

Broker vs Lender Routes Compared

Which route is the better fit when you are looking for finance?

When people look for funding, especially mortgages and property-related borrowing, one of the first route decisions is whether to go through a **broker** or go **direct to a lender**. That sounds like a simple distribution choice, but it can materially affect the range of products you see, the advice you receive, the fees you pay and how much legwork lands on your desk. Under FCA rules, firms have to make clear whether they offer products from across the market or only from a limited number of lenders, which is one of the key differences customers need to understand early on.

The short version is this: a **broker route** can be stronger where you want guidance, broader market access or help with more complex circumstances, while a **direct-to-lender route** can be stronger where your case is straightforward and you are comfortable dealing with one lender's products yourself. But there is no universal winner, because some deals are broker-only, some are direct-only, and not every broker covers the whole market.

What is the broker route?

A **broker route** means you use a mortgage or finance intermediary to help identify and arrange a product. In the mortgage space, brokers must be authorised by the FCA or operate as appointed representatives of an authorised firm. FCA material also makes clear that mortgage brokers must be able to deliver good outcomes for retail consumers.

In practice, a broker may help with:

- identifying suitable lenders
- comparing products
- explaining eligibility issues
- packaging the application
- managing the process between borrower, lender and often solicitor or valuer

That does not mean every broker works the same way. Some are whole-of-market, some use a restricted panel, some charge fees, some do not, and some will discuss direct-only deals while others will not. FCA disclosure rules require firms to say whether they offer products from across the market or from a more limited panel. Which? also notes



that some deals are only available through brokers, while others are only available directly from lenders.

What is the direct-to-lender route?

A **direct-to-lender route** means you go straight to a bank, building society or other lender and apply using that lender's own channel, such as online, by phone, in branch or through its internal advisers. UK Finance notes that many lenders allow customers to complete product transfers online, by phone or by post on an execution-only basis, which shows how established direct channels are in the market.

This route can work well where:

- your borrowing need is straightforward
- you already know which lender you want
- you are comfortable comparing products yourself
- you are staying with your current lender for a product transfer
- you do not need wider market scanning or complex case placement

The catch is obvious: you only see that lender's range. If another lender has a better fit, you will not see it unless you do the comparison work yourself or use an intermediary. Which? also points out that some mortgages are direct-only, which is one reason some borrowers still check lenders themselves even if they are also using a broker.

The core difference

The simplest way to frame it is this:

The **broker route** is about **market navigation, advice and placement support**. The **direct-to-lender route** is about **dealing with one lender's own range and process**.

That is the real commercial split: **broader search and support versus direct control and single-lender simplicity**.

Side-by-side comparison

1. Range of products

Broker route

A broker can often access a wider range of lenders and products than a single lender can obviously offer on its own. But there is an important qualification: not all brokers are whole-of-market, and FCA rules require them to disclose whether they offer products



from across the market or only from a limited number of lenders. Which? also notes that some mortgages are only available through brokers.

Direct-to-lender route

You only see the products of the lender you approach. That can be fine if the lender is competitive for your circumstances, but it is narrower by definition. Which? notes that some products are direct-only, so this route can still uncover deals a broker may not place.

Best for:

- Broker: borrowers wanting broader search coverage
- Lender: borrowers already focused on a particular lender or checking direct-only deals

2. Advice and guidance

Broker route

This is where brokers often earn their keep. FCA advising and selling standards set conditions around entering into or varying regulated mortgage contracts, and brokers are part of that advice ecosystem. For customers who want help understanding options, eligibility, affordability presentation or documentation, a broker route can add real value.

Direct-to-lender route

Some lenders offer advice, while some journeys are more execution-only, especially for product transfers. UK Finance notes that many lenders let customers complete product transfers online, by phone or by post on an execution-only basis. That can be efficient, but it is not the same as shopping the wider market with an adviser.

Best for:

- Broker: people wanting guidance and recommendation support
- Lender: confident borrowers happy to assess one lender's route directly

3. Speed and simplicity

Broker route

A good broker can save time by narrowing the field and packaging the case properly, especially where the application is not vanilla. But there is still another party in the chain, so the route is not automatically faster in every simple case. This is a reasonable inference from how intermediation works and from the fact that lender execution-only channels can be very streamlined.



Direct-to-lender route

For straightforward applications, especially product transfers or clean standard cases, going direct can be very efficient. UK Finance specifically highlights the availability of fast lender-run product transfer channels.

Best for:

- Broker: cases needing sorting, positioning or explanation
- Lender: straightforward cases where speed and simplicity matter

4. Fees and cost structure

Broker route

Some brokers charge fees and some do not. Which? states that some mortgage brokers charge fees while others do not, and not all can access every deal. So the broker route can add cost, but not always, and that cost needs to be weighed against the value of broader search and support.

Direct-to-lender route

Going direct can avoid broker fees, but that does not automatically mean the overall deal is cheaper. A cheaper process can still lead to a more expensive product if the lender's deal is not the best fit. That last point is an inference, but a commercially sensible one when comparing distribution routes.

Best for:

- Broker: borrowers who value advice enough to justify any fee
- Lender: borrowers focused on keeping transaction costs lean

5. Complex cases

Broker route

This is often where a broker route becomes more attractive. If the case involves unusual income, credit blips, self-employment, non-standard property, complex ownership or specialist lending, a broker may be better placed to identify a lender whose criteria actually fit. This is an inference, but a grounded one given the role brokers play in lender selection and case placement.

Direct-to-lender route

A direct route can still work for complex cases, but you are effectively betting on one lender's appetite and criteria at a time unless you do a lot of research yourself. That can be slower and more frustrating if the case is niche.



Best for:

- Broker: non-standard or specialist cases
- Lender: simple, standard cases with predictable criteria fit

6. Product transfers and existing lender deals

Broker route

A broker can still advise on whether staying put makes sense, but the product itself may be limited to your current lender if you are doing a product transfer. UK Finance says many lenders make product transfers accessible directly and execution-only. Which? also notes the main drawback of a product transfer is limited choice because you only access your current lender's rates.

Direct-to-lender route

This is often the cleanest route for a product transfer if you already know you want to stay with your current lender and the lender offers a straightforward transfer process.

Best for:

- Broker: borrowers wanting to compare staying put versus remortgaging elsewhere
- Lender: borrowers happy to review and accept their existing lender's transfer options

7. Market visibility and blind spots

Broker route

A broker may give you access to broker-only products, but Which? notes brokers have no obligation to tell you about direct-only deals. So the broker route can widen the field in one direction while still missing some lender-direct products unless the adviser chooses to discuss them.

Direct-to-lender route

A direct route shows you one lender's direct deals, including any direct-only products, but leaves you blind to the rest of the market unless you shop around manually.

Best for:

- Broker: access to intermediary-only areas of the market
- Lender: access to a lender's own direct-only range



When the broker route may make more sense

The broker route may be the stronger option if:

- you want advice and support
- your case is complex or unusual
- you want help comparing multiple lenders
- you do not have time to research the market properly
- you want someone to package the application and navigate the process
- the lending area is specialist or criteria-sensitive

That is usually where the broker route has the strongest ROI. Not because brokers are magic, but because complicated borrowing is rarely improved by guesswork in a nice shirt.

When the direct-to-lender route may make more sense

The direct-to-lender route may be the stronger option if:

- your case is straightforward
- you are confident comparing products yourself
- you are pursuing a product transfer with your current lender
- you want to avoid broker fees
- you have already identified a lender whose products suit your needs
- you want to check direct-only deals for yourself

For simpler cases, this route can be leaner and perfectly sensible. No drama, fewer moving parts, and less chance of turning a straightforward application into a committee meeting.

Common mistakes people make when comparing broker and lender routes

Assuming all brokers are whole-of-market

They are not. FCA disclosure rules require firms to state whether they offer products from across the market or only from a limited panel.

Assuming going direct is always cheaper



It may save a broker fee, but it does not guarantee the best product outcome. Some direct deals may be competitive, but a single-lender route is still only one slice of the market.

Forgetting about direct-only and broker-only products

Which? says some mortgages are only available through brokers, while some are only available if you apply directly.

Using a direct route for a complex case without enough criteria knowledge

That can lead to wasted time and avoidable declines. This is an inference, but a fair one given how lender-specific criteria can be.

Treating product transfers as automatically best

UK Finance highlights how accessible product transfers are, but Which? points out their main drawback is limited choice because you only see your current lender's range.

Questions to ask before deciding

Before choosing between broker and lender routes, ask yourself:

- Do I want advice, or am I comfortable proceeding more independently?
- Is my case straightforward or non-standard?
- Does the broker cover the whole market or a restricted panel?
- Are there any broker fees, and what service do they cover?
- Am I checking for both broker-only and direct-only deals?
- If I stay with my current lender, am I choosing convenience over wider choice?

Comprehensive conclusion

There is no automatic winner between the **broker route** and the **direct-to-lender route** because they do different jobs.

A **broker route** is often the better fit where the borrower wants support, wider market coverage, or help placing a more complex case. FCA rules require clarity on whether a firm offers products from across the market or a limited panel, which is crucial because not all brokers offer the same reach. A good broker can add genuine value by matching the case to lender criteria and guiding the process from enquiry to offer.

A **direct-to-lender route** is often the better fit where the borrower has a straightforward case, wants to deal directly with one institution, or is reviewing a product transfer with an existing lender. UK Finance notes that many lenders already provide accessible



direct channels for product transfers, and that can be commercially efficient where broader advice is not needed.

In practical terms, the decision usually comes down to four things:

First, complexity.

The more non-standard the case, the more useful a broker often becomes.

Second, market access.

Brokers can widen the search, but some are restricted, and some direct-only deals sit outside the intermediary route.

Third, service versus cost.

A broker may charge a fee, but that fee may buy expertise, time savings and better placement. Going direct may be cheaper operationally, but narrower strategically.

Fourth, confidence.

If you know what you are doing and your case is clean, direct can work well. If the case is messy, niche or high-stakes, extra guidance may be worth its weight in aspirin. That last bit is my inference, but the logic is sound.

In plain English, **the broker route is often better for choice, support and complex cases**, while **the direct-to-lender route is often better for simplicity, product transfers and confident borrowers with straightforward needs**. The smart move is not picking a side like it is a football rivalry. It is using the route that best matches the complexity of the job.

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