UK Finance

Later life mortgage lending update

Release Date:26/08/26

UK Finance Later Life Lending Update Q2 2026

- There were 37,300 new loans advanced to older borrowers in Q2, up 13.4 per cent year on year. The value of this lending was £6.2bn, which was up 20.5 per cent compared with the same quarter a year previously. However the year-on-year comparison is inflated due to the dip in lending in Q2 2025, following the rush to beat stamp duty changes from April 2025 onwards.
- There were 5,730 new lifetime mortgages advanced in Q2, down 1.7 per cent from the same quarter a year earlier and up 8 per cent compared to Q1. The value of this lending was £490mn.
- There were 323 retirement interest only mortgages advanced in Q2, up 5.9 per cent year on year. The value of this lending was £31mn, up 24 per cent from the same quarter a year previously.
- Residential Later Life loans in Q2 represent 7.8 per cent of all residential loans. BTL Later Life loans in Q2 represent 20.6 per cent of all BTL loans.

Next release date: 24th November 2026

Notes to Editor

1 For more information on this update please contact ukfstatistics@ukfinance.org.uk

2 Representing 300 firms, we're a centre of trust, expertise and collaboration at the heart of financial services. Championing a thriving sector and building a better society.

3 A RIO (Retirement Interest Only) mortgage is an Interest Only mortgage that allows borrowers to pay just the monthly amounts of interest throughout the term until either the death of the last remaining borrower or when the last remaining borrower moves into long-term care. When one of these events occurs the mortgage ends and the amount outstanding must be repaid in full.

4 Lifetime Mortgages - The key difference with this product compared to a standard mortgage or a RIO is that monthly payments are not required. The mortgage is repayable upon death of the last remaining borrower or when the last remaining borrower moves into long term care. Where no monthly payments are made, the interest accrues over the lifetime of the mortgage, meaning the amount borrowers owe at the end of the mortgage will be more than the amount they borrowed. However, many lenders will allow borrowers to make full or partial interest payments either on a monthly or ad-hoc basis.

5 The term older borrowers is defined as the main borrowers being above 55 years old

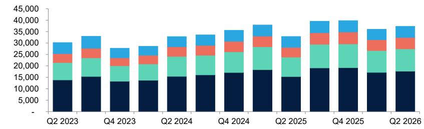
UK Finance

Later life mortgage lending update

Later life lending

Volume of new lending to older borrowers

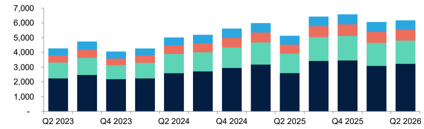
Number of new mortgage loans secured by a first charge on the property where the main borrower is over 55 years old advanced in period.



Age of borrower	Latest (Q2 2026)	YoY Change
>55 - <60	17,710	15.60%
>=60 -<65	9,750	14.44%
>=65 - <70	4,980	17.18%
>=70	4,860	1.25%

Value of new lending to older borrowers (£m)

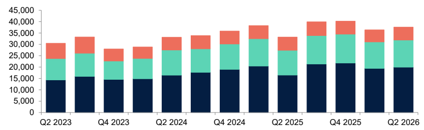
Value of new mortgage loans secured by a first charge on the property where the main borrower is over 55 years old advanced in period.



Age of borrower	Latest (Q2 2026)	YoY Change
>55 - <60	£3,240mn	24.14%
>=60 -<65	£1,580mn	19.70%
>=65 - <70	£730mn	19.67%
>=70	£610mn	7.02%

Volume of Later Life loans split by borrower type

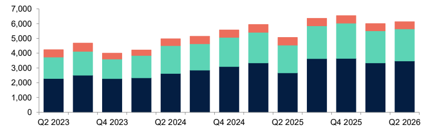
Volume of Later Life loans split by borrower type where the main borrower is over 55 years old advanced in period.



Borrower type	Latest (Q2 2026)	YoY Change
Residential (House purchase, Remortgage, RIO)	19,943	21.05%
BTL (House purchase, Remortgage)	11,950	9.73%
Lifetime	5,730	-1.72%

Value of Later Life loans split by borrower type (£m)

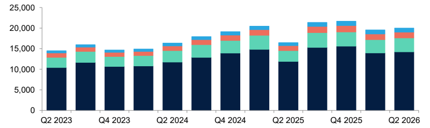
Value of Later Life loans split by borrower type where the main borrower is over 55 years old advanced in period.



Borrower type	Latest (Q2 2026)	YoY Change
Residential (House purchase, Remortgage, RIO)	£3,471mn	30.24%
BTL (House purchase, Remortgage)	£2,170mn	15.43%
Lifetime	£490mn	-5.77%

Volume of residential loans by employment type

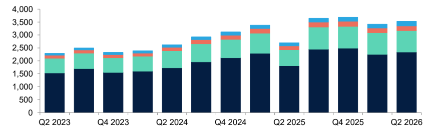
Volume of residential loans (house purchase, remortgage, and RIO) split by employment type where the main borrower is over 55 years old advanced in period.



Borrower employment type	Latest (Q2 2026)	YoY Change
Employed	14,240	19.66%
Self-employed	3,380	29.01%
Retired	1,390	16.81%
Other	1,010	32.89%

Value of residential loans by employment type (£m)

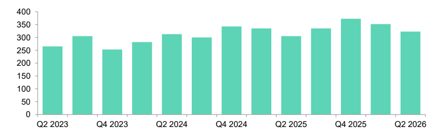
Value of residential loans (house purchase, remortgage, and RIO) split by employment type where the main borrower is over 55 years old advanced in period.



Borrower employment type	Latest (Q2 2026)	YoY Change
Employed	£2,340mn	29.28%
Self-employed	£830mn	33.87%
Retired	£180mn	20.00%
Other	£180mn	50.00%

Volume of RIO loans

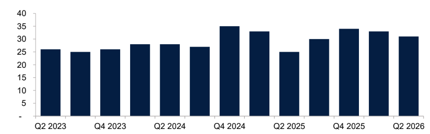
Volume of retirement interest only loans where the main borrower is over 55 years old advanced in period.



	Latest (Q2 2026)	YoY Change
Volume	323	5.90%

Value of RIO loans (£m)

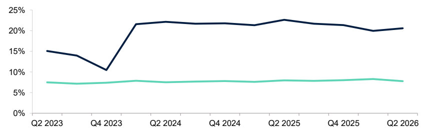
Value of retirement interest only loans where the main borrower is over 55 years old advanced in period.



	Latest (Q2 2026)	YoY Change
Value	£31mn	24.00%

Later Life Residential and BTL loans as a % of total

Later Life Residential and BTL loans as a % of their respective total loans advanced in period.



	Latest (Q2 2026)	YoY Absolute Change
Residential later life	7.77%	-0.18
BTL	20.59%	-2.04

For more information contact ukfstatistics@ukfinance.org.uk