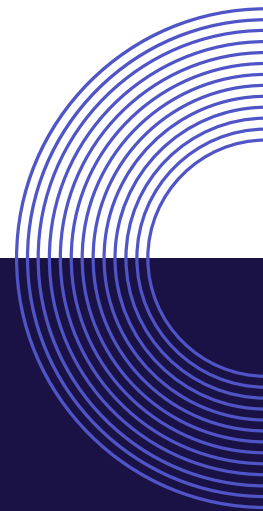


The Future of Specialist Mortgage Lending

“The future of specialist mortgage lending will not be won on product or price alone, but on the consistent ability to turn complexity into better decisions, better experiences, and better outcomes.”



Contents



Foreword by Maria Harris	04
The State of Play	06
Why We Wrote This Report	08
Themes in the Market	
The Trust Advantage	10
Retain and Grow	15
Build for Scale	20
Ecosystem Collaboration	26
What's Next?	
The Modernisation Blueprint	34
About Woodhurst	39
Acknowledgements	40
About the Authors	42



Foreword by Maria Harris



Maria Harris, Founder and
Chair of Open Property
Data Association

Specialist mortgage lending in the UK is entering a defining decade

Specialist mortgage lending in the UK is entering a defining decade. What was once a niche segment has become a vital part of the industry for inclusion and innovation, with estimates for market growth varying in size but consistently pointing in the same direction: up. This is not a short-term or cyclical twist; it's a structural shift in the way we access mortgage finance.

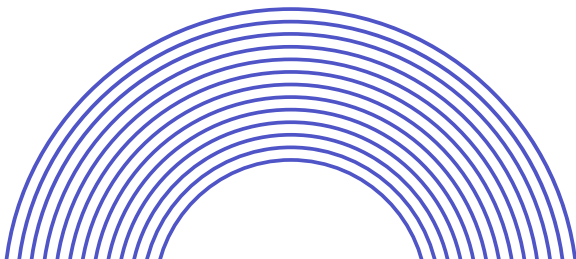
Structural, not cyclical

As macroeconomic conditions evolve, demographics and lifestyles diversify, and technology permeates every facet of financial decision-making, borrower circumstances are becoming more complex and more dynamic.

Borrowers no longer fit neat categories

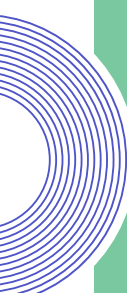


The specialist market's response is not simply to expand products, but to reimagine lending with precision, empathy, and speed so that more people can access borrowing that fits the reality of their lives.



At the heart of this evolution stands the broker. Intermediaries are the market's critical enablers, translators of complexity, advocates for fair outcomes, and problem solvers.

Borrower profiles are becoming more nuanced with self-employment, portfolio careers, multi-income households, and credit challenges now the norm. As a result, the expertise of the broker is critical, not only to match client needs to lender appetite, but to coach borrowers through ambiguity and help lenders assess risk holistically.



Now is also the moment to strengthen the collaboration of lenders and brokers; to share data-driven insight on borrower pain points, to spotlight unintended frictions in policy and process, and to co-design solutions that raise standards for everyone.

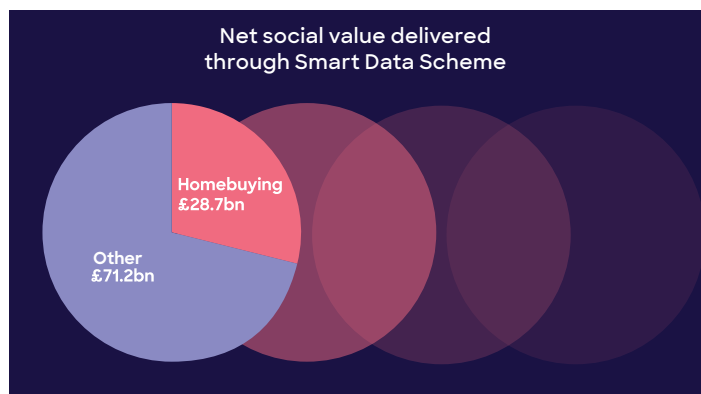
Our ecosystem - spanning data providers, lenders, brokers, technology solutions, conveyancers, surveyors, regulators, and the wider property market - is primed with opportunity because it is still too fragmented. Today's homebuying journey is too often characterised by data silos, slow and disconnected processes, duplication, and delays.

The opportunity to connect the dots end-to-end, align incentives around the borrower's experience and compress the distance between applications and completions through shared digital frameworks, interoperable data, and smarter decisioning is fast becoming a reality.

We should be enthusiastic about the transformation that is underway. As household finances grow more complex, there is a clear case for leveraging more accessible, permissioned data points. With responsible use of data, explainable models, and robust governance, lenders can price and underwrite with greater precision, brokers can advise with richer context, and customers can proceed with fewer surprises.

There is also a compelling policy-level case for action. Smart Data reforms offer transformational potential for homebuying. Evidence indicates that digital information for homebuying carries the highest return on investment, with a benefit-cost ratio of **9.81** - nearly **£10** of benefit for every **£1** of cost¹.

Maria Harris,
Founder and Chair of Open Property Data Association



Research confirms that Smart Data schemes could generate **£71.2bn** in net social value between 2028 and 2043, with homebuying (**£28.7bn**) leading the way.

These findings point to homebuying as a priority sector for Smart Data implementation - promising the largest gains in net social value and GDP².

Our call to the industry is straightforward: act together.

Specialist lending is not an alternative track; it is a core component in the future of a responsive mortgage market.

If we embrace this evolution - anchored in collaboration, intelligent data, and unwavering focus on consumers - we will create a system that is faster, fairer, and more resilient.

The next chapter belongs to those willing to connect the pieces, scale what works, and keep the customer journey at the heart of every decision.




¹ Department for Business & Trade, *Economic analysis: understanding the costs and benefits of smart data use cases*, ² *Ibid.*

Specialist lending is no longer at the margins of the UK mortgage market

It is moving steadily towards the centre, becoming an increasingly important route through which borrowers access finance.

In this report, we define specialist lending as serving borrowers or properties outside typical high-street criteria - including complex income, later-life lending, adverse or evolving credit, and more complex property types.





Forecasts suggest the market could reach £54bn by 2029³, representing significant growth and accounting for more than one-sixth of total UK mortgage lending⁴. This reflects a broader shift in both borrower profiles and how lending must adapt to support them.

That shift is visible across multiple dimensions. Higher-LTV lending is increasing, while financial pressure remains prevalent, with millions of adults experiencing low savings or adverse credit⁵. At the same time, later-life lending continues to grow as traditional borrowing patterns become less aligned with modern realities.

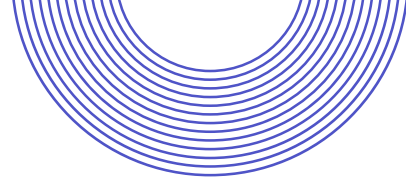
Workforce dynamics are also evolving. Rising self-employment, multiple income streams, and gig economy participation are creating a growing mismatch with lending models built around stable, single-source income. As a result, more borrowers fall outside standard criteria - not because they are higher risk, but because they are harder to assess using traditional approaches.

Mortgage lending is therefore changing across several fronts at once - customer expectations, competition, technology, and regulation. Each of those on their own is manageable. However, together they create a much heavier change agenda.

The question is no longer whether specialist lending will grow, but whether the industry can evolve quickly enough to support that growth with the right operating models, partnerships, and technology to deliver better customer outcomes.



Why We Wrote This Report



For many lenders, the immediate challenge is clear: where to focus, how to prioritise change, and how to deliver transformation while continuing to run the business. We see this consistently through our work with building societies, banks, and specialist lenders - shaping strategy, redesigning operating models, implementing technology, and strengthening data foundations, in ways that actually stick.

That is what prompted this report.

Rather than restating what is already visible, we set out to understand what is changing beneath the surface - where pressure is building, where value is being lost, and where competitive advantage is shifting. We combined our own experience with insight from over 30 senior leaders across lenders, brokers, fintechs, and industry bodies, gleaned from individual meetings.

What emerged was a consistent set of themes reflecting structural change in how the market operates:

The Trust Advantage

As complexity grows, brokers remain central. Trust, built through clarity, consistency and communication, is becoming as important as speed.

Retain and Grow

In a saturated market, advantage is shifting towards the delivery of experience through clearer positioning, consistent journeys and stronger relationships.

Build for Scale

Value and growth are realised where technology removes friction and supports better judgement, not where it adds complexity.

Ecosystem Collaboration

Many inefficiencies sit between organisations. Progress depends on better connectivity, shared data, and more joined-up ways of working.

This report is written for leaders looking to translate these shifts into next steps. It aims to provide a clearer view of where the market is heading, what is becoming harder, and where the most meaningful opportunities now sit.

The timing is important. In 2026, the sector is at an inflection point. AI is accelerating, affordability pressures persist, regulation

continues to evolve, and the gap between ambition and operational readiness is becoming more visible.

Our aim is to support clearer thinking and more practical action, helping you challenge your current approach, sharpen priorities, and take the next step in your modernisation journey.



Voices from the Market



How has the market changed, and what does this mean for lenders?

“

Specialist lending is no longer a niche corner of the market. With new entrants and high-street banks expanding into this space, lenders must differentiate through service quality rather than price alone.

Tina Hayton-Banks
Cambridge & Counties Bank



“

The growth in specialist lending is being driven by real-world changes - more self-employed borrowers, more complex incomes, and more customers with imperfect credit histories.

Craig Hall,
Primis Network



“

When something specialist gets bigger, is it still specialist - or is it just normal? Either way, as it grows, competition gets bigger and harder, and you need an edge.

Simon Goodyear,
Redwood Bank



“

What was once considered specialist is increasingly becoming mainstream, which raises the bar for true differentiation.

Anonymous



“

Mortgage lending historically changed quite slowly. What feels different now is the scale of investment in experience, data, automation and what the future journey could look like.

Adrian Moloney,
OSB Group



“

When I started, there was a view that brokers and lenders were at odds and that's gone full circle. Lenders now are very open to collaboration - they are our partners in this.

Phil Leivesley,
LDN Finance



“

Specialist lending is growing because borrowers' lives are more complex. Income is more varied, circumstances change more often, and more people need judgement and interpretation - not a simple tick-box assessment.

Stephanie Charman, Association of Mortgage Intermediaries





The Trust Advantage



Designing a broker journey built on clarity, transparency, and certainty to drive repeat business, stronger relationships, and higher conversion.

Context

The story of specialist lending is often told through growth – more borrowers, more products, more lenders. But this growth has brought complexity with it. Borrower circumstances are increasingly less linear, lender appetite more nuanced, and policy interpretation often extends beyond what is formally published.

That makes the broker’s role more valuable than ever. In a market where product fit is rarely obvious, brokers do far more than place cases. They interpret complexity, translate borrower circumstances into lender language, challenge poor fit early, and shape cases that are more likely to proceed. They have become the market’s navigators, translators, and filters. Price may define the shortlist, but broker trust determines long-term relationships.

Yet despite their central role, the broker experience remains more painful than it should be. Opaque criteria, patchy updates, duplicate data entry, and manual workarounds are still common. The opportunity is not just to be broker-friendly in theory. It is to redesign the journey so trust is reinforced at every step, enabling deeper, more valuable partnerships over time.



Once you’ve identified the lenders who can do the deal, price usually wins, but the relationship remains the tiebreaker.

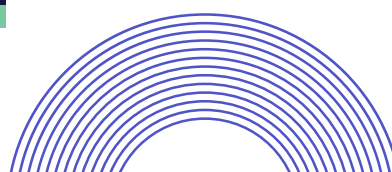
Tom Aydon, SPF
Private Clients



Challenges

1. Friction

Friction in the broker journey rarely sits in one obvious place. It cumulatively builds up across lots of smaller inefficiencies that brokers have to deal with on almost every case. Data is still rekeyed across CRM systems, sourcing tools, and lender portals, often multiple times. Requirements vary between lenders, systems do not integrate cleanly, and brokers are left acting as the bridge between disconnected platforms.





“

The biggest pain point now for us is getting the data across to the lender.

Phil Leivesley, LDN Finance

What should be a straightforward submission becomes a manual process of stitching information together. Over time, this pulls the broker’s role away from advising and towards administration. In a market where speed and confidence matter, these frictions compound into slower journeys, more errors, and ultimately, decisions to place business elsewhere.

2. Blurred brand identity

As the market has grown, many lenders have expanded their propositions to capture a broader mix of cases. In doing so, differentiation has become less clear. Criteria may vary in detail, but it is often difficult for brokers to quickly work out where a lender’s real strengths lie or which cases are most likely to land.

Brokers spend time exploring lenders that were never really the right fit, submitting cases with uncertainty rather than conviction. The result is wasted effort on both sides and missed opportunities where lenders fail to attract the cases they are actually best built to serve.

In a crowded market, trying to be relevant to everyone can leave you clearly understood by no one.

“

Silence kills momentum. In this market, if you’re not communicating, you’re losing ground.

Jon Cooper, Aldermore



“

With so much choice, it’s probably never been easier to be a good broker. But at the same time, with so many lenders in the market, opaque lending criteria and case processing by exception, it’s probably never been harder to be a great broker.

Phil Leivesley, LDN Finance

3. Poor communication

Communication breakdowns are rarely dramatic, but they are persistent. Once a case is submitted, visibility often drops at the point where reassurance matters most. Updates tend to be reactive rather than proactive, triggered by delays or missing information rather than designed to maintain momentum. Channels are fragmented, ownership is unclear, and responses are often generic rather than tailored to the specifics of the case.

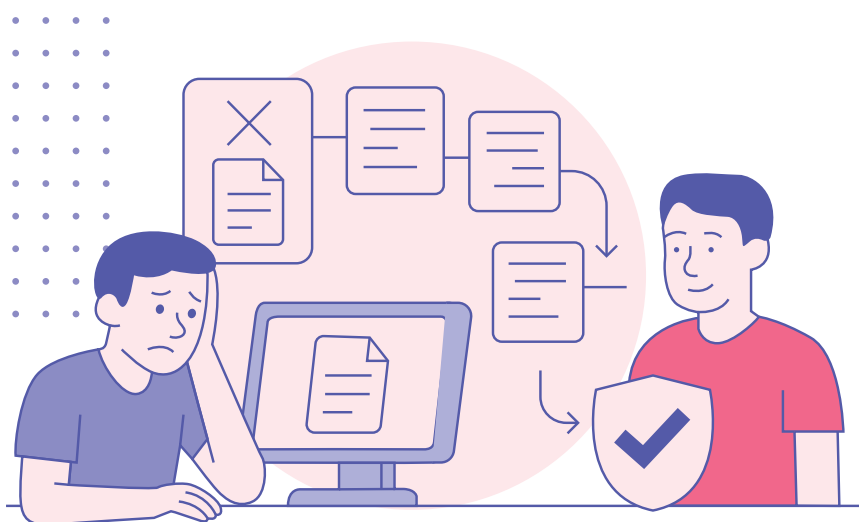
For brokers, this creates a sense that cases have fallen into a void, leading to time spent chasing updates rather than progressing business. For lenders, it drives avoidable operational demand and weakens trust over time. In a complex process, silence introduces uncertainty, and uncertainty is where brokers begin to look elsewhere.

4. Delayed speed to certainty

In specialist lending, some of the biggest inefficiencies come from decisions arriving too late. Weak upfront triage, combined with unclear criteria, leads to “test submissions” where brokers submit cases to “find out”, rather than because they are confident of the outcome.

Key issues are then identified too far downstream. Documents are requested late. Clarifications trigger repeated back-and-forth. Processing is sequential when it should be coordinated. Underwriting capacity gets tied up in cases that were unlikely to proceed anyway.

A slow decline is one of the most expensive outcomes in the process. It uses up time for both broker and lender without creating value for either.



“

In specialist lending, the real priority isn't speed to offer, it's speed to certainty. Clients want confidence that a case will complete.

Rachel Geddes,
Mortgage Advice Bureau

Opportunities

1. Submission ease

The most effective lenders are focusing on submission ease - reducing friction at the point cases enter the process, rather than fixing problems later. This starts with a clear, well-articulated proposition, helping brokers quickly understand where you play and which cases are best suited to your appetite.

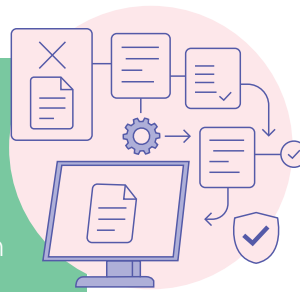
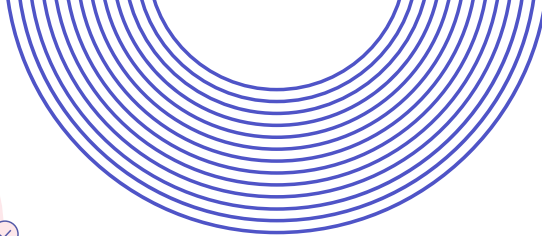
It is then supported by better data capture. APIs, such as those used by Nationwide, can connect into broker portals, CRMs, and sourcing systems to pre-populate, validate, and structure case data upfront.

That cuts rekeying and improves submission quality from the start.

ID&V is now part of that same front-end experience. Providers such as Onfido, Ondato, Aryza Validate, and Sumsb are helping lenders verify identity more quickly and more reliably, without the usual manual drag.

Fewer cases that fall outside appetite, a higher quality pipeline, and more efficient use of underwriting capacity create operational efficiencies and reduced risk.





2. Continuous visibility

Rather than treating communication as a series of touchpoints, leading lenders are building continuous visibility into the case lifecycle. Modern loan origination platforms such as MQube and FintechOS give brokers and internal teams a shared, live view of progress through real-time tracking, automated updates, and clear next actions.

That changes the rhythm of the journey. Brokers do not need to chase because status, requirements, and decision points are visible as the case moves. Lenders, meanwhile, get earlier sight of bottlenecks and a more predictable pipeline.

This is not just about messaging more often, but about communicating in the right way at the right time. It is about making the journey feel visible and controlled. For brokers, this builds confidence and reduces friction; for lenders, it drives faster turnaround, better resource allocation, and a more scalable operation.

Proactive communication replaces reactive chasing, improving broker confidence while reducing avoidable operational demand.

In practice, this significantly reduces the back-and-forth typically seen between brokers and lenders. Documents are checked earlier. Missing information is surfaced sooner. Risks and inconsistencies are identified before they become delays. That means better submission quality first time and less rework later.

For brokers, this creates a smoother, more guided journey. For lenders, it means cleaner data entering the pipeline, faster progression through underwriting, and a more efficient use of resource. The result is a more streamlined process end-to-end, with less friction, fewer touchpoints, and greater confidence in the data underpinning each decision.

Underwriters spend more time where it matters, decisions are reached with greater speed and confidence, and cases progress with fewer interruptions.

Redesigning the broker journey shifts growth from one-off placements to repeat flow. Brokers come back to lenders they trust to deliver. At the same time, clearer case fit and faster certainty improve conversion, reduce wasted submissions, and lower fallout. It also creates the basis for scale – where automation absorbs rising volumes without costs increasing in lockstep.

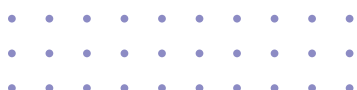
3. Decision acceleration

Automation is most effective when it removes low-value effort and enables earlier, better-informed decisions. Tools such as Sikoia, Resistant AI and Staple AI reduce manual effort by combining OCR and machine learning to extract and structure data, analyse documents, apply rules, and flag anomalies.



The most effective technology programmes are built around real user pain points, not internal assumptions.

Adrian Moloney, OSB Group

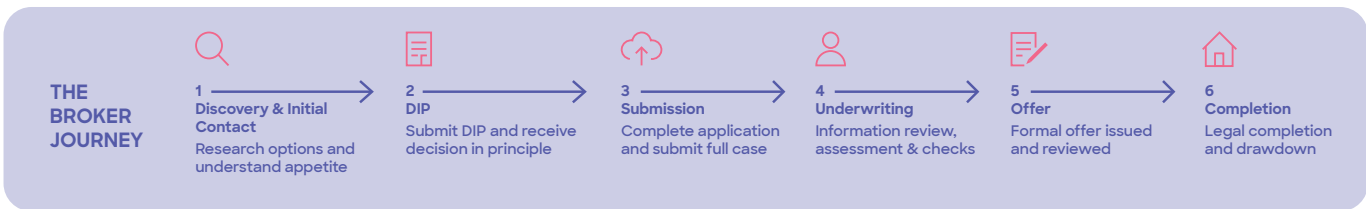


Woodhurst insight

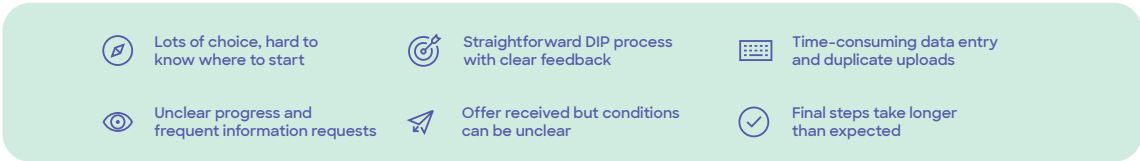
We've worked with a range of lenders helping them to map out their current and future states when it comes to the broker experience. We've looked at where friction sits across the journey and how it shapes both broker behaviour and case outcomes.

From our work across the market, similar patterns emerge - repeated points of inefficiency, misalignment, and delay that limit both conversion and scalability. These erode a broker experience that starts positively through FMA submission, underwriting, conveyancing and disbursement.

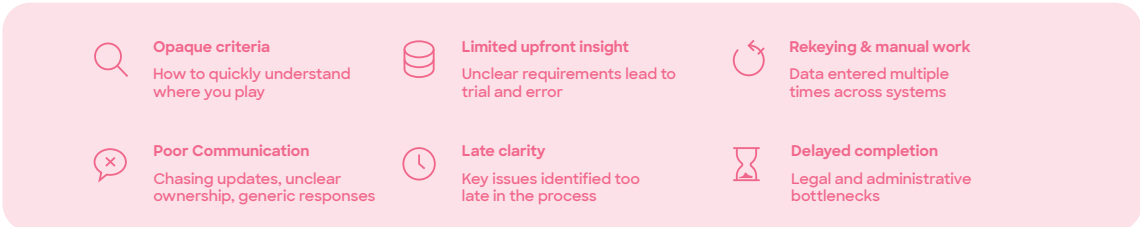
Through our work, we've found that the lenders pulling ahead are not simply layering digital tools onto existing journeys. They are redesigning how data enters the process, how decisions are surfaced, how cases are tracked, and how communication is triggered. In doing so, they are making trust operational, with speed and certainty becoming not just sources of advantage, but essential to competing effectively in an increasingly broker-led market.



BROKER EXPERIENCE



KEY FRICTION POINTS



THE TRUST CURVE

How brokers feel through the journey

— Future state (Trust-led journey)

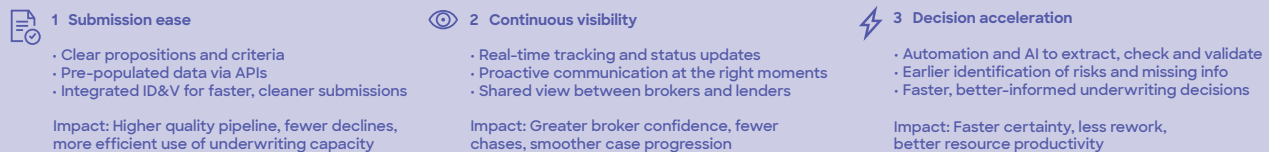
- - - Current state (Friction-heavy journey)

HIGH TRUST

LOW TRUST

Unclear where to start Confidence from early feedback Time lost to admin Silence creates uncertainty Conditions unclear, risk of delay Long tail to completion

WHAT LEADING LENDERS ARE DOING DIFFERENTLY



THE RESULT

STRONGER BROKER RELATIONSHIPS · HIGHER CONVERSION & LOWER FALLOUT · FASTER TIME TO CERTAINTY · SUSTAINABLE SCALE & LOWER COST TO SERVE

WOODHURST INSIGHT

Brokers choose lenders they trust. Trust is earned through clarity, transparency and certainty at every step of the journey. When you remove friction, communicate proactively and deliver decisions with speed, you turn first-time placements into long-term partnerships.



MORE REPEAT BUSINESS
Stronger relationships drive repeat flow.



BETTER OUTCOMES
Clearer case fit and faster certainty



BUILT FOR SCALE
Automation absorbs volume efficiently



Retain and Grow

Joining up the end-to-end experience to drive retention, progression, and long-term value creation for customers.

Context

While winning new business through brokers is the foundation of growth, it is only part of the story. Retention is where lenders have the real opportunity to create a seamless, end-to-end experience that is just as meaningful post-completion as it is at onboarding. It is also where the direct relationship with the customer is built, and where the return on that upfront investment is realised over time.

Historically, almost 90% of customers may have stayed with their lender, but this is no longer guaranteed⁶. Increased competition, improved digital journeys, and greater transparency through comparison tools mean customers now have more choice and higher expectations.

Retention can therefore no longer be passive. Lenders must increasingly compete to give customers a reason to stay.

This is particularly important in the specialist mortgage market, where customer circumstances are often more complex and subject to change over time. The support provided at onboarding is a key differentiator, but those needs do not disappear after completion. Lenders who continue to support customers, adapting to their changing circumstances, tailoring product offerings driven by customer-specific insights and data, have a significant opportunity to deepen relationships, reduce risk, and unlock long-term value.



Challenges

1. The origination - servicing gap

Loan origination platforms have understandably taken centre stage, as this journey often determines whether a broker chooses to continue working with a lender or looks elsewhere. This focus alone represents a significant transformation for many organisations. However, lenders recognise the inherent challenge of prioritising origination, sometimes at the expense of core systems, optimising in silos rather than across the full value chain.

Through our conversations, there was a clear consensus that the next critical step is strengthening in-life servicing. While lenders have invested heavily in streamlining the upfront process to win new business, this advantage can erode over time due to weaker servicing capabilities and limited product relevance, making it harder to sustain customer engagement.

“

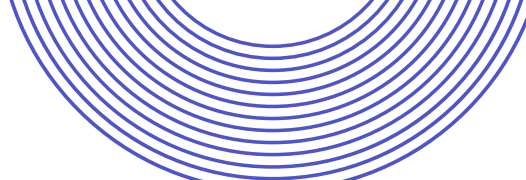
The strongest lenders will think horizontally, across the full customer journey, rather than optimising in silos.

Simon Goodyear, Redwood Bank

Too often, completion is treated as the finish line, a time for celebration and time to move on to the next customer. So, while a drop in the level of interaction post-completion is understandable and expected, customer expectations around quality of service, tailored product offerings and support, are not. This is the distinguishing factor which keeps customers committed to their lender and is where long-term value can truly be unlocked.

“

A lender's responsibility doesn't end at completion. End-to-end servicing is becoming one of the strongest differentiators. - Tina Hayton-Banks, Cambridge & Counties Bank



There is a clear opportunity to apply the same level of focus and innovation seen at origination to the retention journey, to maximise the return on investment for the long-term. In a similar way, this is achieved by designing in-life experiences with intent, using data to anticipate needs, and creating meaningful touchpoints that keep customers engaged and within the existing lender's product set.

2. Losing momentum in the back book

Specialist mortgage lenders are uniquely positioned to act as true financial stewards for their customers. While this applies across the market, specialist lenders in particular often manage back books with inherently higher complexity and risk, reflecting the more nuanced income profiles, diverse circumstances, and varied borrower needs they serve.

As lenders look to strengthen in-life servicing, the next challenge is ensuring that this journey delivers the same level of personalisation and relevance as the origination experience. This means not only maintaining engagement, but actively supporting customers in identifying and accessing the most suitable next product at the right time.



We actively help customers mature and transition onto a prime product. That's been a really successful part of our strategy.

Richard Harrison, Atom Bank

The back book, therefore, should be viewed not just in terms of customer numbers, but in terms of customer progression. This is shaped by the products they hold and the financial pathways available to them. Specialist lenders have a distinct opportunity to help customers who may not initially qualify for prime products transition over time through consistent repayment and the right guidance.



There's a fine balance between offering choice and maintaining simplicity. Getting that balance right is where experience wins.

Christie Cook, Hodge Bank

As Christie Cook highlights, enabling this progression is not about expanding product choice indefinitely, but about delivering the right options at the right time. Customers benefit most from clear, relevant pathways that reflect their current circumstances while also supporting their ability to move toward more resilient, beneficial products, ultimately strengthening both customer outcomes and the lender's back book.

Many lenders are already taking steps in this direction, but there remains further opportunity to fully realise this role. By continuing to evolve in-life servicing and proactively supporting customer progression, lenders can move beyond being providers of products to becoming long-term partners in their customers' financial journeys.

Opportunities

1. Treat retention as a core driver of value by designing the proposition around your existing customers

A growing number of lenders are already recognising that long-term value is created across the full customer lifecycle, not just at origination. This is driving a shift towards applying the same level of focus and intent to the back book as the front, and treating existing customers as an ongoing opportunity to serve, support, and deepen relationships.

Central to this is the ability to better harness customer data to understand how needs and circumstances evolve over time. By building on this insight, lenders can increasingly deliver timely, relevant products, support, and engagement that align with each stage of the customer journey. In doing so, in-life servicing evolves from a primarily operational function into a more proactive, insight-led approach, where engagement, product relevance, and customer progression are thoughtfully embedded into the overall strategy.



A lot of the industry's effort has gone into improving the front end of the journey... But the next big battleground is the back book and customer retention.

Adrian Moloney, OSB Group

Lenders doing this well are creating journeys that feel consistent end-to-end, by maintaining the same clarity, speed, and confidence post-completion as at onboarding, therefore strengthening relationships over time.

Through applying proposition thinking to the back book, and using customer data to deliver the right products and support at the right time, lenders can increase portfolio resilience, reduce attrition and limit the cost of customer loss, overall unlocking greater long-term value.



2. Evolve the core alongside the loan origination platform to support consistency and scale

Fundamentally, the customer experience is only as strong as the systems that support it. Across the market, lenders are taking different approaches to evolving their technology landscape. Some are continuing to enhance established core platforms such as Phoebus or Temenos through ongoing upgrades, while others are introducing more modular or ‘thin core’ components, including platforms such as Thought Machine, SaaScada, or 10x, to increase flexibility around the core.

What is consistent is the direction of travel – a focus on improving how systems work together across origination and servicing, reducing fragmentation, and enabling more responsive, joined-up journeys.

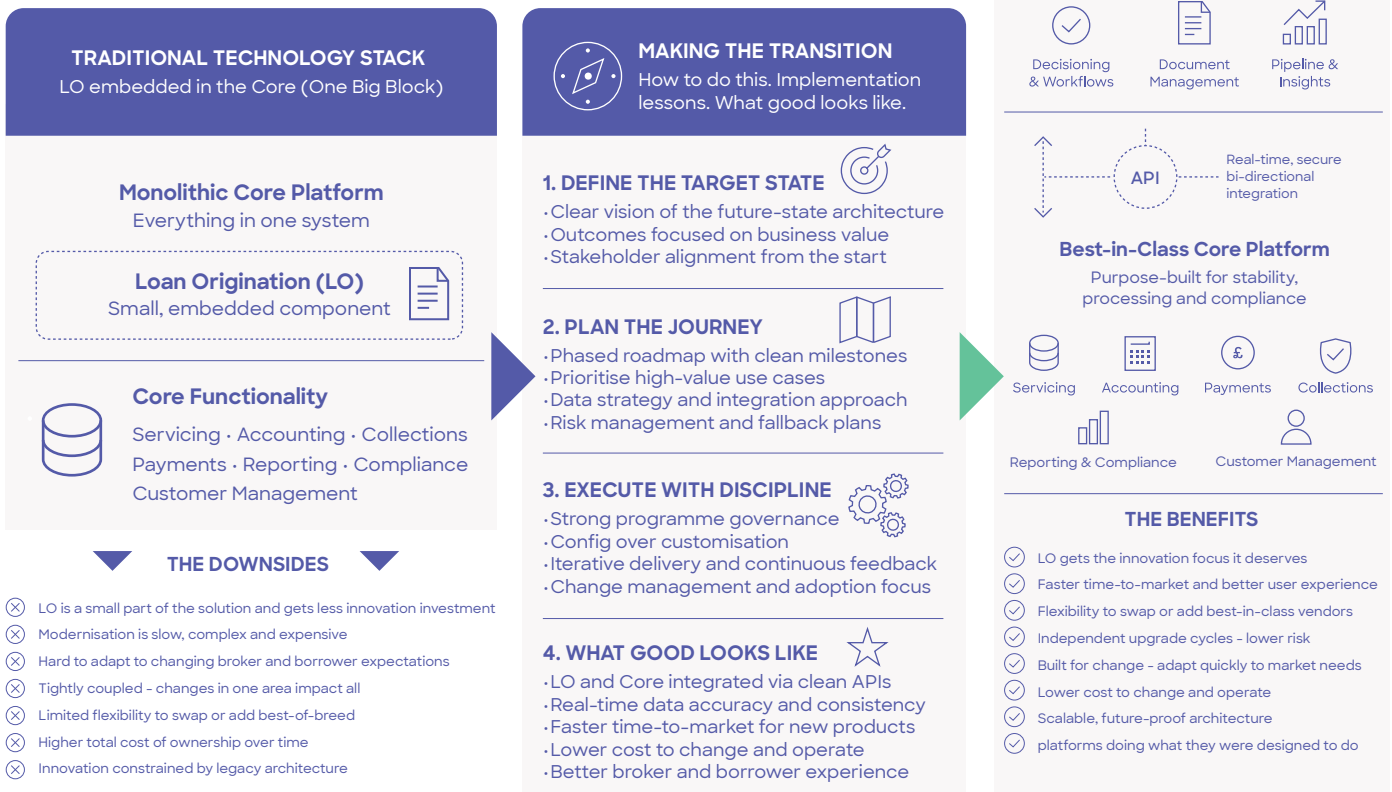
Real differentiation emerges when architecture, regardless of the approach taken, is aligned to the end-to-end customer lifecycle, supporting both experience and operational scalability.

From Monolith to Modular: The Best of Both Worlds

Evolve from a legacy core with embedded LO to a best-in-class, API-connected stack.

Woodhurst insight

Through supporting multiple clients on their modernisation journeys, a large part has been defining the right strategic pathway for their technology stack. There’s no one-size-fits-all approach, but we are seeing more lenders move away from all-in-one systems and towards a more modular setup, using advances in APIs and integrations to bring together best-in-class solutions across the lending journey.



Voices from the Market



Where are the challenges and opportunities?

“

That edge can't be price all the time. Pricing is super aggressive - everyone's on top of it and moves quickly. So, you win through relationships, service, and trust.

Simon Goodyear,
Redwood Bank



“

For brokers, certainty is everything. If it's not going to work, tell me quickly so I can move on.

Richard Harrison,
Atom Bank



“

Brokers remain the lifeblood of the specialist market. Product and process changes should support the broker, not bypass them.

Buster Tolfree,
United Trust Bank



“

In a market this competitive, clarity of positioning really matters. You can't be everything to everyone.

Simon Goodyear,
Redwood Bank



“

In specialist and SME lending, brokers remain irreplaceable. Customers rely on their expertise to navigate complexity, and their expectations now vary widely, and we need to support that - from high-touch relationship models to fully digital journeys.

Tina Hayton-Banks,
Cambridge & Counties Bank



“

A lot of the industry's effort has gone into improving the front end of the journey, origination, decisioning and speed. But the next big battleground is the back book and customer retention.

Adrian Moloney,
OSB Group



“

We still operate in silos across the mortgage ecosystem. You can make one part of the journey incredibly efficient, but if you haven't improved the end-to-end process, you haven't delivered real change.

Stephanie Charman,
Association of Mortgage Intermediaries



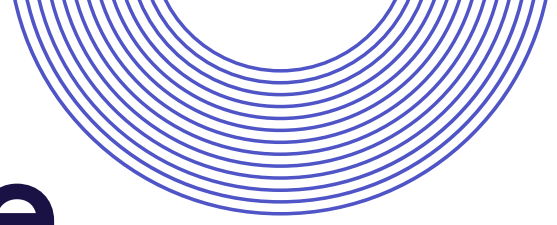
“

My advice to specialist lenders is to choose the niches where they have appetite and then shout about it, because there's just so much noise in the market.

Richard Harrison, Atom Bank



Build for Scale



Embedding data and technology foundations that enable consistent decisioning, operational efficiency, and scalable growth without diluting expertise.

Context

As technology advances, the value it can realise for specialist lenders is growing exponentially through how data is captured, work is distributed, decisions are supported, and cases progress end to end. Applied well, it reduces operational burden – taking out friction, improving consistency, shortening turnaround times, and freeing up skilled colleagues to focus on where judgement adds real value.



It is increasingly clear that manual processes are no longer sustainable.

Emma Bilan, Nomo

However, in practice, progress is uneven. Many lenders have digitised parts of the journey, but the operating model underneath has not always moved with it. Technology does not fix broken processes – it exposes them. It just makes them easier to see. What looks slick from the outside can still be held together by fragmented systems, manual intervention, and people quietly compensating behind the scenes.



Technology is an enabler – not the strategy.

Alpa Bhakta, Butterfield Mortgages Limited

Specialist lending needs to become more scalable and more efficient, but it cannot lose what makes it work. Judgement, interpretation, and context still sit at the heart of many lending decisions. The challenge is not to automate everything, but to be more deliberate in automating the work that should not require expertise, so that expertise can be applied where it does. In that sense, technology should be carrying the operational weight, not adding to it.

Challenges

1. Weak data foundations

The ability to leverage the potential of technology tends to expose the quality of the data beneath it. For many lenders, where systems have evolved incrementally over time, that foundation often holds hidden cracks. Data is often fragmented across platforms, duplicated across processes, or stored in formats that are difficult to access and harder to trust.

In a lending context, where decisions depend on accurate and timely information, these inefficiencies compound quickly. Poor data quality can reduce productivity by up to 27% and increase costs by as much as 30%⁷, creating friction across both operations and decision-making.





The impact is cumulative. Automation becomes less reliable, analytics harder to trust, and AI introduces more risk than value. Rather than simplifying the process, technology can add layers of checking, correction and oversight. Until data is brought together into a more consistent and usable form, the full value of technology investment will remain out of reach.



AI is only as good as the data and inputs behind it.

Craig Hall, Primis Network

2. Digitisation without transformation

Despite heavy investment in digital tools, much of the specialist lending process still works in a fundamentally manual way. In many cases, digitisation has changed the format of work more than the flow of work. PDFs have replaced paper, e-signatures have replaced wet signatures, and documents are uploaded rather than posted, but the underlying process still relies on colleagues reviewing, rekeying, reconciling, and chasing.

That creates a gap between appearance and reality. Journeys may look streamlined, but behind the scenes they are still being propped up by manual effort. As volumes rise and expectations increase, that model becomes harder and harder to scale.

The issue is not a lack of digital layers. It is that too many processes were never properly redesigned in the first place.



Specialist lending is still a world of PDFs. The industry didn't truly digitise; we just moved from faxing letters to emailing PDFs.

Conrad Ford, Allica Bank



3. Automation without clarity

Specialist lending does not lend itself to a purely rules-based approach. Many cases require interpretation, context, and a more nuanced view of risk than standardised models alone can provide. Recent regulatory developments, such as the LTI flow limit relaxation, reinforce the importance of judgement within the process, placing greater emphasis on how decisions are made and governed.



There will always be cases that require human judgement, but there is also a huge amount of repetitive, rules-based work that technology should be removing.

Adrian Moloney, OSB Group

This creates a more nuanced challenge. Lenders must be deliberate about where automation adds value and where it should remain supportive. Without clear boundaries, automation can either fall short or overreach, creating inconsistency, risk, or unnecessary complexity. As AI becomes more embedded, expectations around transparency, control, and accountability will only increase. Getting this balance right is what enables lenders to scale without diluting the expertise that defines the specialist market.

Opportunities

1. Unified data foundations

The lenders making the strongest progress are moving away from fragmented, duplicated data towards environments that are more unified, more accessible, and more trustworthy.

That is not just a consolidation exercise. It requires structuring data into clear, controlled layers from raw ingestion through to cleansed and business-ready datasets, with consistent definitions across domains such as customer, loan, and transaction. Enabled by modern platforms like Databricks, Snowflake, and Microsoft Fabric, alongside API connectivity and external data sources, this approach reduces duplication, removes conflicting logic, and creates a traceable path from source to decision.

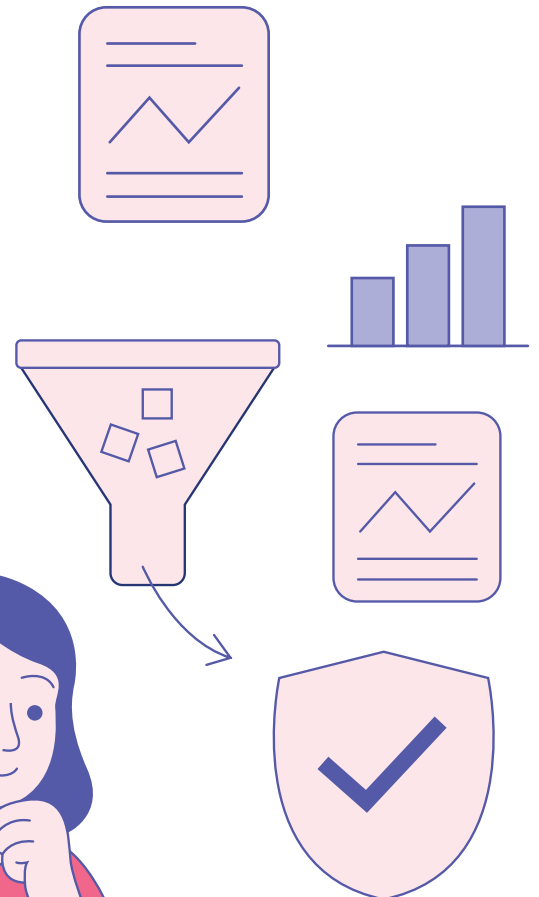
At the same time, governance is increasingly embedded into the platform itself, with lineage, access controls, and data quality rules applied systematically rather than manually. The result is not just better reporting, but a more operationally useful data foundation - enabling earlier risk identification, faster credit decisioning, reduced manual reconciliation, and more confident use of automation and AI across the lending lifecycle.

Better data enables earlier, more confident decisions, reduces rework and error, and unlocks the full value of automation and AI - improving both risk management and operational efficiency.

“

The lenders that benefit most will be the ones that have their data foundations in order.

Simon Goodyear,
Redwood Bank



2. Targeted automation

The most effective use of technology is not blanket automation, but targeted application where it removes low-value, administrative effort. This includes automating document handling, data extraction, validation, and rules-based checks, while preserving human judgement for complex decisioning. Tools such as Nivo use AI to guide brokers end-to-end, handling document collection, extraction, and verification to improve submission quality and reduce rework.

This is increasingly complemented by modern loan origination platforms such as MQube and FintechOS, which embed automation directly into the case lifecycle. By orchestrating workflows, applying rules in real time, and integrating data across sources, they enable straight-through processing for simpler cases and exception-based handling for more complex ones. The result is faster progression, fewer touchpoints, and a more scalable operation – where automation supports flow, rather than adding complexity.

Removing duplication and delay increases throughput, shortens cycle times, and allows lenders to scale volumes without proportionally increasing operational cost.



Deterministic AI, where defined inputs produce defined outputs, will deliver the most value first in regulated lending. Non-deterministic AI has a role, but it must sit within controlled, curated journeys with the right governance.

Scott Hill, Hodge Bank



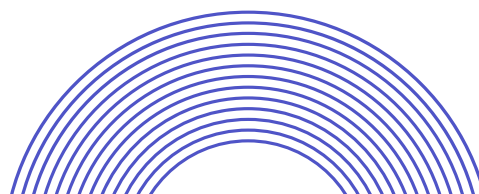
3. Improved decisioning

With stronger data and cleaner inputs, decisioning is becoming more intelligent, earlier in the journey, and better supported. Decision-support tools such as LendingMetrics and Experian PowerCurve are increasingly used to apply rules, surface insights, and flag risks earlier in the process, supporting underwriters rather than replacing them.

Open finance providers such as Moneyhub and Credit Canary are also enabling lenders to enrich decisioning with real-time Open Banking data for higher approval rates and lower defaults, whilst at the same time automating straight-through processing to scale without scaling headcount. This shifts effort away from administration and towards judgement and creates a more intentional flow of cases.

Skilled resource is focused where it adds the most value, improving decision quality, increasing productivity, and enabling scalable growth without diluting underwriting expertise.

Modernising the technology and data foundations of the business shifts growth from constrained to scalable, enabling lenders to increase volumes without being limited by operational capacity. Better data and more deliberate automation improve conversion by supporting earlier, more consistent decisions, reducing rework, and increasing the proportion of cases that progress with confidence. This creates the conditions for true scalability, where streamlined processes and targeted automation absorb rising demand without a linear increase in cost, allowing skilled resource to focus on complex, higher-value decisions where expertise makes the difference.



Woodhurst insight

Through our work with specialist mortgage lenders, a consistent pattern emerges. Ambition is rarely the issue. Most firms are investing in platforms, tools, and automation but the constraint is the data beneath it. Fragmented definitions, manual workarounds, and unclear ownership limit the value delivered – all of which are exposed by technology transformation.

What we see in the lenders making tangible progress is a more deliberate approach. They start by anchoring data to real business outcomes, such as faster underwriting, cleaner regulatory reporting, a better broker and customer experience. That clarity shapes the decisions that follow.

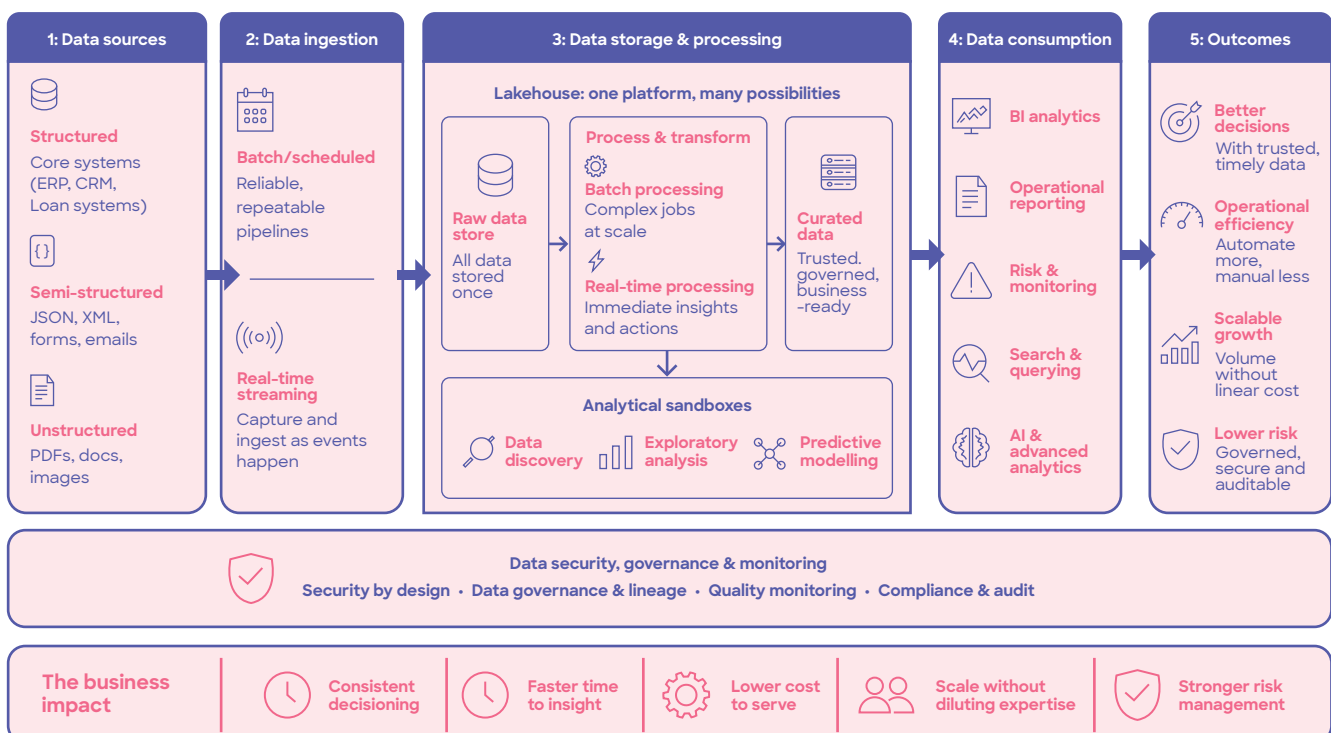
They then focus on stabilising the foundations. In practice, this means consolidating core data into a governed platform, standardising key definitions, and replacing tactical extracts with controlled pipelines. Rather than attempting wholesale transformation, they prioritise a small number of critical datasets and reports to build trust and momentum early.

Ownership is where many programmes succeed or fail. The lenders pulling ahead embed accountability into the business by aligning data ownership to domains such as lending and servicing, supported by central standards. This way, governance becomes practical, not theoretical.

Only once this is in place do they scale into self-serve, advanced analytics, and AI. The sequence is consistent: align, stabilise, own, then scale. That is what turns data from a constraint into a capability.

Build for Scale: The Data Foundation Advantage

A modern data lakehouse architecture that turns data into consistent decisions, operational efficiency and scalable growth.



Voices from the Market



Where are the challenges and opportunities?

“



Winning in specialist lending will come from relentless, incremental improvements that compound over time.

Conrad Ford, Allica Bank

“



As AI becomes more practical, it will help us move faster without sacrificing judgement and that's critical in a specialist market.

Michelle Monck, Redwood Bank

“



AI can process information rapidly... But it cannot ask the third question that changes the outcome, challenges an assumption, or leverage a relationship with a lender to frame a case appropriately. In specialist lending, judgement and narrative still matter.

Dan Gracie,
Pavilion Finance

“



The winners will be those who blend digital speed with human empathy - lenders who use data and technology not to distance themselves from customers, but to get closer to them

Daniel O'Connor, LendInvest

“



There will always be cases that require human judgement, but there is also a huge amount of repetitive, rules-based work that technology should be removing.

Adrian Moloney, OSB Group

“



Embedding AI to drive faster decisioning and greater efficiency, enables us to do more with less.

Emma Bilan,
Nomo

“



Technology should remove friction, not remove people. The most valuable impact of technology is in eliminating waste and accelerating decision-making, while experienced underwriters still guide the complex activity.

Tina Hayton-Banks,
Cambridge & Counties Bank

“



There's a real opportunity to demystify lending criteria for brokers and customers. AI could help surface options more clearly and create a more informed borrower before they even apply.

Richard Harrison,
Atom Bank

Ecosystem Collaboration



Connecting the end-to-end mortgage ecosystem to reduce friction, improve coordination, and deliver a faster, more predictable customer journey.

Context

Throughout this report so far, we have explored the importance of origination, the untapped value within retention, and the role of data and technology in enabling both. The next step is to look beyond the boundaries of any single organisation and consider the mortgage journey as part of its wider, connected ecosystem.

The specialist lending market has made real progress in improving parts of the journey, particularly at the front-end. Origination and underwriting are now faster, more structured, and better supported by technology than they were even a few years ago.

However, this progress is not yet consistent across the full lifecycle. As cases move beyond the lender's immediate control, momentum often slows. This is most visible in the legal phase, but it applies more broadly wherever the process spans multiple organisations or parties.

The reality is that this creates a multi-month journey for customers, often characterised by uncertainty and anxious wait times, despite improvements earlier in the process.

This is not the result of any single participant falling short, but rather how the system itself is structured and how members of this ecosystem approach their relationship. The mortgage journey spans brokers, lenders, conveyancers, solicitors, surveyors, technology providers, and regulators. Each plays a critical role, but each operates with its own systems, processes, incentives, and timelines.

From what we see, the next phase of improvement will not come from continuing to refine individual components in isolation. It will come from making the system itself work more coherently, by reducing friction at the points where organisations connect, and creating a more joined-up, predictable experience end-to-end.

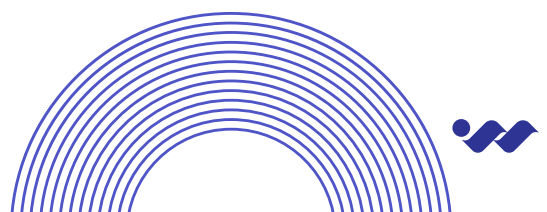
2-4 weeks

Mortgage application to offer: typically 2-4 weeks⁸



12-16 weeks

Conveyancing: typically 12-16 weeks in England and Wales⁹



Challenges

1. Optimisation in silos

Different participants feel the strain at different points in the journey. For brokers, friction tends to appear early, particularly when applications enter underwriting and the transfer of data into lender systems. For lenders, it often becomes more pronounced later, especially as cases move into legal processing. For customers, this can occur at multiple points in the process, as their application moves between different parties, often with a lack of visibility and clear communication in application status.

“

We still operate in silos across the mortgage ecosystem. You can make one part of the journey incredibly efficient, but if you haven't improved the end-to-end process, you haven't delivered real change.

Stephanie Charman,
Association of Mortgage Intermediaries

What this creates is a pattern where improvements make sense independently but do not translate into a better overall experience. The borrower does not experience a series of optimised steps, but rather the gaps. One area where this gap is most visible, and often most impactful, is conveyancing.

As Ruth Beeton (Home Sale Pack) highlights, this stage is still too often treated as a downstream process, rather than an integrated part of the overall journey; *“As lending becomes more specialist, the importance of understanding the property early only increases. Conveyancing can't just sit at the end of the process anymore – it needs to be part of the decision-making from the start.”*

In this context, delays or issues in the legal stage are not isolated problems, but symptoms of a broader disconnect, where critical insights about the property and associated risk are introduced too late in the process. Bringing these elements forward has the potential to reduce friction later, improve certainty, and better align decision-making across the journey.

The challenge, therefore, is not simply to improve each stage, but to think more deliberately about how those stages connect - how information flows, how ownership transfers, and how momentum is maintained across the full journey. By not doing this, the effectiveness of investment in individual parts of the process is all but wasted.



2. Limited feedback loops

Another theme that comes through strongly is how feedback is gathered and used. Many firms still rely heavily on post-completion surveys or periodic broker feedback. While these have value, they tend to capture sentiment after the fact, rather than insight during the process itself.

In a journey as complex and time sensitive as a mortgage, this naturally creates blind spots for issues or frustrations which appear at specific moments, under certain conditions, and often during applications or actions transferring between parties. If feedback is only captured at the end, the opportunity to understand and intervene in those moments has already passed.

“

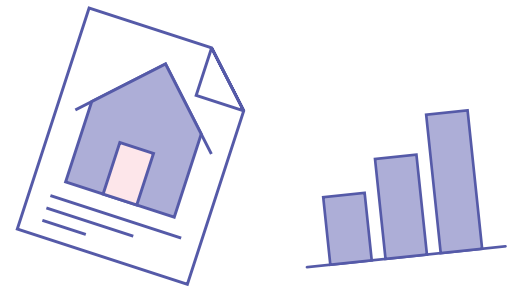
The biggest risk for established lenders isn't competition - it's complacency. Assuming you know what your customers want without continually testing that assumption is a mistake.

Donald Kerr, Cambridge & Counties Bank

It is also worth recognising that valuable insight does not only sit with customers or brokers. Frontline teams often see issues first, as they deal with the day-to-day reality of cases moving through the system. Where those signals are not captured in a structured way, decisions end up being made on partial or delayed information.

The opportunity here is to bring feedback closer to the journey itself, by capturing it at key points, across multiple stakeholders, and using it to drive more immediate and practical improvements.

Without timely, in-journey insight, lenders are left reacting to issues after value has already been lost, rather than intervening when it matters most. Not only is this costly in time and effort, but it limits the ability to improve outcomes in real time, leading to missed opportunities, weaker customer experience, and slower, less targeted operational improvement.



3. Not knowing how or when to leverage the regulator

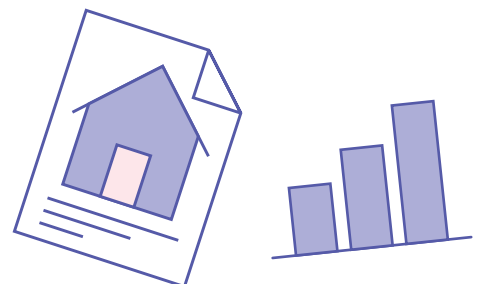
Historically, regulation has often been approached as something to manage rather than something to engage with. That mindset is starting to shift. Initiatives such as innovation pathways, sandboxes, and more open dialogue are creating space for earlier engagement and more practical interpretation of regulatory expectations.

“

The real step change comes when people, policy and technology are aligned.

Alpa Bhakta, Butterfield Mortgages Limited

82% of UK banks stated they need a cost-effective and safe way to experiment with new technologies and test their products¹⁰.



Despite that, many firms still default to a more defensive stance. In doing so, they limit their ability to shape how innovation is developed and applied, and more importantly, the opportunity to explore these benefits for their own business. In a market where data, AI, and process redesign are evolving quickly, that can become a meaningful constraint.

Reframing the relationship with the regulator, from compliance-driven to more collaborative, creates an opportunity to move with greater confidence, test ideas earlier, and reduce the risk of misalignment later in the process.

A more collaborative approach with the regulator can strengthen resilience, reduce risk, and position firms to innovate more confidently and competitively.

“

Regulatory change can continue to unlock further innovation, and with it, access for more borrowers.

Craig Hall, Primis Network

Opportunities

1. Moving from organisational steps to a shared infrastructure

The most meaningful opportunity is to start treating the mortgage journey less as a series of organisational steps and more as shared infrastructure. Across the trade bodies we spoke to, the OPDA, AMI, NACFB and CLC, the resounding sentiment was how critical it is to bring different parts of the ecosystem together, both through engaging with each other, but also through leveraging emerging technologies to facilitate this.

With the “single biggest pain point in the mortgage journey [still being] the legal process” (Adrian Moloney, OSB Group), a number of vendors are looking to address this through improved connectivity and coordination across the ecosystem. Platforms such as PEXA and Coadjute are focused on enabling data to move more directly between lenders and law firms, exploring how shared infrastructure can connect brokers, lenders, conveyancers, and estate agents in real time to improve coordination across transactions. In parallel, providers like ProConvey are targeting more specific points of friction, streamlining traditionally fragmented processes such as identity verification, compliance, and payments.

Beyond this, fintech communities such as SHIFT, and the recent FCA Smart Data Accelerator, provide a huge amount of opportunity for lenders, brokers and legal firms to explore potential initiatives which could enhance their existing operations and processes. More importantly, these initiatives are grounded in shared data, and modern, modular approaches to technology stacks.

“

The continued growth of the specialist lending sector depends on genuine collaboration across the entire ecosystem - brokers, lenders, funders and trade bodies all have a role to play in ensuring SMEs can access the right funding, at the right time, through the right channels.

Jim Higginbotham, NACFB



2. Leveraging the regulator

Regulation is also starting to play a more enabling role. The FCA's Innovation Pathways and the ICO's sandbox activity are creating more structured routes for firms to test new approaches, engage earlier, and build with greater clarity around expectations.

Alongside this, there are early signs of a shift in how firms think about collaboration. Some lenders, such as Gen H, are partnering with building societies where strengths are complementary, rather than trying to replicate capabilities internally. The goal is to allow building societies to concentrate on their niche but feel supported in their scaling ambitions through additional volume and capital deployment. This reflects a broader recognition that no single organisation needs to own every part of the journey to deliver a better outcome.

What matters here is not any single solution, but the broader direction of travel. The journey becomes faster and more predictable as manual hand-offs reduce, data flows more easily between parties, and visibility improves across the chain. Taken together, these changes point towards a market that becomes not just more efficient within individual firms, but more connected between them.

Greater connectivity across the ecosystem can reduce delays, lower cost to serve, and improve conversion. Alongside this, more proactive regulatory engagement will provide the confidence and resilience to innovate and scale effectively.

Woodhurst insight

From what we see across the market, the biggest inefficiencies no longer sit neatly within any single organisation - they sit in the gaps between them. As a result, the focus is beginning to shift towards a more connected fintech ecosystem, where lenders, brokers, and technology providers play more integrated roles across the journey. The market does not need every participant to do everything. It needs the connections between them to work better.

That is why the next phase of competitive advantage is likely to have an ecosystem dimension. Lenders that look beyond their own boundaries, and invest in partnerships through communities such as the SHIFT Open Finance Community, will be better placed to deliver the speed, clarity, and confidence that brokers and customers increasingly expect. It is the shared insight and collective progress that can be achieved through communities such as SHIFT which help to raise standards across the market.



**In Good Company:
Redefining affordability in the
mortgage market with Gen H.**



The Future: A Connected Mortgage Ecosystem

Shared infrastructure. Seamless data. Smarter collaboration. **Better outcomes for everyone.**

THE ECOSYSTEM



Brokers
Advise, source and submit



Lenders
Assess, underwrite and fund



Conveyancers & Solicitors
Manage legal process and compliance



Valuers & Surveyors
Provide property insights and reports



Other Partners
e.g. ID providers, insurers, credit agencies, tech providers

THE END-TO-END MORTGAGE JOURNEY



SHARED INFRASTRUCTURE
Data shared across systems seamlessly



Single source of truth



Real-time visibility



Orchestrated workflows



Consistent standards



Secure, trusted and compliant



THE REGULATOR: AN ENABLER OF INNOVATION
Working across the ecosystem to enable trust, innovation and better outcomes



INNOVATION OPTIONS
Pathways and sandboxes enable safe testing of new ideas and solutions



GUIDANCE & CLARITY
Clear expectations create confidence and consistency



EARLY ENGAGEMENT & COLLABORATION
Open dialogue helps shape better solutions and standards



TRUST & RESILIENCE
Stronger systems and protections build trust and market confidence



BETTER OUTCOMES FOR ALL
Faster journeys, lower costs and improved customer experience



Faster, more predictable journeys



Lower cost to serve



Higher conversion and fewer fallouts



Better experience for brokers and customers

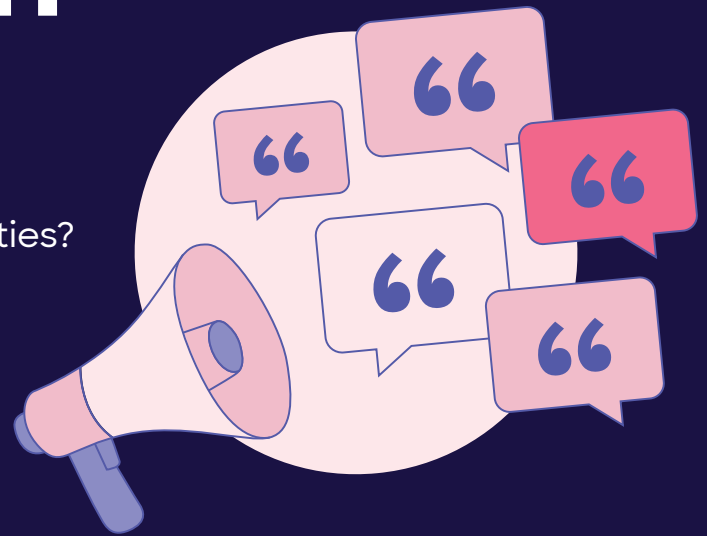


Stronger market resilience and sustainable growth



Voices from the Market

Where are the challenges and opportunities?



“

The industry is still poorly served by quality in-life servicing and product management tooling. Legacy systems are throttling mortgage businesses from taking advantage of modern capabilities like APIs and AI.

Scott Hill, Hodge Bank



“

There's almost an acceptance today that it just takes four months+ to get your keys and will be stressful! That's not going to cut it for much longer. The time to bring property transactions into the digital age is now.

Daniel O'Connor, LendInvest



“

AI is only as good as the data and inputs behind it; advisers bring Emotional Intelligence to the conversation and an understanding of what really matters for each customer. In a complex market, that's a significant limitation to technology and AI.

Craig Hall, Primis Network



“

The real step change comes when people, policy and technology are aligned.

Alpa Bhakta, Butterfield Mortgages Limited



“

The single biggest pain point in the mortgage journey is still the legal process. We have made huge progress elsewhere, but once a case enters the legal phase that is where the process can still slow dramatically.

Adrian Moloney, OSB Group



“

At AMI, we exist to champion the value of advice and the value of choice. We firmly believe that good consumer outcomes only come with advice - particularly as customers' circumstances become more complex.

Stephanie Charman,
Association of Mortgage Intermediaries



“

Digitising conveyancing is critical for the future of the market. Without it, the process will struggle to cope with the growing complexity we're seeing in specialist lending.

Simon Priestley, Home Sale Pack



“

We're asking clients for the same information multiple times across brokers, lenders, and conveyancers. That's not a technology problem—it's a coordination problem.

Rachel Geddes, Mortgage Advice Bureau



“

What excites me, and frustrates me, is that much of this is within our control. We don't need to wait for a brand-new solution to be built. If we collaborate and act, we can make meaningful change now.

Stephanie Charman,
Association of Mortgage Intermediaries



“

Execution is now the strategy - speed, clarity, and collaboration are what differentiate lenders.

Buster Tolfree, United Trust Bank

What's Next?

The Modernisation Blueprint

The earlier sections of this report focused on how the market itself is evolving – rising customer complexity, shifting competitive dynamics, and growing pressure across the ecosystem. The natural next question is what this means in practice for lenders.

What comes through clearly is that growth and resilience will not be won through product and pricing alone. They will come from how clearly a lender defines where it wants to play, how effectively that choice is translated into day-to-day operations, and how well its core capabilities reinforce one another. In that sense, transformation is less about a single programme and more about a way of operating.

This section sets out a practical blueprint for what that looks like. It focuses on the core internal dimensions that must be considered together: strategy, technology, data, talent, and risk and controls. Each is critical in its own right, but sustainable impact depends on how effectively they are aligned and integrated.

Critically, this alignment can only be realised through strong, deliberate change management. Without it, even well-defined capabilities will struggle to translate into consistent outcomes.

Think of this as a structured way to reflect on your current position. For each capability, the statements below can be used to assess how consistently it is being delivered today, and where the greatest opportunities for improvement lie.

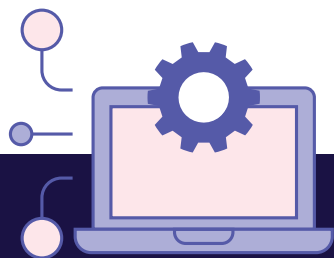
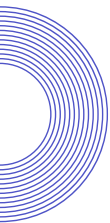
Strategy

A lender's strategy needs to do more than signal ambition. It should reflect a clear point of view on where the business is choosing to compete, and where it is not.

In a more crowded specialist market, this means being explicit about the types of complexity you are built to support, what you want to be known for, and how your capabilities reinforce that position. The strongest lenders are disciplined, make deliberate trade-offs, and resist opportunities that add noise without strengthening their model.

Most importantly, ambition is aligned with operational reality. Growth that outpaces capability tends to create more problems than it solves.

- We are clear on which types of complexity we actively want to support
- Our growth ambitions are matched by operational capability
- We say no to opportunities that do not fit our model
- Strategy is understood consistently across teams
- We review and adjust our focus based on performance, not just demand



Technology

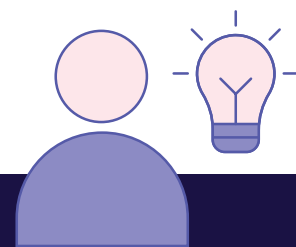
Technology decisions are most effective when anchored in a clear outcome: what problem are we solving?

The best decisions go further – they consider how the business will evolve, and whether the technology can scale and adapt alongside it. In specialist lending, where criteria, complexity, and volumes shift quickly, flexibility is critical.

Technology works best as part of a coherent stack – reducing manual workarounds, improving data flow, and enabling change without disruption. Systems that cannot flex become constraints, driving costly replacement cycles rather than incremental evolution.

Value is not created at implementation, but over time. Technology must be actively managed, refined, and embedded, with clear ownership and continuous improvement. The real test is whether it still delivers value five years on.

- Our core systems support how we want to operate
- We have minimal reliance on manual workarounds
- Data flows consistently across systems
- We can make changes without major disruption
- Internal and external journeys are aligned



Talent

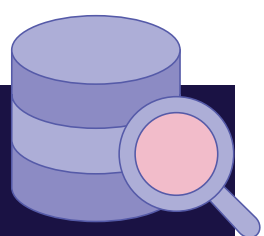
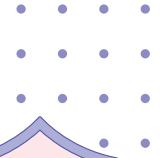
As technology takes on more of the operational burden, the value of human expertise becomes more concentrated. In specialist lending, that expertise sits in judgement, interpretation, and the ability to handle more complex or sensitive customer situations.

Underwriters should spend less time on administration and more on decision-making. Teams are likely to become smaller and more senior, focused on exceptions. At the same time, operations must scale without costs rising in line, supported by technology.

New roles are emerging – decision engineers, data product owners, AI governance specialists – while existing roles evolve. This creates real choices around retraining, hiring, or partnering.

Where talent gaps are not addressed, cost grows faster than output and technology value is not realised.

- Our people spend most of their time on judgement, not admin
- We are not reliant on individual expertise to make processes work
- Roles are clearly defined and aligned to value creation
- We are building skills that will be relevant in three to five years
- We can scale output without proportionally scaling headcount



Data

Data underpins how a lender measures performance, makes decisions, and improves. It needs executive ownership and should be treated as a core part of the operating model, not a standalone initiative.

When managed well, data becomes a strategic asset, providing earlier insight, more reliable MI, and a foundation for automation and AI. In specialist lending, richer borrower complexity creates greater opportunity, but only with the right infrastructure.

Over time, lenders should move towards a single, trusted view of the borrower across the lifecycle, with governed self-serve access and near-automated regulatory reporting. AI should augment underwriting, not replace it. Realising this depends on ownership, governance, and trust in the data.

- We use data to influence decisions, not just report outcomes
- We understand where and why cases drop out
- We can identify issues early in the process
- Our insights feed back into policy and process changes
- Data is accessible and trusted across the organisation



Risks and controls

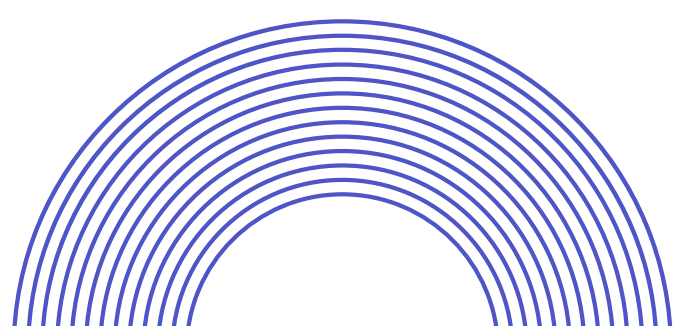
The most effective lenders do not treat risk as something that sits alongside the business. They build it into how the business operates day-to-day and treat resilience as an outcome.

This means a clear, consistently applied risk appetite, aligned commercial and control decisions, and processes that can flex without losing discipline. As complexity increases, decisions must be explainable, consistent, and fair.

With greater reliance on technology, data, and third parties, resilience depends on traceability, clarity, and shared ownership. This is both an operational and regulatory requirement.

The traditional three lines of defence model is no longer sufficient on its own. Tooling, data, and real-time insight must feed directly into governance and decision-making. Resilience must be organisation-wide, supported by scenario testing across technology, data, people, and process.

- Our risk appetite is clearly defined and applied consistently
- Controls are embedded into processes, not layered on top
- We can flex policy without losing control
- Our risk and commercial teams are aligned
- We understand the impact of risk decisions on performance





Change

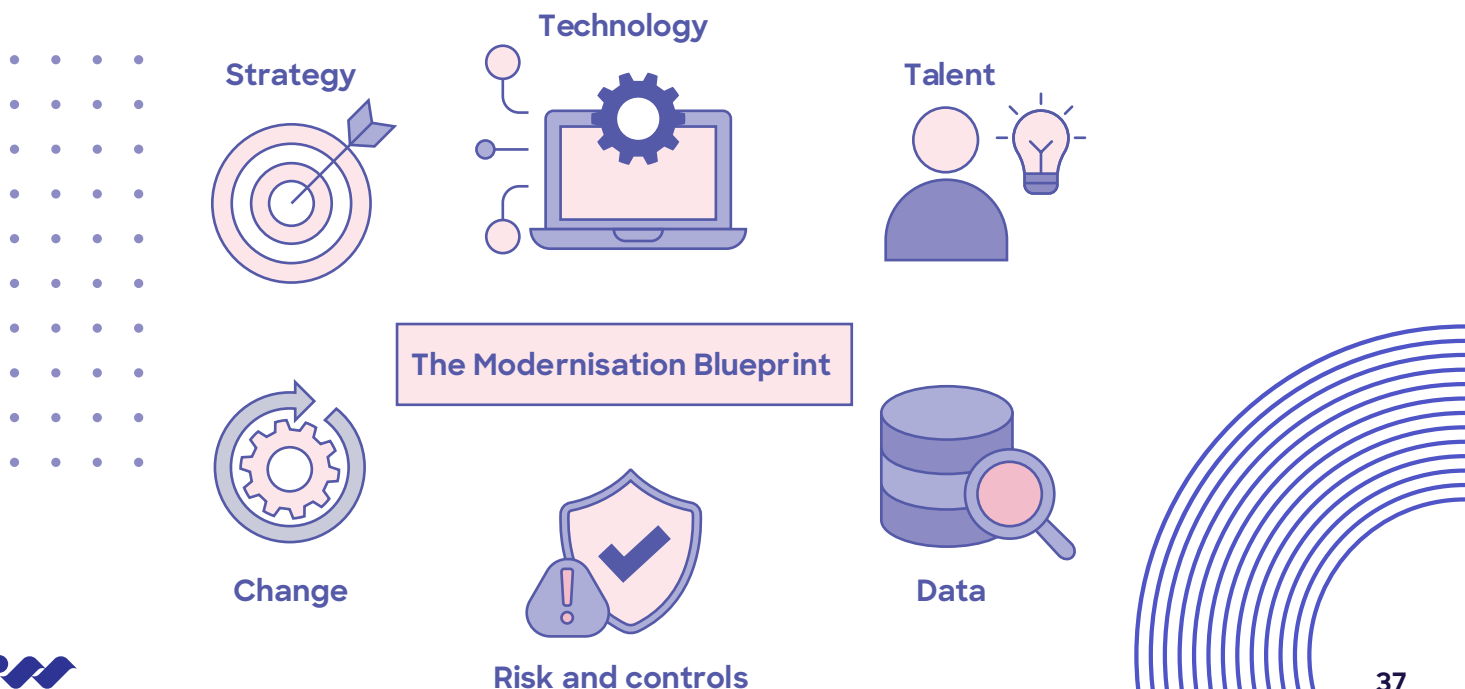
Most lenders recognise the need to change, but fewer are set up to deliver it consistently. In specialist lending, change is layered onto already complex operations, creating additional pressure.

Over the next five years, the ability to adapt quickly will be a key differentiator. Many lenders are trying to transform while still relying on the processes they are replacing - introducing new systems alongside legacy workarounds, or retraining teams without reducing existing workloads. The result is slower delivery and growing fatigue.

Sustainable change relies on clear purpose, visible leadership sponsorship, and a practical understanding of what it means for those delivering it. It also requires discipline in prioritisation, measurement, and adaptation.

Managing change fatigue will be critical. Bringing teams on the journey and giving them a stake in the outcome will separate those who succeed from those who stall.

- We prioritise initiatives based on impact, not volume
- Change is delivered incrementally and consistently
- Our business and technology teams are aligned
- We measure whether change actually improves outcomes
- We stop or adapt initiatives that are not delivering value



Voices from the Market



Where is the sector heading?

“



The desire to own a home in the UK is deeply embedded. Despite everything that's changed over the past decade, that fundamental aspiration hasn't shifted and specialist lenders are well placed to support customers who don't fit traditional models.

Donald Kerr, Cambridge & Counties Bank

“



We've always believed in high tech and high touch. AI should make relationship managers more proactive and more effective - not replace them.

Conrad Ford, Allica Bank

“



There's still significant growth in the specialist space - but it will reward clarity, focus and operational strength.

Michelle Monck, Redwood Bank

“



The future of specialist lending may be less about narrow borrower categories and more about precision in assessing and pricing risk.

Adrian Moloney, OSB Group

“



Winning in specialist lending won't come from one-off transformation programmes - it will come from relentless, incremental improvements that compound over time.

Conrad Ford, Allica Bank

“



The lenders who win will be those who deploy technology sensibly, stay close to their customers, look after their people and execute consistently.

Donald Kerr, Cambridge & Counties Bank

About Woodhurst

Woodhurst is a specialist consultancy focused on helping financial institutions define and turn strategy into tangible change through digital modernisation.

Since 2019, we have worked closely with building societies, banks, and specialist lenders on the practical realities of transformation - from shaping strategy and redesigning operating models, through to implementing technology, strengthening data foundations, and embedding new ways of working that deliver lasting impact.

What defines our approach is how we work. We operate alongside our clients, not at a distance, combining hands-on delivery experience with a clear focus on outcomes. As a founder-led consultancy, our teams are deliberately small, highly experienced, and deeply embedded in the organisations we support.

Across our work, we see first-hand how quickly the lending landscape is evolving and how challenging it can be to translate ambition into execution. Our role is to help bridge that gap - bringing clarity, pace, and structure to complex transformation agendas.

If this report resonates with the challenges you are facing, we welcome the opportunity to continue the conversation.



Acknowledgements

We are deeply grateful to the senior leaders, lenders, brokers, fintechs, conveyancers, and wider industry participants who contributed their time and perspective to this report.

This piece is stronger because of that openness. Whether through long-standing relationships or new conversations, the willingness to share candid views on what is working – and what is not – has been invaluable.

That spirit of curiosity and collaboration is more than helpful. It is necessary. Specialist lending will move forward fastest where the market continues to learn openly, challenge constructively, and build on shared insight.

We would like to thank the contributors to this report.



Adrian Jones

Head of PR, Open Property Data Association



Alpa Bhakta

CEO, Butterfield Mortgages Limited



Ashley Currie

COO, Gen H



Adrian Moloney

Group Lending Distribution Director, OSB Group



Buster Tolfree

Managing Director of Mortgages, United Trust Bank



Claire Askham

Head of Mortgage Sales, Buckinghamshire Building Society



Conrad Ford

Chief Product & Strategy Officer, Allica Bank



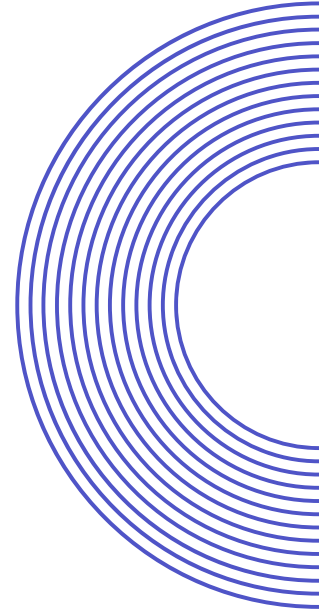
Craig Hall

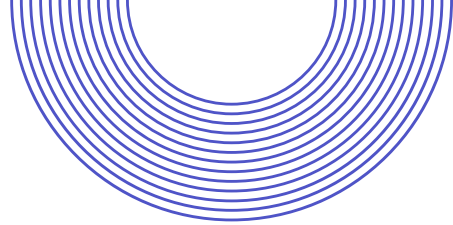
Director, Strategic Partnerships
PRIMIS Mortgage Network



Dan Gracie

Co-Founder, Pavilion Finance





David Hollingworth
Director of Communications,
London & Country Mortgages



Daniel O'Connor
COO, LendInvest



Donald Kerr
CEO, Cambridge
& Counties Bank



Emma Bilan
Head of Property Finance, Nomo



Jim Higginbotham
CEO, NACFB



Jon Cooper
Head of Mortgage Distribution,
Aldermore Bank



Maria Harris
Founder and Chair, Open
Property Data Association



Michelle Monck
Direct of Marketing,
Redwood Bank



Phil Leivesley
Head of Mortgages, LDN Finance



Rachel Geddes
Strategic Lender Relationship
Director, Mortgage Advice Bureau



Richard Harrison
Head of Mortgages,
Atom Bank



Ronelle Arbib
COO, Recognise Bank



Ruth Beeton
Co-founder, Home Sale Pack



Ryan Radford
Managing Director, Expat
Mortgage Expert



Scott Hill
CTO, Hodge Bank



Simon Goodyear
CTO, Redwood Bank



Simon Priestley
CEO & Co-Founder, Home Sale Pack



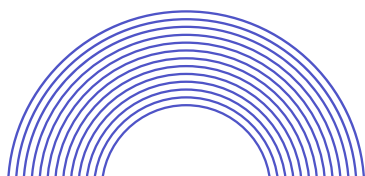
Stephanie Charman
CEO, Association of Mortgage
Intermediaries



Tina Hayton-Banks
COO, Cambridge & Counties Bank



Tom Aydon
Broker, SPF Private Clients



About the Authors



Cait O'Regan, Management Consultant

Cait supports transformation and change initiatives across the financial services sector. She works closely with clients to improve delivery effectiveness, strengthen governance and embed sustainable operational change. Her experience spans programme coordination, stakeholder engagement, business readiness and organisational transformation within complex environments.



Jamie Dawood, Management Consultant

Jamie supports financial services clients in delivering complex technology and transformation programmes across business and digital functions. His work spans agile delivery, requirements refinement, testing leadership, change management and go-to-market execution.



Maud Swanborough, Management Consultant

Maud specialises in business optimisation and transformation delivery across the financial services space. She supports core banking transformations and process improvement activity while shaping wider technology and operating model change. Maud also enjoys interviewing industry leaders on latest FS insights in Woodhurst's video series, In Good Company.



All views expressed in this report are those of the contributors. They do not constitute financial advice, nor reflect the position of their respective organisations.

