# APIs expected to provide most transformative efficiency gains says mortgage survey

The latest Mortgage Efficiency Survey from financial technology business IRESS, highlights that lenders are investing in mortgage hub technology, application programming interfaces (APIs) and open banking functionality to increase efficiency and cut costs from the mortgage sales process.

APIs in particular are expected to provide the most transformative efficiency gains over the next three to five years. By enabling third party services, such as online income verification and electronic valuations, linking directly into lenders' mortgage platforms, open APIs will reduce re-keying of information and reliance on paper documentation while delivering real-time data validation.

The survey also reveals that consumer demand is driving change in the mortgage market as lenders seek to support customer engagement preferences. The growth in smartphone usage has resulted in lenders reviewing mobile services to mortgage applicants and instant messaging for both consumers and intermediaries. Lenders are also looking at introducing voice activated services following the rise in popularity of devices such as Amazon Echo and Google Home.

**Henry Woodcock, IRESS' Principal Mortgage Consultant, commented:** "Our 2018 Mortgage Efficiency Survey finds that technology continues to be central to lenders' efforts to speed up execution and improve service for intermediaries and consumers. Emerging technologies like mortgage hub connectivity, open banking and APIs are driving the market away from stand-alone systems to a more connected mortgage ecosystem, plugging in different systems to create a paper-free straight through process. Greater integration with intermediary software, sourcing services and other third-parties will increase efficiency, reduce risk, remove friction and provide better outcomes for consumers.

"With the FCA calling for more innovation and competition, we look forward to seeing what impact new specialist entrants and challengers have on the market in 2019 and beyond."

**IRESS 2018 Mortgage Efficiency Survey Key findings**
- Over half (55%) of lenders are looking at application programming interfaces (APIs) to cut time and costs and half (50%) of lenders expect APIs to provide the most transformative efficiency gains over the next three to five years
- Three fifths (62%) of lenders are investing in mortgage hub technology
- Half (50%) of lenders are implementing or actively reviewing open banking functionality within the mortgage sales process including assessing affordability and verifying income electronically
- Almost half (46%) of lenders are actively reviewing or planning to implement voice activated services
- More than eight out of ten (86%) of lenders have already implemented or are considering offering mobile services to mortgage applicants
- Over half (52%) of lenders are actively reviewing, likely to implement, or implementing instant messaging for both consumers and intermediaries

Now in its seventh year, the IRESS Mortgage Efficiency Survey provides insight across many aspects of the mortgage market and application processing. The 2018 survey analysed the responses of 22 lenders with a combined lending of circa £129bn and a market share of 51%.

## Ends

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## About IRESS
IRESS designs, develops and delivers technology for the financial services industry. IRESS is listed on the Australian Securities Exchange (IRE.ASX) with operations in Australia, New Zealand, the United Kingdom, South Africa, Canada, and Asia.

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