

A guide to your cash reserve

We've designed our Aviva lifetime mortgages to give you flexibility with how you borrow. This guide is to help you understand how you can use a cash reserve.

Usually, people release some of the money as an initial lump sum to support their immediate needs. They may also agree on a cash reserve, meaning they can request extra money as and when they need it in the future. Setting up a cash reserve instead of taking all of the money available as a lump sum can reduce the amount of interest which builds up, as interest is only charged on the money you've borrowed.

What information do I need to give you to use my cash reserve?

Using your cash reserve is subject to underwriting and is not guaranteed. Each time you make a drawdown, we'll need to know the following details:

- ✓ How much do you need to borrow?
- ✓ When do you need the funds?
- ✓ What do you need the money for?

Although we agree your cash reserve in principle, each drawdown is treated as a new loan and it's not guaranteed.

We have the right to ask for further information to support your withdrawal. Examples of when we may decline a withdrawal are where we:

- ✓ Have concerns about financial crime, your health or wellbeing
- ✓ Do not receive the supporting documents we've asked for
- ✓ Have legitimate concerns over the reason for loan
- ✓ Think the reason for loan does not meet our lending criteria.

Why do you need to know the reason for taking a drawdown from my cash reserve?

We must feel comfortable with the reason for borrowing from your cash reserve before we agree to release more money. As part of our responsibility as a lender, we'll need to understand how you will use the money once released.

Aviva is a responsible mortgage lender and is regulated by the Financial Conduct Authority. We have a duty of care to help protect our customers from financial crime, scams and to prevent foreseeable harm.

When can't I use my cash reserve?

There are some occasions when you can't use your cash reserve or where we may suspend it while we carry out further enquiries. These include:

- ✓ If the value of your property is less than the outstanding loan plus your cash reserve balance
- ✓ When your lifetime mortgage becomes repayable
- ✓ If you're in default of the terms and conditions
- ✓ If Aviva Equity Release Limited becomes insolvent, is no longer authorised by the Financial Conduct Authority or is unable to reasonably continue to do business in the lifetime mortgage market.

What interest rate will apply?

When you contact us to take money from your cash reserve, we'll confirm the interest rate. We'll charge interest at the rate applicable on the day and is charged on a compound basis, added daily and compounded yearly.

The interest rate we charge on a drawdown from your cash reserve can be higher or lower than the rate we agreed on your initial release.

There are no extra administration fees or charges for using your cash reserve facility. The only cost you need to consider is the additional compound interest you will build up.

How much can I request from my cash reserve?

The minimum amount you can take on each withdrawal is £500. There's no fixed upper limit on how much you can withdraw, but you should only take a drawdown for what you need, when you need it. This helps avoid building up unnecessary compound interest.

If you need further help or guidance, we recommend speaking to your financial adviser. As long as we're comfortable with the reason for borrowing, you can make withdrawals as often as you need to.

Take a look at your terms and conditions for more information.

Will I need to send in evidence?

There may be occasions where we ask for further evidence to support your request for a drawdown from your cash reserve. This helps us keep you safe from the financial crime as mentioned above. Some examples of evidence we may need include:

- ✓ Quotes or invoices
- ✓ Bank statements
- ✓ Loan agreements
- ✓ Receipts
- ✓ Guarantees for works
- ✓ Building regulations or planning permissions

Will you need to verify my identity and bank account?

When you make a withdrawal, we may need to carry out a third party verification check. This check leaves a soft footprint on your credit file but this does not affect your credit rating. We'll let you know if we need to do this at the time.

Can a friend or family member call on my behalf?

If you need someone to help you make a drawdown from your cash reserve, please tell us about this. We can then offer both you and your representative the support you need.

Under no circumstances should you allow somebody to call on your behalf and impersonate you as this will raise concerns with our team. It may cause delays with you receiving your money or we may decline your request.

If you need more support, perhaps consider nominating a power of attorney. It's important to think about this in your future planning as you can only arrange your power of attorney while you are of sound mind. If you already have one in place, they can act on your behalf.

For more information, check out our [Guide for Power of Attorney](#).

What do you mean by financial crime, scams and foreseeable harm?

There are lots of ways people can become victims of financial crime and scams. Some examples to look out for include:

- Investment opportunities promising 'too good to be true' rates of return
- Fraudsters posing as your bank, law enforcement or financial services professionals who may ask you to deposit funds into a safe account
- Tradespeople contacting you out of the blue to offer property repairs
- Close friends, neighbours or family putting pressure on you to gift them money

No legitimate organisation would ever ask you to withdraw money or transfer money to a safe account for the purposes of a fraud investigation.

Here are some things to think about if you have any concerns that you could be a victim of financial crime:

- Don't transfer money or make a drawdown from your cash reserve until you seek support and are sure your funds are not at risk.
- Contact the relevant financial institution that held the money e.g. bank so they can attempt recovery.
- Don't feel ashamed, criminals go to extreme lengths to trick their victims. Falling victim to a scam is nothing to feel embarrassed about. If you have concerns, please be honest with us and we will do what we can to support you.
- Contact the police.
- Contact somebody you trust who can support you.
- Contact Action Fraud on **0300 123 2040** or [actionfraud.police.uk](https://www.actionfraud.police.uk).

How do I access my cash reserve?

If you want to release money from your remaining cash reserve (known as making a drawdown), we'll need to speak to you as the borrower, or somebody legally appointed to represent you. If you have a joint lifetime mortgage, we will need to speak to both borrowers.

You can either:

- Arrange a call back by giving us a ring on - **0800 158 4177** (Monday to Friday 9:00am - 5:00pm)
- Email us at - ercicdirect@aviva.com
- Write to us at - **Aviva, PO Box 520, Norwich, NR1 3WG**

Need this in a different format?

Please get in touch if you'd prefer this document (PF011877) in large print, braille or as audio.

How to contact us

 0800 068 6800

 contactus@aviva.com

 [aviva.co.uk](https://www.aviva.co.uk)