



RESEARCH

in association with



**AIFA Questions
Equity Release**

February 2006

The logo for 'ifa census'. The word 'ifa' is in a light blue, lowercase, sans-serif font, and 'census' is in a white, lowercase, sans-serif font. Both are centered within a large, dark blue circle.

ifa
census

**The Definitive Source
of IFA Opinion**



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A market discussion of equity release

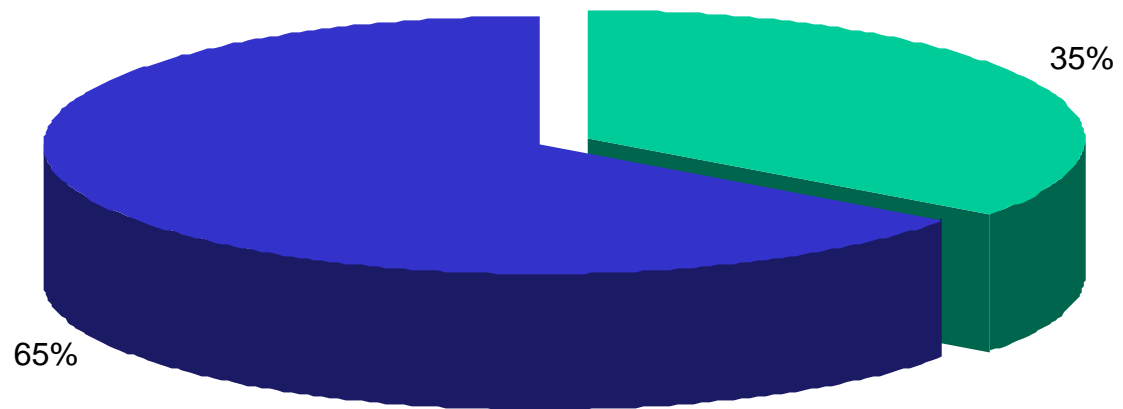
- This month's AIFA questions focused on industry views of equity release
- Questions were placed on the February IFA Census and fieldwork was conducted during 7th – 22nd February 2006
- **310** IFAs responded to the survey



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Proportion of IFAs advising on equity release

Two thirds of respondents DO NOT advise their clients on equity release



- Yes, I advise clients on equity release
- No, I DO NOT advise clients on equity release

Base: February 2006 – All Respondents (310)
Do you advise your clients on equity release?



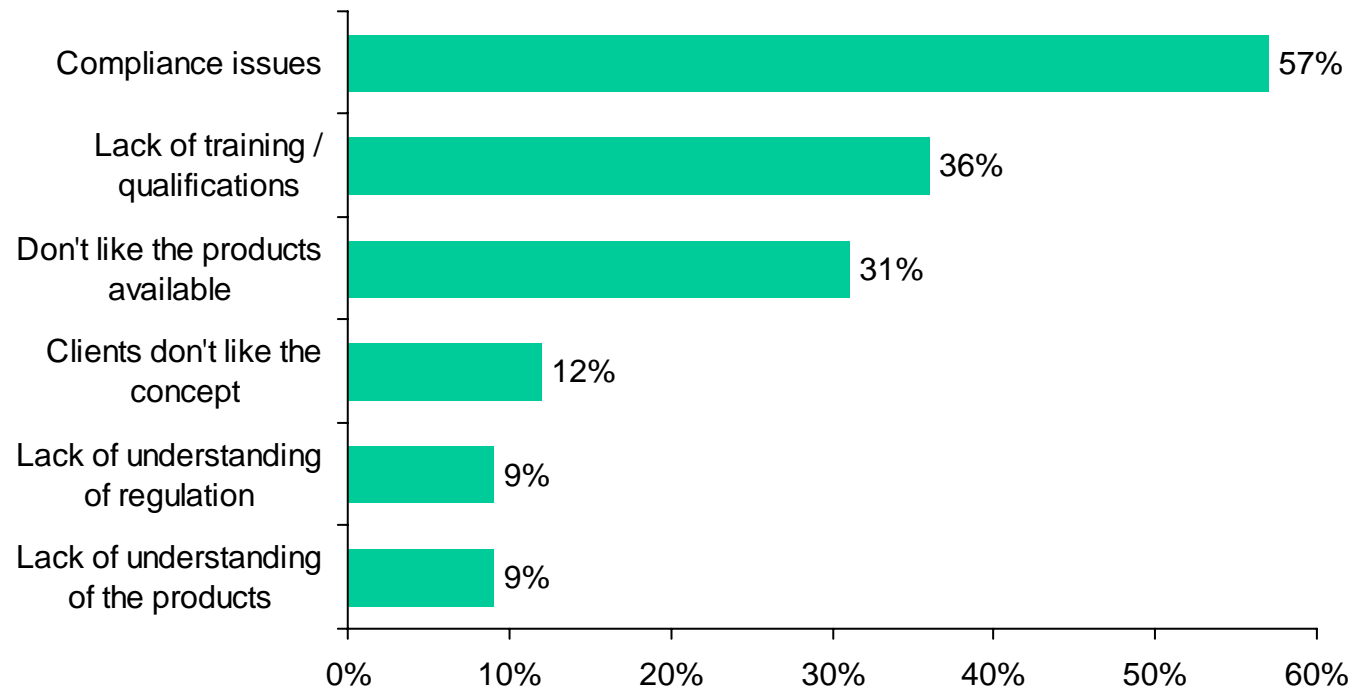


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Reasons for not offering equity release to clients

Potential compliance issues are the most common reason for not offering equity release to clients; lack of training and a general dislike of the products available are also commonly mentioned reasons



Base: February 2006 – All respondents not advising clients on equity release (201)
Why do you not offer equity release to your clients? Tick all that apply

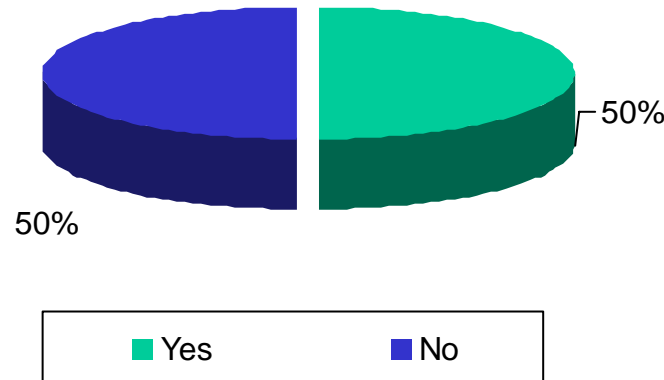


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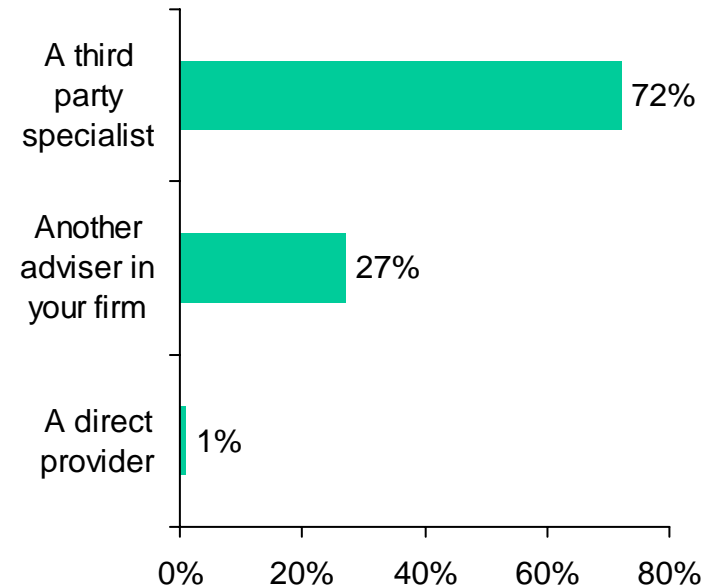
Means of discussing equity release

While half of respondents discuss equity release and then refer their clients; nearly three quarters refer these clients to a third party specialist. The remaining quarter refer to another adviser in the firm.

Proportion of respondents referring clients following generic brief on equity release



Points of client reference (n=100)



Base: February 2006 – All respondents not advising clients on equity release (201/100)
 Do you discuss equity release generically and then refer your client? / If yes, who do you refer to?

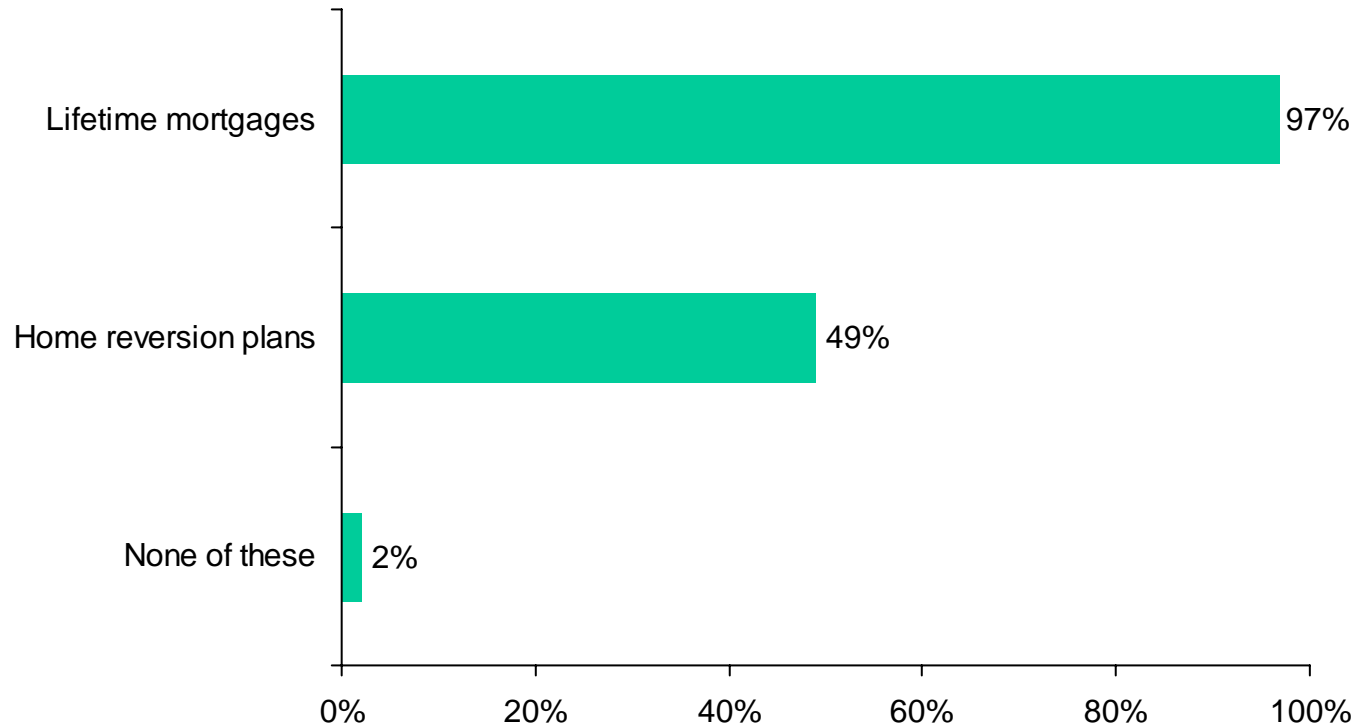


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Types of products advised upon

Nearly all respondents advising on Equity Release advise on Lifetime Mortgages and half on Home Reversion plans



Base: February 2006 – All respondents advising clients on equity release (109)
Which of the following do you advise on?

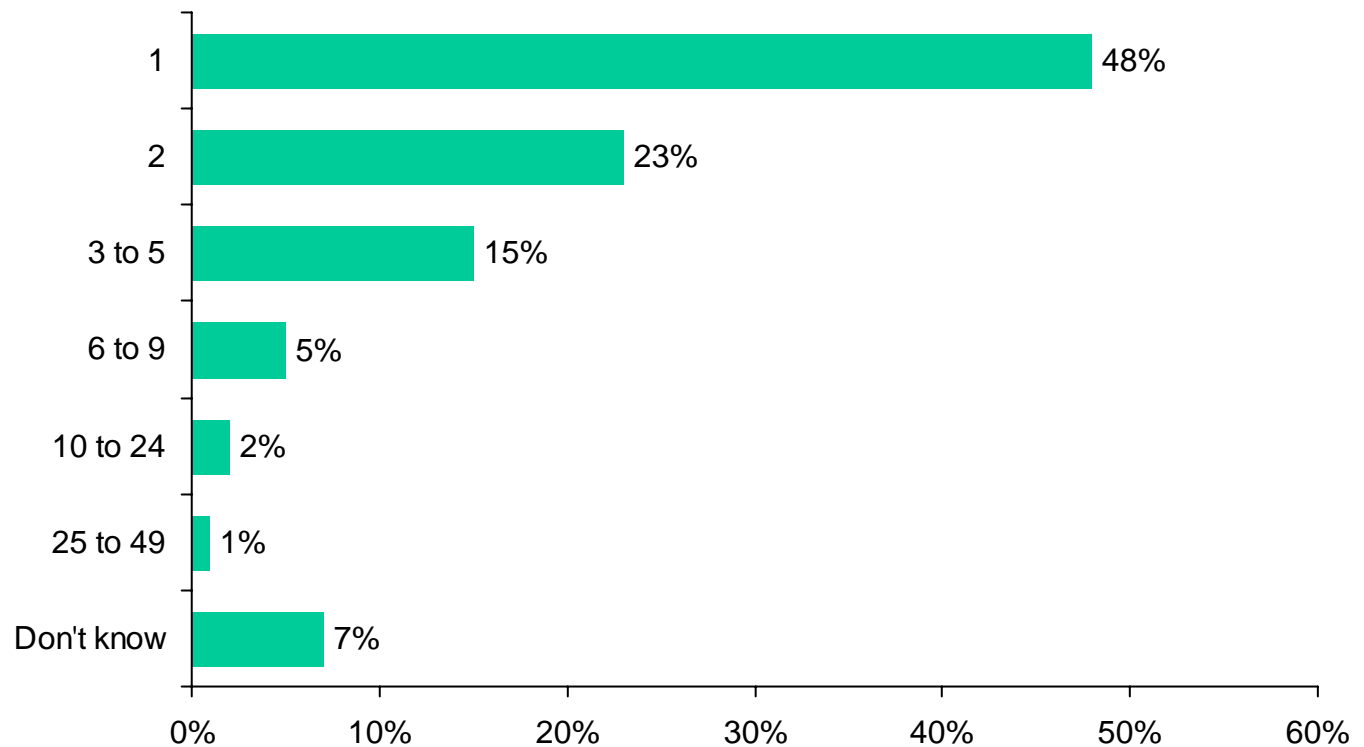


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Number of advisers providing advice

Approximately half of firms have only one advisor providing advice on equity release



Base: February 2006 – All respondents advising clients on equity release (109)
How many advisers in your firm provide advice?

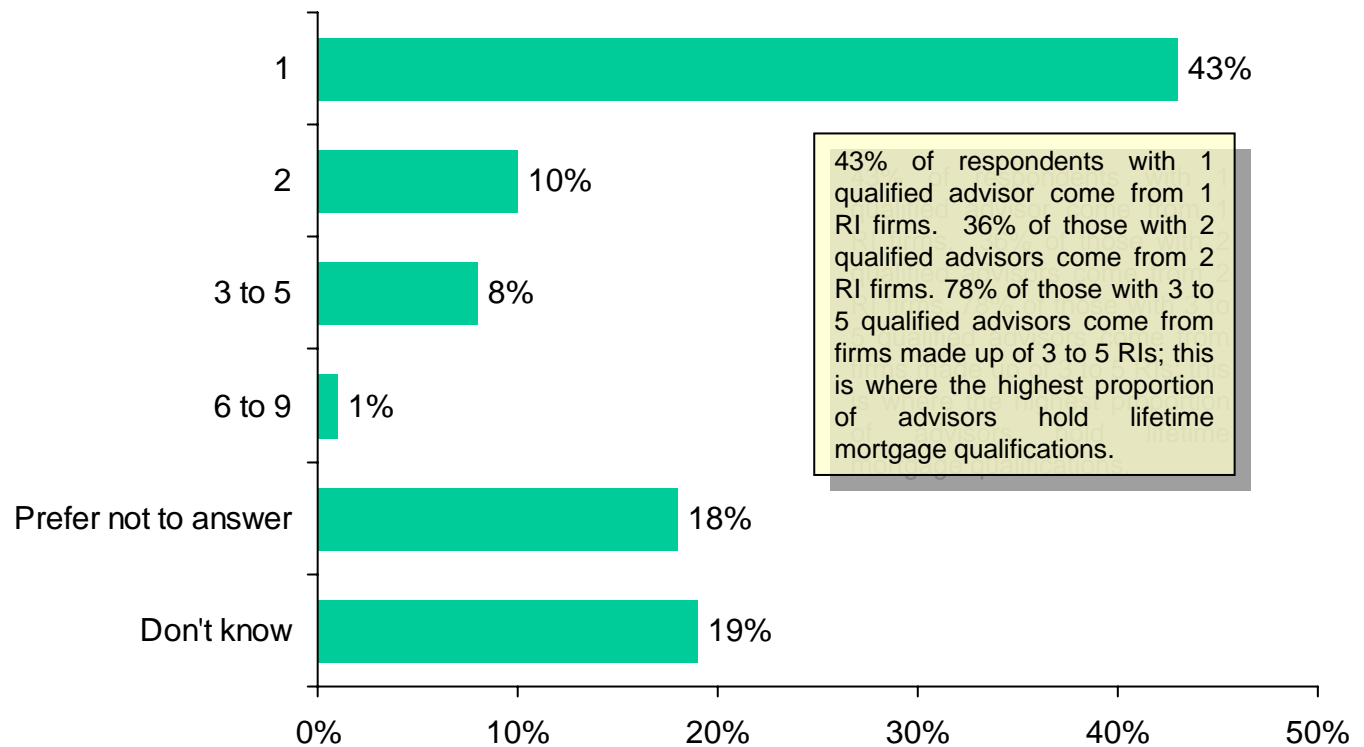


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Number of advisers holding a lifetime mortgage qualification

Numbers are synonymous with the fact that the majority of firms have only one advisor providing advice.



Base: February 2006 – All respondents advising clients on equity release (109)
How many of these hold a lifetime mortgage qualification?

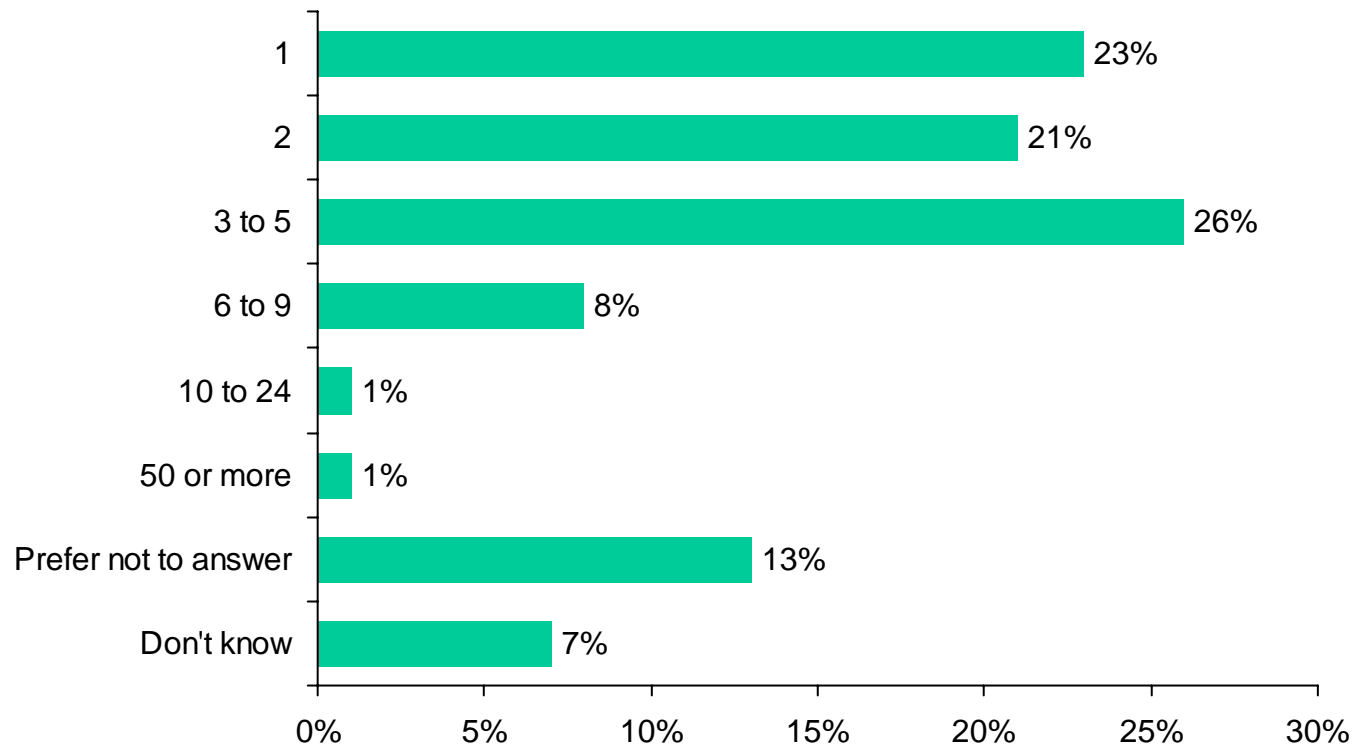


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Approximate number of cases completed in last 12 months

7 in 10 respondents have completed less than 6 cases in the last 12 months



Base: February 2006 – All respondents advising clients on equity release (109)
Approximately how many cases have you completed in the last 12 months?

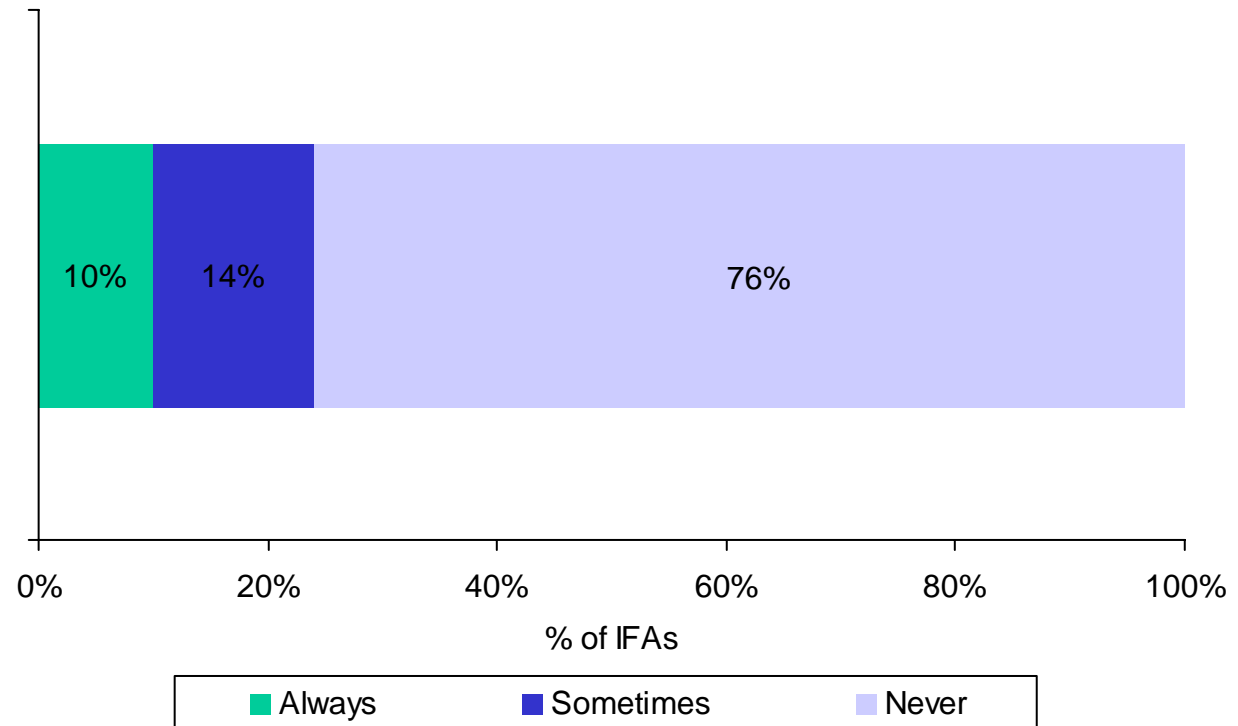


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Use of FINTAL system to assess the impact equity release

The vast majority of respondents have never used FINTAL system to assess the impact of equity release on state benefits



Base: February 2006 – All respondents advising clients on equity release (109)
Do you use the FINTAL system (or equivalent) to assess the impact of equity release on state benefits?

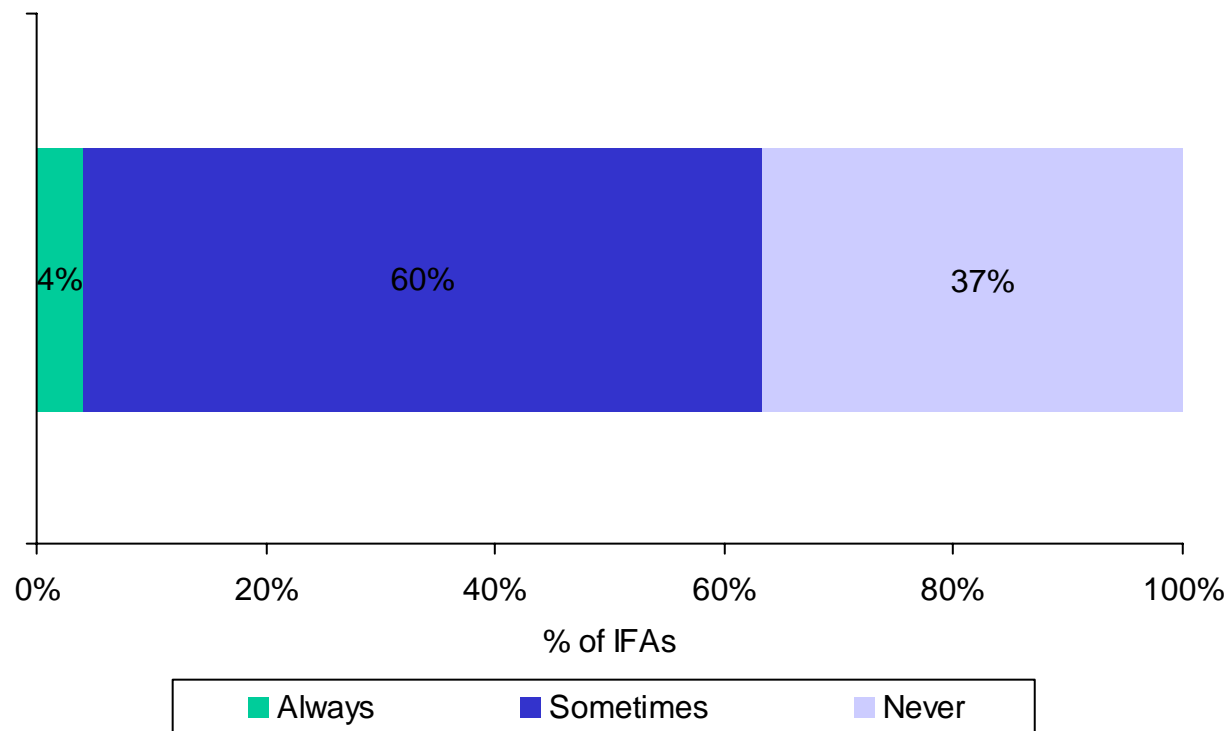


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Proportion of respondents recommending equity release as a way of mitigating IHT

Although respondents 'sometimes' make this recommendation, it is not 'always' seen as a viable option



Base: February 2006 – All respondents advising clients on equity release (109)
Do you recommend equity release as a way of mitigating IHT?