



NEWS RELEASE

Thursday 6 January 2022

Equity release – keep it in the family or keep it a secret?

- HUB Financial Solutions data reveals more than seven in 10 people discuss their equity release plans with their children
- But only 7% involve their children in meetings with financial advisers, with the vast majority attending these meetings alone
- HUB Financial Solutions encourages transparency and family collaboration to ensure the best possible outcomes

Data from **HUB Financial Solutions**, one of the largest providers of regulated equity release advice in the UK, has shone a light on the extent of family involvement in the lifetime mortgage advice process.

Among customers seeking advice from HUB Financial Solutions who have immediate family, more than seven in 10 (71%) said they had discussed the possibility of equity release with their children.

However, only one in 14 (7%) went on to involve their children in meetings with financial advisers as they went through the planning process in greater detail, and 93% of customers did not involve anybody else in the final financial planning process.

Simon Gray, Managing Director of HUB Financial Solutions, said that advisers should continue to encourage family involvement for customers considering equity release, commenting: “Lifetime mortgages can be an important way of enjoying a more comfortable retirement by unlocking wealth tied up in bricks and mortar, or passing living inheritances to children while still alive.

“However, it is important that people considering taking out a lifetime mortgage should be as transparent as possible with their children about their reasoning and intentions in order to avoid misunderstandings later in life.

“Involving children in the planning process can re-assure them that their parents are making a suitable financial decision to meet their needs and aims. It also gives children the chance to intervene if they are in a position to help financially and would like to do so if asked.

“It could even open up more tailored equity release solutions like servicing the interest on the loan. Doing so would allow children who have income to service all or part of the interest on their parents’ lifetime mortgage, leaving more equity in the property to maximise the inheritance left behind,” he said.

The findings around the involvement of children mirror the wider discussions equity release customers with family are having.

Nine in 10 (90%) customers did not involve anyone else in the meetings with their regulated financial adviser, but only 22% said they hadn’t discussed the possibility of equity release with anybody else with 7% having discussions with family and friends other than their children.

“It is not just children who may be involved in discussions around equity release. Siblings, partners, grandchildren or even close friends could all be included in the process depending on the customer’s circumstances.

“While advisers found that the majority of customers say they are involving these people in their initial discussions it is evident that most are going it alone at financial planning meetings. During the pandemic

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people may have been reluctant to join meetings with their parents in person, but we've offered multiway calls to help overcome this.

"It's important that whatever a customer decides to do our advisers make sure they feel comfortable with the process, that they don't feel rushed and have every opportunity to involve friends and family if they wish.

"These are important meetings with the detailed fact-find designed to uncover where people could be missing out on additional income from unclaimed State Benefits or other financial assets which are more appropriate to tap into before they choose equity release. Advisers at HUB Financial Solutions find that for about half of the customers they meet equity release is not the most suitable solution and in those cases the adviser will not proceed with the application."

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Notes to Editors:

About HUB Group

HUB Group's operating companies are modern, technology-driven businesses specialising in providing integrated financial solutions to UK businesses and to their customers and members. Collectively the Group's businesses are one of the UK's biggest providers of regulated advice and guidance to people in later life.

HUB Group has provided advice and guidance to over 100,000 customers and pension scheme members, helping them turn £1 billion of pension savings into a guaranteed income for life, release £1 billion of equity from their homes and provided specialist advice on defined benefit transfers.

HUB Group comprises:

- HUB Financial Solutions – a provider of regulated advice, retirement solutions and services to UK businesses and other organisations;
- HUB Pension Consulting – a specialist in providing client advisory services to defined benefit (DB) pension scheme trustees and scheme sponsors undertaking bulk member options exercises; and
- HUB Digital Solutions – a financial technology business that specialises in creating innovative and disruptive retirement-focused solutions.

HUB Group is part of FTSE 250 company Just Group plc. The companies within Just Group are authorised and regulated in the United Kingdom by the Financial Conduct Authority and / or the Prudential Regulation Authority.

More information on HUB Group can be found at: www.HUB-Group.co.uk

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