

NEWS RELEASE

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Equity release money shifts from debt clearance to gifting as customers get older, HUB Financial Solutions customer data shows

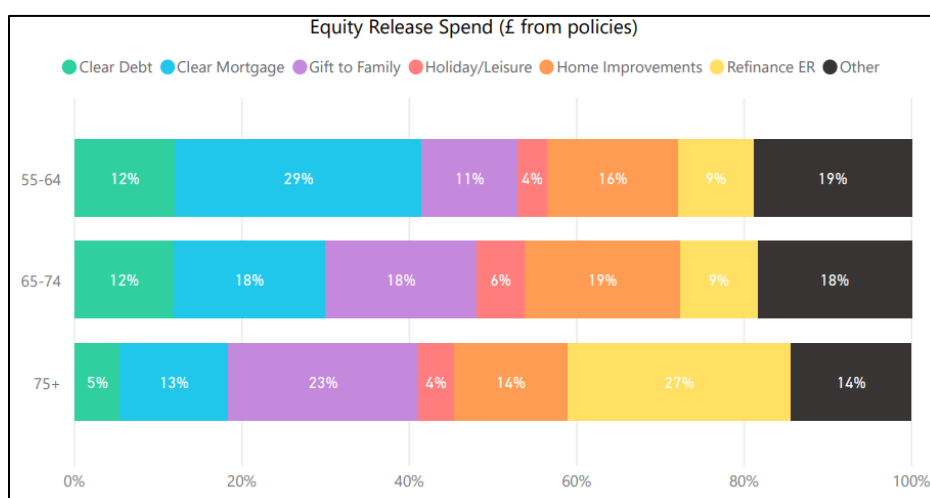
- Younger customers are more likely to use equity release to clear debts and outstanding mortgage balances
- Among over 75s focus shifts to family gifting and refinancing existing equity release loans
- Demonstrates varied financial and lifestyle factors advisers must consider for equity release customers

Analysis of 2020 customer data from **HUB Financial Solutions**, the corporate solutions and advisory business, reveals the way the priorities of customers releasing property wealth change as they grow older.

There is a clear shift from clearing debt among the younger cohort to using the money released to make family gifts among older customers. In the 55-64 age group, 29% put their equity release cash towards paying off the mortgage with a further 12% going towards clearing other debts.

The story looks quite different for customers aged over 75 who are less likely to still owe money on a traditional mortgage.

Their priorities for using the money released shifts to making gifts to family, with nearly a quarter of the money allocated to this (23%). They also allocated triple the amount of money towards refinancing existing equity release arrangements with 27% of loans used for this reason.



Simon Gray, Managing Director at HUB Financial Solutions, says the findings demonstrate the range of customer situations which advisers will encounter when helping customers with their later life financial planning.

“A growing number of people, who are approaching or entering retirement with equity in their property, find releasing this money is an attractive way to help them to finance their goals in later life.

“This data reveals the varied and changing priorities of equity release customers and usefully illustrate general trends. But no two customers’ circumstances are the same so it’s essential that customers receive advice that’s personalised to their situation.

“Unlocking housing wealth isn’t the right solution for all customers and that’s why customers must receive regulated advice, to ensure all options are explored in a disciplined way. It can be an attractive and appropriate option for many people in later life – whether that’s to clear debt or make gifts to family – and with lifetime mortgage interest rates currently low we are helping a significant number of customers re-financing their existing borrowing.

“There is a growing range of products, which can be flexibly tailored to each customer’s circumstances, so with expert advice customers can be confident of finding a way to meet their financial needs in a way that best suits them.”

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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