

Forget Virgin, fly biz class to Europe: MyRate

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Virgin Money's offer of two free air tickets with each mortgage has been rebuked by MyRate.com.au, which claimed Australians could eventually save enough money to fly business class to Europe through the savings they would glean by taking one of their cheaper mortgages.

Virgin Group founder Sir Richard Branson announced the new offer on Sydney Harbour in January, which sees every homeowner who settles with a Virgin Home Loan before 31 May 2007 receive two free economy flights to any Virgin Blue holiday destination in Australia.

Branson cited research that found nearly 20% of Australians are missing out and a further 18% plan to cut back on their holidays on the back of higher living costs, fuelled by increasing interest rates and high petrol prices.

Speaking at the launch, Sir Richard Branson stated: "Aussie homeowners have been doing it tough with an increase in interest rates and high petrol prices, and they deserve a break".

MyRate.com.au said while Branson could be entertaining when it came to flashy product launches, the company claimed Virgin Money's online product was not as cheap as its own offering. "We don't have Virgin's overheads like celebrity-led PR stunts to pay for," he said. "We simply provide online mortgages at dirt cheap prices."

MyRate.com.au said Australians could save up to \$11,000 over the life of a \$300,000 loan if they placed their business with them. This would be enough to purchase a business class airfare to Europe, the online mortgage company said.

Virgin Money's latest promotion follows confirmation in December that the company had begun to recruit face-to-face consultants to help sell its various online financial products. "The team will have instant access across the full range of Virgin Money products including Virgin Super and Virgin Credit Cards as well as a small selected mortgage panel," the company said.

Virgin Home Loans began operation in March 2006.