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Mortgage Market Review: “Hard-Wired Common Sense?”

Sarah Nield

Abstract

The financial crisis triggered a major rethink of neo-liberal notions of rational decision-making within mortgage markets. In the UK, the Mortgage Market Review conducted by the Financial Services Authority provided this rethink and has resulted in a shift in responsibility in mortgage sales onto mortgage providers which has been hailed as “hard-wired common sense.” This article argues that the common sense within the sales process is of limited utility unless matched by a coherent fit with responses to the consequence of mortgage default and overall housing policy. Common sense will only be achieved by formulating effective safety nets and housing alternatives which reflect an appropriate balance of responsibility between all stakeholders.

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