



Later Life Lending & Customer Understanding

By understanding its audience, the later life lending sector can work with advisers to deliver best outcomes

While the quarterly lifetime mortgage activity figures have yet to surface at the time of writing, it's safe to say that there will have been a reduction in activity compared to last year, mainly due to the market movements around the mini budget that have seen reduced plan numbers along with reduced borrowing amounts, rising interest rates and fewer high-LTV products available.

Thankfully, the market has started to open up, with more and more lenders – including ourselves – now offering their full ranges again and rates are beginning to reduce and some are below 6% (such as our Sovereign range, which, at the time of writing, currently sits at 5.48%). Nonetheless, the market contraction has arguably put increased importance on providing excellent service to advisers and applicants alike, with support becoming a key differentiator in a market landscape that has recently seen reduced product availability, higher LTV lending, and higher rates.

It's easy to understand the importance of exceptional service when viewed through the eyes of a financial adviser. In most recent cases, applicants will be approaching their retirement planning from a position of necessity rather than aspiration (and if not from their perspective, then potentially through the prism of helping their family) and, as such, potentially from a position of vulnerability. Therefore, this places a vast amount of trust in an adviser to find the right solution from a product perspective

and steering them towards a firm or lender that will have their interests at heart long-term.

With the Consumer Duty looming, both lenders and advisers are acutely aware of the need to deliver the best outcomes, but from an adviser's perspective, that extends to being able to say with certainty that they've left their client in safe hands, especially given the long-term nature of a lifetime mortgage product.

Our customer journey is something we've acknowledged and actively sought to better understand and enhance. This has led to the creation of two comprehensive research papers, analysing customer preferences among over-50s in the way they interact with companies (both around marketing and broader customer experience) and the importance of effectively segmenting the over-50s demographic by age to understand better their communication channel preferences and other key points of consideration between the different age brackets.

In the interests of broadening market understanding, we've since made the brand reports available to registered advisers via our online portal before taking the learnings and pairing them with customer focus days centred on reviewing our post-completion customer-facing literature to ensure clarity and understanding across our full document suite.

We've also built 21-day post-KFI rate guarantee into our Heritage, Sovereign, and Emerald ranges to allow applicants the opportunity to

review their options while remaining insulated from any potential rate increases. Additionally, improved processes that have seen 96% of applications processed within two hours in Q1, and post-completion care from our dedicated Customer Account Servicing team, underline the way we've analysed our customer journey holistically and have remained committed to providing the best possible experience and in giving advisers peace of mind that their clients are supported on their financial journey.

It's vital that, as a collective, all of us in the later-life lending sector acknowledge the changing landscape and that, for many, they're looking beyond merely product details when it comes to who to enter a long-term financial arrangement with. This in turn puts extra pressure on advisers to make the suitable recommendations to their clients, meaning that the wider industry doesn't only need to take ownership of the customer journey and commit to achieving the best results, but also work with their advisers to ensure they understand the services on offer.

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Pure Retirement

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