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

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Hello and welcome to our third CPD module.

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

As we've mentioned previously, lifetime mortgages make up 99% of the equity release market[1], so the terms "equity release" and "lifetime mortgage" are often used interchangeably.

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

Remember, including property questions in your fact find meetings is a good way to initiate conversations, and allows you to demonstrate whether a lifetime mortgage could be a good option for your clients.

Making the most of your marketing

When it comes to equity release, there are two main ways that you can build your client base. The first is through your current clients and your back book. After all, you might already have clients who could benefit from a lifetime mortgage, but you've never before had the opportunity to explore it with them.

The second way is through marketing to new clients.

It's important to make sure that both new and existing clients hear, and understand, your message about equity release. We have a range of handy tools, including letter and email templates, to help you contact clients, to get them thinking about what a lifetime mortgage could offer them.

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

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

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[1] Mintel, Equity Release Schemes UK, May 2017

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

Effective conversations with your clients

Once you've engaged with your clients, you need to make your conversations about lifetime mortgages as effective as possible. And here are four tips on how to do this:

1. **Countering misconceptions**.
   Releasing equity is still the subject of some common misconceptions, so it's important to tackle these head on. These misconceptions are often down to a lack of knowledge about the safeguards in place today.

2. **Talking Positively**
   It's important to approach potentially sensitive conversations in a positive way. For example, focus on your client's aspirations for their retirement, rather than talking about how long they might expect to live.

3. **Involving family**
   The Equity Release Council recommends that clients involve their family in discussions about equity release, so always encourage your clients to bring family members to meetings.

4. **Recognising Vulnerability**
   You'll need to watch out for any signs that your client could be vulnerable, as their capacity to make financial decisions could be impaired. If something doesn't feel right, always trust your instincts, and call us for advice.

Unwrapping the 'sandwich generation'

You may find that equity release is of particular interest to clients who fall into what is known as the 'sandwich generation'. These people, typically aged between 45 and 60, are caring for generations above and below them, as well as having needs of their own.
Clients aged 55 or over may be thinking about unlocking equity themselves, to help out their children financially, maybe to get them onto the property ladder. Alternatively, they may recognise the potential of equity release for the generation *above* them. Your clients may ask you whether a lifetime mortgage could be an option for their own elderly parents, particularly if they need to adapt their home, or pay for in-home care.

Steve Martin, a behavioural sciences expert, has looked at how advisers can use behavioural science to have more effective conversations with their sandwich generation clients[2].

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[2] New Thinking: Behavioural science and the sandwich generation, Professor Paul Dolan and Steve Martin, in partnership with Aviva.

He found that people squeezed between generations, to whom they have strong emotional and financial ties, are keen to find practical ways to look after their loved ones. But, they often struggle to convert that desire into action. Steve has identified some effective drivers of behavioural science which can be used to frame conversations. We'll take a look at just three of them now.

Steve Martin footage:

As the name suggests, the Sandwich Generation find themselves squeezed between generations, generations that they'll have strong emotional and financial ties to, such as their children, and their parents. These strong ties lead many to want to take steps to look after their loved ones. But with so much to contend with in their busy lives, it can often be difficult to know what to do, and where to turn to for help and advice about how to do this.

Messenger

Decades of research in the Behavioural Sciences have consistently shown that when deciding whose message we should listen to and whose advice we should act on, those messengers who we see as both expert and similar to us, typically carry sway. So, wherever possible, and where relevant, it can be useful to carry out a little detective work, prior to client meetings, looking to identify genuine similarities that you share with your clients. These similarities could be common, like you are of a similar age or have common interests. Interestingly, new research suggests that the more uncommon those commonalities are, for example you both share a love of archery or a little known satellite TV show, the greater the chances that your connection will be cemented.

AFFECT

Many of our everyday decisions are influenced by how we feel about a situation, or how we think we'll feel after making it. Emotions have a huge influence over our actions and our behaviours. The adviser that taps into these emotions and arouses some, without too much anxiety, can find themselves in a situation where their clients become more motivated to act.

COMMITMENT

People typically have a desire to be consistent with their commitments, beliefs and values. Doing so, not only tends to allow us to build lasting relationships with others, after all, most people prefer to hang out with people who are consistent and reliable. But it also makes our lives easier too, because we have less things to think about.

How do you turn commitment into action? Well here, the answer is clear. Rather than asking for large commitments, it's far more effective to seek small, initial commitments that you can build from.

Think about how these drivers could influence the conversations you have with your clients. For example, a client arranging a second appointment could be that small, initial commitment which could lead to a decision to take out a lifetime mortgage down the line.

Getting the right product for your clients

Generally speaking, when choosing a lifetime mortgage that suits their needs, clients have two options. First, they can receive their payment via one lump sum, or second, if flexibility is a bigger priority, they can choose to take smaller amounts as and when they need them, up to a limit agreed by the product provider.

It's also worth bearing in mind that if your client suffers from certain health or lifestyle conditions, they could get lower rates of interest or higher loan to value. This is what's known as an enhanced rate. Make sure you have this discussion with your client, as existing health or lifestyle conditions could mean a better rate for them.

Considering a range of providers and getting a variety of quotes is a vital part of your due diligence. Most providers can give you a quote via online portals. However, this won't necessarily be a true reflection of all providers' rates. At Aviva, for example, although we do appear on portals with our sample rate, you won't get our best rates unless you call. This is because we operate a flexible pricing approach. We offer bespoke interest rates and loan to values for each individual customer, based on their circumstances, their property and their loan options. So you'll need to call us to get a bespoke quote for your client.

Complete your CPD requirements

To gain your CPD credits for this module, make sure you read the two supporting guides - 'Marketing tips and templates' and 'Countering misconceptions'.

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

PF011340 04/2018