

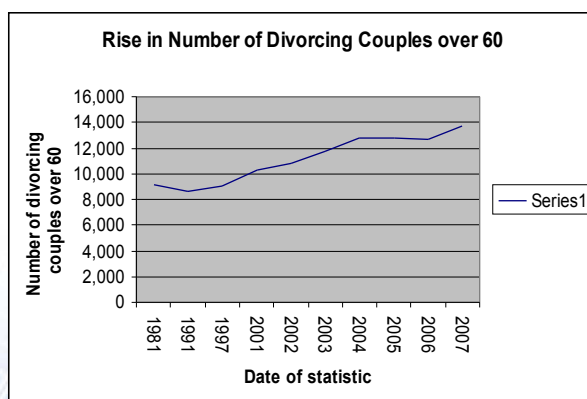


GROWING 'PENSIONER DIVORCE' LEAVES OVER 60'S FINANCIALLY WORSE OFF

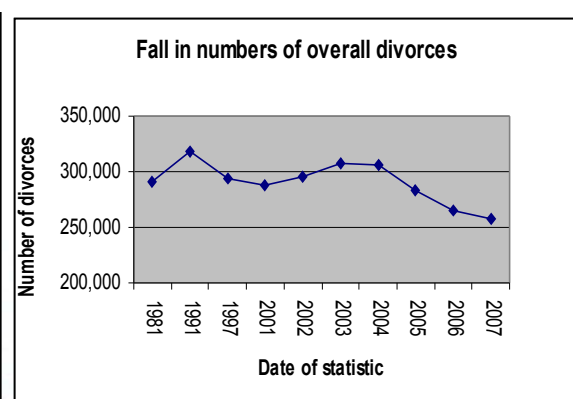
- **Over 60's fastest growing age group for divorce***
- **Women worst off after 'pensioner divorce', losing 6% of annual retirement income**
- **With property market down 22.5%** , equity release can provide an alternative option to immediate sale*****

(EMBARGOED UNTIL 5th June 2009) Women divorcees over 60 are losing out financially due to the recession, SHIP- the equity release trade body- reveals today. There are 13,678 people over 60 who divorce annually, but due to the housing market crash, couples who sell their property to divide their assets could lose up to 22.5%** of the value of their home- having serious consequences for their retirement income.

The number of divorces in the over 60 age group has rocketed by 49% since 1981 (see graph 1) - bucking the overall declining divorce trend, which has seen the number fall by 12% over the same period.



Graph 1



Graph 2

Women are the worst affected financially by 'pensioner divorce', losing over £18,200***** in lifetime income after a split. Upon divorce a woman's pension income will fall from £254***** a week (or half the weekly income of a pensioner couple) to £240 a week – a drop of 6% of annual income.

This drop can potentially be linked to a variety of factors including many women having less retirement provision than men and fewer sources of additional income. This dip is exacerbated by the higher relative cost of running a household alone.

Some older divorcees may be loath to sell their largest asset during a housing market recession. For these couples, one of the areas that they could discuss with their financial adviser is equity release.

Many financial advisers will be able to discuss with couples in this complex legal situation a plan which should allow one partner to remain in the property, whilst providing a steady income that can pay the rent on another property for the other partner. Choosing an equity release solution means that should the family wish to keep the property in the family, the loan can be paid off at a later date.

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

“Clearly, ‘pensioner divorce’ is a pressing issue as growing numbers of older people are deciding that they would prefer to spend their retirement alone. In the current uncertain financial climate, older people should consult with their financial adviser before making any large financial decisions, in order that they consider all available options and ensure the best retirement for both parties.”

Notes to Editors:

*ONS 2006

**According to the Halifax House Price Index (April 2009), the average house price has dropped to £154, 716 from its peak in August 2007 of £199, 770

*** Equity release is a considered and regulated process and all financial options should be discussed with a financial planner and family members before it is taken

**** The average income of a pensioner couple is £508 per week. This compared with £267 per week for single men and £240 per week for single women. With the average life expectancy of a woman in Britain now reaching 85, this means that should average income remain the same, a woman who divorced at age 60 would miss out on £18,200. (ONS income figures, 2008)

***** ONS income figures, 2008

***** The cost of running a household for the average couple costs £1,185 a month according to a survey from the internet bank Cahoot (September 2005). The figure for a couple is just £1,245 - only £60 more.

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About SHIP Equity Release:

Safe Home Income Plans (SHIP) is the UK's leading professional 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.