



# Mortgage Lenders' Forum

**SEPTEMBER MASTERCLASS**

**LONDON, 2 SEPTEMBER 2009**

**MUNGO DUNNETT  
ASSOCIATES**



# THE SEPTEMBER MASTERCLASS

## The future for retention

Wednesday 2 September 10.30am–4.00pm

The masterclass will be facilitated by Mungo Dunnett, the director of Mungo Dunnett Associates. The session will be co-presented by Nick Young and Alex Smith from Nomis Solutions, who purchased Perspecta in 2008 and are recognised as the leading analytical exponents of retention in the UK mortgage market.

The session will comprise a combination of:

- Presentation
- Discussion
- Case studies

Mortgage churn is at its lowest level for a decade, which would seem to indicate that the retention issue is, at least for the present, not the concern it had become for lenders pre-2007. Beneath the surface, however, the issues surrounding retention have been at least as unexpected as any other of the recent challenges for the UK mortgage market. The impact of funding restrictions, price guarantees, increased consumer anxiety, deteriorating creditworthiness and the declining strength of the intermediary sector have required a radical alteration to the ‘certainties’ of mortgage retention as they appeared in 2007. Even during the current period of somewhat uneasy market stability, the effective management of retention is a critical success factor for lenders, requiring a focus on who is being retained, and at what profit margin.

This workshop examines ‘best practice’ as it had developed pre-crunch, examines the main dislocations and oddities that have affected retention practices through the crisis, and considers the lender strategies that are appropriate now. It will also consider the implications of the eventual market recovery, future lender actions and the strategies necessary to prepare for and cope with the future market.

The workshop will consider the following key issues:

- Growth strategies and inadequate value measurement: what took us to 2007
- Certainties disappear: the recent strange world of retention
- Distribution shifts: lender/broker relationships, and the remortgaging shift
- Managing for profit: the impact of retention on mortgage portfolio management
- Emerging behaviours: consumer psychology and the changing dynamics of attrition models
- Measuring the real drivers of impairment risk and cost
- The impact of SVR pricing on impairment risk/cost and asset retention
- Best practice in scenario modelling for future planning
- Optimal pricing strategies at product maturity
- Reactive retention strategies: their risks and outcomes
- Incremental impact and feedback: effective measurement of retention activity
- The implications of distribution and channel strategies for retention and profit
- Regulation and reputation: TCF, ‘bank bashing’ and stakeholder management
- The role of communications and staff training in effective retention management

### Insider Briefing

A separate slot during the workshop will outline and discuss the trends and developments that have affected the UK mortgage market since July, and their implications for lenders.

The masterclass is taking place in central London at the IoD Hub building (pictured above), a purpose-built meeting and conference centre just next to Liverpool Street station.

The full address is:  
IoD Hub  
New Broad Street House  
35 New Broad Street  
London EC2M 1NH

Dress code:  
Formal or business casual, as preferred

