



THE TIME IS RIGHT FOR GOVERNMENT TO CONSIDER EQUITY RELEASE PENSIONERS

- **Charities, consumer groups, service providers and IFAs reach consensus on way ahead for equity release in new survey**
- **Overwhelming majority believe government should do more to raise consumer understanding (81%)**
- **Product will become more attractive as a result of financial crisis (92%)**

Charities, consumer groups, equity release providers and IFAs have come together to deliver a verdict on the way ahead for equity release in new research.

Representatives from each group were polled¹ by SHIP, the equity release trade body, and Eversheds international law firm at a recent seminar on the future for the retirement funding solution, chaired by respected financial journalist, Paul Lewis.

The results show an overwhelming belief that the government has a greater role to play in raising awareness of the concept as a viable, realistic tool for financing retirement, with 81% of respondents indicating it should do more to support equity release going forward. Indeed, there was unanimous agreement (96%) on the need for greater general awareness among consumers about the concept of equity release and what it entails.

Furthermore, the research also reveals the impact of the economic downturn on the sector. The majority of respondents (92%) foresee the financial crisis leading to an increased number of people looking at equity release as a source of retirement funding in the future. However, 66% also believe consumer distrust of financial institutions amid the downturn has had an adverse effect on the perception of the product over the past six months.

Commenting on the findings, Andrea Rozario, director general of SHIP, says:

“In the midst of a pensions crisis and an ageing population, the government has a duty to pensioners to consider all retirement funding options - including equity release. There is an estimated £700 billion tied up in housing equity by those in retirement: money which could be used to improve the quality of life for many pensioners. The government has recently been debating the use of equity release but we urge them to go further in promoting it as a viable mainstream option for retirees.

“Ultimately, given the current economic climate and the launch of our White Paper this summer, which will set the agenda for the industry going forward, 2009 promises to be both an exciting and pivotal year for equity release.”



Kathryn Roberts, partner and equity release expert at Eversheds international law firm, adds:

“The results of the survey are indeed encouraging as they indicate broad consensus, both on the way forward for the industry and its relevance in this unprecedented economic climate. Contrary to some views that have questioned the future viability of the industry, these findings, coupled with the sector’s latest set of financial results, confirm that it will have an increasingly important role to play in providing alternative retirement financing solutions amid the current downturn and beyond.”

Ends

- 1 The event was attended by over 90 interested parties, including representatives from equity release providers, intermediaries, consumer groups and charities. Over 50 attendees were polled on the day.

Speakers at the debate were:

- Andrea Rozario, Director General, SHIP
- Teresa Fritz, Principal Researcher, Which?
- Derek Handley, CEO Ireland, Seniors Money International
- The Rt Hon John Gummer, MP for Suffolk Coastal

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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.