

PRESS CUTTING

MORTGAGE PROBLEM: Assistance eases couple's plight

After years of stress things look brighter

AFTER years of stress that resulted in ill health, Cardenden couple Nichola and Andrew Low have finally recouped the money they lost through their mis-sold endowment mortgage.

And Nichola (60) and Andrew (66) want to tell other Fifers affected that there is help available.

Financial expert Gerry Diamond, from the Endowment Compensation Centre (ECC), estimates that 85 per cent of all policies held in Fife are in danger of falling short of the sum needed to repay their mortgage, and policyholders now face an average debt of £5,500.

Endowment mortgages were popular from the late 1970s to the early 1990s. Policyholders paid only the interest on their mortgage. Financial bodies invested the rest of the money in shares.

When the policy matured, it would not only pay off the mortgage, but also provide a lump sum. But a few years ago, when the stockmarket slowed down, the value of shares fell and endowments did not mature as predicted. The government estimates that about 60 per cent of endowment mortgages were mis-sold.

The Lows took out two endowment policies in 1991-2 and were assured both policies would not only cover their mortgage, but also provide a nest egg to help them enjoy their retirement.

Annual letters stated their policies were maturing as planned. But about three years ago all that changed, when the letters stated that both policies had a possible shortfall of

thousands of pounds.

Nichola says, "Our Independent Financial Advisor (IFA) told us not to worry or panic, that it would all work out and we would get our money.

"I had a gut feeling that would not happen, and we would have to keep working into our 70s to pay off the debt. Who was going to employ us at our age? I didn't know how we would have the strength or the youth to beat the debt."

The stress of the debt is believed to have contributed to Andrew's heart attack last June.

Nichola continues, "Although I can't say it was definitely the debt that caused it, I'm sure it was a contributing factor because he had to work all hours of the day to try and get more money."

Mr Low (66) told the Times that he and his wife spotted a newspaper advert for the ECC last November. "We were informed within a month that we were going to be compensated. I was very surprised that it was all sorted out so quickly."

The ECC managed to win £5,740 compensation and put them back on track to finish paying off their mortgage.

As industry figures show that only six per cent of homeowners eligible to claim have actually done so, Andrew adds, "I hope that our story will encourage other readers, who may be thinking, like we did, that it is impossible to get this sorted out."

*Andrew and Nichola contacted the ECC on 0870 240 5893.

