

Equity release - mystery shopping results

Assessments undertaken December 2004 - March 2005

Summary of assessor's notes - Scenario A

I have about £400 coming in each month (£600 if a couple) and I am finding it difficult to make ends meet each month. Ideally I would like an extra, say, £50 each month. I do not have any savings and I need to do some essential repairs on my house. I think that I need about £4,000.

Summary of assessor's notes - Scenario B

I am not finding it difficult to make ends meet each month but I would like to enjoy my later years. I want a £15,000 lump sum and a couple of hundred pounds extra each month. It is very important to me that I am still able to leave some money to my beneficiaries but I would like to enjoy myself too whilst I am fit and able.

	All Visits	Scenario A - Direct	Scenario A - IFA	Scenario A - Mortgage Brokers	Scenario B - Direct	Scenario B - IFA	Scenario B - Mortgage Brokers
ASSESSMENT DETAILS							
Base	42	6	6	5	6	13	6
Section 1 – ENQUIRY DETAILS							
Were you referred to another firm by the company you approached initially? If 'yes', provide the name of the firm and their telephone number:							
Yes	4	0	0	1	0	2	1
No	38	6	6	4	6	11	5
When you telephoned the bank/company, did you have to go through a 'fact finding' list (e.g. name, value of the property, size & type of property, postcode, date of birth, marital statuses, partner's details) of questions before you stated your enquiry?							
Yes	20	3	4	3	4	5	1
No	22	3	2	2	2	8	5
When you telephoned the bank/company, did you have to go through a 'fact finding' list (e.g. your name, value of the property, size and type of property, postcode, date of birth, marital statuses, partner's details) of questions after you stated your quer							
Yes	13	1	1	1	1	6	3
No	9	2	1	1	1	2	2
How straightforward was it to get to speak to someone who could handle your enquiry?							
I only had to telephone once to get to speak to an adviser to make my enquiry.	15	4	3	0	2	6	0
I had to make an appointment to speak to an adviser.	4	0	0	1	1	1	1
I had to ring the company several times before I could make my enquiry.	7	1	1	0	2	2	1
I had to leave a telephone message and the adviser called me back.	7	0	1	1	0	3	2
Other	9	1	1	3	1	1	2

Did the adviser explain/outline the type of advice the firm is able to offer to you and the name of the financial company(ies) represented? If YES, what was said? Please see your printed questionnaire for more details about this question.							
Yes	18	4	2	2	2	5	3
No	24	2	4	3	4	8	3
Did the adviser send you/hand you a copy of the Initial Disclosure Document (IDD)?							
An IDD was posted to me	6	1	1	0	0	3	1
I was given an IDD	7	0	0	0	2	3	2
NO IDD was given or posted	29	5	5	5	4	7	3
Were you credit-checked?							
Yes	1	0	0	0	1	0	0
No	41	6	6	5	5	13	6
Did the adviser explain why you would be credit-checked? If YES, please comment on what was said.							
Yes	1	0	0	0	1	0	0
No	0	0	0	0	0	0	0
Which scenario did you follow?							
SCENARIO A: £4,000 lump sum and £50 p.m. income	17	6	6	5	0	0	0
SCENARIO B: £15,000 lump sum and £200 p.m. income	25	0	0	0	6	13	6
How straightforward was it to arrange for someone who could handle your enquiry to visit you at home?							
I only had to telephone once to arrange for an adviser to visit me at home	7	0	0	0	2	4	1
I had to agree a time for an adviser to telephone me back to arrange a home visit.	1	0	0	0	0	1	0
I had to ring the company several times before I could make my enquiry.	2	0	0	0	0	2	0
OTHER (e.g. no home visit service)	14	0	0	0	3	6	5
Did an adviser visit you at home?							
Yes	10	0	0	0	2	7	1
No	14	0	0	0	3	6	5
Were you asked about the value of your home? What did you say was the value of your current property?							
I was asked this spontaneously	36	3	5	4	6	13	5
I had to offer this information	0	0	0	0	0	0	0
The adviser DID NOT ask and I DID NOT offer this information	4	2	0	1	0	0	1
What did you say was the amount of money that you wanted to take out of the value of your home?							
£4,000 lump sum and	13	4	5	4	0	0	0
£15,000 lump sum and	23	0	0	0	5	12	6
OTHER	4	1	0	1	1	1	0

Section 2 – MAKING YOUR ENQUIRY – THIS SECTION RELATES TO THE ADVISER/PERSON WHO ACTUALLY HANDLED YOUR ENQUIRY							
Did they use clear, understandable language, avoiding financial jargon? If NO, what did you not understand. Please comment							
Yes	38	4	5	4	6	13	6
No	4	2	1	1	0	0	0
Did you feel comfortable giving the details requested? If NO, please explain							
Yes	40	6	6	4	6	12	6
No	2	0	0	1	0	1	0
Did they appear knowledgeable about EQUITY RELEASE PRODUCTS and the application process? If NO, please comment							
Yes	33	4	6	3	4	11	5
No	9	2	0	2	2	2	1
Did they handle your enquiry professionally? If NO, please comment							
Yes	39	5	6	3	6	13	6
No	3	1	0	2	0	0	0
Did you establish the name of person that handled your enquiry? If you spoke with several members of the staff, then name all of the individuals that you spoke to.							
Y - FULL NAME Enter the full name	28	3	3	2	5	11	4
Y - PART NAME Enter the part of the name	10	2	2	2	0	2	2
No name obtained	4	1	1	1	1	0	0
Did they ask where you got their telephone number from or why you have contacted them? If YES, were they happy with your reply or did they ask further questions about their contact details. Please comment							
Yes	19	5	3	1	3	4	3
No	23	1	3	4	3	9	3
Did you feel that the adviser was trying to persuade you that a home visit was the only way to discuss your financial situation fully If YES, please explain							
Yes	9	2	1	0	1	4	1
No	33	4	5	5	5	9	5
Did the Adviser indicate whether there would be any limits on the advice that s/he could give you? If YES, what exactly did they say							
Yes	6	2	0	1	2	0	1
No	36	4	6	4	4	13	5

Have you ever been refused a loan/ credit? If YES, what was said? Please comment							
Yes	0	0	0	0	0	0	0
No	42	6	6	5	6	13	6
Did they ask if you had any debt? If YES, how much did you say that you had and what was said? Please comment							
Yes	17	1	0	2	3	8	3
No	25	5	6	3	3	5	3
Did they ask what your Council Tax bill was?							
Yes	5	0	0	0	2	2	1
No	37	6	6	5	4	11	5
Did they ask you what you/ you and your partner's income was? If YES, how much did you say that you had and what was said? Please comment							
Yes	17	1	3	1	3	7	2
No	25	5	3	4	3	6	4
Did they ask you about any savings and investments that you may have? If YES, what did you say what was said? Please comment							
Yes	14	1	1	1	3	6	2
No	28	5	5	4	3	7	4
Did they you ask you about your Pension provision? If YES, what was said? Please comment							
Yes	13	1	1	1	2	5	3
No	29	5	5	4	4	8	3
Did the adviser ask if you had a preference or need for stability in the amount of payments given to you? If YES, please explain what was said.							
Yes	2	0	0	0	0	1	1
No	40	6	6	5	6	12	5
Did the adviser discuss the impact of interest rate changes in the future on an equity release scheme? If YES, please explain what was said.							
Yes	17	1	2	1	4	6	3
No	25	5	4	4	2	7	3
Did the adviser discuss any specific features of an equity release scheme that might affect your personal circumstance? If YES, please explain what was said.							
Yes	9	0	1	0	1	4	3
No	33	6	5	5	5	9	3
Did they ask if you had additional forms of income e.g. a second job, consultancy work?							

Yes	7	1	0	0	3	3	0
No	35	5	6	5	3	10	6
Have you additional forms of income? If YES, what was said? Please comment							
Yes	9	0	2	0	1	5	1
No	33	6	4	5	5	8	5
Did the adviser say that you would be eligible/suitable for an Equity Release Scheme? If YES, what did they say about the criteria? Please comment							
Yes	27	3	3	1	5	10	5
No	15	3	3	4	1	3	1
Did the adviser explain the merits of Equity Release Schemes? If YES, what did they say about this? Please comment							
Yes	13	0	2	1	2	6	2
No	29	6	4	4	4	7	4
Did the adviser explain the downsides of Equity Release Schemes? If YES, what did they say about this? Please comment							
Yes	15	0	2	1	2	8	2
No	27	6	4	4	4	5	4
Did the adviser explain what would happen if you/ and your partner died? If YES, what did they say? Please comment							
Yes	20	4	0	0	3	9	4
No	22	2	6	5	3	4	2
Did the adviser explain what would happen if you/ and your partner needed to move into a residential/care home? If YES, what did they say? Please comment							
Yes	20	3	0	1	4	8	4
No	22	3	6	4	2	5	2
Did the adviser explain what would happen if you/ and your partner were to become terminally ill? If YES, what did they say? Please comment							
Yes	6	0	0	0	2	2	2
No	36	6	6	5	4	11	4
Did the adviser explain what would happen if you wanted to move house later on? If YES, what did they say? Please comment.							
Yes	18	1	1	1	3	8	4
No	24	5	5	4	3	5	2
Did the adviser ask if you had considered a Home Reversion Scheme? If YES, please explain what was said.							
Yes	8	0	1	2	1	2	2

No	34	6	5	3	5	11	4
Did the adviser explain that you would not end up owing more than the value of your home? If YES, what did they say? Please comment							
Yes	19	1	1	1	4	10	2
No	23	5	5	4	2	3	4
Did the adviser explain that rising interest rates would not affect you? If YES, what did they say about interest rates, were any APRs mentioned? Please comment							
Yes	21	3	3	1	4	6	4
No	21	3	3	4	2	7	2
Did the adviser explain about the costs involved in an Equity Release scheme? If YES, what did they say? Please comment							
Yes	26	2	3	2	3	11	5
No	16	4	3	3	3	2	1
Did the adviser say what was the most that you could get from the value of your house via an Equity Release scheme?							
Yes	22	2	4	2	3	9	2
No	20	4	2	3	3	4	4
Did the adviser say that you would be eligible for a lump sum of money GREATER THAN YOU ASKED FOR If YES, what did they say? Please comment							
Yes	14	1	3	2	2	4	2
No	28	5	3	3	4	9	4
Did the adviser say ANYTHING that you considered would be breaking some rule; anything that you felt uncomfortable hearing? If YES, what did they say? Please comment							
Yes	0	0	0	0	0	0	0
No	42	6	6	5	6	13	6
At any point, did the adviser make reference to any High Street bank/ lenders and their mortgage rates or practices? If Yes, please comment – what was said?							
Yes	7	0	1	2	2	2	0
No	35	6	5	3	4	11	6
Did they inform you that a range of INTEREST RATES would be available depending on the type of Equity Release scheme that you took out? If Yes, please comment – what exactly was said about varying interest rates?							
Yes	9	1	0	0	2	5	1
No	33	5	6	5	4	8	5

Did they say that the Equity Release scheme that they offered would include an arrangement fee?								
Yes	19	2	3	2	2	6	4	
No	23	4	3	3	4	7	2	
Would there be any other charges? If Yes, please comment – what exactly was said								
Yes	16	2	2	1	1	6	4	
No	26	4	4	4	5	7	2	
Were you GIVEN INFORMATION ABOUT A PARTICULAR Equity Release scheme? If YES, what bank/ mortgage company was named and what was said about their products? Please comment								
Yes	12	0	2	1	2	4	3	
No	30	6	4	4	4	9	3	
Were you GIVEN INFORMATION ABOUT HOW THE LOAN IS REPAYED? If YES, what was said? Please comment FULLY								
Yes	16	0	0	1	3	9	3	
No	26	6	6	4	3	4	3	
Did anything unusual happen (good or bad) during this assessment. If YES, please comment								
Yes	6	1	1	1	2	1	0	
No	36	5	5	4	4	12	6	
Which statement best describes your experience? Explain why								
OBTAINING IT	18	2	3	1	2	6	4	
OBTAINING IT	10	0	2	1	3	4	0	
I was UNABLE TO OBTAIN MUCH DETAIL about Equity Release scheme	11	4	0	1	1	3	2	
I was advised to contact another organisation to see if other options were available to me other than an Equity Release scheme	3	0	1	2	0	0	0	
Section 3: ENDING YOUR ENQUIRY								
Did the adviser invite you to call them back when you had considered the matter?								
Yes	23	1	3	2	4	9	4	
No	19	5	3	3	2	4	2	
Section 4: OVERALL EXPERIENCE								
The adviser explained in plain language both the disadvantages and advantages of Equity Release:								
Strongly agree	11	1	1	0	3	5	1	
Agree	13	2	3	3	0	3	2	
Disagree	7	1	1	0	1	3	1	
Strongly disagree	11	2	1	2	2	2	2	
I did not feel under pressure by the adviser to make a decision?								
Strongly agree	31	4	4	2	3	13	5	
Agree	6	2	1	2	0	0	1	

Disagree	2	0	1	0	1	0	0
Strongly disagree	3	0	0	1	2	0	0
I was given adequate time to consider my decision and the advice given?							
Strongly agree	31	3	4	2	6	12	4
Agree	9	2	2	2	0	1	2
Disagree	1	1	0	0	0	0	0
Strongly disagree	1	0	0	1	0	0	0
The adviser did not encourage me to borrow more than what I actually stated I needed to address my financial need?							
Strongly agree	25	4	5	1	6	6	3
Agree	8	0	0	3	0	3	2
Disagree	4	1	1	0	0	2	0
Strongly disagree	5	1	0	1	0	2	1
If someone wanted to apply for an Equity Release scheme. I would recommend this adviser.							
Strongly agree	13	2	3	0	2	4	2
Agree	16	1	1	3	2	7	2
Disagree	5	0	2	1	1	1	0
Strongly disagree	8	3	0	1	1	1	2
Which scenario did you follow? (4.9)							
SCENARIO A: £4,000 lump sum and £50 p.m. income	17	6	6	5	0	0	0
SCENARIO B: £15,000 lump sum and £200 p.m. income	25	0	0	0	6	13	6
When you telephoned the bank/company, was the enquiry terminated EARLY by the adviser for reasons such as 'adviser could not help'; 'advised you to contact the Local Authority/Council'; 'advised to contact Citizens Advice Bureau' etc?							
Yes	4	1	1	2	0	0	0
No	14	5	5	3	1	0	0

