PROPERTY SPINE · THOUGHT LEADERSHIP

Accountable automation. The next mortgage operating model

How AI agents, automated valuation and human judgement could share the work of a mortgage decision without blurring who is responsible.

October 2026. Discussion paper. Proposed programme.

Evidence reviewed 11 October 2026. Read time 30 to 36 minutes.

Scope updated 11 October 2026.

Mortgage lending is moving from manual case handling towards automated routes for suitable cases. Some lenders already report offers within minutes for eligible applicants, while professional standards for responsible AI took effect in 2026. The question is no longer whether automation will grow, but how firms keep decisions explainable and accountable as it does.

This paper describes an operating model in which AI agents gather, summarise and flag, automated valuation routes are chosen by lender policy and people retain authority over every material decision. It sets out new roles, the controls that make human oversight real and the measures that show whether the change helps customers.

It is a discussion paper on direction. Property Spine currently demonstrates these ideas with synthetic cases only.

Audience. Chief operating, credit, risk and compliance officers, underwriting leaders, broker networks, valuation specialists, technology teams and customer-outcome owners.

Commercial summary

- Automate the routine where evidence is clean and policy is clear.
- Escalate the uncertain so people spend time where judgement matters.
- Explain every outcome from the record, including when the answer is no.

These are operating-model hypotheses to test, not measured results.

Part one. Speed is already here for some cases

The fastest mortgage journeys have changed what customers and brokers expect. In November 2025, Nationwide reported that more applicants were receiving mortgage offers within 20 minutes of starting their application, supported by automated income verification and automated valuations. Nationwide did not disclose the number or percentage of applicants achieving that turnaround. [16] The same lender statement identifies income verification as one contributor. It does not quantify how much of the reported speed comes from borrower data rather than property evidence. [16]

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That is one lender’s reported experience for eligible cases. It is not a market average and it does not show that every mortgage, property or customer can follow the same route. The useful question for other lenders is where their own delay sits.

- Property evidence and valuation routing.
- Borrower income and affordability checks.
- Hand-offs between brokers, systems and teams.
- Referrals that wait for information nobody has requested yet.

Automated valuation is part of the picture. LSL reports that automated valuation models account for about 25% of UK residential valuations, typically for lower loan-to-value lending. [12] The figure is a provider estimate, and choosing which cases suit an automated route remains a lender policy decision.

The market is large enough that operating-model choices matter. The FCA and Bank of England report £77.4 billion of gross residential advances in Q2 2026 alone. [1]

Speed for some cases raises expectations for all of them. When a customer or broker sees an offer in minutes for one application, a two-week wait for another feels like a failure even when the case is genuinely complex. The operating model must therefore explain why a case is taking longer, not only make easy cases faster.

The volume of repeat decisions is rising. UK Finance forecasts £300 billion of gross lending in 2026, including £77 billion of external remortgaging, alongside a separate £261 billion of product transfers excluded from gross lending. [27] These are forecasts rather than realised lending. Clean refinancing cases are a candidate starting point for controlled testing, not proof that most cases can be automated.

Where the time goes is the first analytical task. The government roadmap reports around 120 days from accepted offer to completion for purchases. [13] Only part of that sits with the lender, so an honest operating model separates lender-controlled time from chain, legal and valuation time before claiming any improvement.

Part two. From tools to agents

Early AI in lending meant single tools, such as document extraction or a chat assistant. The next step is agent-like workflows that collect permitted information, compare sources, draft requests and prepare a case for review. That brings more value and more risk, because an agent can act across several steps before a person looks.

Agents should be given bounded work rather than authority.

- Agents may gather permitted sources, summarise with citations, extract facts for checking and flag conflicts.
- Agents may draft a consolidated request to a broker or a plain-English customer update for approval.
- Agents may not set policy, assess affordability, choose a valuation route, send customer messages unapproved or issue an offer.

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- People review every material output, can override it and remain accountable.

Professional standards are moving the same way. The RICS global standard on responsible use of AI in surveying practice took effect on 9 March 2026, covering governance, professional judgement, transparency and client communication. [5] It places automated outputs inside a governed process with an accountable professional.

These are proposed operating boundaries for discussion, not a statement of what the law permits every lender to automate.

Adoption across financial services is already broad. The Bank of England and FCA report that 75% of surveyed firms were using AI in 2024, with a further 10% planning to within three years. 55% of use cases involved some automated decision-making but only 2% were fully autonomous. [20] Most firms are therefore already operating somewhere between assistance and autonomy, which is exactly where accountability is hardest to design.

The same survey found that only 34% of firms reported complete understanding of the AI they use, against 46% with partial understanding, largely because of third-party models. [20] For mortgage decisions that gap matters, because a reviewer cannot challenge what nobody can explain.

Part three. New roles in the operating model

Automation changes the work people do rather than removing the need for them. Four roles become more important.

- Evidence steward. Owns the evidence map for a journey, including sources, freshness rules and permitted use.
- Decision reviewer. Inspects flagged cases, challenges AI output and records a rationale for every material decision.
- Model and agent owner. Tracks versions, monitors grounding failures and can pause an agent when it misbehaves.
- Customer-outcome owner. Checks that explanations are understood, support needs are met and declines are explained early.

Brokers gain a clearer role too. One consolidated request and a realistic next-update date replace a sequence of piecemeal queries. Customers benefit through the lender and broker workflow rather than through a separate system they must learn.

Accenture reports that only one in ten UK organisations had scaled AI or embedded it into core operations, and 46% of executives reported little profit-and-loss impact so far. [10] Redesigning roles and decisions, rather than adding tools to an unchanged process, is one plausible reason some firms move further than others.

The roles need authority as well as titles. An evidence steward who cannot block an unpermitted source, or a model owner who cannot pause an agent, is a reporting line rather than a control. Each role should have a defined decision it can make, a defined escalation path and a record of when it acted.

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The Bank of England and FCA survey reports that 84% of firms had a person accountable for AI. [20] The next step is accountability at the level of each decision pathway, so that a specific person owns how an agent is used in, for example, remortgage valuation routing.

Part four. Existing rules and proposed changes

Accountable automation does not need a new rulebook to begin. Several existing frameworks already describe what good looks like, although each has its own scope and none should be assumed to apply to every firm or case.

- Model risk. The PRA's SS1/23 sets five principles covering model identification, governance, development and use, independent validation and risk mitigants, including AI and machine-learning techniques. [21] The April 2026 amended statement applies to regulated UK-incorporated banks, building societies and PRA-designated investment firms with internal model approval for regulatory capital, yet its principles are a useful benchmark for other lenders.
- Automated decisions. The government summary of the Data (Use and Access) Act describes safeguards for solely automated significant decisions, including information, challenge and human intervention. [23] It is a summary, not ICO guidance or legal advice.
- Professional judgement. The RICS standard on responsible AI requires governance, professional judgement and transparency in surveying practice. [5]
- Customer outcomes. Consumer Duty, where it applies, frames products and services, price and value, consumer understanding and consumer support. [8]
- Responsible lending. The FCA's CP26/18 consultation of June 2026 proposes more flexibility for variable incomes, older borrowers and past credit difficulties while stating that the duty to check affordability remains. [29] These are proposals, not final rules. If adopted, wider eligibility could bring more non-standard cases requiring appropriate review. The consultation page showed no final policy statement when reopened on 11 October 2026.

Taken together these point to the same design. Know which models and agents are in use, assign an owner, validate before reliance, monitor in use, explain outcomes and give people a route to human review. An operating model that records each of these steps as it happens will find assurance easier than one that reconstructs them later.

Third-party dependence is a growing part of the picture. The Bank of England and FCA report that a third of AI use cases were third-party implementations in 2024, up from 17% in 2022. [20] Lenders using external models or agents remain accountable for the outcome and should require version, validation and incident information from suppliers.

Part five. Making human control real

Human oversight can easily become a rubber stamp. Signs that control is real include the following.

- The source sits beside each extracted fact and can be checked in seconds.
- Reviewers can reject or amend outputs, with independent sampling to check that acceptance is justified.
- Insufficient evidence produces an escalation, not a confident guess.

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- Model, prompt and agent versions are recorded with each reviewed output.
- A changed fact or expired permission reopens the affected decision.

Customer trust depends on this discipline. Deloitte reports that 63% of UK consumers had used a generative AI application by May 2026, yet 27% of AI users did not recognise the risk of factual inaccuracies. [6] EY reports that 74% of UK respondents had used AI recently but only 14% were comfortable relying on fully autonomous, agent-led systems. [9] These are surveys across AI contexts rather than mortgage-specific findings, but they point the same way. Our design hypothesis is that visible human accountability could improve trust. These surveys do not establish that effect in mortgage lending.

Explainability should work for three audiences. A customer needs a plain reason and a next step. An auditor needs to trace evidence, rules and reviewer decisions. A regulator needs to see that controls operated as designed. The record should answer all three without reconstruction.

Override data is one signal of oversight, not proof by itself. Low disagreement may reflect accurate outputs or a low-risk case mix, as well as weak review. Firms should interpret amendment rates alongside independent sampling, missed conflicts and case complexity rather than target a fixed rate.

Part six. Where the operating model could lead

If the controls hold, the shape of a lender could change over the rest of the decade. These are possibilities to debate, not predictions.

- Triage by evidence quality. Cases with clean, current and permitted evidence move through an approved route while uncertain cases reach an experienced reviewer sooner.
- Fewer hand-offs. One consolidated request replaces several rounds of broker queries, and the next-update date becomes a commitment that is tracked.
- Continuous assurance. Model versions, source freshness and reviewer overrides are monitored as they happen rather than sampled months later.
- Reusable evidence. A checked property record supports the next remortgage, product transfer or further advance under its own permissions, rather than being rebuilt.
- Shared standards. Common data languages such as the OPDA schema could reduce translation effort between lenders, brokers, valuers and conveyancers. [18]

Each possibility carries a matching risk. Triage can entrench bias if poorly recorded properties always fall into slower routes. Fewer hand-offs can hide problems if the consolidated request omits a material conflict. Continuous monitoring can create noise that reviewers learn to ignore. The operating model should be tested against these failure modes as deliberately as against its benefits.

Policy direction supports earlier and more structured property information. The June 2026 government roadmap points towards upfront information and digital property logbooks, and OPDA reports strong consultation support for both. [13] [2] Lenders that design their operating model around governed evidence now would be better placed to use that information as it arrives, without assuming reform will deliver on a fixed timetable.

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Public infrastructure is automating too. HM Land Registry plans to automate some high-volume applications, starting with residential mortgages. [31] If registration steps become faster, lender-side evidence and review will become a larger share of the remaining delay.

Supervised experimentation will shape how quickly this happens. The FCA reports that its second AI Live Testing cohort includes agentic AI use cases and firms such as Barclays, Experian and Lloyds Banking Group. [24] Lenders that can show controlled, well-documented testing are likely to find adoption easier than those that move from pilot to production without evidence.

Part seven. Customer outcomes as the test of success

Speed only counts as progress if customers are better served. Consumer Duty, where it applies, frames outcomes around products and services, price and value, consumer understanding and consumer support. [8] Its applicability depends on the product, activity and customer and should be assessed rather than assumed.

Questions worth testing for each journey.

- For a first-time buyer, does automation reduce uncertainty and repeated requests?
- For a remortgaging homeowner, is progress more predictable and better explained?
- For a landlord, are rental and property requirements clarified earlier?
- For customers with support needs, are referrals and explanations still appropriate?

Faster declines can be a good outcome when they are fair and explained, because they let customers seek other options without wasted cost. A faster pathway must also avoid excluding people whose properties or circumstances are unusual.

Customer trust in automation cannot be assumed. EY reports that only 14% of UK respondents were comfortable relying on fully autonomous agent-led systems. [9] A model in which people remain visibly accountable, and customers can ask for human review, is more likely to match what customers say they want.

Part eight. A worked illustration

A synthetic remortgage case shows how the pieces fit. The illustration uses invented facts and does not describe a real lender, customer or result.

- Gather. An agent assembles permitted property and account evidence and notes that the energy certificate has been replaced since the original loan.
- Compare. It flags that the lease length recorded at purchase now falls closer to the lender’s policy threshold.
- Route. Lender policy, not the agent, decides that the case is unsuitable for an automated valuation route because of the lease position.
- Request. The agent drafts one consolidated request to the broker for the lease extension terms, which the broker approves before sending.
- Review. A decision reviewer checks the evidence, records a rationale and decides whether the case can proceed.

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- Explain. The customer receives a plain-English reason for the extra step and a realistic next-update date.

The intended benefit is a clearer request and less avoidable waiting than a sequence of separate queries. No timing comparison has been measured for this invented case. Every step is attributable to a source, a rule or a named person, which is what makes the speed defensible.

Part nine. Measuring the change

An operating model should earn the right to scale. Agree measures and stop conditions before any change is tested.

- Application-to-offer time for comparable cases, with referral time shown separately.
- Manual touches and repeat requests per case.
- Unsupported AI statements and missed material conflicts found in review.
- Reviewer override rate and the reasons recorded.
- Customer understanding of the next step and complaints linked to the pathway.

Define the clock before the intervention, keep decision in principle, valuation turnaround and completion separate and report purchase, remortgage and product-transfer cohorts on their own. Use a staged design with independent quality review rather than a single headline figure.

The opportunity is significant and the path is practical. Start with one journey and synthetic cases, prove the controls, then test with authorised data. Property Spine currently demonstrates this approach with synthetic data only. Real benefits remain to be measured.

A simple scorecard keeps the evaluation honest.

- Speed. Time to offer for comparable cases, with lender-controlled time shown separately.
- Quality. Grounding errors, missed conflicts and post-offer corrections.
- Control. Override rate, escalation rate and time to resolve escalations.
- Outcomes. Customer understanding, complaints and outcomes for customers with support needs.

A change that improves speed while worsening quality or outcomes should not scale, however attractive the headline.

Outcome measures

Speed for suitable cases. Time to offer for comparable eligible cases against a baseline.

Control quality. Grounding errors, missed conflicts and reasoned overrides.

Customer outcomes. Understanding, repeat requests, support and complaints.

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Sources and evidence notes

External facts inform the discussion. Supplier statements, survey findings and government ambitions are not Property Spine performance results. Linked references retain reporting periods and limitations.

[1] FCA and Bank of England. Mortgage lending statistics. September 2026

Published 8 September 2026. Reporting period Q2 2026. Reopened 11 October 2026.

Regulatory MLAR returns from around 340 regulated lenders and administrators. £1,760.6 billion is outstanding residential mortgage stock and £77.4 billion is gross advances. These are market measures, not offer-processing outcomes. The source page changes with subsequent releases.

[2] Open Property Data Association. A once-in-a-generation moment for home buying reform, but what comes next?

Published 9 July 2026. Reports the consultation preceding the June 2026 roadmap. Reopened 11 October 2026.

OPDA reports 1,133 responses, comprising 560 individuals and 573 organisations or professionals. The 79% and 82% figures describe consultation agreement, not population estimates or achieved time savings. The article is an industry-body interpretation of reform.

[5] RICS. From discussion to practice. RICS first-ever standard on responsible AI use is now in effect

Published 18 March 2026. Standard effective from 9 March 2026. Reopened 11 October 2026.

Professional-body publication describing a mandatory standard for RICS members and regulated firms. It covers governance, professional judgement, transparency and responsible development of AI. It does not report AVM adoption rates or lender outcomes and does not itself regulate mortgage lenders.

[6] Deloitte. Digital Consumer Trends 2026. UK edition

2026 edition. Findings refer to May 2026. The live page does not establish an exact publication date. Checked 11 October 2026.

Consultancy-reported UK consumer survey. 63% had ever used generative AI, 10% used it daily and the 27% finding concerns AI users and recognition of factual inaccuracy risk. Different denominators must be retained. These are not mortgage-customer results or measured underwriting error rates.

[8] Financial Conduct Authority. FG22/5. Final non-Handbook guidance for firms on the Consumer Duty

Published July 2022. Standing regulatory guidance reopened 11 October 2026.

Chapter one explicitly sets out the four outcomes and chapter two explains scope. The outcomes cover products and services, price and value, consumer understanding and consumer support. Applicability depends on the relevant activity and retail customer. This is not a new 2026 publication or evidence that every buy-to-let case is in scope.

[9] EY. UK embraces AI at scale, with trust and governance rising up the agenda

Published 5 May 2026. AI Sentiment Index 2026. Reopened 11 October 2026.

Consultancy-reported survey of 15,000 people across 15 countries, including 1,000 UK consumers. The UK figures of 74% recent use and 14% comfort with fully autonomous systems are attitudes across AI contexts. The publication does not give a mortgage-only sample or precise fieldwork dates.

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[10] Accenture. Widespread AI adoption in the UK has yet to scale into productivity gains across organisations

Published 20 April 2026. Fieldwork February to March 2026. Reopened 11 October 2026.

Two surveys cover 1,891 UK employees and 510 business leaders across the UK and Ireland. One in ten scaled organisations and 46% reporting little profit-and-loss impact are consultancy-reported findings, not audited mortgage gains. The report also contains scenario-based projections that are not treated here as realised outcomes.

[12] LSL Property Services plc. Update on Data and Automated Valuation Model for Surveying and Valuation Division

RNS Reach announcement published 13 January 2026. Reopened 11 October 2026.

Company-reported estimate that AVM products account for about 25% of residential valuations, typically for lower loan-to-value lending. The source is a valuation provider describing its own new market segment. No method, period or regulator data is given, so the figure is treated as indicative only.

[13] GOV.UK. Ministry of Housing, Communities and Local Government. Home buying and selling reform roadmap

June 2026 reform roadmap. Parent consultation last updated 19 June 2026. Roadmap reopened 11 October 2026. The roadmap page does not separately display its first publication date.

Government statement that completion takes around 120 days after an accepted offer, that the journey is around 60% longer than in 2007 and that around one in three transactions fall through. These are government descriptions of the market, not a measure of mortgage-offer time.

[16] Nationwide for Intermediaries. Financial Adviser Service Awards 2025

Published 21 November 2025. Nationwide reference checked 12 October 2026.

Nationwide reports that more applicants receive mortgage offers within 20 minutes of starting their application, alongside automated income verification and automated valuations. No count, percentage, measurement period or definition of fully touch-free processing is supplied for these offers. The separate ‘at least 20%’ statistic concerns automated income verification.

https://www.nationwide-intermediary.co.uk/news/fasa-2025

[18] Open Property Data Association. OPDA launches v3.5 schema with new functionality to streamline transactions

Published 16 September 2025. Reopened 11 October 2026.

Industry-body announcement of a data-standard update that includes standardised survey and valuation information. A shared schema supports a common language. It does not grant access to data, establish reliance rights or remove valuation and inspection requirements.

[20] Bank of England and Financial Conduct Authority. Artificial intelligence in UK financial services. 2024

Published 21 November 2024. Reopened 11 October 2026.

Joint regulator survey of UK financial services firms. 75% were using AI and a further 10% planned to within three years. 55% of use cases had some automated decision-making and 2% were fully autonomous. 84% of firms reported an accountable person for AI, 34% reported complete understanding of the AI they use and 46% partial understanding. Cross-sector firm responses, not mortgage-only results.

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[21] Prudential Regulation Authority. SS1/23. Model risk management principles for banks

Originally published 17 May 2023. Current amended version published and effective 23 April 2026. Checked 11 October 2026.

Supervisory statement setting five principles covering model identification and classification, governance, development and use, independent validation and risk mitigants, including AI and machine-learning techniques. Formally applies to regulated UK-incorporated banks, building societies and PRA-designated investment firms with internal model approval for regulatory capital. Others may find it useful but it is not a requirement for every lender.

[23] GOV.UK. Department for Science, Innovation and Technology. Data (Use and Access) Act 2025. Data protection and privacy changes

Published 27 June 2025. Checked 11 October 2026.

Government summary, not ICO guidance or legal advice. Describes a more permissive framework for solely automated significant decisions with safeguards including information about the decision, the ability to make representations and challenge it and the ability to obtain human intervention.

[24] Financial Conduct Authority. FCA announces second cohort for AI Live Testing

Published 21 April 2026. Reopened 11 October 2026.

Regulator announcement of eight further firms testing AI applications with FCA support, including agentic AI use cases, and of a planned good and poor practice report on AI later in 2026. Participation is supervised testing, not regulatory approval of any product.

[27] UK Finance. Mortgage lending in 2026. A mid-year health check

Published 1 September 2026.

Trade-body forecast that external remortgaging rises 10% to £77 billion, product transfers rise 2% to £261 billion and total gross lending rises 4% to £300 billion in 2026, with house purchase broadly flat. These are forecasts, not outturns. Product transfers are reported separately and are excluded from gross lending. Original publisher text checked through a cached copy and companion UK Finance forecast release on 11 October 2026 because direct automated access was blocked.

[29] Financial Conduct Authority. CP26/18. Mortgage rule review. Supporting first-time buyers and underserved consumers

Consultation opened 9 June 2026 and closed 28 July 2026.

Proposals covering interest-only, retirement interest-only, variable and irregular income, foreign currency, credit-impaired and bridging lending. The FCA states the proposals keep responsible lending requirements and the duty to check affordability. Feedback and a policy statement were expected in the second half of 2026. The reopened consultation page showed no final policy statement on 11 October 2026. Proposals, not final rules.

[31] HM Land Registry. HM Land Registry Business Plan 2026+

Published 31 March 2026. Reopened 11 October 2026.

States an intention to automate some of the highest-volume applications, starting with residential mortgages, and to modernise systems and data. A plan, not a delivered result.

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