

## Offset mortgages

In choosing to offset your mortgage you are linking it to one of your savings accounts.

You are not using those savings to repay the mortgage but instead, you use the balance of your savings to lower the total interest you will be charged on your mortgage repayments each month.

Whilst this reduces the interest you are charged on your mortgage it also means that you will not earn any interest on the savings.

Offset mortgages work by 'offsetting' the amount of money you need to repay on your mortgage against what you have in the savings account.

For example, if you have a mortgage of £200,000 and savings balance used to offset the mortgage of £75,000, you will only pay mortgage interest on the other £125,000.