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ThePulse.

The Fignum Mortgage Tech Pulse 2026

Fignum.

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Beyond One and Done.

Welcome to our inaugural 2026 Mortgage Tech Pulse Report (The Pulse) – a new report designed to unearth the technology opportunities and challenges facing lenders.



Steve Carruthers

Growth Director
FIGNUM

Technology is now a way of life in financial services and technology, and data strategies are key to success. These impact everything from sales to operational delivery, from consumer journeys to risk management, and from regulatory compliance to business innovation. What is abundantly clear from our conversations is that the pace of change is quickening leading many lenders to reassess decisions made even in the last two or three years. But more of that later.

This momentum for change is largely driven by a recognised need for commercial agility, cost saving, and better borrower and broker journeys. How those requirements work (or do not) in reality is exposed in the report. Systems today must deliver agility, robustness and affordability but, in the case of outsourced solutions, the very nature of the supplier partnership is key to success.

Our research found that AI is certainly giving lenders much to think about with some actively using it in the mortgage process itself. The phrase ‘fast follower’ was used more than once and best sums up why the march to embrace AI solutions remains one of tentative baby steps at best. Operationally, the much-vaunted impact of technology on current job roles appears over-stated. Redeployment and re-skilling are terms we heard repeatedly.

Specialist lenders are leading the charge in many areas, unencumbered as so many are by legacy estates and often focussed on niche markets. But, common to all lenders, is the impact of the pace of regulatory change. The volume and speed of required technology changes, driven by a regulator with a newfound vigour for improved borrower access to mortgage debt, has meant many lenders have sidelined projects that might otherwise have been delivered this year. Agility remains key in addressing the regulatory agenda as well as the demand and supply side of the UK mortgage market.



We were extremely fortunate and grateful to talk to senior leaders at over 40 UK mortgage lenders in this inaugural piece of research, and I would like to extend my thanks once again to everyone who gave up their time to take part. Every story, view and experience is important and helps build a granular picture of the opportunities and risks facing lenders. The challenges are common, but the responses and perceptions can be startlingly disparate depending on lenders' places in their respective markets. I'd also like to extend my thanks to UK Finance and First Source whose support for the launch of this report is truly appreciated.

It's my hope that you will be able to take the contents of this report to inform your own thinking and approach to technology and, of course invite Fignum into that discussion, in due course. It is our first report of many to come and we welcome your feedback. I and everyone else at Fignum remain committed to ensuring all our participants get important and useful insights out of this report.

Thank you



Agility remains key in addressing the regulatory agenda as well as the demand and supply side of the UK mortgage market.



Firstsource.

We are delighted to supporting Fignum's Mortgage Technology Pulse 2026 which reveals a sector aligned on what needs to change, but increasingly limited by how change is delivered, sequenced and absorbed.

In a market shaped by regulatory intervention, margin pressure and servicing intensity, execution has quietly become the defining factor in mortgage performance.

Delivery remains the friction point and this resonates strongly with what Firstsource sees across our financial services clients. Technology strategies are largely sound. The challenge lies in embedding change without destabilising core operations, disrupting customer journeys or stretching risk oversight. Running transformation and business-as-usual in parallel has become a core capability, not a project discipline.

Investment in mortgage technology has been front-loaded. Yet the economics of the market are shifting. Gross advances exceeded £80bn in a single quarter in 2025, while product transfers and refinancing activity remain structurally elevated. Servicing efficiency increasingly determines retention, lifetime value and Consumer Duty outcomes.

From a Firstsource perspective, this is where execution strain is most visible. Many lenders are managing product transfers or post-completion changes through workarounds - effectively re-running origination processes or layering manual oversight. While workable, this drives cost-to-serve higher and makes consistent outcome monitoring harder to evidence.

The Pulse also report underscores a distinction between automation of workflow and automation of judgement. AI adoption follows a similar pattern. AI remains focused on fraud detection, document verification and support functions rather than core credit decisioning. Automation is welcomed where it enhances consistency and oversight. Delegating judgement is approached with caution.

The findings suggest technology itself is not the primary limitation. More than half of lenders consider themselves well prepared to adopt future innovation. Yet preparedness correlates more with architectural flexibility than size.

The Pulse report's conclusion is unequivocal: the cost of standing still now exceeds the cost of change. However, poorly sequenced change introduces operational, regulatory and reputational risk. In a market where 92% of lending remains intermediated, where servicing is rising in strategic importance, and where regulatory scrutiny continues to intensify, execution discipline will determine which lenders convert strategy into sustained performance.



Lisa Neary

Vice President New Business Development, UK BFSI
FIRSTSOURCE



The Pulse report's conclusion is unequivocal: the cost of standing still now exceeds the cost of change.

About the Fignum Mortgage Tech Pulse.

METHODOLOGY

We conducted in-depth qualitative interviews with over 40 lenders, representing a broad cross-section of the market by institution type, balance-sheet size, lending focus and business model.

Interviews were one hour in duration and conducted via video conference. The qualitative approach enabled a depth of discussion and contextual insight that would not have been captured through a purely quantitative methodology. To support open and candid participation, all interviews were conducted on a strictly anonymous basis.

Interviews frequently involved multiple participants, incorporating perspectives from sales, operational and risk functions. Where a single participant was involved, they typically contributed on behalf of colleagues with relevant functional expertise.

PEER GROUPS

To help participating lenders assess their position relative to comparable firms, respondents were grouped into categories:

Large mainstream – typically banks' lending more than £4bn per annum, funded through a mix of wholesale and retail sources, and operating with established platforms that often include elements of legacy technology.

Medium mainstream – generally building societies and / or banks with gross mortgage lending of over £1bn and up to £10bn per annum. These firms are retail funded and, like their high-street counterparts, tend to carry a degree of legacy technology.

Specialists – usually newer or more recently scaled institutions, lending under £1.5bn per annum. Funding models vary between wholesale and retail, and these firms typically face fewer constraints from legacy systems.

Smaller regional building societies – typically smaller building societies lending under £1bn per annum, retail funded and often operating in niche markets that require a tailored approach.

AREAS OF ENQUIRY

Our line of questioning focused on the strategic, operational, risk and customer experience of technology across the mortgage process. In most cases, lenders shared data covering the 2024 to 2025 calendar year.



Introduction.

The Pulse examines how lenders use technology and data to support their mortgage lending journeys, customer and broker experience and seeks to bring to the surface the issues that most directly impact their technology thinking and execution.

The interviews were designed to identify both the common experiences shared across the various markets and the differing approaches lenders take in pursuit of individual lending objectives.

The Pulse allows participating lenders to gauge their responses in the context of the broader market. Our research follows the lending journey from origination to completion, and post contract servicing and explores the business, operational and technology considerations that influence a lender's ability to manage that journey effectively.

2025 CONTEXT: RESILIENCE, REPRICING AND REGULATORY ADJUSTMENT IN THE UK MORTGAGE MARKET

In 2025 the UK mortgage market exhibited a blend of resilience and structural evolution, as lenders navigated shifting demand patterns and ongoing regulatory change. According to the latest joint FCA/PRA MLAR data for Q3 2025, the outstanding value of residential mortgage loans continued to climb modestly through the year, and gross mortgage advances surged to their highest quarterly level since 2020 Q3 at over £80 billion, underlining a persistent, if uneven, appetite for credit amid the very real affordability constraints.

Within this, remortgage activity and, in particular product transfers, remained elevated compared to 2024 even as home purchase advances retreated somewhat from recent peaks of the stamp duty cliff edge in Q1 2025. The market reflected the substantial cohort of borrowers reaching the end of two and five year fixed-rate deals and the continued popularity of product transfers and internal refinancing as lenders sought to retain existing business in a competitive pricing environment.

House purchase lending regained momentum as the share of gross advances to owner-occupiers for purchase climbed, albeit still trailing its longer-term averages, with first-time buyers and home movers driving much of the activity against a backdrop of tightening supply and shifting stamp duty thresholds.

Buy-to-let lending held marginally above levels in the previous year despite cost pressures and tax headwinds, with specialist and limited company structures becoming increasingly prominent as some smaller landlords exited the market.

Across the UK's housing stock, arrears balances edged lower and the proportion of accounts in arrears remained subdued by past standards. There were 84,100 homeowner mortgages in arrears of 2.5 per cent or more of the outstanding balance in the third quarter of 2025, 4 per cent fewer than in the previous quarter. But indicators point to pockets of impairment emerging in segments exposed to higher loan-to-income ratios or payment shock as borrowers rolled off legacy low-rate deals.

Crucially, the regulatory landscape itself shifted. The FCA's Mortgage Rule Review and changes to stress-testing expectations, combined with PRA-FCA guidance aimed at supporting access to credit and the additional consumer-support commitments embedded in the Mortgage Charter, have materially influenced how lenders behave and how borrowers experience the market as it adapts.

Section 1.

TECHNOLOGY AND STRATEGY

Across all the firms we interviewed, there was clear evidence of ongoing or imminent technology change programmes focused on origination and post-contract servicing. While the scale, sequencing and ambition of these programmes varied by lender type, M&A activity, market share ambitions and risk management concerns engendered a broad consensus that existing technology arrangements are no longer sufficient to support future operating requirements.

Lenders consistently emphasised that core technology change is not undertaken lightly. Origination and servicing functions sit at the centre of risk, revenue generation and institutional reputation. Investment in these areas was not framed as discretionary modernisation, but as a necessary response to a combination of structural pressures that have intensified over time.

Participants highlighted that net interest margins remain tight, increasing sensitivity to operational cost and inefficiency. Both origination and servicing were frequently described as ‘works in progress’ and being labour-intensive with many lenders still using legacy platforms. These dependencies were widely seen as unsustainable, particularly in periods of volume volatility or heightened regulatory scrutiny.

In origination, lenders identified a common set of priorities that echoed across the peer groups. All aim to reduce the time to decision, limit the number of document and data requests made of brokers and customers, and lower fall-through rates. While these objectives are

often positioned as customer experience improvements, interviewees also linked them to cost reduction, pipeline certainty and risk control. Faster, more consistent decisioning was viewed as critical to protecting both margin and reputation and remains the central objective of new technology delivery.

In post-contract servicing, priorities shifted towards enabling greater customer self-service, including digital product switches, overpayments and account management, alongside more consistent and timely communication across channels. Lenders noted that servicing efficiency increasingly determines the long-term economics of a loan, particularly in a market characterised by frequent refinancing and product transfers.

From a risk perspective, participants reported that evolving expectations around customer outcomes, regulatory oversight and management information are exerting growing pressure on existing technology architecture. The need for near real-time management information, clearer auditability of decisions and stronger evidence of outcome monitoring



was repeatedly stated. This was described by one lender as a move away from episodic, retrospective risk management towards continuous risk surveillance, a shift that many legacy platforms were not designed to support.

Across the interviews, four drivers emerged with notable consistency: capacity, agility, robustness and optimisation of operating models. The relative importance of each varied according to lenders' lending profiles and risk appetites, but the underlying themes were shared.

For some, the horizon was less about adding further layers of digitisation to already well-defined stages of the mortgage process, and more about preparing to change how that process is viewed altogether by moving away from a vertical mindset that optimises origination, underwriting or servicing in isolation, towards a more horizontal understanding of the mortgage as a single, continuous lifecycle in which data, decisions and customer experience must travel cleanly across organisational and system boundaries.

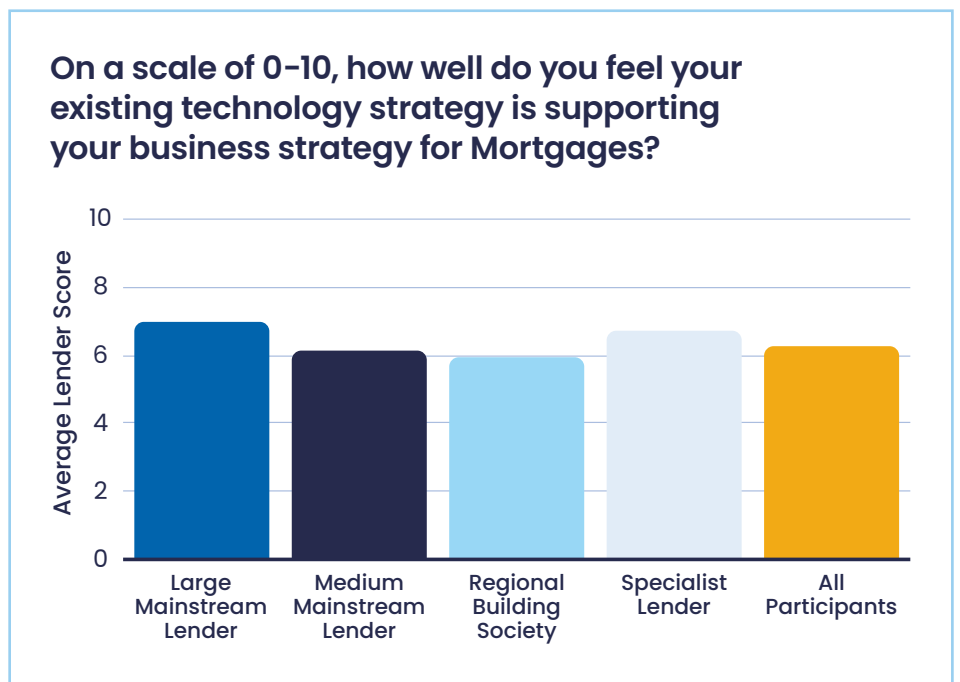
In addition, a recurring challenge identified by several lenders was the extent to which commercial arrangements with system suppliers constrained their ability to adapt, innovate or pivot into adjacent markets. In some cases, long-term outsourcing agreements were perceived as limiting architectural flexibility at precisely the point where adaptability is becoming strategically critical.

Even where technology change was managed internally, lenders described the process as complex and high-risk, often likened to maintaining or repairing core infrastructure while continuing day-to-day operations. Despite this, there was widespread acknowledgement that delaying change carried increasing operational and strategic risk.

Overall, the research indicates a clear shift in how lenders assess technology investment decisions. While technology has historically enabled lenders to scale capacity, the dominant concern now is the ability to respond quickly to changing market, regulatory and customer demands. For many firms, the balance has tipped and the cost of maintaining the status quo is increasingly viewed as greater than the cost, disruption and risk associated with change.

When it comes to aligning technology and business strategy – almost half of all regional building societies self-scored with 5 or below and the story was similar for medium mainstream lenders. By contrast 70% of specialist lenders and 80% of high street lenders scored themselves 6 and above.

Overall, technology strategy was felt to be aligned with business objectives and wider company strategies. The challenges were all around implementation and the burden of legacy platforms.



	Affordability Calculator	DiP	FMA	Offer	Completion	Servicing / Core Banking
Mainstream	7.60	7.20	6.20	7.00	6.60	6.20
Medium mainstream	7.29	7.43	7.57	7.14	7.14	6.57
Regional	5.21	5.05	6.42	6.53	5.95	5.79
Specialist	7.90	7.90	7.00	7.10	6.10	5.80
All responses	6.51	6.41	6.73	6.83	6.27	5.98

This overall satisfaction with technology among specialists and mainstream lenders was further apparent when we asked them to score the performance of their current infrastructure in delivering the various parts of the origination journey. Indeed, three of our peer groups registered their Affordability and Decision in Principle (DiP) processes with scores of over 7 out of 10. Medium mainstream lenders recorded the highest scores across the individual pieces of the process, followed by specialist and mainstream and finally regional building societies.

The performance ratings reveal a consistent pattern across lender types, with earlier stages of the mortgage journey scoring more strongly than post-completion servicing, and notable variation by institutional model.

Large mainstream lenders showed solid performance at the front of the journey, particularly in Affordability and DiP, but

recorded weaker scores in Full Mortgage Application (FMA) and Servicing suggesting that while decisioning capability is well developed, complexity and legacy architecture continue to weigh on middle-office processing and post-completion systems.

Medium mainstream lenders reported the strongest and most consistent scores across the journey. Ratings above 7 out of 10 in Affordability, DiP, FMA, Offer and Completion indicate a relatively balanced technology estate, with fewer pronounced weak points.

Regional building societies stand out for materially lower scores, particularly in Affordability and DiP. This points to constraints in front-end capability, likely driven by reduced investment capacity, older platforms and also reflecting the risk profile of the business they often write. Interestingly, their FMA and Offer scores were comparatively stronger, suggesting greater reliance on manual or relationship-led

processes once cases progress beyond initial screening.

Specialist lenders scored highest in Affordability and DiP, underlining the effectiveness of focused, often newer decisioning platforms. However, the decline in scores through Completion and Servicing mirrored the wider market, indicating that even specialists prioritise origination over long-term servicing capability and newer lenders have had less cause to address this area but will need to as they mature.

The results underline how origination performance has improved markedly, while servicing continues to lag, reflecting both strategic prioritisation and the practical difficulty of replacing core banking systems.

Where technology has been deployed, all respondents pointed to improvements in capacity and operational performance and oversight. For many, commercial, strategic, technological and operational gains were clear. New platforms have allowed lenders to consider new markets. Lenders also cited the need for agility in pricing as being key to protect margins and manage capacity. But integrating new technology is not a straight-forward process nor is technology the only method to inject efficiency with several lenders highlighting how process re-engineering has led to improved operational performance.



Digitising bad processes is the worst of all worlds.





Certainly, operationally the use of tools like Robotic Process Automation and Optical Character Recognition has enabled lenders to redeploy resources where they can have more effective impact and the use of AI in user testing has saved weeks for at least one lender.

Finally, new technology has been fundamental in enabling a more intelligent use of data among lenders that has in many cases improved the broker and end customer journey in enabling better, quicker, more consistent decision making.

We asked lenders for a snapshot of their current application to offer timelines and these in many respects reflected their markets and the processes required to underwrite the loans.



Any reduction for us has been incremental over the last 30 years. It's through using technology by stealth.

In terms of how these technology changes play through to application to offer times, it is important to see the results through the lens of risk appetite and market exposure. We asked not only how long an application to offer might take a firm but whether this time had improved or otherwise over the last three years?

While technology is not regarded as the sole driver of any improvement it was an integral part. Operational decisions like greater use of Automated Valuation Models (AVMs) and assisted desktop valuations, also contributed improvements with the added bonus of considerable savings for larger players.

Finally, we were keen to understand how big some of the technology challenges are for lenders, given their histories of legacy systems, mergers and acquisitions, niche and mass market risk appetite. We asked how many systems were lenders using to process a mortgage from DiP to Completion? The answers reflect not only the age of firms but also the size of their operations with newer specialist lenders enjoying significantly less complexity in this area.

What is your current application to offer timeline? (average business days)

	Mainstream Lender	Medium Mainstream Lender	Regional Building Society	Specialist Lender
Response	10	9	19	22

Has this time improved or otherwise over the last three years?

	Mainstream Lender	Medium Mainstream Lender	Regional Building Society	Specialist Lender
Improved	100%	71%	58%	70%
Stayed The Same	0%	29%	32%	30%
Worsened	0%	0%	11%	0%

How many systems are you using to process a DiP through to completion?

	Mainstream Lender	Medium Mainstream Lender	Regional Building Society	Specialist Lender
1	20%	29%	32%	60%
1 > 5	20%	57%	53%	40%
6 > 10	40%	14%	16%	0%
11 +	20%	0%	0%	0%

Section 2.

CUSTOMER EXPERIENCE AND DIGITAL CAPABILITIES



We have five different generations of customers now with differing expectations – we need to offer choice. We cannot force people down one particular channel.

As part of the Pulse, we wanted to understand how lenders were thinking about, developing and managing their direct-to-consumer digital capabilities. Given the reliance by all parts of the market on intermediary business, it is worth noting that in terms of self-service, Product Transfers are the main area of focus for the vast majority of firms.

This is arguably of little surprise given the volumes of Product Transfer business in the market in 2025 and the expected volumes in 2026. Of the cohorts due to remortgage this coming year those on current five-year fixes may well find the prices available unpalatable in the face of cost of living increases which have seen prices rise significantly in the last five years.

Where firms have consumer facing savings business or any other personal finance interaction such as current accounts, then lenders reported that teams were in place to ensure accessibility was prioritised through feedback, user testing and mechanisms such as online help and chat. Where such resources were not available, phone and / or branch channels were available to help consumers. No lenders expressed a desire to become mobile first in terms of the technology support they deployed to borrowers or brokers. There was universal agreement that online access rendered for mobile was sufficient.

The number of interactions and requirement for current information in the retail savings and current account markets and the disintermediated nature of most mortgage business has meant digital mortgage servicing

What is your current distribution mix for new business origination?

	Broker %	Direct %
Large Mainstream Lender	85.00	15.00
Medium Mainstream Lender	93.29	6.00
Regional Building Society	92.53	7.47
Specialist Lender	94.30	5.70
All	92.17	7.71

has been a poor relation driven mostly by the need to deliver post contract variations and product transfers. That together with the infrequent nature of mortgage lending interactions for borrowers, which peak only at the time of application, has stymied investment.

Lenders' slowness to provide digital customer services to borrowers is reflected in the volume of intermediated business they write. Broker portals and online calculators are commonplace and reflect how important it has become to be 'easy to deal with'. Indeed, in this respect, having a common platform from an outsourced provider was seen as a benefit as broker familiarity with systems helps with processing online.

Indeed, when we asked about mortgage customer Net Promoter scores, it was striking how few lenders actually measure this for borrowers. There was a significant measure of cynicism around satisfaction measurements from the scale of the samples used to the timing of the questions. On the whole, borrowers up to the point of mortgage offer record better satisfaction scores than those asked post offer. Broker satisfaction was measured regularly but as much in live feedback as any large sample statistical exercise. There was no consensus about any measure used and little confidence in the various measures available to lenders.

Section 3.

DATA ANALYTICS AND DECISION MAKING

It is no underestimation to say that the advance in the available data to lenders is allowing processes to be rethought. How the data is deployed remains relatively consistent in so far as most DiPs and subsequent applications follow well-trodden pathways. But this is changing.

Third party data sources are now commonly used. In terms of the security itself, there has been a prolific growth in the use of AVM (Automated Valuation Models), spurred by the decision of many lenders to adopt these in ever greater volumes of lending during the pandemic. Many lenders vocalised their desire to increase their current levels of usage. Lenders also cited Zoopla and Land Registry among the property data sources in use.

In terms of data used by firms about the borrower, bureau data, expenditure data such as ONS, and income data through sources such as CATO, payroll and KYC data are now prevalent. Systems that provide secure digital document upload for bank statements, payslips, ID, open banking data capture, identity and verification workflows and full audit trail for compliance and dispute resolution are commonplace. Open banking remains largely unused except where own customer current account data is available.

Many lenders continue to use the FCA register to check and audit brokers.

Again, some lenders raised the prospect of risk in delivering multiple integrations but also offered the view that data ownership is having to change in the face of evolving data strategies that look at the mortgage process from a horizontal rather than vertical and siloed perspective. One lender cited the reluctance of departments like credit risk to devolve ownership of key data points highlighting the structural challenges not only for technology but for roles and responsibilities that advanced data capabilities bring. Nevertheless, accessing external data earlier in the process to give more certainty around decisions is on many roadmaps.

Overwhelmingly, lenders are not using data and technology to support individual pricing but directions of travel on this issue are not one way. Several lenders pointed to the funding mechanisms making individual pricing on anything other than tranches for fixed rates, for example, very unlikely. However, others are attempting to do this. In one case the functionality is

built but not yet deployed. Some lenders use criteria to personalise, in the form of 'cascade pricing', or geography to impact the rates they offer, but some are examining how this may be reflected in actual individual or risk-based pricing.

Others were not sure how this move could be justified in terms of Consumer Duty obligations. Clearly individual (or highly granular) pricing of mortgages is not prohibited but the concern is whether lenders can evidence fairness, transparency and good outcomes at scale once pricing becomes dynamic, less transparent or difficult to explain. For now, at least, other priorities occupy lenders' minds.

While real-time reporting eludes many, data is commonly used to generate MI on a 24-hour reporting basis. Many applications to deliver this are built and maintained by internal MI departments and processes that not only support capacity reporting but also exposures to markets and geographies as well as climate impacts. A couple of lenders pointed out how important the underlying architecture is to the successful delivery of meaningful and automated MI.

CXAiR has gained traction because it aligns closely with post-Consumer Duty supervision, where firms are expected to prove outcomes, not just describe processes.

Power BI was cited regularly in the regional mutual sector as a tool that supports the generation of better and more timely management information.

We also asked how automated current processes were for underwriting. As we heard, many lenders are keen to retain the USP of 'manual underwriting' in keeping with the requirements of their niche markets and risk appetite. But in reality, this area of driving efficiency onto 'vanilla underwriting' is growing across the piece. One of the most cited operational wish-list items for lenders in all markets is a desire for 'more automated underwriting'. Chart A shows that process is well underway while chart B underlines the journey is far from complete.

We asked what percentage of mortgage applications are now processed using automated underwriting systems versus manual review? The findings revealed that, despite sustained investment in mortgage technology, automated assessment remains limited across most lender types, with manual review continuing to dominate credit decisioning.

Across the market, the majority of lenders report that fewer than a quarter of applications are assessed through automated processes. This is particularly pronounced among regional building societies, where all respondents report automation below 25%, and specialist lenders, where nine in ten remain heavily reliant on manual assessment. Even among large mainstream lenders, four in five report that automated assessment accounts for less than a quarter of application volumes. Medium mainstream lenders show slightly greater variation. The vast majority reported 0%.

The persistence of manual assessment reflects several structural factors. Mortgage underwriting often involves complex, high-value and long-duration risk decisions, often requiring judgement around income stability, property characteristics and borrower circumstances and these cannot be delegated to machinery without risk. Regulatory expectations around accountability further reinforce the role of human oversight, particularly for non-vanilla cases and higher-risk segments.

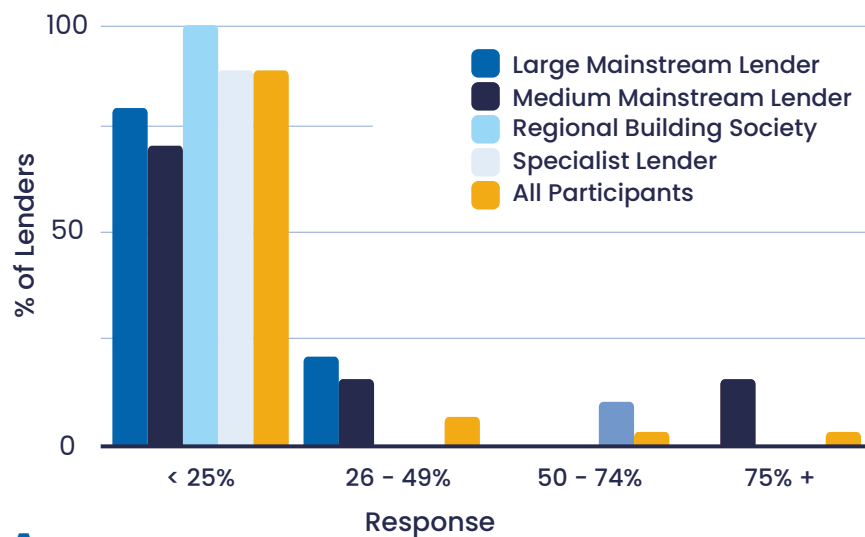
The data suggests a distinction between automation of workflow and automation of decisioning.

While many lenders have automated elements of data collection, policy checking and case management, these improvements have not translated into widespread automated credit assessment. In practice, technology is used to support underwriters rather than replace them.

Finally, we asked what percentage of applications are automatically underwritten and approved? The findings reinforce a clear distinction between automation of process and automation of judgement. While technology has become embedded in application handling and underwriting support, lenders remain cautious about delegating approval authority to automated systems. Regulatory expectations around accountability, explainability and risk ownership continue to anchor final decision-making with human underwriters, particularly in a market characterised by long-term, high-value lending.

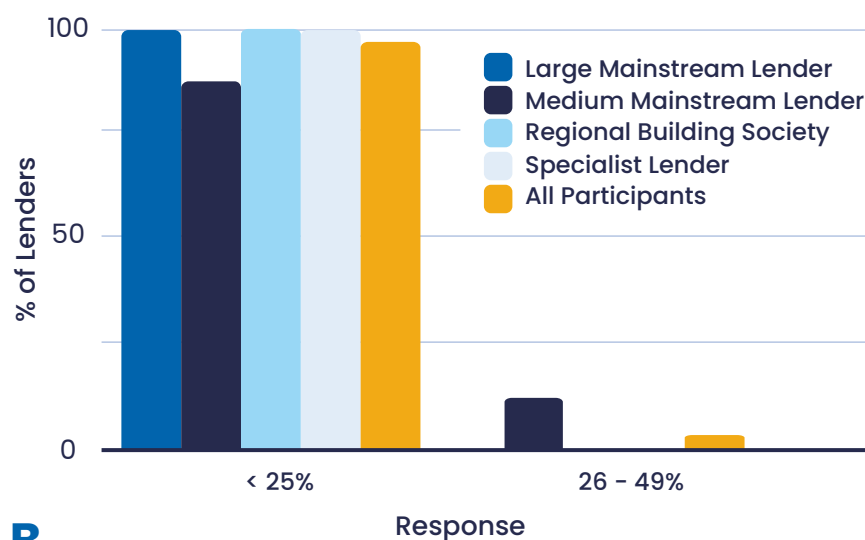
In effect, automated underwriting in the UK mortgage market remains selective and constrained, reflecting both risk appetite and regulatory culture rather than technical capability alone.

What percentage of your mortgage applications are now processed using automated underwriting systems versus manual review?



A

What percentage are automatically underwritten and approved?



B

Section 4.

OPERATIONAL EFFICIENCY AND INTEGRATION

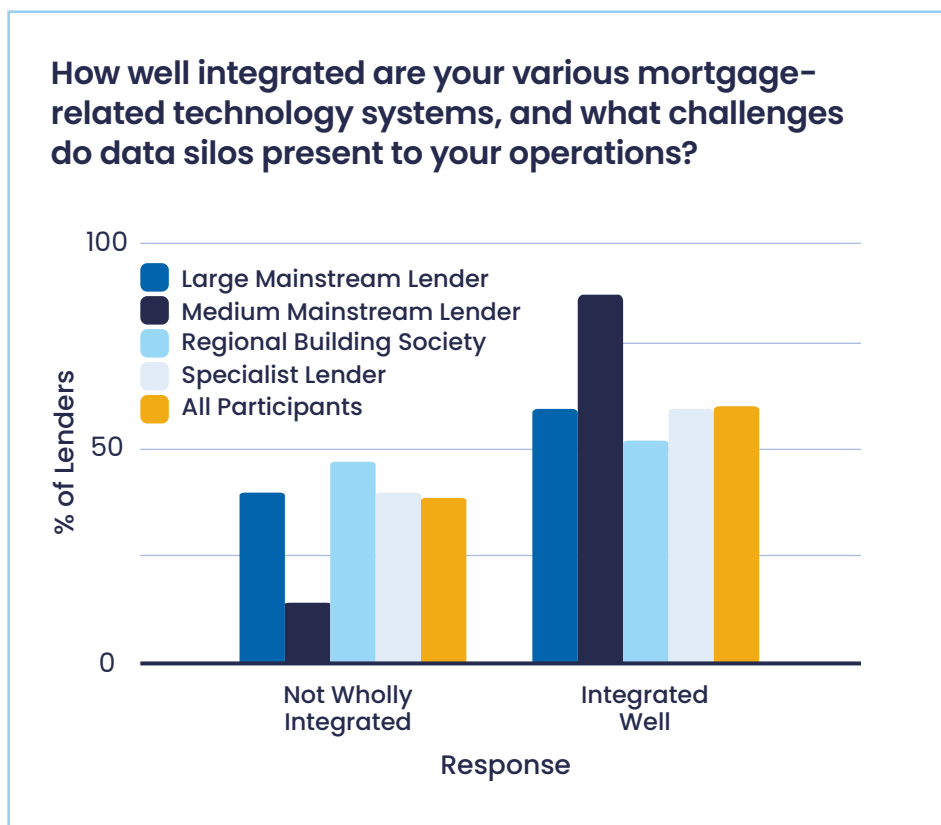
As organisations develop and data dependency grows, we wanted to understand how firms regarded their data practices and integration levels in an operational context.

Overwhelmingly, businesses spoke about the importance of having ‘one source of truth’. Many seem well set on this pathway though many factors that can impact this goal were offered as challenges. While the size of organisation is an issue, legacy systems, fragmented architecture and data ownership all impact lenders’ abilities to manage this. To that end many were keen to point out the importance of a data strategy to drive any systems development.

Where lenders were not confident in their integration, business silos were identified as a core obstruction whether in the lender itself or in some instances within an overall group context post-acquisition.

‘One source of truth’ is the goal though it may not serve everyone well. As one contributor observed:

“We are fairly well integrated until bonus time when sales suddenly produce these spreadsheets offering different results to that which our main data tells us.”





When we asked how technology has impacted staffing requirements and the skills required in the mortgage division, lenders unanimously responded that the capacity and efficiency gains had allowed them to redeploy staff to other more pressing functions. One lender observed that as capacity has grown the saving has been in not having to bring in additional headcount, but a couple of lenders admitted that in a new environment some people may take the decision not to continue in role. That headcount may or may not be reallocated in redeployment. But in some instances, headcount had increased as lenders sought to import new skills into their business such as data analysts.

Capacity and cost saving were the barometers of success for every lender. A handful highlighted the importance of managing the cultural change in advance, during and after new technology deployment. There were several accounts of staff 'not believing' in new systems and perpetuating previous ways of working or checking automated output. One responder referred to some key pre-deployment messaging that staff were told to 'adopt not adapt' the new technology and ways of working in order to circumvent otherwise natural suspicion.



We've seen thirty years of change in the last three years.

The priority is to protect service through redeployment while implementing efficiency changes. This competing set of priorities – service over cost saving – is a battle every lender is wrestling with.

When we asked how long on average a significant new technology implementation takes there was a huge amount of consensus. The exception being a number of the specialist and newer lenders who are unencumbered by historic legacy systems.

One significant factor increasingly impacting delivery is the increase in regulatory changes that require systems adaptations which in turn can de-prioritise other scheduled BAU or IT project work. The Mortgage Charter was offered as an example of one such interruption to lenders' IT stacks. Equally, in a fast-moving market, lenders readily admitted that their own changing requirements can have a significant impact on projects already underway and necessitate a change in specification or descoping with all the subsequent delays that can entail.

"It takes us around 6 months to deliver significant change, 16 months for change at a corporate level. It took 48 hours to implement the changes in the Mortgage Charter."

How long on average does a significant new technology implementation take?

	Large Mainstream Lender	Medium Mainstream Lender	Regional Building Society	Specialist Lender	All
< 1 Year	40%	0%	5%	60%	22%
1 - 2 Years	60%	57%	63%	30%	54%
2 - 3 Years	0%	29%	26%	0%	17%
3 Years +	0%	14%	5%	10%	7%

Section 5.

REGULATORY AND COMPLIANCE TECHNOLOGY

Since mortgage regulation was introduced in 2004, a very significant proportion of mortgage technology and process change has been supply-side driven, with the regulator acting as the primary catalyst. The role of the regulator has evolved as an engine for change. From a starting point of constraining lending, it has, since the pandemic, been in a phase of enabling lending. Its outcome focus has put huge pressures on margins and lenders have embraced technological change to protect them.

We asked specifically about the impact on technology strategy of the Mortgage Rules Review. Opinion was divided. Understandably those lenders totally dependent on intermediated business saw little change to their business. Those with significant direct to consumer operations more readily saw the possibilities for execution only and self-service and the focus this would bring to re-financing. However, that view was not absolute among mainstream or specialist lenders with many adamant that borrowers will always require advice and that brokers were the only true place for that function.

“Can you automate PTs without brokers? Absolutely. But this is about customer ownership and whether customers want that option.”

Technology has supported the delivery of regulatory compliance and reporting from Consumer Duty to vulnerable customers.

“Technology has played a key part in our delivery of new rules to market.”

Among the hygiene solutions covered were call recording and data analysis of broker fees as well as complaints processes and voice analytics. But strategically there is a view that in order to meet growing regulatory expectations of outcomes, lenders will turn to technology to deliver the hyper-personalised journey for borrowers which is key to ensuring that it is delivered and evidenced. Solutions need to be found for disclosing vulnerabilities without fear of compromising clients' ability to borrow.

“The tech is there to achieve everything; the challenge is in the timing and sequencing of change.”

Business resilience is seemingly improving by the minute and nowhere is that sentiment better witnessed than in cyber risk. Cyber risk expresses itself in regulation not as a requirement to perfect security, but as an expectation that technology enables continuity, evidences control and preserves customer outcomes under stress. In this



We can, could and should go further.

context, technology becomes a regulated capability in its own right rather than a neutral delivery function. Certainly, the lenders to whom we spoke felt that a combination of evolving business personnel specifically charged at all levels with delivering greater resilience and the improvement in understanding the integrations that underpin daily lending have improved the business requirement for regulatory resilience.

We asked our peer groups about their use of technology to deliver mortgage audit trails and compliance reporting processes. The results highlight a clear divergence in levels of automation driven less by regulatory obligation, which is broadly consistent across the market, and more by institutional scale, legacy architecture and operating model.

The results suggest that automation in audit and compliance reporting correlates more strongly with organisational history and architectural flexibility than with regulatory pressure alone. Progress is evident across all lender types, but the pace and depth of automation vary depending on the starting point and strategic priorities.

Large mainstream lenders show the greatest overall maturity. None report a predominantly manual approach, and a significant proportion describe their reporting as mostly automated. However, the majority continue to operate hybrid models combining automation with manual intervention.

A minority of medium-sized mainstream lenders still rely largely on manual reporting, but most have adopted partial automation.

Over a quarter of the regional building societies reported their use of mainly manual reporting, and only a small minority describe their approach as mostly automated. Even

where automation exists, it is typically supplementary rather than embedded.

Specialist lenders present a contrasting profile. They show the highest proportion of mostly automated approaches, despite a small residual reliance on manual reporting. This reflects more recent platform builds, narrower product sets and operating models designed around automation from inception, rather than retrofitted onto legacy estates.

Our final enquiry in this section asked about automation in regulatory reporting. The distribution of automation levels in regulatory reporting reinforces the uneven nature of technology adoption across lender types and highlights how differently firms interpret both necessity and feasibility. Overall, the findings suggest that progress in automating regulatory reporting is shaped less by regulatory demand which impacts all lenders broadly in equal measure, and more by organisational scale, system complexity and historical starting point.

How automated is your mortgage audit trail and compliance reporting Processes?

	Large Mainstream Lender	Medium Mainstream Lender	Regional Building Society	Specialist Lender	All
Mainly Manual	0%	14%	26%	10%	17%
Combination of Manual & Automation	60%	57%	68%	30%	56%
Mostly Automated/Tech Driven	40%	29%	5%	60%	27%



What percentage of your regulatory reporting for mortgage lending is now integrated and automated versus manual compilation?

	Large Mainstream Lender	Medium Mainstream Lender	Regional Building Society	Specialist Lender	All
< 25%	20%	0%	42%	30%	29%
26% - 49%	40%	14%	11%	10%	15%
50% - 74%	20%	29%	26%	30%	27%
75% - 100%	20%	57%	21%	30%	29%

At an aggregate level, the market appears broadly split. Almost three in ten firms report that less than a quarter of their regulatory reporting is automated, while a similar proportion report automation levels above 75%. This polarity suggests that regulatory reporting is no longer moving forward at a uniform pace; instead, firms are diverging between those that have embedded automation as a core capability and those that continue to rely heavily on manual intervention.

Large mainstream lenders cluster around partial automation, but medium mainstream lenders stand out for their relatively high reported levels of automation. Over half report that between 75% and 100% of regulatory reporting is automated, with none reporting automation below 25% indicating that for some mid-sized firms, regulatory reporting

has become a targeted focus area for digitisation, potentially reflecting simpler system landscapes and a clearer cost-benefit case for automation than in larger, more complex institutions.

Regional building societies show the lowest overall levels of automation. A substantial proportion report automation below 25%, while specialist lenders display a more balanced profile, with automation spread relatively evenly across the upper bands highlighting again the advantage of operating models that are more recently built.

Section 6.

INNOVATION AND EMERGING TECHNOLOGIES

When asked about GenAI and emerging technologies, our results suggest that far more AI is being used in mortgage lending than most people realise. Primarily the AI tools currently utilised by businesses include anti-fraud measures such as the detection of missing or inconsistent evidence and more commonly, the identification of altered documents such as payslips. Some have or are actively developing chatbots that can automatically assimilate criteria, but the general feeling is that it is too early for deployment at the front end for borrowers where the risk of poor outcomes and subsequent reputational risk outweighs the gains for now.

Behind the scenes, AI is being used to chase documentation and train in sales calls.

All respondents expect it to figure in their technology futures, but many are adopting a 'fast follower' approach. In mortgage lending, AI is being used less to make decisions and more to manage risk, make judgement safer, earlier and more consistent in areas where scale, complexity and regulatory scrutiny can expose purely human oversight and to support decision making in underwriting and collections areas.

Are you actively trialling or using GenAI technologies in the mortgage process?

	Large Mainstream Lender	Medium Mainstream Lender	Regional Building Society	Specialist Lender	All
NO	20%	71%	68%	30%	54%
YES	80%	29%	32%	70%	46%

Budget, resource, competing priorities and growth objectives were some of the challenges lenders conveyed when describing how their technology roadmap has evolved or otherwise. To try and understand the impacts of roadmaps and transformation programmes we asked lenders to confirm what parts of their mortgage related technology stack have been updated or replaced in the past 5 years (e.g. DiP, FMA, Offer, Completion or Servicing/Core Banking).

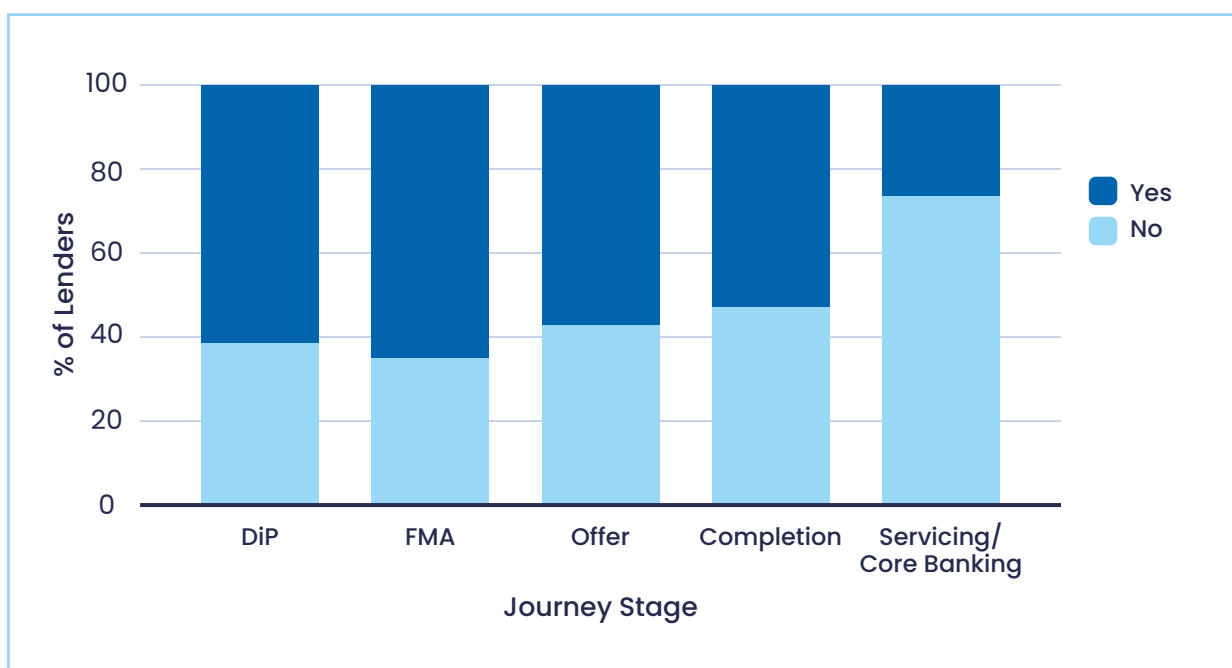
Responses highlight a clear pattern in where mortgage technology change has been concentrated over the past five years, with investment skewed heavily towards the front and middle of the mortgage journey rather than post-completion functions.

The most commonly updated areas are the Decision in Principle (DiP) and Full Mortgage Application (FMA) stages. In both cases, most of the lender's report having replaced or materially updated systems or processes. This reflects sustained pressure to improve speed, capacity and consistency at the point of customer entry, as well as to manage application volumes more efficiently during periods of market volatility. These stages are also where incremental digitisation delivers the most immediate operational and customer-facing benefits.

A similar, though slightly lower, level of change is evident at the Offer and Completion stages. While still a focus of technology investment, these parts of the journey are more

constrained by dependencies on legacy processes, third-party integrations and legal or conveyancing workflows, which are often harder to modernise end to end.

By contrast, Servicing and Core Banking stand out as the least frequently updated components of the mortgage technology stack. A clear majority of lenders report no material change in this area over the same period. This suggests that while origination has been the primary focus of transformation, Servicing and Core Banking platforms remain more static, reflecting their complexity, risk sensitivity and the scale of disruption associated with replacement.



How prepared do you feel your organisation is to adapt to and adopt future technological innovations in comparison to your peers in the mortgage market?

	Large Mainstream Lender	Medium Mainstream Lender	Regional Building Society	Specialist Lender	All
Below average - behind peers	0%	43%	17%	20%	20%
Average - in the pack	40%	14%	33%	20%	28%
Well prepared - ahead of peers	60%	43%	50%	60%	53%

Our respondents' perceived preparedness appears to correlate less with the size of the firm alone and more with architectural flexibility and strategic focus. The answers suggest a generally confident market, but one in which perceptions of preparedness vary by lender type.

A little over half of the respondents considers themselves well prepared and ahead of peers in their ability to adopt and adapt future technological innovations. This reflects a broadly positive self-assessment across the market, with many firms believing they have laid sufficient foundations to respond to further change. However, this confidence is not universal, with one in five lenders still viewing themselves as behind their peers.

Large mainstream lenders stand out for their confidence. None rate themselves as below average, and a clear majority believe they are ahead of peers.

This likely reflects the scale of recent investment, dedicated technology functions and more formalised change programmes. However, a sizeable minority still see themselves as merely "in the pack", suggesting awareness of the constraints imposed by complex legacy systems and the difficulty of moving at pace to meet competing demands despite significant resources.

Medium mainstream lenders present the most mixed picture. A substantial proportion view themselves as behind peers, while an equal proportion believe they are ahead. This polarisation suggests uneven progress within this group, with some firms accelerating transformation and others struggling to move beyond incremental change.

Regional building societies report comparatively strong confidence, with half considering themselves well prepared. This may reflect more focused operating models and clearer lines of decision-making, even where investment levels are naturally lower.

Unsurprisingly perhaps, specialist lenders are among the most confident, with a majority viewing themselves as ahead of peers. This aligns with their typically newer platforms, narrower product sets and greater ability to adapt operating models quickly.

Finally, we asked what topped respondents' lists in terms of the IT solution they would implement tomorrow if they could. Answers varied from entire end to end system overhauls to very specific observations about transforming customer experience, improving speed to offer or just "automating everything". One observation we made was that it remains the case that many firms for whom manual underwriting is a key 'USP' still want to automate more the underwriting process, whether that be through triaging cases or more generally. Underwriting remains a key area of focus for improvement, which given the IT investment profile we heard earlier, feels correct.

Conclusion.

THE COST OF STANDING STILL

This inaugural Pulse has revealed a market at an inflection point. Across lender types, business models and risk appetites, there is a shared recognition that the operating assumptions of even a few years ago are no longer sufficient. Technology change is no longer framed as optional enhancement, but as a prerequisite for sustaining capacity, managing risk and delivering acceptable customer outcomes in a more volatile and regulated environment.

The findings highlight that much of the lending industry's recent progress has been concentrated in origination, where speed, efficiency and decision consistency deliver the most immediate benefits. The relative inertia within servicing and core banking highlights the scale of the challenge that remains. These platforms are harder to change, more tightly coupled to risk and regulation, and carry greater operational risk when disrupted. As a result, transformation has been front-loaded, leaving a growing strategic imbalance between how mortgages are originated and how they are managed over their full life. The growth and attractiveness of the Product Transfer market is in some areas challenging this as lenders endeavour to supply borrowers with self-service digital options. Ironically that functionality means some newer lenders who are only now experiencing post contract variations are behind the curve and workarounds (such as creating a new loan and re-running the entire origination process as a smoke and mirrors patch) are more common than one might expect.

At the same time, the report underscores that technology alone is not the answer. Process design, data ownership, organisational culture and supplier relationships all play a decisive role in determining whether investment translates into genuine capability. Nowhere is this more evident than in the cautious adoption of automation and AI, where lenders continue to draw a clear line between supporting judgement and delegating it.

Perhaps most importantly, the research suggests that preparedness for future innovation correlates less with size than with architectural flexibility and strategic clarity. Firms that

understand their data, control their integrations and sequence change deliberately appear better positioned than those simply investing to scale. To that end, platform selection and partner provision remain critical decisions with long-term implications for lender businesses.

As regulatory expectations continue to evolve and economic pressure persists, the central finding of this report is clear: for many lenders, the cost of standing still now exceeds the cost of change. How firms choose to respond will shape not just their technology estates, but their competitiveness and resilience over the next cycle.



Get in touch.

If you want to discuss any of the findings in the Pulse 2025, please contact steven.carruthers@fignum.com

Our contributors.

We would like to thank all the lenders who took the time to participate in our inaugural survey. Their willingness to share candid insight into operational practices, priorities and constraints has been critical in shaping a meaningful and credible body of findings. As a first edition, this research would not exist without the opportunities to speak to these lenders honestly, and we are grateful for the response, engagement and trust shown by participants.

- Aldermore
- Atom Bank
- Bank of Ireland
- Buckinghamshire BS
- Cambridge BS
- Chetwood / Moda Mortgages / CHL
- Coventry BS
- Cumberland BS
- Darlington BS
- Dudley BS
- Fleet Mortgages
- Furness BS
- Gatehouse Bank
- Hinckley & Rugby BS
- HSBC
- Kensington
- Landbay
- Leek BS
- Lloyds Banking Group
- Mansfield BS
- Market Harborough BS
- Marsden BS
- Monmouthshire BS
- NatWest
- Newbury BS
- Newcastle BS
- Nottingham BS
- Paragon
- Pepper Money
- Principality BS
- Progressive BS
- Saffron BS
- Santander
- Scottish BS
- Shawbrook
- TSB
- Vernon BS
- Vida Homeloans
- Virgin Money
- West Brom BS
- Yorkshire Building Society



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