

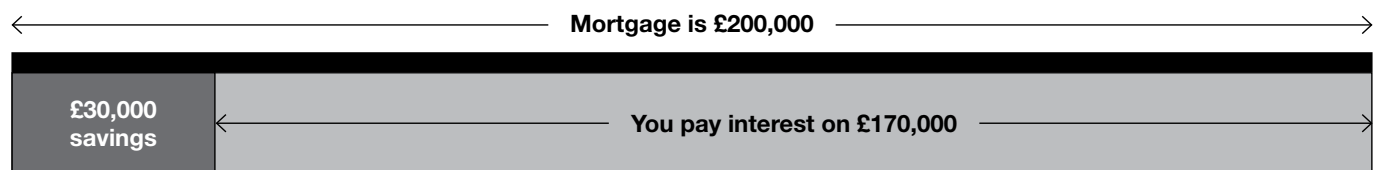
How to link accounts and make the most of offsetting

How does my Offset Mortgage work?

An Offset Mortgage gives you the best of both worlds. You can link your 1st Account and savings using any credit balances to reduce the mortgage interest you pay – and that money is still available if you need it. This is known as ‘offsetting’.

When we calculate the interest payments on an Offset Mortgage, we include other money you have with us in linked accounts. The more you have linked in an eligible savings or 1st Account with us, the less interest you’ll pay on your mortgage.

So, if your mortgage balance is £200,000 and you have £30,000 in a linked savings account, you’ll only be charged interest on £170,000 of the mortgage balance.



So interest is calculated on: £200,000 - £30,000 = £170,000

Which accounts can I offset?

You can link your 1st Account or any eligible savings account to your Offset Mortgage. Any credit balances in these accounts will be offset against the balance on your mortgage before we calculate how much interest you owe.

You don’t have to link all your eligible accounts, but any you don’t won’t benefit from offsetting.

It’s also worth bearing in mind:

- **if your mortgage is just in your name**, you can link your own sole accounts, or joint accounts you’re named on with one other person
- **if your mortgage is in joint names**, you can both link your sole accounts, or the joint accounts you have in both your names, as shown below

Mortgage holders name	Mortgage type	Account type (1st Account or Savings Account)	Account holders name	Can you link the account to one of your Offset Mortgages?
Mr Smith	Sole	Sole Joint	Mr Smith Mr & Mrs Smith	Yes Yes
Mrs Smith	Sole	Sole Joint	Mrs Smith Mrs & Mr Smith	Yes Yes
Mr & Mrs Smith	Joint	Sole Sole Joint	Mrs Smith Mr Smith Mr & Mrs Smith	Yes Yes Yes

It’s worth bearing in mind, if you have more than one Offset Mortgage and they’re on different rates, you’ll need to decide which accounts you want linked to which rate.

Can I link more than one 1st Account and savings account?

Yes, you can link as many eligible accounts as you like to get the maximum benefit from any credit balances you have with us but just so you know, if you have more than one Offset Mortgage and they're on different rates, you'll need to decide which accounts you want to link to each of them.

Can I change which accounts are linked to my Offset Mortgage?

Yes, you can do this at any time – just give us a call.

Can I offset more than one mortgage account?

If you have more than one Offset Mortgage and they have the same interest rate, they can be grouped together with any linked accounts when we calculate how much interest you owe. If they have different interest rates, you'll need to decide which accounts you want to link to create a group for each of them.

Who can link or unlink an account?

We can only take instruction to do this from a person who's named on the mortgage and they'll need to let us know if they want any accounts to be linked or unlinked.

What happens to the interest when I link accounts to my Offset Mortgage?

- as you're offsetting, credit interest won't be paid on any balances in those accounts, even if the total credit balance in your linked accounts is more than the outstanding balance of your mortgage
- if you link your 1st Account and go overdrawn, any debit interest will be calculated at the same rate as your Offset Mortgage – this includes the first £250, which is normally interest free if not linked to a mortgage
- when any linked accounts are unlinked, they will return to their original rates and terms.

Where can I get more help?

If you need help with how offsetting works, how to link accounts or anything relating to your mortgage, you can chat to us via the help section of our App or 'Message us' in Online Banking but if you need to speak to someone, please give us a call on **03 456 100 198** and we'll be happy to help. You can also find lots of useful information by visiting mortgages.firstdirect.com

Just so you know, we can't make recommendations about offsetting or which accounts to link to your Offset Mortgage. If you need help with that, please visit moneyhelper.org.uk or an independent financial adviser.

You can also use our [Offset Mortgage calculator](#) to get an idea of the benefits of using your savings and/or 1st Account to offset your mortgage interest.

Think carefully before securing other debts against your home. Your home may be repossessed if you don't keep up repayments on your mortgage.

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CK-FDOFFSET INFO 02/25 (V1)