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Ship report calls for the government to re-define the terms of equity release

Ship wants eq release at centre of retirement

PROTECTION

by Catherine Couch,
Chief Reporter

Safe Home Income Plans has called on the government to make equity release a fundamental part of the overall strategy of reforming retirement planning and social care.

In a briefing in London on Monday, the equity release trade association called on the government to undertake a review into the role equity release can play in retirement planning.

A report by Ship, *Facing the Future: Redefining Equity Release to Meet Today's Social and Economic Challenges*, stated in order to improve consumer understanding and confidence in equity release, the government must adopt a clear position on the sector and

acknowledge that it is an option for some homeowners.

Ship said it was also important for the government to clarify the interaction between the cash received from equity release and the tax and benefits system, particularly when assessing means-tested benefits. It said it would like to work with the government to explore the viability of state-supported equity release products, including working with local authorities.

The body also called on the FSA to clarify its position on equity release, questioning whether the term equity release should continue to be used for Ship-compliant products.

The report said: "Ship is concerned that the term leads to confusion between Ship-compliant products and other regulated products and is an inaccurate



Little: strategy reform

description of the products that our members provide."

The trade body said new terms may be needed to better define Ship within the market.

Ship also questioned whether it was necessary for the FSA to maintain its stance for all advice processes around equity release products as high risk, suggesting Ship-compliant products could be given a kitemark.

Simon Little, director of Bedfordshire-based advisers Home

& Capital, said: "Home & Capital joins Ship in calling on the government to make equity release a fundamental part of the overall strategy of reforming retirement planning and social care."

Dominic Fraser-Smith, group product manager of UK Life for Aviva, said: "A review which looks to clearly define the government's overall position on these products – and especially with regards to benefits – would engender much needed confidence."

Fay Goddard, chief executive of the Personal Finance Society, said: "We would support any move to increase the availability of professional advice which is essential for the protection of those purchasing equity release products."

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