

Capita renews mortgage contract with The Co-operative Bank

Thursday 31 October 2019

Capita plc (Capita) announces today that it has renewed its contract with The Co-operative Bank p.l.c. (the Bank) to run its mortgage servicing operation in the UK and to continue to support the Bank's digitally enabled transformation which will further strengthen its customer focus.

The renewed contract is worth up to £141m over six years, of which £107m is incremental to Capita's current contract with the Bank and begins on 1 November 2019. Capita's existing contract with the Bank for its mortgage servicing operation was signed in August 2015 and was due to conclude in 2020.

The scope of the renewed contract includes Capita continuing to run a full range of mortgage services – from initial enquiry and application, all the way through to mortgage maturity.

Consistent with Capita's strategy to focus on its core competencies in digital transformation, there will also be renewed focus on redesigning and simplifying processes and systems to enhance the end customer's experience, increase productivity and reduce costs. A key element of this contract is the collaborative approach Capita and the Bank are taking to transformation. Capita will also be working alongside a third party implementing an IT platform.

All Capita customer service colleagues will receive enhanced skills development aligned to the Bank's "customer first" principles. This training complements the Bank's goal of ensuring their customers receive the best possible outcomes. Customers will benefit from a simpler and faster mortgage application process, which will support the Bank's drive to improve customer satisfaction scores.

Jon Lewis, Chief Executive Officer of Capita, said: "I am delighted that The Co-operative Bank has chosen to renew our partnership. This is testament to a new Capita which is working more collaboratively with its clients and is strongly aligned to the Bank's values as a responsible business. We look forward to offering an even better mortgage service to The Co-operative Bank's customers that will make the process of securing a mortgage much faster and smoother."

Andrew Bester, Chief Executive Officer of The Co-operative Bank, said,

"Our mortgage business continues to thrive and is central to our future plans for The Co-operative Bank. The service Capita provides our customers is a key element of our success in a competitive market, and we are delighted to be renewing our partnership."

ENDS

Notes to editors:

The total IFRS15 transaction price (order book) for the six-year contract is £141m of which £107m is incremental to the remaining transaction price that would have been recognised on the current contract with the Bank.

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