Equity Release Council

The Standards

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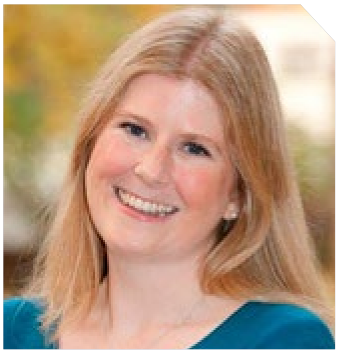
Foreword



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.

Consumer Charter - 4T's

The Equity Release Council's (the Council) Standards and Guidance have been put in place to help customers make confident and informed decisions about how they access their housing wealth. To make these important rules as accessible as possible to customers and their families, the Council has introduced a Consumer Charter.

The Charter is designed to highlight how customers should expect to be supported by Council members. They need to be able to **Trust** in a **Tailored**, **Thorough** and **Transparent** process which ultimately results in them receiving the right outcome for their individual circumstances.

We would encourage members to share the Charter with their customers as part of the advice, application and completion process.

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 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:

1. Core Lifetime Mortgage Product Standards
2. Mandatory Payment Lifetime Product Standards
3. 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.

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.

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.

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.

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

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.

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.

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.

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.

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.

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.

1. All Member Rules

1.1 All members of the Council must strictly adhere to the regulatory requirements and professional standards set by their respective regulatory bodies. This includes, but is not limited to:

- FCA
- PRA
- RICS
- SRA

Members are responsible for staying updated on and complying with all relevant regulations, and ensuring their conduct upholds the highest standards of professionalism and consumer protection. Failure to comply with these regulations may result in a review of membership status.

1.2 All members are required to adhere to the Council's rules, and guidance where applicable to their role and activities. This includes compliance with:

- The Standards, including the Consumer Charter and all other rules and guidance
- The Council's Member Code of Conduct
- Any specific requirements or obligations related to membership

1.3 Annual Certificate of Compliance: All members are required to complete and submit, on the anniversary of their Council admission, an Annual Certificate of Compliance with these rules and guidance.

1.4 Fees and Charges: adherence to FCA standards:

All members must comply with the FCA's rules and guidance concerning charging practices, specifically as outlined in the Mortgage Conduct of Business (MCOB) sourcebook, including:

- Avoiding excessive charges in relation to any mortgage-related product or service.
- Ensuring that all charges are proportionate to the service provided and reflect actual costs incurred.
- Members must treat customers fairly and act in their best interests when setting and applying charges.
- Charges must not exploit a customer's vulnerability, lack of knowledge, or financial situation.

Fair Value Assessment, members must:

- Regularly assess the value provided to customers against the charges levied.
- Benchmark their charges against similar offerings in the market to ensure competitiveness and fairness. However, care must be taken as just because fees or product features are similar to others in the market, this does not automatically mean your offering is fair.
- Clearly document the rationale behind their fee structures and any associated costs.

Transparency and Communication:

- Charges, including any fees for arrears, early repayment, or other services, must be clearly disclosed to customers in advance of proceeding with a recommended product.
- Charges should be clearly displayed and easily accessible to customers on websites.
- All communications related to charges must be clear, fair, and not misleading, in line with FCA Principle 7.

2. Adviser Rules

For the purpose of these rules - an adviser is a qualified and FCA regulated mortgage or financial adviser who gives advice and makes recommendations and is also qualified on later life lending including lifetime mortgages and home reversion plans.

2.1 Adviser and provider members should have in place advice processes that ensure they provide Good Customer outcomes in line with Consumer Duty Principle 12, whilst adhering to all the rules set out by the FCA in its Mortgages and Home Finance Conduct of Business Sourcebook (MCOB). Adviser members should pay particular attention to the rules concerning advised sales in MCOB chapter 8.5A.

2.2 Annual Adviser Testing: To ensure all adviser members maintain up-to-date knowledge and adhere to the highest standards of professional practice in line with the Council's requirements. All adviser members must complete the annual testing program provided by the Council.

- The tests must be administered by the adviser member's own compliance team or network. Firms may integrate the tests into their existing training or testing programs, provided they align with the Council's requirements and maintain consistency in the Standards.
- Adviser members must confirm the successful completion of their annual testing as part of their annual Certificate of Compliance submission to the Council.
- Firms are responsible for ensuring the tests are administered fairly and thoroughly to all relevant adviser members.

2.3 Accurate details of a customer's income and any essential and non-essential expenditure should be collected, validated and used to ascertain a suitable product for that customer, and evidenced where required.

2.4 In considering appropriate solutions for the customer, advisers should take into account both current, anticipated and unanticipated future circumstances (e.g. retirement, death of a partner or moving into long term care).

2.5 (SOLELY FOR MANDATORY PAYMENT LIFETIME MORTGAGES) An adviser should satisfy themselves that any mandatory payments for a product are affordable to the customer(s), now and in the future. The adviser should make the customer aware of any potential consequences of failing to meet mandated payments, including risk of repossession, where applicable.

2.6 Family Involvement: Members should ensure there has been a full discussion as to the implications of the plan for the customer and their family or beneficiaries, that the customer was made fully aware of such implications, and family involvement in the advice process was discussed. If the customer objects to this, the reason for not consulting with their family should be clearly documented.

2.7 Risks, features and benefits:
Members should ensure all applicants are advised of and understand the risks, features and benefits of the relevant product before proceeding with an application. In particular:

- Clearly explain to the customer how interest accrues over time and its impact on the loan balance. Specifically, ensure the customer understands when their loan might double and at what point the No Negative Equity Guarantee (NNEG) might apply.
- Ensure the customer understands the difference between making voluntary payments and not making any payments and how this affects the total amount owed and the potential equity remaining in their property.

2.8 Physical and mental health: Members should ensure that the customer's physical and mental health or other vulnerabilities have been considered in relation to the advice process. If there are any concerns about the customer's capacity (and there isn't an LPA in place), then you must have robust processes to ascertain whether the advice process should continue. This may include an independent opinion from a suitably qualified medical practitioner. This is an ongoing consideration throughout the advice process.

2.9 Joint Applications: For joint applications, both applicants must take part in the advice process, fully understand the member's recommendation, and agree to proceed. Members must also be confident that all decisions are made freely, without any coercion.

2.10 Wills and LPAs: Members should ensure that the customer is advised to seek guidance, if appropriate, about reviewing and updating their existing will or putting in place a will if they do not have one.

Members should make clear to the customer the benefits of setting up or reviewing their LPA arrangements, as well as the risks if they choose not to.

Special attention should be paid to advising that drawdown and further advances may not be available in the future if a person party to the mortgage loses capacity without an LPA in place, or after 1st death if the property is owned as tenants in common and the deceased's estate is being left to any party other than the surviving applicant.

2.11 Suitability Report: Members must give the customer a record of the advice provided in a written or other durable format. This must detail the customer's objectives, why the advice is considered to be suitable and any possible disadvantages and risks of the product. Evidence of this being sent should be retained on the file.

2.12 Checklist for advisers: Members are required to complete the checklist, which is set out at appendix C, for all customers where a plan has been recommended, (even if the case does not proceed) and ensure each of the points in the checklist have been fully covered.

2.13 Drawdown: Advisers should ensure that applicants for drawdown products are made aware that a drawdown facility is not guaranteed and, if agreed, will be charged at the prevailing rate of interest at the time of drawdown. Also that lenders may ask further questions about the purpose of any future drawdown monies at the time requested. Advisers must make sure that the drawdown is appropriate for the customers' future needs and must explain the impacts to ensure the customer understands how the drawdown works and has a need for it [Refer to section 4 for further drawdown and further advance rules].

2.14 Quality assurance: Members should implement robust quality assurance procedures to monitor their delivery of customer outcomes. Results of the outcomes being delivered should be retained alongside demonstrable compliance with Consumer Duty requirements and Council Standards.

2.15 Financial Inducements: Adviser members must not accept financial inducements from any third parties directly involved in the lifetime mortgage or home reversion application, including (but not limited to) providers or solicitors, when directing specific customers to any third-party service provider. Marketing contributions, when agreed transparently and used solely to support general promotional activities rather than influencing specific recommendations, are not considered financial inducements under this approach. However, full disclosure of any such arrangements should be provided to the customer to ensure transparency and informed decision-making.

2.16 Advisers must evidence that they have considered the suitability of, and discussed with the customer, all borrowing options, including conventional residential mortgages. Where a lifetime mortgage is recommended, the customer has surplus income and is not committing to monthly payments of interest, advisers should demonstrate to the customer, the impact of making interest payments, whether mandated or flexible, on the overall cost of borrowing, including the roll up of interest. This should be clearly documented within the advice file.

3. Provider Rules

Within this document, 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.

3.1 Regulation: Providers are required to fully adhere to all regulatory rules and standards, ensuring they are operating within legal frameworks and uphold the highest levels of transparency and consumer protection.

3.2 Submitting business: All provider firms must ensure that advisers complete and submit a declaration confirming they are appropriately qualified to recommend later life lending options.

3.3 Sales process: Provider members cannot accept execution-only business under any circumstances. Sales must always be made on an advised basis and a personal recommendation being given to the customer. This rule also applies to existing customers looking to increase their borrowing through a further advance under an existing lifetime mortgage or home reversion contract.

3.4 Communications: Provider members should ensure that appropriate ongoing communication with customers is maintained throughout the life of the product.

3.5 Criteria changes: The terms and conditions set by provider members cannot be changed unilaterally - by the provider member or any party that later acquires the loan or plan - unless required by law, regulation, or to benefit the customer. The only exception is if the customer breaches the agreed terms.

3.6 Product Certificate: Whenever a provider member introduces a new product, or materially varies an existing product, a Certificate of Compliance with the Product Standards must be completed and submitted to the Council ahead of launch.

3.7 Product Standards for equity release: For a provider member to demonstrate that their product meets the Council's core lifetime mortgage Product Standards it must meet all of the rules as described in paragraphs 3.7.1, 3.7.2, 3.7.3, 3.7.4, 3.7.5 and 3.7.6.

For MPLM, which have additional or amended Product Standards in addition to the core Standards (3.8.1, 3.8.2 and 3.8.3) will need to be met.

For Home reversion plans only two Product Standards apply – 3.7.1 and 3.7.2

If a product is offered that does not meet the Council's mandated Product Standards as described, the provider must clearly state this within their adviser and consumer documentation with a clear explanation of why it does not meet the Standards and the risks this may impose.

3.7.1 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 product with all terms and conditions being maintained.

3.7.2 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. This means that:

- The loan amounts being offered on the new property should be no less to what is being offered to a new customer in similar circumstances, subject to underwriting criteria.
- Where a partial repayment is required, because the new property is of insufficient value to secure the amount owed to the provider, the required partial repayment should be no more than the difference between the amount owed and the amount the provider would advance to a new customer in comparable circumstances.
- The amount being repaid should not incur any early repayment charges; however, a provider may charge reasonable costs for transferring the mortgage to an alternative property.

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.

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

3.7.4 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

3.7.5 No Negative Equity Guarantee ("NNEG"): The lifetime mortgage 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.

Please note:

- If a customer has multiple lifetime mortgage contracts with a provider member on multiple properties, the NNEG applies to each property separately. This means that the provider cannot recover any repayment shortfall from the sale of one property by claiming proceeds from any other property owned by the customer or their estate, where the customer has met the terms and conditions of the loan.
- The customer's beneficiaries may wish to keep the property after the customer has died or moved permanently into long-term care and intend to repay the loan from funds other than the proceeds of sale.
- Provider members must clearly explain when the NNEG applies and when it does not. This explanation should be included in the KFI and the offer document, and it may also be part of the provider's terms and conditions. In the unlikely event that the sale price does not cover the amount which the customer owes, and the terms and conditions of the loan have not been met, then providers may seek recovery of these sums from the borrower or estate in line with their terms and conditions. Examples may include:
  - The property is sold, but not at the best price reasonably obtainable.
  - The property has not been kept in a good state of repair.
  - The customer repays the loan early without selling the property.

3.7.6 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.

3.8 Product Standards for mandatory payment lifetime mortgages (MPLM): For a provider member to demonstrate that their product meets the Council's Product Standards it must meet all of the rules as described in 3.7.2, 3.7.4 and 3.7.6.

For MPLM, which have additional or amended Product Standards in addition to the core Standards (3.8.1, 3.8.2 and 3.8.3) will need to be met.

If a product is offered that does not meet the Standards as described the lender must clearly state this within their adviser and consumer documentation with a clear explanation of why it does not meet the Standards and the risks this may impose.

3.8.1 Additional Product Standards for MPLM: Home for life: For this standard (3.7.1) to apply 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.

3.8.2 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 lender.

3.8.3 No Negative Equity Guarantee: 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, with the exception of arrears plus arrears interest which must be paid by the estate.

4. Drawdown/Additional Borrowing Rules

A drawdown is a pre-arranged facility that is set up during the application process. This facility allows the customers to draw upon further specified funds without the need for underwriting, but providers may ask for additional information, including any change in circumstances and the use of funds before money is released. Future drawdowns are not guaranteed and will be charged at the interest rate applicable at the time of the new application. This must be made clear to the customer at the outset.

Additional borrowing refers to any further funds a borrower can access beyond their initial loan amount under an existing lifetime mortgage agreement. This can be done through drawdown (if the mortgage includes a pre-approved cash reserve facility) or by applying for a further advance, which is an extra loan that may require affordability and eligibility checks. Availability depends on factors such as the lender's criteria, the borrowers age, property value and any changes in circumstances.

4.1 Rules for advisers:

- Advisers must act responsibly in assessing and recommending drawdown/further advances. This should be in line with customer's short-term and anticipated longer-term objectives, inclusive of life events and capability, and documented accordingly. Advisers should make sure that they consider all options, including re-broking and only adopt the most suitable action for the customer.
- Further advances are deemed as a new loan and as such, the full advice process needs to be conducted by the adviser. This new advice process should consider the reasons for the original loan and adhere to the Adviser Rules from 2.1 to 2.19.
- In determining whether a further advance is suitable, firms must consider all of the costs being incurred by the customer, the impact on the future borrowing ability and the pattern and frequency of borrowing to date.

4.2 Rules for providers:

- Providers must take reasonable steps to ensure customers are requesting a further advance or drawdown for appropriate purposes including referring back to the previous borrowing and adviser where necessary. This is to protect customers.
- Providers should consider the risk of harm to consumers where further advances or drawdowns are declined due to changes in lending criteria and consider ways to mitigate such harm.

4.3 Tenancy: Advisers and providers must detail the disadvantages of a title held as tenants in common (pro indiviso in Scotland) on potential access to drawdown facilities. The customer must be made aware that a drawdown facility may not be available upon first death.

4.4 LPA: Adviser members must strongly advise that an LPA is set up for each customer and documented in the suitability letter and on the Adviser Checklist. This is to mitigate against drawdown facilities being removed due to lack of capacity. It must be explained that customers cannot solely act for each other due to conflict of interest.

4.5 Foreseeable Harm: Providers must consider the foreseeable harm associated with removal of a drawdown facility and identify reasonable options to mitigate such harm from materialising.

5. Legal Rules

Note that the provider will have separate legal representations.

5.1 Independent legal advice and the Solicitor's Certificate: The customer must obtain independent legal advice when initially taking out equity release, setting out the legal obligations, risks, and rewards of an equity release product before completion. The only exception to this rule is if the customer is undertaking a simple porting (i.e. moving their equity release balance from one property to another) or in the event of porting the mortgage for a move as they will have already received independent legal advice. However, in this case, the customer would still need to retain a solicitor to undertake the conveyancing work.

A Solicitor's Certificate, signed by both the advising solicitor and the customer, must always be in place before completion. The certificate does not necessarily need to be signed at the same time or by the same solicitor. However, it does need to confirm that the advice referred to has been given and certify that the customer has mental capacity and is not under duress or undue influence.

Where a Provider is a member of the Council, it is one of the Standards that the Provider and the customer are separately legally represented. The certificate, which is in a standard form, confirms that the advising solicitor has drawn the customer's attention to the points set out within it.

5.2 Face-to-face meeting requirement: It is mandatory that the Solicitor should meet the customer face-to-face which, for the avoidance of doubt requires a physical meeting rather than reliance on electronic or telephonic means. At this meeting, advice as set out in the Solicitor's Certificate should be provided on the equity release product and the legal representative should be able to answer questions. ID verification and document collection can also take place, but this should not be the primary purpose of the meeting.

Any person who is acting as attorney or deputy for the customer in the equity release plan must also receive independent legal advice as if he or she were the customer. If physical incapacity, both attorney and customer receive the independent advice. For mental incapacity, whilst only the attorney can receive the independent legal advice, the customer must still be represented by the solicitor and other checks such as ID, carried out.

5.3 Requirements of the solicitor who meets the customer: The solicitor (whether this is the advising solicitor or the agent solicitor) who meets the customer face-to-face is required to provide advice as set out in the Solicitors Certificate on the equity release product and be able to answer questions.

In the case of a joint-life plan should there be any concerns, it is recommended that the solicitor should speak to each customer independently without the other present. They should also witness the customer's (or attorney's) signature on any documents which are required to be executed as deeds. The Solicitor who meets the customer face to face is required to verify (insofar as they are reasonably able to, acting with all due diligence):

1. The customer's (or attorney's) identity and signature.
2. That the customer (or attorney) has sufficient mental capacity to enter into the equity release contract.
3. That the customer (or attorney) is not under any duress or undue influence to enter into the equity release contract.

4. That, in the case of joint customers (or attorneys), each agrees to enter into the equity release contract.

5. That, in the case of the equity release contract being entered into by an Attorney on behalf of a customer, the LPA or Deputyship Order under which the equity release contract is to be made is valid and correctly executed.

5.4 Acting as an agent: Where the solicitor who meets the customer is acting as the agent of the advising solicitor, he or she must act in accordance with the written instructions issued by the advising solicitor and highlight any concerns to the advising solicitor following the meeting with the customer.

As such, the advising solicitor must outline the requirements in 5.3 above to the agent solicitor and request confirmation that each element including the provision of advice has been satisfied.

5.5 Marketing Contributions: If fees are paid, they can be paid on a case-by-case or mutually agreed basis, but strong systems and controls must be put in place to manage any potential conflicts of interest. Any fee arrangement that is paid which is associated with the referral of a specific case or a number of cases must be clearly outlined when issuing both legal and adviser customer case documentation at the outset to ensure it is transparent.

Solicitors may pay towards the marketing costs of intermediary firms, such as advisers, in return for case referrals. The payments which should be mutually agreed upfront are designed to help the intermediary firm market their services with the solicitors benefiting from increased business volumes.

6. Property Valuation Rules

6.1 In respect of all products, an up-to-date valuation must be carried out by a RICS qualified independent valuer who:

- Is a current member of the RICS (which has member designations assoc RICS/MRICS/FRICS), registered with RICS and registered under the RICS Valuer Registration Scheme (RICS VRS).
- Works in a practice which carries professional indemnity insurance in compliance with the RICS's requirements

6.2 The onus is on the equity release provider (or its panel manager) to ensure that the requirements of section 6.1 are adhered to. Providers and funders should consider governance requirements and whether panel management services are required.

6.3 In the interests of transparency, providers may choose to share a copy of the valuer's report, in part or in full, with the adviser and/or customer. However, if shared, the provider must clearly state that the report is intended solely for the provider's lending purposes. It is not a property condition survey and should not be relied upon by the customer for any other purpose. The decision to share the report remains at the discretion of each provider.

Vulnerability Guidance

The Council encourages all members to take a proactive and collaborative approach to supporting customers who may be vulnerable. This guidance provides a framework for members, including advisers, providers, solicitors and other parties, to handle customer vulnerability information responsibly and in line with industry best practices.[2]

1. Awareness and Understanding:

What, When, and How to Share Vulnerability Information – Members must ensure they understand their responsibilities for identifying, recording, and sharing vulnerability information, including:

a. Data Protection Compliance: All members must ensure that the collection, storage, and sharing of vulnerability information comply with GDPR and Data Protection Act principles. Customers must be informed of how their data will be used, stored, and shared.

b. Consent and Disclosure Responsibility: During the application process: The adviser holds the responsibility for identifying and disclosing vulnerabilities to the provider. Following completion, this responsibility typically transitions to the provider, unless the adviser continues to manage other products or services for the customer.

2. Collaboration Between Advisers and Providers:

Both advisers and providers share a joint responsibility to:

a. Record customer vulnerabilities disclosed during the application process.

b. Act on this information to provide appropriate support throughout the customer journey.

c. Providers should clearly outline their expectations for advisers regarding vulnerability disclosure and provide the necessary tools (e.g., portals or guidance documents) to facilitate secure and effective communication.

3. Ongoing Responsibilities and Relationship Management

a. After completion, the responsibility for supporting the customer transfers to the provider.

b. In scenarios where advisers remain involved (e.g., through ongoing advice or new product journeys), they should continue to notify providers of any vulnerabilities identified, provided they have the customer's consent.

[2] UK Finance Framework: Principles for Sharing Customer Vulnerability Information

4. Supporting Vulnerable Customers

a. Providers and advisers must ensure they have policies and procedures in place to support vulnerable customers, including:

- **i.** Individuals, teams or resources for handling vulnerability cases.
- **ii.** Clear escalation pathways for complex cases.
- **iii.** Training for staff to identify and respond to vulnerability.
- **iv.** Outcome Focus: The goal is to ensure vulnerable customers experience no disadvantage compared to others and receive the tailored support they require.

5. Monitoring and Continuous Improvement

a. Members should regularly review their approach to managing vulnerability information, ensuring alignment with best practices and regulatory expectations.

b. The Council encourages members to share feedback and collaborate on improving industry-wide practices for supporting vulnerable customers.

Equity Release Council

Solicitor’s Certificate: Lifetime Mortgages/Home Reversions

Notes: All blanks must be fully completed. The form may be completed electronically or in manuscript but any signatures added electronically must be done so using a suitable electronic signature platform only where the Provider permits this.

The form must be completed and signed by a solicitor, licensed conveyancer, chartered legal executive or barrister holding a current practising certificate, licence or equivalent and who is an owner or employee of a business regulated by the Solicitors Regulation Authority, the Law Society of Scotland, the Law Society of Northern Ireland or the Council for Licensed Conveyancers with professional indemnity insurance in place that meets the requirements of their respective regulator. Use of the word ‘solicitor’ used in this form includes solicitor, licensed conveyancer, chartered legal executive or barrister unless stated otherwise.

Before completing the form you must ensure you have read and can comply in full with the Equity Release Council’s Rules and Guidance, section 5. These are available on the Council’s website. **https://www.equityreleasecouncil.com/about/standards/rules-and-guidance/**

Provider/Lender name
(‘the Provider’) ______________________________

Customer(s) full name(s)
(‘the Customer’) ______________________________

Property address including
postcode (‘the Property’) ______________________________

Equity release contract account
number (‘the Equity release contract ’) ______________________________

Financial adviser/intermediary name (‘the Adviser’);
Advisory Firm, Intermediary Firm ______________________________

(LTM) total loan/
initial drawdown taken ______________________________

(Reversion) Percentage released/
amount paid ______________________________

Continued overleaf

Notes	I certify and confirm as follows:
It is a requirement that at least one physical in person meeting takes place between the Solicitor (or their Agent) and the Customer. For the avoidance of doubt, this does not include electronic or telephonic means. **[Tick the option]**	**1.** The Customer(s) has/have attended my offices or been visited by me or an Agent Solicitor acting on my behalf at least once in relation to the Equity release contract; Either ☐ I hereby certify that my Customer(s) has (have) attended my offices or been visited by me (the Advising Solicitor); ☐ Or I hereby certify that my Customer(s) has (have) visited or been visited by an Agent Solicitor. The Agent's name is ***(please insert)*** ____
Any Agent instructed by the Solicitor must comply with the definition of a solicitor set out in the Note above.	**2.** Where an Agent has been instructed by me: **2.1** Notwithstanding the fact an Agent solicitor has been instructed I accept and acknowledge that my firm is responsible for the advice given and compliance with the Equity Release Council requirements; **2.2** I have checked the Agent Solicitor has a current practising certificate and the benefit of appropriate professional indemnity insurance in place that meets the minimum requirements of their regulator in carrying out work of this nature; **2.3** The Agent Solicitor has confirmed in writing to me that they have satisfactorily carried out the checks required by the Equity Release Council's Rule 5.3 together with any other checks I have asked them to carry out. **2.4** The Agent Solicitor is independent from the Provider and Adviser and is not related to the Customer or is benefitting from the equity release contract save for professional fees and expenses.

Continued overleaf

Notes

The solicitor instructed by the Customer is responsible for providing the legal advice and ensuring the Customer understands and wishes to proceed and checking any attorney is validly appointed.

Where a Customer is mentally incapacitated, you must satisfy yourself this is the case (you may wish to obtain confirmation from a medical practitioner), and where the Provider agrees and permits this, you must provide this advice to the incapacitated Customer's attorney.

The advice as set out in this Solicitors Certificate should be provided in a face-to-face meeting and the Solicitor should be able to answer questions.

I certify and confirm as follows:

3. I have explained the terms and implications of the equity release contract to the Customer and in particular I have drawn their attention to the following:

3.1 They may wish to discuss the matter with their heirs or beneficiaries because taking out the equity release contract will reduce the estate proceeds on their death (s) or funding available to pay for long-term residential care.

3.2 Where the equity release contract is a home reversion, in the event of their early death[s] they may have received little benefit during their lifetime[s] but nonetheless their estate[s] would be considerably depleted due to sale of the Property (or part of it) under this equity release contract.

3.3 The amount of state or other benefits to which they may be entitled, either now or in the future, may be reduced as a result of proceeding with the equity release contract.

3.4 The obligations, including those for ongoing insurance and maintenance of the Property, placed on them by the equity release contract's terms and conditions.

3.5 Where the equity release contract is a lifetime mortgage, the circumstances in which the lifetime mortgage becomes repayable.

3.6 Where the equity release contract is a lifetime mortgage, the circumstances in which the Property will have to be sold and how the proceeds of sale will be shared.

3.7 That the equity release contract provides them with security of tenure for the duration of their lifetime[s] provided that they comply with the covenants.

3.8 They have agreed to proceed with the equity release contract as being suitable to their requirements, based on advice provided by the Adviser. Having considered the above, and on the basis of advice given by the Adviser the Customer wishes to enter the equity release contract.

3.9 Each client has either taken out a Lasting Power of Attorney (Power of Attorney in Scotland) or been strongly advised to take one out with the benefits clearly outlined.

3.10 Where the title is held as tenants in common (pro indiviso in Scotland) the client is aware that this could impact their access to any drawdown facility upon first death.

Continued overleaf

Notes	I certify and confirm as follows:
The Solicitor (or their Agent) must not be acting for Provider, Adviser, Occupier or other third party. The Customer must be separately represented.	**4.1** I am acting independently of the Adviser and Provider. **4.2** I have acted in the best interests of the Customer. **4.3** I am not related to the Customer. **4.4** I am not benefitting from the equity release contract in any way whether directly or indirectly save for payment of my proper costs and disbursements.
All Solicitors must fully comply with their regulator's requirements.	**5.** I have complied with all relevant obligations of my regulatory body, being one of either: The Solicitors Regulation Authority; the Council for Licensed Conveyancers; the Chartered Institute of Legal Executives;. the Law Society of Scotland; the Law Society of Northern Ireland or the Bar Standards Board.
See the Equity Release Council website.	**6.** I have read the Rules and Guidance relating to Solicitors on the Equity Release Council website and I have complied with them in all respects.
Whilst you may make payments to an introducer for genuine marketing initiatives, such payments are subject to this Guidance and you must not sign the Solicitor's Certificate unless you are compliant with it. Solicitors may pay towards the marketing costs of intermediary firms, such as advisers, in return for case referrals. The payments which should be mutually agreed upfront are designed to help the intermediary firm market their services with the solicitors benefiting from increased business volumes.	**7.** Payments and receipts "Payment" means any payment made to financial advisers, intermediaries, panel managers, technology providers, sourcing websites or similar organisations. "Receipts" means any payment from asset managers, estate agents, financial advisers, intermediaries or other to you however it is termed or positioned.

Continued overleaf

Notes	I certify and confirm as follows:
If fees are paid, they can be paid on a case-by- case or mutually agreed basis, but strong systems and controls must be put in place to manage any potential conflicts of interest. Any fee arrangement that is paid which is associated with the referral of a specific case or a number of cases must be clearly outlined when issuing both legal and adviser customer case documentation at the outset to ensure it is transparent. 7.2 and 7.3 do not include your legal fees and disbursements for the transaction payable by the Customer	**7.1** Any payments made towards the marketing costs of intermediary firms must be clearly outlined in both the legal and adviser documentation at outset to ensure transparency. **7.2** I acknowledge that referral fees, disbursements, costs or other payments in relation to individual equity release contracts are prohibited under the Equity Release Council's Rules and Guidance. **7.3** I am not receiving any payment from the Provider or Adviser or taking any other Receipts.
It is recommended that the Customer is seen separately where possible.	**8.** I am satisfied, insofar as it is reasonably possible to verify in accordance with the Equity Release Council's Rule 5.3 that: **8.1** The identity and signature of the Customer has been verified; and **8.2** The Customer has sufficient mental capacity to enter into the Contract; and **8.3** The Customer is/are not under any duress or undue influence to enter into the equity release contract.

Continued overleaf

Notes	I certify and confirm as follows:	
The advising solicitor and not the Agent (or any Agent acting on their behalf)	**Solicitor signature:**	
Print clearly or use a stamp.	**Full name:**	
	Firm name and address:	
See Notes above.	**Qualification:**	
	Date:	

Confirmation of receipt of advice by Customer

I/We confirm that I/we have had at least one in person meeting with a qualified solicitor and have been given the advice set out in clause 3 above.

Name of Customer	Signature of Customer	Date of signing

Glossary

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

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

MPLM	mandatory payment lifetime mortgage products as defined by the FCA
Member	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
Provider	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.
PRA	Prudential Regulatory Authority
RICS	Royal Institute of Chartered Surveyors
Solicitor	a solicitor, barrister, licensed conveyancer or chartered legal executive with a current practising certificate from their relevant regulator and appropriate professional indemnity insurance
SRA	Solicitors Regulation Authority
Surveyor	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

Tel: 0300 012 0239

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The Smithy
Sutton Lane
Dingley
Market Harborough
LE16 8HL

Email: admin@equityreleasecouncil.com
www.equityreleasecouncil.com

Equity Release Council

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.

ERC_XXXXXXXXX