



SIGNIFICANT GROWTH IN THE USE OF EQUITY RELEASE IS ONLY A MATTER OF TIME, SAYS CONSUMER CHAMPION SHIP

SHIP welcomes the CML report on the UK Equity Release market, but warns of the downside of ‘seeing the glass as half empty’

SHIP (Safe Home Income Plans) – the body championing high standards of delivery from UK equity release providers - today welcomed the recent report by Peter Williams for the CML*, but says there is a danger of talking down faster growth in the sector.

SHIP believes that significant growth in the use of equity release is only a matter of time, given the extent to which consumers have opted for property over pensions in saving for retirement over many years now, and to which the quality and standards of equity release schemes have improved over a similar time scale.

Andrea Rozario, Director General of SHIP said:

“The reality is that declining levels of private pension provision and meagre state pension benefits will drive more people in this country to explore alternative ways to top up their income in later life. Some will work longer, but a very large number are already planning to use the value in their property.”

“All that is necessary for this sector to increase enormously in size is for consumers - and their opinion formers - to recognise the huge improvements that have been made to most equity release schemes.”

“SHIP now represents more than 90% of the equity release market, and all members are obliged to meet the guarantees and high standards that membership requires. These important reassurances and meaningful guarantees are available right now – people just have to look for the SHIP logo.”

SHIP agrees with the point made by Peter Williams in his report that faster growth would be helped further if more of the ‘big guns’ of the mortgage market entered the equity release market.

With the current uncertainties in the primary mortgage market such moves may be delayed, but SHIP believes the likely reality of the housing market going forward may in fact encourage more mainstream lenders to diversify into equity release, recognising the extent to which demand is set to boom.

SHIP itself will be doing all it can to assist in the healthy and consumer-focused growth in the use of quality equity release schemes. This will include educational drives to help consumers make better and more informed decisions, discussion with Government to encourage it to see the pivotal role equity release can play in helping a much broader cross-section of the population in retirement and further efforts to encourage professional advisers to use equity release in its rightful place in retirement planning.

Andrea Rozario concluded:

“It may well be the case that in the USA and Australia equity release is a more popular product than it is in the UK right now, but like flexible mortgages in the past, it does not mean we will not catch up in the future.”

- ENDS -

Notes for Editors

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*This paper was entitled 'Please release me! A review of the equity release market in the UK, its potential and consumer expectations', was written by Peter Williams for the Council of Mortgage Lenders and was published on 14 March 2008. Full copies can be downloaded from the CM website.

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's members: Bridgewater Equity Release, Bristol & West Mortgages, Coventry Building Society, Hodge Equity Release, Home & Capital Trust, In Retirement Services, Just Retirement, LV, More2Life, Mortgage Express, National Counties Building Society, New Life Mortgages, Norwich Union, Northern Rock plc, Partnership Home Loans, Prudential, Retirement Plus, Standard Life, Stonehaven Equity Release, Stroud & Swindon Building Society.