

Nationwide profits treble but market share dips

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AMILIES need not fear a small rise in [interest rates](#), says the boss of [Nationwide Building Society](#), as he unveiled a near three-fold leap in half-year profits to £850 million.

As a mutual, those profits will be used to benefit the 16.3 million members, which include 30,000 new first-time buyers in the last six months.

Outgoing [CEO Joe Garner](#) said a widely expected rise in interest rates needn't be a problem.

"Most mortgage holders are on fixed rates so they are shielded from the short-term impact of a rate rise. It is savers who have had the most difficult time, if rates go up a little bit there are benefits to them," he said. Inflation is a worry, but "the economy has been performing better than anyone expected," he added. "I wouldn't get too gloomy about it."

Mortgage lending grew by £5.5 billion to £18.2 billion, though Nationwide's market share fell from 12% to 11.4%, a sign of how competitive the industry is lately.

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Garner will move on once the board finds a replacement. A press report had TSB's Debbie Crosbie in the frame, though she would have to persuade the board of her commitment to mutuality.

Internal candidates include chief product officer Sara Bennison and mission leader Paul Riseborough.

Garner didn't comment directly on the likelihood of fellow mutual LV= falling to a private equity bid, but said: "Mutuals tend to deliver better service, any profits we make are retained. It is not for me to judge, but I am a huge advocate for mutuality."