

Are clients feeling the pinch?

Lifetime mortgages could provide a solution



Consumers are worried about increasing costs

Worried about the rising prices of day to day items

June 2021
24% vs Sept 2021
27%

According to our November 2021 Wealth and Wellbeing report, over the last six months, UK consumers are feeling the pinch of our outgoings getting ever higher. This is likely due to increased costs for food and energy bills, more commuting costs as many return to the office, plus increased socialising.

Most people's supermarket spend also increased from last quarter as food prices rose. These increases in outgoings are likely to be the reason why we've seen fewer saving money this quarter.

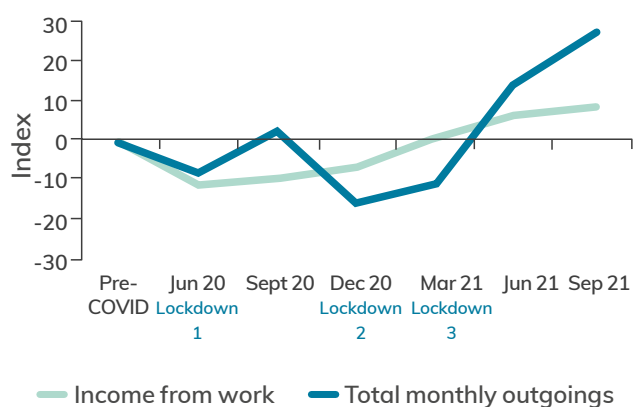
Increased inflation concerns

Rising prices are becoming a key concern for consumers. 27% of UK adults say they are worried about the rising costs of day to day items such as food and clothing. This is an increase from 24% last quarter. The mass affluent (those with assets of between £100,000 and £500,000 excluding property) are also worried about inflation.

Debt

Our research shows that a third of people aged 65+ have debts that may be challenging to pay off on a retirement income. Some people approaching retirement are still struggling with debts. Half (49%) of 55-64 year olds have obligations that could make saving for their retirement harder, and 32% of those aged 65+ have debts that may be difficult to pay off on a retirement income. One in ten mass affluent consumers appear to have taken on debt to fund their lifestyle (e.g. car finance/store cards). Whilst they may currently have the means to make repayments, they could become vulnerable in unexpected circumstances (e.g. job loss).

Income and outgoings index



Lifetime mortgages as a solution

Drawdown lifetime mortgages allow customers to supplement their income to help manage the rising cost of living. With a flexible reserve available to suit your clients' requirements, the LV= Lifetime Mortgage Drawdown+ allows withdrawals from the agreed reserve starting at just £1,500 up to once per calendar month to help customers manage their day-to-day expenditure and cope with the unexpected.

And whilst it won't necessarily be suitable for everyone, consolidation of debts via a lifetime mortgage may create some financial breathing space and free up disposable income for clients. Advice from debt counselling services should always be considered before moving forward with a lifetime mortgage.

For more information



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