

BRIEFING NOTE ONLY: FOR IMMEDIATE RELEASE

20 March 2007

**CHAMPION FOR THE ELDERLY, SYMPONIA, RESPONDS TO
“TONIGHT WITH TREVOR MCDONALD - EQUITY RELEASE” PROGRAMME
(shown ITV1 19 March 2007)**

Following last night's *Tonight with Trevor McDonald* programme on Equity Release schemes, the view held by **Symponia**, the national affinity group for care fees planning and financial advice for people over 65 is that the programme sensationalised the historical pitfalls of equity release, but maintains that there *is* a case for older people using modern Equity Release plans.

The programme commenced with a fictionalised view, using a scene from *Coronation Street*. Symponia says the soap's storyline needs to be taken with a large pinch of salt, as the UK's most famous street has little or no bearing on reality; it appears to have the fastest administrative system in history, given that murdered Charlie Stubbs' (a fictional character in the show) house already has new owners, despite his recent murder and Charlie not having a Will.

Symponia has expressed genuine empathy for the families featured on last night's programme that were caught up in the type of inappropriate and opaque plans available in the late 80s and early 90s and on which many people lost out. **Fortunately, this type of equity release plan no longer exists.**

Financial adviser Stephen Wilkinson the Symponia member for Leeds and North Yorkshire believes that Equity Release isn't necessarily a bad thing, a view point echoed by TV money expert Martin Lewis. Stephen Wilkinson says:

“Whilst Lifetime Mortgages are not a universal panacea and will definitely not be suitable for everyone, they can be an ideal way for some families to improve their lifestyles, assist children and grandchildren, fulfil lifelong ambitions and/or where appropriate, fund private care fees.

“There is a risk associated with any mortgage secured on a property, and of course the outstanding value of this loan will need to be repaid to the lender either at the end of the agreed term or when the house is eventually sold. This is no different to the hundreds of thousands of younger people with traditional mortgages.”

Stephen Wilkinson continues:

“Attitudes are shifting; not everyone wants to leave an inheritance, not all families see money as the only true legacy, and the majority of families do want to ensure that their mum and dad are able to enjoy their later years with freedom and without any money restrictions or worries (it is after all their parents’ money). Lifetime Mortgages do carry an element of risk, but then so does almost every other financial transaction from buying a car to opening a bank account.”

Symponia says it is vitally important not to patronise older people. Getting older doesn’t automatically mean a loss of mental capacity and the vast majority are able to make their own decisions about most things; adult children don’t always consult their parents before a major financial transaction and the same should be said about the reverse.

The programme claimed that lifetime mortgages are about to come under the full remit of the Financial Services Authority and Symponia “welcomes this long-overdue initiative with open arms”. Jon King, Chief Executive of SHIP (a Corgi-style self-regulatory body) believes a rising number of older people will want to release money from their properties and as such, he expects to see an increase in this type of business.

Money expert Martin Lewis asked people considering a Lifetime Mortgage to insist on Independent Financial Advice before they sign. **Symponia is pleased to offer this Seven Step Guide:**

- Appoint a suitably qualified **Independent** Financial Adviser; insist that they have attained the specific professional examinations CF7 & CF8.
- Ensure that they take the time to explain everything to you face-to-face and in a clear way that you are comfortable with.
- Insist that they send you a detailed Suitability Letter (this letter will explain all the key points, restrictions and implications, present and future).
- Consider the effect such a mortgage may have on your entitlement to means-tested State Benefits.
- Consider what might happen to the mortgage and/or your home should you need to receive care at an unknown time in the future (the CF8 qualification will ensure your adviser understands the facts).

- Always seek independent legal advice from a specialist solicitor, such as a member of “Solicitors for the Elderly” and/or a STEP member.
- Where relevant and appropriate seek the views of your family.

Symponia has fully qualified members across the UK. To be introduced to a local member, please call 01789 774595 or visit www.symponia.co.uk/findamember.php and click on the relevant region for a full list of members.

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Notes to Editors

Symponia (which is the Greek word for compassion) was created by Jeremy and Janet Davies who have 20 years' combined experience in long term care. Founded in January 2005 Symponia is committed to raising standards and increasing training and compliance levels within the long term care advice industry.

- All members are qualified IFAs who are selected by invitation only, after a rigorous selection process designed to make sure that members have the right people skills as well as technical competence. All members are subject to a Criminal Records Bureau (CRB) check. Symponia is the only advice group to carry out this procedure.
- Each member must pass a bespoke written examination every year. The exam is in addition to FSA requirements and tests market knowledge as well as technical competence. In addition to basic qualifications, advisers must have attained the industry benchmark examination known as CF8. Symponia is the only advice group to insist on this qualification.
- Members are subject to a Code of Practice and Conduct, and to a Customer Charter, which lays down strict service standards that the IFA must meet.
- Member IFAs pay an annual fee only (payable monthly). There is no commission split of business related fee.
- Symponia acts as an intermediary between care home providers and care fee specialist IFAs, providing the latter with introductions to providers in their area.
- Symponia is the only care fees planning advice group that has genuine national representation across England, Scotland, Wales and Northern Ireland. It is the only group to guarantee face to face consultation for clients in every part of the country.