YHF

YOUR HOME FINANCE

Finance Made Easy

A Guide to Complex Lending

We understand that, if you have a complex income or credit history, you might be concerned about your chances of getting a mortgage. But there are mortgages But there are mortgages to help almost anyone buy, regardless of their circumstances.

Here we look at who might be considered to be a complex borrower and how you could improve your application.

What is a complex mortgage?

A mortgage is considered to be complex if the borrower's financial circumstances are different to that of the average mortgage holder. This could be for a few reasons:

Complex or variable income	Complex or adverse credit history
Lenders usually prefer applicants who receive a fixed salary which is paid in equal instalments, as it is easier to assess if the borrower can afford the mortgage. If your income fluctuates for any reason (e.g. self-employment, gig working or regular bonuses), this is likely to be deemed complex income.	If you have debts or a complex financial history which affects your credit rating, it may be more difficult finding a lender that will accept your application.

Check your credit rating

If you think you might need this type of mortgage, check your credit reports for free now so you have time to make any improvements before applying. Most lenders use one of three main credit reference agencies – TransUnion, Equifax and Experian. Lenders could use any of these agencies, so it is advisable to pull a report from each.

Lenders do not advertise a minimum credit score, as they consider each applicant on a case-by-case basis. However, the higher your credit rating, the more likely it is that your application will be accepted.

Get your affairs in order

No matter where you are now, there are always steps you can take to improve your mortgage application.

— Spending

The last six years[1] of your financial history is used to calculate any future risk when it comes to borrowing. Even if you do not have a perfect rating, you can show that you are able to meet the monthly mortgage repayments by paying all your bills on time. If possible, repay your credit card bill in full and try not to max it out. If you have any existing loans, consider paying off as much as you can by making overpayments.

Most lenders carry out a stress test to check borrowers could still make payments if mortgage rates were to increase. Rules around this have been relaxed to increase affordability, but any savings you can build up will still help to prove you that you could make ends meet. Gambling and other habits that are considered non-essential are likely to be considered as red flags.

[1] Experian

— Go through old accounts

Any discrepancies in information could be a cause for concern in the eyes of a lender, so make sure all your old accounts have been updated with your current address. If you are no longer using some accounts, consider whether keeping them open would strengthen or weaken your mortgage application. For example, if you've had a credit card for a while, the longstanding financial relationship could prove your reliability if you have kept up with payments. However, an old joint account with someone you are no longer financially linked to could put your credit score in jeopardy.

— Maximise your deposit

The more you can put down as a deposit, the lower the loan to value (LTV). The lower the LTV, the less of a risk you will be in the eyes of a mortgage lender as you have a smaller loan to repay and are less likely to owe more than the property's value.

If you have any questions about your credit rating, contact us for advice. Whatever your history, we can help make your property dreams possible.

Complex credit history

Everyone has made mistakes. Unfortunately, even if you are now very financial organised, your history could follow you around, impacting your chances of getting a mortgage. Some such events that affect your credit rating include:

— Being served a county court judgement (CCJ)

— Previously declaring bankruptcy

— A debt default and/or being in arrears

— Having a debt management plan.

Complex income

The job landscape in the UK is evolving, with over one million people entering self-employment since 2020[1]. It can be more difficult for those with a complex income to secure a mortgage, as applicants are less likely to have a steady stream of income. But it is still possible to achieve your homeowning dreams. In some cases, you may even be earning more than the average employed mortgage holder.

Everyone's income is different, but borrowers with complex income include:

- **Self-employed people**
- **Contractors**
- **Those working in creative industries**
- **Relying on rental income**
- **Business owners**
- **Someone with multiple part-time jobs**
- **Gig workers**
- **Fluctuating income due to bonuses, commission and overtime.**

Other complex mortgages

Other circumstances might require you to take out a complex mortgage. For example, if you want to build a property yourself and need to fund the cost, you will probably take out a self-build mortgage. Please refer to our Guide to Mortgages to find out more.

A retirement interest only (RIO) mortgage is an alternative to equity release for homeowners who want to borrow against the value of their home. It may be an option for those who no longer qualify for a standard mortgage, as you just repay the interest each month. A RIO mortgage is only available to those over a certain age – usually 50 or 55. Please refer to our Guide to Equity Release for more information.

Contact us

Your complex income or credit history shouldn't stop you from owning the home of your dreams. We're able to access a range of mortgage products, advise on government schemes that could help and guide you through the application process, just get in touch.

[1] **Commons Library, 2025**

Your home may be repossessed if you do not keep up repayments on your mortgage.
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