

# Bridgewater Equity Release Home Reversion Plan



## **Terms and Conditions – 5<sup>th</sup> Edition.**

Thank you for choosing Bridgewater Equity Release – Our aim is to give you peace of mind during your retirement. If you have any questions regarding these Terms & Conditions please get in touch, details can be found at the end of this document.

**Your Home Reversion Plan is a lifetime commitment so please take the time to read through these Terms and Conditions.** Keep this document in a safe place for any future reference as it sets out the Terms and Conditions of your Home Reversion Plan and forms part of the contract between you and Bridgewater Equity Release Limited.

**Our Terms & Conditions should be read in conjunction with your Home Reversion Plan Offer.**

The Terms and Conditions give comprehensive explanation in the below sections:

1. Introduction
2. Before You Apply for the Plan
3. Independent Valuation
4. The Offer
5. The Basis of the Plan
6. Retentions
7. Your Obligations
8. The Rent
9. Property Inspections
10. Selling the Property
11. Taking a Further Cash Release from the Plan
12. Moving out of the Property Voluntarily
13. Removing a Customer from the Plan
14. Transferring your Plan to a New Home
15. Adding someone else to the Plan
16. Telling us that Someone else lives in the Property
17. Buying the Property Back from Us
18. Power of Attorney
19. Debt Policy
20. Our Rights
21. Standard Terms
22. Making Changes to these Terms & Conditions
23. Governing Law
24. Enforceability
25. Joint and Several Obligations
26. Information Supplied by You and Your Adviser
27. Security Checks
28. Fraud Prevention
29. Use of Your Personal Information
30. Complaints
31. How to Contact Us

## 1 Introduction

- 1.1 The Bridgewater Equity Release Plan (**the Plan**) is a Home Reversion Plan offered by Bridgewater Equity Release Limited, whose Company Registration Number is 05064154. Bridgewater Equity Release Limited is authorised and regulated by the Financial Conduct Authority (**FCA**) (register number 463013).
- 1.2 Bridgewater Equity Release Limited will enter into the Plan with you, provide the funds that you receive and will ultimately benefit financially from the sale of the Property when the Property is sold and the Plan ends.
- 1.3 Day to day management of the Plan will be undertaken by Retirement Bridge Management Limited whose Company Registration Number is 05348582. Retirement Bridge Management Limited is authorised and regulated by the FCA (register number 463024).
- 1.4 The Plan requires that the legal title of your property is transferred jointly to two companies that will be named as the Trustees in the Declaration of Trust and act as the legal landlord of the Property:
  - Bridgewater Equity Release Nominees (No 1) Limited - Company Registration Number 05537946, and
  - Bridgewater Equity Release Nominees (No 2) Limited – Company Registration Number 05560684.
- 1.5. All the above four companies are part of the Retirement Bridge group of companies and all currently have registered offices and operate from 3<sup>rd</sup> Floor, Cross House, Westgate Road, Newcastle Upon Tyne, NE1 4XX.
- 1.6. By references to “we”, “us” and “our” we mean one or more of the four companies named above.
- 1.7. By references to “you”, “your” and “applicant(s)” we mean the customer or customers taking out the Plan or those representatives acting for them or their estate - for example, individuals appointed under a Power of Attorney.
- 1.8. Where we refer to the Property we mean the property which is to be subject to the Plan.
- 1.9. These Terms and Conditions (the **Conditions**) apply to your Plan and should be read together with the following documents:
  - The Personalised Illustration (also known as the KFI - Key Facts Illustration) provided by your Financial Adviser during your application;
  - The Home Reversion Plan Offer document, provided by us during your application, a copy of which we will ask you to sign;
  - The Declaration of Trust (a legal document setting out the terms upon which we will own the Property);
  - The Lease (this is the agreement between you and us giving you, the customer(s) the right to live in the Property).

## 2 Before You Apply for the Plan

- 2.1 Applications for the Plan must be made via a **Financial Adviser** who is authorised by the FCA to advise on Home Reversion Plans.
- 2.2 You will only be eligible to enter into the Plan if you are aged at least 65 and at most aged 90. If the Plan is to be in joint names, both applicants must be aged at least 65 and neither aged over 90 at the time of application.
- 2.3 Only certain properties are acceptable for the Plan. More specifically, the Property must:
- be located in England,
  - have a minimum valuation of at least £100,000,
  - meet our Property Suitability Criteria,
  - be habitable, saleable, mortgageable, insurable and structurally sound.
- 2.4 Our Property Suitability Criteria sets out acceptable and unacceptable types of property and describes properties we may consider on an individual basis. A copy of this can be provided on request.
- 2.5 For properties that:
- may not meet the above criteria, or
  - are valued at over £500,000, or
  - where the release amount you will receive is expected to be over £350,000,
- we recommend that you seek pre-application approval from us. You may be required to complete a simple form and we will assess promptly whether the Property is likely to be acceptable.
- 2.6 At the application stage, your Financial Adviser will provide us with an estimated valuation of the Property, upon which the application will be based. Your Financial Adviser should discuss your estimated property value with you and help you to determine the value. The Plan is subject to a satisfactory independent valuation of the Property, we will instruct a RICS Surveyor to carry this out after you apply.
- 2.7 The Plan is designed to allow flexibility in the rent options that you may choose. Your rent options must be selected at the outset (during application) and cannot be changed or removed later once the Plan is in place. There are three types of Home Reversion Plans you can choose from:
- No Rent Option – where you pay no rent, or
  - Fixed Rent Option – where rent payments are of a fixed amount throughout the term of the Plan, or
  - Escalating Rent Option – where rent payments will increase each year on the anniversary of the Plan by 2.5% per annum compound.
- 2.8 You are also required to choose when your rent is payable until. This can continue throughout the term of the Plan or cease when you (or the younger of you if there are two applicants) attain a certain age.
- 2.9 If there are two of you, you may choose a reduced rent following the death of the first of you (subject to the minimum rent payable).

- 2.10 If you proceed with the Plan, we will make a cash payment to you. Your Financial Adviser will advise you the maximum amount that you may receive and advise on other options that may be available to meet your need.
- 2.11 If you do not require the maximum cash amount available, you may elect to retain a share in the underlying value of the Property, so that when the Property is ultimately sold, you will receive a proportionate share of the sales proceeds (less any costs of sale). If you choose to retain a share of the Property, the maximum proportion you may retain is 75%.
- 2.12 The cash payment we make to you is based on factors including, but not limited to:
- the value, type, tenure and location of the Property,
  - the proportion of the Property that you retain,
  - whether you are a sole or joint applicant,
  - your age(s) at the time of application,
  - the rent options that you choose, and
  - any additional features or options we offer you or you select as part of your Plan.
- 2.13 The amount you will receive at the outset of the Plan will be less than the full market value of the Property. This fairly reflects the fact that we are simultaneously granting a valuable Lease to you and that you may have retained a proportionate share of the Property.
- 2.14 Your Financial Adviser will consider all options available, advise you and recommend the most appropriate rent options and any other options to best meet your need and then guide you through the application process.
- 2.15 Your Financial Adviser will provide you with a Personalised Illustration of your recommended Plan and submit your Home Reversion Application Form to us.

### **3 Independent Valuation**

- 3.1 Shortly after your Home Reversion Application Form is submitted to us, we will arrange for an independent valuation to be carried out on the Property. A copy of the valuation report will be made available to you.
- 3.2 A valuation fee may be payable by you to us. Where one is payable we will inform you, including the amount and how it should be paid.

### **4 The Offer**

- 4.1 Following receipt of your application and completion of the independent valuation and condition report, we will consider your application and make our decision whether to make an offer to you.
- 4.2 We will review and verify any information provided to us in relation to your application and our offer will take account of any changes that are required following that review. In particular, we will use the value of the Property advised in the independent valuation to recalculate the cash sum to be paid to you.
- 4.3 If we accept your application, we will issue you with a Home Reversion Plan Offer, in duplicate.

- 4.4 If you wish to proceed with the Plan on the basis of the offer we make to you, you should sign both copies of the Home Reversion Plan Offer document, keep one for your records and return the other to us.
- 4.5 The Home Reversion Plan Offer sets out the main features of your Plan, including:
- the key risks and benefits,
  - the cash amount you will receive,
  - the proportionate share of the Property that you will retain,
  - any rent payments that you will need to pay,
  - the rent options you have chosen,
  - the amount payable under the Early Vacancy Guarantee feature, and
  - any special conditions we set.
- 4.6 If the valuation and condition report identifies any essential repairs or maintenance issues, we may require these repairs to be carried out before you enter into the Plan. Alternatively, we may allow you to enter into the Plan and receive your cash sum, but we will hold some money back as a Retention until you have satisfactorily completed the identified repairs and maintenance. Section 6 below details our Retentions policy.
- 4.7 The Plan includes an **Early Vacancy Guarantee** as standard:
- 4.7.1 Where you (or in the case of a joint application, the surviving applicant) are deemed to have vacated the Property within the first 5 years from the date your Plan commenced, a cash sum would be payable to you or your Estate.
- 4.7.2 This cash sum is calculated on 80% of the original valuation amount when the Plan was taken out (adjusting for any proportionate share that you retain), less the original cash release that was paid at the time.
- 4.7.3 The amount of your Early Vacancy Guarantee payment is stated in your Offer.
- 4.7.4 The date at which you are deemed to have vacated the Property is the latter of:
- (i) the date at which the Lease is legally terminated;
  - (ii) the date at which the keys to the Property are made available to us;
  - (iii) the date at which the Property is cleared of all personal contents and belongings.
- 4.7.5 Payment of the Early Vacancy Guarantee will be subject to:
- (i) the Property having been inspected by us and found to be in a satisfactory condition;
  - (ii) any breaches of the terms of the Lease or the Plan having been rectified to our reasonable satisfaction, including outstanding rent payments;
  - (iii) in the case of your death, your Estate delivering to us a sealed copy Grant of Probate or Letters of Administration (as appropriate);
  - (iv) in the case of you vacating the Property, you signing and delivering to us a deed of surrender;

- 4.7.6 The Early Vacancy Guarantee applies only to your initial cash release which you are provided with when you enter into the Plan. If you retain a proportionate share in the Property and wish to release a further share of interest as referred to in Section 11, there will be no further Early Vacancy Guarantee applied.
- 4.7.7 Provided that you have met the conditions the Early Vacancy Guarantee will be paid to you on sale of the Property.
- 4.8 Upon issuing the offer we will instruct our solicitors to contact your solicitor to commence the legal process of transferring the Property to us and granting the Lease to you. The issue of the offer is subject to our solicitor's satisfactory review of the legal title to the Property.

## **5 The Basis of the Plan**

- 5.1 When you enter into the Plan, you will transfer the legal ownership of the Property to the Trustees.
- 5.2 We will simultaneously grant a Lease of the Property to you.
- As long as you follow these Conditions and the obligations of the Lease, you will have the right to live in the Property for the rest of your life.
  - The Lease will be registered with Land Registry and will ensure that you have the security to remain in the Property for the rest of your life.
- 5.3 We will also make a cash payment to you.
- 5.4 The Trustees will prepare and sign a Declaration of Trust which describe the terms on which they will own the Property. Where you have retained a proportionate share in your Property it will clearly show your proportionate share. The Declaration of Trust protects your proportionate share of the future sale proceeds, if any. You will be required to sign the Declaration of Trust.
- 5.5 When the Plan commences day to day management of it will be undertaken by Retirement Bridge Management Limited. They will write an introductory letter to you when you enter into the Plan.
- 5.6 During the Plan, you will be required to abide by these Conditions and your obligations under the Lease.
- 5.7 During the Plan, we may levy an administration charge to cover our reasonable expenses of undertaking certain services you ask us to provide, or where you have failed to do something you are obliged to do under these Conditions. These charges will be set out in our Tariff of Charges, which may change from time to time. Our latest Tariff of Charges will be provided to you when you apply for the Plan. A copy is also available on request. If we need to seek legal advice and we incur fees in relation to a matter where you have not adhered to the terms and conditions of your Home Reversion Plan, for example, non-payment of rent, you will be liable to reimburse us for such fees, in addition to our fee for administering the matter. Due to the nature of these fees, they will be determined on a case by case basis.
- 5.8 We will be entitled to terminate the Lease, sell the Property and end the Plan on the occurrence of one or more of the following events:

- i) Where you permanently move out of the Property (or where there is another person named on the Plan, that last named person moves out);
  - ii) On your death (or where there is another person named on the Plan, the death of the last-named person);
  - iii) Where you have failed to comply with these Conditions;
  - iv) Where you have failed to keep your rent payments up to date, if applicable, or
  - (iv) Where we reasonably conclude you have abandoned the Property as described in Section 7.19.
- 5.9 Where you have notified us that you wish to permanently vacate the Property we will also arrange for the Lease to be terminated, sell the Property and end the Plan.
- 5.10 When you permanently leave the Property, we will make arrangements for legal documents (a deed of surrender) to be drawn up in order for you to surrender the Lease so that it can be brought to an end. You will need to sign these legal documents. We would advise that you take independent legal advice prior to signing such documents. You would be responsible for all costs of advice.
- 5.11 In the event of your death (or the death of the last-named person where there is more than one of you named on the Plan) your Estate must notify us of the death and provide us with an original death certificate. We will be entitled to terminate your Lease by serving notice on your Estate. Where you have retained a proportionate share of the Property we will require a sealed Grant of Probate or Letters of Administration (as appropriate) before any payments can be made to your estate.
- 5.12 You will remain responsible for all your obligations set out in the Lease until it is terminated.
- 5.13 We will write to you or your Estate (if applicable) advising you of the full sale process.
- 5.14 We will give up to 6 weeks from the date of our letter in which you or your Estate must ensure the Property is cleared of any personal possessions. Any extension will be at our discretion.
- 5.15 Where we have decided to end the Plan because you have failed to meet your obligations under it as set out in these Conditions, you will be served with a formal written request from us to you giving you at least 30 days' notice to leave the Property, during which time the Property must be cleared. Where you do not leave, we will seek a court order to take possession of the Property.
- 5.16 Once the Property has been cleared all keys to it must be returned to us and we will commence the sale of the Property.
- 5.17 The sale process will be carried out as described in Section 10.
- 5.18 Once the Property is sold, if you have retained a share of your Property we will pay your proportionate share of the sale proceeds after deducting any costs, fees or charges that you are responsible for. This will include any debts which we have recorded against your Plan in accordance with Section 19 below. The costs, fees or charges to deduct will also include your proportionate share of the fees and costs associated with the sale (including but not limited to our solicitors and sales agent's fees and costs) and your proportionate share of any outgoings in connection with the Property (including, but not limited to all utilities, council tax and buildings insurance).

- 5.19 From amounts payable from the sales proceeds or Early Vacancy Guarantee payments, we will also offset any amounts that are due to us but have not been paid by you during the Plan. The amounts may include our fees and charges as set out in our Tariff of Charges and any amounts that you are responsible for that we have paid during the term of your Plan and any interest thereon in accordance with Section 19.

## **6 Retentions**

- 6.1 Where we have held a Retention, we will give a period of up to 3 months from the completion date of the Plan to carry out, to a professional standard, any stipulated repair and maintenance. You should advise us if you require a longer period and we will give our consideration to such a request.
- 6.2 Once we have received your confirmation and satisfactory evidence that the works have been carried out to a professional standard (which may include us inspecting the works), we will pay the Retention amount to you.
- 6.3 If you do not carry out the works within the agreed timescale, (or if we are not satisfied with the quality of the work) we will be entitled to obtain access and undertake the specified works and will apply the Retention to the cost of the works. If the actual cost of the works is less than the Retention, the difference will be refunded to you. If the cost of the works is more than the Retention we shall be entitled to recover the cost of this from you on demand.
- 6.4 If you do not pay, we will record the amount you owe to us as a debt and this will be treated in accordance with Section 19.

## **7 Your Obligations**

- 7.1 You must use the Property as your main residence. This means the place that you live for the majority of the time, where you are registered to vote and where the majority of your belongings are kept.
- 7.2 You remain responsible to pay all service charges, utilities, outgoings and taxes payable for the Property until the Lease has been brought to an end. After the Lease has terminated, we will maintain these accounts. However, where you have retained a proportionate share of the Property, you will remain responsible for that proportionate share of the service charges, utilities, outgoings and taxes payable for the Property. These costs will be recovered from your share of the sale proceeds in accordance with Section 5.18.
- 7.3 You remain responsible for property repairs and maintenance and must maintain the Property in good repair and condition externally and internally. However, we will not require you to maintain the Property to a standard which exceeds that which the Property is in when the Plan commences. As a minimum we expect you to maintain the Property to be habitable, saleable, mortgageable, insurable and structurally sound.
- 7.4 Where you do not maintain the Property as referred to, we may make our own arrangements to undertake any essential repairs and recover the costs from you on demand. You are required to allow access to our representatives or contractor to assess and undertake the required works. If you do not pay the associated costs, we will record the amount you owe to us as a debt and this will be treated in accordance with Section 19.



- 7.5 We will send you a form each year called a Certificate of Occupation. This asks you to confirm you are still living in the Property and to disclose anyone else living in the Property who is not named on the Plan. (We refer to such individuals as Additional Occupants). You should complete this form and return it to us as promptly as possible.
- 7.6 You must allow us or our agents access to the Property to carry out inspections as set out in Section 9, or to carry out any other inspections that we are legally obliged to undertake.
- 7.7 You must maintain buildings insurance for the Property against loss or damage by fire and such other risks as is usual for residential property. The sum insured must be at least the reinstatement value as referred to in the valuation report and must be index linked.
- 7.8 We reserve the right to refuse your choice of insurance provider where we have legitimate concerns including, but not limited to, the provider's financial capability. Where we have such concerns, we will inform you.
- 7.9 You must not do anything to invalidate the insurance. If you receive any payment from the insurance company as a result of a claim being made under the terms of the insurance policy, you must apply that money to repair the damage for which the claim was made. If the property is beyond repair and the Insurance Company make a settlement payment, this must be used to purchase a replacement property which meets our Property Suitability Criteria at such time. Any additional settlement monies must be split as per the Declaration of Trust.
- 7.10 As we need to verify that the structure of the Property is insured, you must send us a copy of your home or buildings insurance schedule following request by us. We will write to you each year about this. Where you do not respond within 28 days or where you do not maintain adequate buildings insurance on the Property, we will make our own arrangements to insure the Property. We shall be entitled to recover the cost of this insurance, together with an annual administration charge, in line with our current Tariff of Charges, from you on demand. If you do not pay, we will record the amount you owe to us as a debt against your Plan and this will be treated in accordance with Section 19.
- 7.11 You must not alter or make any changes to the Property in any way without our consent. If you wish to do anything to the Property, you may be required to pay our reasonable costs for considering and administering your request, even if we refuse to give consent. We will always give our reasons for any refusal.
- 7.12 You must comply with all Town and Country Planning requirements and other legislation affecting the Property.
- 7.13 You must tell us if you receive any notice relating to Town and Country Planning matters. If the notice reasonably requires you to do anything you must do it. If we, acting reasonably, require you to join with us in objecting to or contesting the notice, we will ask you to do so.
- 7.14 You must observe all (if any) matters mentioned and referred to in any of the following:
- (i) the Home Reversion Plan Offer document;
  - (ii) these Conditions;
  - (iii) the Lease; and
  - (iv) the Register relating to the Property kept at HM Land Registry (the Register).

- 7.15 Where someone is appointed to handle your affairs, for example, including but not limited to a Power of Attorney, we must be notified of this in writing, along with their full contact details and supplied with appropriate documentation confirming this.
- 7.16 You must not allow anyone else to move into the Property without our written consent.
- 7.17 No loans or charges can be secured against the Property during the life of the Plan. Further, you must not, sell the whole or any part of the Property, hold the Property on trust for any other person or enter into any agreement to do so without our written consent.
- 7.18 If you intend to leave the Property for a continuous period of 3 calendar months or more you must notify us. Where we agree to your extended absence, you must provide us with a forwarding address. If you leave the Property for a period of time in excess of 3 months without seeking consent, we may regard you as having abandoned the Property.
- 7.19 You must not abandon the Property. We will consider you to have abandoned the Property where you have not used the Property as your main residence for at least six calendar months and you have not obtained our previous consent in accordance with Section 7.18.

## **8 The Rent**

### **8.1 This section only applies if you have chosen a Plan with rent.**

- 8.2 If you have chosen a Plan with rent (the Fixed Rent Option or Escalating Rent Option), you are obliged to pay rent as part of the Plan as set out in this Section 8.
- 8.3 When the Plan commences, the first month's rent, which will be a partial month, will be deducted from your release amount.
- 8.4 Rent will be payable by you to us by direct debit, each calendar month. The second month's rent will be taken two weeks after completion, or on the first working day of the calendar month after the plan commencement date, whichever is later. Each subsequent months' rent will be collected on the first day of the month.
- 8.5 When the plan commences, we will write to you to confirm the amount of the first direct debit and subsequent direct debit rent payments and when they will be collected by us.
- 8.6 If you have chosen the Fixed Rent Option, there will be no increases to your rent. The amount you will be required to pay each month will always stay the same.
- 8.7 If you have chosen the Escalating Rent Option, your rent will automatically increase each year by 2.5% compound. The increase will apply on the anniversary of the first day of the month following the anniversary of when the Plan commenced. We will write to you each year giving you at least one month's notice of the increase, the new amount and when it will take effect.
- 8.8 If you have chosen to cease paying rent when you attain a specified age (either 80, 85 or 90) rent will cease to be payable from the month following you attaining the specified age. If there is more than one of you, rent will cease to be payable from the month following the youngest of you attaining the specified age.

- 8.9 If you have chosen to pay rent throughout the Plan, rent will be payable until the Lease is terminated.
- 8.10 If there is more than one of you, and you have chosen for the rent to reduce by 50% on the death of one of you, the rent would reduce by 50% in the month following our receipt of the death certificate. The rent reduction will not apply if one of you voluntarily move out of the Property in accordance with Section 12 or if one of you is removed from the Plan in accordance with section 13.
- 8.11 The amount of rent you will be required to pay and whether you have chosen for the rent to increase each year, cease at a specified age, or to reduce on the first death of one of you will be stated in the Personalised Illustration (KFI), Home Reversion Plan Offer and Lease.
- 8.12 Retirement Bridge Management Limited will monitor your rent account on an on-going basis to ensure payments are made and remain up to date.
- 8.13 Where you are experiencing payment difficulties please contact us. We will make all reasonable efforts to agree a mutually acceptable way forward.
- 8.14 Where you fail to pay the required amounts of rent under the Plan we will regard this as a breach of your obligations under these Conditions and the terms of your Lease.
- 8.15 Where arrears accrue, we will contact you and seek to make a mutually acceptable agreement (Repayment Plan) with you. Where we do so, we will confirm this in writing to you.
- 8.16 Where arrears persist and we are unable to reach a mutually acceptable Repayment Plan, we will refer your account to our solicitors to bring legal proceedings against you for the recovery of all amounts owed. This could result in defaults such as County Court Judgements being registered against you which may affect your credit worthiness. You will also be liable to pay our costs incurred in the recovery of the debt including any debt collection agency and Legal fees.
- 8.17 Ultimately, failure to pay rent and address any arrears will lead to our taking possession of the Property and selling it as per the terms set out in Section 10. You will remain liable for any rent still outstanding.
- 8.18 If you do not pay, we will record the amount you owe to us as a debt and this will be treated in accordance with Section 19
- 8.19 For the purposes of recovering any arrears, we may also refer your account to a tracing agent.
- 8.20 If you have retained a proportionate share in your Property and decide to take a Further Cash Release (under Section 11 of these conditions), you may also choose to increase your rent at the same time. This will enable you to release more cash than would otherwise be available. Your Financial Adviser will be able to advise the options available to you and the impact on the Further Cash Release amount at the time. Any such changes will be subject to you meeting our requirements at that time.

## **9 Property Inspections**

- 9.1 To ensure the Property remains in good repair we will arrange for an inspection of the Property (covering both the interior and exterior) every 3 years following the initial completion date. An inspection report will be produced for our purposes.
- 9.2 On carrying out property inspections we will act responsibly and discreetly so that your privacy is not affected.
- 9.3 When the inspection is due, we or our Agent will contact you to arrange to visit the Property to carry out the inspection at a mutually convenient time. You must permit us to inspect the Property.
- 9.4 If the inspection identifies that the Property requires essential repairs or maintenance works, we will write to you to request that you carry out the work identified and send you a copy of the inspection report. You must ensure that the work is carried out within 3 months from the date of the report (or such longer period as we, acting reasonably, agree). You must provide us with evidence that the work has been completed to a professional standard (which may include us inspecting the work).
- 9.5 If you do not carry out the work within the agreed timescale, (or if we are not satisfied with the quality of the work) we will be entitled to obtain access and undertake the specified works. We will pay for the work to be carried out and we will be entitled to recover the cost of the work, together with an administration fee, from you on demand. If you do not pay, we will record the amount you owe to us as a debt against your Plan and this will be treated in accordance with Section 19.
- 9.6 We may from time to time carry out a sample review of all the properties in which we have an interest. This is usually done for our statutory accounting and auditing purposes. The Property may be selected in this sample. Typically, this involves an external only viewing and possible photographing of the Property.
- 9.7 We may appoint another firm or Agent to carry out the property inspections on our behalf. If we do so we will ensure that they also act responsibly and discreetly so that your privacy is not affected.

## **10 Selling the Property**

- 10.1 Although we will have control of the sale, we will make reasonable efforts to liaise with you or your estate in the matter.
- 10.2 We recommend you appoint a solicitor to act for you. You would be responsible for their costs. Where we do not own 100% of the property the costs associated with the sale of the property will be apportioned between you and us in proportion to the split of equity in the property.
- 10.3 When selling the Property as described in this section we will do the following:
- (i) We will establish its value;
  - (ii) We will appoint a selling agent to advertise the Property for sale with a view to finding a buyer. We will endeavour to sell the Property at the best price obtainable and in accordance with the recommendations we receive from the selling agent. Should you wish to recommend use of a particular selling agent, we will consider such a request. Where we refuse such a request, we will tell you why.

- (iii) If we believe it necessary to carry out essential repairs or other works to the Property that will benefit you and us before it is sold (for example to restore it to its original condition when the Plan commenced), we shall arrange for those repairs or other works to be carried out. We shall be entitled to reclaim the costs of those repairs, together with an administration fee, from you on demand. If you do not pay, we will record the amount you owe us as a debt against your Plan and this will be treated in accordance with Section 19.
  - (iv) When we have received an offer to purchase the Property for a price which we believe to be the best obtainable within a reasonable timescale, we will instruct solicitors to handle the sale. We will notify you when a sale is agreed.
- 10.4 We will take steps to ensure that the Property is sold within a reasonable period of time. In doing this we may delay the sale where we believe there is legitimate reason for doing so. Such reasons could include, but not be limited to market conditions, where we consider the selling price can be optimised by such a delay, remedy of any title defects or defects in the condition of the Property.
- 10.5 Where we need to remove any remaining contents from the Property and if required, store such contents, we shall be entitled to reclaim the costs together with an administration charge, in line with our current Tariff of Charges, from you on demand. Costs may include, but are not limited to, the costs of removing and storing the contents together with legal fees and any disbursements for notices that are required to be served. If you do not pay, we will record the amount you owe to us as a debt against your Plan and this will be treated in accordance with Section 19. If the stored contents remain unclaimed after 6 months, we will be entitled to sell or dispose of them, the proceeds of which will first be used to offset any outstanding balances recorded against the Plan, with any balance being returned to you.

## **11 Taking a Further Cash Release from the Plan**

- 11.1 If you have retained a proportionate share in the Property you may be eligible to sell a further share of your interest in the Property to us. We call this a Further Cash Release.
- 11.2 Where you have retained no proportionate share in the Property, you will not be eligible for a Further Cash Release and this Section 11 will not apply to your Plan.
- 11.3 Any application for a Further Cash Release will need to be made via a Financial Adviser and will follow the same process as described in Sections 2, 3 and 4 of these Conditions.
- 11.4 We recommend that you take legal advice as to the effects of taking a Further Cash Release releasing further equity by appointing a solicitor to act for you in this. You will be responsible for any costs you incur.
- 11.5 If your further application is successful and you proceed, we will pay you the Further Cash Release. The Trustees will prepare and sign a new (known as a supplemental) Declaration of Trust to describe the terms on which we will own the Property and to reflect your new proportionate share in the Property, if any. The Supplemental Declaration of Trust protects your new proportionate share of the future sale proceeds.
- 11.6 When we agree to pay a Further Cash Release, we will apply the rules applicable to a new Plan at that time. These will cover such things as the minimum and maximum amounts we are willing to release. These may be different from the rules which applied to any previous cash payments.

11.7 For the purposes of the Early Vacancy Guarantee, any guarantees already in place at the time when the Further Cash Release is made will remain unchanged; the amounts payable and the expiry date of the guarantees will stay the same.

11.8 No new or further Early Vacancy Guarantee will apply to any Further Cash Release.

## **12 Moving out of the Property Voluntarily**

12.1 If you intend to permanently move out of the Property, you must notify us in writing.

12.2 When you permanently leave the Property we will make arrangements for legal documents to be drawn up in order for you to surrender the Lease so that it may be terminated. You will need to sign these documents.

12.3 If you are unable to sign the legal documents (for example due to mental incapacity), and you do not have a Power of Attorney or Deputy that may immediately sign on your behalf, we may need to apply through the courts to terminate the Lease. We will appoint solicitors to arrange and help make our application to the courts. You will be responsible for any costs incurred by us. If you do not pay, we will record the amount you owe us as a debt against your Plan and this will be treated in accordance with Section 19.

12.4 You will remain responsible for all your obligations set out in the Lease until it is terminated.

12.5 Once the Lease is terminated, the sale process will be carried out as described in Section 10.

12.6 We will need to be provided with your new address so we can continue to correspond with you. For example, during the sale of the Property and to ensure that any proceeds you may be due are paid to you, or sums owing to us are settled.

## **13 Removing a Customer from the Plan**

13.1 Where your Plan is held in joint names and one of you permanently moves out of the Property, both customers will retain their rights and obligations under the Plan, unless one customer is permanently removed from the Plan, as set out in this Section 13.

13.2 If there is more than one of you named on the Plan and you wish to permanently remove one of you from the Plan (for example because one of you has left the Property due to divorce or separation) you must ask for our consent to this change. We will charge an administration charge, to cover our reasonable costs of administering your request, in line with our current Tariff of Charges.

13.3 If you require advice on amendments to the Plan, you should contact a Financial Adviser who will be able to advise you on Home Reversion Plans. Your Financial Adviser may charge you a fee and you will be responsible for paying the fee and any other costs resulting from you taking financial advice.

13.4 You must both take independent legal advice. Each of you will need to appoint an independent solicitor to act for you. You will be responsible for paying your own and our solicitors costs and disbursements.

- 13.5 We will only consent to such a change if you have complied with your obligations under the Plan as stated in these Conditions and you have no outstanding amounts owed to us.
- 13.6 On completion of the change, one of you will be permanently removed from the Plan and these Conditions and rights and obligations under the Lease will remain in force only for the remaining customer.
- 13.7 When one of you is to be removed from the Plan, we will make arrangements for legal documents to be drawn up in order for you to transfer the Lease to the person who remains at the Property. You will both need to sign the Transfer document.
- 13.8 For the purposes of the Early Vacancy Guarantee, any guarantees already in place at the time a customer is removed from the Plan will remain unchanged; the amounts payable and the expiry date of the guarantees will remain the same. There will be no entitlement to an Early Vacancy Guarantee payment at the time a customer is removed.

#### **14 Transfer of the Plan to a New Home**

- 14.1 If you wish to move to a new home and transfer the Plan, you must first contact us before taking any action.
- 14.2 We will send you our Moving Home Pack which will describe the full process for moving home. A copy is available to you on request.
- 14.3 You must pay all costs and fees relating to the sale of the original property and the purchase of the new property from your own resources. This includes (but is not limited to) our solicitor's costs, your own solicitor's costs, disbursements, any costs resulting from you taking financial advice, any selling agent's fees and the stamp duty land tax (if any) both in relation to the purchase of the new home by us and in relation to the Lease of the new home. In addition, we will charge an administration charge, to cover our reasonable costs of administering your request, in line with our current Tariff of Charges.
- 14.4 We will have control of the sale of the current property and the purchase of the new property. In particular, you must not agree any sale of the Property nor make any offer on any proposed new property.
- 14.5 You must appoint solicitors to act for you. We will endeavour to keep them, or you, informed on progress of the sale.
- 14.6 Any application to move home will be subject to:
- (i) The new property meeting our Property Suitability Criteria applicable at that time, and
  - (ii) Satisfactory valuation of the new property, and
  - (iii) Successful sale of your current property.
- 14.7 We will arrange to sell your current property according to our sale process set out in Section 10.
- 14.8 We will not make an offer on a new property until a sale has been agreed on your current property.

- 14.9 Once the offer to purchase your new property is accepted, we will arrange for an independent valuation to be carried out on the new property and a valuation and condition report will be produced. A copy of the report will be made available to you. A valuation fee may be payable by you to us. We will inform you how much, and how it should be paid.
- 14.10 If the amount to be paid to the seller to buy the new property is greater than the amount being paid by the purchaser to buy your original property, you must provide the difference between these two prices from your own resources. To reflect your additional contribution to purchase the new property, our proportionate share in the new property will be reduced and your proportionate share in the new property will be increased, according to the formula in Section 14.11. A new Declaration of Trust will be entered into confirming your increased proportionate share.
- 14.11 If you have made an additional contribution (under Section 14.10) to purchase a more expensive property, our proportionate share in the new property will be reduced according to the following formula:

$$\frac{\text{Sale price of existing property} \times \text{Our proportionate share of existing property}}{\text{Purchase price of new property}}$$

Your proportionate share will be 100% less our proportionate share.

For example, if we hold a 75% share and sell your existing property for £200,000 and your additional contribution is £50,000 towards a purchase of a £250,000 property, our new proportionate share will reduce to 60%

$$\frac{\pounds 200,000 \times 75\%}{\pounds 250,000}$$

and your new proportionate share will increase from 25% to 40%.

- 14.12 If the amount to be paid to the seller to buy the new property is lower than the amount being paid by the purchaser to buy your original property, you will receive your proportionate share (as stated in the Declaration of Trust) of the difference. The proportionate share stated in the Declaration of Trust will remain unchanged.
- 14.13 The purchase of any new home and sale of your current property must take place at the same time. Simultaneously, you will surrender the Lease on the original property and we will grant you a new Lease on the new home in substantially the same form as the Lease of the original property. The Conditions of the Plan will remain unchanged. Specifically, the Rent that you pay and the rent options that you have chosen will remain unchanged.
- 14.14 The Trustees will prepare and sign a Declaration of Trust which describes the terms on which we will own the new property. Where you have retained a proportionate share in the new property it will clearly show your proportionate share. The Declaration of Trust protects your proportionate share of the future sale proceeds. You will be required to sign the Declaration of Trust.
- 14.15 For the purposes of the Early Vacancy Guarantee, any guarantees already in place at the time the move is made will remain unchanged; the amounts payable and the expiry date of the guarantees will stay the same.



## **15 Adding Someone Else to the Plan**

- 15.1 If a new person not named on the Plan wishes to join it, our consent will be needed.
- 15.2 We have no obligation to add someone else to the Plan.
- 15.3 You will need to pay a premium to us in order to add someone else to the Plan. Once you provide us with basic information that we will request, we will be able to provide you an estimated premium. The premium will be based on factors including the then current value of the Property, the proportion of the Property that you retain, your ages at the time of adding someone else, and any additional features or options already selected as part of the Plan.
- 15.4 Before proceeding, you must take both legal advice and financial advice (from a Financial Adviser) as to the effects of doing this.
- 15.5 You must pay all costs and fees in connection with adding another person to the Plan from your own resources. This includes (but is not limited to) our solicitor's costs, your own solicitor's costs and expenses and any costs resulting from you taking financial advice. In addition, we will charge an administration charge, to cover our reasonable costs of administering your request, in line with our current Tariff of Charges.
- 15.5 We will only consent to adding someone else if:
- (i) You have complied with your obligations under the Plan as stated in these Conditions;
  - (ii) The new person to be added to the Plan meets any eligibility criteria for a new plan at the time you request them to be added;
  - (iii) You will both live at the Property; and
  - (iv) Should we choose to, you consent to us obtaining the opinion of a medical professional and he confirms that you are in reasonable health and have no significant health issues that would be expected to curtail your life expectancy at the time.
- 15.7 If you decide to proceed, we will arrange for an independent valuation to be carried out on the Property. A valuation fee may be payable by you to us. Where one is payable we will inform you, including the amount and how it should be paid. A copy of the valuation report will be made available to you.
- 15.8 We will instruct our solicitors to prepare a new Declaration of Trust. You will need to instruct your own solicitor to prepare a transfer of the Lease to both of you.
- 15.9 You and the person to be added to the Plan and we must sign the new legal documents which will reflect the changes made to the Plan.
- 15.10 Once they are added to the Plan they will be treated equally with you and jointly share all your rights and be jointly responsible for all your obligations under the Plan.
- 15.11 For the purposes of the Early Vacancy Guarantee, any guarantees already in place at the time of adding the additional person will remain, but will only be payable if both you and the new person vacate the property; the amount payable and the expiry date of the guarantee will stay the same.

## **16 Telling us that Someone Else Lives in the Property**

- 16.1 If you would like someone to move into the Property but not become named on the Plan you must ask for our consent.
- 16.2 We will consent to this provided that:
- (i) you have complied with your obligations under the Plan as stated in these Conditions;
  - (ii) the person moving in (where they are age 17 or over) takes independent legal advice and signs a waiver deed to acknowledge the priority of our interest in the Property. The waiver deed effectively waives any rights that they may claim to have that would allow them to stay in the Property, without our ongoing consent. We will send this document to you on request. You will be responsible for any legal costs incurred in complying with this condition. If you do not pay, we will record the amount you owe to us as a debt against your Plan and this will be treated in accordance with Section 19.
- 16.3 If you allow someone to move into the Property without our consent, we will require you gain our consent within one month of us notifying you. Otherwise we will proceed with legal action to evict them from the Property. We shall be entitled to recover the cost of this action from you on demand. If you do not pay, we will record the amount you owe to us as a debt against your Plan and this will be treated in accordance with Section 19.

## **17 Buying the Property Back from Us**

- 17.1 Where you wish to buy the Property back from us you must notify us.
- 17.2 We will not allow you to buy back the Property if you are in default of any of the Conditions or the terms of the Lease. You cannot buy back only part of our share of the Property.
- 17.3 You must appoint a solicitor to act for you. You would be responsible for their costs and any other fees, disbursements or taxes associated with re-purchasing the Property.
- 17.4 You will be responsible for the payment of our reasonable costs and expenses including our solicitor's costs and disbursements, costs of carrying out a property inspection and any other costs of selling the Property to you.
- 17.4 We will arrange for an independent valuation to be carried out on the Property and a report will be produced. A copy of the report will be made available to you. A valuation fee will be payable by you to us. We will inform you how much, and how it should be paid.
- 17.5 If the latest property inspection (or a new property inspection that we may elect to carry out following your buy-back request) identifies that the Property requires essential repairs or maintenance works, and these works have not been carried out in accordance with the Plan, we will request that the independent valuer provides the valuation on the basis on a special assumption basis that the works had been completed.

- 17.6 You must pay to us a re-purchase price equal to the greater of:
- (i) an amount equal to our share of the full market value of the Property as stated on the independent valuation (taking account of any special assumption); and
  - (ii) an amount equal to our share of the full market value of the Property as stated in the original valuation carried out at original application of the Plan.
- 17.7 On payment of the re-purchase price, together with the associated costs and fees, we will arrange to terminate the Plan and transfer our legal ownership of the Property to you.
- 17.8 There will be no entitlement to an Early Vacancy Guarantee payment.

## **18 Power of Attorney**

- 18.1 We recommend that you enter into a Power of Attorney (Property and Financial Affairs) agreement. Your Power of Attorney may be a trusted friend, relative or professional. The Power of Attorney will be able to act on your behalf in financial matters, should you become incapacitated and unable to manage your own affairs.
- 18.2 If you do not enter into a Power of Attorney and become mentally incapacitated, if you vacate the Property (and if you have no deputy appointed) we may need to apply to the courts in order to terminate the Lease. There are significant costs and delays in terminating a lease through the courts.
- 18.3 If we terminate the Lease through the courts, we will appoint a solicitor to manage the process and represent us. You will be responsible for the payment of our reasonable costs and expenses including our solicitors' costs and disbursements, court costs and any other costs of terminating the Lease through the courts. We shall be entitled to recover the cost of this from you on demand. If you do not pay, we will record the amount you owe to us as a debt against your Plan and this will be treated in accordance with Section 19.

## **19 Debt Policy**

- 19.1 If we are entitled to be paid any charges or entitled to be reimbursed for any expenditure or costs on the Property or in managing the Plan, we will send you a written invoice.
- 19.2 If any demanded amounts remain outstanding after 28 days from the date payment was due, we will be entitled to add compound interest at the rate of the Bank of England base lending rate plus 4.0% per annum.
- 19.3 Where debts remain outstanding, we will contact you and seek to make a mutually acceptable agreement (Repayment Plan) with you. Where we do so, we will confirm this in writing to you.
- 19.4 At our discretion, where debts persist and we are unable to reach a mutually acceptable Repayment Plan, we will refer your account to our solicitors to bring legal proceedings against you for the recovery of all amounts owed. This could result in defaults such as County Court Judgements being registered against you which may affect your credit worthiness. You will also be liable to pay our costs incurred in the recovery of the debt including any debt collection agency and Legal fees.

- 19.5 Ultimately, failure to pay outstanding debts or address any arrears may lead to our taking possession of the Property and selling it as per the terms set out in Section 10.
- 19.6 Any debts remaining unpaid and any interest added thereon will be recorded as an outstanding balance against the Plan until paid off in full.
- 19.7 As an alternative to taking legal proceedings against you, we will be entitled to offset any outstanding balances and associated costs against any payments from us that you are entitled to. Such payments may include (but are not limited to) your share in the ultimate sale proceeds (if you have retained a proportionate share of the Property), a Further Cash Release payment or an Early Vacancy Guarantee payment.

## **20 Our Rights**

- 20.1 We may sell or transfer our rights and interests under the Plan and these Conditions to another company. If we do so your rights and obligations will be unaffected. The new owner will have the same rights and obligations as we have.
- 20.2 We may charge the Property. We will only allow this if your rights and obligations under the Plan will remain unaffected.

## **21 Standard Terms**

- 21.1 We will prepare the Home Reversion Plan Offer on the basis of the information you provide to us on the application form.
- 21.2 Any mortgage and/or secured loan on the Property must be repaid on or before the completion date.
- 21.3 If we discover that you have given fraudulent or deliberately misleading information, we will regard this as a breach of these Conditions and the terms of your Lease, which will entitle us to require you to buy back the Property for the full value at that time. We will do this if the correct information would have led us to refuse your application for the Plan.
- 21.4 If there are two of you, your obligations to us are 'joint and several'. This is a legal term meaning you are both responsible for your obligations set out in these Conditions.

## **22 Making changes to these Terms and Conditions**

- 22.1 We may make changes to these Terms and Conditions without your agreement if we need to do so to reflect a change in the law or regulation, as a result of changes in our IT or administration systems, or to correct any errors or omissions. We will inform you if any such changes are made.
- 22.2 If we need to make changes for other reasons, we will ask for your agreement first.
- 22.3 If these Terms and Conditions are found to be inconsistent or different to the conditions set out in your Bridgewater Home Reversion Plan Offer, the terms set out in your Bridgewater Home Reversion Plan Offer shall take priority.

## **23 Governing Law**

- 23.1 This Agreement shall be governed by the laws of England.

## **24 Enforceability**

- 24.1 If any part of this Agreement is found to be legally unenforceable, this will not affect any other parts of the Agreement and these shall remain in force.

## **25 Joint and several obligations**

- 25.1 If this Agreement is a joint plan, both parties are responsible for all aspects of this Plan, both on a joint basis, and each individually.
- 25.2 A person who is not a person named in this Plan has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Plan, and except as expressly provided in the Plan there is no intention for any person who is not a person named in this Plan to have any rights to enforce its terms.

## **26 Information supplied by you or your adviser**

- 26.1 You must ensure that any information given to us is accurate. We reserve the right to amend the amount or terms of your plan if we find out that it has been set up based on incorrect information.

## **27 Security checks**

- 27.1 In our dealings with you, we reserve the right to ask you for any reasonable supporting documentation in order to confirm your identity, or that of your executors or personal representatives, and the accuracy of any transaction.

## **28 Fraud prevention**

- 28.1 If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information.
- 28.2 We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when
- (i) Checking details on applications for credit and credit related or other facilities;
  - (ii) Managing credit and credit related accounts or facilities;
  - (iii) Recovering debt; or
  - (iv) Checking details on proposals and claims for all types of insurance.
- 28.3 Please contact us if you want to receive details of the relevant fraud prevention agencies. Our contact details are set out in the 'How to Contact Us' section below.
- 28.4 We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

## **29 Use of your Personal Information**

- 29.1 When you apply to us for a home reversion, we will check the following records about you and others:
- (i) Our own;
  - (i) Credit reference agencies; and/or
  - (ii) Fraud prevention agencies.

- 29.2 When credit reference agencies receive a search from us they will place a search footprint on your credit file that may be seen by others and in particular, lenders. They supply to us both public (including the electoral register) and shared credit and fraud prevention information.
- 29.3 We will make checks such as assessing this application for credit and verifying identities to prevent and detect crime and money laundering. We may also make periodic searches at credit reference agencies and fraud prevention agencies to manage your account with us.
- 29.4 If you make a joint application to us, or have a spouse or financial associate, We will link your records together. You must be sure that you have their agreement to disclose information about them. Credit reference agencies also link records together and these links will remain on file. You or your partner can make an application to the credit reference agency to disassociate your records to break that link.
- 29.5 We will send information about your application to credit reference agencies and this information will be recorded by them. If your application is successful we will give details of your accounts and how you manage them to credit reference agencies. If you do not keep up any of your rent payments in full and on time, credit reference agencies will record the outstanding debt. They may supply this information to other organisations to perform similar checks, to trace your whereabouts and recover debts that you owe. Records remain on file for six years after they are closed, whether settled by you or defaulted.
- 29.6 If you give us false or inaccurate information and we suspect or identify fraud we will record this and may also pass this information to fraud prevention agencies and other organisations involved in crime and fraud prevention.
- 29.7 We and other organisations may access and use the information recorded by fraud prevention agencies from other countries.
- 29.8 Your data may also be used for other purposes for which you give your specific permission or, in very limited circumstances, when required by law or where permitted under the terms of the Data Protection Act 1998.
- 29.9 This is a condensed version of how your data may be used. Full details are available on our website or by calling us to request a copy. If you want to, you can also contact the credit reference agencies operating in the UK. The information they hold about you may not be the same so it is worth contacting them all. They will charge you a small statutory fee.
- |                  |   |
|------------------|---|
| (i) CallCredit   | Consumer Services Team, PO Box 491, Leeds, LS3 1WZ<br>or call 0870 060 1414   |
| (ii) Equifax PLC | Credit File Advice Centre, PO Box 3001, Bradford, BD1 5US<br>or call 0870 010 0583<br>or visit <a href="http://www.myequifax.co.uk">www.myequifax.co.uk</a> |
| (iii) Experian   | Consumer Help Service, PO Box 8000, Nottingham NG80 7WF<br>or call 0844 481 8000<br>or visit <a href="http://www.experian.co.uk">www.experian.co.uk</a>     |
- 29.10 Please contact Retirement Bridge Management Limited if you require details of the relevant fraud prevention agencies.

## **30 Complaints**

- 30.1 If you are not satisfied with the advice or guidance received by your adviser, you should make a complaint directly to them; their contact details can be found on your KFI or Offer documentation.
- 30.2 If our service does not meet your expectations and you wish to complain, please contact our Complaints Officer immediately. Our contact details are set out in the 'How to Contact Us' section below. We will send you an acknowledgement together with a copy of our internal complaint handling procedure.
- 30.3 If you are not happy with the outcome of our investigation, you can then take the matter up with:

The Financial Ombudsman Service,  
Exchange Tower,  
London  
E14 9SR

Tel: 0800 023 4567.

## **31 How to Contact Us**

- 32.1 You may contact us by email at: [enquiries@bridgewaterequityrelease.co.uk](mailto:enquiries@bridgewaterequityrelease.co.uk)
- 32.2 Or telephone 0800 032 2118
- 32.3 Or write to us at:

Bridgewater Equity Release Limited  
Cross House  
Westgate Road  
Newcastle upon Tyne  
NE1 4XX.

