

Delivering innovation when the market needs it most

Case study by Richard Turner,
Connect Lifetime Mortgages

The case



Plan:
Single
Age:
68yrs
Location:
South London

Recommendation:
Horizon Interest Reward lifetime mortgage, releasing £100,000, rewarded with a reduced interest rate in return for making contractual payments over an agreed term

I appointed Standard Life Home Finance as the appropriate lender for my client looking to release £100,000 of equity from her house. She had begun to experience money worries in her later life after the loss of her husband and feeling the impact of the cost-of-living crisis.

My client had explained to me that she had found herself in these circumstances through changing times – she had grown up in an age where there was an expectation that you wouldn't need to pay into a pension, that your husband would look after you.

She had said: "As you get to your last 10 years before retirement, no one told me it was going to be this financially challenging. Unless you had a job in the civil service for example, most women didn't have a suitable pension. I worked for a charity and pensions weren't a big thing until later in my life."

While money was tight, initially my client was apprehensive about releasing equity from her home as a way to bolster her finances – she was concerned taking out a lifetime mortgage plan would create a barrier to her being able to move home in the future. However, I was able to explain that with a Horizon lifetime mortgage, she would have the option to downsize from day one, subject to criteria. This knowledge immediately put my client at ease and proceedings went a lot smoother.

A key reason for wanting to release the equity from her home, was to gift a large portion to her son to help him to afford his increased mortgage repayments, allowing his children to stay in their family home.

My client had worked out a deal with her son where she would keep some of the funds back for herself to help fund her retirement and live more comfortably – with her son repaying the money he had been gifted with interest over a longer period to support with her contractual payment term.

Following my advice my client then opted for a Horizon Interest Reward lifetime mortgage, which would reduce her interest rate and allow for an overall lower cost of borrowing long-term.

By helping her son towards becoming mortgage free, he would then be in a position financially to support my client's monthly payments, ensuring she was able to maintain the reduced interest rate for the duration of her Horizon Interest Reward lifetime mortgage and benefit from a reduced total cost of borrowing overall.

Choosing Horizon

Considering my client's unique circumstances, coupled with her ability to make repayments, made for an interesting search to find the right product for her. Originally another product had been decided on, as Horizon Interest Reward hadn't yet been launched.

I first heard about Horizon Interest Reward when I attended a webinar hosted by Sanjay Gadhia, Standard Life Home Finance's National Sales manager, where he had announced the launch of the Horizon Interest Reward lifetime mortgage. Suddenly it was like all the pieces had fallen into place perfectly, and after discussing this with my client, it was clear this was the absolute best option for her.

This new product was extremely attractive, as it met all my client's expectations with the added benefits brought by the discounted interest rates. Additionally, the product was supported with the same 8 year fixed ERCs and market leading features included on the Horizon range, plus the ability for my client to make 10% voluntary overpayments all contributed to making this a less expensive product overall.

Bringing better outcomes through product innovation

Where this case became the most complex was navigating the needs of my client and how they intertwined with supporting her son. This required a delicate approach to work closely with my client, her family, solicitors and stakeholders in order to find the best product for her.

Standard Life Home Finance's approach and expertise meant we were able to move this case from application to completion in as little as 10 working days – bringing peace of mind and a positive outcome to my client as fast as possible.

This was the first time I'd worked with Standard Life Home Finance or used their new product. Their approach and providing innovative new products is a huge step forward to bringing new lending options to customers. With their ability to be tailored to each client's unique circumstances, this is a product that can really help reassure customers that their choices matter.

Ultimately, this unique offering from Standard Life Home Finance managed to provide an elderly lady with the chance to live more comfortably in retirement, while giving her the agency to support her son and ensure her grandchildren could continue to live in their family home.

Richard Turner, Connect Lifetime Mortgages

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Enhance your later life lending solutions with Standard Life Home Finance and explore the possibilities of Horizon Interest Reward today.

Standard Life 
Home Finance

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