



## **EQUITY RELEASE TURNS TO FUNDING ORGANISATIONS TO PUSH THE INDUSTRY FORWARD**

(02 December 2009) SHIP, the equity release industry body, has today announced the start of a campaign to encourage major financial institutions to consider the provision of funding for the equity release market.

As part of this campaign, SHIP and DWF, the leading full service law firm, held a debate on the 26<sup>th</sup> November that brought equity release providers, financiers and interested stakeholders together to discuss this issue.

The debate came to these conclusions:

- The market is misleadingly viewed as not currently big enough for large players, but too complex for smaller players
- The vast majority of participants felt the market would grow in the future and believed that potential funders would enter the market, but were unsure of timings.
- The products ideally need some risk acceptance from the Government
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- The industry needs to look towards pension and annuity funds as a source of funding
- There is a lack of understanding and clarity around the potential returns that funders could expect

SHIP hopes to target and educate financiers on the growing demand for property wealth based retirement planning solutions, and develop an understanding of the way in which how financiers could help the market to grow. Currently, there is not enough liquidity in the equity release market to support the high level of demand for the product from consumers.



Andrea Rozario, Director General of SHIP, commented on the initiative:

“To kick off our campaign, SHIP representatives have been meeting with banking and finance representatives to broker relationships between the financing and equity release industry, and begin initial discussions about how the two industries can work together. This debate helped to open the channels of communication and bring the issue into the open.

“In some financial services sectors, there is an outdated view about the viability and safety of equity release schemes. SHIP members are reporting huge demand from the public for equity release schemes, but due to the liquidity issues in the market, the funding is not always available.

“We encourage large financial institutions to review their stance on equity release, and consider how this asset class could fit into their investment strategy. In doing so, we hope to attract the inward investment that will enable the industry to fulfill its potential for growth.”

**-ENDS-**

**For further information, please contact:**

Lee Blackwell/ Beth Murray, The Wriglesworth Consultancy on 020 7427 1400 or email [ship@wriglesworth.com](mailto:ship@wriglesworth.com)

Andrea Rozario on 0753 4401222 or email [directorgeneral@ship-ltd.org](mailto:directorgeneral@ship-ltd.org)

**About SHIP Equity Release:**

Safe Home Income Plans (SHIP) is the UK’s trade body for equity release product providers. Launched in 1991 to promote safe plans, SHIP is dedicated to the protection of the planholder and the safe growth of the industry. SHIP represents approximately 90% of the providers in the UK.