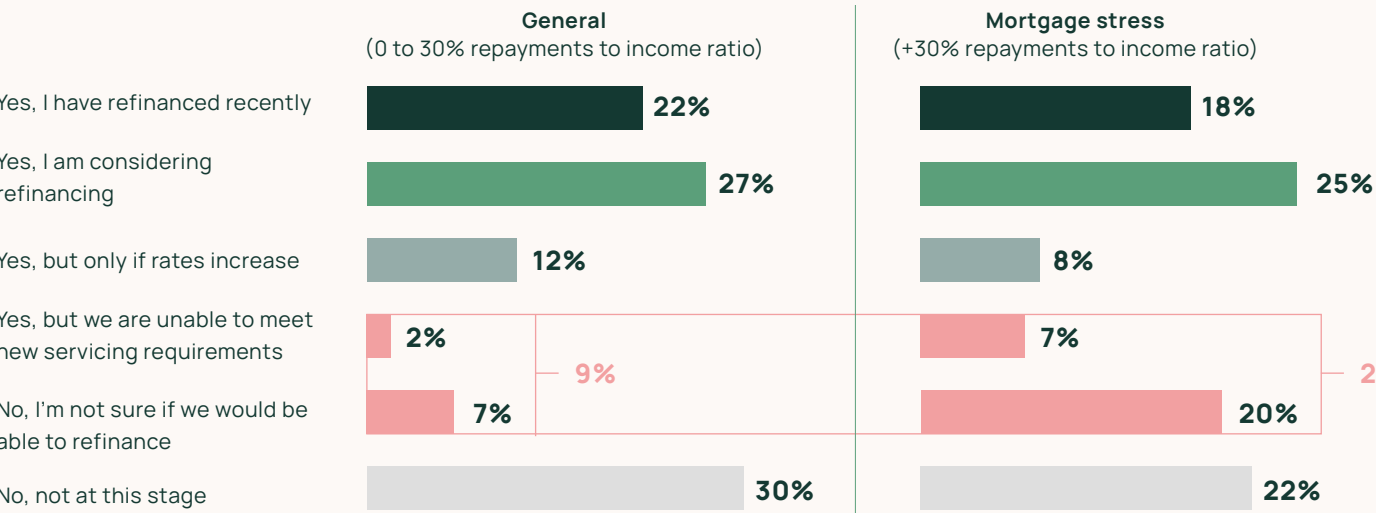
Mortgage advisers and lenders may be able to assist clients by directing them towards lenders that could refinance their loans to a mortgage product that is more competitive or better suited to their needs.

Have you ever considered refinancing your mortgage?

(Those who have taken out a mortgage and have mortgage debt)



Refinancing activity by mortgage stress classifications



Future borrowing

Almost 1 in 5 New Zealanders are actively looking to invest in property over the next 12 months.

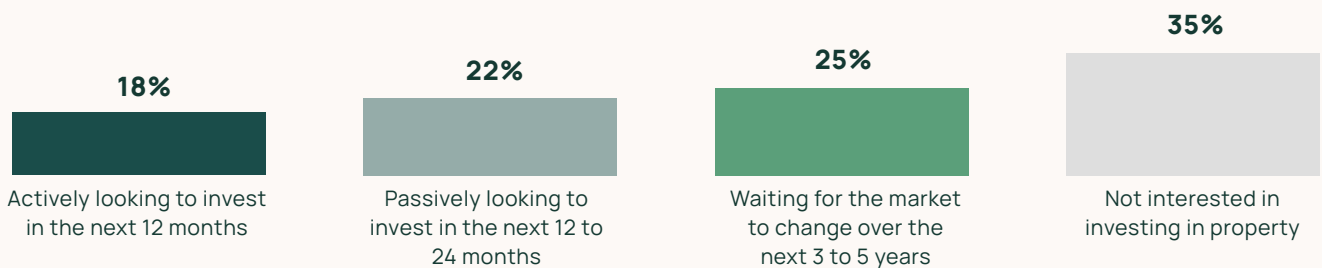
Despite the challenging economic circumstances that have faced New Zealanders in 2023, there is a generally positive outlook for property investment in the future.

Almost one in five (18%) New Zealanders are actively looking to invest in today's property market, while another 22% plan to passively explore their options over the next one to two years.

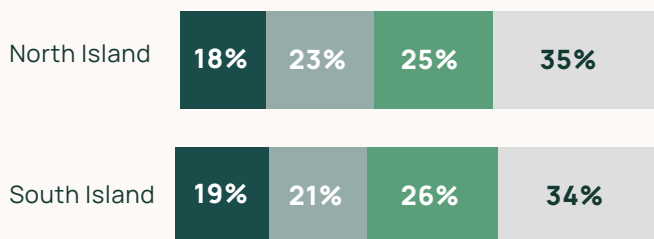
This is particularly the case for those with higher household incomes. Age is also a key factor, as those younger in age are actively looking to invest.

Mortgage advisers are uniquely positioned to help potential borrowers capitalise on these property investment opportunities by strategising and hand-holding when assisting borrowers' financial decisions.

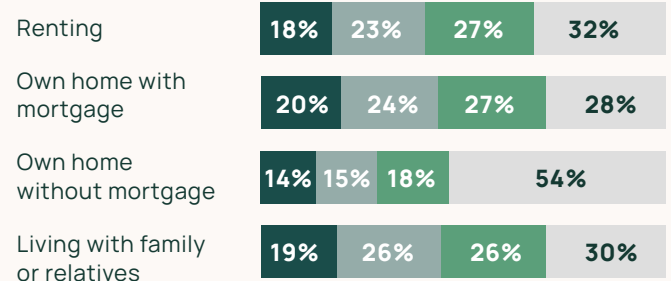
How would you describe your attitude towards investing in property in today's market?



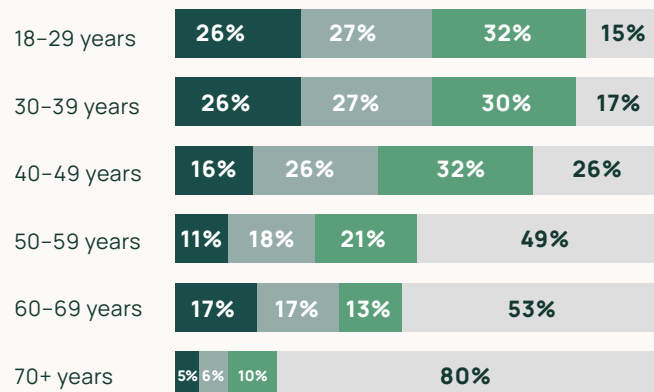
Investing attitude by location



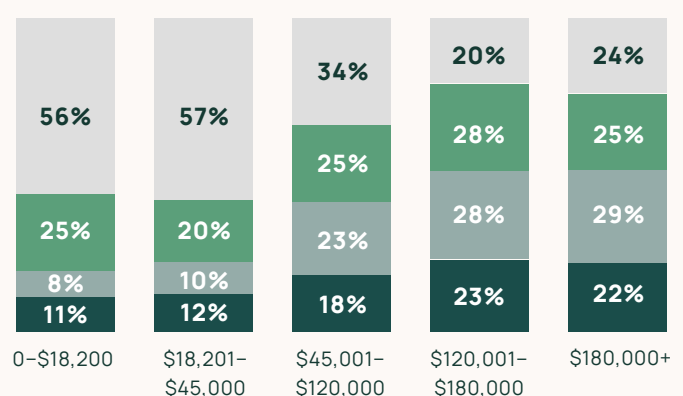
Investing attitude by living arrangement



Investing attitude by age band



Investing attitude by household income



Purchasing challenges

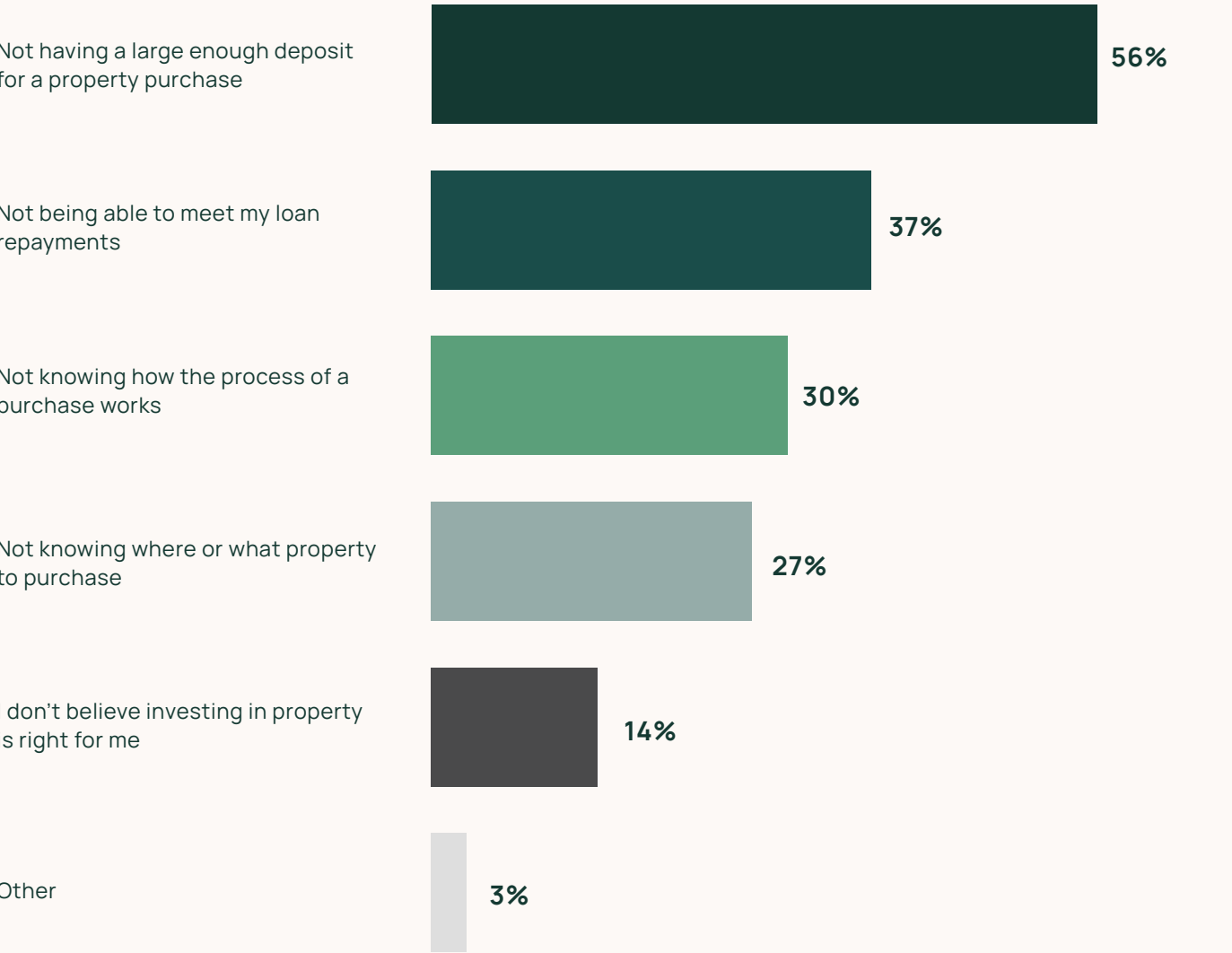
Saving for a deposit and accessing finance are key barriers for future mortgage borrowers when considering purchasing a home or investment property.

Almost 3 in 5 (56%) of future mortgage borrowers have stated the primary challenge is not having a large enough deposit. This is followed by a concern about meeting loan repayments (37%), indicating financial capacity is a critical barrier.

Additionally, 30% are unsure about the purchasing process, while 27% feel uncertain about where or what property to buy. A smaller group (14%) do not believe investing in property is suitable for them.

What are the biggest challenges you face when considering buying a home or an investment property?

(Those who have not taken out a mortgage)



SECTION 4

Perceptions of advisers

This section explores the perceptions and awareness of mortgage advisers among consumers.

Adviser familiarity

1 in 5 New Zealanders have no familiarity with the services that mortgage advisers offer.

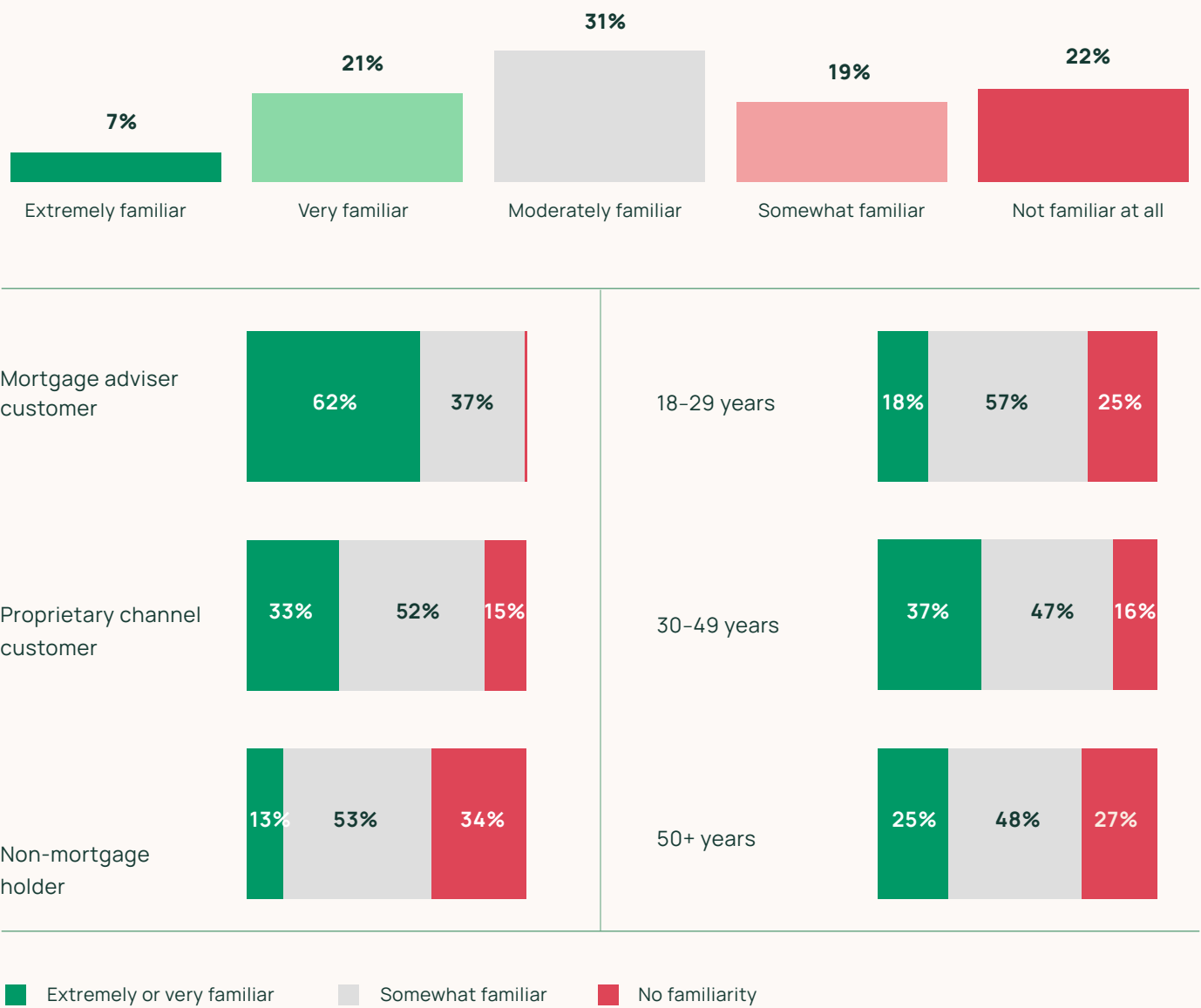
FAMNZ's *Consumer Access to Mortgages 2024* study reveals a mixed level of familiarity with mortgage advisers – the first step in educating consumers about the options they have in the mortgage distribution market.

The majority of New Zealanders are unfamiliar with the services offered by mortgage advisers, with only 28% indicating that they are extremely or very familiar.

The majority of proprietary channel customers have moderate, little or no familiarity with mortgage advisers.

This highlights that these borrowers may have not known they had the choice to speak to an adviser. This is particularly true for 15% who have “no familiarity” with the services offered by mortgage advisers.

How familiar are you with the services that mortgage advisers offer?



Adviser perceptions

Mortgage advisers have a moderately positive perception among consumers, noticeably among previous clients.

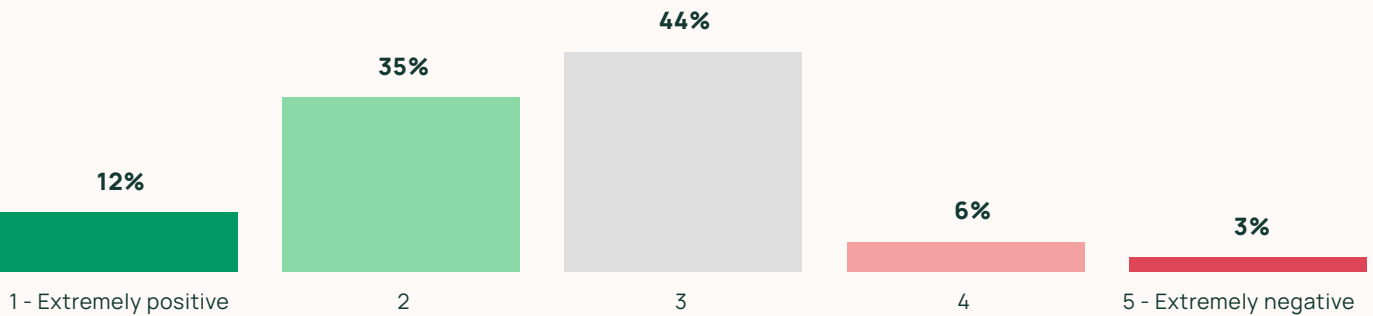
The majority of New Zealanders have a positive perception towards mortgage advisers, with Top-2 positive perceptions (extremely or very positive) at 47%, significantly higher than the 9% holding negative perceptions.

Consumers' perception towards mortgage advisers became more positive as familiarity increased, as consumers who were extremely or very familiar were approximately 6 times more likely to have a positive perception compared to consumers who have no familiarity with mortgage advisers.

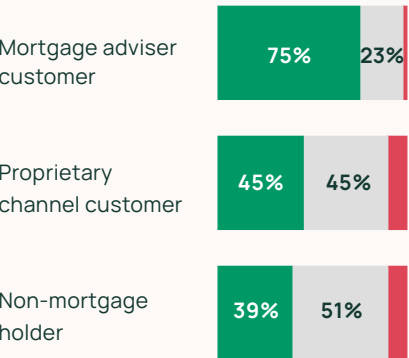
Overall, mortgage advisers hold a positive perception among the types of customers and age bands, noticeably among those in the 30–49 age band with 1 in 2 (52%) having a positive perception.

FAMNZ's *Consumer Access to Mortgages 2024* study reveals that 3 in 4 (75%) of previous mortgage adviser customers had a positive experience.

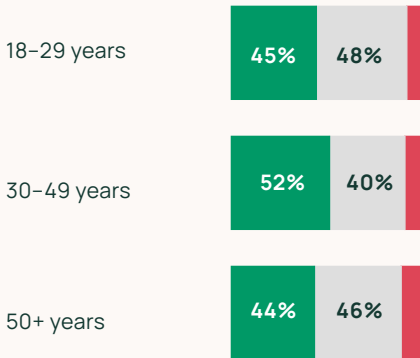
What are your perceptions towards mortgage advisers?



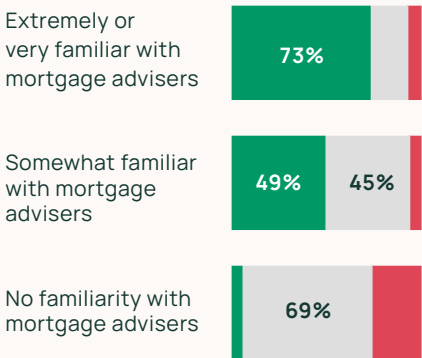
Adviser perception by last used channel



Adviser perception by age



Adviser perception by mortgage adviser familiarity



Positive perception Neutral perception Negative perception

Mortgage adviser barriers

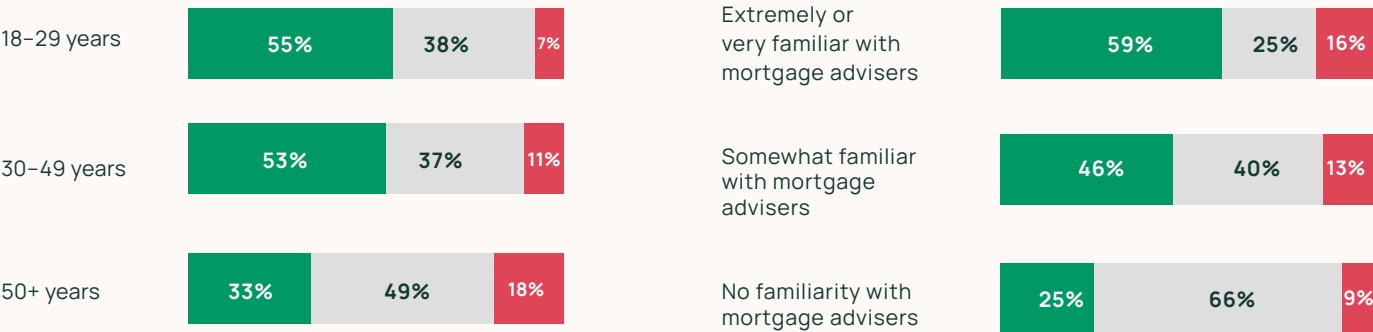
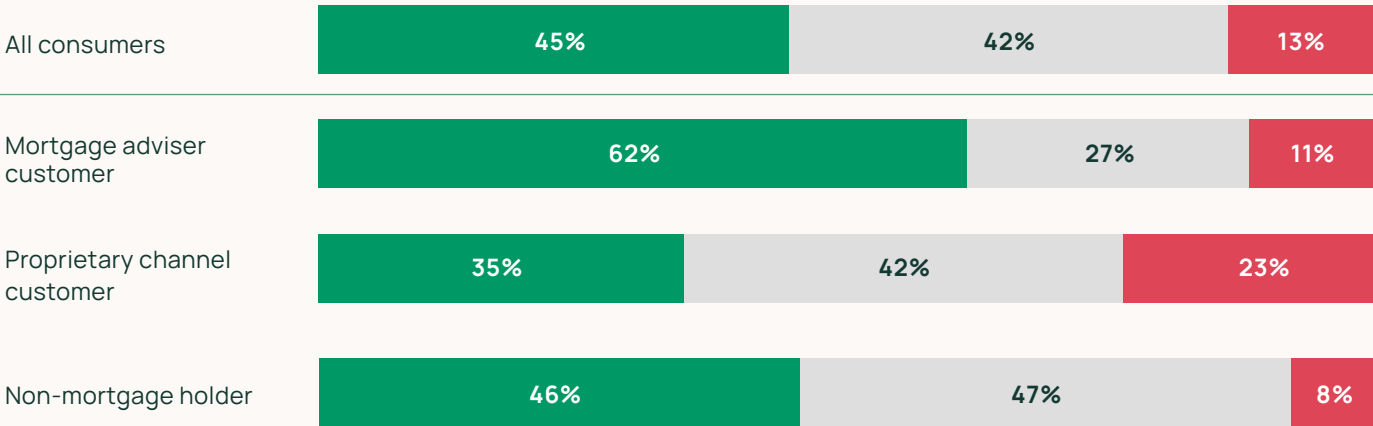
Almost 1 in 2 (45%) of New Zealanders agree that they will be more likely to be approved if they work with a mortgage adviser.

More than 2 in 5 (45%) New Zealanders agree that mortgage advisers will help them get approved. Three in 5 existing mortgage adviser clients agreed that using an adviser will help them get approved, while nearly 1 in 2 (46%) of non-mortgage holders believe that using an adviser can help them get approved.

As expected, more consumers agree with this statement as their familiarity with mortgage advisers increases. Consumers who are extremely or very familiar with advisers are 2.3 times more likely to agree with this statement, compared to consumers who have no familiarity with mortgage advisers.

To what extent do you agree or disagree with the following statement?

“ I’m more likely to get approved if I use a mortgage adviser.



Agree Not sure Disagree

Mortgage adviser barriers

2 in 5 New Zealanders believe their primary personal bank will provide a better deal.

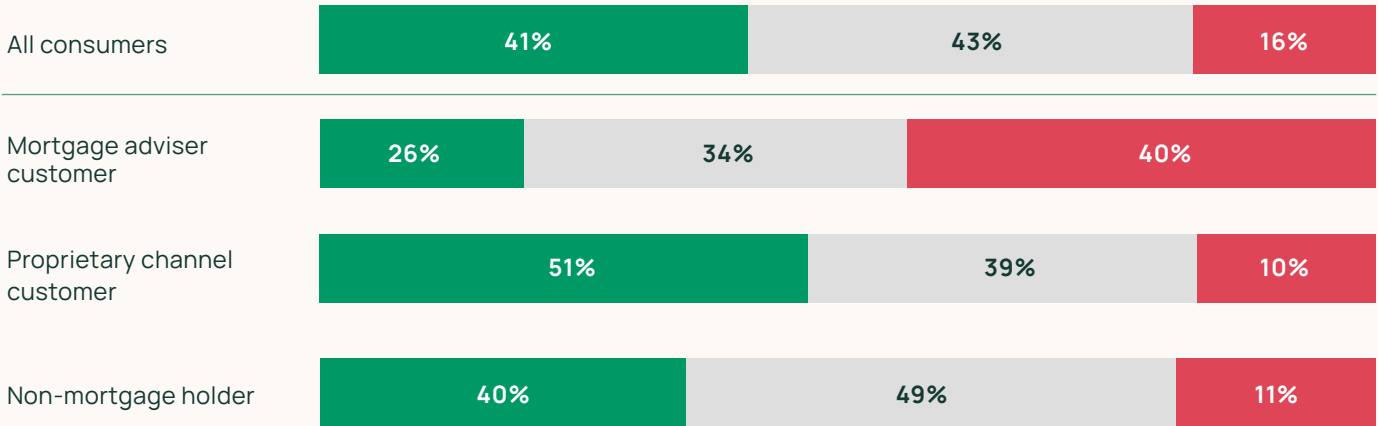
The research found that 2 in 5 (41%) of consumers agree that banking directly with their primary personal bank will get them a better deal.

With 1 in 2 (51%) of proprietary channel customers agreeing with this statement. Interestingly, 1 in 4 (26%) of mortgage adviser customers also agree that their personal primary bank can provide a better deal.

Further, even those who are familiar with the services that mortgage advisers offer have a differentiated understanding of the value proposition of brokers, with both a greater level of agreement and disagreement with this statement compared to those with less familiarity.

To what extent do you agree or disagree with the following statement?

“ I can get a better deal if I apply directly with my primary personal bank.



Agree Not sure Disagree

Mortgage adviser barriers

1 in 3 (36%) New Zealanders believe they need to pay a fee to access the services of mortgage advisers, while 1 in 4 disagree.

The research found that over 1 in 3 (36%) New Zealanders agree that they need to pay a fee to access mortgage adviser services.

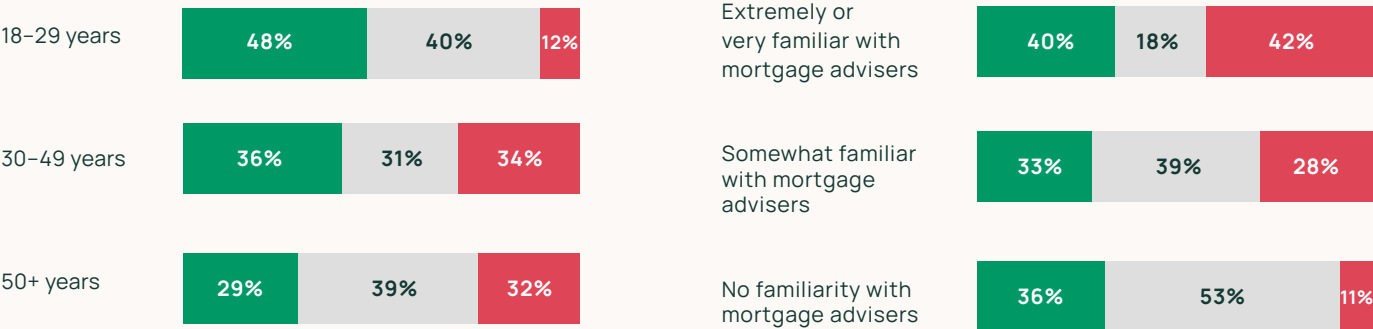
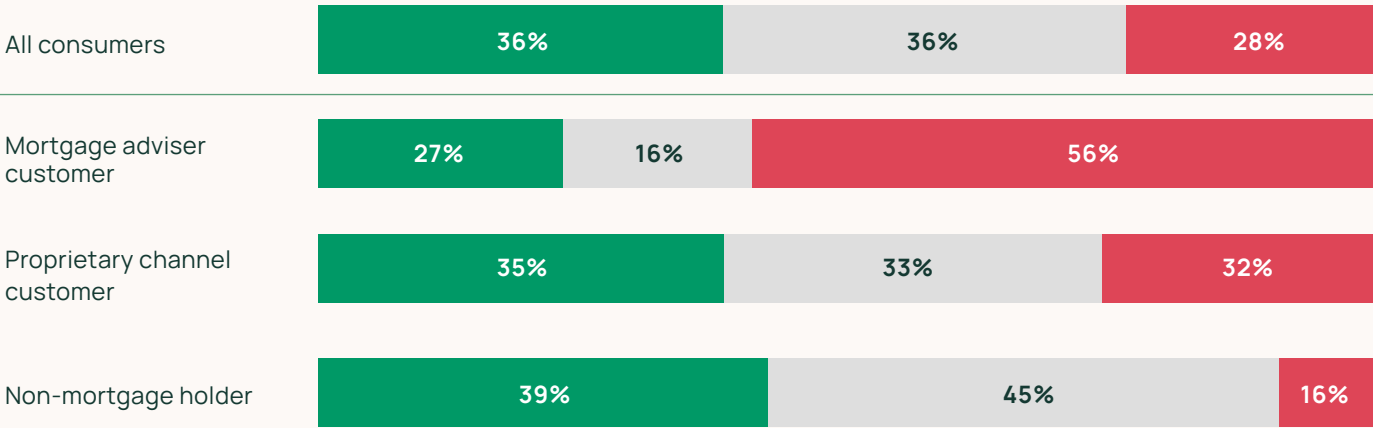
Interestingly, more than 1 in 4 (28%) disagree with this statement. The majority of mortgage adviser customers (56%) disagree with this statement.

While some mortgage advisers charge a fee-for-service model, the majority of mortgage advisers do not charge a fee to consumers.

Therefore, it is clear that this misconception may be impacting the likelihood of consumers deciding to use a mortgage adviser for their next or first mortgage.

To what extent do you agree or disagree with the following statement?

“ I need to pay a fee to access the services of a mortgage adviser.



Agree Not sure Disagree

Mortgage adviser barriers

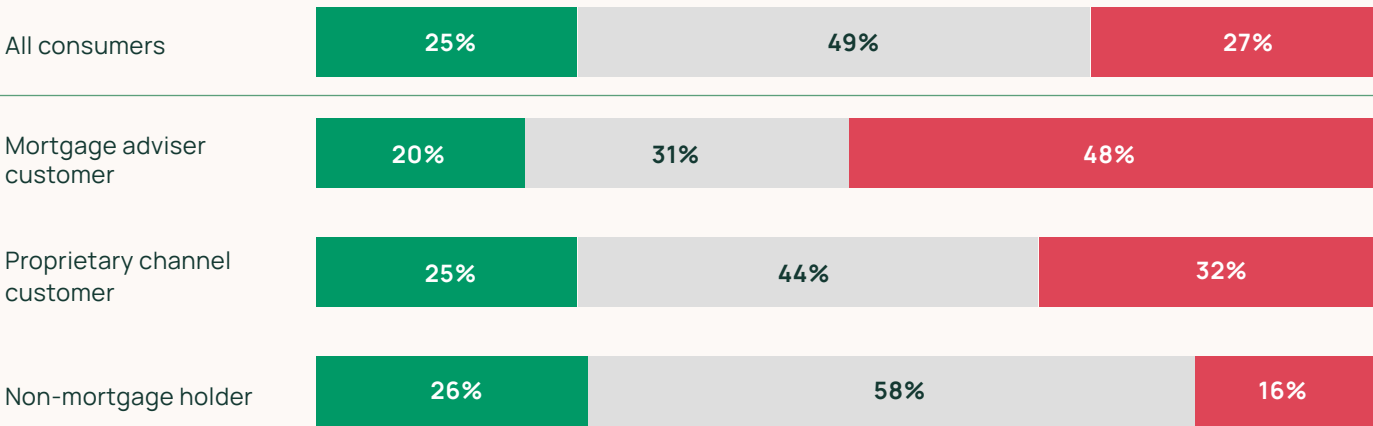
3 in 4 New Zealanders believe or are 'unsure' whether they are paying a surcharge or higher interest rate for working with a mortgage adviser.

The research reveals the majority of New Zealanders are unsure whether their bank will charge a surcharge or higher interest rate upon using a mortgage adviser, with similar levels of agreement neutrality and disagreement across each cohort.

Lenders typically charge the same interest rate to borrowers regardless of their distribution channel, however, this sentiment of a higher rate being charged may be impacting the adoption and growth of New Zealand's mortgage advice channel.

To what extent do you agree or disagree with the following statement?

“ Lenders will charge me a surcharge or a higher interest rate if I use a mortgage adviser.



Agree Not sure Disagree

Mortgage adviser barriers

The majority of consumers may not understand how mortgage advisers charge for their services, as many perceive them as ‘too expensive to use’.

While more than 1 in 4 (28%) New Zealanders agree with the statement that mortgage advisers are too expensive for them to use, almost a third (31%) disagree.

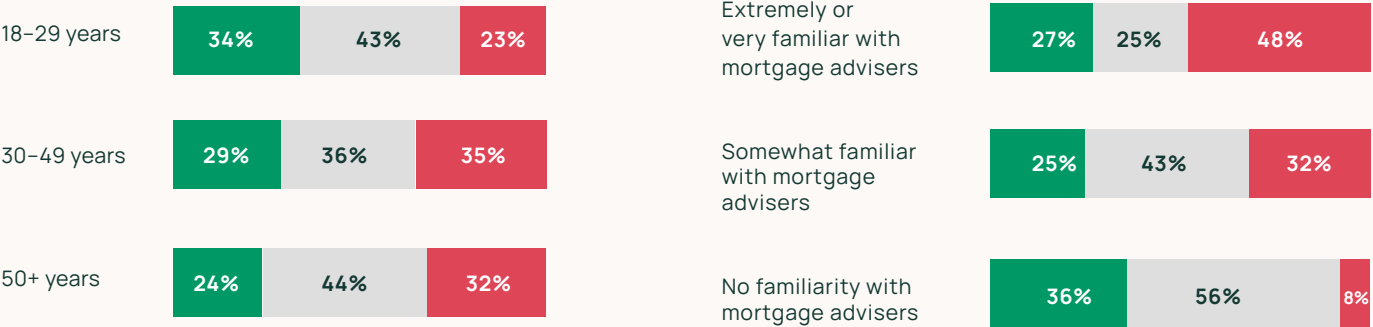
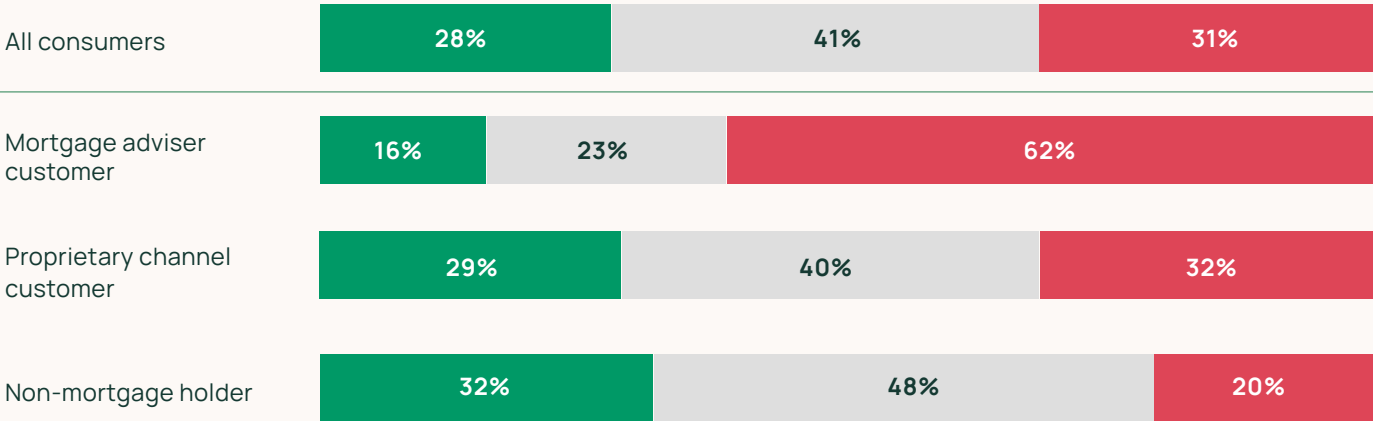
This significantly improves among existing mortgage customers, as 3 in 5 (62%) disagree with the statement, while only 16% agree.

Familiarity with mortgage advisers is important in breaking this perception, as consumers who are extremely or very familiar with mortgage advisers are 6 times more likely to disagree with this statement compared to those with no familiarity.

We believe these results are driven by the belief that a fee must be paid to access a broker.

To what extent do you agree or disagree with the following statement?

“ Mortgage advisers are too expensive for me to use.



Agree Not sure Disagree

Remuneration structure

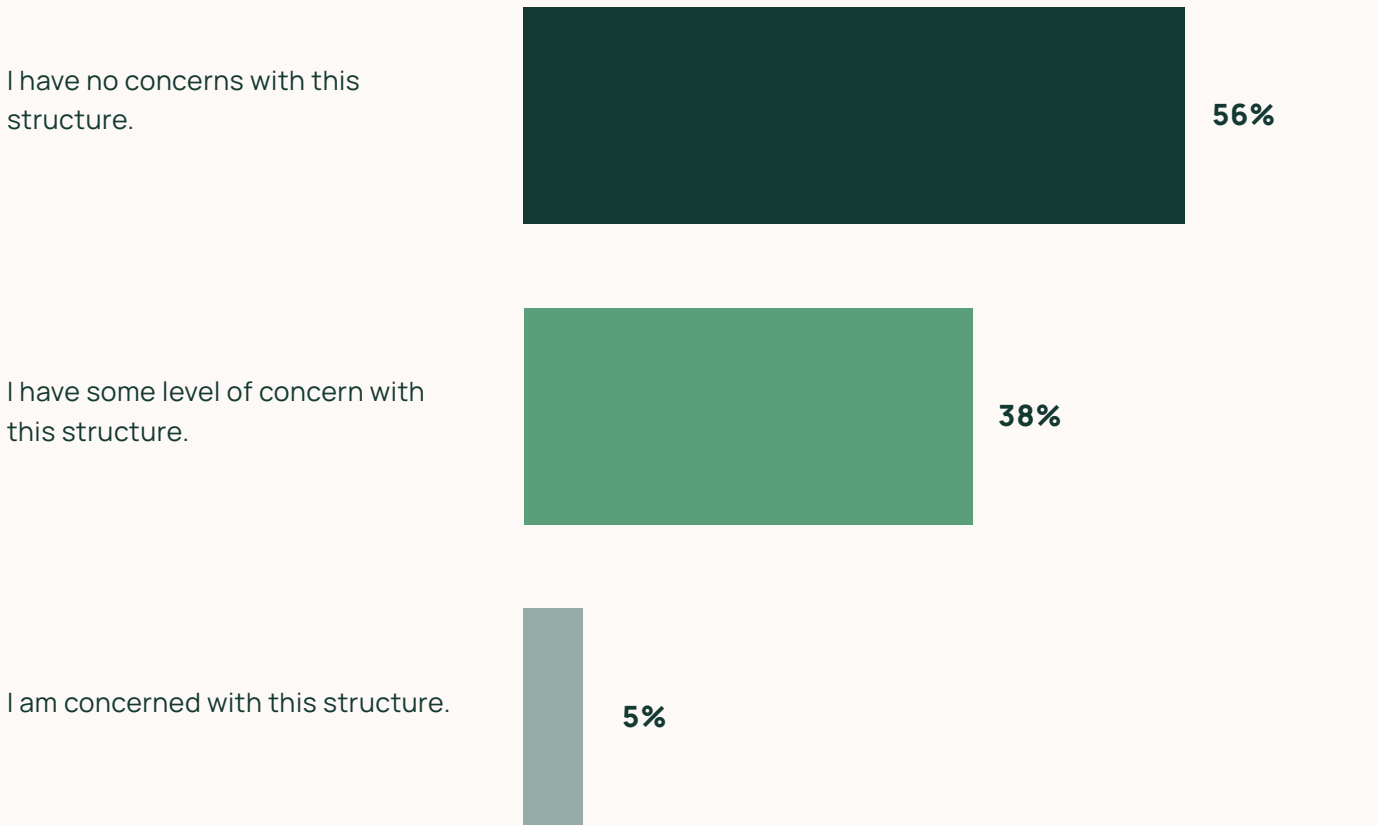
Almost 3 in 5 consumers aren't concerned with mortgage advisers' remuneration structure.

FAMNZ's *Consumer Access to Mortgages 2024* survey reveals that nearly 3 in 5 (56%) consumers have no concern with the remuneration structure of mortgage advisers, who are primarily paid via lender commissions. Meanwhile, 2 in 5 (44%) express concern regarding this structure.

This indicates that while the majority are comfortable with the commission-based model, a portion is potentially questioning the impartiality or motives of advisers due to this payment structure that may impact them.

Which of the following best suits your sentiment towards this remuneration structure?

In order to provide a free service to the borrower, mortgage advisers are usually paid commission by the lender where the loan is placed. Mortgage advisers do not receive a base salary; their primary source of income is via lender commissions.



About FAMNZ

The Finance and Mortgage Advisers Association of New Zealand (FAMNZ) is New Zealand's only peak body exclusively representing this sector.

Run by advisers for advisers, FAMNZ provides support, advocacy and education to the nation's finance and mortgage advisers, and was established at the start of 2024 by Australia's largest industry body, the Finance Brokers Association of Australia.

Since its inception only a short time ago, FAMNZ has already cemented itself as the voice of the industry to regulators, government, agencies, senior ministers, and members of parliament. FAMNZ has led the way in promoting the industry and building awareness of the role advisers play.

New Zealand borrowers need greater choice and service, and the solution is found in the customer service and advice offered by finance and mortgage advisers. A key objective of FAMNZ is to better educate consumers and build advisers' market share so that both borrowers and advisers benefit.

As New Zealand's representative on the International Federation of Mortgage Brokers, FAMNZ ensures that regulators, lenders, and the government are made aware of best practices, new technology and trends from other parts of the world.

About Agile Market Intelligence

Agile Market Intelligence is a market research agency focused on delivering meaningful insights and analysis for more informed decision making.

Our expertise lies in combining the voices of our survey participants with robust research methodologies to explore the attitudes and behaviours of consumers, investors, customers, employees, and more.

This inaugural *Consumer Access to Mortgages* report is a cornerstone of Agile Market Intelligence's commitment to providing insight into Australia and New Zealand's third-party distribution channel.

Agile Market Intelligence is the driving force behind a number of mortgage broker and mortgage adviser research programs, including Broker Pulse.

For more information about how Agile Market Intelligence can help you navigate Australia and New Zealand's third-party lending channel across the residential, commercial, SME and consumer sectors, please visit our website to set up a free 30-minute consultation.

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