Equity release and alternative products

A consumer perspective on experiences and outcomes

Final report of findings from qualitative research

March 2022

Financial Services Consumer Panel
An independent voice for consumers of financial services

Savanta

Foreword

At a time when the costs of living are increasing at eye-watering rates, consumers are more likely than ever to be looking for ways to cash in on other assets, such as property.

The equity release market serves the needs of many consumers who wish to benefit from the equity in their homes. Equity release rates are the most competitive and cheapest they've been in years, but equity release itself can be a relatively expensive and potentially high-risk way to raise money requiring later life consumers to make a complex decision with long lasting implications.

Indicators suggested the market grew by 21% in 2018 after consistent growth in previous years, although it has declined slightly in recent years following political and economic uncertainty. The proportion of consumers who purchased equity release to repay debt (unsecured and mortgage) property is increasingly being used as a source of short-term funds for an essential need. Later life consumers may also be increasingly likely to use housing equity as advance inheritance to support younger family members.

This background provides the context to this qualitative research, which we commissioned as part of a larger project that aimed to investigate the way people choose and buy equity release products to meet their later life needs. We present our conclusions and recommendations in our position paper, published separately.

The research presented here was undertaken by research agency, Savanta. The Panel would like to thank Savanta for their work. The Panel would also like to thank the FCA's Mortgage Policy team, senior representatives from The Equity Release Council and their Standards Panel, Key Group, the Society of Later Life Advisors Just Group and the Association of Mortgage Intermediaries for contributing to the initial thinking behind this research and for their feedback on the preliminary findings. However, the conclusions drawn from all aspects of the project and the accompanying recommendations are entirely the responsibility of the Panel.

I would especially like to thank our Panel members, Dr Julia Mundy, Francis McGee and Professor Sharon Collard for their oversight of this research and for their work on the accompanying Position Paper. The Panel would also like to thank previous Panel members Pam Meadows and Teresa Fritz for their contributions and the Panel's Secretariat Team at the FCA for their management of this project.

Wanda Goldwag, Financial Services Consumer Panel Chair

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Executive summary

Overview of the research

Objective

The Financial Services Consumer Panel (the Panel) commissioned qualitative research to explore how the equity release market operates for particular groups of consumers. It was conducted in two phases.

1. The first phase was designed to obtain insights into the perceptions, experiences, and outcomes of consumers who had purchased equity release products from a position of vulnerability with all limited savings or other financial buffers and/or limited income.
2. The second phase was designed primarily to focus on customers who did turn to independent financial advice and who had greater financial resources, so were less financially vulnerable.

Scope & sample

The research programme consisted of **45 in-depth interviews**, each lasting 45-60 minutes and conducted between March and August 2021.

28 participants had purchased an equity release product and 4 had considered it. The remaining 13 participants were family members who had been closely involved during the purchase process and/or afterwards.

The sample aimed to include a mix different genders, ages, UK regions, health issues, ER product types, time periods when the products were taken out and experiences.

More detail on the sample is provided on page 18 and a full list of participants is shown in the appendix.

Model

A parallel piece of work delivered a simple model, designed to provide a high-level comparison of the financial outcomes that might have been obtained by participants had they chosen a different solution

The journey to equity release

This consumer journey to equity release typically lasted two to three months and covered six stages. These stages are presented in detail in parts 3-8 of this report. Each section is colour-coded for ease of reference

Considering equity release

Research and decision-making

Understanding of the product

Seeking professional advice

Reflections after the purchase

Assessment of the outcome

Reasons for considering equity release

Most participants had low financial resilience and had purchased equity release from a position of vulnerability.

All participants for Phase 1 of the research were selected specifically to be this. For example, they were retired, or semi-retired with a state pension only, or had only a small private pension, no or limited savings, debt or an outstanding mortgage.

Equity release products were taken out to provide swift financial relief for them or their loved ones, or to provide a sense of security.

Their home was their main financial asset, and they were proud of it. It felt more like an asset which is communally owned by the wider family, compared to pensions and savings which felt more like individually owned assets.

Friends, family, or acquaintances commonly mentioned equity release to the participants before they decided to purchase – word of mouth was a very effective tool. They were also alert to advertising on TV and in magazines or newspapers– increasingly so over the last couple of years.

There is a widespread belief that, at this time in their life, there may be no viable alternative financial solution due to a combination of age, lifestage, credit history, lack of financial buffer, health and wanting to remain in their home.

In some cases, this framed consumers' thinking before even speaking to an adviser or provider or looking at products. In others, they looked around and concluded that alternatives were not possible. Equity release became the preferred option, or only viable option, because:

1. It felt right, as it is 'their money and they worked hard for it', so equity release seems tailor-made for their situation.
2. Downsizing was unappealing for emotional and practical reasons, including ties to their home and their local community or support network, as well as the belief that it would not release the amount of finance needed due to costs and house prices.
3. Securing finance from a bank was rarely considered, due to a perception that they were too old for the bank's products.
4. Borrowing from family was only tentatively considered and not pursued further.
5. Renting out a room was rejected due to security concerns and wanting their home for their own family.
6. Loans or re-mortgages were overlooked for fear of the eligibility criteria and a lack of appeal for monthly payments especially when they were retired or on very low wages.

This is covered in detail in chapter 3, from page 22

Research and decision-making processes

Participants exhibited a wide range in the amount of research they conducted before purchasing equity release – from none to extensive.

Their principal aim was to learn about equity release at a general product-level.

Informal 'expertise' was sourced over the phone or in-person via their Citizens Advice Bureau, bank advisers or accountants.

Although obtaining advice is now mandatory, independent financial advice was not often sought. When IFAs were consulted, participants only made contact when they were already strongly considering equity release.

Whilst they may have discussed alternatives, this was more to discard rather than preference them. Moreover, seeing an IFA was a mixed experience due to consumers' lack of understanding of products & their status.

Contact was usually made through one of the larger broker agencies

participants did not fully understand their status, often confusing them with the provider. Participants generally used online forms, which was associated with 'pushier' sales behaviour.

Typically, respodents consulted their wider family before taking out the product. Some did not, mainly due to not wanting to reveal their financial struggles and preferring to avoid objections or reigniting a complicated family dynamic.

High street or well-known brand names, as well as FCA backing, provided reassurance of financial legitimacy.

The decision-making process tended to be quick. Taking out the product typically took between two to three months from initial enquiry to completion. For some it lasted one to two years when the buyer was uncertain or the financial need less pressing.

Those who considered, but chose not to buy, an equity release product used alternative financial options such as savings, selling assets or just managing without. They, or their family, realised the potential downsides of equity release. However, they did not reject the idea of equity release in the future.

This is covered in detail in chapter 4, from page 30

Understanding of the equity release product

The participants did not fully understand all the details of the equity release product at the point of purchase.

At a high level there was a basic understanding that when they die, part of the value of the consumer's home will go to the provider, their inheritance will be reduced and, if they have not made monthly payments, there will be compound interest – however, the financial impact of compound interest was not always fully appreciated.

Several product aspects impacted participants' ability to evaluate and comprehend the product.

Difficulties included understanding the variation in set-up costs and interest rates between providers, the impact of compound interest over time and how to apply an appropriate benchmark for rates. Also, some did not account for the potential to pay interest monthly, the option for drawdown rather than a lump sum, or the restrictions on product termination as well as the cancellation rules and costs.

The participants perceived that 'persuasive' sales techniques, both overt and covert, were often used to guide their guide their decisions,.

Some participants described a 'hard sell' and some felt pressured into taking out equity release – or to take out more equity than originally requested. Participants admitted that they tended to ask few questions and conducted insufficient research.

Interest rates ranged from circa 3% up to 15% and the average rate was circa 5%. Some did not know their interest rate and could not find their paperwork.

Interest rates have trended down over time, with those who have taken out products in the last two years commanding the lowest interest rates.

Equity was mainly taken as a lump sum, predominantly corresponding to the amount the customer originally said they needed, but there were some examples of upselling. There was little evidence of drawing down from the original agreed sum.

Further equity was released in a few cases, mostly to fulfil an unexpected need.

This is covered in detail in chapter 5, from page 36

Seeking professional advice

Most participants did not consult an independent financial adviser

Many of them approached an agent for an equity release specialist company.

Some choosing not to due to the anticipated high cost or due to this not being normal practice for them.

Those who did seek independent financial advice tended to fall into one of two categories:

1. They had access to an IFA already – often the wealthier consumers.
2. They knew of an IFA via members of their extended friendship and acquaintance network, although some IFAs consulted did not specialise in equity release.

In situations where an adviser was already known, there was often some difficulty in ensuring the right balance between formality and informality during equity release product discussions.

Even when a financial expert was consulted, some participants spoke of having made up their mind already that equity release was the right solution for them.

Therefore, IFAs were brought in to reassure on equity release as a choice or to secure the best deal, rather than to review and guide them on their broader financial situation.

It is difficult to accurately understand the true level of detail and depth of discussions provided by advisers.

It appears that overall, consumers believed they received comprehensive advice when taking out equity release.

However, the process of taking expert independent advice was often flawed, for several reasons.

Examples included the consumer not fully engaging with the advice, not fully understanding the intricacies of equity release, not fully trusting experts to act in their best interest or finding the paperwork hard to digest.

This is covered in detail in chapter 6, from page 43

Reflections on experience after their purchase

After the purchase there was typically very limited contact from the equity release provider, agent or adviser.

Except for an annual statement, or marketing which encouraged either further drawdown or recommended additional products.

Most think that a review approximately every one to five years would be sensible and popular…

Although there is some concern about the potential cost. Only one respondent had proactively reviewed the product since they took it out.

Expectation of a simple but costly termination

Whilst very few had thought about changing or terminating their equity release product, the general assumption was that it would be a relatively easy process but potentially expensive. Others assumed that once they had signed the contract, the product was unalterable.

A few would like a portal, app or helpline to monitor the product and the accrued interest.

There were mixed feelings about their decision to take out equity release, with the benefit of hindsight.

For those who considered the product to be a bad solution, there was consternation about their swiftly disappearing inheritance and their culpability in the decision making.

For those who considered the product to be a good solution, some still felt residual discomfort with their product.

This is covered in detail in chapter 7, from page 53

Outcomes and the underlying drivers

Some participants reported positive financial or emotional outcomes; others had negative outcomes experienced as financial and/or emotional harms.

These harms were not always recognised by consumers as such but became apparent as they described their experiences.

Emotional harm fell into four categories:

1. A sense of personal loss.
2. A feeling of guilt.
3. Feeling financially 'stupid', inadequate and naïve, leading to embarrassment.
4. Anxiety from a dawning realisation of the long-term financial impact.

The research found six key drivers of poor outcomes:

1. Having a time imperative.
2. Being vulnerable to pressure.
3. Being financially unsophisticated.
4. Not seeking professional advice.
5. Being single-minded from the outset
6. Being 'blinkered' in their product search

For participants in phase 1, underlying these is a feeling of being financially exposed, such as not having a financial buffer or financial resources to pay interest monthly.

Each of these drivers has been illustrated by a case study, to bring them to life.

These can be found in detail in the appendix along with a case study of a good outcome.

In hindsight, all participants had some advice they would give to others, which can be summarised as:

1. Review alternative options before committing to equity release,
2. Conduct comprehensive research to thoroughly understand it
3. Discuss it with family and those affected by the equity release.
4. Speak to an IFA, reviewing the implications of the product now as well as in the future
5. Take out equity release later in life

This is covered in detail in chapter 8, from page 57

How to improve the consumer experience

Overall, many participants stated that they had not considered the full ramifications of taking out equity release.

Most notably, these related to restrictions pertaining to further property purchases, as well as repayments in terms of charges and fees, including those for further drawdown.

They noted that the language used by advisers, or found in associated literature, could be challenging to comprehend and contain jargon which they did not readily understand.

Their answers suggested that the consumer experience could be improved if more guidance were provided, for buyers or providers as appropriate.

For example, guidance could be issued around the importance of face-to-face meetings, to give consumers better opportunities to ask questions, or around the need to ensure they are given adequate time for reflection. There is also potential for guidance around the location of these meetings. Some felt a meeting in their home made them feel more vulnerable and that the associated decision making was too informal for such an important decision. In contrast, a meeting in an office conveys a greater sense of a business-oriented approach.

Other relevant guidance areas would include how to select a suitably qualified independent adviser and how advisers can encourage consumers to review alternatives to equity release. More guidance around safeguards for protecting vulnerable consumers, as well as the nomination of who should receive documentation before and after a product sale, would also be beneficial.

Another welcome addition would be the widespread availability of a factsheet, summarising the key information consumers should focus on when making their decision.

Consumers may also support several reviews.

These include a review of the paperwork burden on consumers before a sale, advertisements promoting equity release and the level of contact between consumers and providers – before and after the sale – to ensure it is sufficient. Another important review would be of the product taken out itself, every one to five years, to ensure it is still ‘fit for purpose’.

This is covered in detail in chapter 9, from page 65

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Introduction

Research background and objectives

Research background

The Financial Services Consumer Panel is concerned about potential and increasing consumer harm arising from the use of later life financial services products to release housing equity.

In the research brief there were four primary areas of concern:

1. The complexity of equity release products, their long-term nature, and their interaction with other later life aspects (pensions, benefits, tax planning and intergenerational needs).
2. Recent changes to products, offerings, and standards.
3. Evidence that the greatest single use of equity release products is for debt repayment and that consumers are increasingly considering property wealth as a source of cash to support both long-term care or a reduction in retirement income.
4. The impact on a consumer group with specific vulnerabilities (for example the loss of financial and other capabilities and being high risk victims of financial abuse or fraud).

Research objectives

The aim of the qualitative research was to understand the consumer journey from initial research through to post-sale for particular groups of consumers.

The research was conducted to provide insights into the following questions:

1. How do consumers decide that equity release is the right product for them?
2. How easily can consumers navigate and understand equity release products?
3. What do consumers consider to be good and bad outcomes?
4. To what extent do consumers believe they have achieved good or bad outcomes?
5. How do consumers assess the value of these products?
6. What are the barriers and challenges faced by consumers of these products?

Phasing

The research was undertaken in two phases. There were subtly different objectives for each.

1. The first phase was designed to obtain insights into the perceptions, experiences, and outcomes of consumers who had purchased equity release products from a position of vulnerability with all limited savings or other financial buffers and/or limited income.
2. The second follow-up phase was designed primarily to focus on customers who did turn to independent financial advice and who had greater financial resources, so were less financially vulnerable.

Research methodology

A qualitative research methodology was adopted for this research.

This approach explores in depth the range and nature of attitudes, behaviours and experiences that exist, as well as how and why people think or behave in the way they do.

The research consisted of 45 in-depth interviews, each lasting 45-60 minutes and conducted by telephone between March and August 2021 by consultants from Savanta, an independent market research consultancy.

28 participants had purchased an equity release product and 4 had considered it.

The remaining 13 participants were close family members who had been closely involved during the purchase process and/or afterwards.

The family members were important as the Panel was keen to include the experiences of all potential consumers, including elderly ones, as well as those who had held their product for longer periods of time.

Participants were offered an incentive of £50 for their time. Interviews were audio recorded and transcripts generated to support the research and provide an audit trail from data collection to analysis

A parallel piece of work delivered a simple model, designed to provide a high-level comparison of the financial outcomes that might have been obtained by participants had they chosen a different solution

What the research can and cannot say

Can:

This research provides a depth of understanding about the views, attitudes and experiences which this select group of consumers releasing equity have experienced.

It is not intended to be representative of all consumers who have purchased an equity release product.

Cannot:

Qualitative research methods cannot measure how prevalent a perception or behaviour is.

Instead, the findings here are intended to be indicative of the outcomes that some consumers may experience.

The model does not attempt to give a full tailored alternative plan for any one individual as an IFA may do – it has been designed to give an indication of the alternatives an individual might potentially have had. It is based on data from various published sources and uses simple calculations and assumptions.

Sample criteria & details on the participants

Main criteria

Participants were recruited with a range of characteristics including:

- Demographics (age, gender, socio-economic group, household income including state benefits received)
- Property value and size of equity released
- Pension type (state and private)
- Geographical regions
- Time passed since purchase of equity release
- Purchase channel used (advised vs. non-advised or direct)
- Product types - retirement interest only (RIO) and equity release – both lifetime mortgages and home reversion
- Consumers who had experienced a major unanticipated life event since purchase, such as the death of a spouse, a change in income, or deteriorating health

Additional criteria

The research set out originally to have these characteristics, which were harder to find, so did not play a part in the final sample:

- Switchers (or those who attempted to switch) between product types
- Consumers who had attempted to, or completed, early surrender
- Taken their equity as drawdown or as income

Who Savanta spoke to

In order to ensure the widest range of opinions, there were four participant types:

18 had themselves taken out equity release from a position of vulnerability with limited financial resources

10 had themselves taken out equity release with greater financial resources

13 were family members of someone who had taken out equity release (for those who were elderly)

4 had considered taking out equity release

Throughout this report, quotes from these respondent types will be represented with the following quotation mark colours:

“ Personally taken out equity release with limited financial resources

“ Personally taken out equity release with greater financial resources

“ Taken out equity release for family member

“ Considered equity release but didn’t take it out

Participant selection

A detailed questionnaire was used to specifically select participants at the recruitment stage to ensure they met the sample criteria and that they were likely to have suffered harm:

Either they believed they had been financially or emotionally 'harmed'

Or they were unaware of the financial or emotional harm, but a review of their circumstances would conclude that they have, or could have, experienced harm by it.

Savanta aimed for a mix of these characteristics:

1. They had lifetime mortgages, interest-only mortgages (RIO) and home reversion products (the vast majority had lifetime mortgages).
2. They were at different ages when the product was taken out.
3. They took the product out within different time periods.
4. They had different physical and emotional health issues.
5. They were spread geographically throughout the UK.

The focus for phase one of the research was on those with all or some of these characteristics:

1. They had limited savings or other financial buffers.
2. They had a very limited household income, such as a reliance on state pension or benefits as their only or main source.
3. They were under time pressure to find a financial solution so had made a swift decision.
4. They did little research, only considering one or two providers.

The focus for phase two of the research was on those primarily with these characteristics:

1. They had received professional advice, which has been mandatory in recent years, from an independent financial adviser (IFA), mortgage intermediary or equity release adviser.
2. Equity release was only one feasible option for them, as they were less financially vulnerable - they could have chosen an alternative – for example they had access to savings or assets, a private pension or they had sufficient equity in their home to consider downsizing

With a secondary need to rebalance the sample so to ensure that all:

1. had all recently taken out equity release in the last two years.
2. had taken equity release out for themselves, for the home that they live in, not another property they own.

Profile of the participants

28 product holders
13 family members
4 considerers

Gender

22	Women
23	Men

Demographics and products

When product taken out (excluding considerers)

Years ago	0-1	2-3	4-5	5+
	14	13	5	9

Age when taken out (excluding considerers)

Age	55-65	66-75	76-85	86+
	17	15	7	2

Product type bought or considered

36	Lifetime mortgage
4	Home reversion
5	RIO

Main type of vulnerability

Life event	24
Resilience	7
Capability	5
Health	5

NOTE: *many had multiple types of vulnerability*

Provider used

Age Partnership, AVIVA, Bank of Scotland, canada life, key equity release, Legal & General, Lloyds Banking Group, more2life, Nationwide Building Society, northern rock, Pure Retirement, retirementbridge, SunLife

Financial circumstances

Current income level

9	£50k+
8	£40-49,999
8	£30-39,999
6	£20-29,999
14	Less than £20k

House value

14	£400k
5	£300-399k
9	£200-299k
7	£100-199k

Current income source

19	State pension or benefits
26	Working or part-retired

The consumer journey to equity release – from consideration to taking out a product – typically lasted two to three months

Consumer journey	**Report chapter**
Considering equity release	3 Reasons for considering equity release
Research and decision making	4 Research and decision-making process
Understanding of the product	5 Understanding of equity release products
Seeking professional advice	6 Seeking professional advice
Reflections after purchase	7 Reflections on their experiences after purchase
Assessment of the outcome	8 Outcomes and the underlying drivers
Advice to others	9 How to improve the consumer experience

3

Reasons for considering equity release

Equity release products were taken out to provide swift financial relief or security, when there was no clear or suitable alternative

Product taken out for themselves to…

Positive reasons

1. Finance ‘extras’ to enable a better standard of living – for example holidays, a car or a campervan
2. Undertake home renovation, alterations or improvements

Negative reasons

1. Buttress current modest income
2. Pay off their mortgage
3. Consolidate their debt
4. Cover income – for example after losing their job
5. Pay for a divorce settlement
6. Pay for care at home to avoid residential care

Product taken out for their family to…

Positive reasons

1. Provide a deposit for children to buy a home, especially during tough circumstances such as post-divorce
2. Pay for university education
3. Buy a luxury car
4. Pay for a family holiday
5. Mitigate against inheritance tax
6. Determine where their inheritance goes and what it is used for
7. Be financially supported during product buyer’s lifetime

Negative reasons

1. Support an adult child, for example post-divorce
2. Pay off their children’s debt

> I lost my job and got divorced last year. I needed access to money. I looked at various options and it gave the quickest access to the money.
> *Male, 60, South-East, ER in the last year*

> To give me a better standard of living… cash in the bank that I could use for whatever I wanted. So, that was the plus factor. That was where I thought, well, my property is financing the life. Financing what I want to do.
>
> *Female, 71, South-East, ER in the last year*

> Basically, we wanted to reduce our estate and avoid inheritance [tax].
>
> *Female, 78, North, ER 2 years ago*

> [Mum] just wanted to be able to see the money being given to family rather than it being given when she's not here.
>
> *Family member of female, 85, North, ER 5+ years ago,*

Participants typically believed that equity release was their only available option

For those in their 60's and 70's in particular, there was a belief that there may not be an alternative product available.

Their perception was due to one or several main factors.

These included their health, credit history, amount of money needed or age – for example, believing they were too old to take out a standard mortgage.

There were several other contributing factors also influencing the idea that equity release was their best solution.

Not having to make monthly payments was appealing for some, because they did not want the commitment, or had concerns over the detrimental impact these might have on their current standard of living.

Changed circumstances also influenced their decision to act quickly, such as the loss of a job or earnings, bank pressure to pay a mortgage, debts, or an unexpected decline in health.

For those whose home was their only asset, this was also a notable factor.

In some cases, these factors influenced their thinking before even speaking to an adviser or provider or looking at specific products.

In other cases, they did look around first, but felt other options were not possible.

> I think that your bricks and mortar, your home, is your only asset really. You're borrowing your own money, but it's the biggest asset that you'd have or that most people have in their lifetime.
>
> *Female, 68, North, ER 2-3 years ago*

> It was 2011 and we was going through some difficult times with my husband's health. He was on the kidney transplant list. We got no savings. And that was purely and entirely the reason that we took this option basically. This was out of desperation.
>
> *Female, 66, Midlands, ER 10+ years ago*

> It was just like desperation. I just wanted to get it done as soon as possible to get the funds so we can actually start getting care and help her because I suffer with multiple sclerosis. We didn't really go into details because we were so desperate.
>
> *Family member of female, 84, South-East, ER 5+ years ago*

> We looked at straight re-mortgaging, but then there's the age situation that was sort of preventing that being a meaningful option.
>
> *Male, 63, ER 2-3 years ago*

Participants had reached retirement age with limited or no financial buffer – their home was their financial ‘nest egg’

Most participants had paid off their mortgage and wanted the equity in their home to work for them in their later years.

Reasoning included feeling that they had worked hard for it all their life, so now was the time to realise the benefits. Furthermore, their beneficiaries wanted them to be financially comfortable and enjoy life.

Their immediate financial backup was often inadequate, for a wide range of reasons.

Some had no other assets, or they were mainly relying on the state pension with modest – if any – private pension contributions.

Other reasons included that their financial wellbeing was tied to a partner, but due to death or illness, pension or other income payments would reduce or end.

Divorce and the splitting of assets was another issue and in other cases, age or health concerns also meant that income options were limited.

> [Stepfather’s] private pension dies with him. So, she would get more off the state, but the private pension would go. So, she would need the extra bit in the bank to see her through. It was making sure they would be alright for as long as they needed it.
>
> *Family member of female, 77, Midlands, RIO, 5+ years ago*

> They have their state pension and a bit of a private pension. Doesn’t last forever these pensions so they had to release money.
>
> *Family member of male, 75, North, ER 5+ years go*

> Well, I haven't got any money. Mum’s got just enough money if we think about it, but she didn't feel that so [equity release was] to give her some comfort.
>
> *Family member of female, 77, Midlands, ER 5+ years ago*

> It's your home. You own it. It belongs to you. The reassurance that if all else fails, you've still got your home and it belongs to you.
>
> *Female, 68, North, ER 2-3 years ago*

Participants regarded pensions and savings as a long-term 'safety net' for future financial security rather than a solution to their immediate problem

Even those with better pension provision did not want to use this option for a variety of reasons.

Some respondents believed that their pensions should remain untouched, to provide for later years.

Or they wanted their pension to have more time to grow, in order to provide a greater future income.

In other scenarios, drawdown had already happened upon retirement, or withdrawal fees were too high, or their pension was already being used to support (sometimes modest) daily living and now a cash lump sum was needed

Similarly, dipping into their savings was also rejected as a potential solution.

Respondents either had limited or no savings, due to insufficient income or life-changing circumstances such as a divorce. Alternatively, they viewed this money as a safety net, last resort or 'rainy day' fund.

> We haven't actually looked at cashing in pensions because they're pots for the future. They're my final, final fallback. If something happens to me, I'd get my pension pay out and that's what the wife would live off. So, I didn't touch that in case we were in a worse position.
>
> *Male, 55, South-East, Home Reversion 2-3 years ago*

> We decided that equity release was probably better than taking the pension just because I didn't feel there was quite enough money in there. I'm 57. So, if I live to mid-80s, it would have had to have provided nearly 30 years of money.
>
> *Male, 57, South-East, ER in the last year*

> We didn't have any savings because 25 years before we'd started from scratch again in rented accommodation, then eventually buying our own home. We didn't have big jobs.
>
> *Female, 68, North, ER 2-3 years ago*

> She has [some] savings. However, that is not something we wanted to touch. That was her safety net.
>
> *Female, 74, North, ER in the last year*

Downsizing was tentatively considered, but typically rejected, for a variety of mainly practical but also emotional reasons

Practical concerns…

Giving up benefits linked to their location, such as good transport and their local support network

Relinquishing a space for adult children to move back home, or for the family to congregate in

Believing that it would not be an immediate solution, as moving is a lengthy process and it could take too long to acquire funds

Believing that they would not be able to release as much equity as they want or need

Wanting to avoid the hard work and upheaval of moving

Had already downsized

Emotional concerns…

Ending ties to their family home or location, leaving behind memories

Not being able to recreate a similar environment to best accommodate their needs and their family's needs

Reinforcing a negative perception of aging they are reluctant to accept

> I think that there is that whole thing about downsizing. She has got a house now. She has lived there for 30 years. She didn't want to move into the bungalow because that makes her feel old. So, it wasn't really on the table.
>
> *Family member of female, 72, North, Home Reversion up to 5 years ago*

> We thought about downsizing. We considered it rather than taking out the lifetime mortgage or the reversion plan. We just didn't want to move really. We are happy where we are, with the community and friends.
>
> *Male, 78, Midlands, ER 5+ year ago*

> They didn't want to move house. They lived in the house for 30 to 40 years and it would cause a big upheaval.
>
> *Family member of male, 83, North, ER 5+ years ago*

> I'm quite happy where I am. I decided I wouldn't get what I've got now for the same money. It's very convenient for transport. I've got good neighbours. What else do you want? I didn't want anything smaller as my property is quite small.
>
> *Female, 73, South-East, ER 5+ years ago*

Participants rarely considered borrowing money from family

For those that did consider borrowing money from family, ultimately, they chose not to ask, again for emotional or practical reasons.

Practically, they were unsure if their family could afford to – or would be willing to – help.

Emotionally, they did not want family to know they were struggling, or to be beholden to anyone.

> Even though some of them are in comfortable positions, no one was prepared when it came to money to want to talk about it, lend it, or anything else. I was happy this way that I made my own decision at the end of the day, and there can be no recriminations with my family, or asking me for money back. I asked [for financial help] in a roundabout way and got a flat no as a straight reply.
>
> *Male, 76, South-East, ER 2-3 years ago*

> We've got nobody in our family that could lend us the money or stick with us through what was going to go on.
>
> *Female, 66, Midlands, ER 10+ years ago*

Few had seriously considered approaching their bank for advice or a solution

Banks were associated with known products such as mortgages and loans, not equity release.

They were also described as 'intimidating' places and 'more interested in helping younger people'. Bad experiences reported by friends were also a factor.

A few respondents considered standard mortgages, but either they assumed they would not be eligible because of their age, or they applied and were turned down.

Some cautiously considered loans, but ultimately discounted them.

For example, they believed it would be too difficult to obtain a loan, or they were put off by high interest rates, or they needed more funding than a loan would provide.

Otherwise, they felt they had little to no capability to make monthly repayments, without directly impacting on their daily expenditure – or in specific circumstances, because a partner was seriously ill.

> Someone suggested getting a bank loan. I said absolutely not, a bank will squeeze you dry, high interest rates and so on. A bank loan was something like 9% interest back then. Equity release was 3% or 4%.
>
> *Male, 76, South-East*

> I thought about it. A loan. Some of my friends have had a very bad experience. If for whatever reason you can't afford to pay for a few months and you ask the bank if you could not pay for a few months, after six months they get a court order.
>
> *Male, 64, South-East, ER 2-3 years ago*

> I just assumed that a product like this wouldn't be just available from a high street bank.
>
> *Family member of female, 72, North, Home Reversion up to 5 years ago*

> We looked and we did explore mum getting a residential mortgage, but you were paying about £4,500 pounds a month for the short period. And because of my mum's age, I think it was Halifax that said that we could only take it in four years. That was a no go.
>
> *Family member of female , 72, North, Home Reversion up to 5 years ago*

4

Research and decision-making processes

Participants acquired information on equity release from a wide range of sources

Information about equity release came from:

The internet	via focused research to review the products and providers
Advertisements	via the media on television, radio and public transport, or in pop-up adverts online
Conversations	with family, friends and acquaintances who had already taken out equity release
Professional	within their own friendship circle including accountants, solicitors, bank managers and IFAs
Direct mail	sent from agents or providers after an enquiry had been made
ER agents	left with the customer after a visit or posted aftewards

> I'd seen it on the TV as well and talked to friends about it. I hadn't known anybody that's done it though, but I have heard about it. There are lots of adverts on the TV about it all the time.
>
> *Female, 56, South-East, ER less than 1 years ago*

> There was one company, I can't remember the name of it, and it was advertising everywhere at the time, because I remember being at work and Googling it and this company kept coming up and asking you to fill in this [form] and tell us this, that and the other, and then we'll tell you how much you can have.
>
> *Female, 68, North, ER 2-3 years ago*

Advertising prompts participants' initial consideration and their research typically starts online

Many referenced a sudden realisation that equity release seemed to be 'everywhere' once they started to consider it – on TV, in their magazines or newspapers and via search engines.

Most did a little initial research, but this was typically a solitary online experience, during which they found out about different types of equity release, but not necessarily which product best suited them.

Some did more detailed research and looked at approximately three to four providers and products. A few looked at only one.

Several used an equity release broker website where their details were shared with multiple agents, to speed up the process. This was often related to 'pushier' follow-up calls and direct mail.

Although most sought advice from their family, some did not ask for advice from anyone, believing it was a personal and private decision.

Those who did not said either that they did not want to be seen as struggling financially by their family, or they simply wished to keep their finances private.

> No, we didn't have a lot of information. I did a little bit of research, but that was my only option. But I wouldn't say I done a lot of research. It was a means to an end.
>
> *Female, 66, Midlands, ER 10+ years ago*

> Once we'd started talking about it, it's like with anything, once you make a decision to do something, you see adverts everywhere.
>
> *Female, 52, North, ER in the last year*

> We had read articles about it in the newspapers. We didn't do any particularly independent research. We didn't go seek advice with anybody in particular, like a financial adviser or anything like that. But I had read articles in the newspapers.
>
> *Male, 73, North, ER 4-5 years ago*

> I did high-level research, just trying to explain to the rest of the family members what it was and what it meant. Once I'd found out about that, and I felt that was the right sort of approach, then I used Key Retirement Solutions, based upon their recommendations on the SHIP site.
>
> *Family member of male, 83, North, ER 5+ years ago*

There is a default to well-known brands as a marker of trust, as well as FCA regulation legitimising the provider

Participants regarded high street brands or well-known names associated with an equity release product as an endorsement of their choice.

They implicitly trusted that familiar brands will provide a good quality service. This sense of trust acted as a shortcut for conducting proper research and understanding the product.

Similarly, seeing that a provider was regulated by the FCA tends to reassure participants about the legitimacy of both the provider and the product.

> I think mainly we picked the company the family have been using for the last 40, 50 years really. We used them and only because we had a history with them, and we felt more comfortable with them as a provider than the others.
>
> *Family member of male, 77, North, ER in the last year*

> I think she looked at [the providers] she is familiar with, or she used to do her car and home insurance with. She liked them and she just looked at those. They were the two that we ended up looking at more.
>
> *Family member of female, 85, North, ER 5+ years ago*

> They were approved by the Equity Release Council, and I'd used them before on other financial products. That's what persuaded me as I was happy with their aftercare and support.
>
> *Male, 78, Midlands, ER 5+ year ago*

The decision-making process typically included consultations with the beneficiaries and took approximately two to three months

There is usually, but not always, consultation with those who would inherit, before taking out the product.

When consulted, the majority of beneficiaries approved of the decision to take out equity release, to ensure sufficient financial resources in their retirement.

Poor emotional outcomes were more likely to occur when adult children were not consulted. This was in the form of regret that there would be less inheritance, along with guilt that they had not involved their family. In some cases, participants said they knew their adult child might dissuade them.

The cases where the interview was with a family member, the 'adult child' was very likely to help the older person shop around to look for better deals.

However, even when beneficiaries were consulted and had given consent, there could still be an underlying element of regret from recipients of equity release.

This was due to concerns about reducing their family's inheritance or legacy, or a perception that they had somehow 'failed' by making this decision.

For the majority, the decision-making process was quick.

The application process typically took two to three months, up to a maximum of six months and was generally regarded as an 'easy', 'seamless' or 'painless' process.

However, for several it was more drawn out and lasted a couple of years, by their own choice.

> I am slightly bothered. I just think it would be nice to be able to say to them, now it's worth £750k and you've got X amount of money. I'm very mixed about it. Some of it is a bit sad, but in another way, I think well it doesn't really matter because they are ok anyway.
>
> *Male, 73, North, ER, 4-5 years ago*

> I didn't speak to my kids because I think they'd have told me not to do it. I think I knew I was doing something wrong. My eldest one, he is very clued up on stuff. When I told him afterwards, he said 'Why didn't you look at other options?' I'm feel really stupid.
>
> *Female, 55, Yorkshire & Humber, ER 2-3 years ago*

> The process to go ahead took quite some time. I'm very risk-averse when it comes to money, so I did a lot of research and I thought this has to be right. It has to be what I want. From start to end the process took a couple of years.
>
> *Female, 73, South-East, ER 5+ years ago*

> It's taken two and a half years to make the final decision. I suffered with mental health problems. It comes to a head when I worry about things and can't sleep and have panic attacks.
>
> *Male, 73, North, ER, in the last year*

Reservations about compound interest, reduced inheritance and no longer fully owning their home discouraged these four participants from taking ER

■ Personal situation ■ Research & consultation ■ Rejection reasons ■ Results

1

Married couple (81 and 76)

Retired hairdresser

Income of £40k, no mortgage

Some savings and investments

Wanted to help son buy a home

Financial adviser, a family friend, advised them to consider equity release

Children said they should enjoy their money

Saw direct mail advertising

Spoke to one broker, a nominated sales adviser

Wife didn’t like idea due to the reduced inheritance and can only sell to go into care

Worried about a low property valuation (£450k vs. £350k)

Compound interest (5%) projected figure dissuaded him

Cashed in savings instead

Interest rates have reduced and he’s older, but wife still says no

2

Married couple (77 and 75)

Retired logistics controller

Major investments failed, not as wealthy in retirement as planned

£650k home, wanted £70k from equity release

Felt equity release would solve limited retirement income issues

Spoke to relatives

Applied to Daily Mail advert offering a reward for applying

Agent chased repeatedly by phone

Equity release was ‘bewildering’

Nervous about having property in someone else’s hands

Relative warned about monthly payments, reduced inheritance

Felt it would be ok for those who are older with well-off children, but not right for them

Sold jewellery instead and the rest of their investments

3

Married couple (67 and 65)

Retired IT contractor

Changed jobs several times and didn’t build up a big pension pot

Wanted to know about options for financial security if needed

Saw direct mail advertising equity release

Adviser reassured by saying he was local and would also use it

Relative, a financial consultant, was positive about equity release

Worried about an ‘irreversible decision’ and paying interest

Felt counterintuitive to ‘borrow’ own money and pay interest

Concerned about reducing the overall inheritance

Did nothing – no pressing need, but might reconsider in the future

4

Single woman (63)

Semi-retired training coach

Physical ailment, unable to work

Small private pension and savings used up in moving and redecorating home

Her home is her only major asset

On a reduced income and needed to get through to state pension age at 65 years old

On Facebook, saw lot of ads promoting equity release

Aware of issues around compound interest, saw home reversion as the ‘worst one’.

Frequent direct mail since contacting a broker

Faced a high arrangement fee (£3k for £50k equity release)

Still considering it and not sure what to do if she goes into a care home

5

Understanding of equity release products

At a high level, the broad parameters of equity release were understood

Most understood that they were removing equity from their home

...and that when they die, part of their home's value will go to the provider and the remainder to their beneficiaries.

They also tended to understand that their level of inheritance will be reduced, but they can take out a lump sum, could choose whether to make monthly repayments and will not be in negative equity.

Participants tended to consider it more as a debt rather than a loan,

...since a loan typically means monthly payments to them.

However, some thought of it as neither – simply as money that is in their home that is theirs to release, whilst some thought that a loan and a debt are synonymous.

> I think sometimes when you're so stressed with your financial situation, generally, you're just interested in the solution and maybe you're not interested enough in the specifics of what you are signing for. It sounds terrible and it sounds like it's not something that a 57-year-old would say, it should be something a 20-year-old would say.
>
> *Male, 57, London, ER 2 years ago*

> There's a lot of paperwork and a lot of reading, and a lot of small print. You'd need to be a lawyer to be able to pick out what you need to know. So, I think you are bombarded with [information] but when I did call it out, they said, by law, to meet all the regulations and to be compliant, it has to be done that way.
>
> *Female, 52, North, ER in the last year*

> We didn't read the contract. You just think, like a lot of things, you don't read them. You're just glad to get the money.
>
> *Female, 65, North , ER in the least year, EQ24*

The language used by advisers and in documents explaining equity release inhibited participants' understanding

Some participants found the language used to describe equity release in documentation can be difficult for some consumers to fully understand.

Excessive material provided.

There was a sense that the amount of paperwork was 'excessive', with details likely to be overlooked due to the volume of material supplied by providers to explain equity release.

Some admitted that they did not comprehensively read their contract.

This was either because they were in a rush to get access to the finances, or it was too long and complex, or they simply trusted products and providers regulated by the FCA.

> It's a complex contract and you look at the details of the small print. There were some things we didn't read properly and there were some things we wished we had read in more detail to do with the costing and how it affects your future. It is up to the IFA to explain everything involved in the process, so you know you're doing the right thing.
>
> *Male, 57, South-East, ER in the last year*

> At the time I just wanted to go with one that I knew interest went on yearly. And we only have to pay when we move property or when we passed on. So that was just my understanding of what I was taking on. So that's what I wanted to go with.
>
> *Female, 66, Midlands, ER 10+ years ago*

> I just think of it as I've withdrawn money that my house has made because the value of it has gone up and up and I've withdrawn some of that. Okay, I've got to pay interest on that, but I just think I've just drawn some money from my house which is mine.
>
> *Female, 78, North, ER 2 years ago*

Several factors can lead to a lack of understanding about the product, both before and after their purchase

A number of specific elements often drive consumers' difficulty in assessing and understanding the product.

Financial products are considered complex

Low confidence with finances means that some participants struggled to fully engage, or they mentally switched off, when trying to understand them.

Participants recalled hearing the term 'compound interest' but many did not comprehend the true financial impact over a number of years. Some found out about the impact of compound interest only after they had taken out equity release.

Most said they understand any restrictions that applied to their product but did not think these were 'set in stone', such as not letting or renting out the property.

Some did not understand that there were restrictions on when they could terminate the product without a financial penalty.

A few benchmarked against the wrong products.

They compared the interest rates they were paying against inappropriate comparator products meant for short-term spending, such as the APR of credit cards or store cards.

A few had considered drawdown. Most had taken a large upfront amount.

> You're not supposed to let it out to anybody else without asking them first. You can move and take the equity release with you, according to this. You've got to make sure that you keep your insurances up. I don't think there's anything else they stop you from doing.
>
> *Female, 68, North, ER 2-3 years ago*

> We were led to believe there's no interest until the end, with the drawdown that we chose. They don't charge interest. They just decrease what they give us at the end.
>
> *Female, 65, North , ER in the least year*

> I'm not a professional person, it was going in one ear and out the other because I didn't really know what he was talking to me about half the time.
>
> *Male, 76, South-East, ER 2-3 years ago*

> I pay a compound interest rate. It wasn't mentioned but they said I should have known as it's a commonsense thing. I am thinking that first and foremost how long will this interest rate stay? How long until I can repay? They have said I cannot repay for the first five years. This was not mentioned to me. It's an irrevocable contract.
>
> *Male, 64, South-East, ER 2-3 years ago*

Product interest rates varied between consumers and over time

The interest rates participants believed they were paying varied greatly from just over 1% to 15%. Rates depended upon both the provider and when the product was taken out.

There were higher interest rates on products taken out longer ago

For example, 5%, 6.7%, 8% and 15%. However, in the last 12 months, under 3% was mentioned, such as 1.3% and 2.4%.

Two did say they were paying 15%, one from 2014 and one from 2020 but could not find their paperwork to confirm. A few could not find their paperwork to be able to state the interest rate.

A full table of interest rates is shown in the appendix of this report.

Most were paying accrued interest rather than monthly interest.

Interest rates for equity release were mostly considered to be acceptable – for those who researched, these were similar to those of other offers.

Some quoted arrangement fees were high, such as £3k for a £50k equity release.

Early repayment penalties can be high and built-in for an extended time period, for example 10-15 years.

The option to have drawdown later can also add an increment to the current interest rate paid.

> It's accrued interest. We prefer that overpaying monthly as long as we know how much is rolling over and we wanted the possibility of paying off some of the interest. I don't know if I fully understood it in terms of how the debt is rolling over. I think it's my knowledge and the explanation by the IFA combined.
>
> *Male, 78, Midlands, ER 5+ year ago*

> [How much are the repayment charges?] I don’t know. I'm just praying that because it's a short term that, well, I don't know. Maybe the shorter the term, it's more. I just don't know what we'll have to pay. They say it's very, very difficult to get out of it. It can be done but they say it's difficult and costly.
>
> *Female, 65, North, ER in the last year*

> That's another thing that I think was probably wrong, we added this drawdown facility which adds 0.2% to the interest rate but we haven't drawn anymore down since. So maybe we shouldn't have had that really. I haven't used that so that's a waste of money.
>
> *Male, 63, ER, 2-3 years ago*

The amount of equity released was generally in accordance with participants' needs but there was little evidence of drawing down from the original agreed sum

Participants noted substantial differences in the property valuation by the equity release provider compared to independent estate agents without understanding the reasons. A few believed that their property was undervalued by the provider.

Taking what is needed.

Some participants took the full amount they were permitted and some took a percentage of it. Most took according to their needs.

A few participants were 'persuaded' by the provider to increase the amount of equity released, but this was rare.

Most of the participants took the equity they wanted all at once, rather than arrange a drawdown.

Only a few had gone back and taken out additional equity – because it was 'so easy' and the providers offered it. This was additional equity, not drawdown from the original amount.

> I had the option of taking it all or drawing down but as I'm risk averse I didn't want to take it all. I knew the con was if I had it all in the bank, I'd spend it all. Also, I didn't want to find in years to come I'd got nothing. I drew down £50k. I looked at the options as that was the maximum they offered. It seemed the right amount, but it is stretching as I won't be here to settle the bill.
>
> *Female, 73, South-East, ER 5+ years ago*

> I've only taken out £80k. I was going to take £60k. The adviser said it doesn't make that much difference, but I suggest you take another £10k. It was £60k and £20k drawdown. I didn't want to take the drawdown as you pay the interest rate when you take it. If it had gone up to 4% and I took it in future I'd have to pay the higher rate.
>
> *Male, 73, North, ER in the last year*

> My property at the time was probably worth £175k and I could take out £70k. [I took out] £43k because I left a draw down facility of another £20k or £23k.
>
> *Female, 78, North, ER 2 years ago*

Participants claimed it was their decision to take out equity release, but were also aware of persuasive sales techniques

All participants in the research firmly believed that the decision to release equity was driven by themselves or their family, not by the adviser.

For the vast majority, the sales process does not appear to have been a 'hard sell'.

However, a few felt there was – they felt extremely pressured by the provider to speed up their decision making and take out equity release.

Some participants reported persuasive sales techniques including:

- Suggestions that the compound interest would be less impactful, as it would be covered by the increase in the property value over time
- Frequent and regular communications such as follow-up phone calls and brochures from the provider promoting products or additional equity release
- References to pervasive advertising campaigns promoting equity release as a credible financial option
- The adviser stating that when they reached retirement age, they would personally take out an equity release product themselves
- The sales process focusing primarily on the positives of equity release

> One mortgage provider that offered an equity release mortgage [which was not taken up] still sends me through offers and leaflets, three years later.
>
> *Male, 76, South-East, ER 2-3 years ago*

> They send out information every other month saying I can take more money. I get an annual statement. I asked for it in writing on paper. There's the annual statement, a newsletter. Quite a lot of bumph! I'm only interested in what I still owe them.
>
> *Female, 69, Scotland, ER 2-3 years ago*

> The financial adviser rung and asked if everything was ok, if they need any more equity. He has kept up to date with them and made sure everything is ok. Which is really good. Checking everything is ok. So yeah, been fine. He said if you need any more. They are phoning my parents.
>
> *Family member of male, 75, North, ER 5+ years go*

> That kind of sales pitch, like double glazing back in the 80s and 90s. They come around and give you a whole spiel on it.
>
> *Family member of male, 77, North, ER in the last year*

6

Seeking professional advice

Most did not seek expert independent financial advice from an IFA or a mortgage intermediary

All participants were offered advice before purchasing equity release. Some took advice from a representative of the equity release provider, who was usually a broker or an agent, because they 'trusted the company'.

Most participants did not consult an IFA.

Those who did, tended to have known of an IFA already, either because they were relatively wealthier and were familiar with this way of working or happened to have one as a relative.

Some discounted seeking independent financial advice due to the anticipated high cost involved.

Some received advice from a representative of the equity release provider who was usually a broker or an agent, because they 'trusted the company'.

Some consulted their Citizens Advice Bureau, bank or accountant – in their eyes, 'professionals'. None of the participants referred to advice received from the solicitors who handled their sale.

Money Advice Service website:

Under current rules, all firms offering equity release products must offer you advice. This means making sure equity release is right for you and, if it is, only recommending a product that is suitable for your needs and circumstances. This is a complex area and it's now mandatory that homeowners receive independent legal advice which must be obtained face-to-face.

> Spoke to a manager at my bank who gave advice, but the advice was very basic so I thought I could do this myself; I don't really need to speak to somebody. The flat's in our name. I know how much it's worth. I thought, rather than sell it, this is an answer to our problems.
>
> *Male, 64, London, ER in the last year*

> I did some reading, spoke to some friends, then went to the Equity Release Council. I got a lot of info about companies registered with them. I spoke to about half a dozen and had in depth conversations with about three.
>
> *Female, 73, South-East, ER 5+ years ago*

> I didn't seek out advice. I did have a couple of conversations with advisers though which didn't really help but realised there was no other alternative.
>
> *Male, 76, South-East, ER 2-3 years ago*

> I spoke to my accountant. He explained the details how it worked and said you can check yourself on Google. I did calculations with three different companies.
>
> *Male, 64, South-East, ER 2-3 years ago*

> Not this time no as we knew the procedure, but he did use his financial adviser a couple of years ago.
>
> *Family member of male, 75, London, ER in the last year*

When a financial adviser is already known to the individual, there can be some difficulty in ensuring a formal advisory role

When seeking financial advice

…some participants had turned to members of their extended friendship and acquaintance network, who were qualified financial advisers – although some did not specialise in equity release. However, in this scenario, there can be some difficulty in ensuring the right balance between formality and informality.

When consulting an adviser already known to the consumer, there were both positives & negatives…

Positives	**Negatives**
The discussion can be initiated and led by the consumer.	The adviser discussed alternatives to equity release but followed the participant's preference for a certain product.
The adviser may already be very familiar with the individual's specific financial circumstances.	The adviser lacked detail in their questioning of the consumer's financial situation – for example not asking about wider issues such as pensions
There can be greater assurance that the adviser would provide what they consider to be the 'best' solution for the consumer's own specific circumstances.	They adviser could have just been selling equity release, not other products

> He didn't come and sit with us and go through it all. It was a general discussion, a family meeting. We know him very well. We've known him some 30-plus years and because he's always looked after us, little things came up, and if he thought about something, he'd ring you up and say, 'By the way, I've just come across this.' So, we felt as thought it was done on a family, friendly basis. You know, it wasn't a big discussion, so to speak, he spoke to us as, you know, a friend and not an adviser.
>
> *Female, 71, South-East, ER in the least year*

> We had a friend who was a financial adviser at the time, and we had a chat with him. It wasn't a serious chat. It was just to tell us the pitfalls and things like that.
>
> *Female, 68, North, ER 2-3 years ago*

When formal advice taken, the process was relatively consistent & fees were openly discussed

This tended to be the process…

Formal route
The financial adviser would discuss the requirements and recommend one or more providers.
Then in some cases, they dealt with the equity release provider directly, acting as a liaison and handling the paperwork.
In some cases, the consumer would be put in contact with an agent to discuss further details.
Meanwhile the financial adviser would be available for further consultation if required.

The cost of taking advice was relatively consistent & transparent

For those who contacted an IFA or mortgage intermediary previously unknown to them, the cost of providing the advice was usually up to £1,000.

Nearly all participants recall fees being mentioned in some cases to the IFA in others to the provider directly

For those contacting the equity provider direct, the fees for providing advice seemed comparable to those paid to IFAs.

However, when the customer was less engaged with the whole process, there could be a lack of clarity around the charges and whether charges applied to the consumer or if the provider pays any charges.

> [The IFA] did lead us through it, and I wanted him to because I knew it's the sort of thing he deals with every day. So, I didn't want to be left alone to deal with the provider on my own. So, he did keep involved in sort of leading us through the process.
>
> *Male, 63, ER, 2-3 years ago*

> I had to pay the IFA, the mortgage consultancy company. They give you a fixed fee, £975. The evaluation was free and then I had to pay the solicitor's fee which was £1,250. The bank fee that was £42 plus the £18 for the bank transfer. And there was another fee somewhere, the lenders valuation fee, £150.
>
> *Female, 55, South-East, ER less than 1 years ago*

> [The broker] then went through carefully what a lifetime mortgage is, what's good about it, what's bad about it and then he went through all the fees basically. And he said, 'And of course, you don't pay me any advice fee.' So, we went through a number of conversations and there was no fee, so I assume he gets paid through [the provider].
>
> *Male, 57, South-West, ER 1-2 years ago*

> I paid some money to the IFA. How much of that went to Canada Life I can't quite remember now. I think I paid about £600, which seemed reasonable at the time. I remember having to pay it him but gosh you've got me now. Yes, I mean, some of it must have been for that sort of thing, I guess.
>
> *Male, 63, ER, 2-3 years ago*

When informal ‘advice’ was taken, the process was similar, but no fee was expected or charged

This tended to be the process…

Informal route
The informal ‘adviser’ would discuss the requirements and recommend a provider but as a friend not as an adviser
They might also approach the provider on the customer’s behalf or suggest the customer did so directly
An apparent ‘agent’ is appointed who then contacts the customer to discuss further details.
As this was an informal relationship there was usually no fee

For consumers who ‘consulted’ IFAs within their established friend and acquaintance network, the advice was typically provided without cost

Where it was just informal advice around the concept, no fees were charged or expected by the friend as this was not formal advice, and the customer did understand this.

If it was an independent adviser known to the family, often someone they had used for years, it was understood that fees would be paid. This was the case in more affluent participants.

> We've actually got a friend of a friend who is a mortgage-type intermediary. We started talking to her, and then she put us onto [the provider] We had a named person there that we were dealing with, that we had a couple of video calls with. They said there would be, obviously, your legal cost to pay, they said there wouldn't be a valuation fee and there was no fee for the advice.
>
> *Female, 56, South-West, ER 1-2 years ago*

> I think when I took that out the guy that came, he worked for several companies. I sometimes think with a financial adviser, when they cover different areas, they go with the company that gives them the most profit or the bigger portion. This guy, because he was known to the family, I think I had more faith. I don't know about other companies. I've never looked anywhere else. I've never compared.
>
> *Female, 78, North, ER 2 years ago*

Participants used IFAs and mortgage intermediaries to secure the best deal, rather than to review and guide the situation

There tended to be an assumption that all IFAs and mortgage intermediaries are equivalent to each other

And all able to help in the same way so consumers did not seek out an equity release specialist.

They confuse equity release agents with an IFA, with some calling the agent an adviser and there is an absence of clarity about whether they are independent or tied.

These advisers tend to be brought in at two points:

Either as an initial sounding board – typically when they already know or are acquainted with an adviser

Or to finalise the process once equity release has already been decided on.

While conversations around alternative solutions do happen, few customers engage with these meaningfully

Some advisers do not appear to review and emphasise the other options adequately.

The IFA and mortgage intermediary role is to affirm that equity release is an acceptable thing to do, offer guidance on the best product and deal, advise on the complexities and help with paperwork as well as navigating the process.

In some cases, IFAs and mortgage intermediaries helped secure better outcomes.

> Yes, we spoke to the IFA. It was ok. He sort of done us options. It was very quick, but obviously at the time, when you are paying somebody, you don't want it to drag on. We just wanted to know, was it viable to do it? And was there any other options? And yeah, he did give us that.
>
> *Female, 66, Midlands, ER 10+ years ago*

> He was just straightforward, telling us pluses and minuses. He did say that it's right for some people, it’s not right for other people.
>
> *Female, 65, North , ER in the least year*

> Yeah, the financial adviser organised it. He put us in touch with somebody else. We have known the financial adviser for years. And so, we just went to him.
>
> *Family member of female, 77, Midlands, 5+ years ago*

Despite consulting an IFA or mortgage intermediary, most participants admitted they were already intent on purchasing an equity release product

For those participants in need of immediate money, their desire to secure finance meant that they ignored discussions about the suitability of equity release, even when they sought out advice from an IFA or mortgage intermediary, who was able to discuss other options.

These consumers are focused on their immediate need to secure finance now rather than considering what this product means for them in the future.

> It wasn't as though we were going into something that we didn't know anything about, which would have been far more difficult for us to go through. We knew exactly what we were taking on. It felt as though it was the one that we wanted, the path that we wanted to go down.
>
> *Female, 71, South-East, ER in the least year*

> [The IFA] didn't try and dissuade or persuade. I was quite adamant in what I wanted. You know, I'm paying them to do their job and instructing them, and they accepted my instructions. There was no, ‘go this way or that way.' I just felt it was right at the time. I was just focused on, you know, this one product and getting this.
>
> *Female, 55, South-East, ER less than 1 years ago*

> We were advised to get advice. I think you could have had the company's advice, but we said no, we'd get independent, and I don't know why we said that because when he said there's other ways to do it, we weren't going to listen to him. Because we didn't want him to talk us out of it at the time. He did advise that there were other ways to raise money and he told us about at the end of the term, you know: ‘Your house will be valued at a certain amount. They will take a lot more than you're wanting to get, blah, blah, blah.' At that time, we didn't care, I know that's a bit reckless, but we didn't care.
>
> *Female, 65, North, ER in the least year*

Overall, participants regarded the financial advice process as thorough

Although it is difficult to truly understand the depth of discussions that IFAs, mortgage intermediaries and agents have with consumers – or the level of detail they go into – overall it appears that:

- A face-to-face visit was organised – where feasible – and several telephone calls were conducted before an equity release product was purchased.
- A 'deep-dive' into the consumer's financial circumstances was offered by advisers.
- Alternatives appear to have been at least 'touched on' at a high level.
- Time for reflection was provided.
- Questions were encouraged by advisers.
- Information, including graphical illustrations, was provided to demonstrate the financial impact of interest over time, although this was not always understood.
- Fees were laid out for consumers, but there may have been a lack of clarity as to what all of the fees were and who benefitted from them.

> It was very much led by me, the process, and there was nothing pushy about it. We did have time to reflect, and I think, you know, are we doing the right thing? It wasn't, you know, fast moving. It did take its time. It took a few months to be honest. It was all, you know, on our terms. So, it was a consultation between the both of us, told her what we wanted and, you know, left her to go off and see what documents she needed from us.
>
> *Female, 55, South-East, ER less than 1 years ago*

> I think although they provide paperwork and booklets, and [pamphlets showing] this is what we're about, sometimes it's not easily understood. I think, you know, a basic 'this is what we do, this is where you'll fit in, this is what will happen to the [home would be helpful]. You know, this is what we'll charge' in basic wording. Something so that, you know, everybody can understand what they're reading.
>
> *Female, 78, North, ER 2 years ago*

Taking financial advice is not always a faultless experience

Even when IFAs, mortgage intermediaries and agents are consulted, some consumers said they did not fully engage or understand what was explained to them.

For these participants, the information was ‘going in one ear and out the other’ and they were ‘switching off’ as there was too much information to digest.

In some cases, the paperwork they were left to read was lengthy and hard to digest.

There was also a sense of not fully trusting experts to act in the consumers’ best interests, believing that they had a vested interest in selling a product.

Some encountered agents seemingly focused on selling additional products rather than the current product.

> I talked to a local financial adviser who left some things to be clarified regarding charges and arrangement fees. It was quite expensive, and it wasn't clearly explained by the IFA at the time. It was a mediocre experience.
>
> *Male, 78, Midlands, ER 5+ year ago*

> They did send us lots and lots of reading and that sort of thing. I can't say I went through it extensively which I normally would, but I did have quite a lot of reading.
>
> *Female, 66, Midlands, ER 10 years ago*

> They had the terms, conditions and just wanted to go through this, that and the other with you, which is clearly when I switch off and my husband listens. They were very clear. I would say to tone it down a little. But he did say that he had to explain all of this in detail.
>
> *Family member of female, 77, Midlands, 5+ years ago*

> Once [the provider] got involved, they weren't just interested in the equity release. [They said] 'Well, what sort of insurance have you got? Have you got this? Have you got that?' At the end of it: 'Look, we've already been through all this with our financial adviser. We don't want all the add-ons.' We just want the equity release. At the end of the day, they took that on board and went away.
>
> *Female, 71, South-East, ER in the least year*

Even after seeking financial advice, consumers are not always clear on the product details

For those who sought independent financial advice, there could still be some confusion and a lack of clarity regarding:

- The type – or name – of product they had purchased.
- The terms and conditions associated with it including:
  i. What the product means for the homeowner – such as in the case of home reversion, no longer owning all of their home.
  ii. Early repayment terms and conditions, such as the time duration of the restrictions on repayment and associated costs.
- The interest rate they were paying.
- Compound interest's financial impact over time.
- How much equity they had released from their property.

> [Are there repayment charges?] We didn't actually go into that, but I do think there's a penalty for repaying. At the moment we're very happy with it but if you do want to pay it back and you have to wait a period of time and I'm thinking it was something like seven years. Seven years when you get to our age is a long time.
>
> *Female, 71, South-East, ER in the last year*

> Obviously, I know what compound interest is. But I don't think we really factored in the impact that would have. Although the guy that came to see us mentioned compound interest, I still think he was trying to pull the wool over it all.
>
> *Female, 52, North, ER in the last year*

> [The adviser said] you could do this, you could do that, you could do the other, I was bamboozled to be honest with you, so much information. Really lots and lots of things to think about, a lot of information, and some of it quite complicated as well. I think it is a bit of a minefield.
>
> *Female, 52, North, ER in the last year*

7

Reflections on their experiences after purchase

After the purchase, contact is limited to an annual statement and communications encouraging more equity release

There tends to be very little personalised contact from providers, agents or advisers once the product has been taken out.

Most receive flyers detailing additional products and services they can purchase, including the option of further drawdown. They see this as marketing.

Nearly all receive an annual statement and most feel it is clear and well laid out. However, some would like additional information included, for example early repayment fees.

There is no personalised check-up provided

None recall a review being offered either in writing or via a phone call.

However most did not expect a review, though when it was raised in this research, it seemed a good idea to some

Most do not 'do the maths' to work out what they will owe over time.

At the time of taking out, none said they calculated how much they would owe eventually, or recalled being given this

Those who understood the accrued interest, did understand the principle of what they might owe

> I get an annual statement. I would like more information about new laws and adjustments that come out. The statement is very clear except they don't say what the early repayment penalties are. They say they will work it out at the time. This is not satisfactory to me. I don't know how it will work out if I sell it.
>
> *Male, 64, South-East, ER 2-3 years ago*

> We know about the monetary situation with the provider. We will be getting a statement shortly, but we don't have a current one. I'd like a regular update on what is owed against the loan that was taken out. Probably every three months.
>
> *Male, 78, Midlands, ER 5+ years ago*

> [Received] nothing, I wouldn't expect anything. As you know, you're making the repayments, I wouldn't expect anything else other than, obviously, the contract to be popped in the post. But I wouldn't expect anything else. We'll be getting an annual statement.
>
> *Female, 55, Midlands, ER in the last year*

> Equity release now is probably a better deal than it was five or six years ago because the interest rates are lower. I've looked at the maths and it depends how long you live for. I phoned up and made enquiries about it. [Key said] it was worthwhile changing if we lived over a certain number of years. If 5 years, it's not worth it. If it's 15 years, it's worth it.
>
> *Male, 73, North, ER 4-5 years ago*

Few had considered conducting a review to check whether the current product still worked well for them

There is some inertia regarding product reviews or changes.

Not one respondent had changed or modified their product or terminated it – although one respondent was currently in the process of trying to end it.

One respondent had reviewed their product, as they wanted to reduce the interest rate, but were advised by their provider against changing.

One was aware interest rates are lower now so on reflection they should see if the product can be reviewed but had not done so

Most did not expect a review and had not thought about it

They assumed it was 'set in stone' and a done deal or knew there would be a fee to amend it or repay it. Many had read this in the paperwork or had it pointed out to them

One participant felt the equity release provider should initiate the review conversation.

Several mentioned they will review it in the future, but there appears to be a general attitude of: 'Why review the product when there is no other viable product to change it to?'

> No [haven't reviewed it]. I think we've had enough to cope with in the last year to bother doing that. Whether or not this will make us dig down and have a look at that January statement, it's something we might do now.
>
> *Female, 55 (husband older), North, ER 2 years ago*

> Since then, the interest rate has dropped which is unfortunate for us so it would be a lower cost now. I could go back to the broker to try to reduce the rate, but I haven't.
>
> *Male, 66, Southeast, ER 4-5 years ago*

> We haven't thought about that [a review]. As far as I was concerned, it was set in tablets of stone and that's it. I suppose because it would be like a brick wall. There's no other way we could go.
>
> *Female, 68, North, ER 2-3 years ago*

> Yes, they should be required to review it. They get annual statements, they get letters every now and then, every few months. Just like a statement. They get booklets as well showing all the different figures. They have had bits encouraging them to take out more equity from Bridgewater.
>
> *Male, 75, North, ER 5+ years ago*

Many believed it would not be difficult to make changes to their product – even though few had tried or looked into it

Participants did not know whether it would be easy or difficult to make changes to their product. This could be due to poor recall or an absence of clarity from the advisor either during the sale process or in subsequent communications.

- More felt that it would be an easy process to change or terminate the equity release product.
- Only some felt that once they had signed up for it, that they couldn't terminate it.

The ease depended on how easy the original process was and how clear the communication had been since.

No one had terminated the product early, although several stated that the fees for this were high.

One of the main barriers to terminating the product was the longevity of the early repayment charges – whilst the financial penalty may decrease over time, the charges could be imposed for up to 15 years.

> I think if that [early repayment charge] wasn't there and I could get out of it, I think I would. I mean, I'm sure it's alright and the IFA, I've known for years and I'm sure everything he's done is absolutely correct and all the rest of it, but I felt a bit, sort of, roller-coastered into it. I blame myself; I don't blame anybody else, but I think I would rather have not done it.
>
> *Male, 63, ER, 2-3 years ago,*

> I don't think it'd be difficult. I think you contact [the provider] and speak to one of their advisers and come to an exit or a settlement on that package.
>
> *Family member of male, 71, North, ER in the last year*

> I have seriously thought about terminating it. I don't know how we would do that, but I'll be looking into it. Circumstances change in seven years, and I will be looking at cancelling the product shortly. I would first talk to the IFA and the solicitor. I imagine it will be difficult.
>
> *Male, 78, Midlands, ER 5+ year ago*

8

Outcomes and the underlying drivers

Participants raised a variety of financial and/or emotional harms arising from their purchase of equity release

Potential financial negatives	Potential emotional negatives
They could be financially much worse off when the product ends compared to other products	Feelings of personal loss, anxiety, embarrassment, guilt and regret by the customer
They may end up with no equity in their home.	The regret that once purchased, the decision cannot be reviewed or undone especially if circumstances change, such as no longer needing the money
They risk being locked into equity release for a set time period, even if they have at some point the financial resources to buy it out.	Feelings of concern and regret that they unquestioningly accepted poor advice and the realisation they should have been more proactive.
There are high arrangement and settlement fees to pay.	The apprehension of telling beneficiaries about their decision.
They may have taken out equity in one go when smaller amounts could have sufficed.	Distress from observing dissension amongst beneficiaries after the product purchase has been made.
They may have paid higher interest rates than were available.	
They had to accept a house valuation for ER that is lower than the normal market estimation.	
They may have decided not to repay the interest monthly when they had the ability to do so.	

> I think it is a bad product. It shouldn't be lifetime, as at present the value is going down and the interest is going up. Also, five years before repayment is too long. It would be better if they said for one year you can do it like a life insurance policy. For the first year you get nothing and then it pays out, and if I don't repay for 10 years my liability might go up to £400,000 and I'll get nothing.
>
> *Male, 64, South-East, ER 2-3 years ago*

> It's been a poor outcome really in terms of protection of inheritance. It provided the support for the family but hasn't ring-fenced the inheritance situation which we wanted to keep safe.
>
> *Male, 78, Midlands, ER 5+ years ago*

> I think that people would need to go down every other avenue, to pursue every other possible avenue before taking out equity release.
>
> *Female, 68, North, ER 2-3 years ago*

Some participants experienced positive financial and/or emotional outcomes from their decision to take out equity release

Financial positives	Emotional positives
They felt the debt which builds up was reasonable and affordable.	They felt they had the best product for their situation, with few or no regrets.
The equity release product met their urgent financial need.	The product offered 'peace of mind' if they obtained dependents' consensus approval.
The product provides access to funds which make their lives more comfortable – from reducing debt, to making home modifications or enabling luxury purchases.	Reassurance was provided by FCA regulation and high brand awareness.
The product supported their ongoing budgeting needs.	They felt confident that they had made the best decision by consulting appropriate financial professionals, undertaking comprehensive research and reviewing different financial products.
The product provided access to wealth now, when beneficiaries or themselves were best able to make the best use of it, rather than after they die.	They were able to remain in their own home and local area.
Having the product reduced or removed their financial stress.	The product provided the joy of financially supporting family members.
They will never have negative equity.	The product allowed them to direct where their inheritance goes.

> Good product for me. We stay where we love. We don't pay any money until we actually pass away, so it's not a worry for us. We spoke to our children before we did this, and they said, 'look, Mum, Dad, spend your money.
>
> *Male, 64, London, ER in the last year*

> I'm glad I did because it has given me extra in my life. I've been able to change my car. I've got a sports car. Why shouldn't I have? It's enabled me to have things that I might have been denied.
>
> *Female, 78, North, ER 2 years ago*

> It's a good product in the right circumstance, and with the right conditions attached to it.
>
> *Family member of male, 83, North, ER 5+ years ago*

Emotional harm is evident across four discrete themes

A sense of personal loss:

- Losing the sense of pride that accompanied owning their own home
- Reducing the inheritance for beneficiaries

A feeling of being financially 'stupid', inadequate or naïve, leading to embarrassment:

- Having to tell people of the decision to take out this product
- Worrying that perhaps they made the wrong decision
- Worrying that they rushed their decision making
- Feeling that they didn't (sufficiently) explore alternatives
- Finding out later that they did not fully understand the details

A feeling of guilt:

- Having taken out a product that is still stigmatised
- Letting their children down

A dawning realisation of the long-term financial impact:

Feeling they're building up 'debt' in later life

- Not understanding compound interest at the time of purchase
- Seeing interest build up and a continuously reducing inheritance
- Realising that the longer they live, the less equity is left in their home
- Realising there is a lock-in period before repayment can be made

> It's eroding the protection I want for the inheritance. It depends what you feel about wanting to provide for your children's future. I'd like to think I've supported them all down the line. At the time they needed the money for the property but it's a question of whether I've done it the right way.
>
> *Male, 78, Midlands, ER 5+ year ago*

> I feel that in a way I lost out. It makes me feel wow I've lost 20%, that's what makes me feel bad now. But my hands were tied. There were no other options.
>
> *Male, 55, South-East, Home Reversion, 2-3 years ago*

> I feel a little bit guilty that I'm not leaving a substantial amount to my family. And then I feel guilty because they all said we don't need this property. Just sell it and go on the holidays, and things like that.
>
> *Female, 76, North, ER 7 years ago*

> I'm not sure that building up debt, I know it'll be okay because it'll be gone when we're dead, but it just doesn't feel that great when you see the statements coming through and you've got more now than you did.
>
> *Male, 63, ER, 2-3 years ago*

Various product-related issues impacted on participants' outcomes

Consumers did not always consider the full ramifications of taking out equity release and the future impact it would have: in particular, time restrictions, language used and charges & fees

Time restrictions
The need for a solution to their financial problem in a short timeframe can lead to rushed decision making.
A product with a long lock-in period can restrict consumers from cancelling or changing it.
The type of property that can subsequently be purchased once equity release has been taken out may become a problem.

Language used
Some consumers lack comprehension of jargon or complex financial terms used in conversations.
Documentation can be difficult to understand and seem non-transparent.

Charges and fees
Repayment, including associated administrative costs, may be high – for example when moving home.
There may be costs to take out further sums using drawdown.
There may be interest rate add-ons to include drawdown as an option.
There may be a limit on the amount that can be overpaid annually.
Accrued interest over time can cause financial difficulty.

> When we saw the costs at the end of the contract i.e., when you sell the house what they take back. That rocked us a bit and that's when we started wavering a bit and to be fair, they probably said that. You know, they said it would cost [a lot], probably told us at the meetings: 'This will cost so-and-so at the end.' You think: 'Oh, right, yes.' When you absorb it and look at it, you think: 'Oops.'
>
> *Female, 64, North, ER 1-2 years ago*

> I know there was a time limit. You'd applied and you'd done all this talk and filled forms in. That offer is there until such a time and then if it runs out, you will have to reapply.
>
> *Female, 64, North, ER 1-2 years ago*

> It's about the charges they make. I'm thinking at the minute, of paying this off, selling my house and moving. I mean, I'll actually owe them about £15,000 for doing that. Now, I think that's horrendous. Their fee just for doing it is £1,295 on top of everything else. And then there's a standard fee, £480, what's that for? Copies, £3. Special delivery charge, £7.14. They're at every bit, aren't they? Locum fee, £90, I mean, what's a locum fee?
>
> *Female, 64, North, ER 2 years ago*

Analysis of the data indicates that poor outcomes originate from six drivers

Many of the participants felt financially exposed because they didn't have a buffer in the form of savings or pensions and/or because they lacked the resources to pay interest monthly or wanted to reduce monthly outgoings. Most participants experienced more than one driver.

Making a rushed decision as having a time imperative

- Having a time limit for finding a long-term solution, for example a mortgage ending, a divorce, health issues
- An immediate need for short- to medium-term funds, for example lasting one to five years, after which they expect to have other income or money

Not understanding finance

- Not understanding financial matters e.g., the implications of accrued interest, the language used by professionals
- Not understanding that they could have paid their arrangement fees upfront, rather than adding them to the debt and accruing interest
- Taking out equity release in one lump sum when the full sum was not needed at that time
- Taking equity release out at a young age so accruing compound interest over a longer time

Being single-minded

- Employing the services of an adviser but failing to engage with them
- Not listening to the advice provided by the adviser
- Guiding the adviser on the outcome they want and so ignoring or not fully considering alternative funding options

Feeling vulnerable to pressure

- Accepting at face value the opinion of and recommendations from the provider without question
- Experiencing implicit or soft pressure from providers or brokers
- Accepting the property valuation without consulting an independent alternative
- Not reviewing the product every one to five years to see if there is a better rate or product
- Purchasing at a time of vulnerability

Not seeking independent advice

- Not speaking to an independent IFA or not speaking a qualified equity release adviser
- Not bringing in a second opinion at all, in particular family or friends
- Not getting information or independent guidance from anyone else

Being 'blinkered' by desire for funds

- Not looking at more than one offer
- Not reading all of the small print to fully understand the financial implications nor listening to the information provided by the adviser
- Not doing enough research on the product and the alternatives options
- Not seriously considering alternative financial solutions before purchase

Case studies have been developed to bring our research further to life by focusing on the situations and experiences of real individuals.

Each case study prominently illustrates one of the key drivers we have identified of good and poor outcomes, but because they're about real people, more than one driver is apparent in most cases. We've developed 7 cases, which broadly represent the overall emotional mix of our participants: one shows a good outcome, two had a bad outcome, and four show people left with mixed emotions towards equity release and the decisions they made. Their details and stories are real, but their names and images have been anonymised. The age stated is their age when they took out the product.

Walter
Rushed decision as time imperative

My bank gave me three months to pay off the mortgage. I was getting desperate. I thought I would be homeless. This saved me from harming myself. Some days I do feel sad that my inheritance has diminished but then I think I'm alone and need to look after number one."

Harry
Vulnerable to pressure

There's a lot going on in my mind obviously with losing my partner. If I'd have been a calm person without that trauma, I might have gone for the drawdown option. But I think the adviser was led by my emotional decision-making process."

Mary
Not understanding finance

The salesman spoke to me but I'm not good with financial matters. I listened but didn't really understand what they were saying. I have since heard that with accrued interest my debt doubles every 14 years. I will lose most of the value of the house. I feel sick thinking about it."

Ali & Shakib
Not seeking independent advice

We didn't speak to any independent financial advisers because it was just something my dad wanted to do, and we just felt he has always been quite good at what he does."

Sally
Single-minded

I was quite adamant in what I wanted. You know, I'm paying them to do their job and instructing them, and they accepted my instructions. There was no, 'Go this way or that way."

Mable
Blinkered by desire for funds

We just needed to get that money. It was only in the new year that we started to get a bit wobbly. Then we did speak to a couple of people who told us about other options we should have done to raise that money."

Anne
Good experience

Yes, it does really meet our needs and from all the kids' point of view. They said it was the best thing we could do for them. From my point of view of regretting it, no, there's no worries whatsoever."

With the benefit of hindsight, participants experience a range of emotions about the outcome

Positive emotions

The product gave them what they needed at the time, and they still feel content now

Mixed emotions

The equity release product met their immediate financial need, but left them with residual discomfort and regret

Negative emotions

They regret their fast-disappearing inheritance and culpability in the decision

> “It is a good product. People save into their properties and sometimes need to draw down on their property. They could leave it to a relative or could use it in their life. Using it for improving your life, it's a good thing.
>
> *Female, 73, South-East, ER 5+ years ago*

> On my part, I feel like I failed, and I shouldn’t have had to have done that. You can do what you want with it, but at the same time I think it should be the last resort. We should've done something else.
>
> *Female, 68, North, ER 2-3 years ago*

9

Conclusions:

How to improve the consumer experience

Participants were asked what advice they would give to others and to their younger selves

General advice

1. Take out equity release much later in life, for example when in their 70s.
2. Conduct comprehensive research to really understand equity release.
3. Discuss equity release with family members and those who will be affected by the purchase.
4. Speak to an independent financial adviser and seriously review alternative options before committing – such as drawdown, downsizing, pension release or the use of savings.

Carefully review the product for the current impact

1. Compare and contrast the products from several different providers.
2. Clarify the points of demarcation between products so that the most appropriate product is selected.
3. Take time to consider whether equity release is the right product in the current circumstances.
4. Read the fine print in the contract.
5. Take care to understand the imminent charges.
6. Work out the impact of accrued interest over time.
7. Release only the required equity and consider drawdown.

Carefully review the product for the future impact

1. Check the lock-in period and associated charges or fees.
2. Check for restrictions on moving home in later life.
3. Check the level of debt and its accrual over time.
4. Check for any future charges.

> “Think seriously about downsizing and getting money in your hand from the sale of the house. You get a smaller house. Also advise them to look at other options. Equity release should be the last one but don't get it so young, at 55, 56. Don't get it that young.
>
> *Female, 58, North, ER 2-3 years ago*

Research **conclusions on the actions** and guidance which could support consumers #1

Whilst they did not specifically make the following further recommendations about how to enhance the product or the process, these can be deduced from consumers describing their experiences. Some of these actions could be the responsibility of the regulators.

Consumers would welcome guidance during different stages:

Before & during purchasing the product

Be provided clearer information about differences between products and providers, to make it more transparent, for ease of comparison and consideration.

Have an explanation on how to engage in an initial comprehensive product and provider **review** with an IFA or mortgage intermediary.

Have an explanation on how to determine the **appropriate level** of equity to be released and avoid taking more than is needed at that time.

Ensure there are safeguards in place for older or vulnerable consumers, for example by encouraging a family member or independent advocate to be involved in the decision making.

Product factsheets

Product name or type clearly specified and explained.

Interest rate and any breakdowns, for example the impact of adding on a future drawdown element.

Clarity over the typical fees involved in purchasing equity release, what the charges are for and who receives them.

Explanations of standard impact and terms, including that:

i. Consumers no longer wholly own their home
ii. Inheritance reduces for beneficiaries
iii. Compound interest grows over time, using bespoke graphical depictions and key fact illustrations
iv. Restrictions apply around moving home, a lock-in period and associated costs

Options available which they must decide on and the associated benefits or limitations, including comparisons of:

i. Monthly repayments vs. compound interest
ii. A lump sum vs. drawdown

Post-purchase guidance

Independent reviews of the product conducted every one to five years.

Clear customer service channels for consumers to make sure they can review different aspects of their product, for example of payments made or interest accrued, via a helpline to call and a portal or an app, for the more technology-savvy customers

Actions and guidance which could support consumers #2

Advisers could consider the following recommendations:

Advisers
Explain the distinct advisory roles for IFAs, mortgage intermediaries and agents.
Provide guidance on the **qualifications** advisers should have in order to be in a position to provide suitable, independent advice.
Offer counsel to some consumers in a **more formal environment** away from their home. Some can feel vulnerable while having a stranger in their home and the process can feel too informal in this setting.
Provide further clarification on the **duty of care** that an adviser needs to fulfil in their professional capacity, including for consumers they already have a formal or informal relationship with.
Provide **guidance** for advisers on dealing with consumers who are adamant that equity release is the product they need, before considering potential alternatives.
Provide guidance on how to explain this complex product to consumers, as well as how to ensure **alternative products** are sufficiently reviewed before committing to equity release.

Providers could consider the following recommendations:

Providers
Make sure that documents explaining equity release are tested for **'suitability' of language.**
Ensure that documentation is left with consumers to review, and buyers have **enough time** to understand the product or ask for clarifications.
Offer consumers the chance to **nominate** who should receive the pre-sale documentation, not just the product holder who may be very elderly.
Conduct several **face-to-face** meetings to encourage consumers to read the documents, ask questions and point to any sections that are unclear.
Ensure there is adequate **time for reflection** or a change of mind before consumers commit to the product, especially for those who have recently experienced upheaval in their lives that may impact their judgement.
Review what counts as an **acceptable level of contact** before and after a sale from providers, for example via direct mail or telephone calls.
Review the amount of **paperwork** provided, aiming to balance the need for full transparency with the risk of overwhelming consumers with too much detail.
Review **advertisements,** especially from well-known brands, since they automatically suggest credibility and therefore influence consumers' support for equity release.

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Appendices:

1. Case studies

2. Respondent details

3. Table of interest rates

Case study 1

Rushed decision as time imperative

Mortgage was coming to an end and his bank requested swift repayment. He approached four banks and each refused to provide a solution.

Income: State pension + small private pension of £18k a year

Savings & debt: No savings | £15k bank loan and credit card debt | £60k interest only mortgage

Walter

Retired taxi driver, divorced, three adult children

I'm not in a very big property now. I'm only in a 2-bedroom flat. I've been used to living in a 4-bedroom detached, 3-bedroom semi-detached, and ended up now in a 2- bedroom ground floor flat. How much lower can you sink than that?"

The product

Lifetime Mortgage, one lump sum, in 2018. Taken at the age of 70.

Value of home: £250,000

Equity taken & LTV: £75,000 | 30%

Interest rate: 6%

It was desperation for money, and to pay the mortgage every month which the banks were making it very difficult for me to do because of my age. I was pleading with them, phoning them, writing to them. There was no alternative. It had to be that or nothing or beg out on the street. I didn't have any choice. I didn't have any options other than to find an equity release company that would offer me the most money."

The journey to ER

Approached bank

Citizens Advice Bureau

Saw adverts

Looked online

Four providers contacted

One provider visited home

Took out product

Thoughts on ER now

mixed

I managed to change my car. I have money in the bank now that I didn't have prior to that. I can eat well. I can put petrol in my car. I'm not asking for much else now. I'm happy in my own skin thanks to the equity release. It gave me a brilliant outcome."

My only other thought is with my children, or grandchildren, how it would affect them in years to come. I have to be a bit nasty here and say, well, God helps those who help themselves, because there was nobody else to help me, to be quite honest."

Case study 2

Vulnerable to pressure

Harry
Divorced, partner recently died of cancer, two adult sons

Took out product just after partner's death to helps sons get on the property ladder

Income: Self employed income: £45k

Savings & debt: Some savings | No major debt | No mortgage

> *Both my sons were at the point where they were looking to buy. It had been burning in my brain, but obviously, I had other things to think about 2 or 3 years back. I did say to them, at the time, 'I really will want to help, but now, it's just, my focus has got to be my partner, who's not very well."*

The product

Lifetime Mortgage, as one lump sum, in 2019. Taken at the age of 55.

Value of home: £600,000

Equity taken & LTV: £120,000 | 20%

Interest rate: 3.5%

> *I could've accessed the pension, but I didn't really want to take my tax-free lump sum at the time. I was a bit concerned what the interest rates would be. I thought they would be a lot higher than they are. They're not as cheap as domestic mortgages, I get that. I'm not sure why. Even though their headline rate may have been lower, I'd rather go with a reputable company that I trust. "*

The journey to ER

- **Sons wanted to get on property ladder**
- **Partner died and left him her share of home**
- **Looked at advertising but didn't consult IFA**
- **Spoke to one well known brand**
- **Felt harassed by other providers contacting him**
- **Took out product**

Thoughts on ER now

mixed

> *I felt good about what the money was going to do. I felt informed. I'd worked in insurance and then I worked for a bank. A highly regulated bank, NatWest. I didn't regret it."*

> *There's a lot going on in my mind at the moment with losing my partner. I just felt that if I'd have been calm, without that trauma, I might have gone for the drawdown option. I think he [the adviser] was led by my emotional decision-making process."*

Case study 3

Not understanding finance

Mary
Works as a cleaner, divorced, two adult children

Information was written in complex financial language or jargon. Mary didn't really understand what accrued interest meant.

Income: £25k from 2 part-time jobs

Savings & debt: Some limited savings | No debt | No mortgage

> “*I left my husband. I needed some money. I needed to consolidate some debt and pay my husband off from money out of the house. [I thought] I'm sitting in my home; it's got all this money and yet I can't get at it. I can't touch this money because it's in bricks and mortar.”*

The product

Lifetime Mortgage, taken in 2 stages, 2018 & 2019. Taken at the age of 55.

Value of home: £150,000

Equity taken & LTV: £45,000 | 30%

Interest rate: 8%

> “*I rushed into it. I don't read the small print, and if I do read it, it doesn't sink in because. I'm not stupid by a long way, but it's written in a financial adviser's way, and it's not the way that I can understand it. [The interest rate] it seemed good because, for instance, if you look on the television, an Argos card, that's 39%. I don't remember him ever offering me any other options, He never said about downsizing ”*

The journey to ER

- **Friend told about ER**
- **Contacted a provider**
- **Provider visited home, explained but didn't hear**
- **Didn't understand implications**
- **Took as a lump sum & added fee to debt**
- **Took out product**

Thoughts on ER now

negative

> “*I had £20,000 at first and then I think I had another £25,000 as I wanted a holiday with the kids. We all had a fantastic holiday, which was stupid really, but at the time it was brilliant in Disneyland.”*

> “*My son said to me, 'Well, you do realise, Mum, the longer you live the less money we get?' That's when it really hit home to me exactly what they'll get at the end of it. So, the kids used to laugh and joke and say, 'We need my mum to die soon because otherwise we'll get nothing out of the house.' I'm really, really stupid.”*

Case study 4

Not seeking independent advice

Ali & Shakib
Ali, son speaking on behalf of his father Shakib, who asked him to be involved, but not as an attorney.

Father wanted equity release to help family members. No one questioned his decision, didn’t go to an IFA.

Income: State pensions + small private pensions

Savings & debt: No savings | No debt | No mortgage

> It wasn't apparent then, but maybe it was dementia. He wasn't assessed at that time. It was something he felt he needed to do. We didn't speak to any independent financial advisers because it was just something my dad wanted to do, and we just felt he has always been quite good at what he does.”

The product

Lifetime Mortgage, lump sum, in 2016. Taken at the age of 75.

Value of home: £325,000

Equity taken & LTV: £97,500 | 30%

Interest rate: 6%

> We had a few people come around at that time. The advice given was, do you really want to have the burden of the monthly payments? That's what pushed these guys into selling us that product.”

> I think it was a bit of selling by a couple of agents which triggered my dad to look into it. Then it became apparent that the members of the family were looking to raise funds for various things. The whole family felt comfortable with everything at that point.”

The journey to ER

- **Several family members needed money**
- **Dad heard about ER through friends in a club**
- **Dad contacted four well-known providers**
- **Providers came to home for face-to-face meetings**
- **Son was present at some of the meetings**
- **Took out product**

Thoughts on ER now

mixed

> It did achieve what we desired back then. We all got some money. So, in that respect it did what it said, but at a high cost. You basically take a loan on half of the property, and you lose the other half paying it off. You lose half the value of the property.”

> I think we were all quite naive with the future. I think we all probably regret it now quite considerably. We all lost out quite a bit in terms of inheritance. I'm kind of sick to my stomach. I don't want to become bitter about it. It's not the best product or feeling.”

Case study 5

Single-minded

Sally
Married, part time work
husband & 2 teenage sons

Took ER out in the last year for home renovation. Hired adviser but knew she wanted equity release, did not listen to alternative advice.

Income: Both work: Sally part time, her husband full time. Combined Salary £80k+

Savings & debt: ISAs worth £50k+
No debt | No mortgage

> *“I'd seen it on the TV as well and talked to friends about it. I hadn't known anybody that's done it though, but I have heard about it. That's what we've done in the past, always got independent advice, we didn't just want to go with somebody. It's just for ease of mind to be honest.”*

The product

RIO, one lump sum, monthly interest, in 2020 Taken at the age of 55.

Value of home: £400,000

Equity taken & LTV: £44,000 | 11%

Interest rate: 2.5%

> *“[The adviser] didn't talk to me about any other options. It was very much led by me and there was nothing pushy about it. He didn't try and dissuade or persuade. I was quite adamant in what I wanted. I'm paying them to do their job and instructing them, and they accepted my instructions. There was no, 'Go this way or that way. I didn't do any research on it. I probably was aware [of other products] but I was just focused on this one.”*

The journey to ER

- **Had heard of ER via TV adverts and friends**
- **Contacted an IFA for advice but didn't listen**
- **Believed IFA was there to execute her wishes**
- **Didn't consider alternatives despite savings**
- **Didn't research different products or providers**
- **Took out product**

Thoughts on ER now

mixed

> *“I felt happy with the advice. I was absolutely happy about everything and [it was] clear. The [provider] was very knowledgeable and it was all on our terms. There was nothing pushy about it. They knew what they were doing.*

> *“For me at the time, that was the only solution. No I didn't [consider alternatives to ER] But thinking back on it now, perhaps that was something that, I could have thought about. But, at the time, no.”*

Case study 6

Blinkered by desire for funds

Mable
Married, retired, husband works, adult daughter

Took ER out to help eldest daughter buy her partner out of a property

Income: Part owns garage and owns/rents out a second home (to family members) £80k income

Savings & debt: No debt | No mortgage

> *My daughter was going through a divorce, and we needed a large sum of money to get her out of this marriage. We looked at ways to get this money and at the time this was our only option. We'd seen odd things on the internet but because we were desperate, we ignored all this. We thought, 'Right, it's actually going to the girl who would inherit it at the end of the day.’”*

The product

Home Reversion, taken in 2020. £70k requested, £45k given. Taken at age 65.

Value of home: £310,000

Equity taken & LTV: £45,000 | 15%

> *We were naïve to the core. I put to the back of my mind that they would take more at the end than they'd given us, but I couldn't see beyond needing that money. If we'd have thought really hard, we could have raised that money from a second house but that was complicated. I think you could have had the company's advice, but we said no, we'd get independent. We used a financial adviser. He kept a bit independent, but we felt he was swaying us away from it I know that's a bit reckless, but we didn't care.. “*

The journey to ER

- **Started to look at ER in October 2020**
- **Contacted IFA**
- **Wanted ‘privacy’ so didn’t consider alternatives**
- **Took out ER in mid November 2020**
- **January 2021 tried to cancel when saw costs**
- **Case now with a solicitor**

Thoughts on ER now

negative

> *It was only in the new year that we started to get a bit wobbly and started the process to cancel it and pay them the money back. Because we then did speak to a couple of people, and they told us about the other options we should have done to raise that money. I thought, 'In haste, we did it all wrong. Let's stop it.”*

Case study 7

Good experience

Three sons were in debt and Anne wanted to help them resolve financial issues

Anne

Remarried, semi-retired, husband retired, four adult children

Our youngest son got himself in a lot of debt, our middle son's marriage had split up, our eldest son had walked away from the house. We've got all this equity in the house that's going to be between the four of them. I felt that I'd rather help then now when they needed the money, than wait until when we're no longer here. My husband had reservations; he thinks they should take responsibility."

Income: Retired and part retired. State and NHS/Fire Service private pensions

Savings & debt: No major debt | No mortgage

The product

Lifetime Mortgage, one lump sum, in 2018. Kids pay monthly interest. Taken at aged 70.

Value of home: £300,000

Equity taken & LTV: £60,000 | 20%

Interest rate: 2.5%

So, between them [children], they pay £240 a month. They looked at it as a loan that would have been a lot cheaper than my youngest paying off all the interest on his credit cards. My daughter was a bit apprehensive, but the three lads jumped at it. They said it was the best thing we could do for them. There was no pressure [from the provider]. There was not lots of follow-up calls. They purely waited for us to contact them"

The journey to ER

- **Three sons were in debt**
- **Spoke to children about equity release**
- **Did online research, telephoned four providers**
- **One provider came to their home**
- **Chose provider with the best interest rate**
- **Took out product**

Thoughts on ER now

positive

Yes, it does really meet our needs and from all the kids' point of view. Like I say, even [my daughter] has used it and realised it has come in handy for them. From my point of view of regretting it, no, there's no worries whatsoever."

[My husband] sometimes says, 'I wish we'd never done that'. He wouldn't have done it for them. He had a stroke and he's had 1 or 2 TIAs since and I think my worry would be, the effect it would have on him if we had to review it."

Appendix

Participants

🟩 Personally taken out equity release with limited financial resources

🟥 Personally taken out equity release with greater financial resources

🟦 Taken out equity release for family member

🟧 Considered equity release but didn't take it out

	Gender & status	Age took out product	Region	State pension	Household income	Vulnerability	Feeling about decision	Consulted adviser or not	Product	Year took it out	House value	Interest rate
🟩 1	Female, Single, retired, adult children	66-75	South-East/ London	Only state pension	Limited: (up to £20k)	Group 2 (resilience)	Good decision & happy	Did not consult an adviser	Lifetime Mortgage	2018		
🟩 2	Female, married, retired, adult children	76-85	North	Only state pension	Limited: (up to £20k)	Group 1 (life event)	Good decision but regret it now	Did not consult an adviser	Lifetime Mortgage	2018		
🟩 3	Female, married, working, adult children	66-75	North	N/A	Better: (£20k-£50k)	Group 1 (life event)	Good decision & happy	Consulted an adviser	Lifetime Mortgage	2018	£300k	
🟩 4	Male, married, part-retired, adult children	61-65	South-East/ London	N/A	Better: (£20k-£50k)	Group 1 (life event)	Good decision & happy	Consulted an adviser	Lifetime Mortgage	2020	£250k	2.62%
🟩 5	Female, seperated, working	55-60	North	N/A	Better: (£20k-£50k)	Group 1 (life event)	Bad decision	Did not consult an adviser	Lifetime Mortgage	2018	£130k	8%
🟩 6	Female, retired, adult children	66-75	South-East/ London	N/A	Better: (£20k-£50k)	Group 2 (resilience)	Good decision & happy	Did not consult an adviser	Lifetime Mortgage	2015		
🟩 7	Male, married, part-retired, adult children	Up to 65	South-East/ London	N/A	Better: (£20k-£50k)	Group 1 (life event)	Not sure	Did not consult an adviser	Lifetime Mortgage	2018	£650k	4%
🟩 8	Male, married, retired, adult children	66-75	North	N/A	Better: (£20k-£50k)	Not vulnerable	Good decision but regret it now	Consulted an adviser	Lifetime Mortgage	2016	£230k	5.10%
🟩 9	Male, married, retired, no adult children	66-75	North	N/A	Better: (£20k-£50k)	Group 1 (life event)	Good decision & happy	Consulted an adviser	Lifetime Mortgage	2021	£350k	2.83%
🟩 10	Male, married, retired, adult children	86+	Midlands/ East	N/A	Better: (£20k-£50k)	Group 1 (life event)	Good decision but regret it now	Consulted an adviser	Lifetime Mortgage	2015	£400k	5%
🟩 11	Female, widowed, retired, adult children	66-75	Scotland	State Pension	Limited: (up to £20k)	Group 2 (resilience)	Good decision & happy	Consulted an adviser	Lifetime Mortgage	2018	£120k	
🟩 12	Male, seperated, working, adult children	Up to 65	South-East/ London	N/A	Better: (£20k-£50k)	Group 1 (life event)	Bad decision	Consulted an adviser	Lifetime Mortgage	2020	£750k	4%
🟩 13	Male married, part-retired, adult children	66-75	South-East/ London	N/A	Limited: (up to £20k)	Group 1 (life event)	Good decision but regret it now	Consulted an adviser	Lifetime Mortgage	2017	£450k	5%
🟩 14	Male, married, working, adult children	Up to 65	North	N/A	Better: (£20k-£50k)	Group 1 (life event)	Bad decision	Did not consult an adviser	RIO	2019		3.50%
🟩 15	Male, married, working, adult children	Up to 65	South-East/ London	N/A	Better: (£20k-£50k)	Group 1 (life event)	Good decision but regret it now	Consulted an adviser	Home reversion	2019	£325k	N/A
🟩 16	Male, married, working, adult children	55-60	South-East/ London	N/a	Better: (£20k-£50k)	Group 2 (resilience)	Good decision at the time but I regret it now	Consulted an adviser	Lifetime Mortgage	2020	£560k	5.75%

Appendix

Participants

🟩 Personally taken out equity release with limited financial resources

🟥 Personally taken out equity release with greater financial resources

🟦 Taken out equity release for family member

🟧 Considered equity release but didn't take it out

	Gender & status	Age took out product	Region	State pension	Household income	Vulnerability	Feeling about decision	Consulted adviser or not	Product	Year took it out	House value	Interest rate
17	Female, married, retired, adult children	66-75	North	State Pension	Limited: (up to £20k)	Group 4 (health)	Bad decision	Consulted an adviser	Lifetime Mortgage	2014	£20k	15%
18	Female, married, retired, adult children	66-75	Midlands/ East	State Pension	Better: (£20k-£50k)	Group 3 (capability)	Bad decision	Consulted an adviser	Lifetime Mortgage	2011	£50k	6.00%
19	Female, working, adult children	76-85	Midlands/ East	State Pension	Limited: (up to £20k)	Group 1 (life event)	Bad decision	Consulted an adviser	RIO	2020		2.50%
20	Female, part-retired, adult children	55-60	North	N/a	Better: (£20k-£50k)	Group 1 (life event)	Good decision	Consulted an adviser	Home reversion	2020	£250k	N/A
21	Female, part-retired, adult children	66-75	Midlands/ East	N/a	Limited: (up to £20k)	Group 1 (life event)	Good decision	Consulted an adviser	Lifetime Mortgage	2019		6.00%
22	Female, part-retired, adult children	55-60	North	N/a	Better: (£20k-£50k)	Group 1 (life event)	Bad decision	Consulted an adviser	Lifetime Mortgage	2020		2.84%
23	Female, retired, adult children	66-75	North	N/a	Better: (£20k-£50k)	Group 1 (life event)	Good decision	Consulted an adviser	Lifetime Mortgage	2021		3.00%
24	Female, working, adult children	61-65	North	N/a	Better: (£20k-£50k)	Group 1 (life event)	Bad decision	Consulted an adviser	Home reversion	2020		N/A
25	Male, working, adult children	61-65	South-West	N/a	Better: (£20k-£50k)	Group 1 (life event)	Bad decision	Consulted an adviser	Lifetime Mortgage	2019	£650k	3.88%
26	Male, working, adult children	55-60	South-West	N/a	Better: (£20k-£50k)	Group 1 (life event)	Good decision	Consulted an adviser	Lifetime Mortgage	2019	£525k	3.25%
27	Male, working, adult children	55-60	South-West	N/a	Better: (£20k-£50k)	Group 1 (life event)	Good decision	Consulted an adviser	Lifetime Mortgage	2020	£500k	2.53%
28	Female, working, adult children	55-60	South-West	N/a	Better: (£20k-£50k)	Group 1 (life event)	Bad decision	Consulted an adviser	Lifetime Mortgage	2020	£550k	3.25%
29	Male, retired, adult children	76-85	North	State Pension	Better: (£20k-£50k)	Group 3 (capability)	Good decision & happy	Consulted an adviser	Lifetime Mortgage	2015	£180k	6.70%
30	Male, retired, adult children	76-85	South-East/ London	N/A	Better: (£20k-£50k)	Group 4 (health)	Good decision & happy	Consulted an adviser	Lifetime Mortgage	2018		
31	Male, working, no adult children	55-60	South-East/ London	N/A	Better: (£20k-£50k)	Group 4 (health)	Good decision & happy	Consulted an adviser	Lifetime Mortgage	2020		1.79%
32	Male, married, retired, adult children	66-75	North	State Pension	Better: (£20k-£50k)	Group 2 (resilience)	Good decision but regret it now	Did not consult an adviser	Lifetime Mortgage	2020	£245k	15%

Appendix
Participants

🟩 Personally taken out equity release with limited financial resources

🟥 Personally taken out equity release with greater financial resources

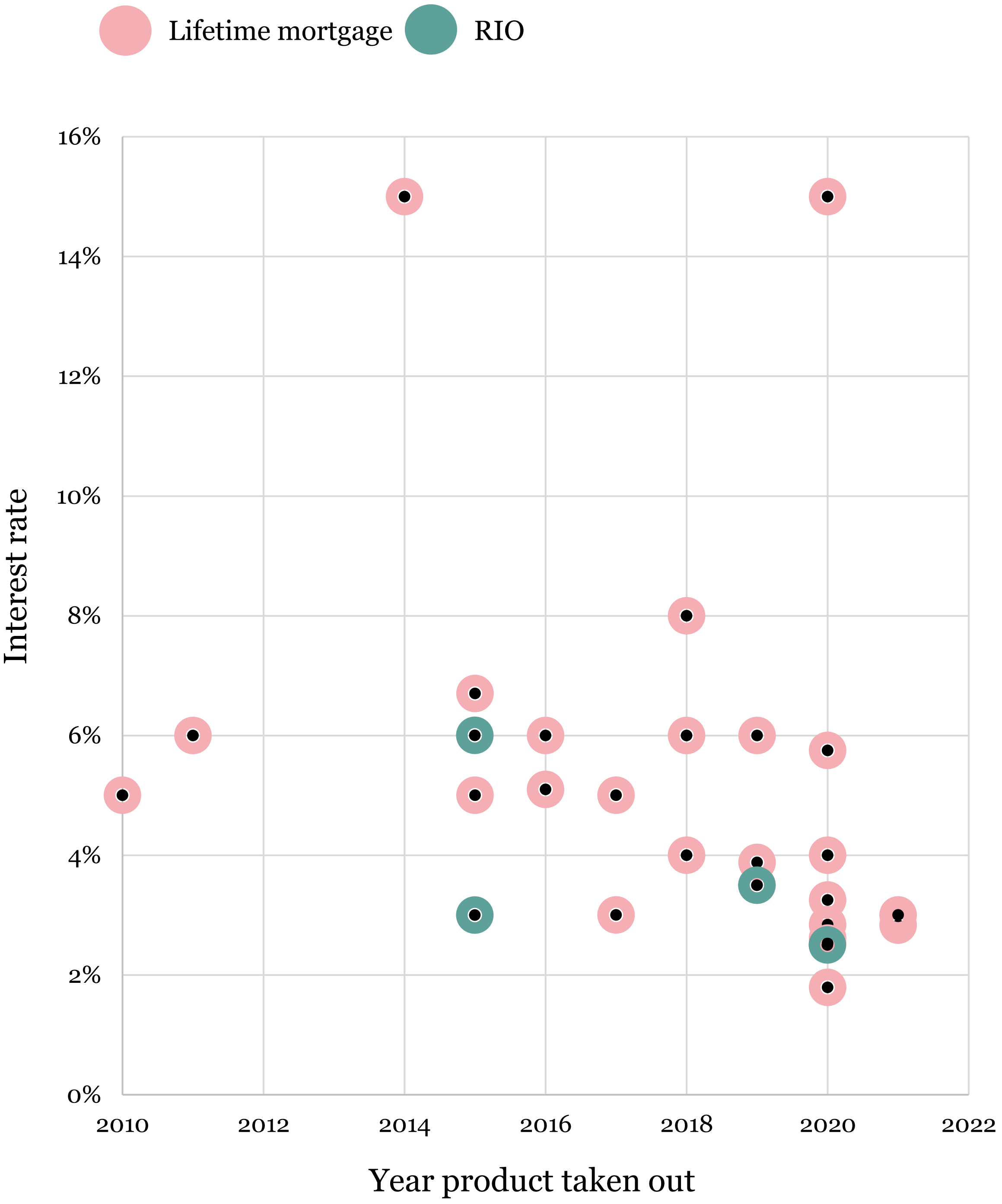
🟦 Taken out equity release for family member

🟧 Considered equity release but didn't take it out

	Gender & status	Age took out product	Region	State pension	Household income	Vulnerability	Feeling about decision	Consulted adviser or not	Product	Year took it out	House value	Interest rate
🟦 33	Male, married, retired, adult children	Up to 65	North	State Pension	Better: (£20k-£50k)	Group 2 (resilience)	Good decision & happy	Consulted an adviser	Lifetime Mortgage	2017	£575k	3%
🟦 34	Female, married, retired, adult children	86+	Midlands/ East	State Pension	Limited: (up to £20k)	Group 1 (life event)	Bad decision	Did not consult an adviser	RIO	2015	£200k	3%
🟦 35	Female, widowed, retired, adult children	76-85	Midlands/ East			Group 3 (capability)	Bad decision	Consulted an adviser	RIO	2015	£280k	6%
🟦 36	Female, widowed, retired, adult children	66-75	South-East/ London	State Pension	Limited: (up to £20k)	Group 3 (capability)	Bad decision	Consulted an adviser	Lifetime Mortgage	2018	£450k	6%
🟦 37	Female, married, retired, no adult children	66-75	North	State Pension	Better: (£20k-£50k)	Group 1 (life event)	Good decision but regret it now	Consulted an adviser	Home reversion	2016	£260k	6%
🟦 38	Female, seperated, retired, adult children	66-75	North	State Pension	Limited: (up to £20k)	Group 4 (health)	Good decision but regret it now	Consulted an adviser	Lifetime Mortgage	2020	£285k	
🟦 39	Male, married, retired, adult children	76-85	South-East/ London	State Pension	Limited: (up to £20k)	Group 3 (capability)	Good decision but regret it now	Did not consult an adviser	Lifetime Mortgage	2016	£600k	6%
🟦 40	Female, widowed, retired, adult children	76-85	North	State Pension	Limited: (up to £20k)	Group 4 (health)	Good decision but regret it now	Consulted an adviser	Lifetime Mortgage	2014		
🟦 41	Male, widowed, retired, adult children	Up to 65		State Pension	Limited: (up to £20k)	Group 1 (life event)	Good decision but regret it now	Consulted an adviser	Lifetime Mortgage	2010	£180k	5%
🟧 42	Male, married, retired, adult children	76-85	South-East/ London	N/A	Better: (£20k-£50k)	Group 2 (resilience)	N/a	Did not consult an adviser	Lifetime Mortgage	N/a	£350k	5%
🟧 43	Male, married, retired, adult children	66-75	South-East/ London	N/A	Better: (£20k-£50k)	Group 2 (resilience)	N/a	Did not consult an adviser	Lifetime Mortgage	N/a	£650k	
🟧 44	Male, married, retired, adult children	66-75	Scotland	State Pension	Better: (£20k-£50k)	Group 1 (life event)	N/a	Consulted an adviser	RIO	N/a	£250k	2.63%
🟧 45	Male, married, retired, no adult children	Up to 65	Scotland	N/A	Limited: (up to £20k)	Group 4 (health)	N/a	Consulted an adviser	Lifetime Mortgage	N/a	£180k	

Appendix

Interest rate versus year product taken out



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