EMBARGOED UNTIL 00:01 16 July 2021

Market monitor

Equity release performance in the UK

Half year 2021

Welcome

The last few years have been something of a rollercoaster with 2019 ending on a high before we faced unprecedented uncertainty in 2020 as the world grappled with the largest pandemic in living history. In 2021, we are starting on the road to recovery as a nation and as an industry – buoyed by the good headwind provided by the stamp duty holiday.

In H1 2021, the amount of new equity released rose 32% to £1.94 billion from £1.47 billion (H1 2020) – with the average customer taking £94,982 (+34% from £74,014 in H1 2021). However, customer numbers remained fairly static – rising by 3% from 19,869 (H1 2020) to 20,445 (H1 2021).

While customer numbers have not recovered to the levels seen in 2019 (H1 2019 – 22,126) – arguably due a focus on meeting needs rather than more aspirational spending – we have seen more lending (H1 2019 - £1.68 billion). Aspirational spending on holidays and homes has been put on hold as people look to shore up their finances by managing mortgage as well as unsecured debt and using these funds to navigate challenges like low retirement income and the need to pay for care.

They have been supporting their wider families with their aspirations and since the stamp duty holiday was introduced in July 2020, over-55s have given almost £1million per day to help people take their first step on the property ladder. Far from being a 'selfish choice' as is sometimes suggested, society, family and individuals have all benefited.

So what does the future hold for the market? The pandemic has clearly highlighted that equity release is a real solution to some of the financial challenges that over-55s face as clients benefit from increasingly flexible products to manage their borrowing in retirement. While much work still needs to be done to encourage intergenerational fairness, equity release is helping more people than onto the property ladder than ever before and even with the gradual ending of the stamp duty holiday, this is likely to continue.

Arguably, we are also likely to see more aspirational spending as people landscape the gardens they have been sitting in since March 2020 and visit family as well as friends as borders start to open up. We are also likely to see more people looking to their housing equity to pay for care in late older age as care homes have become less attractive.

Each of these clients will be supported with specialist advice which is designed to ensure that they consider all their options before making any choices. At Key, we are proud to say that less than half of the customers who meet one of our advisers take out equity release, instead delaying the choice until they better meet the product criteria or taking up one of the other options discussed from retirement interest-only mortgages to downsizing.

So with over 700 products on the market boasting more flexibility than ever, I suggest that the future is bright for the market!

WILL HALE
CEO of Key

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Methodology

Key is the leading over 55s specialist adviser and the UK's number one equity release specialist. It is comprised of Key Equity Release and The Equity Release Experts.

Our Market Monitor uses the company's detailed data to reflect the market as a whole and provides the most detailed analysis of equity release in the UK, alongside historical comparisons.

In addition, we focus on a particular area and also a specific usage driver for releasing equity. This quarter it will be London and marital status respectively.

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Overview

The end of H1 2021 marked 15 months since the first lockdown with lending driven by customers increasingly looking to equity release to meet pressing needs rather than unfulfilled ambitions.

Over the last six months, the need to manage both unsecured as well as mortgage debt (av. H1 2021 - £74,894) and the desire to support the wider family (av. H1 2021 - £72,520) has seen more released than more traditional aspirational uses such as home improvements (av. H1 2021 - £16,907) and holidays (av. H1 2021 - £16,458).

This saw the amount of new equity released rise 32% to £1.94 billion from £1.47 billion (H1 2020) – with the average customer taking £94,982 (+34% from £74,014 in H1 2020). Customer numbers remained fairly static – rising by 3% from 19,869 (H1 2020) to 20,445 (H1 2021).

With pundits suggesting that the stamp duty holiday was bolstering the housing market, we also saw a 15% increase in clients' average house prices from £321,209 (H1 2020) to £368,883 (H1 2021). This resulted in the average LTV remaining relatively flat at 26% (H1 2020 – 23%).

This also meant that, while relatively large sums were being released, drawdown (71% of plans taken out in H1 2021) continued to dominate the market. In H1 2021, £666 million was reserved via drawdown for future use – a figure that increased by 7% from £624 million in H1 2020. The average age for those releasing equity in 2021 is 70 which was the same as H1 2020.

The management of mortgage as well as unsecured debt with the support of housing equity continued to be the most popular use of funds with 53% of people using 52% of the proceeds for this purpose. The Bank of Mum and Dad or Gran and Grandad have given C. £1 million a day over the course of the stamp duty holiday with more than one in five (23%) helping to support their friends and family. ▶

£1.94bn
released
▲ Up 32.1% on H1, 2020

20,445
new plans
▲ Up 2.9% on H1, 2020

£94,982
average amount released
▲ Up 28% on H1, 2020

For most people, discretionary spending is not the driving force behind their decision to use equity release, but rather an opportunity to fulfil some long-held and often modest aspirations. What this means in practice has changed over the last 15 months, with more people spending on renovating the home or garden they have typically spent considerably more time in than usual and less spending on holidays.

In H1 2021 just 1% of the proceeds of equity release was used to finance holidays (8% - Q1 2020) while 33% was being used to finance home and garden improvements (17% - Q1 2020).

When taking a view across the UK at the number of equity release plans taken out, the South East retains its top spot with 4,856 plans followed by the South West (2,412) and London (2,160). The largest YOY increases were seen in Wales (+24%), London (+23%) and the East Midlands (+7%).

Interestingly, this 23% increase in the number of customers taking out equity release in London translated to a 74% increase in the amount released in the capital which no doubt helped to nudge the average amount released across the UK up.

All regions, except for Northern Ireland (-50%), saw YOY growth in the amount released with London (+74%), Wales (+42%) and the North East (+34%) leading the pack. However, the South East while recording more modest growth (+29%) saw the largest amount released (£562 million).

	Lending Mix
Area	**%**
East Anglia	5%
East Midlands	6%
London	**23%**
North East	2%
North West	7%
Northern Ireland	0%
Scotland	3%
South East	29%
South West	11%
Wales	3%
West Midlands	6%
Yorkshire & Humberside	4%

Value of plans

HIGHEST
£562m
South East
▲ Up 29.4% on H1, 2020

LOWEST
£4.6m
Northern Ireland
▼ Down -49.7% on H1, 2020

Number of plans

HIGHEST
4,856
South East
▼ Down 0.5% on H1, 2020

LOWEST
105
Northern Ireland
▼ Down 45.2% on H1, 2020

UK areas

Road to Recovery

Both H1 2021 and H1 2020 have been interesting periods for the market for different reasons.

In the first six months of last year, Covid-19 had moved from being a global news issue to a stark local reality with the UK experiencing its first lockdown in living memory, which saw the equity release industry being force to be more agile than ever before. 2021 bought more hope as the vaccine was rolled out across the age groups and the Government indicated that we were once again on the delayed road to recovery.

The data reflects this with the total market size including available drawdown falling from £1.68 billion (H1 2019) to £1.47 billion (H1 2020) before hitting £1.94 billion (H1 2021) this year. What the future holds remains to be seen, but what we do know is that, while in terms of volume and value 2020 may have seen us take a step back, our way of working has certainly taken a step forward.

Digital advice via platforms such as zoom is now common place and geographically dispersed families have more opportunities to engage. Independent legal advice can also be provided online and remote valuations are now part of lenders' tool kits.

Equity release has also moved from being seen as a product focused on aspirations to one that is providing a lifeline to those struggling with interest-only mortgages, families who want desperately to help younger people onto the property ladder and those who seek to 'age proof' their homes to remain in familiar communities.

With just over 700 products currently on the market offering more flexibility than ever before, while 2020 may be a year that is remembered for being personally and professionally difficult, the industry is on track to bounce back stronger than before.

Drawdown

Q1 2021 was the first time that Key was able to use new data to take a more in-depth look at drawdown. Identifying not only the amount reserved each quarter, but also the amount actually taken in reserved drawdown as well as further advances.

Drawdown continued to dominate the market with 71% of equity release customers choosing one of these plans to release an initial average of £56,744 which is up 31% from H1 2020 (£45,001). This increase mirrors the changes we saw across the broader market and saw the average initial advance increase from 48% (H1 2020) of the total facility to 52% (H1 2021).

Over this period, customers reserved £666.4 million in drawdown – a figure that rose 7% from £624.1 in H1 2020 – for future use. In H1 2021, 14,589 existing clients accessed their outstanding balance to take £13,765 (H1 2020 – 13,771 took £11,421) to support their retirement finances. With so many customers choosing drawdown as their product of choice, we expect to see the volume of customers returning to draw on reserved funds steadily increasing as the market continues to mature.

The average further advance taken in H1 2021 was £24,206 – an increase from £18,405 which was agreed in H1 2020. Total further advances taken in H1 2021 equated to £45 million up from £33 million in H1 2021 as customers used available funds to make up any shortfalls they may be experiencing due to the poor performance of other pension assets due to the current economic uncertainty.

21% 

increase in drawdown amount released

£43,195 in H1 2020
to £56,744 in H1 2021

39% 

increase in further advance released

£18,405 in H1 2020
to £24,206 in H1 2021

Product features

At the end of 2017, the market boasted 86 products – a number which has risen significantly over the last three-and-a-half years until today when we can offer customers a choice of 716 products. It is not only the number of products on offer that has seen significant growth, but the flexibility they offer customers - whether they want to make ongoing interest repayments, reduce the amount they owe by making capital repayments or downsize to another property.

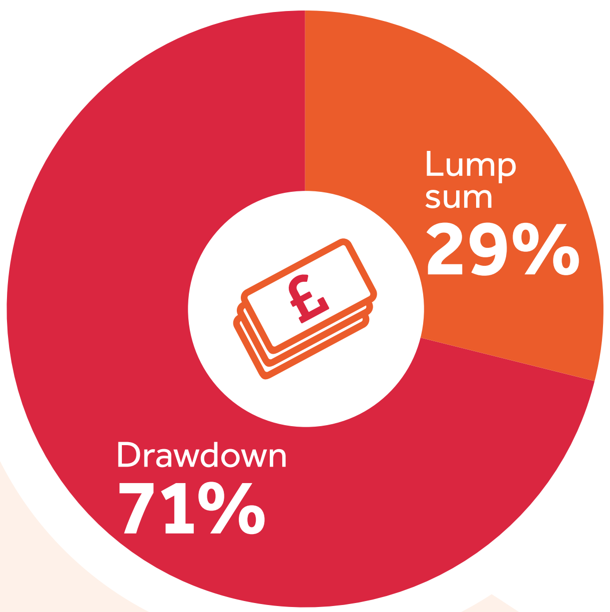
In H1 2021, a record 88% of products offered fixed early repayment charges which provided customers with surety that if they did need to redeem or remortgage their policy, they would know exactly what they might be charged. In addition, 65% of all products offered ad hoc penalty-free repayments within certain lender agreed parameters (e.g. up to 10%

Drawdown vs. Lump Sum

While the average amount released has hit £99,567, drawdown plans (71%) continue to account for the vast majority of products taken out in H1 2021 (lump sum – 29%).

While the majority of people take out an initial advance (LTV – 54%) and then subsequent tranches, some use these products more like lump sum mortgages due to the combination of features and rates that appeal to them. Indeed, they may take significantly more up front and then keep a small reserve to use in future. When compared YOY the percentage split between drawdown and lump sum remains relatively stable.

Across all plans taken out in H1 2021, 71% were drawdown products and 29% were lump sum.



The effect of interest rates

Equity release rates continued to remain at historically low levels starting at 2.73% fixed for life in Q2 2021. However, the rate a customer pays depends on a variety of factors including the amount they are borrowing, their age and the type of features they wish to include so the average customer who took out a product paid 3.41% AER.

This is a slight increase from Q2 2020 (3.18%) and Q1 2021 (3.22%) but still compares favourably with other later life lending products as well as residential mortgages including those aimed at first time buyers. We've also seen a 30% YOY increase in the amount of people remortgaging equity release deals on a monthly basis – moving from an average rate of 5.0% to 3.6%.

Average interest rate for Equity Release plans taken out

2019				2020				2021	
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
4.33%	3.92%	3.72%	3.15%	3.10%	3.18%	3.05%	2.8%	3.22%	3.41%

The effect of age

In H1 2021, the average equity release customer was 70-years-old. However, with the ability to make ongoing interest and capital repayments, we do see some younger customers using equity release, but due to their age the LTV available is lower.

The average LTV of the youngest customers (55 to 59) was 24.38% and this rose to 42.97% for the oldest clients (+85) in Q2 2021. Therefore, younger customers (55 to 59) tend to favour lump sum products (69% of plans taken out in Q2 2021) and older customers (70 to 74) prefer the drawdown option (64% of plans taken out in Q2 2021).

	Drawdown		Lump sum	
Age	Q2 2020	Q2 2021	Q2 2020	Q2 2021
55–59	30.43%	**30.99%**	69.57%	**69.01%**
60–64	38.14%	**42.22%**	61.86%	**57.78%**
65–69	41.51%	**52.17%**	58.49%	**47.83%**
70–74	54.59%	**63.74%**	45.41%	**36.26%**
75–79	51.22%	**64.91%**	48.78%	**35.09%**
80–84	62.96%	**71.43%**	37.04%	**28.57%**
85+	40.00%	**62.50%**	60.00%	**37.50%**

Equity release uses

Key has produced the market monitor since 2006 but at the end of 2019, it launched its new market-leading advice delivery platform. This allows its advisers to capture more in-depth data on customer needs, preferences and reasons for using equity release than ever before, which we are pleased to share with you.

We are also able to differentiate between the number (i.e. volume) of customers who use equity release for a specific purpose vs. the amount of equity released (i.e. value) that is used for this reason which has allowed us to develop a far clearer view of what is driving the market.

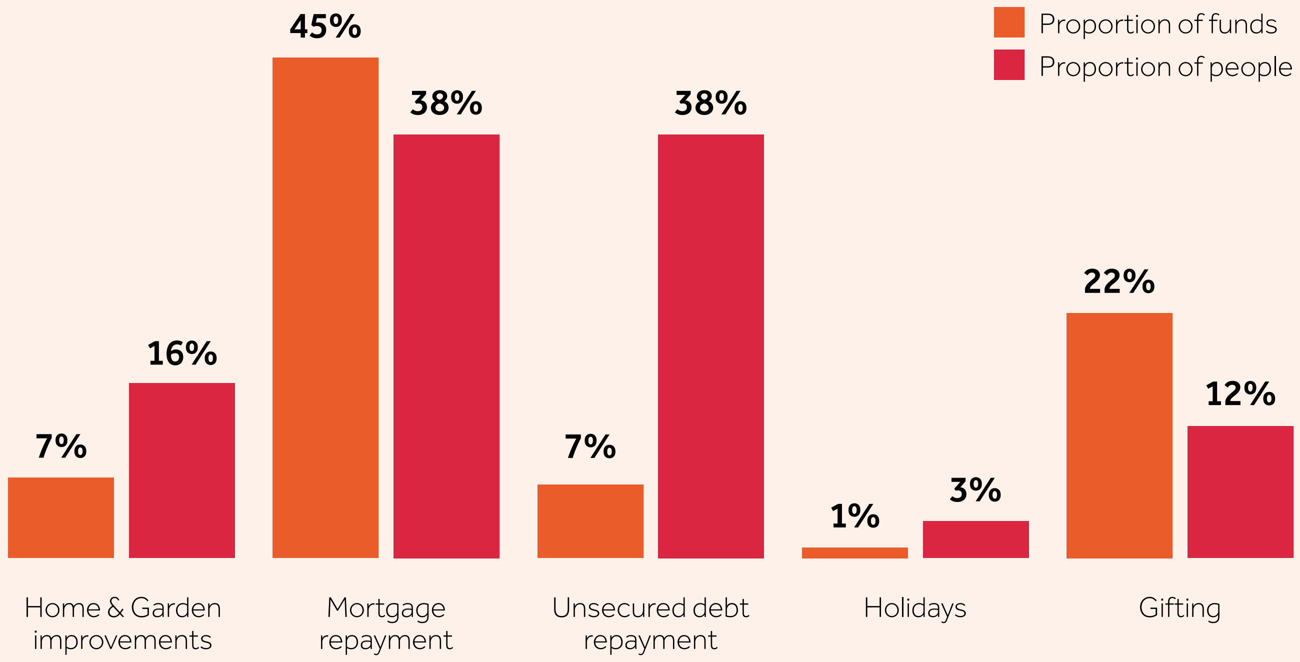
In H1 2021, the largest proportion of equity released by over-55s was spent on mortgage repayment (45%) and gifting (22%). Unsecured debt repayment (7%), property purchase (7%) and home improvements (7%) were also popular uses for the funds. The residential property market has been largely driven by the stamp duty holiday over the last 12 months and the equity release market did not escape the impact.

Indeed, while we only saw a 1% increase in gifting from the same period last year (H1 2020 – 21%), we saw a 6% increase in the amount spent on property purchase (H1 2020 – 1%). Those customers who use equity release to boost their buying power took out an average of £115,068 to allow them to move into their forever home.

Against the backdrop of the Covid pandemic, just 1% of the equity release in H1 2021 was spent on holidays (H1 2020 – 6%) and only 7% on home improvements (16%). Spending on home improvements was the more robust of the two uses that are stereotypically associated with the products as older people spending more time as home were keen to update their kitchen (19%), increase their homes size with an extension (17%) or replace their bathrooms (12%).

	The Uses of Equity Release	
Proportion of funds	**H1 2020**	**H1 2021**
Home/Garden Renovations	16%	**7%**
Mortgage repayments	29%	**45%**
Unsecured debt repayments	12%	**7%**
Holidays	6%	**1%**
Gifting	21%	**22%**

Usage of equity release



Spotlight on:

Marital Status and Equity Release

Just over half (57%) of those who took out equity release in H1 2021 did so as part of a couple which is the lowest proportion since records started in 2011 and a significant drop from the high of 68% recorded in Q1 2017. The proportion of single women (28%) and men (15%) using these products has grown and in H1 2021, we returned to the highest previously recorded levels.

So what does this mean for the market that will need to learn how to support these differing demographics? Firstly, single men (£91,901) released marginally more than couples (£89,962) and single women (£76,680) in H1 2021 – despite the fact that they had more modest homes (£360,575) than those who were married (£387,445).

Cohort	Average Release	LTV	House price
Couple	£89,962	23%	£387,445
Single Women	£76,680	23%	£336,902
Single Man	£91,903	25%	£360,575

This may be driven by lack of pension income as the latest Pensioner Income Series from the Department of Work & Pensions suggests that while single retired men (£12,636) do better than retired women (£11,492), they both fall short of the income enjoyed by couples (£25,064).

The average age at which all demographics take out equity release was 70-years old which raises an interesting question. The industry has long suggested that more older women use equity release as due to longevity - they may be widowed and need to make up the income shortfall caused by their partner's death.

While this no doubt happens, it might also be interesting to consider whether this is also the growing impact of the 'silver splitters'. Indeed, the latest data from the Office of National Statistics suggests that in the decade from 2005 to 2015, the number of men aged 65 and over who divorce increased by 23% while the number of women rose 38% so it is only logical that they might look to their largest assets for support.

Equity Release Drivers by Marital Status

For the most part, all cohorts spent a similar proportion of their equity on the typical expenses that they might be expected to meet.

Gifting was the exception with more single women (23%) and couples (22%) spending on this reason than single men (16%). Twice as many single men also spend a proportion of the equity they have released on vehicle purchase (4%) than single women (2%).

Proportion of customers spending on each cost by marital status			
	Couples	Single Women	Single Men
Secure Debt	46%	45%	47%
Unsecured Debt	7%	5%	6%
Gifting	22%	23%	16%
Home Improvements	8%	8%	5%
Property Purchase	6%	9%	9%
Holidays	1%	1%	3%
Vehicle Purchase	4%	2%	4%

Proportion of equity released for each cost by marital status			
	Couples	Single Women	Single Men
Secure Debt	41%	32%	37%
Unsecured Debt	14%	17%	17%
Gifting	22%	26%	20%
Home Improvements	34%	36%	28%
Property Purchase	5%	5%	5%
Holidays	6%	5%	8%
Vehicle Purchase	14%	11%	15%

Average Amount Release by Marital Status

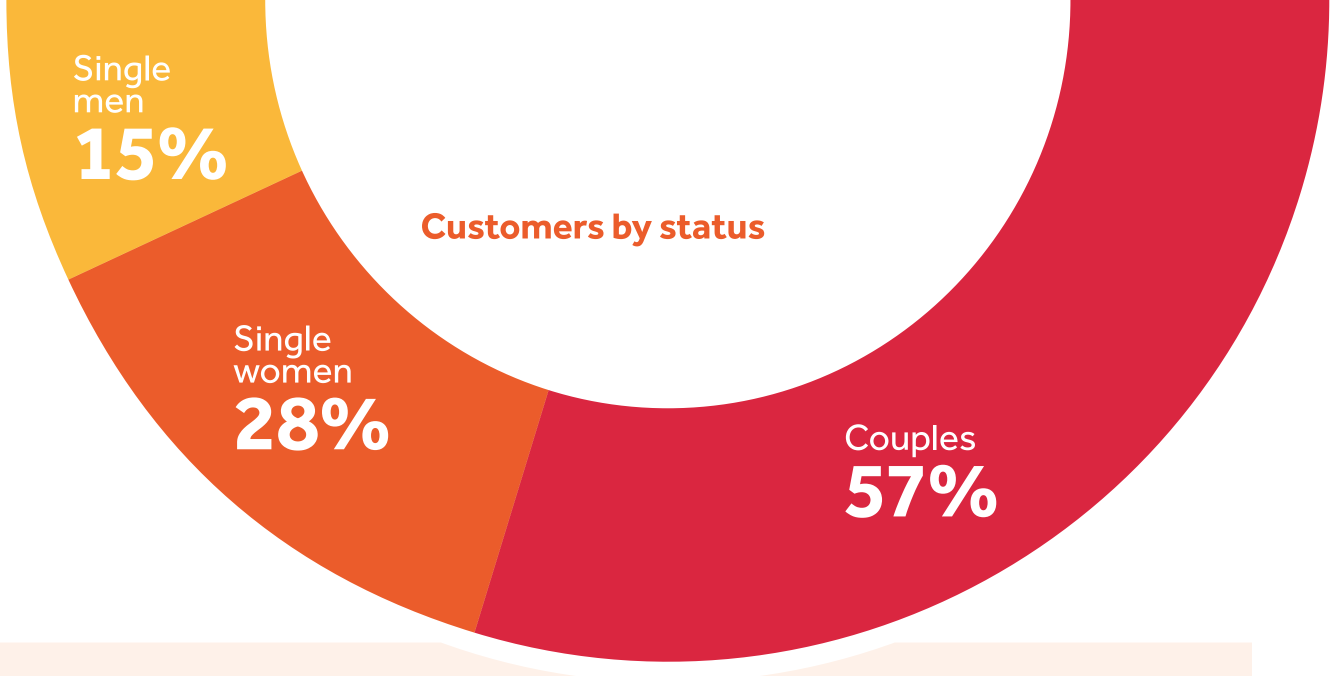
The average amount released for each purpose seemed to reflect the relative affluence of each cohort as – for example – while more single women gifted, single men and couples were able to gift a higher amount. The exception to this rule arguably proves the point as women took out more for property purchase to make up the shortfall between the cost of their new home and their existing assets. Indeed, single women (£116,649) took out more equity than married couples (£104,956) and single men (£119,140)

Proportion of customers spending on each cost by marital status			
	Couples	Single Women	Single Men
Secured Debt	£93,536	£77,665	£85,547
Unsecured Debt	£12,142	£6,812	£10,843
Gifting	£80,544	£61,961	£65,912
Home Improvements	£18,977	£14,282	£13,774
Property Purchase	£104,956	£116,649	£119,140
Holidays	£14,130	£14,835	£24,740
Vehicle Purchase	£22,029	£11,281	£20,664

So what does this data mean? It suggests that while we may see the number of couples taking out equity release fall, the basic needs driving decisions around equity release are likely to remain consistent. There may be some change in emphasis around how much or how likely a cohort is to cite a specific reason but we are not going to see a significant change in direction.

With more single women and men choosing this product type, we need to consider what product innovation is likely to be appropriate for their individual circumstances. Inheritance protection is likely to be less attractive to those without children while the ability to access smaller regular sums may be more relevant for those with less pension wealth.

Finally, as an industry, we may wish to do more to encourage those single people who are asset rich and cash poor to consider whether their home can provide them with more than a roof over their heads in retirement.



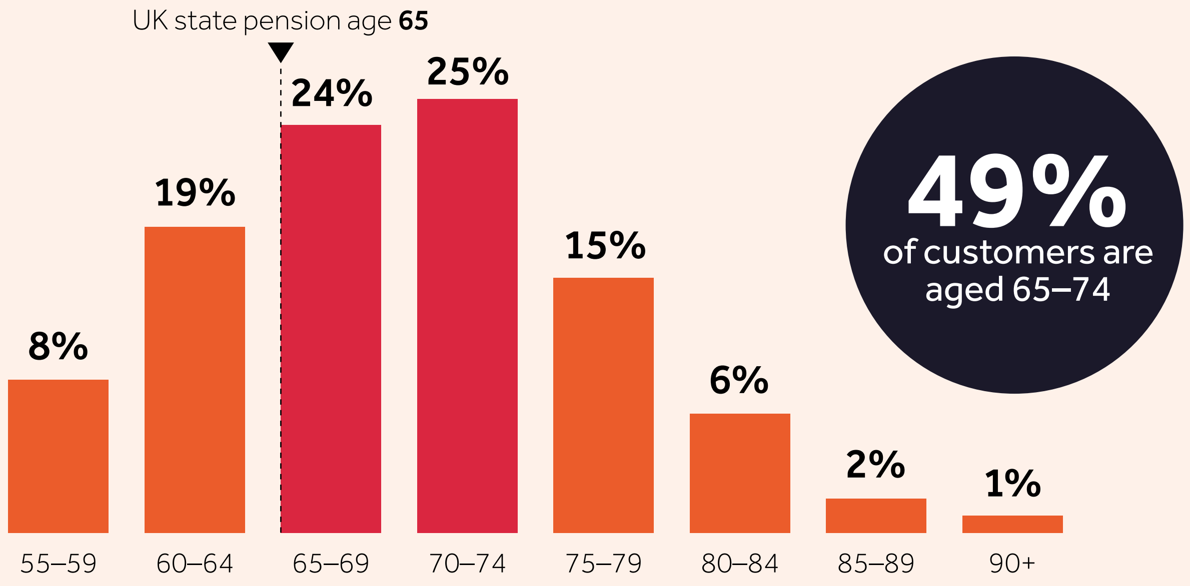
Demographic analysis

As outlined in the previous section, 57% of those who take out equity release are married or in a long-term relationship while 28% are single women and 15% of single men. This is the lowest number of couples taking out equity release since records began and a 2% drop since H1 2020.

Over the last six months, the average customer who took out equity release was 70-year- old, which is consistent with the same time last year. Almost three quarters (73%) are over-65 with just 9% being younger than 60 years old. There has been a 2% year-on-year increase in this younger cohort as trends mirror other times of economic uncertainty such as that seen in 2008/9.

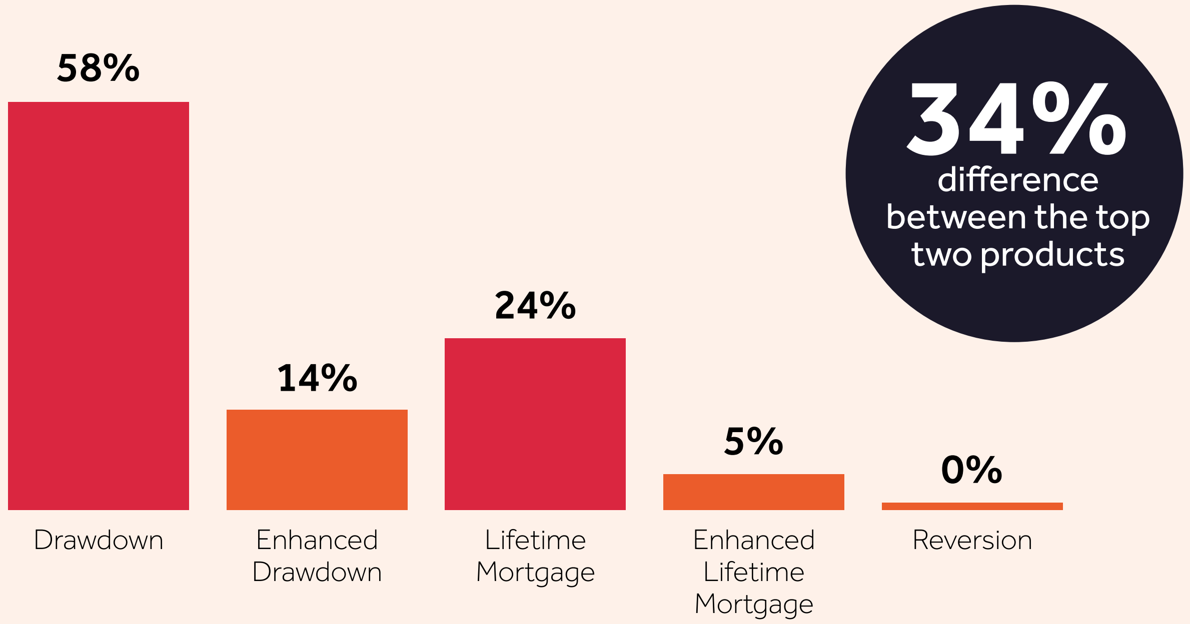
Customers by age

Average age has remained steady year on year



Product mix

Drawdown continues to dominate the market despite rise in amount released



Across the UK

£94,982
Average release amount for the UK
▲ Up 28% on H1, 2020

While Wales (+24.1%) saw the largest increase in the number of customers taking out equity release, this was closely followed by London (+22.6%) which also saw a 74.0% increase in the amount taken out.

Over-55s in the capital released £438.9 million in H1 2021 which is up from £252 million in H1 2020 and likely to be due to over-55s looking to use their own housing equity to boost children and grandchildren onto the property ladder while the stamp duty holiday lasted.

The East Midlands (+7.2%), South West (+6.5%), North West (+5.5%), Yorkshire and Humberside (+1.9%) and North East (+1.2%) all recorded growth in customer numbers over the six month period. However, we did see falls in Northern Ireland (-45%), East Anglia (-12.8%), and the West Midlands (-7.4%) and Scotland (-1.5%).

While the fall in Northern Ireland may seem substantial, it is worth remembering that the relatively low number of customers who use equity release means the market is more volatile, but the number has been steadily growing over the last ten years (61 – H1 2011).

All regions and countries across the United Kingdom saw the amount released rise except for Northern Ireland (-49.7%) which saw a fall commiserate to the fall in customer numbers.

After London (+74.0%) and Wales (+42.1%), the North East (+34.4%), South West (+29.7%) and South East (+29.4%) saw the greatest increases in the amount released

As with London, the stamp duty holiday appeared to be encouraging older homeowners across the UK to step up and support younger borrowers as they work to take their first step onto the housing ladder.

Half Year 1 results

	Plans				Value released		Property value		Age
Location	Value (% change on H1, 2020)		Number (% change on H1, 2020)		Average release amount	Average LTV %	Average value (% change on H1, 2020)		Average customer age
East Anglia	£93,516,224	(1.3%)	1,185	(-12.8%)	£78,911	25%	£311,722	(11%)	71
East Midlands	£117,025,287	(27.1%)	1,668	(7.2%)	£70,180	25%	£281,802	(11%)	70
London	£438,906,036	(74.0%)	2,160	(22.6%)	£203,157	27%	£743,741	(21%)	71
North East	£44,356,850	(34.4%)	718	(1.2%)	£61,745	26%	£237,394	(21%)	68
North West	£135,502,952	(31.0%)	2,092	(5.5%)	£64,764	26%	£250,108	(10%)	68
Northern Ireland	£4,636,760	(-49.7%)	105	(-45.2%)	£44,212	25%	£175,600	(0%)	65
Scotland	£64,505,431	(10.3%)	1,096	(-1.5%)	£58,858	26%	£226,284	(2%)	68
South East	£561,982,675	(29.4%)	4,856	(-0.5%)	£115,737	25%	£457,735	(13%)	71
South West	£223,089,783	(29.7%)	2,412	(6.5%)	£92,487	26%	£359,314	(8%)	70
Wales	£61,908,453	(42.1%)	1,075	(24.1%)	£57,591	24%	£237,295	(11%)	70
West Midlands	£113,558,312	(7.1%)	1,641	(-7.4%)	£69,188	25%	£277,928	(15%)	70
Yorkshire & Humberside	£82,944,019	(12.4%)	1,437	(1.9%)	£57,729	25%	£233,165	(5%	69
Total	£1,941,932,782	(32.1%)	10,341	(2.9%)	£94,982	26%	£368,883	(15%)	70

Focus location:
London

Between H1 2020 and H1 2021, we have seen the amount released by over-55 homeowners in the Capital increase by 74% from £252.2 million to £438.9 million. The main driving force behind this leap is likely to be the stamp duty holiday which was launched in July 2020 and saw those with more valuable homes dipping into their equity to help younger family members.

With Zoopla suggesting that the average house price in London was £696,453, the average first-time buyer property is estimated to be a relatively more modest £500,000. Prior to the stamp duty holiday, they might expect to pay £27,500 in stamp duty while during this period, they will have paid £25,000. While this may not seem like a substantial saving, it is likely to have covered legal costs and, for someone who has worked hard to save the 5% or £25,000 needed to take that first step, it can be a really boon.

While the South East (H1 2021 – 4,856) and the South West (H1 2021 – 2,412) commuter belts may see more equity release customers, Londoners continue to regularly rely on equity release to boost their finances. Indeed, we have seen an 11% increase since H1 2017 – although we have as yet not returned to the record numbers of H1 2019 (£2,332).

Londoners (71 years) who use equity release tend to be older than average (70 years) and boast the most valuable houses across the UK (£743,741).

	Plans		Lending	
Period	Number	Change Y/Y	Amount (million)	Change Y/Y
H1 2017	1,950	+41.2%	£222.1	+20.6%
H1 2018	2,254	+15.6%	£300.0	+35.1%
H1 2019	2,332	+3.5%	£296.6	-1.2%
H1 2020	1,762	-24%	£252.2	-15%
H1 2021	**2,160**	**+23%**	**£438.9**	**+74%**

Product Details			
Period	Average LTV	Average Age	House Prices
H1 2017	20	71	£575,848
H1 2018	23	72	£583,166
H1 2019	22	72	£576,947
H1 2020	23	72	£615,616
H1 2021	27	71	£743,741

2,160
new plans
▲ Up 22.6% on H1, 2020

£438.9m
released in equity
▲ Up 34.4% on H1, 2020

£184,804
average release
▲ Up 27% on H1, 2020

£743,741
average property value
▲ Up 21% on H1, 2020

Case Study

About 10-years ago, Alice (70) had been married to her husband – James (72) - for over forty five years when she decided to go back into education to retrain as a therapist instead of taking early retirement from her job as a charge nurse in a busy London hospital.

While James was keen to slow down and perhaps move outside of London, Alice was thinking about setting up her own practice and gradually, they drifted apart. Having been childhood sweethearts and friends for as long as they could remember, they decided on a 'no fault' divorce after two years of separation. However, untangling a lifetime of finances was more complex than they hoped. Alice explains more:

"While James and I were still good friends, we knew that we had to sort our finances out and the last thing I wanted to do was to sell our house in Wimbledon. We had raised our daughters in this home, our grandchildren loved visiting and I felt part of the community. However, James wanted to move closer to the coast so having discussed the situation with our lawyers, I took out an equity release mortgage for £150,000 and gave him the proceeds as well as giving up any claim to his pension assets.

"I am still working part-time and have my own NHS pension so I have a fairly secure income that I am using to repay the interest on a monthly basis. When I spoke to my adviser, they did ask if I might be keen to consider a later life mortgage or a retirement interest-only mortgage but I wanted the freedom to stop making interest payments if I needed to. I also liked the idea of the fixed early repayment charges and the ability to make ad hoc capital payments as I may come into a small inheritance in the future which I can use to pay off my borrowing.

"I've told several friends about the fact I've used equity release and recommended that they speak to Key Equity Release. The adviser who gave me advice talked me through the entire process and really encouraged me to think about what I needed now and in the future. Even though I worked in the NHS, I hadn't through about needing care in later life but I've now set up a lasting power of attorney to make it easier if I do.

"I must admit, I didn't think I would be getting divorced at 70 or working as a part-time therapist but life isn't always how you planned it. I am just glad that by using the housing equity that I have built up over the years, I was able to stay living in my home."

* = This case study is fictional and while based on issues faced by people every day, bears no resemblance to a specific person or set of personal circumstances.