Re: M/21/021 Bank of Ireland/Certain Assets of KBC Phase 2 investigation

Fri 12/11/2021 16:54

To: Eilis Moloney McDonnell <eilismcdonnell@ccpc.ie>

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4 attachments (6 MB)

Bank of IReland current account.pdf; New Mortgage customer benefits - Bank of IReland.pdf; Bank of Ireland mortgage rates as of 121121.pdf; Brendan Burgess Irish Independent 12-11-21 Bank of Ireland - KBC.pdf;

Hello Eilis,

I note from coverage in the Irish Independent today that Brendan Burgess highlights issues with the proposed takeover of the KBC loanbook.

In this regard I want to set out some facts, relating to my mortgage, that are demonstrated in the piece (linked here) and attached as a pdf.

I moved from Bank of Ireland to KBC in 2016 (December) leaving a variable interest rate of 4.35% at that time. From recollection the equivalent rate I was able to avail of with KBC was 3.05% or 3.15%. The effect of this at the was that our monthly repayments were significantly reduced **but at the same time** our new mortgage balance with KBC was increased by €8,000 which we were able to use on home improvements. Now, today our current mortgage rate is 2.25% and this is a 3 year fixed rate expiring in summer 2023 (unless extended with KBC prior to any takeover). This 2.25% is net of a .2% discount for funding my mortgage repayments from my KBC account. This .2% discount also extended to the SVR originally when first switching and so was part and parcel of my overall decision making at the time.

The equivalent mortgage interest rate today with Bank of Ireland (a non high value mortgage) is 3% for a 3 year fixed rate with a loan to value of less than 60%. In other words an interest rate differential of .75% (nearly a full 1% GREATER) if my current account does not move to Bank of Ireland because, I assume, if it were to be with BofI after the switch, they would legally be obliged to honour the .2% discount. However, Oliver in KBC Customer Services yesterday on a phonecall made to me 13.24 appeared to suggest they were still waiting on confirmation Bank of Ireland would honour this .2% discount. The interest rate ignoring the .2% discount is 2.45% versus the 3% so in essence .55% GREATER than what I am on at present assuming I do not renew with KBC before the switch.

The is no HMV mortgage rate with Bank of Ireland. However, I am exploring breaking out of my current fixed rate agreement with KBC who have confirmed there is currently no breakage fee and they have confirmed over the phone on 11/11/21 that I could avail of a 5 year fixed rate at 2.6% (LTV < 60%) or 2.4% with the .2% discount for funding my mortgage from the KBC current account. Is the wording "from a current account with the lender" or is it "from a current account with KBC" because if it's the latter wording then I lose the .2% saving and this was part of the reason why I switched. This means my terms and conditions will be changed by the transaction even though it's being stated publicly that they are not being changed. This needs to be examined as part of the phase 2 process.

If I my mortgage were to fall into the HMV category operated by Bank of Ireland a five year fixed rate would be 2.5% BUT I am not so the equivalent rate is 3% for a five year fixed rate LTV < 60%. In other words a .4% higher rate (ignoring the .2% discount) or .2% greater IF bank of Ireland HONOUR the .2% discount. Note it depends on wordings as per above.