Following the publication of the consultative document ‘Revisions to the Standardised Approach’ we have considered the impacts of the proposed changes and can confirm that we fully endorse the comments made by the trade bodies, the Council of Mortgage Lenders and the Building Society Association.

In particular we consider the proposal to apply the original loan-to-value and debt-service coverage ratio discriminates against lenders who retain their customers as any reduction in their risk profile is not recognised. It also discriminates against the customer themselves.

We also consider the proposal to risk weight buy-to-let lending at 100% (paragraph 34 and 35) to be inconsistent with our evidence that buy-to-let lending is no more risky than residential lending and therefore does not warrant such an increased risk weighting.