

EUREKA NEWSPONT

EUREKA FINANCIAL SOLUTIONS LTD

Thanks for reading our newsletter if you want to discuss
any of the articles in more detail please get in touch



The Old Inspectors House, York Street, Stourport-on-Severn, Worcestershire, DY13 9EH

advice@eurekafs.uk | 01299 821160 | www.eurekafs.uk

When your current mortgage deal comes to an end you might be tempted to do nothing and simply move on to your lender's Standard Variable Rate (SVR). However, by doing so you could risk your mortgage rate more than doubling.

SVR tend to be higher than the rates offered by other types of mortgage like tracker. In January 2019, the average SVR was 4.9%, compared to 2.52% for a two-year fixed-rate mortgage. Over the life of the mortgage this can mean paying thousands more interest than you need to.

Remortgaging to a better deal

Finding a new mortgage deal is a lot easier than getting your first mortgage. You don't have the stress of finding a home, working with estate agents, negotiating contracts or worrying about onward chains.

When it comes to remortgaging you could choose to stay with your current lender, and they might offer you something tempting to stay with them, but you don't have to. Switching to a new lender may seem like hassle you don't need, but it's worth the effort as it could mean you get a better rate.

Whether you're staying with your current lender or moving to a new one, just as with your initial deal it can pay to get advice to help find the most suitable mortgage for your needs. That's where we come in.

The value of our advice

We'll look at your current deal and work out if there are any exit fees or early repayment charges. We'll discuss your needs and future plans; whether you want to pay off your mortgage early or you're looking for lower monthly repayments.

We'll check any changes in circumstances and how they impact your financial plans; have you started a new job or reduced your hours to care for a new baby?

What's more, We'll complete your mortgage application and take care of the legwork for you. As part of Openwork Ltd, one of the UK's largest financial adviser networks, we can access competitive rates from most of the UK's best-known lenders.

You may be able to save money if you switch to a new deal. Don't leave it too late and end up paying more than you have to. Contact us today to discuss your remortgage.

Are you at the end of your deal?

Your home may be repossessed if you do not keep up repayments on your mortgage

The insurance policy that could prove critical

Some people might be put off buying a critical illness policy because they believe it's unlikely to pay out, despite the proportion of *claims paid by insurers standing at just over 92%*.

So why is there such a gap between perception and reality among consumers?

There have been well-publicised stories in the past where a policyholder has had a claim refused because their circumstances didn't meet the insurer's terms and conditions. But in reality, the number of critical illness claims declined are actually a tiny minority compared to the total paid out. Take a look at these numbers from 2017 from some of the UK's leading insurers:

Insurer	% of critical illness claims paid
Aviva	93%
Zurich	95%
Vitality	92%
Legal and General	92%
LV=	89%

Reasons why an insurer may not pay a claim:

- The policyholder didn't inform the provider about important medical or health information when they took out the policy
- The condition claimed for didn't meet the definition within the plan
- The policyholder tried to claim for conditions that were excluded from their plan

Separating fact from fiction

A critical illness policy pays out a tax free lump sum on diagnosis for any of the specified serious illnesses – around 100, including cancer, heart attack or stroke. There are additional benefits available with these policies which can be life-changing when called upon.

The cover might seem costly; a policy from Aviva for a 35-year-old non-smoker needing £200,000 cover over 25 years would cost £64 a month and it gets more as you get older but the value of this type of protection makes it absolutely worth considering. In fact, the Association of British Insurers reported that a total of 96% of critical illness claims made for cancer were paid out across the industry, demonstrating the positive impact these products can have during the worst of times.

The insurance market can be complex and confusing. Price comparison sites can make it easier to search and compare critical illness policies, but there's such a large choice and variety of products and you might end up paying for something that doesn't quite fit your circumstances.

Don't leave it to chance, seek professional, face-to-face advice from someone who will get to know your circumstances, your family history and your likely protection requirements and recommend critical illness cover that's right for you.

If you'd like to know more about how we can help you arrange serious or critical illness cover, or you'd like a better understanding of the options available, please get in touch.

How has COVID-19 affected your retirement?

2.6%

the average pension fund is 2.6% lower than at the start of year

1.5 million

people over the age of 50 are planning to delay their retirement

15%

plan to delay retirement by an average of three years

26%

say they plan on working indefinitely

The coronavirus pandemic has not been kind to older generations. As well as having a greatly increased risk of serious health complications from the virus itself, older people have suffered a serious blow to their retirement plans.

Data from Legal & General shows that 1.5m people over the age of 50 are planning to delay their retirement in some way as a direct result of COVID-19. Fifteen percent say they plan to delay retirement by an average of three years, while 26% say they plan on working indefinitely.

Pension funds fall...

Pensions savers initially saw the value of their pension pots fall in response to the stock market slump, which impacted the retirement income available for those on the verge of retirement. This is the main reason why so many are planning to delay their retirement. The average pension fund fell by 15.2% in Q1 2020 – an even worse performance than that observed at the height of the global financial crisis. Despite recovering losses in Q2 2020 the average pension fund is still 2.6% lower than at the start of the year.

... but flexible withdrawals decrease

Many savers have not panicked but taken a sensible approach to the crisis, with data showing that less money was flexibly withdrawn from pensions in the second quarter of this year. Savers withdrew £2.3bn during this period, down 17% on the £2.8bn withdrawn in Q2 2019. This suggests that in the face of challenging circumstances, savers have been able to use their common sense, resist temptation and keep their retirement plans on track.

Onwards and upwards

In a press release, a group of regulatory bodies including The Pensions Regulator (TPR) and the Financial Conduct Authority (FCA) have urged consumers to keep a level head. They advise pension savers to be wary of scams and to seek professional advice before acting. TPR's chief executive, Charles Counsell, said: "Pensions remain a safe long-term investment for your retirement and it's important to avoid hasty decisions about cash that's taken a lifetime to build."

Financial advice pays

If you're worried about your retirement, we can help. As your trusted financial adviser will be able to evaluate your situation and offer guidance based on your own personal circumstances.

The value of your investments and any income from them can fall as well as rise and you may not get back the original amount invested.

