



YOUR GUIDE TO

Equity Release

Helping you make confident,
informed choices in later life lending





Welcome

At the Equity Release Council, our purpose is simple: to empower you with clear, trustworthy information so you can make confident, informed choices about your financial future.

Your home is often your biggest asset, and for many people, it can play a valuable role in supporting life after 50. Equity release is one option within the wider world of later life lending, alongside products such as retirement mortgages and retirement interest-only (RIO) mortgages.

We know these decisions matter. That's why our members are committed to the Council's high standards, so you can be confident of receiving trusted, tailored, thorough and transparent support. This means advice that reflects your personal circumstances, products with important safeguards, and guidance designed to help you make the choice that's right for you.

This guide offers a simple introduction to equity release: what it is, how it works, and how it might fit into your retirement planning. Our aim is to help you feel informed and confident as you explore your options and decide what's best for you and your family.

How your home can help fund later life

For many of us over 50, our home is more than a place to live, it's often our biggest financial asset. And that makes it an important part of planning a comfortable, secure retirement.

Increasingly, homeowners are discovering that the money tied up in their property could help them enjoy later life on their own terms. Equity release is one way to do this. It lets you unlock some of your home's value while continuing to live there. You can take it as a lump sum or in smaller amounts over time, giving you flexibility to suit your needs.

Some people use it to top up savings or pensions. Others use it to make life more enjoyable, maybe renovating the home, travelling, helping family, or simply having extra peace of mind.

The reality is that fewer people retire with a mortgage-free home and a big pension. Many are balancing mortgage repayments, everyday expenses, and savings. It's no surprise that over half of UK households are expected to rely on their home's value to support spending in later life.

Equity release isn't right for everyone, but for many, it's a practical way to make the most of a valuable asset.

What the numbers tell us:

38%

of future retirees are on track for an income below the recommended minimum standard of living.

22%

of homeowners with a mortgage say repayments stop them saving more for retirement.

51%

of UK households are expected to rely on the value of their home to support spending in later life.

61%

of UK homeowners are interested in releasing money from their property in later life.



Equity release can turn your home into a source of freedom and choice.

Since 1991, over **950,000** homeowners have accessed **£50 billion** of property wealth through Council members to support their finances.



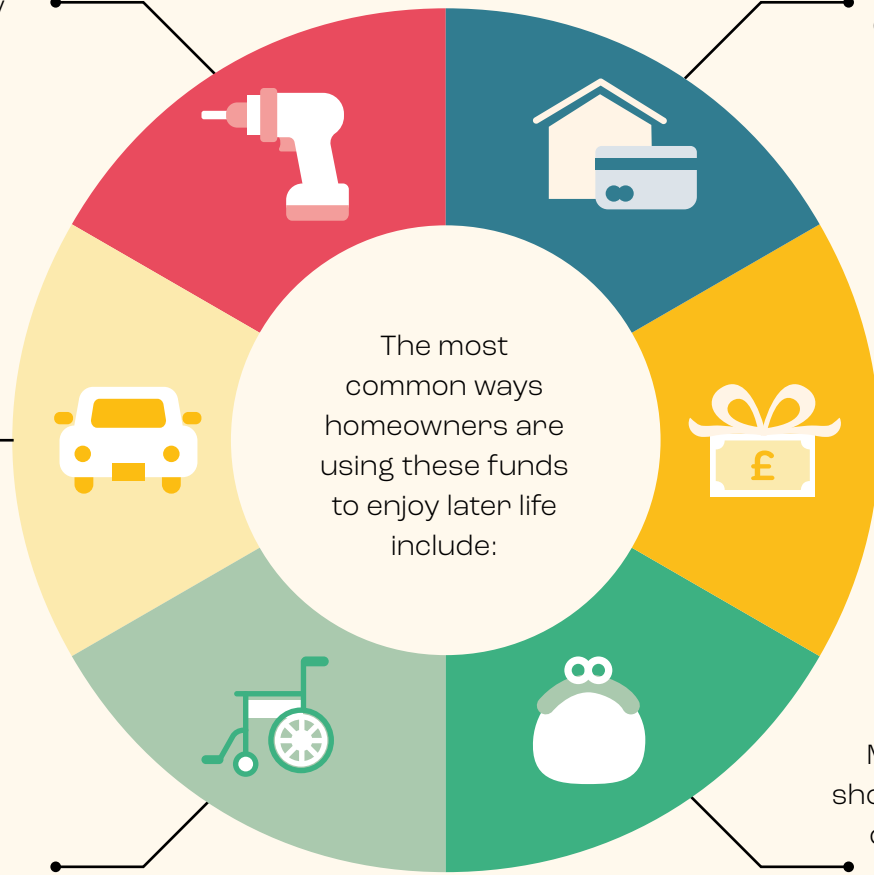
£127,414

The average lump sum released by homeowners in first quarter of 2025

Adapting and improving a home so the owner can live in it independently for longer

Buying a new car or other lifestyle purchases

Paying for help around the home, including domiciliary social care



Paying off debts, such as outstanding mortgages, credit cards or personal loans

Helping a child or grandchild through university or with a deposit on a house

Making up pension shortfalls, increasing disposable income and providing a better quality of life

What is equity release?

Equity release lets you access some of the money tied up in your home without having to sell or move out.

It can give you extra funds to use in later life, like the examples we've just shared, whether that's topping up retirement income, making home improvements, or helping family.

It's designed for homeowners aged 55 and over, and all products are regulated by the Financial Conduct Authority (FCA).

Your adviser, a Council member, will always look at all your options and will only recommend equity release if it's the right choice for you. This ensures you make a decision that fits your needs and lifestyle.



Lifetime Mortgages

- ✓ Keep full ownership of your home.
- ✓ Borrow money secured against your property.
- ✓ Interest can be paid monthly or rolled up so nothing is due during your lifetime.
- ✓ Loan (plus interest) repaid when you die or move into long-term care.
- ✓ Most start from age 55 (some from 50 with monthly repayments).

How much you can borrow depends on:

- Your age
- Your health
- The value of your home

For more information, visit the FAQ section on the Equity Release Council's website:



Home reversion plans

- ✓ Sell part or all of your home for a lump sum or regular income.
- ✓ Stay in your home for life, usually rent-free.
- ✓ Know exactly what portion is yours - helpful for leaving an inheritance.
- ✓ Ownership percentage stays the same even if property values rise.
- ✓ Usually available from age 60.



Are there alternatives to equity release?

Equity release isn't the only way to access money from your home. There are other financial products designed for people over the age of 50, often referred to as **later life lending**.

When you speak to an adviser who is a member of the Equity Release Council, they are required to talk through all your options, not just equity release.

This may include:

- Other types of later life lending
- Using your savings
- Asking family for support
- Consolidating debts
- Checking for unclaimed state benefits

These conversations are essential to helping you make the right choice for your personal circumstances.

Retirement Mortgages

These are standard residential mortgages that continue into retirement.

Key features:

- ➔ You make monthly repayments (interest-only or full repayment)
- ➔ Your income (including pensions) must be high enough to cover the payments
- ➔ The loan must be repaid by a fixed date, often in your 70s or 80s

Retirement Interest-Only (RIO) Mortgages

A RIO mortgage is a regulated option designed for older homeowners.

Key features:

- ➔ You make interest-only payments each month for life
- ➔ The loan amount stays the same (no roll-up of interest)
- ➔ The loan is repaid when you pass away or move into long-term care
- ➔ Like other mortgages, you must show that you can afford the monthly payments



Important things to consider before taking out equity release

Seek expert advice



Speak to a qualified and authorised adviser. They'll explore all options and only recommend equity release if it's right for you.

Look for the logo



Choosing an Equity Release Council member ensures the firm follows high standards and is fully qualified to advise on equity release.

Verify credentials



Use equityreleasecouncil.com/find-a-member to check advisers and find local firms.



Obtain legal guidance



Independent legal advice is essential before proceeding with a lifetime mortgage or home reversion.

Review benefits and tax



Make sure you're receiving all state benefits you're entitled to. Your adviser will explain any impact on benefits or tax.

Important: Equity release reduces your estate's value and could affect means-tested benefits or tax. Your adviser will help you understand what this means for your situation.

Discuss with family



Sharing your plans can help everyone feel reassured and involved.

Stay informed



Some plans marketed as equity release may not be FCA-regulated. Always check for the Council endorsement logo.

Your customer journey with equity release

Your adviser will guide you through the process every step of the way. Here's a typical journey to help you know what to expect:

1 Finding an adviser

Use the Equity Release Council's 'Find a Member' tool to choose a qualified adviser who can support you, whether in person, by phone or online.

2 Booking an appointment

When you contact the adviser, they'll ask you a few basic questions to understand your situation, such as your age, whether you own your home, and what you're looking to achieve.

3 Meeting your adviser

You'll meet with your adviser to talk through your goals and needs, now and in the future.

They may ask about:

- Your income and expenses
- Any debts
- Benefits you receive
- Family or care plans

This helps them give advice that's tailored to you.

5 Decision

Once you've reviewed your options and had time to reflect, you decide how you want to proceed.

This might mean:

- Taking out a product
- Putting your plans on hold
- Seeking a second opinion

4 Recommendations

Your adviser will come back to you with their recommendations.

This may include:

- A specific equity release product
- An alternative product
- Downsizing
- Using savings or pension assets

If you are considering equity release, you'll receive a Key Facts Illustration (KFI) to explain the product in clear terms.

They'll talk through everything with you and answer any questions. You're not expected to decide right away, but keep in mind that interest rates and product features can change.

6 Valuation

If you choose equity release, a surveyor will visit to value your property. This is because the loan is secured against your home.

Tip: Present your home in the best possible condition. Surveyors may check for things like damp, disrepair or long-term issues that could affect the value.

7 Independent Legal Advice

You'll receive independent legal advice, which is a mandatory part of the process. Your solicitor's job is to make sure:

- You fully understand the agreement
- You're comfortable with the terms

You can use a solicitor recommended by your adviser or choose your own.

If you're applying as a couple, the solicitor may speak to you separately to ensure both parties are fully happy, this is a safeguard, not a reflection on your relationship.

9 Post-completion support

After completion, your relationship continues with the product provider, much like a bank or building society.

You can contact them at any time to:

- Ask questions
- Make changes to your account
- Make voluntary repayments
- Request further funds (if allowed by your product)

8 Completion

Once everything is approved, the loan completes.

The money will be paid directly into your bank account (minus any agreed costs or fees).

If you're using the funds to pay off an existing loan or mortgage, that will be settled at this stage too.

The timeline between application and completion can vary, talk to your adviser if you have a specific date in mind.



Why it's important to work with a Council member



Look for the logo

When you choose a member of the Equity Release Council, you're working with a professional who is committed to the highest industry standards.

Council members include:

- ➔ Financial advisers
- ➔ Solicitors
- ➔ Equity release providers
- ➔ Surveyors and other professionals

Each one agrees to follow our rules and guidance, not just at the start of your journey, but throughout the life of your plan.

They're also committed to our **Consumer Charter**, which sets out the protections and guarantees you can expect when working with a Council member.

You'll find this explained clearly on the next page.

Look out for the Council logo on brochures and websites or use the 'Find a Member' tool:



If you're not online, you can call us on
0300 012 0239

CONSUMER Charter

We have an in-depth set of Standards which governs how our members should behave and at the heart of this is our Consumer Charter which outlines what people can expect when working with a member of the Council. You can **trust** that you will receive **tailored, thorough and transparent** support which is designed to help you make the right choice for your individual circumstances and get the most out of any products you choose.

Trusted

You can trust that you are dealing with regulated and qualified professionals throughout your journey who work in your best interests and treat you with respect and understanding. This trust will be built on the knowledge that your adviser, your provider, the surveyor and legal representative will be expected to uphold the highest standards of their professions as mandated by their regulatory bodies. In addition, your provider will make sure that any lifetime mortgage or home reversion products will also meet the additional Product Standards of the industry standards setter, the Equity Release Council.

Tailored

You can expect to be provided with clear, transparent, and tailored recommendations once your personal objectives and goals have been thoroughly discussed. Any advice will consider your personal circumstances, including an assessment of your income and expenses, and will explore alternatives to equity release. You will receive comprehensive information to help you make your decision, before proceeding with any recommendations.

After completion you will have ongoing support from your provider which may include referral back to your adviser for any further advice.

Thorough

You can expect your adviser, legal representative, the surveyor, and provider to listen to your questions and offer clear, comprehensive answers and support. These professionals will guide you through the process, helping you carefully consider the impact on your family and your plans for both the present and future.

Transparent

You can expect transparency at every stage of the process including the products available to you. The advice, its scope, the product details, terms and conditions, Product Standards, fees and charges, and the potential financial impact on your family and inheritance will all be clearly explained. This transparency ensures you feel comfortable and confident in the choices you make.

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Standards are at the heart of the Council's reason for being.

It is committed to ensuring robust Standards are in place to protect consumers as they seek to fund ever longer retirements in later life and to help ensure they receive the best possible outcomes.

David Burrowes

Chair, Equity Release Council

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Shown below are the six core product standards that apply to lifetime mortgages. Additional standards also apply to specific products such as home reversions and mandatory payment lifetime mortgages.

EQUITY RELEASE COUNCIL Standards

1. Interest rates:

Interest rates must be either fixed or, if variable, have a fixed cap. Both of which must be fixed for the life of the mortgage.

2. Home for life:

Customers must have the right to live in their property for the remainder of their life, or until they permanently move into care. For this right to apply the property must remain their main residence for the life of the mortgage with all terms and conditions being maintained.

3. Option to move home:

Customers must be allowed the opportunity to move to a suitable alternative property and transfer their lifetime mortgage (subject to lending criteria at the time of move) as long as they abide by the terms and conditions of their contract.

4. No Negative Equity Guarantee (NNEG):

The product must have a NNEG so that, provided the secured property is sold for the best price reasonably obtainable and the terms and conditions of the loan have been met, the borrower or estate will never owe more than the property is worth, after deduction of reasonable sales costs.

5. Ability to make repayments:

Customers must have the ability to make repayments without incurring any charges, subject to lending criteria of the provider.

6. Long term care:

If a customer needs to move permanently into long-term care—whether in a care home (commercial, NHS, or local authority) or with relatives providing care—any early repayment charge will be waived by the Lender upon receipt of a medical practitioner's certificate and the terms and conditions of the loan have been met.



The role of the surveyor and solicitor

Independent legal advice

You are free to choose your own solicitor to carry out the legal work associated with your equity release plan.

Before the plan is finalised, your solicitor will receive full documentation outlining the terms of the plan, including your rights and responsibilities, and those of your product provider.

They will explain the terms and conditions clearly, making sure you fully understand everything involved.

Your solicitor will only sign the Equity Release Council's 'Solicitor's Certificate' once they are confident that:

- You understand your plan and how it works
- You are happy to go ahead and are making the decision of your own free will.

What is a Valuation for Lending Purposes?

Before agreeing to a loan, your provider must ensure your property is suitable as security. A qualified surveyor will carry out a valuation for lending purposes to determine the property's market value and condition.

This report will include:

- An estimated value of your property
- Photographs
- A rebuild cost for insurance purposes
- Notes on any potential legal or maintenance issues

This is not a full structural survey or estate agent's valuation, its purpose is solely to help the lender assess the property.

Information and explanation of your plan

You will receive a clear and complete explanation of how your equity release plan works before you make any decisions.

This includes details about:

- The benefits and limitations of the plan
- Your obligations under the contract
- All costs and fees associated with setting up the plan
- Possible tax implications
- What happens if you wish to move home
- How changes in your home's value could affect your plan

Regulation and other information

All equity release products are regulated by the Financial Conduct Authority (FCA). This means that firms offering or advising on these plans must meet clear regulatory standards. If they fall short, the FCA can take action.

Fair, clear, and not misleading

All advertising and customer literature must be fair, clear, and not misleading. Key information about any recommended product will be provided in a specific format.

- Initial disclosures may be given verbally and/or in writing.
- The Key Facts Illustration (KFI) must always be provided in writing and is easily identified by the Key Facts logo.
- This document allows you to clearly understand a recommended product and compare it with others.

keyfacts

Qualified advice

Regulation also governs how advice is delivered. Financial advisers must:

- Hold specific qualifications for the products they advise on
- Explore all your options
- Ensure any recommendation considers your full financial circumstances and needs



You can find more information about the FCA at: [fca.org.uk](https://www.fca.org.uk)

Equity Release Council rules & guidance breach procedure

If you believe you've experienced financial or other detriment due to a member breaching the Council's rules or guidance (or those of our predecessor, SHIP), you can raise this with us directly.

Please note:

- The Equity Release Council is not a regulatory body
- We do not have formal timescales or powers to enforce decisions or offer redress
- However, we aim to respond as quickly as possible

To raise a concern, email:

customeroutcomes@equityreleasecouncil.com

or call

0300 012 0239

Calls are usually returned within 72 hours but may take longer during busy periods or public holidays.

Complaints about a Council member

If you wish to make a complaint about a Council member:

1. First contact the member directly using their published complaints procedure (by letter, email, or verbally).
2. If you're not satisfied with the outcome, contact the appropriate Ombudsman Service:



Call: 0300 012 0239

Equity Release Council
The Smithy
Sutton Lane
Dingley
Market Harborough
LE16 8HL

Email: customeroutcomes@equityreleasecouncil.com



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The Equity Release Council is a company limited by guarantee and is registered in England No. 2884568. The company is not authorised under the Financial Services and Markets Act 2000 and is therefore unable to offer investment advice.

Check that your chosen plan will meet your needs if you want to move or sell your home or if you want your family to inherit it. Always seek qualified financial advice.