

Over a third of UK homeowners who didn't use a mortgage adviser have no form of protection, research from Legal & General shows

- *34% of homeowners who didn't use an adviser when they took out their mortgage ended up having no protection policy in place*
- *A further 5% didn't know if they had a policy and only just over half had taken out life insurance, with thousands leaving their families facing financial difficulties if the worst were to happen*
- *The research shows advisers are championing protection in their conversations, with 62% of homeowners who used an adviser saying they were recommended life insurance*

Legal & General Mortgage Club research has revealed that over a third (34%) of consumers who purchased their mortgage direct from a lender have absolutely no protection policy in place, such as Life Insurance, Critical Illness Cover (CIC) or Income Protection. The research, which included a survey of over 2,000 UK homeowners, highlighted that many consumers are stepping onto and up the housing ladder without having a safety net in place should a long-term sickness, critical illness or death of a loved one render them unable to meet monthly repayments on their mortgage.

Worryingly, 5% of respondents who hadn't used an adviser didn't even know if they had a policy. This could potentially see them missing out on the financial support of protection in the future if they unknowingly had insurance and didn't claim. Just over half of those surveyed (51%) had taken out a life insurance policy, but the figures for CIC were even lower. Despite figures from Cancer Research UK claiming that one in two people in the UK will be diagnosed with cancer in their lifetime, well under a fifth (17%) of homeowners who had not taken advice had a Critical Illness policy.¹ Another 17% said they had an Income Protection policy, despite Legal & General's *Deadline to Breadline* research showing that people could last just 32 days on their savings if a long-term sickness meant they couldn't work.²

These homeowners were also acutely aware of the risks. More than a third (35%) of respondents who went direct to a lender with their mortgage said that the most important thing to protect when taking out a large financial commitment was their family's financial security if they died. This was followed by 29% who said their biggest concern was their own or family's financial security if they couldn't work.

¹ <https://www.cancerresearchuk.org/health-professional/cancer-statistics/risk>

² <https://www.legalandgeneral.com/adviser/protection/news-insight/deadline-to-breadline/>

The research also showed that advisers were championing protection in their conversations with borrowers who had taken advice. More than three in every five (62%) customers who had used a mortgage adviser had been recommended Life Insurance, a third (33%) cover against serious illnesses and 29% Income Protection.

Legal & General Mortgage Club wants to use the research to highlight the important role advisers play in mortgage applications, helping borrowers to find the right mortgage and think about the protection they need to secure their finances should the worst happen. Previous findings from Legal & General showed that borrowers who used a mortgage adviser were also overwhelmingly in favour of doing so again. Nearly all (98%) said that they found the support of a mortgage adviser 'valuable' and a further 95% said they would recommend using a mortgage adviser to family or friends.

Kevin Roberts, Director, Legal & General Mortgage Club comments:

"Good advice doesn't just help borrowers to find the right mortgage, it's also vital in recommending homeowners have the protection they really need to keep a roof over their heads should a loved one fall ill or die. Last year, intermediaries were behind 70% of the sales in the Income Protection market alone and our research certainly shows that advisers are championing cover by having the important conversations that are so vital when it comes to this type of insurance.

"At Legal & General, through our Mortgage Club and our protection business, we continue to work closely to support these 'heroes in the middle'. We think advisers are absolutely critical when it comes to buying a home, whether it's for a first-time buyer, a home mover or someone who wants to downsize. From helping borrowers to navigate the thousands of products on the mortgage market to making sure they have protection in place to avoid a financial crisis in their time of need, good advice really can and is helping borrowers every step of the way."

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FURTHER INFORMATION (JOURNALISTS ONLY)

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