



Guy Opperman MP  
Parliamentary Under-Secretary of State  
Department of Work & Pensions  
Caxton House  
Tothill Street  
London  
SW1H 9NA

The Equity Release Council  
The Old Rectory  
Church Lane Thornby  
NN6 8SN  
Date: 28.01.2019

Dear Mr Opperman

Re. Department for Work and Pensions (DWP) consultation: Pensions Dashboard – Working Together for the Consumer

The Equity Release Council (the Council) welcomes the opportunity to respond to the DWP's consultation on the Pensions Dashboard (the Dashboard), an initiative that we support and believe will help consumers to better understand their accumulated pension holdings. In turn, we believe this will support consumers to make better choices and achieve better outcomes in retirement.

Equity Release refers to a range of products which enable individuals to access the equity tied up in their house provided they are over the age of 55. Consumers can take the equity released as a lump sum or instalments or as a combination of both. The Council is the industry body for the UK equity release industry, with 300-member firms and nearly 1,000 individuals registered, including providers, regulated financial advisers, solicitors, surveyors and other professionals. It represents a consumer-focused UK based equity release market by setting authoritative standards and safeguards for the trusted provision of advice and products. Every member of the Council is committed to its Statement of Principles, Rules and Guidance which aim to ensure consumer protections and safeguards. Since 1991, over 465,000 homeowners have accessed over £26bn of housing wealth via Council members to support their finances.

The Council believes consumers need to be able to access a complete overview of their accumulated assets to make the best decision when planning how to fund their retirement. The scope of the consultation and the design of the Dashboard currently does not include 'housing wealth' despite this important asset class being regarded by 69% of over-45s to be worth more than their pensions, savings and investments combined, and 46% of this group see property wealth as a key part of retirement planning<sup>1</sup>.

By ensuring that accumulated housing wealth is included within the Dashboard consumers are better able to plan how this equity can be used to support their retirement. During 2018, over-55s released 50p from



the value of their homes for every £1 of savings accessed via flexible pension payments<sup>2</sup>, highlighting the prevalence and demand for equity release products to help supplement retirement income.

The size of this asset class is significant, with UK housing stock commanding a valuation of £7.29 trillion and homeowner equity equating to £3.8 trillion. Of the £3.8 trillion held in UK homeowner equity 43.5% is held by the over 65s<sup>3</sup>, presenting valuable opportunities for consumers to supplement their retirement income if desired.

Equity Release is supporting consumers by meeting a genuine consumer need, whether as a supplement to income in retirement or enabling people to live for longer in their homes and receiving domiciliary care. This has been reflected by the doubling of individuals releasing equity from their properties in the last three years.

As the consultation identifies, life expectancy and standards of living have grown for the generations now nearing retirement, and there is a danger that many of this generation have inadequate savings to cover an unaccounted-for period without income. Equity release provides an important option to meet this short-fall. In order for individuals to make an informed choice it is key that they understand the true value of their housing wealth and we would therefore welcome this asset class included in the Dashboard.

The Council and its members would be delighted to discuss how we can support the DWP agenda in this regard and would welcome the opportunity to meet with you and discuss this further. To that end, I will be in touch with your office to arrange a meeting in due course.

Yours sincerely,

**David Burrowes**

**Chairman**

**Equity Release Council**

**Registered Company Address:** The Old Rectory, Church Lane, Thornby, Northants, NN6 8SN

**Contact:** [0300 0120239](tel:0300 0120239)

**Email:** [jim.boyd@equityreleasecouncil.com](mailto:jim.boyd@equityreleasecouncil.com)

**Website:** [www.equityreleasecouncil.com](http://www.equityreleasecouncil.com)

1. <https://www.aviva.com/newsroom/news-releases/2016/07/uk-six-million-over-45-homeowners-see-property-as-key-to-their-retirement-income-plans-but-is-there-enough-house-to-go-around-17646/>
2. <https://www.gov.uk/government/statistics/flexible-payments-from-pensions#history>
3. <https://www.savills.co.uk/insight-and-opinion/savills-news/273857/uk-housing-stock-gains-%C2%A3190-billion-and-hits-a-record-%C2%A37.3-trillion-valuation>