

NatWest boss says not 'that difficult' to buy a house

The chairman of NatWest bank has come under fire after he claimed it is not "that difficult" for people to get on the property ladder in the UK.

Sir Howard Davies, who is paid £764,000 a year according to the bank's latest annual report, said that while some found it hard to "start the process", aspiring homeowners "have to save and that is the way it always used to be".

He later responded to criticism, saying he "did not intend to underplay the serious challenges" people face when buying a home.

It comes after recent research found home ownership in Britain [fell from 71% to 65% between 2004 and 2021](#) amid soaring house prices.

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Sir Howard, speaking during an interview with BBC Radio 4's Today programme, made the comments after being asked when he thought it would become easier for people to get on the property ladder.

He replied: "Well, I don't think it's that difficult at the moment... You have to save and that is the way it always used to be."

The banking boss added: "What we saw in the financial crisis was the risk of having people being able to borrow 100% in order to get onto the property ladder, and then suffering severe falls in the equity value of their houses, and having to leave and having a bad credit record.

"So, there were dangers in very, very easy access to mortgage

credit.

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“I totally recognise that there are people who are finding it very difficult to start the process, they will have to save more, but that is, I think, inherent in the change in the financial system as a result of the mistakes that were made in the last global financial crisis.”

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It came as research from Halifax on Friday said [average property values increased by 1.7% in 2023](#), with the typical home valued £4,800 higher than at the end of 2022.

The bank also said the average cost of a UK home was £287,105 in December, with prices up 1.1% on the month before.

Campaign group Generation Rent said it was staggered by Sir Howard's comments.

Chief executive Ben Twomey said: "What planet does he live on? This is astounding to hear from a senior banker.

"We are in a cost-of-renting crisis that is making it incredibly hard for people to buy a home as we hand a third of our wages every month over to our landlord."

He added: "Interest rates have increased but house prices have yet to correct, meaning we still need to save for a huge deposit, but also would need a high income to afford monthly mortgage repayments."

Nigel Farage, who was [embroiled in a row with NatWest last year](#) over his Coutts bank account, was also critical of the comments.

He told GB News: "It is all but impossible for young people to get on the property ladder, and what that has done is it has destroyed the culture of thrift.

"Howard said save, but I have spoken to young people who have said that there is no point saving because we are never going to save enough to even get the deposit that is now required."

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Students 'struggling' to find housing

Bank boss 'did not intend to underplay challenges'

Nathan Emerson, chief executive at estate agent body Propertymark, said: "Saving for a home can be a real struggle for many first-time buyers and can make purchasing a home feel like an impossibility."

He added: "House prices have started to drop from the spike seen on the back of the pandemic, so for some, this should be seen as a golden opportunity. Of course, more needs to be done to help first-time buyers".

The comments also prompted a backlash on social media.

Finance expert Prof Richard Murphy, from Sheffield University, wrote on X that Sir Howard's remarks were a "staggering demonstration of the disconnect between bankers and reality in this country".

Following the backlash, Sir Howard issued a statement later on Friday, "clarifying" his comments.

He said: "Given recent rate movements by lenders there are some early green shoots in mortgage pricing and while funding remains strong, my comment was meant to reflect that in this context access to mortgages is less difficult than it has been.

"I fully realise it did not come across in that way for listeners and as I said on the programme, I do recognise how difficult it is for people buying a home and I did not intend to underplay the serious challenges they face."

"People have to save much more than they did in the past and that is tough for first-time buyers."