

# The mortgage broker's guide to customer retention

from Coventry for intermediaries

First Published: July 2020

Updated: July 2022\*



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for intermediaries

\* Information correct as at July 2022

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# Introduction

**In 2021, more than a quarter (26%) of borrowers who were introduced to us via an intermediary, contacted us direct when it came to remortgaging.**

A growing percentage of mortgages – 80% in fact – go through brokers, and for good reason. Delivering the right mortgage advice every time a client remortgages or moves house is essential. Brokers help clients to find products that suit their changing needs or recommend flexible products for specific circumstances. In today's world where we face the potential of rising interest rates, they also have an increasingly important role to play helping clients find good mortgage deals that could save them money.

However, brokers aren't getting the same share of repeat business. In 2021, more than a quarter (26%) of borrowers who were introduced to us via an intermediary, contacted us direct when looking to secure a new deal. That's a challenge for the intermediary market, and as borrowers increasingly decide to lock into new deals before interest rates rise further, brokers need to find ways to successfully engage these clients and keep them coming back over the long term.

Building long term client relationships is the key to developing a sustainable mortgage advice business. Repeat clients will give brokers a steady stream of business over the years as their housing and borrowing needs change, and they'll often recommend their adviser to friends and family too. So how do brokers ensure clients keep coming back for more?

In this guide, we'll chart some of the steps brokers can take to build stronger, personal relationships with their clients, including creative communication tactics, using social media to demonstrate their brand and personality and developing local connections to help to provide a more holistic service for clients. Implementing just some of these measures could help you to develop a secure and reliable income stream for your business over the years ahead.

# Who owns the client?

**Neither lender nor broker ever truly ‘owns’ the client. As an adviser, you have to keep earning the right to advise the client, proving your worth over and over again. So, when it comes to building your business, the key is to move beyond a transactional relationship with your clients to become a trusted adviser.**

Financial services products – and mortgages in particular – are long term commitments. Long term relationships with advisers should make perfect sense, then – but only if you can find ways to remain part of the client’s thinking around their mortgage requirements. So how do you find the sweet spot between staying in touch and spamming clients?

Getting back in touch with your client right before their existing mortgage matures is unlikely to be enough, particularly in today’s market. For the first time since the 2008 financial crisis, the UK faces the potential of sustained interest rate rises. The back to back increase in the base rate by the Bank of England in February 2022, following that of December 2021, was the first since 2004.

For many borrowers, the experience of rising rates will be entirely new, but with the prospect of their repayments going up, a large number of clients will not wait to review their situation. Many existing borrowers will be keen to lock into new deals to anticipate rate rises before their mortgage term ends. Others may want to consider longer term fixed rates to provide greater certainty and security for the future, making regular communication even more important going forward.

**With rates rising, it’s important that brokers consider their communications strategy for this new normal, particularly as most clients simply won’t retain positive memories of the advice you gave over a three or five year timeframe.**



With rates rising, it's important that brokers consider their communications strategy for this new normal, particularly as most clients simply won't retain positive memories of the advice you gave over a three or five year timeframe. There needs to be something in the interim.

Brokers need to build an active relationship with clients based on more frequent communication. The relationship should not focus solely on transactions or the client's immediate needs. What that looks like in practice will come down to your own preferences – some advisers will already be social media savvy and may already have a presence on Twitter, Facebook or TikTok, while others may prefer to use newsletters and similar collateral to keep clients up to date on market developments and news.

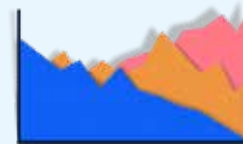
Informal communication can be part of the mix too. WhatsApp, email, text and now tools such as Zoom and Microsoft Teams are all part of our daily lives, and ever more so since the pandemic. Online engagement has soared and digital communications are now the go-to for many clients. Even with pandemic restrictions now lifted, it's a trend which is here to stay and brokers need to adapt their communications to changing behaviour and preferences.

We will examine more of your options throughout this guide, but the key is to find a method of communication that feels authentic to you and the way you do business. There's a reason the client came to you in the first place, after all. The way in which you communicate with the client, whatever channel you choose, needs to keep reminding them of your value.

## Key considerations



**Don't assume clients will remember you – unless you actively engage with them, clients may go elsewhere when remortgaging.**



**Rising interest rates mean early and regular communication is essential. Many clients won't wait until to end of their fixed rate to consider their options.**



**Why should a client come back to you? How can you become the trusted adviser without whom the client won't make a mortgage decision?**

# Brokers provide added value

**For the first time in more than a decade, we are now facing a market where interest rates are rising. This makes it all the more easy for clients to focus on acting quickly and securing the cheapest possible deal for the future. But the best mortgage advice doesn't always mean identifying the cheapest product. Price comparison sites can show a client the cheapest deal, but comparison sites don't conduct regular reviews or offer a service and guidance that is personalised to the client's circumstances or needs. The mortgage advice process offers much more value to the client.**

After all, deals that have a slightly higher headline rate will often provide features that deliver greater value to the client in the long run. Advisers should and will be making contact with clients irrespective of which products they choose, but some of these options could also offer opportunities for further contact between you and your client.

Green mortgages are an excellent example. Polls consistently show climate change and the environment are now key concerns for the public. In the mortgage market, that is translating to growing demand for green mortgages, but these options are still new and unfamiliar. Your advice and discussions with clients could be critical to increasing awareness and understanding of these products, helping clients find solutions that suit their needs and home.

While some green mortgages are often reserved for homes with energy performance certificate (EPC) ratings of C or above, the products don't necessarily exclude others. Many lenders offer solutions that incentivise buyers to improve their home's efficiency using vouchers or cashback.

Others just offer higher loan-to-value options for the most efficient homes, while some lenders will even plant a tree for every mortgage sold. It's all fertile ground for striking up a discussion with your climate-conscious clients, and any insights you can share on green mortgages will only become more important as the range of eco-friendly products broadens.

Offset mortgages are another example. The ability for a client to use their savings balance to reduce the interest charged on their outstanding mortgage can be a powerful tool for the right client. It can even facilitate a regular conversation about how the product is working for them.



Wherever a product doesn't feature an early repayment charge (ERC), or where the ERC declines over time, there's also a reason to contact your clients to discuss their overpayment options on non ERC products. Take advantage of these opportunities to keep in touch with your clients, remind them of their options and deliver advice that could save them money.

No product will be right for all borrowers, of course, but when they are a relevant and appropriate choice, alternative solutions such as those we've mentioned in this guide can provide opportunities to build relationships with clients by opening the door for more regular and interesting conversations. Equally, building in an annual financial 'health check' as part of your service proposition could give you a different avenue for keeping up regular contact with clients and reviewing their housing, mortgage and protection requirements where required.

This can be particularly effective in instances where you have recommended an overpayment facility to your clients. You can contact these borrowers on their 'mortgage anniversary' to ensure they don't lose their overpayment allowance. Not only will you be reminding your clients about the opportunities to save by overpaying on their mortgage, but you could also use this time for a check in to discuss other options too.

## Key considerations



**Brokers offer more than simply finding the lowest rate, which clients could get from a price comparison site. Emphasise the benefits of taking their whole situation into account to understand their financial commitments and plans.**



**New options such as green mortgages can help brokers to meet new requirements of clients.**



**Consider implementing regular financial check-ins with clients to maintain contact and identify where you can add value.**

# The power of marketing

**Marketing helps you stay in touch with clients during the ‘in-between times’ – and technology is your friend when it comes to client marketing. Technology enables frequent communication with your clients at very little cost. The best tools combine a high degree of personalisation with a high degree of automation – creating maximum perceived value by your client, without taking up too much of your time.**

Even if you don't have a full-time marketing person, there are a host of marketing resources and templates available from your network or mortgage club which can be adapted for your business, essentially allowing you to simply plug in your branding and insights. There are also tools like Canva, which make it easy for anyone to create smart visual content without having any design skills at all.

Content marketing is a great way of updating clients on what's happening in the market and why it's relevant to them. Newsletters can cover perennial issues like affordability and overpayments, as well as timely topics like base rate changes or product availability. Content can easily be tailored to different types of clients – first time buyers, second steppers, downsizers or landlords. You can also cover ‘more than mortgages’ – clients need to be reminded of the importance of products like income protection or life insurance, for example.

Blogging on your company website is a good way of sharing content with clients and improving your ranking on Google. A study by HubSpot found that businesses that blog saw their monthly leads rise by 126% against those who don't blog. Other forms of content you can publish include articles in consumer publications, client

case studies, videos, online events and comments in the press.

Distinctive client content and messaging is important; it gives you the opportunity to maintain the personal touch and show that it is really you behind the messaging, driving up awareness of and trust in you and your brand. Engaging content also allows you to educate your clients on issues that will have an impact on their lives and their finances. This could include blogs on what rising interest rates mean for your clients, or how a green mortgage could help them to do their part in tackling climate change. If you can communicate with your clients without being obviously sales-focused, you will get much better levels of engagement and build a far stronger long-term relationship by offering valuable advice they can use in their day-to-day lives.

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When it comes to conversations about mortgages, nothing can really beat the value of face-to-face advice. However, we've all now had plenty of practice since the onset of the pandemic using tools like Zoom and Microsoft Teams, which are credible alternatives. Even with the pandemic restrictions now lifted, there's no reason why you shouldn't continue to use your video conferencing skills as part of your client contact programme - whether conducting one-to-one sessions or hosting educational webinars for groups of clients on personal finance and mortgages. Consumers will be used to and even expect to utilise these

tools in their everyday lives, whether for work or for personal use. While it's great that face-to-face meetings are now back on the table, brokers should continue to offer remote options to meet the needs of all their clients.

It's about building for the long term. Not every client needs mortgage advice or income protection today - but by marketing to them sensitively, appropriately and memorably, you can be top of the list of people they think about when they do need those services.

## Key considerations



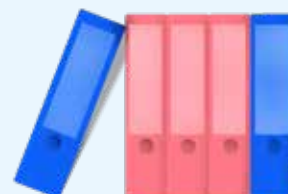
**Client communications from your company offer a simple way to maintain regular contact with clients and demonstrate how you can help them in the years between fixed rate deals.**



**Hold one-to-one client sessions or seminars on Zoom, Microsoft Teams, etc.**



**Focus on needs trusted advisers continually demonstrate their value rather than trying to sell.**



**Make use of resources from your network or mortgage club.**

# Social strategies

**More than 3.6 billion people were active on social media in 2020, and that figure is set to rise by nearly another billion by 2025<sup>1</sup>. That's a lot of potential mortgage clients! Facebook, LinkedIn, Twitter, YouTube (and now even TikTok for the younger generation of buyers) are all places where your clients will spend a certain amount of their time – but how do you reach them?**

Social media is so powerful because it allows you to reveal your personality, as well as more about what your brand stands for. That 'behind the scenes' feel can be a powerful tool in winning new clients, as well as reinforcing positive messages to clients who've previously come to you for mortgage advice.

It's so important to be present and consistent on social media. To create and maintain a profile, and to build and engage a base of followers, you need to remain active. If you feel that putting the time and effort into all the platforms available will be too difficult, it's best to stick to just one or two.

Aside from the fact you can post your views and content, the great thing about social media is that people are able to post reviews and recommendations, which is an important driver of traffic to your social

media sites. Google reviews are particularly effective when clients search for an adviser, so do make sure you ask every happy client to leave you a review on Google (they will need a Gmail account to do this). Not only will good reviews be a great indication that you've built a strong and potentially long-lasting relationship with clients, but they could also help you to build new client relationships too.

If you have a business page on Facebook, people can leave reviews on your profile, recommending your firm and sharing their experience and the advice you gave them. Again, always ask clients to leave a review if they're happy with your service. More than three-quarters (77%) of consumers always or regularly read online reviews for local businesses, while 67% would consider leaving a review after having a positive experience with a business<sup>2</sup>. Many brokers already ask clients for referrals and whether they know of any close friends or family members who could benefit from speaking to an adviser. Asking for reviews as part of this process will help give new and potential clients peace of mind and a better understanding of the expertise you offer.

**Reviews and recommendations can be an important driver of traffic to your sites – research shows that 77% of consumers always or regularly read online reviews for local businesses.**

1 <https://www.statista.com/statistics/278414/number-of-worldwide-social-network-users/>

2 <https://www.brightlocal.com/research/local-consumer-review-survey/>



Posting at the best times for each channel is vital to getting your content seen on a wider scale. The latest figures suggest that for LinkedIn the best time to post is on a Wednesday between 9am and 10am, or during the lunch hour at midday<sup>3</sup>. For Facebook, it's between 9am and 1pm on Tuesdays, Wednesdays and Fridays<sup>4</sup>. Facebookers are usually less active after 5pm. But, these are the average benchmarks for the various platforms – it's a good idea to test your own posts to see when they deliver the best response, as this may vary.

It's also important to remember the social element of social media. You aren't simply posting your views into the ether. Whether it's a questions and answers session on Twitter or Facebook Live, these channels offer the potential for you to continue your conversation with your clients, and respond to what they post. Social media communication is a two-way street – you need to reply, like positive comments and engage with your clients just as you would over email or phone.

Whichever channel you choose, good social media is about forming habits and getting into a routine. Post just before you start work, take a look at lunch and make sure you respond or like any comments, and log in once more before the end of your working day. Social media is a powerful tool, but it requires a commitment from you in terms of time.

## Key considerations



**Social media platforms are a great way to reach clients – but each one is different.**



**These channels offer an excellent opportunity to demonstrate you and your brand's personality - and why clients should use you.**



**Online reviews are valuable and build trust in your business.**

<sup>3</sup> <https://www.linkedin.com/pulse/whats-best-time-post-linkedin-hint-monday-houston-golden/>

<sup>4</sup> <https://sproutsocial.com/insights/best-times-to-post-on-social-media/>

# Building your local network

**Interest rates are potentially rising in the near future and there is the possibility that borrowers will choose to fix for longer. That could leave many brokers facing a revenue challenge. How do you replace the income from a client that you would previously have received through a remortgage every two or three years?**

One strategy is to offer a more holistic service, moving beyond mortgages by demonstrating that you can help clients with a broader range of financial products.

Some of these products will be complementary to mortgages and may form part of your advice process already. Most brokers touch on the importance of some form of protection, such as life insurance or critical illness, during the initial advice sessions.

However, supporting your clients across a range of different product options and providing solutions for their needs beyond mortgages could help you build even closer and better relationships. For example, savings products such as Coventry's 'First Home Saver', could help your clients, or even their children, to save for a deposit on a first

home. Clients can save £1,000 a month into their account for a mortgage deposit and receive a £500 bonus if they take a mortgage with us. Just signposting your clients to solutions like these could help to position you as a trusted source of advice for your clients.

Another way you can help clients is by suggesting other contacts that can support their needs. This includes referring them to individuals such as a surveyor, who can help your clients understand the changes needed to improve their home's energy efficiency, for example. This all helps to build relationships and trust, making it more likely your clients will come back to you in the future.

Even if clients are not in a position to commit to products or don't need a particular service at the time a mortgage is taken out, that doesn't have to be the end of the discussion. These are issues that you can return to at regular intervals. The classic life events when a client's circumstances fundamentally change – such as a new baby, a first home or a parent needing care – are key trigger points to sell protection, for example. The recent pandemic, too, has brought home the



impact that a loss of income can have on a family, and this may be fertile ground for you moving forward.

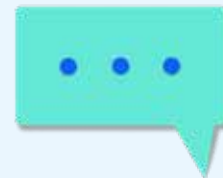
There will also be opportunities to build up a referral income by partnering with businesses whose expertise will help your clients in areas that you are less qualified to handle. You might already have a network of local contacts such as accountants and solicitors, but building relationships with other specialist advisers could also help you meet your clients' needs. This could range from other forms of borrowing, like equity release, to areas like pensions, wills and wealth management. It's a two-way street as well – while you'll get a referral fee for handing clients over to those in your local network, these contacts may be more likely to send their own clients to you for their future mortgage needs. Clients that have acted on referrals might be more likely to come back to you for support or other contacts on separate financial matters too. Just be sure to be comfortable with the businesses and clients you are recommending, as your reputation is on the line.

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## Key considerations



**Your clients will need a host of financial products over their lives beyond mortgages - and you can be their first port of call.**



**Keep reminding clients of your full range of services via content marketing, events and social media.**



**Partner with like-minded businesses who can support referred clients in areas like pensions and wealth management to help you to develop even stronger relationships with your clients.**

# The personal touch

**Building a stronger relationship with clients means viewing and interacting with them in a more personal way. Life events offer this opportunity. For example, you may want to send clients a moving in card when they complete on the property. You could follow up with an anniversary card to mark each year in the property, or cards for memorable occasions like birthdays and at Christmas.**

These simple steps keep you in the mind of the client, and will help nudge them towards returning to you at key events in their lives, whether that's their next move or when they need to take out some form of protection. They can help move your client relationships beyond purely transactional and set you up as their trusted adviser for the long term.

## Key considerations



**Birthday and anniversary cards are a thoughtful way to keep in touch with your clients.**



**These simple gestures can provide another opportunity to remind clients of your personality and help to build a closer relationship.**

**Advisers can use gentle nudges on birthdays or anniversaries to remind existing clients of their expertise – simple touches like sending a card can make a difference.**

# From one client to two

**Finally, it's worth remembering that building these stronger relationships with your clients can pay off in terms of recommendations, as they become advocates of your business.**

We all share our experiences - good and bad - with our friends and family, and those personal reviews will always be particularly effective if you can tap into them. The stronger your relationship with the client, the more likely they are to sing your praises to those around them, bringing future business your way.

By turning clients into sources of leads, you are building a sustainable future for your business - in effect, your clients are doing your marketing for you. Always remember to acknowledge and thank your clients for any referrals or reviews - people love to feel appreciated and an email or call expressing your thanks will go a long way to encouraging them to continue spreading the word about you.

## Key considerations



**Your clients can be your most effective advocates, so make it easy for them to recommend you.**



**Always reward referrals and reviews - a sincere 'thank you' is usually enough.**



# Investing for the future

**Every broker faces a decision each day in terms of how they can serve their business most effectively. It can be tempting to focus all of your efforts on short-term sales, in the hope of generating instant returns.**

Doing mortgage deals today creates income and should always be a priority for you. It just shouldn't be the only priority. Investing for the long term and thinking about retention as well as the client of the future is the best way to build a successful business now and in the years ahead.

**Coventry for intermediaries is committed to supporting the intermediary sector for the long term. If you want to get in touch to discuss how we can help you with any of the themes or topics covered in this guide, please contact your BDM or call us on 0800 121 7788.**

**Not sure who your BDM is?**

**Use our BDM finder to find out.**



Calls to 0800 numbers are free when made from the UK. You may be charged for calls to all other numbers, please contact your service provider for further details. We may monitor, record, store and use telephone calls to help improve our service and as a record of our conversation.





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CFI NA 0046 07/23