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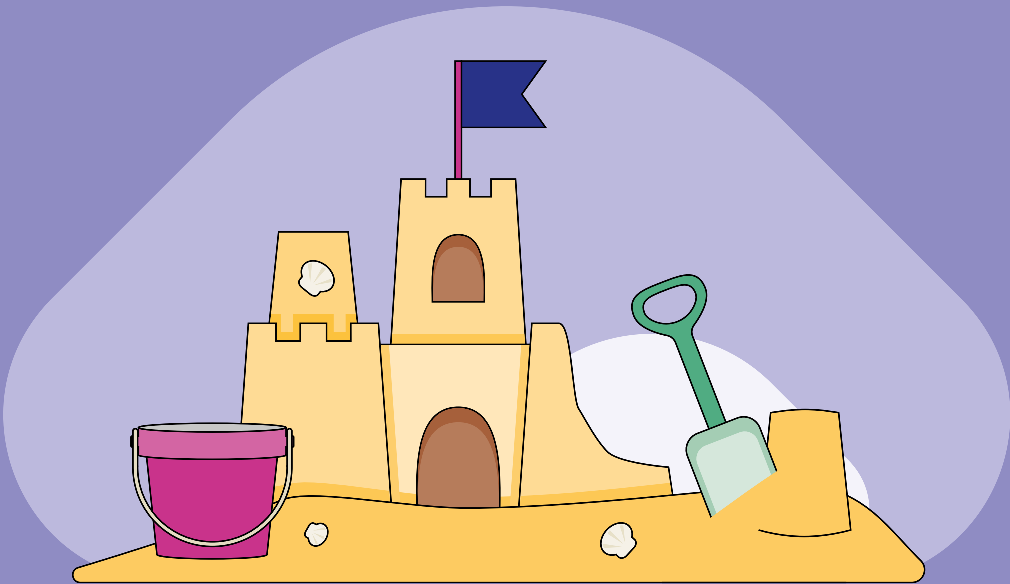

Releasing equity from your home

MoneyHelper

HM Government

Making your money and pension choices clearer

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We can help you:

- deal with debt
- understand your pension options
- reduce your spending and build up savings
- navigate life events such as redundancy, relationship breakdown, retirement or bereavement
- budget for bills or major purchases
- learn about mortgages and renting
- find out about extra benefits and entitlements.

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From

Money & Pensions Service

Here to help you

This guide is for you if you're approaching retirement or already retired and are considering using the value of your home to raise money.

Contents

Before you go ahead and release equity from your home, explore all your options and make sure that whatever you decide to do will meet your needs now and in the future.

Alternatives to equity release

Releasing equity involves either borrowing against the value of your home or selling part of it, and both can prove costly in the long term.

Before considering equity release, make sure you haven't overlooked one of these alternatives.

- **Downsizing.** Selling up and buying a smaller property means you keep full ownership of your home and avoid expensive interest. Find out more at **moneyhelper.org.uk/downsizing**
- **Becoming a landlord.** Renting out a room, or even your whole property while you are away, can generate additional income. You'll also be able to earn up to a certain amount tax-free. Find out more at **moneyhelper.org.uk/rent-a-room**
- **Cash in other assets.** If available, think about cashing in any investments or using savings to raise funds, rather than gaining debt that will need to be repaid later. Remember to get financial advice before selling investments.
- **Retirement interest-only mortgage.** Like a standard interest-only mortgage, RIO mortgages let you borrow a lump sum secured against your home. You'll pay off the interest each month and repay the borrowed amount when your home is sold. Find out more on p13.
- **Other types of borrowing.** Some traditional lenders have increased the maximum age they will consider lending to. Or could you borrow the cash from friends or family?

Why you need the money

Home improvements

Did you know you might be able to claim money for home repairs and improvements to make your home more accessible? Contact your local authority and find out more at **moneyhelper.org.uk/home-adaption**

Pay off debts

If you need help dealing with debt there are organisations that can give you free advice and suggest the best solutions for you, visit **moneyhelper.org.uk/debt**

Top up your retirement fund

If you're looking to boost your bank balance in retirement, make sure you:

- claim all the benefits and local authority help you're entitled to. Use our benefits calculator to check at **moneyhelper.org.uk/benefits-calculator**

- track down any old private pensions you're not claiming. Find organisations that can help at **moneyhelper.org.uk/find-lost-pensions**
- work out your household budget to see where any savings can be made. Use our Budget planner at **moneyhelper.org.uk/budget-planner**

Fund care at home or help with long-term care

Releasing equity can affect what benefits you might be entitled to when it comes to paying for care services, so explore other options for paying for long-term care at **moneyhelper.org.uk/long-term-care**

If you're moving into a care home and most of your money is tied up in your property and you have very little savings, your local authority might offer you the option of a deferred payment agreement. This means you won't have to sell your home immediately to pay for your care home's fees.

Learn more about deferred payment arrangements at **moneyhelper.org.uk/deferred-payment-agreements**

Useful contacts

We've put together a list of helpful organisations and services who can help you explore your options (see p23).

Is releasing equity the right option for you?

Consider how equity release could affect your future choices and what you want to do in later life.

The amount of equity you can release will depend on:

- your age
- your health
- your property type and value
- any debt currently secured on the property.

Whether it's right for you depends on your personal circumstances, so consider:

- your eligibility for benefits now and in the future
- the potential need for long term care in later life and how this would be funded
- your ability to leave an inheritance for your beneficiaries.

Some equity release products let you make interest payments, which can reduce the overall cost to your estate. However, it's worth speaking to an independent mortgage adviser about the alternatives to equity release (see p5).

Always get independent advice

Equity release schemes can be complex products, and you must get specialist financial advice to ensure it's right for you. This is a requirement of the Financial Conduct Authority (FCA).

Not all equity release providers are members of the Equity Release Council. However, ERC members must advise you seek independent legal advice. If there are joint applicants, each person must get separate legal advice.

See *Useful contacts* (p23) for help finding an adviser.

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moneyhelper.org.uk/free-printed-guides

Ways of releasing equity

If you're over 55, the most common ways to access the cash in your home are taking out an equity release product or getting a retirement interest-only mortgage.

Equity release

Lifetime mortgages – These allow you to borrow a sum of money secured against your home. You can either pay some or all of the interest, or you can choose to add it to the loan. The loan and any interest are usually repaid after selling your home when all applicants have moved into care or passed away.

Home reversion plan - Home reversion is not as commonly available as it used to be, but with this option you sell part or all of your home for less than its market value. You can still live there, usually without paying rent. When you (or the last surviving owner in a joint plan) pass away or move into long-term care, the home is sold. The money from the sale is shared based on the ownership agreement, with the reversion company getting its share.

How do you get your money?

Different products might offer you the choice of:

- cash lump sum
- the opportunity to take money when you need it or on a regular basis, often called a drawdown or flexible facility
- a combination of these options, for example you can take a lump sum at the start, and then drawdown cash later.

Find out more about equity release at **moneyhelper.org.uk/equity-release**

Retirement interest-only mortgages (RIO)

A RIO mortgage is not an equity release product, but it is an alternative designed for homeowners aged 55 and over to help borrow in later life.

It allows you to borrow a lump sum secured against your home, pay monthly interest on the loan and repay the debt when your home is sold. Find out more at **moneyhelper.org.uk/retirement-interest-only-mortgages**

Retirement interest-only mortgages are often suggested as an alternative to releasing equity. This guide shows you how the three products compare (see p16).

Lifetime mortgages explained

With a lifetime mortgage, you take out a loan secured on your home which does not need to be repaid until you and any joint applicant (eg, your partner) die or go into long-term care. Here's what you need to know.

Interest

Lifetime mortgages usually have a fixed rate of interest and this is typically higher than the interest on a regular mortgage. There are different ways of treating the interest:

1. Interest roll-up lifetime mortgages

With a roll-up mortgage, interest is added to the loan. You don't make regular monthly payments; the amount you originally borrowed, plus the rolled-up interest, is repaid when your home is sold after death or if you have to move permanently into care.

The amount you owe increases quickly because interest is being added or rolled-up into the original loan.

For example, if your home is worth £250,000 and you take out a lifetime mortgage of £80,000 at an annual interest rate of 5%, the amount you owe will grow like this:

End of year	Annual interest at 5%	Loan + interest
1	£4,101.39	£84,101.39
5	£5,009.40	£102,720.26
10	£6,432.12	£131,893.27
15	£8,258.85	£169,351.43
20	£10,604.35	£217,447.96

Interest calculated daily. These calculations are for illustrative purposes only. The provider will have to supply a detailed calculation that has all applicable interest, fees and charges for the product.

Look for the No negative equity guarantee

All Equity Release providers approved by the Equity Release Council will include what's known as the no negative equity guarantee in their plans. This prevents you from ever owing more than your home is worth.

2. Interest-only lifetime mortgages

Unlike the roll-up mortgage, you can repay some or all the interest each month. Some products also allow you to repay some of the capital each year (usually up to 10%).

The amount you originally borrowed – plus any unpaid interest – is repaid when your home is sold.

Paying some or all of the interest each month can save you a lot of money in the long term. In this example, paying just £50 each month means you have almost £35,000 more when your house is finally sold.

	£0 interest paid each month (roll-up mortgage)	£50 interest paid each month	£100 interest paid each month	£250 full interest paid each month
Value of property	£250,000	£250,000	£250,000	£250,000
Amount borrowed	£50,000	£50,000	£50,000	£50,000
Interest rate	6%	6%	6%	6%
Total interest built up over 25 years	£173,248.49	£153,425.54	£133,602.60	£0
Amount owed to mortgage company after 25 years	£223,248.49	£188,598.79	£153,949.09	£50,000

*These calculations are for illustrative purposes only. The provider will have to supply a detailed calculation that has all applicable interest, fees and charges for the product.

Optional features of lifetime mortgages

Equity release products have changed a lot and now come with a range of different features, some of which can be combined.

1.Take the money as you need it – Drawdown facility

With drawdown, you take the money in stages rather than as one big lump sum. You can choose to withdraw regular payments or take out smaller lump sums as and when you need them.

The big advantage of this option is that it reduces the overall cost because you only pay interest on the money you have taken out.

Be aware that the availability of a drawdown facility is not usually guaranteed, and the interest rate charged for subsequent drawdowns can be different from what was originally agreed, as it will be charged at the provider's current rate of interest.

2. Bigger lump sums for people with ill health – Enhanced lifetime mortgages

If you are retired due to ill health, you have a medical condition, you smoke or you're overweight, then you might qualify for what's known as an enhanced lifetime mortgage. These pay out bigger lump sums than would be paid to someone who is expected to live longer.

These loans often come with a higher interest rate than standard lifetime mortgages. And bear in mind that taking out a bigger loan is not always the best course of action. The eventual cost of the loan plus interest will be even higher.

3. Ring-fence an amount for your family – Guaranteed inheritance

Some schemes allow you to guarantee an inheritance to your beneficiaries when the plan comes to an end by protecting a percentage of the value of your property. If your house is worth £300,000 when it is eventually sold and you have chosen to protect 25% of the value, you could leave an inheritance of £75,000.

When you ring-fence some of the value of your home, you also reduce the amount of equity you can release. For example, if you protect 25% of the property's value, the amount you can borrow will be 25% less than it would have been.

And remember, even though the percentage is guaranteed, the actual amount your relatives will inherit will depend on property prices at the time.

Find out more about lifetime mortgages at **moneyhelper.org.uk/lifetime-mortgages**

Pros and cons of lifetime mortgages

Pros	Cons
• Fixed interest rates mean you always know how much the loan is costing. Flexible interest rate arrangements are also possible. • You get to keep and stay in your own home. • You can choose to receive a lump sum or smaller sums in stages via 'drawdown' to help give you an additional source of funds or income in later life. If your provider is a member of the Equity Release Council, you will have a 'no negative equity guarantee' which ensures you will never pay back more than your home is worth. • The loan is only repaid when you and any joint applicant (eg, your partner) move into long-term care or die – or when you sell your home (unless you take the mortgage with you – known as 'porting'). • Since March 2022, new equity release customers taking out lifetime mortgages that meet the Equity Release Council's standards can now make penalty-free partial repayments to reduce the size of their loans. Find out more at **equityreleasecouncil.com** • You can reduce the Inheritance Tax your beneficiaries might have to pay after your death.	• Lifetime mortgages are a costly way of borrowing money, especially if you opt to roll up the interest. • You could be left with very little equity in your home to pass on to your beneficiaries or to spend on long-term care for yourself or your partner. • If you need to move to a smaller property in the future, you might find that you can't afford to, or your choice of property is restricted. • Schemes are not particularly flexible if your circumstances change. For example, you'll usually need permission for someone else, such as a relative, carer or new partner to move in. • Any money you raise might affect your entitlement to benefits. • Early repayment charges might apply if you wanted to clear the debt early.

Home reversion explained

With a home reversion plan, you sell all or part of your home at less than its market value and get to continue living in the property.

Usually you don't pay rent, or if you do it's only a minimal amount.

When your home is sold, the reversion company gets its share first, leaving any remaining value to go to your estate.

For example, you sell a 60% share in your £250,000 property in return for a lump sum of £50,000 (60% of your property is actually worth £150,000). Twenty years later you move into care and your home is sold for £300,000. The home reversion company is entitled to £180,000 – 60% of the proceeds. You keep the remaining 40% - £120,000.

The older you are when you start a home reversion scheme, the higher the percentage you'll get of your home's market value. For this reason, they are normally best suited to those over 70. If you are considering a home reversion plan, make sure you get your home independently valued.

Home reversion plans are not as common as they used to be, so check availability with an independent equity release adviser.

Find out more about home reversions at **moneyhelper.org.uk/home-reversion**

Pros and cons of home reversion

Pros	Cons
• You get to stay in your own home for the rest of your life, or until you have to move permanently into care. • You can choose to receive a regular income, a lump sum, or both, according to your needs. • If you've only sold part of your home, you will benefit from any rise in the value of the share you've kept. • You know exactly what percentage of your property will go as an inheritance or will remain to pay for care home fees. • You can reduce the Inheritance Tax your beneficiaries might have to pay after your death.	• You will get a lot less than the full market value for your home – typically between 20% and 60%. • You're no longer the sole owner of your home. The deeds pass to the reversion company and you become a tenant. • The home reversion company will regularly inspect your home and you will be bound to carry out (and pay for) the repairs and maintenance they request. • The inheritance you pass on will be reduced. The only way your beneficiaries will be able to keep your home is to buy it back from the reversion company at full market value. • Schemes are not particularly flexible if your circumstances change. For example, you'll usually need permission for someone else to move in, such as a relative, carer or new partner. • Any money you raise is likely to affect your entitlement to benefits.

Be aware

Sale-and-rent back schemes

You may have heard about sale-and-rent back schemes, which are different from home reversion schemes. Only ever consider them as a last resort.

With these schemes, you sell your home to a private company at a reduced price and then rent it back from them as a tenant. You may have to leave your home after the end of the fixed term in your tenancy agreement, which may only last five years. And you will have to pay a much higher rent, which could go up.

Retirement interest-only mortgages explained

Retirement interest-only mortgages are a relatively new option for borrowing money later on in life. You can use one as an alternative to equity release schemes, or in some cases, to delay taking out equity release.

Retirement interest-only mortgages are also used by people who are coming to the end of their existing interest-only mortgage with no means of paying off the amount still owed.

You borrow a sum of money against your home and repay the interest each month. Some products allow you to repay some of the capital as well. The loan is repaid either when the mortgage term comes to an end, or when you sell the property, move into care or die.

Unlike home reversion plans and most lifetime mortgages, you have to pass an affordability check to prove that you can afford the interest payments. If you are taking out the mortgage in joint names you will both also need to prove that you can afford the payments in the event of one of you dying.

The amount you can borrow depends on how much the lender decides you can afford, but it can be up to 60% of the value of your property.

Remember, your home is at risk of repossession if you fail to keep up with interest repayments.

Find out more at **moneyhelper.org.uk/retirement-interest-only-mortgages**

Pros and cons of retirement interest-only mortgages

Pros	Cons
• The rates for retirement interest-only mortgages are usually more competitive than equity release products. • Because the interest doesn't get added to the loan (as it does with a roll-up lifetime mortgage), you protect the value of any inheritance you want to pass on. • The loan is only repaid at the end of your mortgage term, which is after an agreed length of time, when you sell your property, move into long-term care or die. • You can potentially borrow a larger percentage of the value of your property than you can with a lifetime mortgage. This might be useful if you have an existing interest-only mortgage that is coming to an end. • Products are more flexible than equity release, sometimes with low or no early repayment charges.	• You (and your partner) need to prove you have a high enough guaranteed income to show you can continue to make the interest payments until the loan is repaid. • Your home is at risk of repossession if you can't make the interest payments. • Your beneficiaries will usually have to sell your home in order to repay the mortgage.

Tips

As well as getting professional advice, here are our top tips if you decide to go ahead with any form of releasing equity.

- **Borrow as little as you can**, as late as you can. As soon as you release the cash, you will start being charged interest on the full amount. The best deals tend to be available to older borrowers, so the sooner you borrow and the more you borrow, the more expensive it is. Use a drawdown facility to borrow only what you need initially and wait as long as possible before borrowing again.
- **Pay interest**. If you can afford it, use a scheme that lets you pay some or all of the interest each month. This avoids the snowball effect of compound interest (paying interest on interest).
- **Protect yourself from negative equity**. If you're going for a lifetime mortgage, make sure your provider is a member of the Equity Release Council. This will ensure you benefit from a no negative equity guarantee (so you never have to pay back more than your property is worth).
- **Keep your options open**. Even if you are sure you want to go ahead, your circumstances might change. Choose a product that is portable (meaning you should be able to move it to another property without charge). Also, go for a product with low or no early repayment charges so that you can either switch to another provider or leave it altogether if you need to.

Methods of later life borrowing compared

Here are the main differences between the most common types of borrowing in later life – equity release and retirement interest-only mortgages.

	Lifetime mortgage	Home reversion	Retirement interest-only mortgage
Age restrictions	Generally 55+ (50 for some lenders, and upper age limits can apply).	60+	It varies from product to product, but there is usually a lower age limit (typically 55) and sometimes an upper age limit too (80 or 85).
Do I still own my own home?	Yes, but the mortgage and the interest have to be paid back. This can grow to as much as 100% of the value of the property.	No, you'll be a tenant of the reversion company for all or whatever part of the property you sold.	Yes, but the mortgage has to be paid back.
How long does the arrangement last?	Lifetime (or until you move into long-term care).	Lifetime (or until you move into long-term care).	The mortgage ends when you reach an 'agreed event'. This might be when you reach a certain age, you move into long-term care or you die.
Do I have to pay anything?	You can choose to either pay the interest monthly or roll it up (add it to your loan). If you add the interest to your loan, you pay interest on interest so the debt can grow very quickly. You will also have to pay fees to set up the scheme. See *Fees and costs* on page 21.	Some home reversion plans charge a 'peppercorn' rent. You will also have to pay fees to set up the scheme. See *Fees and costs* on page 21.	You pay the monthly interest. You will also have to pay fees to set up the mortgage. See *Fees and costs* on page 21.

	Lifetime mortgage	Home reversion	Retirement interest-only mortgage
Do I need to do an affordability check?	Only if a regular payment is required.	No.	Yes, you (both) need to have a high enough guaranteed income to show you can continue to make the interest payments until the loan is repaid.
How much can I get?	This depends on your age, but as a general rule you can borrow: • age 65 – up to 30% of the value of your property • age 70 – up to 40% • age 75 – up to 50% • age 80 – up to 55%.	You can sell up to 100% of your property but the amount you get depends on your age. As a general rule: • age 65 – 20% of the market value • age 90 – 60% of the market value.	This depends on how much the lender decides you can afford but it can be up to 60% of the value of your property.
Is my home at risk of repossession?	No.	No, you continue to own the remaining percentage of your home.	Yes, if you don't keep up with your monthly payments.
Is there a negative equity guarantee?	Yes, you will never repay more than any value of your home.	N/A	N/A

What happens if your situation changes?

Most equity release arrangements are meant for the long term and can be hard to get out of. Think about the impact and what you'd do if something changed in your life.

If you decide to move

Lifetime mortgages	Home reversion	Retirement interest-only mortgages
Most lifetime mortgages can be transferred, but some properties, like sheltered or retirement housing, may not be accepted by your lender. If your provider is a member of the Equity Release Council, they won't charge a fee for transferring your mortgage. If you move to a lower-value home, you may need to repay part of your mortgage since you can only borrow a percentage of the property's value. By the time you move, your debt may be higher than what you can borrow. If you can't transfer your mortgage, you'll need to repay it in full when selling your home. Early repayment charges may apply. The total amount owed (including the loan, rolled-up interest, and fees) could make it harder to afford another property. Some equity release schemes offer downsizing protection, which allows you to move to a new property that doesn't meet the lender's criteria without paying penalties. This helps you avoid extra costs if you need to move in the future.	Some home reversion plans can be transferred to a new property but there are some properties that your mortgage provider won't accept, for example sheltered or retirement accommodation. As long as your provider is a member of the Equity Release Council, they won't charge you any fees when you transfer your plan. If you can't transfer the scheme, you'll have to buy back the property (or share of the property) at its full market value. This could be very expensive and might not leave you with enough to buy the new property.	You can usually transfer your retirement interest-only mortgage to your new property.

Always check with your lender about moving restrictions, downsizing protection and repayment charges before signing up.

You want to switch deals

Lifetime mortgages	Home reversion	Retirement interest-only mortgages
You may be able to switch your lifetime mortgage to get a better deal. However, there may be early repayment charges to pay. This could cancel out the benefit you get from switching.	You can't switch a home reversion plan.	You can usually switch to a better deal but may have to pay an early repayment charge.

You or your partner dies

Lifetime mortgages	Home reversion	Retirement interest-only mortgages
If the scheme is in both names, the arrangements will continue until the surviving partner dies or moves into care. At this point, the property will have to be sold and the lifetime mortgage paid in full. Most lenders will continue to charge interest until your property is sold and the mortgage repaid in full. Some providers offer a 'compassionate window' which gives the surviving partner a set amount of time to sell the home without having to pay an early repayment charge.	The plan will continue until the surviving partner dies or moves into care. At this point, the property will have to be sold and the proceeds split depending on what share of the property you and the reversion company own. Most home reversion companies manage the sale, and charge you a share of the costs.	If the mortgage is in both names, the arrangement will continue as before. When the surviving partner dies or moves into care, the outstanding amount will have to be paid in full. Most lenders will continue to charge interest until your property is sold and the mortgage repaid in full.

You want someone else to move in (eg a relative, carer or new partner)

Lifetime mortgages	Home reversion	Retirement interest-only mortgages
You'll need to ask your provider's permission. You may be able to transfer the scheme into joint names, but the other person must meet the minimum age requirement, and fees may apply. If a transfer isn't possible, they won't be able to stay in the home if you die or move out. They may also need to sign an occupier's waiver, which could require paying for independent legal advice.	You will need to ask your provider for permission. A home reversion is typically a one-off agreement, so can't be added to or changed after the event.	You may be able to transfer the mortgage into your joint names, however that person will have to meet the lender's minimum age requirements and pass an affordability check. There may be a charge. If you can't transfer the mortgage into joint names, the other person won't be able to stay in the home if you die or move out. They may also need to sign an occupier's waiver, which could require independent legal advice.

You or your partner need long-term care

Lifetime mortgages	Home reversion	Retirement interest-only mortgages
Your lifetime mortgage should carry on unchanged if the care is provided in your own home or just one of you moves to a care home. Always check this with your scheme provider before you sign up. If you both move permanently into a care home, the scheme will end and the property will be sold. You are usually allowed between six months and one year to sell your property, but always check with your provider and make sure you are happy with any deadline before you sign up. You will be responsible for paying all the costs of the sale, including solicitors' fees.	Your home reversion plan should carry on unchanged if the care is provided in your own home or just one of you moves to a care home. Always check this with your scheme provider before you sign up. If you both move permanently into a care home, the scheme will end and the property will be sold. Most home reversion companies manage the sale and charge you a share of the costs.	Your mortgage should carry on unchanged if the care is provided in your own home or just one of you moves to a care home. Always check this with your lender before you sign up. If you both move permanently into a care home, the mortgage will need to be paid off in full.

Fees and costs

Fees and other costs apply when you set up a lifetime mortgage, home reversion plan or retirement interest-only mortgage. Always ask for illustrations or quotes that detail what you'll pay.

- **Arrangement fee:** most equity release schemes will charge an arrangement fee, also known as an application or product fee. This is usually £1,500-£3,000. For retirement interest-only mortgages this is usually lower, around £800-£1,000.
- **Valuation fee:** a valuation can start from £400 and is linked to the property value. Some providers offer it for free, so ask if this is available.
- **Legal costs:** ask your solicitor for the total cost.
- **Adviser fees:** always get independent financial advice when taking out an equity release scheme. All advisers have to tell you up front what their fee is for advising or arranging your scheme. Even if you're thinking of a retirement interest-only mortgage, it's still a good idea to seek advice.
- **Buildings insurance:** this will vary, depending on the property. If you already have buildings insurance, it will need to meet the lender's requirements.
- **Early repayment charge:** if you repay your lifetime mortgage or retirement interest-only mortgage before the end of the contract, you may have to pay an early repayment charge. These vary according to the lender.
- **Drawdown fees:** if you decide to borrow more in future under a drawdown arrangement, some lenders may charge extra lending fees.
- **Possible rental charges:** with home reversion you may have to pay rent, but often this is only a minimal amount.

With a lifetime mortgage or retirement interest-only mortgage, some of these costs can be added to the loan. So although you pay less up front, you pay interest on any amounts added.

Other costs to take into account

Remember that you'll also need to budget for ongoing maintenance or repair costs.

At the end of a **lifetime mortgage** or **retirement interest-only mortgage**, you (or your estate) cover all the costs when your home is sold, and might be charged an administration fee by the mortgage company.

At the end of a **home reversion plan** when your home is sold, you (or your estate) pay a share of the sale costs and might also pay an administration fee to the reversion company.

Get professional advice

Before taking out an equity release product, make sure you get professional advice.

Anyone who advises customers on equity release schemes or sells them must have a specialist qualification. If you want someone to help you compare all available options, make sure you seek advice from someone who specialises in both equity release and general mortgage advice.

Firms selling or advising on equity release schemes must be regulated by the Financial Conduct Authority (FCA). This means they have to meet certain standards and there are procedures to follow if things go wrong, including using the Financial Ombudsman Service.

Check the FCA's Financial Services Register to make sure a firm is regulated. See *Useful contacts* on page 23.

Get information tailored to you

When you ask providers about their products they will give you general information. It's essential to get advice specific to your needs and circumstances.

An FCA-regulated firm will be obliged to take your circumstances into account. They should:

- advise of the impact on benefit entitlements or Inheritance Tax (IHT)
- tell you the advantages and disadvantages of the product
- give you details of the product's features
- for lifetime mortgages and retirement interest-only mortgages they must give you the APR (annual percentage interest rate) if they give you price information
- tell you if there's a fee for advising or arranging your mortgage.

Use key facts information to compare products

Your adviser should give you two documents. One will explain the service being offered, whether you'll have to pay for it, and the product range on offer. Check if they are including all later life borrowing options open to you, including non-equity release products such as retirement interest-only mortgages, where relevant.

The second, a product illustration, will be prepared specifically for you. It should outline all the important risks and features of the particular product.

You can use these documents to compare products and they can help the adviser recommend the one that is best suited to your needs. Make sure you know how much you'll owe in total. Ask for an illustration of borrowing and interest based on your age when applying.

Useful contacts

MoneyHelper

MoneyHelper is independent and backed by government to help you make the most of your money. We give free, impartial money and pensions guidance to everyone across the UK – online and over the phone.

Visit us at **moneyhelper.org.uk**

Or contact us via:

Phone

Money guidance
UK: **0800 138 7777**
if you're outside the UK:
+44 20 3553 2279
Mon - Fri 8am to 6pm

Pensions guidance
UK: **0800 011 3797**
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+44 20 7932 5780
Mon - Fri 9am to 5pm

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WhatsApp

+44 7701 342744
(money guidance only)

Online communities

Join our Facebook groups for support: **moneyhelper.org.uk/online-communities**

Financial Conduct Authority

To check the FCA's Financial Services Register to make sure a firm is regulated, or to report misleading financial adverts or promotions.
0800 111 6768
Text Relay: (18001) 0207 066 1000
register.fca.org.uk

StepChange Financial Solutions

For free advice and information on equity release schemes.
0808 1686 719
stepchange.org

Equity Release Council

To find out more about equity release schemes, the standards ERC members uphold, and search for an adviser.
0300 012 0239
equityreleasecouncil.com

Age UK

0800 055 6112
ageuk.org.uk
Search for 'Equity release information guide'

Age Cymru

0300 303 44 98
agecymru.wales

Age NI

0808 808 7575
ageni.org

Age Scotland

0800 12 44 222
agescotland.org.uk

Citizens Advice

England 0800 144 8848
Wales 0800 702 2020
Scotland 0800 028 1456
citizensadvice.org.uk

Independent Age

Advice and support for older age
0800 319 6789
independentage.org

Local authority or council

For information about home repair and improvement assistance, and local charities that might be able to help. Find your local council at
gov.uk/find-local-council

Not-for-profit help arranging home improvements and financial advice

Foundations (England)

0300 124 0315
foundations.uk.com

Care and Repair Scotland

0141 221 9879
careandrepairscotland.co.uk

Care and Repair Cymru

02920 107580
careandrepair.org.uk

Radius Housing (Northern Ireland)

0330 123 0888
radiushousing.org

To find a financial adviser

Retirement Adviser Directory

Search our directory of regulated retirement advisers. Just select equity release under 'What do you need help with?'.
moneyhelper.org.uk/retirement-adviser-directory

The Personal Finance Society

For financial advisers in your area.
thepfs.org/yourmoney/find-an-adviser

Society of Later Life Advisers

For an adviser who specialises in the financial needs of older people.
societyoflaterlifeadvisers.co.uk/find-an-adviser

To find an independent surveyor or valuer

Royal Institute of Chartered Surveyors

ricsfirms.com

To find a solicitor

Look online or contact the following:

Association of Lifetime Lawyers (formally Solicitors for the elderly)

lifetimelawyers.org.uk/Public/Radius-Search/Find-a-Lawyer

Law Society of England and Wales

solicitors.lawsociety.org.uk

Law Society of Scotland

lawscot.org.uk/find-a-solicitor

Law Society of Northern Ireland

lawsoc-ni.org/solicitors

For information about tax

HMRC

0300 200 3300
gov.uk/browse/tax

For information about benefits

The Pension Service

For information about claiming Pension Credit.
0800 99 1234
Textphone: 0800 169 0133
gov.uk/pension-credit
gov.uk/benefits-calculators

Citizens Advice

Free, confidential, impartial and independent benefits advice.
England 0800 144 8848
Wales 0800 702 2020
Scotland 0800 028 1456
citizensadvice.org.uk

For help with debt problems

Citizens Advice

England 0800 144 8848
Wales 0800 702 2020
Scotland 0800 028 1456
citizensadvice.org.uk

StepChange Debt Charity

0800 138 1111
stepchange.org

National Debtline

0808 808 4000
nationaldebtline.org

Money Advice Scotland

moneyadvicescotland.org.uk

Advice NI

0800 915 4604
adviceni.net/debt

Tracing lost pensions, savings or investments

My Lost Account

For lost accounts with banks, building societies and National Savings and Investments (NS&I), complete an application form online or request a paper copy be sent to you in the post.
mylostaccount.org.uk

The Pensions Tracing Service

The Pension Tracing Service is an impartial service to help locate your lost pensions.
0800 1223 170
pensiontracingservice.com

If things go wrong

If something goes wrong, contact the adviser or provider to put matters right.

If you're not satisfied with their response or they don't respond within a certain amount of time, you can take your complaint to the Financial Ombudsman Service for free.

For more information, visit **moneyhelper.org.uk/money-problems**, or contact the Financial Ombudsman.

Financial Ombudsman Service

0800 023 4567 (free from landlines)
financial-ombudsman.org.uk

Compensation

If the adviser or provider has stopped trading and isn't able to pay claims against it, the Financial Services Compensation Scheme may be able to help.

The service is free to claimants.

You won't lose your home because a lender stops trading, but if you have a lifetime mortgage or retirement interest-only mortgage where regular payments are made, you must continue to pay them.

Financial Services Compensation Scheme

0800 678 1100 or +44 (0)20 7741 4100 (from outside the UK).
fscs.org.uk

Use this page to record your notes

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This guide is produced by MoneyHelper and is also available in Welsh. To see our full range of guides and request copies visit **moneyhelper.org.uk/free-printed-guides**

Cymraeg

Contact us

Money guidance **0800 138 7777**
Mon – Fri 8am to 6pm

Pensions guidance **0800 011 3797**
Mon – Fri 9am to 5pm

Text relay services **1800 1 0800 915 4622**
Mon – Fri 8am to 6pm

WhatsApp **+44 7701 342744**

Website **moneyhelper.org.uk**

Money Helper

Calls from the UK are free. To help us maintain and improve our service, we may record or monitor calls.

Accessible formats
If you would like this guide in Braille, large print or audio format please contact us on the above numbers. Information correct at time of printing (April 2025). These guides are reviewed once a year.

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