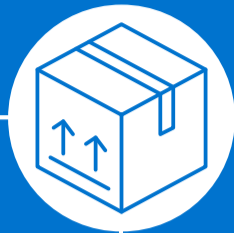


# CUSTOMER FINANCIAL LIFE CYCLE

## AVERAGE AGE

### MOVE OUT OF PARENT'S HOUSE (TEMPORARILY)

22



53% of 22-29 year-olds have no savings (ONS). Those who do only have an average of £1,600. 37% also have debt (excluding student loans), averaging out to £1,900

Opportunity for advisers to put renters' protection and contents insurance in place for the renting customer. There's also an opportunity for advisers to help renting customers looking to get a BTL property

### MOVE OUT OF FAMILY HOME (PERMANENTLY)

28



Customers at this stage are usually renting, trying to save for a house deposit and earning below the average wage. They are probably two years away from buying their first home

Opportunity for advisers to nurture customers who are still in that lowest ebb by helping build their credit score and financial profile

### BUY FIRST HOUSE

30



If customers have a low credit score, are paying off debts or aren't earning the average wage, advisers can help them secure a specialist product

There's an opportunity for advisers to promote a home ancillary product to customers, as well as the necessary protection

### GET MARRIED WOMEN/MEN

35/37



Opportunity for advisers to help newly married customers write a will so they have a safety net for them and their assets in place should the worst happen. This is also the time to review the customers' protection product and potentially update this in line with their new circumstances

### RECEIVE BoMaD SUPPORT TO BUY FIRST HOME

26.5



This coincides with 26-30 year-olds being the average age group where credit scores are at the lowest ebb

If not lucky enough to receive BoMaD support, advisers can help customers find an alternative solution to help them buy their first property, such as shared ownership or Help-to-Buy as well as help them build their credit report. Perhaps joint 'friend mortgages' where there's multiple applicants could apply also

28



### HAVE FIRST CHILD

This is usually a stressful time for families and can be exhausting on income(s). Customers are usually still at the start of their house purchase journey at this stage

30



### EARN AVERAGE WAGE

For customers who are not earning the average wage because, for example, they're self-employed or a contractor, advisers can help them find a specialist product that matches their complex income stream

# CUSTOMER FINANCIAL LIFE CYCLE



**39.5**

**HAVE THE MOST DEBT**

Advisers can help customers with CCJs or IVAs, for example, consolidate debts and secure lending with a specialist lender that manually underwrites their case. The number of CCJs in England and Wales, for example, climbed to 1.15m in 2019 – more than double the number in 2012

**BUY SECOND HOUSE**

**42**



By this point customers may have experienced a life event such as an illness or accident which could have impacted their financial situation. This would lead them to having complex circumstances which means they won't fit the high street's lending criteria

There's an opportunity for advisers to review every aspect of the customer's financial situation here

**BECOME SELF-EMPLOYED**

**47**



Self-employed workers will be faced with start-up costs, potential dips in business turnover and hiked tax bills, which could in turn lead them to financial hardship

There's an opportunity for brokers to secure a specialist product for such customers, as well as put income protection in place for them

**PAY OFF THEIR MORTGAGE**

**57.5**



For customers who can't pay off their mortgage, advisers can be checking in with them and helping them with the methods which can support them with their capital repayments, e.g. capital raising, extension of the term

**45-49**

**DIVORCE**



60% of marriages end in divorce. A life event like this can often lead to complex income or a poor credit score for customers. On top of this, customers may also be required to fund maintenance payments

Opportunity for brokers to help customers improve their financial situation

**56**

**BECOME A BoMaD LENDER**



Parents deciding to gift money to their children may be lending in retirement and decide to release equity from their home to help fund this

There's an opportunity for mortgage advisers to refer customers looking to release their property wealth to a wealth adviser to achieve the best outcome for the customer whilst also retaining some revenue

**59.5**

**LANDLORD**



Customers who are landlords may decide to purchase a property for their child or elderly parent.

If the customer is non-standard, advisers can secure a specialist BTL product to help them achieve the necessary lending