

NEWS RELEASE

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Equity release priorities follow size of borrowing, HUB Financial Solutions finds

- Larger lifetime mortgages (£330,000+) being used as way to rethink customers' finances
- Smaller borrowing (£10,000) used for lifestyle boosts such as holidays and home improvements

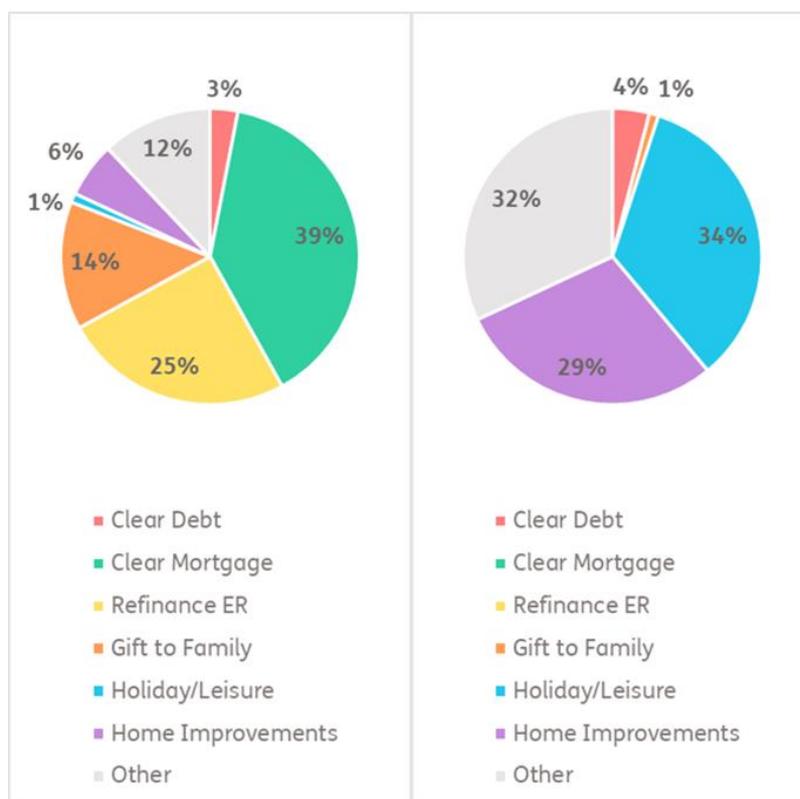
New analysis by advisory firm **HUB Financial Solutions** shows a clear trend between the size of the lifetime mortgage and how the money is used.

Nearly two-thirds of the funds released by customers taking the minimum amount of borrowing (£10,000) was spent on holidays/leisure (33%) and home improvements (30%).

In contrast, funds released by those borrowing the most (£330,000 or more) were mainly used to restructure their finances such as clearing a mortgage (39%) or refinancing current lifetime mortgages (25%) while 6% was spent on home improvements and 1% on holidays/leisure.

The biggest borrowers also gifted a much larger proportion of funds to family – 14% compared to just 1% for those borrowing the minimum – suggesting the importance of lifetime mortgages as a 'pre-heritance' option for estate planning.

Uses of lifetime mortgage funding – largest borrowing (£330k+ – left piechart) and the smallest borrowing (£10k – right piechart)



Simon Gray, Managing Director of HUB Financial Solutions, said the figures demonstrate the versatility of lifetime mortgages to meet the financial aspirations of a wide range of customers.

“Property accounts for the most significant portion of many people’s total wealth so the ability to access it flexibly is highly valuable.

“Money people release from their homes is often used to do things which would not be possible from accessing other savings or surplus regular income. People borrowing larger amounts are typically aiming to improve their overall financial situation including inheritance tax planning, while those taking the minimum sums are focused more on spending on things to improve their immediate living standards such as holidays or renovations.

“The range of lifetime mortgage solutions to match the needs of customers has increased rapidly in recent years as has competition within the market. The arrival of new, more flexible options such as the ability to make interest payments for those customers that want to, is making it easier for advisers to design a solution that’s tailored for their clients and adaptable when circumstances change.”

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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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