



## SHIP WELCOMES OFT SALE AND RENT BACK PROBE

(2nd February 2009) Andrea Rozario, Director General, SHIP (Safe Home Income Plans), comments on the OFT's (Office of Fair Trading) decision to seek substantiation from sale and rent back firms over adverts:

*"SHIP wholeheartedly welcomes the OFT's decision to seek substantiation from sale and rent back companies over their advertising. We have been calling for an investigation of the industry since our own research revealed evidence of firms making misleading claims, including portraying themselves as equity release providers.*

*"Whilst we acknowledge that there may be some ethical sale and rent back companies, this clarification from the OFT will enable consumers to make an informed decision about their finances.*

*"There is no comparison between regulated equity release plans, with which consumers have the full protection of the FSA in addition to the safeguards implemented by SHIP, and the non-regulated sale and rent back sector. The two main differences consumers should take note of are:*

- *Security of tenure: all regulated equity release products give the customer the right to live in their homes for life*
- *No monthly rent: equity release plans do not require regular payment from customers.*

*"One point that we hope that the OFT will clarify is whether housing benefit would be available to anyone undertaking sale and rent back: we believe that these adverts give many customers a false sense of security that Government housing benefit will be available should they be unable to meet rent payments, but this is not necessarily the case. We also look forward to the FSA's response to October's OFT study which called for regulation of the sector."*

To help consumers, SHIP has made available a sale and rent back checklist, available at [www.ship-ltd.org](http://www.ship-ltd.org).

**- ENDS -**

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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.