

Why flexibility matters in later life lending

By Rob Miles, Head of Intermediary Sales

Later life lending has evolved significantly in recent years. Advisers are now having more detailed conversations with clients about flexibility, affordability, inheritance planning and the long-term cost of borrowing. At the same time, customers increasingly want solutions that give them more control over how their borrowing works in practice.

That is why the latest update to our [Optional Payment Lifetime Mortgage \(OPLM\)](#) is an important development for the market.

For many clients, the ability to make monthly interest payments can be a valuable part of the advice conversation. Regular payments can help manage the growth of the loan balance, reduce the impact of interest roll-up, and give clients more flexibility for the future.

Where a client chooses to make regular interest payments, it feels right that this commitment is reflected in the rate they receive.

That is the thinking behind our latest OPLM update. For all new applications, customers who make monthly interest payments will receive a tailored reduced rate of interest, based on their individual lending requirements. This will be available across both lump sum and Drawdown Initial Advances.

What I welcome is the simplicity of the approach. Every new OPLM application will receive a reduced rate of interest where monthly interest payments are made, including where a client chooses to pay the minimum monthly interest amount. For advisers, that clarity matters.

The support also extends beyond the initial loan. Where a client returns for future Drawdown releases, they can choose whether to make interest payments on that Drawdown. If they do, and their Initial Advance qualified for a reduced rate, a tailored reduced rate can also be applied to the Drawdown rate.

Later life lending conversations are rarely one-dimensional. Clients may be using property wealth to support retirement income, repay borrowing, help family members, adapt their home, or create more financial breathing space. In many cases, they want flexibility today while still keeping an eye on the future. The ability to make interest payments, benefit from a reduced rate of interest while doing so, and potentially retain that rate for life after 15 years of payments, can support a wide range of client needs.

There is also a human side to this update. For joint life customers, we are increasing the missed payment allowance from 6 to 12 payments where the first borrower dies or

enters long-term care. That additional breathing space recognises that life events can be difficult and disruptive, and that customers need practical flexibility at those moments.

For advisers, the opportunity is to bring these changes together in a balanced conversation. The updated OPLM does not change the need for careful advice. Clients still need to understand how making, stopping or missing payments could affect their loan, their rate and the total cost of borrowing. If payments are stopped within the first 15 years, the rate will increase to a higher fixed rate for the remainder of the lifetime mortgage. But it does give advisers a more rounded proposition to discuss - one that recognises payment behaviour, supports flexibility and provides clearer value for clients who want to manage interest over time.

I have always believed that the strongest product developments are the ones that make advice conversations clearer and more meaningful. This update gives advisers a more considered story to tell and gives clients more choice in how they approach later life borrowing.

To explore the update in more detail, watch our on-demand webinar covering the latest OPLM changes and key considerations for advisers:

<https://laterlifelending.landg.com/L/1031541/2026-08-18/4hv7x>