



## **SHIP WELCOMES FSA LEGISLATION ON SALE AND RENT BACK**

(3<sup>rd</sup> June 2009) Andrea Rozario, Director General, SHIP (Safe Home Income Plans), the equity release trade body comments on the FSA's (Financial Services Authority) imminent regulation of Sale and Rent Back:

"SHIP welcomes today's announcement of the forthcoming regulation of the sale and rent back (SARB) industry. This is a natural step to protect consumers as economic conditions worsen and more people need to release equity from their homes.

"SHIP has publicly argued for Government adoption of regulation on SARB over the past year as it is essential that people are aware of all of their options and the risks associated with whichever path they choose.

"SHIP's main concern over sale and rentback has primarily been over the lack of information given to customers about the risks associated with the industry. This new regulation addresses this issue as providers will be required to be clear about the risks involved. Ultimately people need choice but they need to make informed decisions after consideration of all of their options.

"The speed with which the FSA will begin regulation on July 1<sup>st</sup>, before its full regulatory regime is extended in the second quarter of 2010, takes into account the urgency of the matter and is to be commended.

"To avoid confusion going forward, consumers need to bear in mind that there are two main clear differences between regulated equity release plans provided by SHIP members and sale and rent back schemes. The two main differences consumers should take note of are:

- Security of tenure: all regulated equity release products provided by SHIP members give the customer the right to live in their homes for life



No monthly rent: The plans provided by SHIP members do not require regular monthly payment from customers.” To help consumers, SHIP has made available a sale and rent back checklist, available at [www.ship-ltd.org](http://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.