

VANTAGE POINT

EDITION 4

Please enjoy reading our newsletter. If you would like to discuss any of the articles further, please do not hesitate to contact us.

Considerations for first-time buyers

Being a first-time buyer can be daunting. Not only are you about to make one of the biggest financial decisions in your life, but you'll probably also have family members and friends offering their ideas on the right house, mortgage, lender, conveyancer and even removal company for you.

We've put together some ideas to try and take away some of the stress and confusion and give you confidence to move through the home buying process as smoothly as possible.

Get the right advice

Of course, we're going to say that – it's what we do! We'll review your circumstances and look at your income, debt, day-to-day outgoings, employment and the size of your deposit, to assess what you can afford to borrow now and in the future. We'll talk you through the types of mortgages we think are right for you and the lenders who offer them.

Save as much as possible

Buying a house is going to be expensive so it's important to save, save, save to get yourself in the best position possible. Some lenders will accept a minimum deposit of 5% of the cost of the house you're buying but aim higher. The bigger your deposit, the smaller the mortgage (and monthly mortgage payments) making you more attractive to a lender.

Compromise

We can all admit that it is easy to get a little carried away when looking for our 'dream' home, but sometimes buying your first house is all about compromise. Deciding what you're prepared to compromise on is an essential step when considering your first home. Whether it's the luxury of having extra bedrooms or a bigger garden, it's unlikely that you're going to get everything you want at a price you can afford.

Know your budget

Your hard-saved deposit and monthly mortgage repayments aren't the only expenses you need to be mindful of when buying your first home:

- Some lenders will charge for a **valuation fee** to help them establish how much they are prepared to lend you.
- You'll also need to factor in the cost of a **survey** (depending on the type of property you're buying and the lender you choose to go with you might need a basic mortgage valuation, a homebuyers report or a full structural survey).
- In Scotland you also need to budget for **Land and Buildings Transaction Tax** on properties over £175,000.
- In Wales you'll need to budget for **Land Transaction Tax** on properties over £225,000.
- In England or Northern Ireland, you'll need to budget for **Stamp Duty Land Tax** on properties over £425,000.
- You'll also need to pay your **solicitor** or **conveyancer** for any legal work and local searches they do on your behalf.



Talk to us and we can help with practical financial advice on your first and future home purchases.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

Approved by The Openwork Partnership on 16/03/2023.

Here's how financial protection can offer security for parents

Serious illness can place immense stress on our families. The cost of caring for an unwell child, worry over access to essential services, and the emotional toll of serious illness are all things that no parent wants to think about.

We can't predict what the future will hold for the health of our families, but we can take proactive steps to prepare for the risk that we or our children might become critically unwell.

Appropriate financial protection can be a vital safety net for parents, providing essential cover for children and easing the pressure of caring for them.

Critical illness payouts can help you care for your child

No parent wants to consider the possibility of their child becoming seriously ill, but planning for the worst can offer the greatest peace of mind. Robust and appropriate financial protection can help shore up your finances and allow you to focus on caring for your child.

Critical illness cover pays out a lump sum if you are diagnosed with an illness covered by the policy. Many of these policies include cover for a child of the policyholder, paying out a proportion of the full amount if they become seriously ill. This payout provides a financial safety net, covering your expenses and allowing you to take time away from work to care for your child.

Critical illness cover may also come with other benefits that can offer further support for your family, such as:

- A payout if your child is hospitalised because of an accident.
- Cover for the cost of accommodation so that you can be close to your child if they're in hospital.
- Childcare costs if you're diagnosed with a serious illness that's covered by your policy.

The cost of critical illness cover varies depending on how large you want a potential payout to be, as well as other factors like your age and general health. It's important to note that you'll only be covered as long as you keep paying your premiums.

Children are often automatically included in critical illness cover but this isn't guaranteed. Contact your provider for clarification and be aware that your premiums could rise if you add a child to a policy that doesn't already cover them.

Cover for a child typically starts from the first few weeks after birth and lasts until they're 18, or 21 if they're in full-time education, but this can vary between providers. There may be other restrictions to critical illness cover that you should be aware of – some policies will only allow

one claim per child whilst others might exclude certain conditions that are present from birth.

It's important to check the details of critical illness cover thoroughly when comparing your option to make sure that you're buying the right cover for your circumstances.

Private medical insurance could help provide better care for your family

You may want to consider taking out private medical insurance to compliment the security that financial protection could offer you. The Guardian reports that the private health insurance market has grown by £385 million in the last year. At the same time, rising wait times and staff shortages are causing public satisfaction with the NHS to slump according to the long-running British Social Attitudes survey.

Private medical insurance can help to put your mind at ease by reducing waiting times for a range of services (like tests and consultations) whilst giving you a wider choice of treatment providers. It could also help to cover the cost of a private room, giving you and your family greater privacy if you need to stay in hospital overnight.

Private health insurance can cover much more than just physical illness. Some providers offer access to counselling and mental health services which are becoming increasingly important for the wellbeing of younger generations – the number of children and young people seeking support for their mental health increased by 25% from 2022 to 2023 according to data from Aviva.

The cost of private health insurance and the level of cover you'll receive are influenced by a range of factors, including who you want the policy to cover, your lifestyle, and family medical history. It's important to take the time to understand how comprehensive your options are and any exclusions that might affect your family.

Talk to us to see how we can help protect your family

Financial protection is just one way that you can prepare for the unexpected. Get in touch if you'd like to know more about financial protection for your family against serious illness.

Please note: Financial protection plans typically have no cash in value at any time and cover will cease at the end of the term. Cover will lapse if premiums are unpaid. Cover is subject to terms and conditions and may have exclusions. Definition of illnesses vary between providers and will be explained in policy documentation.

Weathering the Storm: Understanding Home Insurance Coverage for Adverse Weather

Extreme weather events and powerful storms are becoming more frequent and intense in the UK. Homeowners may be increasingly concerned about the potential damage their properties may face.

Fortunately, many home insurance policies include coverage for adverse weather as a standard feature. However, it's crucial for homeowners to review their policies regularly to ensure they have the right cover for their needs.

Understanding Standard Cover

While home insurance policies generally cover a broad range of weather-related perils, it's essential for homeowners to review the specifics of their coverage. Standard features often include protection for structural damage, damage to personal belongings, and additional living expenses if the home becomes uninhabitable due to adverse weather.

Additional Considerations

Despite the inclusion of weather-related coverage in many home insurance policies, it's crucial to consider the limitations and exclusions that may apply. For instance, escape of water cover may only cover the damage caused by a pipe that has burst due to freezing and may not cover the repair of the pipe itself. It's important to be aware of any limitations and take steps to fill potential gaps in coverage.

If you are a renter, you will need contents insurance to cover damage to your belongings like clothes and electronics if there is a flood from heavy rain fall for example.

Steps for Homeowners:

1. **Regular Policy Review:** Schedule regular reviews of your home insurance policy to ensure that it adequately covers the risks associated with adverse weather events.
2. **Understanding Exclusions:** Pay close attention to policy exclusions and limitations related to weather-related damage. Consider purchasing additional coverage if needed.
3. **Mitigation Measures:** Implement preventive measures to minimize the risk of weather-related damage to your property. This may include reinforcing roofs, installing storm shutters, and ensuring proper drainage around your home.
4. **Communication with Insurer:** Stay in communication with your insurance provider. If you live in an area prone to specific weather risks, discuss your concerns with your insurer to ensure that you have sufficient coverage.

As extreme weather events become more commonplace, having adequate insurance coverage is crucial. While many home insurance policies now include standard coverage for adverse weather, it's essential to stay vigilant, regularly review policy terms, and take proactive measures to protect your property. By staying informed and prepared, you can weather the storm with confidence and peace of mind.