

For financial adviser use only. Not approved for use with customers

Aviva equity release video script Module 3: Engaging your clients in equity release conversations

Hello and welcome to our third CPD module.

In Module One, we explored the role of equity release in the market today. And in Module Two, we looked at how to get qualified, or refer business. If you haven't yet viewed these modules, why not take a look now?

As we've mentioned previously, lifetime mortgages now make up the vast majority of the equity release market¹, so the terms "equity release" and "lifetime mortgage" are often used interchangeably.

In this module, we'll explore how you can talk with existing clients about equity release and what a lifetime mortgage could offer them. And we'll think about effective strategies for finding *new* clients.

Remember, including property questions in your fact find meetings is a good way to start a conversation about equity release and whether a lifetime mortgage could be a good option for your clients.

Making the most of your marketing

When it comes to equity release, there are two main ways that you can build your client base. The first is through your current clients and your back book. After all, equity release might be the ideal product for some of your clients, but you didn't have the opportunity to explore it with them before. These could be clients facing a shortfall in their retirement pot, or those with children who need help to get on the property ladder.

The second way is through attracting new clients.

It's important to make sure that both new and existing clients know exactly what you're offering when it comes to equity release. Getting it right at this point can help to avoid confusion in the future about how a lifetime mortgage works. We have a range of handy tools, including letter and email templates, to help you contact clients and get them thinking about how a lifetime mortgage could help them.

Remember to display your equity release qualification whenever you can. Make sure it features prominently on your website, business card, and on your social media channels – whatever you use to promote your business.

Finally, it's definitely worth joining professional industry organisations like the Equity Release Council, or the Society of Later Life Advisers, more commonly referred to as SOLLA. The Equity Release Council is an industry body for the sector, and being a member shows you follow their Statement of Principles. Becoming a member of SOLLA gives you independent recognition of your skills and experience in giving later life advice. These organisations have a search tool on their website to allow

¹ Mintel, Equity Release Schemes UK, November 2021

customers and professionals to look for qualified advisers in their area. They can be a helpful source of support and guidance when you're building your equity release business. And of course, your clients will be reassured that you're a member of a recognised industry body.

Conversations with your clients

Once you've made contact with your clients, you need to make your conversations about lifetime mortgages as useful as possible. Here are four tips on how to do this:

1. Challenging misconceptions.

There are still some common misconceptions around equity release, so make sure you tackle these head on. For example, your clients may believe they risk going into negative equity on their house, they won't be able to leave their family an inheritance, or that they will no longer own their home if they apply for a lifetime mortgage. These misconceptions are often due to a lack of knowledge about the safeguards in place today.

2. Talking positively

It's important to approach potentially sensitive conversations in a positive way. For example, focus on your client's plans for their retirement, rather than talking about what their life expectancy might be.

3. Involving family

The Equity Release Council recommends that clients involve their family in discussions about equity release, as it may affect them directly. Always encourage your clients to bring family members to meetings.

4. Recognising vulnerability

Watch out for any signs that your client could be vulnerable, as you might find they don't have the capacity to make financial decisions. If something doesn't feel right, always trust your instincts, and call us for advice.

Getting the right product for your clients

Generally speaking, clients have two options when deciding on a lifetime mortgage. They can receive their payment via one lump sum, or, if flexibility is a bigger priority, they can choose to take smaller amounts as and when they need them, up to a maximum agreed by the product provider.

Remember too that if your client has certain health or lifestyle conditions they could get lower rates of interest or higher loan to value. This is known as an enhanced rate. Make sure you discuss this with your client, as having any of these conditions could mean a better rate for them.

Considering a range of providers and getting a variety of quotes is a vital part of your due diligence. Most providers can give you a quote via online portals. However, this won't necessarily be a true reflection of all providers' rates. At Aviva, for example, we appear on Air, Advise Wise and Iress. You can personalise your quote up to a point but if you have a high value property you'll need to call us. This is because we operate a flexible pricing approach.

The FCA's report in June 2020 reported three areas of concern when it comes to clients receiving advice on equity release:

- Insufficient personalization of advice – Meaning you need to know your customers well, and understand their circumstances, requirements and motivations.
- Insufficient challenging of customer assumptions - When giving advice, you should consider alternatives and be prepared to challenge, where appropriate, customers' initial requests, rather than simply take customers' orders or preferences without question.
- Lack of evidence to support the suitability of advice - Having a record that uses the customer's own language and phraseology, and contains soft facts that add context, helps show how the advice relates to their individual circumstances. Similarly, exploring and recording the reasons behind a customer's preferences can help to show how these preferences were factored into the advice.

We offer bespoke interest rates and loan to values for each individual customer, based on their circumstances, their property and their loan options. For the most tailored options we recommend you call our specialist team.

Complete your CPD requirements

To gain your CPD credits for this module, make sure you read the supporting guide - 'Marketing tips and templates'. Please also take a look at our 'step-by-step guide to our lifetime mortgage process' and 'getting the most from your adviser visit'.

In Module 4, we'll talk about how to grow your network of professional connections to make the most of your equity release business.