Mortgages withdrawn from sale as market reels after mini-budget

The market turmoil caused by Friday's seismic mini-budget has hit mortgage offerings as providers withdrew partial and entire lending ranges.

Virgin Money and Skipton Building Society have temporarily withdrawn their entire mortgage product range, while Halifax, the country's largest mortgage lender, said it is to remove fee-paying mortgages.

Fee-paying mortgages allow borrowers to pay a fee in exchange for a lower interest rate.

Britons warned of 6% interest rates – live updates

Halifax's changes are to take effect on Wednesday, while the Virgin Money and Skipton Building Society decisions have already taken effect.

A number of other, smaller, lenders are understood to have also paused the sale of fixed deals.

Chancellor Kwasi Kwarteng's announcement of the **most extensive programme of tax cuts for 50 years**, and the associated **market upset**, has traders expecting that the **Bank of England will raise interest rates to 6%** – even higher than **it outlined last Thursday**.

On Monday, the Bank fuelled those fears when, in a surprise statement, it said it "will **not hesitate to change interest rates** as necessary".

That uncertainty around the future of rate rises has caused the withdrawal, one broker told Reuters.

"The uncertainty around the risk of an emergency rate rise is likely to see other lenders withdrawing products or increasing rates dramatically until they know the extent of how this all pans out," Jamie Lennox, a director at Dimora Mortgages, said.

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Parent company Lloyds said Halifax was making the changes to its mortgage product offering "as a result of significant changes in the cost of funding".

Virgin Money made its decision "given market conditions", a spokesman said in a statement, with already submitted applications to be processed as normal.

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The provider said it hopes to launch new products towards the end of the week.