Mortgage deals: look beyond the rate

A practical comparison checklist, plus a worked example showing what an extra £200 a month could change.

UK repayment mortgages. Educational examples, not a product recommendation. | Checked 3 November 2026

Three things to know

01 Compare the rate, fees, repayment term and flexibility together.

02 Check both money paid out and the balance still owed at the comparison date.

03 Confirm your own overpayment allowance and charges before sending extra money.

1. Make the starting points match

Write down the amount you need to borrow, property value, repayment type and remaining term. Ask for quotes on that same basis. Extending the term can lower the monthly payment while increasing the interest paid over time, so a smaller payment alone does not identify a cheaper deal.

Record when each initial deal ends and what rate applies afterwards. A two-year fix and a five-year fix buy different periods of payment certainty; comparing their first monthly payments does not resolve that difference.

2. Compare fees and the remaining debt

List product, booking, valuation, legal and adviser charges that actually apply, any current-mortgage exit costs, and confirmed cashback. Check what is refundable if the application fails. A lower rate with a fee can cost more than a slightly higher rate without one.

Choose the same comparison date for both quotes. Record payments made, upfront fees less cashback, and the mortgage balance still owed then. Adding cash paid to the ending balance compares the combined burden: ignoring the balance can favour a deal that repays less debt. Only compare this way when both loans provide the same starting funds.

If a fee is borrowed, include it in the loan and projected balance; do not also count it as an upfront cash payment. Borrowed fees attract interest. APRC provides a full-term comparison under stated assumptions; also examine the period you actually expect to keep the deal.

3. Check the deal fits your plans

Ask what happens if you move, switch lender or make a large repayment during the deal. Check early repayment charges, how any annual overpayment allowance is measured, and whether extra payments reduce the term or future monthly payments. There is no universal penalty-free allowance.

Try a higher future rate in your budget before committing. A mortgage adviser can help assess suitability; ask which lenders they cover and how they are paid, and check their authorisation through the FCA.

4. Give spare cash a job deliberately

Before overpaying, consider expensive debts, an accessible emergency reserve and pension benefits you might otherwise miss. Mortgage overpayments are not always easy to withdraw. Keep enough cash for repairs and upcoming commitments rather than treating every spare pound as available.

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Your example and next steps

Worked example: £200 extra each month

A £250,000 repayment mortgage over 25 years at 4.5% needs about £1,389.58 a month. Keeping that payment and adding £200 each month produces the illustration below.

This assumes 4.5% throughout, monthly interest, no fees or early repayment charges, and uninterrupted overpayments. A fixed deal normally covers only part of the term; future rates and lender calculations will change the result.

Normal monthly payment	**£1,389.58**
Monthly payment including extra	**£1,589.58**
Original repayment time	**25 years**
Illustrated repayment time with extra	**19 years 11 months**
Illustrated time saved	**5 years 1 month**
Illustrated interest saved	**£38,457.87**

Your action checklist

[ ] Put two quotes side by side using the same borrowing amount and term.

[ ] Write down fees, cashback, deal end dates and projected ending balances.

[ ] Ask the lender to confirm overpayment rules and charges in writing.

[ ] Check your cash buffer and monthly budget before making extra payments.

Illustrations exclude future rate changes and lender-specific charges. Seek regulated mortgage advice for a recommendation based on your circumstances.

Explore your own overpayment illustration

The members' mortgage overpayment calculator lets you change the balance, rate, term and extra payments. Sign in with an account whose active Facebook subscription has been verified to access it.

Open the overpayment calculator at financewithafshin.co.uk

Sources and further reading

MoneyHelper: mortgage fees and costs (moneyhelper.org.uk)

MoneyHelper: mortgages and interest rates (moneyhelper.org.uk)

MoneyHelper: choosing a mortgage adviser (moneyhelper.org.uk)

MoneyHelper: paying your mortgage off early (moneyhelper.org.uk)

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