

Families paying more than £530 extra on mortgage due to Liz Truss, says Labour

Families are paying more than £530 extra for their mortgage than at this time last year, analysis by the [Labour](#) Party shows.

Laying the blame with Liz Truss's "disastrous premiership", Labour said a family with a mortgage on the average property are paying £537 a month more than they would have 12 months ago.

[Lisa Nandy](#) MP, shadow levelling up secretary, said tens of thousands of families will be paying higher mortgages for years "because the [Conservatives](#) crashed the economy".

The Tories simply cannot be trusted with the economy

"This is a Tory crisis, made in Downing Street and being paid for by working people. Tens of thousands of households will be paying higher mortgage bills for years to come because the Conservatives crashed the economy," she said.

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“Despite the U-turns, the damage has been done. Even now, families are still paying more because the [Government](#) has lost all credibility.

“The Tories simply cannot be trusted with the economy. Only Labour offers the leadership and ideas to get Britain out of this mess, which is why we need a general election now.”

The current average price of a property in the UK has been estimated at £295,903.

Labour’s analysis applies the median loan-to-value ratio for mortgage sales in the UK, which is 70%. A 70% mortgage for a £295,903 house would be £207,132.

The average term of a mortgage loan hit a record of 30 years in June.

On October 20 2020 the annual interest rate was 2.25%, while on October 22 last year it was 6.65%.

At 2.25% interest, monthly mortgage payments on a £295,903 property would be £791.75, while at 6.65% they would be £1,329.72 – a monthly increase of £537.96.

Over two years this would be an extra £12,911.06, according to Labour’s figures.

UK Finance expects 1.8 million people to remortgage next year, which is around 26% of all mortgages.

Responding to Labour’s analysis, a Treasury spokesperson said: “Growth requires confidence and stability.

“A central responsibility for any government is to do what is necessary for economic stability, and we have done so.

“But the UK’s long-term economic prospects remain positive as we deliver our mission for growth, and according to the IMF the UK is on course to have the fastest growth in the G7 this year.”