IndustryVoice

Analysis, commentary and trends for the UK mortgage and protection industry | Edition 23 Autumn 2025

Navigating the future of Mortgages & Later Life Lending

Articles from

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The Mortgage Works
Skipton Building Society
Pepper Money
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Equilaw

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Welcome

The mortgage market is evolving rapidly - shaped by economic shifts, regulatory reform, and new technology. In this issue, we explore the key trends and challenges facing the industry today.

This autumn issue of the Industry Voice explores the Mortgage and Later life lending landscape across varying demographics such as First Time Buyers, Specialist Lending, Green Mortgages, Buy-to-Let, Later Life and more.

This issue brings together over 40 expert perspectives to help you stay ahead and in the know about a market that is transforming and fast.

We are always keen to hear your thoughts about this issue and the topics raised.

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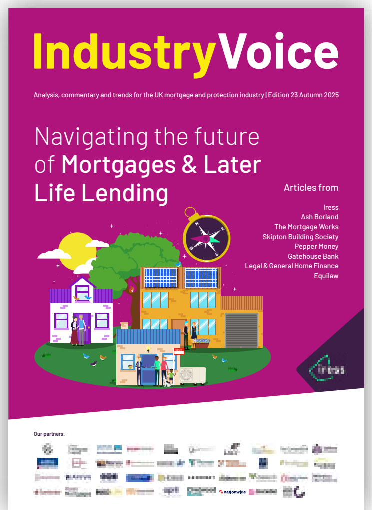

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Five forces reshaping Mortgages and Protection right now

Ash Borland

Every few years, the mortgage and protection world hits a point where it feels like everything is shifting at once. Autumn 2025 is one of those moments.

First-time buyers are still struggling to get on the ladder. Landlords are asking whether it is even worth staying in the game. Green mortgages sound good in theory, but are clients really buying into them? And then there is the rise of AI, which promises to change how advice is delivered, whether we are ready or not. Add to that the growing demand for later life lending, and you have a market that is moving fast in every direction.

The question is: how do we, as brokers and advisers, keep up?

First-Time Buyers: Affordability Front and Centre

For first-time buyers, affordability is the headline story. Yes, rates are edging down and there is more talk of schemes, but deposits are still tough to pull together and incomes remain stretched.

Our job here is not just about finding the product. It is about giving clients clarity and confidence. Showing them what is realistic, guiding them through the maze of schemes, and making sure they do not just get a mortgage, but one they can actually sustain. Regulation may open the door to more flexibility, but it is down to us to help clients understand not just what they can do, but what they should do.

Buy-to-Let: A Market in Two Halves

If you are working with landlords, you will know how split the market feels right now. Falling rates are a welcome relief, but new rules and rising costs are pushing some to the exit.

This is where clear, honest advice matters most. For some, stepping back will be the right call. For others, it is a chance to consolidate while competitors leave the field. Either way, landlords need more than just numbers, they need brokers who can cut through the noise and help them make smart, long-term decisions.

Green Mortgages: Policy vs Practicality

We all know the push towards greener housing is only going to grow. But EPCs? Clients do not trust them, and many properties will not hit the targets without serious work.

So, where does that leave us? Right in the middle. Lenders want to push sustainability, regulators want progress, and clients want straight answers. Our role is to make sense of it all, to explain what is useful, what is achievable, and how green products fit into the bigger financial picture.

Innovation, AI, and the Future of Advice

Let us talk tech. AI is no longer just a buzzword, it is already streamlining admin, eligibility checks, and compliance. The FCA is opening the door to more of it, and it is only going to accelerate.

But here is the thing: AI will not replace us. It can crunch data, but it cannot understand a client's fears, goals, or family situation. If anything, it makes our role even more important. We are the ones who translate complexity into clarity. The advisers who embrace tech, without losing the human touch, will lead the next chapter of this industry.

Later Life Lending: From Niche to Normal

Demand for later life lending is growing fast, and it is about time. More people are working longer, holding more housing wealth, and looking for flexibility in retirement.

The challenge is making sure the advice is fit for purpose. This is not about selling products. It is about having structured, empathetic conversations that give older clients confidence they are making safe, sustainable choices. Done well, later life lending can move from niche to mainstream, and brokers are the ones who can make that happen.

When you line all of this up, affordability, landlord regulation, green lending, AI, and later life borrowing, it might feel like five separate challenges. But really, they are all pointing to the same thing: our industry is changing, and the role of the broker is changing with it.

We are no longer just product matchmakers. We are guides. Translators. The people who bring confidence when clients feel uncertain.

2025 will be remembered as a tough year for many, but it could also be remembered as the year advisers stepped up, redefined their role, and showed just how valuable great advice really is.

While some landlords have exited due to regulatory and tax pressures, we are seeing a more nuanced picture in 2025. Limited company structures, expat investors and first-time landlords are increasingly stepping in, reshaping the buy-to-let sector in new and dynamic ways. Analysis from Hamptons found one in five new buy-to-let companies formed this year already includes non-UK shareholders, underlining the growing internationalisation of the market. At the same time, strong rental demand and stable yields are encouraging landlords to adapt their strategies rather than exit altogether. Portfolio landlords, in particular, are taking the opportunity to expand as others reduce their holdings. For brokers, this creates both challenge and opportunity: helping clients navigate the complexity of regulation while also guiding new entrants into the market. Regulation is certainly shaping the sector, but it is not dampening activity outright – instead, it is changing the profile of who invests and how.

Tony Hall, Head of Business Development,Saffron for Intermediaries

Buy to let has been tested by higher borrowing costs and evolving regulation, but landlords are proving resilient. Q2 Landlord Trends Report, produced with Pegasus Insight, shows 71% still describe tenant demand as strong, while average rental yields remain at a 10-year high of 6.5%.

Falling interest rates could provide a welcome boost. One in three leveraged landlords say they would look to expand their portfolios if borrowing costs decrease, while only 27% would scale back – a clear sign that investor appetite remains. At the same time, portfolio strategies are evolving, with 20% of landlords now holding property through a limited company and outright ownership at a record 48%.

At Foundation Home Loans, we see this as a moment of renewal. By offering flexible products and practical support, lenders can help landlords adapt with confidence. Far from exiting, many are positioning for sustainable growth.

Grant Hendry, Director of Sales, Foundation Home Loans

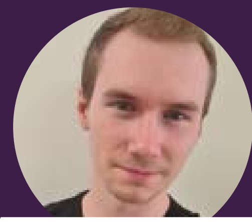
At Earl Shilton Building Society (esbs) we believe in financial empowerment for older borrowers which can be obtained through thoughtful and accessible later life lending solutions.

In a world where people are living longer and retirement is evolving, it is important to recognise that financial needs do not end at 65! A later life mortgage proposition needs to offer flexible, common-sense lending beyond traditional age limits, enabling older applicants to buy a property or existing homeowners to unlock equity for a range of purposes — whether supporting family, funding lifestyle choices, or making essential home improvements.

This lending helps people maintain independence, dignity, and security in later life.

Recognising this enables an adviser to become a refreshingly responsible voice in the later life lending space.

Richard Carson, Business Development and Marketing Manager, ESBS



Will falling interest rates give BTL a new lease of life?

A reduction in the interest rate would undoubtedly give the market a new lease of life by making it far easier to conduct BTL business. It all comes down to affordability – if it's cheaper for investors to transact, then they will.

In a stable economy, people tend to invest in their future rather than living in the now. A low interest rate and low inflation means they can afford a mortgage and have more cash in their pockets. As soon as they have more money to invest, then the market will flourish

The problem is inflation isn't aligning with what the government wants to achieve. The recent increase wasn't massive, but the fact remains inflation is still almost double their 2% target. The key is getting inflation to a manageable level and I'm confident that once we keep a lid on it, we'll see more interest rate cuts.

Adam Howard, Pricing and Insight Manager, Chetwood Bank

We're seeing a real mix of caution and quiet optimism in the BTL market right now. Yes, some landlords are stepping back - whether due to rising costs, regulation, or just wanting a simpler life - but many are still in it for the long haul. What's changing is how they invest. More people are looking at limited company structures, with a view to making their portfolios work harder. The extra admin of running a limited company can be seen as a complication, and awareness of upcoming changes like the Renters' Rights Bill is still patchy, but that's where brokers can add value and help their clients cut through the complexity to decide which route is best for them. With the right guidance, landlords can navigate the changes, adapt their strategy, and continue building successful portfolios. There's still every reason to be hopeful.

Jonathan Stinton, Head of Intermediary Relationships, Coventry Building Society

We recognise the challenges faced by borrowers today – particularly first time-buyers – in getting onto and moving up the property ladder.

That's why we were pleased when the regulator recently announced a review of the 15% limit on higher loan-to-income (LTI) mortgages - something we have been campaigning for.

We and other lenders have since enhanced our products so we can help more people, especially those with lower incomes and who have smaller deposits, to borrow what they need for their dream home.

As an industry, we now have a great opportunity – for brokers, customers, and the market, to stimulate demand, increase competition and ultimately provide more options for borrowers, especially first-time buyers and other struggling groups, and brokers have a vital role to play in showing customers what might now be possible.

Nicola Alvarez, Head of strategic partnerships and propositions, Accord Mortgages

The first-time buyer's dream

Louise Sarsby
Head of Provider/Lender
Iress

Buying your first home is one of life's biggest milestones. It's exciting, but let's be honest — it can also feel pretty overwhelming. For many clients, the journey starts with visions of their perfect home or the size of their deposit. Yet the real test comes down to how much they can borrow, and whether the monthly repayments fit comfortably into their budget

With interest rates fluctuating, house prices shifting, and new mortgage products appearing all the time, guiding first-time buyers through the market has never been more crucial. Here's a snapshot of some key developments and trends we're seeing that will help you turn your clients' homeownership dreams into an achievable (and affordable) reality.

Joint Borrower Sole Proprietor mortgages

Joint Borrower Sole Proprietor (JBSP) mortgages are growing in popularity. While co-buying used to mean couples purchasing together, today's buyers increasingly seek support from family or friends. JBSP products allow a relative (often a parent) to boost affordability without being named on the property deeds.

For lenders, these arrangements provide additional security. For brokers, they offer a practical way to help clients access higher borrowing potential while keeping monthly repayments manageable.

Borrowing limits have changed

Recent guidance from the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) has relaxed Loan-to-Income (LTI) thresholds, giving lenders more flexibility to support first-time buyers. The market has responded with new products designed to increase borrowing for lower-income clients.

While this is a positive step, challenges remain. A larger loan may get buyers through the door, but monthly repayments must still be manageable. Stretching affordability too far risks creating financial strain down the line, particularly for single borrowers.

House prices and affordability pressures

Increased borrowing capacity could inadvertently contribute to rising house prices. Halifax's house price index, for example, reported a 0.4% rise in July 2025 - the largest monthly increase this year. Whether coincidental or linked to regulatory changes, the trend highlights an ongoing imbalance: house prices continue to rise faster than wages, making it difficult for many to save the necessary deposit.

Interest rates and new mortgage products

Fortunately, there is some relief. The Bank of England Base Rate has dropped to 4%, giving some breathing room for borrowers. Many lenders anticipated this shift and adjusted their pricing accordingly, but a more stable rate environment offers reassurance for borrowers.

This provides hope and opportunity for borrowers and lenders alike.

At the same time, innovation continues. Products such as April Mortgages' 100% mortgage demonstrate lenders' willingness to find creative solutions for affordability challenges. This year we have also seen innovation from Accord Mortgages with their 5% Deposit Mortgage, available for both houses and flats, and also Leeds Building Society's Income Plus product. Whilst criteria is applicable, this shows lenders' willingness to bridge the gap in the first-time buyer market and support as many underserved borrowers as possible.

Longer mortgage terms are becoming popular

Longer mortgage terms are becoming increasingly popular as another way to make homeownership more affordable. Spreading repayments over a longer timeframe reduces monthly outgoings, helping buyers manage their budget without overstretching. UK Finance has reported that the average mortgage term is now 31 years, up from 28 years a decade ago. Whilst this is the average, mortgage terms of up to 40 years are becoming more common in the market.

Turning expectations into reality

For first-time buyers, the market can feel overwhelming. Interest rates, house prices, and product choices are constantly shifting. This is where brokers and lenders add real value: providing guidance on affordability, navigating new product options, and helping clients understand the long-term implications of borrowing.

Professional advice isn't just helpful, it's essential for turning the dream of homeownership into a sustainable reality. By staying informed and proactive, you can make a lasting difference for first-time buyers and help them step confidently onto the property ladder.

Are landlords exiting the market due to increased regulation?

I don't think there's much doubt we're seeing a reduction in the numbers of landlords, particularly among the 'dinner party'-type of landlord with a single property, but the size of the PRS remains pretty stable. In fact, when you take the increased interest in HMOs and MUFBs into consideration, it's probably growing.

It's interesting how intent governments are on demonising landlords, putting the squeeze on the sector with increased rules and regulations, but without thanks to landlords for supporting the government's lack of replenishing social housing. They haven't adequately reinvigorated the buyer's market and certainly haven't built enough social houses in decades.

People have got to live somewhere and with a lack of social housing, interest rates and inflation remaining stubbornly high, and affordability an issue for many, many of them have no option but to look to the PRS. While the imbalance between supply and demand remains, there'll always be a need for rented accommodation.

Indie Booden, Mortgage Product Manager, Chetwood Bank

Three years on from the mini budget there is greater stability and lower borrowing costs in the BTL market, rents have increased across the country and demand for rental accommodation remains strong.

There's been lender evolution to support the needs of landlords too, such as increased variations of fee options, allowing more landlords to maximise affordability where needed. House prices continuing to rise along with rents, when coupled with a reduced rate environment, has given those landlords looking to continue to expand their portfolios the opportunity to do so.

Of course there have been increased costs for landlords to consider over recent years too, from how their rental income is taxed, to increase Stamp Duty for additional property acquisitions – and now the Renters Reform Bill is on the horizon, which will be another contemplation for landlords, with increasing regulation and costs to navigate.

For some landlords, this will lead to an exit from the market – however, we recently ran a 'Real-Life Borrowers' report, and over half of those surveyed still planned to grow their portfolios. Even those looking to sell properties weren't necessarily exiting – with many selling stock to invest in a different property aligned to their investment aspirations.

Chris Kirby, Head of Field Sales, Shawbrook Retail Mortgages (The Mortgage Lender & Bluestone Mortgages)

Navigating change: Why some landlords are selling - and what alternatives exist

Daniel Clinton
Head of Specialist Lending
The Mortgage Works

The mortgage works

At The Mortgage Works, we've supported landlords for over 30 years. We understand the buy to let market is constantly evolving, and 2025 is no exception. With new regulations, shifting tax policies, and rising costs, landlords are reassessing their portfolios. Some are considering sale, others are exploring new strategies to adapt and thrive.

Are landlords selling due to increased regulation?

The short answer is; some are. But the full picture is nuanced. Whilst some landlords are choosing to sell, it is not necessarily to leave the market. And, in some cases the sale of a property is to another landlord.

A changing landscape

Recent years have brought a wave of regulatory and financial change reshaping the buy to let sector. Including:

- Phasing out of Section 21 'no-fault' evictions under the Renters' Reform Bill, which has raised concerns about regaining possession of properties
- Energy efficiency targets, with proposals requiring all rental properties being let to new tenants to achieve an EPC rating of C or above by 2028
- Tax changes, such as removal of mortgage interest relief and reductions in capital gains tax allowances
- Higher interest rates, which have increased mortgage costs squeezing profit margins.

These factors have led some landlords - particularly those with smaller portfolios - to consider whether now is the right time to exit the market. In addition, landlords who have been operating since the rise of buy to let in the early 2000's are reaching the natural end of their mortgage term and considering their options.

Market Indicators

Despite scaremongering headlines concerning an "exodus" of private landlords, underlying data suggests a far more resilient picture, with the Private Rented Sector holding around 18.8% of households in England - and only very modestly below its peak of 20.3% in 2017.

The more noticeable change in recent years, is the shift away from mortgaged properties to unencumbered private rentals, as landlords seek to de-leverage at a time when borrowing costs have risen. However, despite the number of outstanding buy to let loans falling by 6% since the 2022 peak, the overall balance sheet of buy to let remains largely unchanged at around £300bn, indicating the loans remaining are larger.

Landlord insights articulates nearly half have considered selling, with regulation cited as a key driver, we are not seeing landlords act at this scale on those considerations.

What are the alternatives to selling?

At The Mortgage Works, we believe in helping find solutions. Selling isn't the only option. Here are some strategies landlords are using to adapt:

1. Portfolio restructuring

Rather than exit, some landlords are choosing to consolidate their portfolios, selling less profitable properties and reinvesting in areas with stronger yields or lower upkeep and maintenance costs. This approach allows landlords to maintain income while improving long-term viability.

2. Investing to upgrade

Improving a property's EPC rating not only ensures compliance with future regulations but can enhance tenant appeal and reduce void periods. Our research found landlords upgrading to an A or B rated property in England, could attract price and rental premiums of 11% and 7% respectively, compared to a D rated property. Borrowing more or taking advantage of grants and green finance options is a key consideration to help fund improvements.

3. Exploring Limited Company buy to let

Operating through a limited company can offer tax efficiencies, particularly for mortgage interest relief and corporation tax. While incorporation involves legal and financial considerations, it's an increasingly popular route for professional landlords.

4. Portfolio Diversification

Some landlords are exploring more niche segments to boost yields. Houses in Multiple Occupancy (HMOs) for example, can offer superior returns and have grown in popularity since the inflation crisis, the share of purchase transactions involving a HMO has roughly doubled to 4%.

Other strategies, include the short-term rental market, like holiday lets and serviced accommodation. Whilst these investments can offer higher returns, they come with different regulatory requirements and often increased management demands.

5. Diversifying investment strategies beyond buy to let

Experienced professional landlords are considering how to use proceeds from property sales to diversify into other asset classes, such as commercial property or semi-commercial property offering competitive returns. This could help spread risk and reduce exposure to regulatory changes.

Final thoughts

The regulatory environment is changing, but with change comes opportunity. While some landlords are choosing to sell, many are adapting portfolios, improving energy efficiency, or exploring new rental models.

At The Mortgage Works, we're here for intermediaries and their landlord clients, helping to inform decisions and build a resilient, future-ready portfolio.

Advice on later life lending is currently fragmented and inconsistent, which has the potential to leave borrowers without a clear view of all their options. Borrowers need access to advisers who either understand the full spectrum of later life solutions or can signpost to appropriate specialists. Referral ecosystems could help bridge the gap between mainstream mortgage and equity release advisers, ensuring borrowers receive advice based on their specific needs.

The FCA's current discussion paper (DP25/2) raises important questions about the effectiveness of the later life sector, recognising demand will grow. Alongside product innovation, alignment of qualifications, and streamlined rules, technology has a vital role to play.

Currently, mainstream sourcing systems offer limited functionality for advisers to compare later life products alongside traditional mortgages, creating unnecessary barriers. Greater investment in holistic product comparison tools, underpinned by clearer regulation and stronger sector collaboration, is essential to support both existing advisers and encourage new advisers to diversify into this market.

Stacy Penn, Head of Policy, AMI

It's fantastic to see some great examples of innovation coming through within the sector for first-time buyers over the last 18 months.

Our own 5K Deposit Mortgage, which this year we extended to include flats, is one example, and offerings like these are enabling people's life aspirations and helping them to build their dreams.

Together with the announcement by the regulator regarding its review of loan-to-income caps, and clarification over stress-testing regulations which has provided greater flexibility, such developments are providing a particular boost to the fortunes of first-time buyers.

However, as ever, there's more for all market participants to do - from the Government to regulators, lenders and brokers – to ensure that the optimism we're all feeling continues. This means constantly looking at how we continue to support borrowers, focussing on further product innovation and lobbying for industry change.

Chris Hill, Head of Sales, Accord Mortgages

If interest rates continue to fall, the buy-to-let market could experience renewed momentum, particularly among professional landlords who see lower borrowing costs as an opportunity to refinance, restructure portfolios, or even expand. Softer stress testing and improved yields relative to debt create conditions that may reignite investment appetite. At the same time, increased regulation in this space such as proposed rent reform and EPC upgrade requirements has driven smaller landlords to exit the sector, with more considering selling up. This creates a dual dynamic that brokers must be ready to navigate. The opportunity lies not just in supporting landlords who remain but also in positioning yourself at the centre of the transition when properties are sold. By helping exiting landlords make informed choices while also supporting onward acquisitions whether by professional landlords or even first-time buyers brokers can secure a role across both sides of the transaction and add real long-term value

Matt McCullough, Head of Sales & Development, Aldermore

Despite clear obstacles, opportunities still remain, and a growing number of landlords are working with expert advisers to jump on them. With BTL lending returning to pre-pandemic levels, our latest survey tell us that the majority of landlords plan to expand their portfolios this year. Best of all, they also intend to stay put with no plans to sell.

It speaks of growing landlord confidence and the value advisers offer in navigating the market. Alongside a stabilising of mortgage rates, lenders continue to prioritise innovation to ease affordability pressures and provide brokers with the tools to help landlords of all sizes launch, scale and refinance a successful property portfolio.

Rob Stanton, Sales and Distribution Director, Landbay

Affordability for first-time buyers can no longer be assessed through a narrow lens. These aren't vanilla borrowers, they're a cosmopolitan cone, layered in complexity, covered in sprinkles and with a story to tell.

Many are in their 30s and 40s, with small deposits, little access to intergenerational wealth and multiple income streams. For this group, maximising affordability means moving beyond static criteria and that's where lender and broker expertise matters.

We're not talking about stretching affordability - we're talking about reflecting it properly.

So how do we bring borrowers from first call to first home? By seeing the full picture. Look at all income streams, consider earned income up to retirement, offer longer terms, lower deposits and higher LTI multiples. At Hodge, we also manually underwrite every case, so no part of the picture gets lost to automation.

Ultimately, first time borrowers need mortgages built around their lifestyle, life stage and income. We're not breaking the mould, we're reshaping it to get the reality of today's borrowers.

Emma Graham, Director of Business Development, Hodge

If designed well, AI tools could free up brokers to focus on the human side of advice.

Brokers such as London & Country and Habito have recently added Norton Home Loans to their panels which reflects a growing recognition that not all clients fit a simple tickbox exercise. Many have unique circumstances, whether that's complex income or unusual property types and so require lenders with a flexible approach and brokers who understand such complexities.

AI can speed up fact-finding, but the broker's role remains critical. Intermediaries will still need to explain why a product suits a client's needs, stress the importance of protection, and recommend steps such as commissioning a private survey to uncover property issues before purchase.

In short, AI is a valuable assistant, but not a replacement. The best outcomes will come from combining technology with the judgement, empathy, and experience that only a skilled broker can provide.

David Binney, Head of Sales, Norton Home Loans

A big mountain to climb, but the view from the top will be worth it

Lucy Lewis
Senior National Accounts and First Time Buyer Lead,
Skipton Building Society

SKIPTON BUILDING SOCIETY For Intermediaries

The end of August always feels like a time for reflection to me. The end of the Summer, thoughts turning to going back to school (for my kids anyway), a new school year with all the opportunity that brings, and for me, preparation for the busy events season, darker evenings, planning for the remainder of the year as well as budgets for next.

This year has been slightly different, with GCSE and A-Levels results for my girls (a stressful couple of weeks!), and my eldest, having decided that the cost of a university degree outweighs the benefits for her, looking for her first full time job. A different decision to the one that I faced nearly thirty years ago, before the advent of tuition fees in England. At just 18, her thoughts have already turned to what she needs to do to be able to buy her first house in the coming years (she's heard from friends how difficult it is), with dinner table discussions on the benefits of Lifetime ISAs and regular savings. It seems like a big mountain to climb.

Indeed, The Building Societies Association's First Time Buyer report published in April 2024 stated that, "Becoming a first-time buyer is expensive, possibly the most expensive it has been over at least the last seventy years," with a combination of high house prices and post financial crisis regulation meaning that not only do first-time buyers require a substantial deposit, but the increase in mortgage rates saw their repayment affordability stretched too. A sobering thought for a parent of a young person embarking on their adult life. And one that everyone in the industry looking to help people into homes is acutely aware of.

The last edition of the Skipton Group Affordability Index (designed in conjunction with Oxford Economics, combining data from ONS, Bank of England and Skipton Group) also highlighted the challenges facing first-time buyers, looking not only at the affordability costs of buying a property but also at the costs of then living in and maintaining that property. According to its data, nearly 90% of potential first-time buyers cannot afford to buy a typical first home in their local area based on their personal financial situation alone (i.e. without help from Bank of Family).

It's key that lenders continue to innovate to help people face into those challenges and realise their dream of owning their own home. We've seen some great innovation from lenders in this area in 2025, with more lenders launching joint borrower, sole proprietor mortgages (a great way for prospective buyers to boost their income with a little help from family or friends), increased options for New Build houses and flats at high loan to values, and some new lenders joining Skipton by providing options to borrowers who have less than a 5% deposit.

But it's not just down to lenders. The Building Societies Association's report highlighted the part played by post financial crisis regulation in adding to the first-time buyers' affordability and deposit raising challenges. Skipton and counterparts from Nationwide and Yorkshire Building Societies spoke this year at the Treasury Select Committee and to Downing Street, highlighting the need to increase the Financial Policy Committee's LTI flow cap and it was gratifying to hear the PRA announce in July that it is reviewing the loan-to-income ratio requirements, offering a modification by consent whilst the review is ongoing.

Moreover, with its current discussion paper, DP25/2 Mortgage Rule Review: the future of the mortgage market, the FCA is looking at whether it can update its 'responsible lending rules to support product innovation and greater home ownership for those customers that can repay… if firms can give more support to groups which may be currently underserved by the mortgage market' including potential first-time buyers. So, it's not inconceivable that there could be more positive change on the horizon.

As the BSA notes in its report, 'First-Time Buyers: the missing millions', 'the unaffordability of house prices relative to incomes is the underlying issue'. It says 'intermediate tenures like First Homes and Shared Ownership can help but they need to be much improved from their current form and are always likely to be niche products'. Concluding that 'ultimately, what is needed is a long-term strategy for housing with Government creating the conditions for the housing market where house prices rise in nominal terms but fall relative to incomes – helping not just today's first-time buyers but also future generations'.

Government and policy makers have a big challenge on their hands. We at the Skipton Group are standing ready to inform and contribute to the wider conversations, to really start helping to improve access to the housing market for first-time buyers.

Looking to dive deeper? Our BDM team are ready to answer questions and help brokers integrate affordability insights into their client discussions, get in touch today.

THIS NOTICE IS IMPORTANT - Please read the following information carefully. If you do not agree or understand any part please do not use the SGHAI, or act or omit to act in consequence of it.

The Skipton Group Home Affordability Index is not a benchmark for the purposes of UK Benchmark Regulation, nor for the purposes of any other legislation or regulation.

The Skipton Group Home Affordability Index is produced for information purposes only and must not be used or relied upon for commercial purposes, including as a reference for:

- determining an amount payable under a financial instrument or a financial contract;
- determining the value of a financial instrument; or
- measuring the performance of an investment fund with the purpose of:
  - o tracking the return of such index; or
  - o defining the asset allocation of a portfolio; or
  - o computing the performance fees.

The later life lending market presents a significant opportunity to better support an ageing population with evolving financial needs. Equity Release, offers a powerful solution for homeowners seeking to unlock value from their property to enhance retirement income, manage care costs, or support family. However, advice in this space must be more accessible, personalised, and forward-thinking. With the FCA's focus on improving consumer outcomes, there's a real opportunity to harness technology, perhaps via AI-driven tools, to help intermediaries deliver clearer, more tailored guidance. As the market matures, collaboration between lenders, advisors and regulators will be key to ensuring equity release becomes a trusted, mainstream option and no longer viewed as "specialist". By improving advice quality and embracing innovation, we can empower more people to make confident, informed decisions in later life.

Kay Westgarth, Head of Retirement Distribution, Aviva

Falling interest rates certainly ease affordability pressures, and that's positive for landlords seeking mortgage finance. The rate cuts we've introduced in recent months have been welcomed and have encouraged more activity, particularly as refinancing conversations become easier and rental yields continue to hold up well. Seasoned landlords have always factored the rate environment into their investment strategy.

What's more significant in the longer-term are the policy signals coming from Government, with the latest rumours suggesting NI could be charged on an individual's rental income. If that happens, it's another potential blow for landlords operating in this way, but it will likely accelerate the ongoing and overwhelming trend towards landlords using company structures to manage portfolios more efficiently. The reality is that professional landlords still see the value and opportunity in growing portfolios, and falling rates will only support that ambition.

Steve Cox, Chief Commercial Officer, Fleet Mortgages

Access to safe and affordable housing remains a significant challenge for many across Wales. At Monmouthshire Building Society, we believe the mortgage industry has a vital role to play in supporting more inclusive homeownership.

This year, we've partnered with two housing associations in South Wales to offer shared ownership products, along with joining the Own Home Cymru initiative.

Broadening lending criteria to better reflect real-life financial situations – such as accepting maintenance payments as income, allowing gifted deposits from immediate family, and using current day rates for self-employed contractors rather than two-year averages- are a few ways that lenders can help commit to helping more first-time buyers take their first step onto the property ladder.

Caroline Mitchell, Mortgage Distribution Manager, Monmouthshire Building Society

Despite regulatory headwinds, the BTL market remains resilient. Investors are adapting, whether through limited company structures, diversifying into HMOs or holiday lets, or leveraging equity from rising house prices to expand portfolios. The Renters' Rights Bill and evolving EPC requirements are reshaping the landscape, but they're not deterring seasoned or emerging landlords. In fact, falling interest rates are improving cash flow, making BTL more attractive again. The sector's strength lies in its adaptability, and with rental demand still high, BTL continues to be a viable and strategic investment option. It's not about survival - it's about evolution.

Brendan Crowshaw, Head of Mortgage & Savings Distribution, Vernon Building Society

Awareness of Artificial Intelligence has grown significantly in recent years, with most industries exploring how it can enhance operations and customer experience.

In the mortgage intermediary sector, AI will no doubt play an increasing role in the coming years - particularly in improving efficiency and enabling advisers to spend more time supporting clients and growing their businesses.

Tools that analyse bank statements and affordability, assess criteria, consolidate product research and manage document requests could significantly reduce time spent on administration, giving advisers more time to focus on their client to deliver high-quality, personalised advice and better customer outcomes.

Adoption of AI-driven chatbots seems likely to increase as the functionality becomes more accessible and cost-effective. These tools could support the overall customer experience by providing 24/7 support, answering frequently asked questions, and guiding clients through the enquiry and application process.

Chris Martin, Head of Products, BuildLoan

Unlocking homeownership through discount market value

Amid the ongoing debate about housing affordability, the government's new £16bn National Housing Bank underlines the scale of the challenge. Yet while national policy is vital, the real test lies in creating solutions that work at a local level.

One such option is Discount Market Value (DMV) housing. By offering homes at up to 30% below market value, often reserved for people with local ties, DMV schemes can put ownership within reach for buyers who might otherwise be priced out. But as brokers know, securing the mortgage can be as big a hurdle as finding the property.

That's why flexible lending criteria matter. Willingness to look beyond rigid credit scores, accept gifted deposits, or consider clients with varied income sources can be the difference between success and frustration. For advisers, DMV represents a chance to widen conversations with clients, offering a practical route to affordability that also supports stronger communities.

Ashley Pearson, Head of Intermediaries, Loughborough Building Society

Looking beyond the high street

Paul Adams
Sales Director
Pepper Money

In today's mortgage market, the gap between traditional lenders and the realities of modern borrowers is growing. With rigid criteria and algorithm-driven lending decisions, many prospective homebuyers - whether self-employed, new to the UK, or navigating unexpected life events - are finding their needs are no longer met by the traditional criteria of high street lenders.

And so, many borrowers have needs best met by specialist lenders, many of whom now offer solutions for those that may have a different financial setup and who need something 'just-off-high-street'. The reason for this is such specialist lenders can offer borrowers an alternative solution that matches the realities of modern buyers. Prioritising flexibility, nuance, and a human approach, specialist lenders take a specialist approach to lending, contributing to a more inclusive mortgage industry.

When to look beyond the high street

A growing segment of the mortgage market are now finding themselves needing to look beyond the high street, being borrowers who fall outside the inflexible criteria of high street lenders but have the necessary means to manage a mortgage. Such buyers may have irregular or complex sources of income, be in the UK on a working visa, be seeking interest-only, or have experienced life events that have impacted their credit history.

Specialist lenders are increasingly offering solutions tailored to those who are 'just-off--high-street', recognising the needs of this diverse group of customers and look to apply a more nuanced and human approach to meet their lending requirements. Many of these lenders assess mortgage applications manually, enabling them to look at the full picture, taking into account a customer's broader financial position and offer a solution that addresses modern realities.

Lenders serving this 'just-off-high-street' market are uniquely placed to develop and enhance their products in ways not currently available from the big high-street names, as they look to expand access to lending for as many borrowers as possible. This enables such specialist lenders to serve the needs of applicants on UK visas, adapt more agilely to the needs of employed and self-employed applicants, and improve access flexibility for applicants with more complex circumstances.

Specialist lenders which meet this growing market need are committed to bridging the gap between exclusion and opportunity, continually looking for more ways to say yes and give more people a fair shot at homeownership.

How just-off-high-street lenders are championing financial inclusion

In 2025, many borrowers face financial circumstances that mean they don't neatly fit into the high street's tick-box criteria. Whether it's a missed payment due to illness, a career change, or the complexities of income when self-employed, rather than shutting them out of their housing ambitions, specialist lenders increasingly seek to understand their situation better and offer customers bespoke products that are as unique as their financial circumstances.

It's clear that affordability remains a key challenge for millions. In 2024, average deposits for a home hit £69,000 across England, and a staggering £155,000 in London, as house prices continued to skyrocket while earnings lagged behind. As champions of financial inclusion, these specialist lenders must therefore continue to adapt to a continually evolving housing market.

Specialist lending is no longer just for applicants with adverse credit. A big reason for declines from the high street is due to a customer's credit score. This could be under the thresholds set for any number of reasons, including previous financial blips, utilisation of unsecured credit, or a lack of credit history. Some specialist lenders, like Pepper Money, don't credit score, but instead rely on the credit report itself, alongside the story behind the numbers that a broker provides when they submit an application.

We don't believe that one number should define whether an application is creditworthy. In a market that increasingly relies on algorithms and binary decisions on creditworthiness, specialist lenders serving this market understand that financial diversity is not a weakness, but a reflection of modern life.

Meeting the needs of the modern borrower

The modern mortgage applicant is no longer one size fits all: financially savvy but less financially traditional. This is why specialist lenders are essential for those who need tailored or more flexible solutions, often offering an extensive product range developed to better support more borrowers.

Conclusion

Looking beyond the high street doesn't mean settling for a knock off of the high street, it's a challenger, it's up and coming, and reflects the changing mortgage landscape with a commitment to doing things differently. Embracing financial diversity, championing underserved borrowers, and offering flexible, human-first solutions, specialist lenders offering just-off-high-street solutions are reshaping the experience for borrowers financing their home. In a world where rigid systems often overlook real people, we go further with our product ranges and approach to approvals to meet borrowers where they need us most.

Regulatory intervention can support the mortgage market in improving the energy efficiency of homes, but must be carefully designed to minimise conduct risk.

The FCAs Mortgage Rule Review Discussion Paper makes clear that there is appetite for regulatory intervention, but a better understanding of the challenge posed is required first. EPCs are currently used as the benchmark for energy efficiency but are only legally required when a property is built, sold or rented, and valid for 10 years. Only around 50% of UK properties have an EPC, the rest is unknown.

Though there is call for regulatory intervention such as incorporating climate data into lending decisions, doing so without a full understanding of the energy efficiency of housing stock could raise conduct risks, such as creating mortgage prisoners for borrowers in low-rated homes. Tackling that gap in understanding of existing housing stock should be the biggest focus of regulatory intervention.

Kyle Greck, Head of Mortgage Sales, Bath Building Society

The use of AI has the potential to allow advisors to automate multiple areas of their daily work activities. Due to the ever increasing complexity of the mortgage journey, from admin to compliance, submitting applications to contacting lenders, these tasks continue to take up large portions of an advisor's time. This is gradually leading to advisors spending less time on what they do best: advising clients with their financial needs and helping them achieve their goals. The continuing evolution of AI can allow advisors to refocus their energy on what truly matters and also give them more of their biggest asset - time, whether that is more time to focus on client relationships or more time to spend with their family. Let's look at AI from the perspective of the glass being half full and utilise this opportunity to its full potential.

Josh Hart, Business Development Manager, Iress

Many young, aspiring homeowners today are Gen Zers who face unique financial hurdles. Unlike previous generations with stable 9-to-5 jobs, many in this cohort are part of the gig economy, relying on multiple income streams from freelancing, contracting, or even zero-hours contracts.

This non-traditional income structure, along with the significant burden of student debt, makes it incredibly challenging for them to secure a mortgage through traditional means.

The current system, often stuck in the past, risks stifling the entrepreneurial spirit of this generation by prioritising a clean, conventional employment history. To help this demographic, the property finance industry, particularly mortgage brokers, must adapt. They need to understand and engage with specialist lenders like LendInvest, who can demystify complex underwriting and recognise that a borrower with a side hustle isn't necessarily a high-risk client; they're just a product of the modern economy.

Rod McPherson, Head of Distribution, LendInvest

Buying a home has become increasingly challenging for first-time buyers (FTBs) due to rising house prices, stagnant wages, high inflation, and increased interest rates.

The Building Societies Association reported that buying a first home is now more expensive than at any point in the last 70 years. Since 1982, house prices have risen 16-fold, while incomes have only grown seven times.

Lenders are adapting by offering higher loan-to-value (LTV) products, flexible loan-to-income (LTI) ratios, and accommodating varied income types such as bonuses and self-employment. Joint Borrower Sole Proprietor (JBSP) mortgages and government-backed schemes like Shared Ownership and First Homes are helping FTBs overcome deposit and affordability hurdles. Lenders continue to evolve their products in collaboration with brokers to ensure FTBs can access affordable mortgage options and achieve homeownership.

Chris Blewitt, Head of Mortgage Distribution, Darlington Building Society

The recent decision allowing lenders to exceed the 15% LTI limit is a welcome change to the residential mortgage market. However, even before this decision, we wanted to ensure that our affordability and lending policy was forward thinking. This helps FTB's secure their first home and provides brokers with a more flexible approach. We have always offered up to 6 x income at up to 95% LTV, as we feel that an assessment of a client's affordability is the fairest way. Everyone has their personal set of circumstances, and we treat each customer as an individual. We also took the decision to assess using 'credit search' not 'credit score' and can look at mortgages over a 40 year term, beyond age 70, and utilising additional income at 100%, all of which support affordability and customers buying their first home.

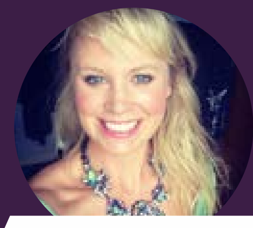
Anne Hodgson, Business Development Manager, The Cumberland

Like many, I'm long enough in the tooth (and industry) to remember paper apps! Since these labour-intensive days, we have evolved, albeit kicking and screaming at times. AI is the boldest developmental stage to date. Yet, I am convinced its evolution not extinction for our intermediaries.

AI is as mind boggling as a broker's role is all encompassing; but viewed as a tool, not a threat, it can be game changer. AI can process, analyse, predict, provide outcomes, streamline and even protect with unparalleled speed and precision. BUT it cannot replicate empathy, reassurance, shared life experience and the ability to truly understand a client's dreams. Far from replacing advisors AI can enhance their offering whilst free them from the more mundane tasks; gifting energy to focus on relationships, growth OR the most precious resource of all, time.

For the biggest financial commitment in life, a real-life human will always command the utmost value.

AimieJo Shutt, National Key Account Manager, Santander



The UK Buy-to-Let market is changing but still holds a wealth of opportunities for investors

Lottie Dougill
Head of Home Finance Distributions
Gatehouse Bank

Near the beginning of this year, property professionals may have had limited confidence in the UK's Buy-to-Let (BTL) market, instead favouring the first-time buyers' market or those looking to purchase a new build property.[1] At the time, this was understandable due to uncertainty surrounding the impact of key regulatory changes, including updates to stamp duty thresholds and the impending Renters' Rights Bill. However, figures released by UK Finance recently showed that in Q1, there was a 38.6% increase in new Buy-to-Let financing in the UK, compared with the same quarter in 2024.[2]

Additionally, a recent market update from Savills provided more reasons for homeowners and landlords to be optimistic, forecasting UK house prices to rise by 24.5% over the next five years, with rental prices also seeing an increase of 17.6%.[3,4] These rises are likely linked to the high demand for properties in the UK and, while it is important that we support efforts to better meet customer demand, it is equally valuable to inform prospective investors of the important role they have to play in increasing the supply of rental homes available.

It's clear that despite an initial dip in confidence and a need for a well-balanced and responsive approach to the demands of the housing sector, the UK's BTL market is experiencing a period of growth, not contraction. There is still a wealth of opportunities on offer for investors, whether they reside in the UK or overseas, as the market shifts and changes to adapt to current economic and regulatory conditions as well as evolving consumer needs.

While change in economic markets is something that we can always rely upon, so is the UK's reputation as a strong, stable and attractive environment to purchase property. As well as the ability to yield consistently high returns on investment, the strong laws and policies in place within the UK are particularly enticing. This is especially true for overseas investors, with one specific draw in English property law being the ability to deduct tax from some expenses such as property management fees, maintenance and insurance.

The wide range of investment properties on offer provides another reason for the UK market's attractiveness, which allows each individual investor to find something that best suits their goals. For many, this continues to be within the metropolitan capital, London, however, an increasing number of investors are turning their attention to other up-and-coming cities such as Manchester, Liverpool and Birmingham. This is largely due to elevated demand from young professionals and students, as well as an increase in modern developments.

This is a trend we are seeing within our own customer base too. Of our clients residing in the United Arab Emirates, just over a quarter (28%) have chosen to invest in the North West and a further 20% in the West Midlands. In contrast, just 15% of these investors have chosen to invest in property in London. With the North East and North West seeing the highest increase in rental yields in England during the first quarter of this year, it's no surprise that these regions are becoming a more popular choice.[5]

There is no question that the UK Buy-to-Let market has been undergoing a period of change which has come with a degree of uncertainty and fluctuating confidence. However, we know that change is no new experience within global financial environments. And, for those willing to move and adapt with it, it's clear there remain many reasons why the market is a solid option for those looking to invest, with Gatehouse Bank and other financial providers on hand to help and support investors throughout this period.

1. Property Wire, Confidence in UK buy-to-let limited
2. UK Finance, Buy-to-Let Lending
3. The Intermediary, House prices to rise 24.5% by 2029, predicts Savills
4. Property Investor Today, Savills predicts long-term rent rises as landlords quit sector
5. Fleet Mortgages, Rental Barometer Q1 2025

Autumn is here, and the Renters' Rights Bill is quickly approaching. New legislation is set to upend the world of mortgages and property investment from multiple angles. Will landlords continue to sell up? Will green mortgages encourage borrowers to take EPCs seriously? With an aging population, is later life lending advice up to par?

Fortunately, the specialist lending market will be able to help with these concerns. As tightened regulation forces out landlords, we'll be with there with funding that can allow first-time landlords to jump on the emerging opportunities. Also, should investors realise their EPC efforts aren't up to scratch, our loans can help them upgrade their assets, and secure those higher grades.

Looking ahead, the only thing that's clear is that borrowers will require flexibility from their lenders, and adaptability. Thankfully, the specialist market is primed for what's on the horizon.

Paresh Raja, CEO, Market Financial Solutions

Later Life advisers need to have better rounded conversations if borrowers are to tap into their housing wealth with confidence.

Fairer Finance's report 'How can housing wealth bridge the later life funding gap' estimates that 51% of UK households will need to rely on property wealth to maintain their living standards in later life, potentially unlocking more than £23 billion annually by 2040.

Alongside this, the FCA's Discussion Paper The Future of the UK Mortgage Market launches an essential debate about how the sector should evolve to promote sustainable home ownership, strengthen economic resilience, and enable lenders to design products that meet the needs of our rapidly ageing population.

Together, these two reports provide a strong evidence base: they highlight the urgency of raising standards of advice and widening access so people can make informed, confident decisions, ensuring housing wealth becomes a secure foundation for later life.

Jim Boyd, CEO, Equity Release Council

Later life lending is growing fast as more people carry mortgages into retirement. At Chorley Building Society we see this evidenced by the number of later life remortgage cases we get. Under the Consumer Duty, brokers must evidence good outcomes and tailor solutions for older and often vulnerable customers. Therefore, understanding the breadth of options and lenders available is key. The FCA can help by continuing to set clear standards and publishing regular findings. Technology can transform advice, as an example, digital fact-finds that assist the broker by highlighting all options available. At Chorley, we believe great advice means exploring every option, from Equity Release to lending into and whilst retired, and presenting them transparently. Done well, later life lending allows customers to stay in their properties for longer, protects families, and builds trust across our industry.

Shane Dye,Senior Business Development Manager,
Chorley Building Society

If I could wave my magic wand, I'd like to see equity release and standard later life products side by side on all sourcing systems. I'm not saying this would be easy, but it's something worth striving for. I'd like to see all customers presented with both options, regardless of the adviser they use. Until we achieve this 'later life utopia', I'd like to have total confidence that, after a robust fact-find, if a broker can't advise on the best option, they refer it over to an adviser that can.

Good customer outcomes are our duty, and this is nowhere more important than in later life – retirement looks different for many, and the borrowing solutions are vast. If one option isn't right for a customer, then let's refer them to an adviser who can get that product that's spot on!"

Charlotte Grimshaw, Head of Intermediaries, Suffolk Building Society

It's an exciting time to be working with intermediaries, there's now an array of propositions waiting to be utilised to support people move onto the property ladder.

At Nationwide, the vast majority of our high LTI lending uses Helping Hand, giving a mortgage boost up to 6 x income. The PRA announcement in July increased the flow limit on high LTI lending, creating a range of options for intermediaries to reach new clients - those who previously thought they had no route to home ownership.

There have been positive moves in other criteria too, like our increase to 95% maximum loan-to-value on new build houses. It's important lenders help intermediaries understand how criteria and propositions maximise the help they can give their clients when used in tandem.

We believe these positive developments will stimulate economic growth and housebuilding - another element required to help first time buyers with viable options.

Gemma Clark, Intermediary Propositions Manager,
Nationwide Building Society

Advice on later life lending is most effective when it gives borrowers a full picture of their options. With an ageing population and rising living costs, products like Later Life and Retirement Interest Only have strong potential but can be underutilised in favour of more well-known solutions, like equity release. Whilst it's a lender's responsibility to ensure borrowers are informed, advisors play a key role in highlighting all available options.

Promoting clear and transparent communication around product suitability is crucial to ensure borrowers make informed decisions. For example, we equip brokers with fact sheets to ensure clients are properly informed before taking out a Marsden mortgage. Ongoing communication, such as regular repayment reminders, also helps borrowers manage products responsibly.

Technology has the potential to further enhance effectiveness by streamlining the process from application to offer, helping to reduce delays and ensure consistent, relevant and accessible information for brokers and their clients.

Katie Broome, Product Manager, Marsden Building Society

Giving while living: Rethinking equity release

Darren Arulvasagam
Strategic Account Manager
Legal & General Home Finance

A new opportunity is emerging across the lifetime mortgage (LTM) market. They're no longer seen as just a financial tool for retirees, and are increasingly being used as a way of helping family members onto the property ladder.

Many over-55s will find the idea of releasing equity from their home to help their children or grandchildren appealing – especially if they don't have to sacrifice their current way of life or home in the process.

So, how can advisers teach their clients about the valuable role LTMs can play in family financial planning?

Rethinking how we position LTMs

Rather than just focusing on the older homeowner, advisers support the whole family.

Initially, this might mean talking to older family members about:

- The range of products available – like over 55s LTMs and retirement interest only mortgages
- How the products work – from roll-up interest, inheritance impact, optional repayments and more
- Key LTM features – such as no-negative-equity guarantees, drawdown options, and voluntary repayment plans.

Then later, you should make sure the younger family members are involved in conversations about:

- The benefits of bank of family gifting – like better interest rates from lenders and early inheritance

  The advantages and disadvantages of home ownership – like building equity, freedom to customise the property as you wish and ongoing maintenance and repair costs.
- Inheritance tax implications – and how these arrangements can affect them financially later down the line.

How do you make sure everyone's happy?

Guiding families towards the right outcome means getting to know their dynamic, understanding their financial situation and opening space for honest dialogue.

It's important to be clear on everyone's goals and expectations as both generations need to be on the same page about the money and what it's being used for.

Most families don't make these types of decisions lightly. You'll need to be prepared to maintain an ongoing discussion, share any additional information along the way and schedule follow-up meetings.

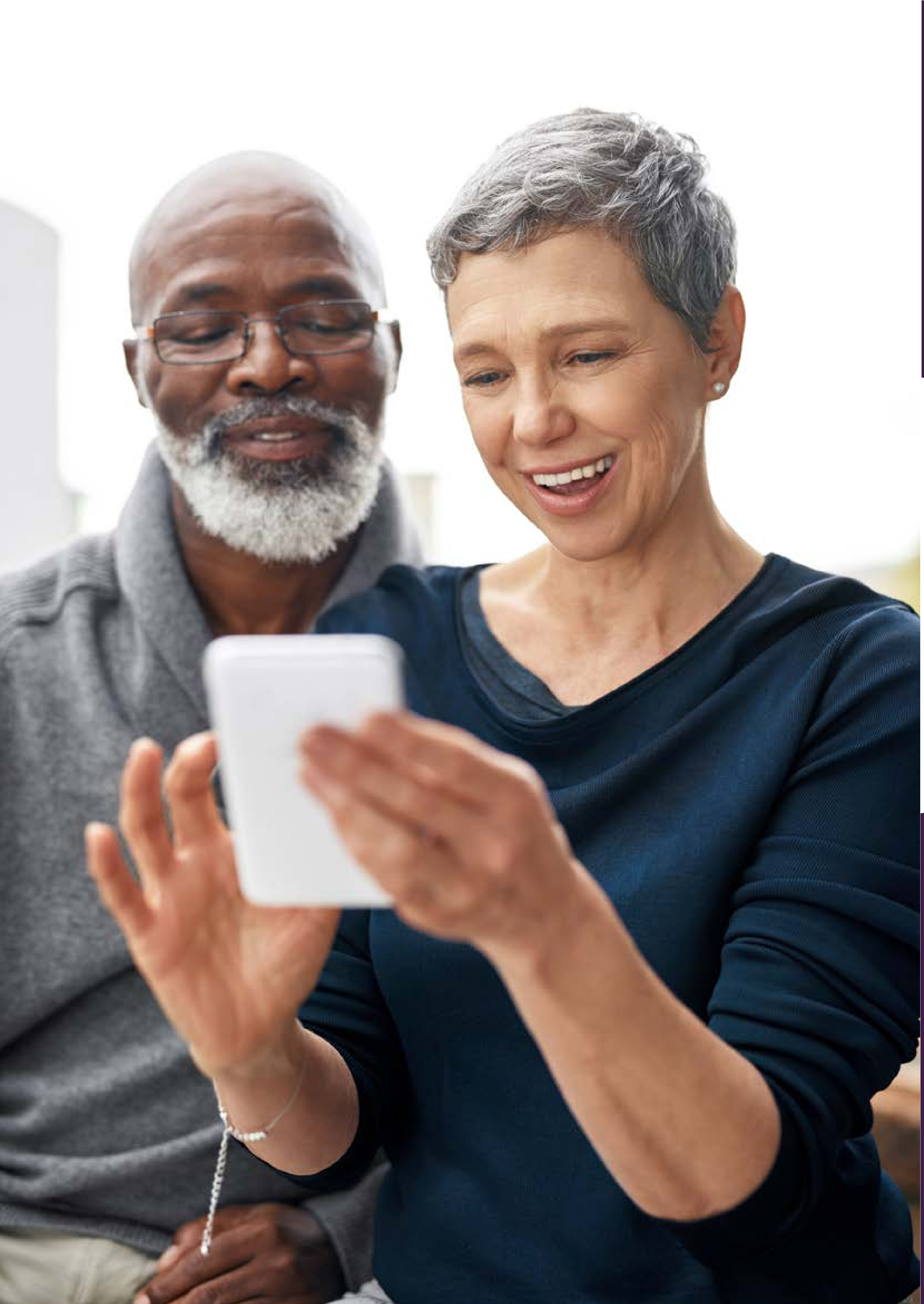
Let's lead the conversation together

Reframing LTMs can be a powerful opportunity. It offers meaningful value to the entire family and places equity release as a way to support a bigger picture that goes way beyond your clients' retirement. And with current challenges, it seems increasingly likely that it will become a more common choice for many families in years to come.

But it also comes with an added responsibility – making sure everyone involved is as informed and confident as possible about their decision.

If we lead the conversation properly, we can move the industry forward – one home and one generation at a time.

To find out more about our LTMs, visit our dedicated page: [Lifetime Mortgage Info For Financial Advisers | Legal & General]



Despite headlines suggesting landlords are exiting the industry in their droves, many are instead adapting to the evolving regulatory landscape. While recent legislation will introduce new responsibilities from energy efficiency requirements, to upcoming changes in eviction rules with the renters rights bill, many landlords are seeing this as an opportunity to reassess their investment approach.

For mortgage brokers this is a positive shift as landlords look for advice on restructuring their finances, with limited company buy-to-let and remortgaging options gaining traction.

Indeed, increased legislation may prompt a transition from smaller landlords to more professional landlords, potentially strengthening the long term resilience of the sector. Rather than shrinking, the market is likely to become more stable and transparent and experienced mortgage brokers are ideally placed to support landlords through these changes.

Sheryl Kirk, National Account Manager, Lendco

It is a pivotal time for later-life finance, as we adapt to the higher interest rate environment, pension shortfalls are common and inheritance considerations vary. We are seeing a fundamental shift where property wealth, through equity release and other mortgages, is increasingly being considered in tandem with pension assets and other savings to determine the optimum strategy based on individual circumstances and needs. As the advice journey becomes more integrated, the role of technology is paramount. It enables advisers to manage complexity more efficiently, ultimately allowing them to deliver broader, more personalised advice and secure better outcomes for their clients. The integration of AI is set to accelerate technological development and enable novel approaches to be taken, ushering in a new generation of solutions that will directly benefit both advisers and their clients.

Rob Bowes, Product Lead – Retirement, Iress

The FCA's Discussion Paper on the future of the UK mortgage market has rightly put later life lending front and centre, which is a huge positive for the sector, particularly advisers and consumers. With millions of borrowers approaching retirement and still servicing mortgage debt plus the other growing requirements of later life, we need advice processes that reflect the full spectrum of product options available both now and in the future. That means more advisers qualified and authorised to talk confidently about lifetime mortgages, hybrid products, RIOs and mainstream solutions, not just defaulting to another remortgage or product transfer. We'd like to see the FCA support a unified qualification and encourage earlier conversations with borrowers aged 50-plus. But better advice also needs better tools. Advisers shouldn't have to battle clunky systems or vague criteria. Technology that streamlines property suitability checks, flags issues early, and boosts certainty and confidence - like pre-valuation assessments - is crucial to making this scalable. The future of later life lending is holistic, embedded in advice, and tech-enabled. It's a real opportunity and, if they are not already, advisers should get in at this ground level as we're only just getting started.

Dave Harris, CEO, more2life

Later Life Lending – Adapting To Change

Matthew Taylor
Business Development Director
Equilaw

Later life lending is undoubtedly a vital part of the overall modern UK mortgage landscape. As clients increasingly look to unlock property wealth in and around retirement ages, mortgage advisers are at the frontline of ensuring that older borrowers receive clear, suitable, and ethical advice. Whether dealing with lifetime mortgages, retirement interest-only (RIO) products, or hybrid solutions, advisers play a crucial role in helping clients navigate some of the most significant financial decisions of their later years, it is important to consider how the advice is being given across this sector and what more can be done to support better outcomes for this growing client base.

The effectiveness of later life lending advice hinges not just on compliance, but on how well it aligns with a client's long-term goals, health, family situation, and financial resilience. A well-advised client should walk away with a product that genuinely suits their needs—whether that's releasing equity, protecting inheritance, servicing debt or improving retirement cashflow.

It is often challenged that there is inconsistent advice quality in this area, with advice processes remaining overly product-led, and insufficient challenge to client assumptions or exploration of viable alternatives. Some advisers, often unintentionally, may focus more on ticking regulatory boxes than delivering personalised, future-proof guidance.

It remains vitally important that advisers seek to expand their professional network so that if they cannot advise on a full suite of lending options, they can hand off to a trusted professional who can. This avoidance of "siloed" advice not only allows better, more bespoke client outcomes, but allows professionals to refer business through an ecosystem that provides previously untapped commercial upsides to those involved.

Drilling down on the advice itself, this means going beyond suitability checks and engaging with a client fully. Discussing areas such as mental capacity and financial sophistication, vulnerability, family expectations, and even emotional considerations like reluctance to downsize will all help signpost the correct route of advice. It also means having honest, sometimes difficult conversations about the long-term implications of interest roll-up, the loss of means-tested benefits, or the reduction in estate value.

The challenge is not just about improving advice for individual clients but raising consistency and standards across the board. This is where both the regulator and technology have crucial roles to play

Within the legal advice space, we are seeing a vastly changing client demographic, with more clients still working and the less of a traditional retired client who is releasing some property wealth to supplement their pension income.

It is important that the method and channel of advice is flexed to meet these changing needs of the end client. Working patterns needs to be adapted away from the traditional Monday to Friday, 9-5 calendar to allow clients to access their legal adviser in the evenings and across the weekend. Consideration also needs to be given to remote advice channels and the ability for clients to use portals and interact electronically to achieve their goals and obtain safe, convenient and robust legal advice.

Potential client vulnerability is also heightened in this space, and extra care should be given to not only address any visible signs of vulnerability, but to explore more transient factors. Gifting and unsecured debt repayment are often popular uses of funds for later life borrowers as they aim to help family members financially, as well as unburden dept repayments themselves. Care should be taken to fully explore the background of the case and how the advice has been given up to the legal stage. If a client has yet to be seen face to face, this should be considered to help unpick any potentially well disguised capacity and duress factors.

Technology can undoubtedly support advisers in improving both advice quality and client engagement. Digital tools such as cashflow modelling, lifetime mortgage calculators, and scenario analysis software can make abstract risks, like compound interest or estate erosion, much more tangible for clients.

Furthermore, innovations in client onboarding, data collection, and open banking can significantly streamline the advice process. When used correctly, technology can free up advisers to spend more time on the relational, human side of advice—where trust is built and decisions are truly shaped.

But we must also recognise the limits of technology. Later life lending is not just a financial transaction—it is often deeply emotional, tied to legacy, family, and personal dignity. No algorithm can replace the sensitivity, listening skills, and judgement of a good adviser. This is particularly true when dealing with clients facing cognitive decline, health concerns, or family tensions. For these situations, it is arguably the human connection that is rooted in trust, compassion, and curiosity that makes the real difference.

Get in touch

Industry Voice is shared with an audience of over 15,000 people in the UK mortgage and protection industry. We produce four editions a year and target an online audience of mortgage and insurance brokers, product providers, financial advisers and individuals with a vested interest in Industry Insight.

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