



# The bigger picture: getting to know the Bank of Family today

An interview with Later Life  
Lending Specialist, Mike Jones

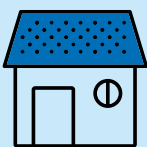
Today, the Bank of Family is impossible to ignore. According to the Office for National Statistics, today's full-time employees expect to spend around 8.3 times their annual earnings to buy a home. And our research shows help from parents, grandparents and other family members reached **£8.1bn** in 2023, **77%** of which went towards deposits for property purchases.

But what do we know about the Bank of Family and the motivations for lending and gifting? We spoke to financial adviser, Mike Jones to get an adviser's perspective on the challenges and opportunities of today's later life lending landscape.



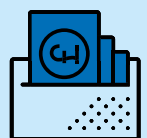
**£8.1 billion**

lent from the Bank of Family in 2023



**77%**

of BOF goes towards deposits



**8.3×**

Full-time employees expect to spend 8.3 times their salary to buy a home



Mike Jones, Later Life Lending Specialist

## Q Mike, tell us about your background?

**A** I spent 15 years working in banks, gaining experience in savings, investments, insurance and eventually mortgages. I then made the decision to become a mortgage broker.

After getting to grips with traditional residential mortgages, I moved into the later life lending space focusing on retirement interest-only mortgages (RIOs) and lifetime mortgages.

## Q Why did you get into later life mortgages?

**A** In the banking sector you're exposed over time to the challenges older clients face, and especially how a lack of personal contact and tailored services can affect them.

I'm a big fan of giving my clients a personal service, whether that's face to face or remote. It's about human interaction. So, I wanted to be in a position where I could really help people in this way. It's the main reason I got into mortgages.

I'd been working with Legal & General and RIOs for some time and found these were benefiting a growing number of my clients.

After the pandemic, I began to see the value in offering 'whole of life' advice. I became qualified in equity release with the help of my Legal & General account manager. This meant I could have a much bigger advice offering, rather than restricting myself to one product.

## Q What made you get qualified with equity release?

**A** With no two clients the same, being able to advise on a broader suite of products felt more appropriate.

Typically, when you think about later life lending you think of equity-release products. But, with retirement starting later and the need for wider family support to get younger generations onto the property ladder, understanding the whole landscape is really important.

## Q What's your experience with Bank of Family?

**A** My wife and I were fortunate enough to have help from my in-laws when we bought our first home. So I know first-hand how valuable this kind of financial support can be.

From an advising perspective, understanding 'whole of life' lending has its advantages – first-time buyers, remortgaging, all the way through to later life. It means I have the knowledge to think more holistically about each family's situation and what might work best for them.



## Q How is the Bank of Family changing the later life lending landscape?

**A** Life today is so different. The average homebuyer is well into their thirties before they're ready to get onto the property ladder, and ages are only going up as house prices rise.

50 to 60 years ago people would get married, buy a house, start a family. But, today, there are other life events taking place first. Learning to drive, buying a car, going to university. All these things are additional 'rungs on the ladder' before you move into the realms of home ownership in 2023.

Relying solely on mum and dad can be a stretch too far. There's a need for more family members to step in and help, such as grandparents. This adds another dimension in terms of today's later life clients.

“The more you understand about the different types of borrowing, at all stages of life, the more confident an adviser you'll be.”

### The Bank of Family in action

I had a client who wanted to release money from their home to help their daughter buy a property in London. Their daughter had a good income, a healthy deposit and great credit. But, with house prices so much greater in the city, she was being out-bid, or not even getting a look in from the agents.

My clients released money via a lifetime mortgage to bolster their daughter's deposit. This put her in a stronger position to make offers on properties within her search.

My understanding of the conventional mortgage market meant I was aware of the multiples most

lenders would lend, what the rates would be for a 30-year mortgage on a 5-year fix, whether that was a realistic repayment figure for their daughter and so on.

Understanding both standpoints – my client and their daughter's ambitions – meant I could suggest a realistic gift amount, and the best approach to help them get onto the property ladder.

**76%** of buyers in London relied on help from family

## Q How can advisers better support families?

A Factoring in pensions, savings and investments is crucial to the options I present. If needed, I'll recommend specialist help from other advisers. A pension specialist for instance. That's something I think is important.

Families are complicated, so understanding the nuances of the family dynamics, and the mortgage market today, can be advantageous to everyone involved. I find it a real benefit from a customer-engagement perspective, and I know my clients really trust my support.

Having as much information as possible goes a long way.

## Q What tips would you give to advisers broaching the topic of family gifting?

A Give your clients the option to meet with you remotely or face to face. Not everyone will have the time for a face to face meeting, but many people will appreciate the offer and feel more comfortable talking in person.

And make sure you're always thinking about the bigger picture, the how and why behind everything.

When you've got your technical, fact-finding questions out of the way, next comes the 'pen down' moment. Stop looking at your notes and really listen to your client. Everyone loves talking about their kids, grandkids, dogs and all. Give them your undivided attention and let them talk freely. You'll learn so much about your client's motives and why they're looking to do what they want to do. Having a deeper, more personal insight into your client will really help you do your best work.



### Explore our lifetime mortgages

A lifetime mortgage is for homeowners aged 50 and over. It's a loan secured against your client's home that enables them to release equity from their home, paying some or all of the monthly interest by Direct Debit. A lifetime mortgage is usually repaid when the last remaining borrower dies or moves into long-term care.

It's important to make clients aware that anytime lifetime gifts may be subject to inheritance tax in the future. There may be cheaper ways to borrow money.

 [Explore our comprehensive range of later life mortgages.](#)