



Lloyds to launch new £5,000 deposit mortgage to help first-time buyers get on the property ladder sooner

- **First major UK bank to offer a mortgage with a minimum deposit of just £5,000 (equivalent to 98%¹ maximum LTV)**
- **Designed for those who can afford monthly repayments but struggle to save a large upfront deposit without financial support from family**
- **Available on homes worth up to £300,000, with a five-year fixed rate and no product fees**
- **Aims to provide an additional £500m of lending to first-time buyers over the next year**
- **The new mortgage will open to applications from 18th May 2026, and will be available directly through Lloyds and Halifax, and via brokers**

Lloyds is launching a new low-deposit mortgage that could help first-time buyers get on the property ladder years earlier, with a minimum deposit of just £5,000.

The new product from the UK's biggest mortgage lender – also available through Halifax and via brokers – is aimed primarily at renters who are already coping with significant regular housing costs, but find it difficult to save tens of thousands of pounds for a traditional deposit without financial support from family.

In recent years, the gap between average rent and mortgage payments has narrowed, meaning many renters are already paying as much each month as they would on a mortgage. Yet saving for a deposit remains the single biggest barrier to home ownership.

Almost two-thirds (64%) of aspiring first-time buyers say raising a deposit is now the hardest part of buying a home². For those without access to the Bank of Mum and Dad – only around four in 10 are able to rely on family support to help with buying costs³ – the challenge is even greater.

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How does the new £5,000 deposit mortgage work?

The new Lloyds mortgage has been designed to make buying a home more accessible, while keeping borrowing responsible and affordable.

Key features include:

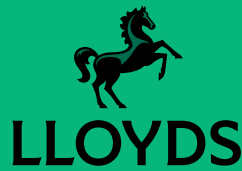
- Minimum deposit of £5,000
- For those without financial support from family towards a deposit
- Available on properties worth up to £300,000
- Maximum loan to value of 98%¹
- Maximum loan to income ratio of 4.5x
- Five-year fixed rate product
- Interest rate of 5.89%⁴
- Mortgage term of up to 40 years
- No product fees
- Available to both employed and self-employed applicants

Applicants will need to pass strict affordability and credit checks, and the product will not be suitable for all first-time buyers. Those purchasing through shared ownership schemes, new build homes and with gifted deposits are not eligible.

The interest rate available to eligible applicants when the new product officially launches on 18th May will be 5.89%⁴ – competitive against offerings from other lenders in the low-deposit market – and will remain subject to change thereafter.

First-time buyers can get more information by visiting: <https://www.lloydsbank.com/mortgages/first-time-buyers/5k-deposit-mortgage.html>

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Amanda Bryden, Head of Mortgages at Lloyds:

“We hear time and again from those who are doing everything right – paying their bills, managing their money well, putting aside what they can – but still feel locked out of home ownership because saving a big enough deposit seems impossible.

“The reality is that many would-be buyers are already paying as much in rent as they would on a mortgage. By cutting the upfront cost to £5,000 we’re breaking down a major barrier to getting on the property ladder. This gives people a better chance to own their first home and start building a more secure future.”



How much do first-time buyers think they need to save?

Today’s average first-time buyer is 32 years old⁵ – two years older than a decade ago – as rising rents and cost of living pressures make it harder to save.

Nearly two-thirds (63%) of prospective first-time buyers say they have already saved more than £5,000 towards a deposit⁶, yet more than half (58%) believe they will need to save over £20,000 before they can buy⁶.

By lowering the upfront cost, this new mortgage could help many would-be buyers cut years off the time to save a deposit.

How does buying a home build long-term financial security?

In many parts of the country, monthly mortgage repayments on a typical first-time buyer home are comparable with, or lower than, average private rents.

But the benefits of ownership go beyond just monthly savings. Buying a home can offer greater stability and security, while allowing owners to gradually build equity rather than paying rent with no long-term return.

Manchester, currently the most popular city in the UK for first-time buyers⁷, provides a useful example.

- The average first-time buyer property price in Manchester is £236,000⁸
- With a £5,000 deposit, fixed for five years at an interest rate of 5.89%⁴ over a 35-year term, monthly repayments would be around £1,300⁶
- This compares with an average private rent in the city of £1,347 per month⁸
- At the end of the five-year fixed period, the homeowner could have added around a further £11,500 of equity, reducing the LTV to below 95% even if house prices remained flat

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What's the average first-time buyer property price in each region?

Region	Price ¹⁰
East Midlands	£204,687
Eastern England	£274,631
Greater London	£464,646
North East	£143,928
North West	£201,120
Northern Ireland	£195,981
Scotland	£168,793
South East	£302,396
South West	£241,949
Wales	£198,283
West Midlands	£219,581
Yorkshire and the Humber	£173,720

Source: Halifax House Price Index, as at March 2026

How can first-time buyers get access to free online events?

Lloyds is running a series of free online events for first-time buyers, designed to explain the basics of saving for a first home and the key steps in the home-buying journey. The sessions are open to everyone, not just Lloyds customers, and are led by mortgage experts.

To attend a session, simply register here: <https://branches.lloydsbank.com/events/first-time-buyers>

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Notes to editors

The information contained in this release is intended for the sole use of journalists and media professionals. Any mortgage figures or calculations included are illustrative examples only and are not intended to constitute financial advice or provide an indication of customer outcomes. Mortgage customers or applicants should refer to the [Lloyds website](#) for full details, including terms and conditions, eligibility criteria, and how to obtain regulated advice.

You could lose your home if you don't keep up your mortgage repayments.

References:

- 1) Maximum LTV is 98.34%.
- 2) Statistic taken from BSA research: <https://www.bsa.org.uk/media-centre/press-releases/mortgage-flexibility-starts-to-reduce-barriers-for-first-time-buyers>
- 3) 37% of prospective first-time buyers are receiving financial help from family towards buying their first home. Figure based on research carried out by OnePoll on behalf of Lloyds, which surveyed 2,000 UK adults who are prospective first-time buyers. Survey conducted from 17th to 21st July 2025.
- 4) The interest rate available to eligible applicants when the product launches on 18th May will be 5.89% and will remain subject to change thereafter.
- 5) Average age of first-time buyer based on Lloyds Banking Group mortgage approval data for the 12 months up to February 2026 and 2016 respectively.
- 6) Average amount saved and expectation of amount required based on research carried out by OnePoll on behalf of Lloyds, which surveyed 2,000 UK adults who are prospective first-time buyers. Survey conducted from 17th to 21st July 2025.
- 7) Previous Lloyds research found that Manchester was most popular location for first-time buyers in the UK.
Source: <https://www.lloydsbankinggroup.com/media/press-releases/2026/lloyds/manchester-tops-list-of-britain-s-first-time-buyer-hotspots.html>
- 8) Average first-time buyer property price and private monthly rent figures taken from data published by the ONS on 22nd April 2026. These reflect the average across all property types and tenures. The comparison between rent and mortgage costs for first-time buyers is illustrative only and not intended to be like-for-like.
Source: <https://www.ons.gov.uk/visualisations/housingpriceslocal/E08000003/>
- 9) The first-time buyer mortgage scenarios referenced are illustrative examples of the monthly repayment amount only. They do not include additional costs such as legal fees, nor other ongoing costs associated with homeownership. Mortgage calculations are based on a five-year fixed-rate mortgage at 5.89% with a £5,000 deposit and a 35-year repayment term. Actual borrowing amounts, interest rates, and monthly repayments will depend on individual circumstances, including credit history, income, and affordability assessments.
Source: <https://www.lloydsbank.com/mortgages/first-time-buyers/5k-deposit-mortgage.html>
- 10) First-time buyer house price data taken from the Halifax House Price Index as at March 2026. This incorporates mortgage approval data from Lloyds Banking Group – the UK's biggest mortgage lender – including customers of both Lloyds Bank and Halifax. S&P Dow Jones Indices acts as administrator for the Halifax House Price Index. S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence.

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