

Retirement Plus Case Study

From business blueprint to fully automated equity release in just 9 months

retirementplus
Unlock Home Equity Fairly

According to industry analysts, the equity release market is forecast to double

over the next three years. Given the sharp increase in housing wealth held by older homeowners combined with growing concerns over the adequacy of current retirement provision, it would seem that this market is ripe for further expansion. Equity release enables older homeowners to clear debts, boost retirement income, provide financial assistance to other family members and invest in property overseas. In addition to the classic lifetime mortgage and home reversion plan providers, the sector is attracting new entrants offering a new breed of innovative and flexible products.

One such company is London-based Retirement Plus, founded in late 2004 by Chris Rumsey, now Commercial Director, and Duncan Young, now Managing Director. Using Rumsey's expertise in property and investment management, and Young's know-how in financial services and banking, together with financial backing from property investors including British Land and Delancey, the company has developed a new approach to equity release that doesn't involve debt. Retirement Plus simply takes a percentage interest in the



Perform mortgage applications remotely

homeowner's property in exchange for a lump sum payment at market value. The owner's financial interest in the property then reduces over time, rather than at the start. When the property is sold, Retirement Plus shares in the profit (or loss) generated by the sale. Unlike many other providers, Retirement Plus will consider variations to the plan such as retaining the property when owners move into care homes or letting the property.

Search for a solution

From the outset Rumsey acknowledged that a sophisticated IT system was required to underpin the whole operation: "We developed a hundred page functional business blueprint that detailed all aspects of the business we planned to build. We wanted to combine all the best aspects of an effective IT system with the very best personal service offering to maximise sales and provide outstanding customer service. We knew the system needed to have proven success in the mortgage application processing market, but be easily adaptable to accommodate the changing needs of a start-up business and an innovative new equity release product."

Benefits for Retirement Plus

- Web-based solution providing brokers and financial advisors 24/7 access to equity release products.
- Automatically generates documents such as a Key Facts Illustration (KFI).
- Eliminate the need to re-key application information.
- Generates comprehensive audit trail.
- The tools within the system assist in providing full FSA compliance.



Rumsey began his search for suppliers in January 2005, shortly after the functional business blueprint was complete. The company's equity release product, "The Property Plan" was scheduled for launch in November 2005, by which time the system needed to be ready, tested and able to accept applications. Rumsey sought a solution that would handle the entire application process on-line, while linking into existing systems such as on-line valuation, conveyancing and credit referencing systems. The system needed the ability to evolve and grow, both in functionality and capacity, as the business and products develop. Therefore it needed to be adaptable and easily configured to accommodate business change. Equity release documents need to be stored for a minimum of the remaining lifetime of applicants (in some cases as much as 40 years), so secure long term archival was paramount.

Retirement Plus asked three strong candidates to review the functional business blueprint and propose an IT solution, one of which was SDS Applications Ltd. (SDS). SDS has an established reputation as a leading player in the mortgage processing arena, demonstrated the greatest understanding of Retirement Plus's requirements and offered a solution that seemed to provide a close fit. Rumsey invited SDS to participate in a two-week scoping exercise, to determine exactly how the system would work in practice. The scoping exercise was a great success, and by March 2005 – just two months after first discussions began – Retirement Plus appointed SDS as their supplier of choice. Rumsey: "The SDS project team was upfront about what their product can and can't do. Other suppliers tried to impose their product capabilities upon us. We appreciated the way SDS listened and understood our business before proposing a solution that effectively mirrored our requirements."

End-to-end application processing

Retirement Plus purchased eFIRST Origin*, an end-to-end solution for mortgage application processing. The company also bought configuration and setup consultancy, to adapt the software to meet their specific equity release requirements.

eFIRST Origin is a flexible web-based solution that can be used 24/7 by brokers and financial advisors

who can access product information, on-line application forms, status tracking facilities and statistical information. Retirement Plus products have a strong element of fairness, and can only be bought through an FSA-regulated third party to ensure that the homeowner has considered all implications of the purchase. A workflow-based solution, eFIRST Origin can be configured to apply product rules at each stage in the process, to ensure that all mandatory data is collected. It can also be configured to automatically generate documents such as a Key Facts Illustration (KFI), Decision in Principle (DIP), Property Plan Offer or a simple message, at the appropriate stage of the process. A comprehensive audit record of all system and data changes is maintained and in-depth management information reports are generated to facilitate business analysis.

"The solution brilliantly maps onto our functional business blueprint and caters for all our current and future needs without providing costly, complex facilities that we'll never use."

All application forms are completed on-line and submitted electronically, eliminating the need to re-key application information. The offer is generated and distributed in paper form as it must be signed by various parties. The system also issues annual statements and records the answers to routine questions, which occasionally check that the owner still resides at the address. Periodic re-evaluations are conducted and stored electronically. The "Online Calculator" enables any prospective client to visit the web site and assess the maximum equity they could release simply by entering their age, sex and property value. eFIRST Origin already meets the requirements of the FSA. When the equity release industry becomes fully regulated in the future Retirement Plus will be well prepared.

Forms submitted online

The system is fully hosted by SDS offsite in the London Docklands. Retirement Plus moved offices within four months of product launch, and it was crucial that everyday business was not interrupted. In the event, the move caused no disruption whatsoever. Staff members required very little training and brokers have commented on the ease of use of the system.

* eFIRST Origin is the mortgage application processing product formerly known as SDS MAPS. On 22 November 2005 SDS Applications Limited was acquired by BancTec Limited. SDS MAPS was incorporated into BancTec's enterprise-scale, end-to-end business process management software suite, eFIRST, and is now known as eFIRST Origin.

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A winning combination

According to Michelle Martinez, Head of Operations at Retirement Plus, “From a technical, operational and personnel standpoint, the implementation went very smoothly. The project management team planned for all eventualities, and there were no surprises. Shortly before implementation SDS was acquired by BancTec. Initially we were concerned, fearing this would impact our timeline and result in project team personnel changes, but the entire SDS project team went the extra mile to safeguard the project.”

The system was complete in September 2005, and following two months of testing it went live in November 2005, coinciding with the official launch of the Retirement Plus Property Plan.

“The solution brilliantly maps onto our functional business blueprint and caters for all our current and future needs without providing costly, complex facilities that we’ll never use,” says Rumsey. “Our business is based on providing an efficient yet personal service, and we enjoy working with suppliers that share this philosophy. We have found that the on-line mortgage application processing system, implemented by BancTec, is well supported by real people.”

Retirement Plus is operating in a fast developing market with constantly changing regulations. With eFIRST Origin the company can embrace new developments and incorporate best practice processes introduced over time as professionals with industry knowledge join the organisation. The efficiencies gained afford the time to provide the personal service that will keep Retirement Plus one step ahead in the future.

About BancTec

BancTec is a worldwide systems integration, business processing outsourcing (BPO) and services company delivering high-volume, mission-critical solutions to automate and streamline data and paper-intensive business processes. As a leading worldwide vendor, at least 50 million documents or items are captured and processed by BancTec systems every day across the world.



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