

# Offset case study - retiring

By saving just **£100** a month and leaving it in their Offset account, **Bob and Jean** could pay off their mortgage **5 years and 6 months early**.

Bob and Jean would like to retire early and save a small amount each month. Their incomes are modest, so they like the security of an Offset mortgage with an easy access account.

Their savings can make a difference

They'd love to pay off their mortgage early, and even a small amount saved each month could make a big difference.



Property value  
**£200,000**



Income  
**£30,500**



Savings  
**£1,000** (lump)  
**£100** (monthly)



Bob and Jean have **29 years remaining** on their mortgage of **£100,000**.



**A saving of £15,543 in mortgage interest.**  
**A reduced term of 5 years and 6 months. ^**

^ Coventry Offset @ 4.70% Fixed to 31.08.30 compared to a non-Offset mortgage and assuming that:

- 'Initial rate' based upon an average of top 10, 50% LTV, remortgage 5 year products, on a true cost basis, in the Intermediary channel only, against a loan size of £100K. Source: Moneyfacts @06/03.
- 'Reversion rate' based upon the average Revert rate of available market. Source: Moneyfacts @06/03.
- 'Current Savings interest rate' based upon the average top 10 non-ISA Instant access savings rates. Source: Moneyfacts @07/03.
- Source: Moneyfacts @ 07/03/2025, Instant Access, via at least two channels, no opening restrictions, based on a £25k AER balance, using the top 10 highest rates available to get an average of 4.33%.
- Monthly deposits continue each month and no withdrawals are made.
- The variable rate on the mortgage doesn't change.
- The variable rate on the comparable non-Offset savings account doesn't change.
- The customer's tax status stays the same throughout the term.



**0800 121 7788**  
Monday to Friday 9am - 5pm



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for intermediaries



# How does our Offset mortgage work?



Only pay interest on £99,000



Save mortgage interest on £1,000 (+ monthly regular savings)

Pay capital repayments on £100,000



(with no income tax liability on the savings)

## Here's how our Offset calculator looks

**Offset calculator**

Offset mortgage details	Savings details	Comparison mortgage details
Loan amount: £ 100,000	Initial offset deposit: £ 1,000	Enter details of the non-offset mortgage
Property value: £ 200,000	Regular monthly savings: £ 100	Initial rate: 4.26 % for 60 months
The LTV is 50%	You currently do not have any additional savings defined	Reversion rate: 7.66 %
Term: 29 years 0 months	Additional savings: >	Current savings interest rate: 4.33 %
Select mortgage type: <input checked="" type="radio"/> Repayment <input type="radio"/> Interest-only	Which tax rate does your client pay on the savings? <input type="radio"/> 0% <input checked="" type="radio"/> 20% <input type="radio"/> 40% <input type="radio"/> 45%	Reduce mortgage term: >
Select an offset mortgage: OFE16 - Offset 4.70% Fixed to 31.08.30		Reduce monthly payments: >

**Summary** | Mortgage term | Payments | Savings comparison | Information

**The offset mortgage term is reduced by 5 years and 6 months**  
At this point, your client will have saved £30,801 of mortgage interest compared to the non-offset mortgage.

**The offset savings balance exceeds the mortgage balance after 19 years and 10 months**  
Your client will not receive any benefit on excess savings held in their offset savings account. They could:  
1. Repay the mortgage in full  
2. Reduce their offset savings balance in line with their reducing mortgage balance.