



**Equity Release  
Council**

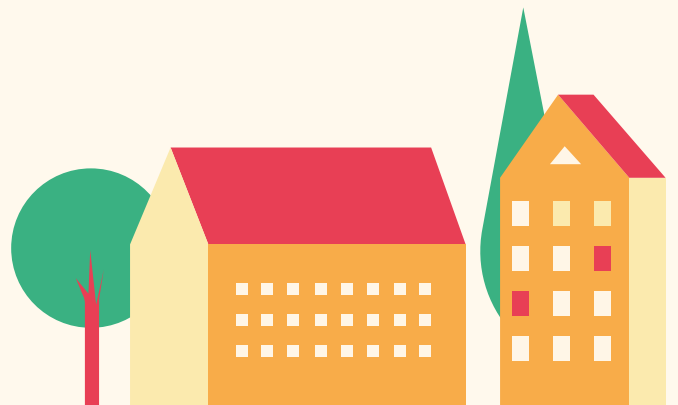


# The Standards



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# Foreword

The Equity Release Council and its predecessors have promoted the highest levels of consumer protection for over thirty years – providing customers with added reassurance and the confidence to explore how housing equity might improve their standard of living.

This version of the Standards we are calling Standards 2.0 as we believe they are more accessible and engaging than ever before, both for our members and their customers.

With the advent of Consumer Duty legislation, the Council was aware that having led the later life lending sector with regards to customer protections, it was now time to review the Standards to avoid duplication and make them more accessible. Launched in May 2025, Standards 2.0 are the culmination of this ambition and the product of significant consultation with the wider industry as well as members.

Our Product Standards still sit at the heart. Over the years, thousands of customers have benefitted from secure tenure, the ability to move home, fixed interest rates and the security offered by the no negative equity guarantee. More recently, the right to make penalty free repayments on new plans (within lender criteria) and the introduction of Mandatory Payment Lifetime Mortgage Standards.

2.0 introduces an important new Product Standard which waves early repayment charges for customers who move permanently into long-term care – either in a care home or with relatives – provided a medical practitioner's certificate is obtained, and perhaps most significantly it unveils the new Consumer Charter.

This Charter clearly outlines how customers can expect to be treated by Council members. It tells customers they can trust that they will receive tailored, thorough and transparent support which is designed to help them make the right choice for their individual circumstances and get the most out of any products they choose.

Statutory rules provide customers with a minimum element of protection but these enhanced Standards, to which members adhere on a voluntary basis, build trust. The fact that a firm is willing to go beyond what is required of them by statute is a clear sign of their commitment to pursue the customer's best interests and the reason those seeking support frequently look to our members.

The Council is committed to empowering more customers to make informed choices about their property wealth and Standards 2.0 is an important step forward to achieving this and in supporting the later life lending market as it grows and innovates.



**Michelle Highman**

Chair of the Standards Committee

# Introduction

The Standards are organised into two main sections. The first outlines the core elements—covering the Consumer Charter and the mandatory rules that all Equity Release Council (Council) members are required to follow.

Additional guidance, good practice examples, and supporting materials have been developed to help members apply the Standards effectively. These resources are available within the members' area of the Council website.

The Council represents the equity release sector and exists to promote high standards of conduct and practice in the provision of and advice on equity release with consumer safeguards at its heart. As a voluntary body, the Council works to ensure its members act with professionalism and integrity, providing trusted, transparent, tailored, and thorough advice and support.

The Council's Standards set out its overall proposition, including the Consumer Charter (which is a set of clear commitments to consumers) along with the rules and guidance that all members must follow. By adhering to these Standards, members ensure the products and services they provide align with the expectations of good practice, helping customers to make informed decisions with confidence.

Where a new product or practice offers potential consumer benefits but does not align with the existing rules, the Committee will

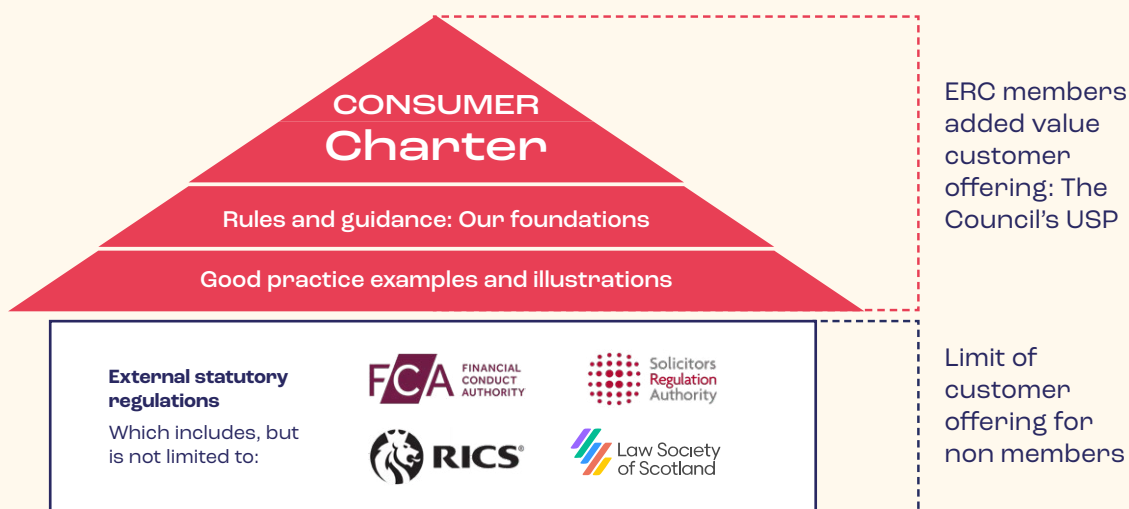
consider the case and determine an appropriate course of action.

The Standards Committee, an integral part of the Council, exists to ensure that equity release products are safe and reliable for consumers. Independently chaired, the Committee plays a key role in ensuring that the Council is constantly driving up standards, sharing good practice and promoting innovation so consumers who use Council members can feel confident in their choices.

To reflect the diversity of the membership, the Standards Committee is made up from adviser, lawyer and associate members. With its independent chair and advisory function to the Council's board, the Committee helps maintain balance, oversight, and continuous improvement.

The Council also benefits from member-led forums, each focused on a different discipline or feature of the market. These forums provide valuable insight and expertise, evolving alongside the needs of the sector and offering a collaborative space to share developments, challenges, and good practice.

The Council's Member Panel, which meets regularly with the board and executive team, is formed of forum representatives. The panel acts as the channel for structured engagement, ensuring that the voice of the membership informs the Council's strategy and ongoing work.



The Equity Release Council is the trade body for the equity release industry, and we work to help over 50s make informed choices about their property wealth. A key part of this is working with our members, including the organisation who provided you with this document, to champion high standards of advice and product development so people can be confident that if they decide to take out a plan, they will receive the help and support they need.

## CONSUMER Charter

We have an in-depth set of Standards which governs how our members should behave and at the heart of this is our Consumer Charter which outlines what people can expect when working with a member of the Council. You can **trust** that you will receive **tailored, thorough** and **transparent** support which is designed to help you make the right choice for your individual circumstances and get the most out of any products they choose.

### **Trusted**

You can trust that you are dealing with regulated and qualified professionals throughout your journey who work in your best interests and treat you with respect and understanding. This trust will be built on the knowledge that your adviser, your provider, the surveyor and legal representative will be expected to uphold the highest standards of their professions as mandated by their regulatory bodies. In addition, your provider will make sure that any lifetime mortgage or home reversion products will also meet the additional Product Standards of the industry standards setter, the Equity Release Council.

### **Tailored**

You can expect to be provided with clear, transparent, and tailored recommendations once your personal objectives and goals have been thoroughly discussed. Any advice will consider your personal circumstances, including an assessment of your income and expenses, and will explore alternatives to equity release. You will receive comprehensive information to help you make your decision, before proceeding with any recommendations.

After completion you will have ongoing support from your provider which may include referral back to your adviser for any further advice.

### **Thorough**

You can expect your adviser, legal representative, the surveyor, and provider to listen to your questions and offer clear, comprehensive answers and support. These professionals will guide you through the process, helping you carefully consider the impact on your family and your plans for both the present and future.

### **Transparent**

You can expect transparency at every stage of the process including the products available to you. The advice, its scope, the product details, terms and conditions, Product Standards, fees and charges, and the potential financial impact on your family and inheritance will all be clearly explained. This transparency ensures you feel comfortable and confident in the choices you make.



The Consumer Charter is part of the Council's comprehensive Standards (as outlined below) setting out the principles and behaviours expected of our members when providing advice, developing products, and supporting customers in managing their property wealth.

## EQUITY RELEASE COUNCIL Standards

### 1. Interest rates:

Interest rates must be either fixed or, if variable, have a fixed cap. Both of which must be fixed for the life of the mortgage.

### 3. Option to move home:

Customers must be allowed the opportunity to move to a suitable alternative property and transfer their lifetime mortgage (subject to lending criteria at the time of move) as long as they abide by the terms and conditions of their contract.

### 5. Ability to make repayments:

Customers must have the ability to make repayments without incurring any charges, subject to lending criteria of the provider.

To learn more about the Equity Release Council or view standards for Home Reversions and Mandatory Payment Lifetime Mortgages, please visit [www.equityreleasecouncil.com](http://www.equityreleasecouncil.com)

Your adviser will be able to answer all your questions but you may wish to visit the Frequently Asked Questions page ([www.equityreleasecouncil.com/what-is-equity-release/faqs/](http://www.equityreleasecouncil.com/what-is-equity-release/faqs/)) on our website.

### 2. Home for life:

Customers must have the right to live in their property for the remainder of their life, or until they permanently move into care. For this right to apply the property must remain their main residence for the life of the mortgage with all terms and conditions being maintained.

### 4. No Negative Equity Guarantee (NNEG):

The product must have a NNEG so that, provided the secured property is sold for the best price reasonably obtainable and the terms and conditions of the loan have been met, the borrower or estate will never owe more than the property is worth, after deduction of reasonable sales costs.

### 6. Long term care:

If a customer needs to move permanently into long-term care—whether in a care home (commercial, NHS, or local authority) or with relatives providing care—any early repayment charge will be waived by the lender upon receipt of a medical practitioner's certificate and the terms and conditions of the loan have been met.

# The Product Standards

The Council's Product Standards sit at the heart of its overarching Standards, many of which have been in place for over 30 years giving consumers confidence that equity release is safe.

Equity release products fall into two main categories: lifetime mortgages and home reversion plans. Recent innovations have introduced new variations of lifetime mortgages, prompting an evolution in our Product Standards to maintain strong consumer protections.

As a result, there are now three distinct sets of Product Standards:



**Core Lifetime  
Mortgage Product  
Standards**



**Mandatory  
Payment Lifetime  
Product  
Standards**



**Home Reversion  
Product  
Standards**

If a product meets all these standards, members can confirm this. However, if a product does not comply with every standard, the provider must clearly explain:

1. Which standards are not met
2. What risks this may pose for you





# Core Lifetime Mortgage Product Standards

## 1. Interest rates:

Interest rates must be either fixed or, if variable, have a fixed cap. Both of which must be fixed for the life of the mortgage.

## 3. Option to move home:

Customers must be allowed the opportunity to move to a suitable alternative property and transfer their lifetime mortgage (subject to lending criteria at the time of move) as long as they abide by the terms and conditions of their contract.

## 5. Ability to make repayments:

Customers must have the ability to make repayments without incurring any charges, subject to lending criteria of the provider.

## 2. Home for life:

Customers must have the right to live in their property for the remainder of their life, or until they permanently move into care. For this right to apply the property must remain their main residence for the life of the mortgage with all terms and conditions being maintained.

## 4. No Negative Equity Guarantee (NNEG):

The product must have a NNEG so that, provided the secured property is sold for the best price reasonably obtainable and the terms and conditions of the loan have been met, the borrower or estate will never owe more than the property is worth, after deduction of reasonable sales costs.

## 6. Long term care:

If a customer needs to move permanently into long-term care—whether in a care home (commercial, NHS, or local authority) or with relatives providing care—any early repayment charge will be waived by the Lender upon receipt of a medical practitioner's certificate and the terms and conditions of the loan have been met.







# Mandatory Payment Lifetime Mortgage Product Standards

These products mandate payments for a set period of time.

## 1. Interest rates:

Interest rates must be either fixed or, if variable, have a fixed cap. Both of which must be fixed for the life of the mortgage.

## 3. Option to move home:

Customers must be allowed the opportunity to move to a suitable alternative property and transfer their lifetime mortgage (subject to lending criteria at the time of move) as long as they abide by the terms and conditions of their contract.

## 5. Ability to make repayments:

Customers must at least have the ability to make repayments without incurring any costs or charges once the mandatory payment period has ended, subject to lending criteria of the provider.

## 2. Home for life:

Customers must have the right to live in their property for the remainder of their life, or until they permanently move into care. For this right to apply the property must remain their main residence for the life of the mortgage with all terms and conditions being maintained. Customers will need to ensure they make their mandatory payments as agreed. If mandatory payments are not made, the customer's home is at risk of repossession.

## 4. No Negative Equity Guarantee (NNEG):

The product must have a NNEG so that, provided the secured property is sold for the best price reasonably obtainable and the terms and conditions of the loan have been met, the borrower or estate will never owe more than the property is worth, after deduction of reasonable sales costs.

## 6. Long term care:

If a customer needs to move permanently into long-term care—whether in a care home (commercial, NHS, or local authority) or with relatives providing care—any early repayment charge will be waived by the lender upon receipt of a medical practitioner's certificate and the terms and conditions of the loan have been met.





# Home Reversion Product Standards

Home reversion involves the sale of part or all of your property.

## **1. Home for life:**

Customers must have the right to live in their property for the remainder of their life, or until they permanently move into care. For this right to apply the property must remain their main residence for the life of the plan with all terms and conditions being maintained.

## **2. Option to move home:**

For home reversion plans customers must be offered a new plan in respect of a suitable alternative property on terms no less favorable than those offered to new customers at the time. A provider member may charge a customer reasonable costs and expenses for entering into the new plan.



# Glossary

These Rules use the following definitions and references to the singular include the plural and vice versa.

<b>Adviser</b>	an independent financial adviser regulated by the FCA and holding the relevant qualifications to advise on equity release products
<b>Advising Solicitor</b>	the Solicitor or firm of Solicitors instructed by the customer to act on their behalf in connection with the equity release plan
<b>Agent Solicitor</b>	a Solicitor instructed by the Advising Solicitor to act as its agent in attending the face-to-face meeting with the customer
<b>Attorney</b>	an attorney appointed by a customer under a valid lasting power of attorney, continuing power of attorney or enduring power of attorney
<b>Board</b>	the Equity Release Council's Main Board of Directors
<b>Customer or Client</b>	an individual who completes an equity release plan or is making an application for an equity release plan
<b>Equity Release Product or Plan</b>	either a lifetime mortgage or a home reversion plan
<b>The Council</b>	The Equity Release Council (Company number 02884568) whose registered office is The Smithy Sutton Lane, Dingley, Market Harborough, England, LE16 8HL
<b>FCA</b>	the Financial Conduct Authority
<b>KFI</b>	a key facts illustration which is a document from the provider which outlines essential information about the product



<b>Lender</b>	a company regulated by the FCA providing lifetime mortgage products to consumers
<b>LPA</b>	a lasting power of attorney validly completed and registered at the Office of the Public Guardian in England and Wales or the jurisdictional equivalent of a continuing power of attorney (POA) in Scotland registered at the Office of the Public Guardian (Scotland) or an enduring power of attorney in Northern Ireland and registered with the Office of Care and Protection
<b>MPLM</b>	mandatory payment lifetime mortgage products as defined by the FCA
<b>Member</b>	an individual or company who has completed and signed the Council's annual compliance certificate, paid the annual subscription fee and meets the Council's requirements to be admitted as a member
<b>Provider</b>	a provider is the financial firm who issues lifetime mortgages, home reversion plans or other products which are deemed by the regulator to be equity release.
<b>PRA</b>	Prudential Regulatory Authority
<b>RICS</b>	Royal Institute of Chartered Surveyors
<b>Solicitor</b>	a solicitor, barrister, licensed conveyancer or chartered legal executive with a current practising certificate from their relevant regulator and appropriate professional indemnity insurance
<b>SRA</b>	Solicitors Regulation Authority
<b>Surveyor</b>	A person or the company they work for, regulated by RICS and instructed by a Provider to carry out a valuation of the Customer's property



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**Consumers should check that their chosen plan will meet their needs if they want to move or sell their homes or if they want their family to inherit it. Always seek qualified financial advice.**