



Fewer homeowners turning to lifetime mortgages to fund living expenses or emergency purchases as cost-of-living pressures ease

- The number of Legal & General Home Finance customers using equity release lump sums to cover living costs and emergency funds has fallen by 16% and 12% respectively over the last year
- There has been a significant increase in customers using lump-sums to consolidate debts and repay mortgages
- The shift in customer behaviour indicates financial pressures on homeowners may be easing

New data from Legal & General Home Finance¹ shows that fewer customers are using equity release to meet cost of living expenses or as a source of emergency funds.

New customers using lumps sums for living expenses decreased by 16% from last year to just 10.4% and customers taking additional drawdowns for this purpose fell by 9% to 19.6%. New customers using lumps sums for emergency funds fell by 12% from last year to 18.6% and 19% less customers took additional drawdowns for this purpose (6.2%).

Last week, the Office for National Statistics (ONS)² found the economy grew more quickly than expected in the first three months of this year as the UK emerged from recession and the 12-month rate of consumer price inflation declined to 2.0% in May 2024, its slowest annual pace in almost three years. This indicates that pressures on households may be beginning to ease.

Meanwhile, there has been a significant increase in the number of customers strategically using the equity in their homes to help strengthen their financial position. Customers using lump sums to repay mortgages increased by 58% since 2023 (38.9% of customers) and a quarter of all customers used these funds to consolidate their debts, an increase of 18% on last year.

Lorna Shah, Managing Director, Legal & General Retail Retirement: “This Our data over the last year shows a greater number of homeowners are using their property wealth to achieve longer term goals, such as paying off mortgages or other forms of debt.

“As the market continues to stabilise, and as more homeowners take a holistic approach to their later life finances, we anticipate equity release will move further into the mainstream.

“As a lender, we are continuing to anticipate the needs of customers and bringing innovation to the market, such as the introduction of our payment term lifetime mortgage in 2023, to give a broader range of solutions to people who might benefit from making better use of their property wealth.”

-ENDS-

¹Legal & General Home Finance data analysing loans across 2023 and 2024

²Office for National Statistics, [Quarterly economic commentary: January to March 2024](#)

Notes to editors

About Legal & General plc

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with £1.2 trillion in total assets under management (as at FY23) of which c40% (circa £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading international player in Institutional Retirement, in Retail Savings and Protection, and in both public and private markets through our Asset Management division. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

As at 7 June 2024, we estimate the Group's Solvency II coverage ratio to be 224%.

As at 11 June 2024, Legal & General has a market capitalisation of £14.6 billion.

About Legal & General Retail

Legal & General Retail helps create brighter financial futures for all our customers. The division covers the savings, protection and retirement needs of our c.14 million retail policyholders and workplace members.

In 2023, we had total individual annuity sales of £1,431 million, and issued £299 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 5.2 million members, while our Protection businesses gave peace of mind to several million direct, group and US customers, taking in £1,991 million of UK and \$1,584 million of US gross written premiums.

Further information

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