This study, conducted by Moira Bayne and Dr Helen Ross of Housing Options Scotland on behalf of the Joint Improvement Team provides qualitative evidence from a small research sample of older owner-occupiers and legal and financial service providers on attitudes to the existing provision for independent living and the scope for developing new financial products aimed at an older market.
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BACKGROUND

Housing Options Scotland was commissioned to undertake this research as part of a brief exploring the Scottish Government’s Strategy for An Ageing Population. Central to this Strategy is sustainable service delivery that will assist older people to remain at home, or in homely settings, and where their attitudes and aspirations are valued in the planning process.

The Scottish context can be simply expressed as:

- We are all living longer
- More of us than ever before are owner occupiers
- Some (although by no means all) older owner occupiers are asset rich but income poor
- The global economic downturn has adversely affected, jobs, pensions, savings, house prices and mortgage availability with significant direct and indirect consequences for older owner occupiers

At Housing Options Scotland we did not simply want to find out what is available or even what might be available. Our aim was to get to the heart of what older owner occupiers want and believe and then find out the level of awareness of current and potential stakeholders about how these needs could be met. We identified a wide range of stakeholders including lenders, independent financial advisers, lawyers and voluntary organisations.

We intended to:

- Assess the perceptions of a sample of older owner-occupiers on ageing in Scottish society, and their expectations of independent living in older age.
- Identify any perceived barriers to accessing information and advice.
- Explore the scope for developing new approaches to sustainable service delivery.
- Research on current models available to owner occupiers who need to adapt their properties and require funding to do so
- Interview a range of current and potential lenders to determine their understanding of, and capacity to respond to this emerging market.
METHODOLOGY

The study was conducted between May-October 2012 and involved qualitative data collection through recorded focus groups and semi-structured interviews involving owner-occupiers in a variety of urban and rural locations.

This research was accompanied by stakeholder interviews - face to face, telephone and email. All the stakeholders spoke frankly on the understanding that they would not be identified in the report.

RECRUITMENT STRATEGY

Older owner occupier participants were recruited through the social networks of Housing Options Scotland, by promoting the study on their website, and by word of mouth and snowballing. A total of 25 older owner-occupiers responded from a variety of areas across Scotland, including Aberdeen, Ayr, Dunoon, Edinburgh, Glasgow, Inverkeithing, Kilmarnock, Strathaven and Tain. The youngest participant was aged 60, and the oldest aged 85. The majority of participants had health issues, but none serious enough to prevent them living independently at home. Since there was some bias in the selection process, the results cannot be viewed as offering generalised data and seek instead to offer exploration of a variety of themes that participants viewed as being important in the development of a participatory approach to Scotland’s Strategy for an Ageing Population.

Potential and current stakeholders, including both current and potential providers of services and advice to older occupiers were identified through Housing Options Scotland’s networks and contacts and included-high street lenders (banks and building societies); fully mutual lenders; credit unions; online lenders; peer to peer lenders; independent financial advisors; legal advisors and voluntary sector bodies.

In general these stakeholders were willing to participate but unwilling (at this stage) to have their views attributed.
SCOTLAND’S OLDER OWNER OCCUPIERS

A MARKET, AN ASSET OR A BURDEN?

1. To date, much has been done to enhance the experience of growing older in Scotland. Scotland is unique in Britain in the provision of free personal homecare, various concessions are freely available to those of pensionable age, and local authorities and voluntary agencies across the country have implemented a range of information and care and repair services aimed at assisting independent living at home. The pressures of demographic change however, pose challenges to the sustainability of service provision.

2. The estimated population of Scotland on 30th June 2010 was 5,222,100 – the highest since 1977. The chart below describes the increasing age profile of the head of the household projected to 2033. This is attributable to both natural change and several years of net immigration. Continued reductions in mortality and increased life expectancy are a major feature. 20% of the Scottish population are over pensionable age (60 for women, and 65 for men), and a 50% increase in those over 60 is projected for 2033.¹

3. Demographic change has altered the profile of traditional definitions of ‘old.’ Broadly, the older generation can be divided into sub-categories; young old age (60-70 years); mid older age (70-80 years); and older old age (80+ years). Scotland’s older population comprises a variety of economic, social and ethnic groups, with a notable increase evident since the end of the last century in minority ethnic groups.

Fig. 2: Persons Aged 50 and Over, Age Breakdown for Ethnic Groups, 2001 Census

4. By 2033, the 65 and over age group is set to increase from 17% to 25% of the Scottish population. There are geographic variations in the projected figures, with the most notable increases being in rural areas.
5. In addition to geographic variations, there are also variations in the health and wealth of the older population. Although the proportion of the population aged 50 and over is slightly lower in the 15% most deprived areas compared with the rest of Scotland (35 per cent vs. 31 per cent), the proportion aged 75 and over is the same (7 per cent).

6. At present, the vast majority (over 96%) of those aged 65 and over live at home. It is estimated that around 69% of pensioner couple households own their own home outright, and 11% are buying with a mortgage. The responsibility of household ownership in this age band often poses problems. Even where they are asset rich, many older owner-occupiers lack the financial resources to maintain their properties, or to make adaptations or improvements necessitated by age associated health deterioration.

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2 Age Scotland (2012) At Home With Scotland’s Older People: Facts and Figures 2011-2012 p.18
7. Existing solutions relating to funding independent living in older age have mainly focused on the development of equity release. There is a growing body of evidence to suggest that this is unpopular with both consumers and service providers, and that greater emphasis should be placed on the development of new financial products aimed at the older market.

8. Part of our research involved assessing the awareness of the issues around ageing and checking with stakeholders how well their needs were understood and more importantly were being addressed. We found that almost without exception older owner-occupiers were seen at best as a “specialist market” (i.e. somebody else’s) and at worst as the government’s “problem” and too risky to be a business proposition. Our interviews with older owner-occupiers often displayed recognition although not an acceptance of these attitudes.

9. We were also keen to find out how aware stakeholders were of advice, information and housing options for older owner-occupiers. Again we found limited understanding of the options - with equity release seen as being the main answer. Stakeholders were largely ignorant of the demographics relating to older people who were viewed as at best a niche and risky market.
SUMMARY OF RESEARCH FINDINGS

Older Owner Occupiers

- Participants in this study did not feel ‘old’ and while they were aware of the potential obstacles that older people faced to independent living, they found it difficult to hypothesize about situations that did not apply in the present.

- Participants did not want to be stigmatized because of age, and were very reluctant to engage with services aimed at ‘the old.’ Despite this, however, there was (no less) a consensus of opinion that older people should be respected because of their age, and that their needs and welfare should be given greater priority in society than was felt to exist at present.

- There was felt to be a lack of public older role models in Scotland that accurately depicted the positive outcomes of ageing.

- A more inter-generational approach to welfare was advocated through the development of services that would enable the old and young to assist each other in skill sharing and skill development.

- The main obstacles outlined as threatening independent living, apart from mental and physical incapacity, related to house design and the layout of existing properties.

- Most participants were aware of how their present house might be adapted to assist independent living in older age, but were unclear as to the ‘best’ sources of trusted information and advice.

- State sponsored welfare schemes to assist independent living were applauded, but it was felt that individuals should have greater autonomy over how allowances should be spent.

- Greater attention in welfare provision to assistance with household chores and befriending were felt to be necessary to improve the quality of life in older age.

- Great significance was attached to home ownership in older age, and participants were reluctant to consider releasing the equitable value of their property assets.

- Emotional attachment to individual properties was not found to be consistently strong, but proximity to familiar areas, social networks, and amenities were highlighted as being of crucial importance in any considerations to move.

- A gap in the market was detected in the availability of savings schemes aimed at older people.
The stakeholders’ views can be summarized as follows:

- There is no “magic bullet” that will enable older owner-occupiers to borrow money to either improve their homes or their quality of life.
- Scotland represents only 10% of the UK mortgage market therefore the idea of a separate product for Scotland is not seen as cost effective.
- Most lenders have a blanket policy of not lending to anyone over the age of 70.
- All the lenders who agreed to be interviewed emphasized the need for “responsible lending”. In practice this means there must be a regular and guaranteed income stream in place to evidence that borrowing can be repaid.
- Ever stricter lending criteria mean that older owner-occupiers will be unable to borrow unless they can demonstrate a regular and guaranteed income, which will meet the repayments.
- All the lenders understood the existence of a current and future “problem” but were unclear about what this might mean in terms of a market.
- There was a degree of nervousness about developing what they saw as a risky financial product and then having to deal with subsequent bad press if an older owner-occupier defaulted and the lender sought to repossess.
- The independent financial advice sector remains sceptical about the business case for training to become advisers in equity release. The training is expensive and once qualified the mandatory insurance cover is seen as a large expense without any “guarantee” of an income stream.
- Those lenders who are “sympathetic” to the needs of older owner-occupiers took the view that ultimately it was “not their problem” and looked to the Scottish Government to identify new partnership models whereby the risk to the lender was underwritten by a government backed guarantee.
- Guarantor lending perhaps by adult sons and daughters was suggested as one option. In the present economic climate this would only be feasible if the children were wealthy enough to meet their own financial responsibilities and those of their parents in the event of a default situation.
- Small sums of money (below £25k) are not cost effective for the major lenders to process and in any event fall foul of Consumer Credit Legislation, which does not allow secured lending on such small sums.
- Large sums of money - for example £45k to build an extension for a ground floor bedroom and accessible bathroom - are unlikely to meet the lending criteria unless there is a guaranteed income stream to meet the repayments.
- The newer online lenders do not currently offer secured loans and have strict lending criteria. At present this type of lending is relatively unregulated with lenders bearing the greatest risk. A representative of this sector did express interest in discussing a Scottish Government backed guarantor or bond scheme.
CURRENT AND FUTURE LENDING/ BORROWING OPTIONS

Equity Release

This is seen variously as the only show in town and a specialist one at that (stakeholder view) or as a confidence trick, which will lead to penury (older owner occupiers). During our interviews equity release was described as “die poor” and “putting assets in jeopardy”.

A more reasoned view would be that equity release does have a role to play. It is not suitable for relatively small sums but can release capital for major and life enhancing adaptations or to help fund support to enable a better quality of life.

Carol Brennan and Elaine Ritch in “Capturing the Voice of Older Consumers state:

“Although the negative impact of equity release can be very significant, it should not be discounted as there are many benefits and it will be an appropriate solution for some who have retired. It allows older people to remain in the family home, enabling their family to visit while remaining involved with the local community, and maintaining a sense of independence and control.”

Research carried out by the Joseph Rowntree Foundation in 2010 concluded that:

“The new regulatory regime around equity release is not well understood or trusted by older people and this needs to be addressed if equity release is to achieve its potential. The perception of equity release as risky and poor value is widely held, and the extensive consumer protection now provided is little known”

The financial press aimed at older owner-occupiers properly emphasizes the pitfalls but may not do enough to inform of the potential benefits. A recent article in the Mail on Sunday was very clear about the daunting and irreversible nature of equity release.

1. Consider all the alternatives such as moving to a smaller home. Capital raised this way will cost you less in moving expenses than in equity release set-up charges and interest.
2. If you do not wish to move, it is essential to discuss your plans with your family before proceeding with equity release. This will avoid any unnecessary family surprises later on and they may be able to suggest alternatives.
3. With more than 30 equity release schemes available it will be difficult to find the best deal yourself. Not only that, many of the schemes are available only through authorised intermediaries. So find an independent specialist in equity release advice.
4. Choose your adviser carefully. Are they able to advise on entitlement to welfare benefits? Are they also conversant with all aspects of long-term care funding? Some of this may be relevant to you now or in the future. The wrong advice could cost you dearly. An adviser who specialises in all these areas will be able to explain all the relevant issues and achieve the best outcome.
5. Ask your adviser about equity release fees – and make sure you get value for money.
6. Borrow only as much as you intend to spend or give away. You will earn much less from cash left on deposit than the interest you will have to pay for borrowing it in the first
place. It could also cut your entitlement to means-tested benefits. You may alternatively wish to consider a drawdown plan that offers a cash reserve facility. Rather than just receiving a lump sum, you have the option to release your cash over time, as and when you need it. Because interest is only payable on the cash you have taken, these plans can often prove more cost effective.

7. When comparing lifetime mortgage interest rates always pay particular attention to the APR [annual percentage rate] and not just the headline rate. The difference can add up to 0.5% on the rate actually charged. This is due to the costs of setting up the arrangement and how interest itself is calculated. This can be daily, monthly or annually. The longer the period the better it is for the borrower. (The exact opposite is true for traditional repayment loans.)

8. Ask your adviser about continued support and advice. This could range from claiming welfare benefits, or care and support from the local authority, to mitigating inheritance tax. Advisers who specialise in elderly client advice will be in a better position to help than a traditional mortgage adviser, for example.

Make sure that you have understood the various features of equity release plans, and which are most important to you. If you’re planning to take out a lifetime mortgage, how do the set-up costs vary from one plan to the next? Do you plan to move in a few years time or is there a chance that you may wish to repay some or all of the loan at some stage in the future? Do you want to guarantee that some of your equity is protected so that it is passed on in your estate?

A good adviser should be able to talk through all of a plan’s features in a way that you can understand.

9. You will need a solicitor. If you have one make sure to ask if they are familiar with equity release paperwork. Otherwise the process could take longer and cost you more in fees. There are now a significant number of solicitors who have undertaken additional training in this specialist area. Your equity release adviser should be able to introduce you to such a firm.

10 Make sure you have a clear idea on your key goals when embarking on this path. Your personal priorities and views on the direction of house prices will materially influence whether a lifetime mortgage or home reversion scheme is right for you. Your equity release adviser should be able to guide you. If not, seek alternative specialist advice

Our research indicates no appetite amongst high street lenders to develop new products for this market. The specialist equity release providers are seen as having the appetite to grow this market but Scotland does not appear to be as attractive a proposition possibly because property values are lower and the sums homeowners need to borrow are too small to be attractive to a lender.

The regulatory requirements to offer advice on equity release are seen as onerous and expensive both in terms of the training and qualifications required and the costs of professional indemnity insurance. There is recognition amongst current IFAs that there are likely to be high abortive costs associated with giving advice on equity release. Many clients will receive detailed advice and it will only become apparent at the end of the process that they are not suitable for equity release. The costs of this will be met by the Independent Financial Advisors and not the client. At present qualified advisors are based in England, which reduces opportunities with face-to-face contact with potential Scottish clients.
**Fully Mutual Lenders**

These are enjoying resurgence in popularity with a £10m injection of funding to Airdrie Savings Bank in 2010 from a group of Scottish business people who wanted to see a return to integrity in banking. There is no doubt that this is consistent with the views expressed in our survey.

Fully mutual lenders have no shareholders - they are governed by a board of trustees and operate for the benefit of members.

The leading fully mutual lenders enjoy close relationships with savers and borrowers alike and are sympathetic to the needs of older owner-occupiers but unable to vary their lending criteria to encompass those aged over 70 without a regular income.

The idea of the “bank of son and daughter” was mooted whereby adult children acted as guarantors for their parents borrowing.

**Credit Unions**

Credit unions are non-profit financial organisations set up by members with something in common to benefit their community. That common factor may be living in the same town, working in the same industry or belonging to a particular trade union.

Credit Unions are growing at an unprecedented rate, not only in Scotland but worldwide. The larger ones offer mortgages as well as smaller loans but again do not as a rule lend to older people. Within 5 years it is anticipated that some of the larger Scottish credit unions will be offering high street bank type services including debit and credit cards and online banking.

Credit unions pride themselves on knowing their members and lending prudently. They do not at present lend to retired people but there may be a willingness to look at preferential lending underwritten by either central or local government.

Although credit unions offer limited potential for current older home owners it may be that the “next generation” could be encouraged to take part in a form of saving for the future scheme which could establish a sinking fund for future maintenance and adaptations.

This would find favour with our older owner occupiers who are interested in “the promotion of flexible savings schemes that would enable older people to access as and when required”.

One interesting model is found in Glasgow where the local authority works in partnership with Glasgow Credit Union to assist disabled owner-occupiers with the costs of adaptations/extensions. GCC pays the interest on the loan from Glasgow Credit Union. The borrower still has to pass affordability checks.

**Peer-to-Peer Lenders**

The expansion of internet usage, the widespread distrust of traditional lenders and a desire to lend money in a more “meaningful” way have all contributed to the rise in recent years of online Peer-to-Peer lending where lenders are linked directly to borrowers. Zopa, one of the key players likens it to borrowing money from friends and family but on a larger scale.
At present this market is unregulated although in September 2011 three of the key players established a self-regulatory body. The risk lies with the lender in the current set up and arguably older owner-occupiers will be seen as a greater risk than younger people in employment.

In any event peer-to-peer lenders do not offer secured loans and use similar affordability criteria and credit checks to those carried out by traditional lenders. The consensus is that peer-to-peer lenders are concentrating on “prime” borrowers rather than those to whom any risk (real or perceived) might be attached.

In an ever changing online market there may be a demand in future for lending to older homeowners, particularly if the risk could be underwritten.

**Philanthropic Lending**

Housing Options Scotland is piloting a programme of privately funded shared equity called “Ownership Angels”. The scheme is designed to allow wealthy individuals or organisations to invest in a housing solution for an older/disabled person. The capital can be used to make a current property more suitable or to buy another property. The investment is repaid at the end of 15 years or on the sale of the property.

The investors’ stake is guaranteed and they will also share pro rata in any profit on the sale of the property.

**Private Shared Ownership**

Housing Options Scotland runs a scheme called Access Ownership in partnership with Horizon Housing Association (part of the Link Group). Horizon invests its own reserves in a share in a current or new property. This share is repaid by means of an occupancy charge.

Providing an older owner-occupier can meet the occupancy charge, age is no barrier to becoming a sharing owner.

In France private shared ownership is relatively common with individual home buyers, buying a stake in a property during the lifetime of the owner and then purchasing the balance when the owner wishes to sell up.

Scottish solicitors are reporting an increase in private arrangements where purchasers who cannot find the full price pay 75% as a deposit and enter into a legal agreement to pay the balance at a later date.
WHAT DOES IT FEEL LIKE TO BE ‘OLD’ IN SCOTLAND?

Data collection focused on what if felt like to be an older member of Scottish Society
- What ageing means to participants, and how ‘old’ they felt

- Whether they were in younger old age or older old age categories, few participants considered themselves to be ‘old.’
- The construction of age as an attitude of mind was a dominant theme, with the idea that ‘you are as young as you feel’ being frequently cited. Since participants did not feel old, they did not believe that they were old.
- The parameters of old age were felt to be flexible, and to extend throughout the lifecycle. Participants recognized that when they were younger, they had pre-conceived notions of what being ‘old’ meant - and that this did not always equate with the reality of reaching a particular age point.
- ‘Old age’ was usually defined in relation to peers. Those in the younger old age category conceded that those in their 80s might be termed ‘old,’ and as a sample group overall, participants worked out their ageing prowess in relation to how they looked and behaved in comparison to others of the same age.

I’m 78 next week….I am not gonna get old, it’s the way I feel at the moment. I’m not silly though, I know eventually... but I am not old at the moment.”

“I think I think the same as I did years ago, and I act the same, and I think you can be old at 40, but I am 80 and I don’t feel old”

“You don’t become old- you just get older.”

“All my friends, they’ve got dyed hair, earrings and high heels, and they all enjoy life. They are all in their seventies, eighties.”

“I think I am still younger than my friends, and we are about the same age. I think they let themselves go, and you can’t really afford to do that. I suppose it will catch up with me one day. I just try to walk a lot. Even walking through the whole town, up and down the street, and I walk to the supermarket, and then get the bus home ... I try to walk as much as possible.”

“You perspective changes. When you are young, anything over 40 is old, say when you are twenty or younger - but when you get old you realise that you are not so old when you get there. ‘Cos I mean, when I was at school I used to think that over 40 was old; in my twenties I thought that over 50 was old, but now I am in my 60s and here, it doesn’t seem old at all. It depends on how old you are at the time.”
• The quality of older age was felt to be dependent on a range of factors – not surprisingly health, wealth and the social support networks of family and friends.

• Ageing was felt to be something that, health permitting, individuals should accept personal responsibility for - this was equated with healthy and active living.

• Opinion was divided over the age that ‘old age’ should be set. Most felt that the criteria for retirement at 60 and 65 was too ‘young’ - and that people should be allowed, but not forced to carry on working after this if they wanted to, but not at the expense of restricting employment opportunities for the younger generation.

HOW DOES SCOTLAND TREAT ITS OLDER POPULATION?

Data collection focused on the way that participants felt that they were treated because of age, and how they perceived they should be treated.

• Although participants did not feel old, they were no less aware that they were treated ‘differently’ in society because of age. This was equated with positive outcomes such as free travel and fuel subsidies, but also with negative factors relating to discrimination and an ‘ageist mentality’ that coloured societal judgments about physical and mental capacity in older age.

• Social conventions relating to age appropriate behaviour were often fiercely and proudly flouted by the sample group - and there was a strong ethos of opinion that age should not restrict older citizens from actively and fully engaging in society.

• Participants often enjoyed being ‘respected,’ by younger family members, but they resented being ridiculed because of their age.
Ageism in the media was frequently cited as evidence of age discrimination, and many expressed the view that older role models should be 'allowed' to advance the cause of the older generation. Participants struggled to provide examples of older persons in the Scottish media.

Attitudes to ageism were felt by many to be co-related to cultural attitudes and to a lack of inter-generational concern by younger citizens to the needs of older ones. This was broadly equated with societal attitudes in general-which were perceived to be 'self-centred,' and lacking in 'community.'

PLANNING FOR OLDER AGE

Data collection focused on the priority that participants attached to forward planning for older age, and the information networks that might be called upon to assist with age-related concerns.

While most participants acknowledged that they should plan for older age, and that it was prudent to do so, not all had actively done so.

Although the importance of 'savings' and 'reserves' were felt to be important, many participants with families had found it difficult to save when their children had been young.

A few believed that it was better ‘to live in the moment,’ but no less realized that this mentality was perhaps preventing them from being equipped with enough money for their future needs.

Most participants recognised that older age could arrive ‘suddenly,’ almost ‘unexpectedly’ and so could ‘take you by surprise.’
• There was a general consensus of awareness of inequality in income in older age. Those who believed that their pension income was sufficient to sustain quality of life recognised that not everyone was as fortunate.

• There was awareness that a more relaxed attitude towards older age may be related to their generation being ‘fortunate’ in having benefited from the ethos of early Welfare State provision, and the availability of employment related pension schemes.

• Many were sympathetic that the next generation of older Scottish citizens did not have the same opportunities as they, and that many were going to have to work beyond retirement.

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“No, just live day to day, never mind planning. I don’t plan for anything. You never know what the future is.”

“Well, I don’t suppose it is early enough anyway. You really should start when you are young. But then you always think at the time, you don’t want to when you are young - don’t want to think about being old. But you should really start as early as possible - if you can afford it that is.”

“I suppose when you start feeling a bit unwell, if your health does deteriorate. It’s very hard to think about planning before then.”

“One of the big problems is that this can happen in the space of a fortnight. I’ve seen people, hail and hearty … take my pal … he took the flu in his eighties, and he was hanging onto the railings like an old man, and it was downhill after that.”

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• Few participants were aware of any organisation that lobbied on behalf of older people although most were confident that they would be able to find out information either themselves, or through family and social networks, should they require advice.

• Since most participants did not wish to view themselves as ‘old’ they did not feel that they would call upon charitable assistance aimed at ‘the old.’

• Despite their age, certain participants were active donors to charities aimed at ‘the old.’

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“I give to that Help the Aged thing. I keep laughing, and saying when is somebody gonna come and help me, cos I’m aged. But mm, no, I phoned up, there was an advert on the telly for a while there if you lived on your own, and the girl came out, and I said to her, “it’s a waste of time dear, I don’t even know why I called you.”

“I have friends in their sixties and that who are still working. I carried on working beyond sixty, and eh, just today I was talking to someone who said, ‘I would love to go down to a three day week, but I can’t afford to,’ and when you are approaching retirement age, and you are thinking like that, that’s very alarming for people’s future.”
OLDER AGE AND SOCIAL WELFARE

Data collection focused on the way in which the Scottish welfare system was perceived to provide for older age, and the strengths and weaknesses of existing provision.

- There was a strong sense among participants of entitlement in older age. Many felt that, as tax payers all their life, they had ‘paid into the system,’ and should be able to ‘get something back’ if and when they needed help and support.
- Most felt that central and local government was sympathetic to the needs of older citizens, but that there was not enough money to cope with existing welfare provision let alone the financing of projected increases.
- There was awareness that Scotland, with its provision of free personal care, treated its older citizens ‘better than England.’
- Although participants supported social welfare provisions to eradicate such concerns as fuel poverty, it was felt that schemes such as heating allowances should only be made available to those in need. If participants did not feel that they needed heating allowances, it was felt that they should be able to decline assistance, transfer their allowance to those in ‘greater need,’ or ‘divert’ the funds to cover other items that they themselves deemed appropriate.
- Equality in health provision was universally supported. Many participants felt an injustice at what was perceived to be an unequal distribution of care services for the older population across Scotland, with awareness and reference to regional variations in provision across different local authorities.

“All these years that you worked and paid, then you should get help back.”

“I mean, you speak to some old people, my age, they would say that they think they have already paid for it, paid national insurance all our working life and tax, and I think that we have already paid for it.”

“Even if you paid a bit towards it- say they could differentiate between say if you own your own home or you don’t. We aren’t equal if one owns a home and one doesn’t, so those that could pay should pay - those that could afford should contribute. Like this free bus, that we have, we get the winter fuel and that, and we really don’t need it, and there is no way of giving it back. The only way that you can do it is to give to a charity, and what good is that? The government are still giving it away - all that money could be going somewhere else.”

“Some get it in some areas, but someone suffering from the same thing can’t get the drug ‘ cos its too expensive in another area. There should be equality in everything for everyone. We are all Jock Tamson’s bairns - it should be available to us all.”

“Everyone has got to be for themselves. In our day, you didn’t need to think, you didn’t need to plan, and you had superannuation and that. You worked, you retired, you got this lump sum and that was everything that you had contributed throughout your life. But now they don’t do that.”
Many related their perceptions of welfare to their experiences of caring for others. The majority of participants had experience either at present, or in the past, of caring for older relatives, and did not feel that society valued ‘caring’ to any great extent.

Those with care responsibilities felt that their own needs were often marginalized and worried about what would happen to dependants should anything happen to them.

A more holistic approach to home care was advocated by many, with greater emphasis on continuity of home carers rather than a succession of different ones. Assistance with mundane household chores, cleaning, and gardening, and talking and listening to elderly people was felt to be lacking, although it was recognised that paid home carers were stretched to provide this.

There was a consensus of opinion that existing information networks could be improved to offer a more comprehensive advice and advocacy service, and one that was regionally specific.

“For instance, what one would need is someone to come in and give meals and clean house, but nobody ever cleans house now.”

“And anything that is holistic, chatting caring, chatting about an interest the person has got, it doesn’t cost much.”

“They don’t treat them well in homes. Like of when we went to uncle Tom and Aunt Irene, they are just left lying there neglected, televisions not working and that sort of thing, and they are just left there sleeping. They are not doing anything to keep them occupied or that, sort of doing things with them.”

“Well, the only thing I worry about is my daughter and who will look after her.”

“Me personally, I have a 91 year old, totally disabled mother, who I take care of. Her care team is great, I cannot say anything rude about them, but the way that it is set up is sometimes difficult - I think that the actual carers, paid carers, are treated abysmally.”
OLDER AGE AND HOUSING

Data collection focused on perceptions as to the suitability of existing housing stock for older age, whether participants were thinking about moving to age-appropriate accommodation and their ideal property type for older age.

- All participants were adamant that, health permitting, they wanted to remain in their own home in older age. This was not interpreted as necessarily meaning their present abode, but rather was equated with living in a home environment as opposed to an institutional setting.
- A few expressed a desire to relocate to sheltered accommodation, but lamented that long waiting lists made this prohibitive.
- There was little support for the concept of retirement villages, which were habitually viewed as ‘shutting out’ older people from the world. Moreover, since participants did not feel old, they disliked the idea of living alongside ‘old people.’
- There was a general consensus of belief that moving in older old age was dangerous, and should be avoided. It was felt that the ‘best’ time to move was in early retirement, which was felt to be ‘young enough’ to settle in unfamiliar surroundings, and make new social contacts.
- On the whole, there was little sentimental attachment to properties, although where this was relevant, attachments were very strong, and based mainly on the status of living in a ‘good area’ and the memories associated with the house as a family home.
- Should moving become a consideration, many participants were keen to relocate within their known locality, or to a locality with good transport links and amenities.

“No. I’ve nae attachment to the house. A house is a house is a house. I mean I wouldn’t want to sell up the house and move into a flat mmm…but, it’s far too big for my requirements. I mean it’s got three bedrooms, two living rooms, two bathrooms. A bit big for what I need, but I wouldn’t move out of it to move into a flat.”

“I left my house in Kilmun, which was a family home, and I was glad to leave it in the end and not have the worry of it, it was too big. I only did it three years ago, but what a relief it was to leave all that behind, because it was a constant worry – too big a property for me. It was going to start costing me a lot of money - it needed windows, work to the roof - so it was great to leave that behind and move into something smaller, and more manageable financially.”

“I would move, it would bother me, but I would move if it became necessary, but we would have to drag her screaming out of the house.”
Most participants felt that local planning policies were unsympathetic to the housing needs of older owner-occupiers – there was not felt to be enough houses of the ‘right’ type.

The ideal house for older age was felt to be a bungalow with a large kitchen, a lounge, two bedrooms and a small garden.

Many felt that there was a lack of suitable or affordable properties for older people to downsize to in areas that they wanted.

When forced to think about how their house would be suitably adapted for older age, most conceded that it could pose problems. Stairs, lack of downstairs bathroom facilities and upstairs bedrooms were the most frequently cited potential obstacles.

“I know a lot of people who would like a little cottage in their area. They don’t want to move out of their area, and they cannot get a pensioners house in their area, and some of them are sitting in four rooms, … and they cannot house families with young children ‘cos they don’t have houses to move in and out of.”

“It’s not so much the house… I mean it’s a nice old house, but it is falling to bits, cos it’s quite old - a Georgian property. What I like is location, I like being in the middle of town. There are good people living around me. Mmm… it’s a nice convenient area to access a lot of amenities – parks and galleries and cafes and all the kinds of things that people like to do.”

“Well, the same area that I am in the now. On the flat, two bedrooms, big bathroom, a nice big kitchen that you could eat in, a lounge, and all on the flat, no stairs.”

“Well, it would be a bungalow anyway, no stairs, in case when you get older, sometimes you can’t walk the same. A dining room - I don’t like eating in the lounge. I would like a dining room, two bedrooms and a lounge and if possible a bigger kitchen as well. I don’t want much, do I?”

“Well, there are a few here, but not enough, and not big enough. As somebody calls them, the toilets – over there- that’s where the old people live in. But they are just not big enough, you just don’t want those kind of houses, you really need space, you really do.”
Although most participants accepted responsibility for funding their own independent living in older age through pensions and savings, there was a general reluctance to jeopardize assets in the process.

All had a keen awareness of the value of their properties. However, the accuracy of this remains untested. House prices have fallen significantly since 2008 and only a current valuation will be sufficient.

The majority of participants were mortgage free.

Home ownership, and the associated significance attached to self-sufficiency meant that few participants were willing to consider releasing the equitable value of their home.

Those who supported the idea of equity release in principle believed that existing arrangements and ‘scare stories’ made it an unattractive option.

It was recognised that in the current financial climate, selling or releasing equity could take considerable time to implement.

Those with family attached great significance to maintaining the value of their estates to enable their children to benefit.

“There is a big fear that a lot of people have. If I do this, I want to leave something to my kids; I have to leave them something.”

“I used to think that this was a good idea when it was first introduced. I think it depends now, I have seen some scare stories...What I have seen now, with the different financial state of the world is that people have taken out loans, and then the mortgage interest has racked the thing up and up, and the person is left with a house of less value than it was, and no ability to clear this debt. I saw one case on the telly with one guy having to move out of his home. It was awful, so controls need to be put in place.”

“Also, it can’t happen instantaneously... to be projected from a situation when you don’t have this in your mind at all to having a complete and well considered sale of your house - it’s a big gap, and you certainly couldn’t do it in a couple of weeks.”

“No. Anything I want, I save up for, I don’t believe in borrowing money. I am too old to borrow money. I might die and not pay it back. No, I would never borrow money.”

There was a reluctance to borrow money because of worries about paying back and opinion was more in favour of the promotion of flexible savings schemes that would enable older people to access as and when required.
Most still welcomed face-to-face interaction with ‘regulated’ and trusted advisors as the best source of information and advice.

CONCLUSIONS AND RECOMMENDATIONS

The current generation of Scottish older owner-occupiers face unprecedented financial challenges. Property values have fallen since 2008; and properties which would once have sold with ease remain on the market for years; income from savings and investments has been drastically reduced and family members face uncertainties in employment and further education.

Our interviewees considered themselves to be fortunate. They felt that: The next generation of older Scottish citizens did not have the same opportunities as they, and that many were going to have to work beyond retirement.

Repeated studies including this one have found that Equity Release, the financial product aimed at this market, is viewed with scepticism at best and outright hostility at worst.

Our stakeholder interviewees express no interest in taking the sole responsibility for this market but our evidence is that a shared/government backed/underwritten approach would be acceptable.

Current thinking is that the housing market may not recover its pre crash values until 2025 therefore we must maximise the opportunities which exist to enable older people to remain independent.

Ideas for further research and discussion include:

- Exploration of the partnership approach to risk sharing. All the lenders we spoke to felt this would be a major step forward in expanding opportunities
- Developing trusted and independent sources of financial and housing options advice and information
- Encouraging and incentivising the next generation to plan for their housing future
- Involving health professionals at the 50+stage in promoting personal housing plans