A GUIDE FOR ADULT CHILDREN AND FAMILIES

A Family Guide to

Equity Release in Derbyshire

Supporting a parent through the decision, without taking it over

Produced by Mortgage & Finance Arena, Derby

Mortgage & Finance Arena Ltd | FCA Ref: 706676 | Equity Release Council Member
12 Melbourne Business Court, Pride Park, Derby DE24 8LZ
01332 300 300 | info@mortgageandfinancearena.co.uk

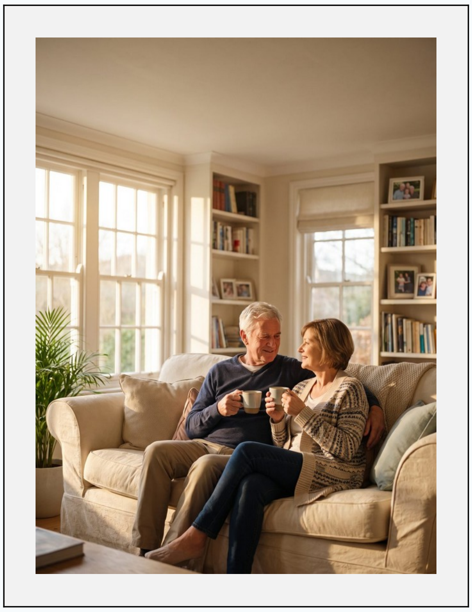
Before we start

If you're reading this, it's likely a parent, or maybe a grandparent, has mentioned they're thinking about equity release, and you want to understand it properly before the conversation goes any further. That's a good instinct. This guide is written for you, the adult child, rather than the homeowner themselves, and it covers the questions families like yours tend to ask.

Wanting to look out for a parent doesn't mean taking over their decision. This guide is about helping you ask good questions and spot the right signs, while still respecting that it's ultimately their home and their choice.

What equity release actually is, in brief

Equity release lets a homeowner aged 55 or over unlock some of the value tied up in their property, as cash, without having to sell up or move out. The most common form is a lifetime mortgage, where they borrow against the home while keeping full ownership of it. There are no required monthly repayments, and the loan, plus any interest, is usually repaid from the sale of the property when they die or move into long-term care.



The worries adult children usually have

These come up in almost every family conversation about equity release, and they're all fair questions:

- "Is Mum or Dad being pressured into this?" Reputable advisers never rush a decision, and there should be plenty of time to think things over

- "Will this eat into what's left for us?" It can reduce the eventual inheritance, though most modern plans include a no negative equity guarantee, meaning the estate will never owe more than the home is worth when it's sold
- "What if they need care later on?" This is worth discussing directly with the adviser, since it can affect both the plan itself and any means-tested support
- "Can it be undone if they change their mind?" Most plans allow repayment, though early repayment charges may apply. It's worth understanding this upfront rather than assuming either way

How to support without taking over

It's a natural instinct to want to protect a parent, especially with anything involving money and their home. A few things tend to help strike the right balance:

- Encourage them to get independent, FCA-regulated advice, rather than relying only on family opinions (including yours)
- Offer to come along to appointments if they'd like company, but let them lead the conversation and make the decision themselves
- If you have siblings, loop them in early. Decisions made quietly by one sibling can cause friction later, even when everyone's intentions were good
- Ask questions out of genuine curiosity rather than suspicion. Most families find this keeps the conversation collaborative rather than confrontational

Questions worth asking together

Whether you're in the meeting or just helping prepare for it, these are worth having answers to:

- Is the adviser whole-of-market, FCA-regulated, and ideally a member of the Equity Release Council?
- Does the plan include a no negative equity guarantee?
- What happens if Mum or Dad needs to move into residential care in the future?
- Can voluntary repayments be made, and are there any penalties for doing so?
- Are there any early repayment charges if the plan is repaid or replaced later on?
- How might this affect any means-tested benefits they currently receive?

Red flags worth watching for

Signs to be cautious of

A cold call or unsolicited approach about equity release. Pressure to sign quickly or before you've had a chance to think it over. An adviser who isn't FCA-registered or an Equity Release Council member. No mention of a cooling-off period, or reluctance to answer questions clearly. None of these are common with reputable advisers, but they're worth knowing so you'd recognise them if they came up.

What happens next?

If your parent is genuinely considering equity release, a sensible next step as a family is:

- Encourage them to speak to a whole-of-market, FCA-regulated adviser, ideally one who's also an Equity Release Council member
- Offer to help them prepare questions, or come along if they'd like the support
- Give the decision time. There's no need to rush, and a good adviser won't push for a quick answer

At Mortgage & Finance Arena, we're based in Derby and work with families across Derbyshire and the wider East Midlands. We're used to these conversations including the wider family, and we're just as happy to answer a son or daughter's questions as we are the homeowner's.

If it would help to talk it through as a family, with no pressure and no obligation, we're happy to help.

Important information

This guide is for general information only and does not constitute financial advice. Equity release will reduce the value of your estate and may affect your entitlement to means-tested benefits. Think carefully before securing debts against your home. Your home may be repossessed if you do not keep up repayments on a mortgage secured against it. Mortgage & Finance Arena Ltd is authorised and regulated by the Financial Conduct Authority (FCA Ref: 706676) and is a member of the Equity Release Council.