



SHIP BACKS OFT CALL FOR REGULATION OF SALE AND RENT BACK SECTOR

Andrea Rozario, Director General, SHIP (Safe Home Income Plans), comments on the OFT's report into the sale and rent back sector (issued 15th October 2008):

"We are not surprised by the OFT's findings, and SHIP backs their call for regulation. We believe that the ethical companies in the field will probably also welcome this recommendation.

*"Ultimately people need to be able to understand the risks involved in a sale and rent back transaction, something that is not always the case currently. To support this, SHIP this month issued a "Do's and Don'ts Checklist" for anyone considering sale and rent back, as there is no comparison with regulated equity release, and we believe there is considerable confusion." **

"One point not picked upon by the OFT that we consider vital to address is the issue of whether housing benefit would be available to anyone undertaking sale and rent back: we believe that many customers are given a false sense of security that Government housing benefit will be available should they be unable to meet rent payments, but this is not guaranteed to be the case".

- ENDS -

*The two main differences between regulated equity release and sale and rent back are:

- Security of tenure: all regulated equity release products give policy holders the right to live in their homes for life.
- No monthly rent: equity release schemes do not require regular rent payments from policyholders.

To see the full SHIP SARB consumer checklist visit www.ship-ltd.org

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About SHIP:

Safe Home Income Plans (SHIP) is the UK's leading professional body for equity release product providers, representing the interests of its members who provide home income and equity release plans. It was launched in 1991 to promote safe schemes. At present, 90% of the equity release market (in volume terms) is represented by SHIP members.

SHIP is comprised of the following 22 members:

- Bradford & Bingley
- Bridgewater Equity Release Ltd
- Bristol & West Mortgages
- Coventry Building Society
- Dumfermline Building Society
- Hodge Equity Release
- Home & Capital Trust Ltd
- In Retirement (Reversion) Ltd
- Just Retirement Ltd
- LV Equity Release Limited
- More2life limited
- National Counties Building Soc
- New Life Mortgages Ltd
- Northern Rock Plc
- Norwich Union Equity Release
- Partnership Home Loans Limited
- Prudential Uk Service Ltd
- Retirement Plus Ltd
- Saffron Building Society
- Standard Life Lifetime Mortgages
- Stonehaven UK Ltd
- Stroud & Swindon Building Society