

NEWS RELEASE

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Home improvements remain most common use of equity release across all age groups

- Younger equity release customers more likely to use the money to clear their mortgage or other existing debts
- As the age of customer increases, property increasingly used to fund holidays or as a gift to family
- However, improving the home remains the principal reason customers of all ages release capital from their home

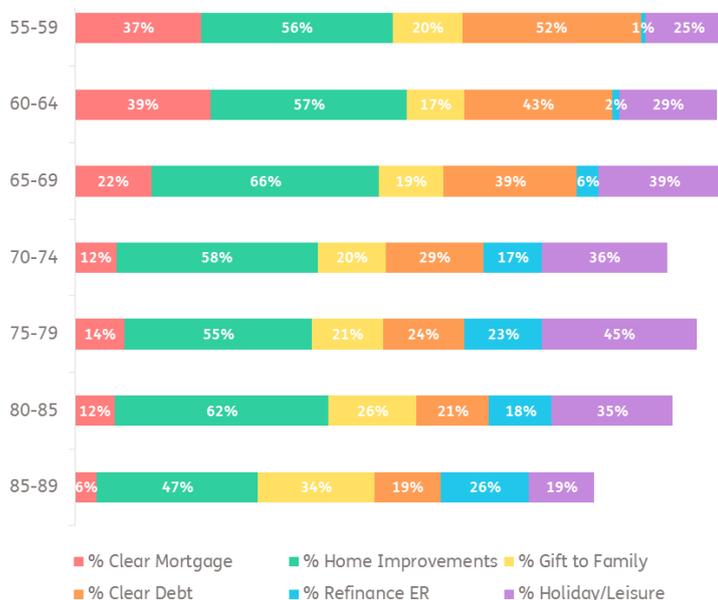
Customer data from advisory firm, **HUB Financial Solutions**, finds that home improvements remain the most common use of equity release across all age groups, although as people get older different priorities start to emerge.

Equity release appeals to customers who envisage staying in their properties for many more years and are therefore keen to modernise and modify the home to be 'later-life friendly' in terms of being more comfortable, cheaper to run and safer for them to live in as they get older.

People who may have recently started to receive their State Pension – the 65-69 age group – were the most likely to use the money for home improvements with two-thirds (66%) earmarking the funds for this purpose. And more than half of all other age groups under 85 also stated that at least some of the money would go back into improving their home.

Younger age groups were more likely to take money out of the property for cash flow reasons, whether to pay off their mortgage or other existing debts.

Equity Release uses by age, customers of HUB Financial Solutions in 2019



Over a third of 55-59-year olds last year used the money to clear their mortgage and 52% paid off other debts. However, reflecting the different priorities among over-70s, just over one in 10 of all equity release customers used the money to finance their mortgage and only around a quarter cleared other debt.

Instead, older age groups were more likely to use the money to enhance their lifestyle or make gifts to family. Nearly half (45%) of 75-79-year olds used the cash to go on holiday or for leisure while over a third (34%) of the 80-85 age group gave the money as a gift to family.

Simon Gray, Managing Director of HUB Financial Solutions, believes the figures demonstrate the benefit that equity release can bring people in their later-life.

“The ability to access money from property in later life can meet a huge variety of needs as this data shows. Whether our homes need a spruce up or there is a desire to clear outstanding debts, the sharp wealth stored in people’s homes has left many in a position where releasing equity can be a good option to meet their needs.

“It is clear from our data that people are using equity release for many different reasons but there are some trends that emerge in different age groups.

“For older customers who are more likely to be debt-free, the income is more likely to be spent on lifestyle activities or to make a gift to their family. For customers who are younger equity release tends to serve a clearer financial need.

“The range of products available has grown markedly in recent years and customers can benefit from a range of products with aimed at giving customers greater flexibility in how they access the money.

“With longer lives and the associated need for income in retirement, we expect property to continue to provide an important source of financial support for retirees in the coming years.”

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Notes to Editors:

About HUB Financial Solutions

HUB Financial Solutions is a professional services company, which provides a range of retirement-focused services to UK businesses and their customers. It offers corporate clients digital solutions, business consultancy, marketing services, customer services along with advisory, guidance and broking services.

As part of its advisory, guidance and broking services HUB Financial Solutions offers the individual customers of corporate clients expert regulated financial advice on how to use their pension savings, release some of the value from their home (through a lifetime mortgage) or fund later-life care.

HUB Financial Solutions’ innovative approach enables people with modest pension savings and assets to access an affordable regulated advice service. It delivers face-to-face advice nationwide at a time and place to suit the client as well as offering telephone appointments if the client prefers. It is one of the biggest lifetime mortgage brokers in the UK, to date it has helped more than 18,000 people release over £925m of equity from their properties and has provided advice or guidance to over 25,000 people on turning their pension savings into regular income for retirement.

HUB Financial Solutions has been providing professional regulated advice services and guidance since 2006 and is regulated by the Financial Conduct Authority. HUB Financial Solutions is one of the HUB group of companies which are part of Just Group plc.

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