

GUERNSEY STATUTORY INSTRUMENT

2025 No. 65

**The Lending, Credit and Finance
(Equity Release) (Amendment) Regulations, 2025**

<i>Made</i>	<i>17th June, 2025</i>
<i>Coming into operation</i>	<i>1st January, 2026</i>
<i>Laid before the States</i>	<i>****, 2025</i>

THE POLICY & RESOURCES COMMITTEE, in exercise of the powers conferred on it by sections 4(1)(e), 5(g), 8(1)(b) and 84 of the Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022^a and all other powers enabling it in that behalf, and after consultation with the Guernsey Financial Services Commission and with the agreement of the Policy and Finance Committee of the States of Alderney and the Policy and Finance Committee of the Chief Pleas of Sark, hereby makes the following Regulations:-

Amendment of Lending, Credit and Finance Law.

1. The Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022 is further amended as follows.

Amendment of meaning of "credit".

2. After section 4(1)(a) insert the following paragraph –

^a Registered by the Royal Court on the 7th November, 2022; the Law has been amended.

"(aa) without prejudice to paragraph (a), equity release finance,".

Amendment of meaning of "services ancillary to the provision of credit".

3. After section 5(f) repeal the word "and" and insert the following paragraph –

"(fa) advising on equity release finance, and".

Amendment of meaning of "regulated agreement".

4. After section 6(1)(b) insert the word "or" and insert the following paragraph –

"(c) where the credit consists of the provision of home reversion finance, a provider of credit and any customer whereby home reversion finance is provided to the customer.".

Insertion of definitions concerning "equity release finance".

5. In section 90(1) insert the following definitions in the appropriate alphabetical positions -

"**care home**" means a nursing or residential home within the meaning of the Nursing Homes and Residential Homes (Guernsey) Law, 1976 or the Nursing and Residential Homes (Registration and Occupation) (Alderney) Law, 1987, or some other corresponding service or arrangement in any jurisdiction, howsoever described,

"**equity release finance**" means home reversion finance or a lifetime mortgage,

"**home reversion finance**" means an agreement comprised in one or more instruments in relation to which the following conditions are met at the time it is entered into -

- (a) the agreement is one under which a person (the "**reversion provider**") purchases all or part of any real property situated in the Bailiwick and used for residential purposes from an individual or trustee (the "**reversion occupier**"),
- (b) the reversion occupier (if the reversion occupier is an individual) or an individual who is a beneficiary of the trust (if the reversion occupier is a trustee), or a related person, is entitled under the agreement to occupy the real property in question, and intends to do so, and
- (c) the agreement specifies or otherwise provides for one or more qualifying termination events, on the occurrence of which that entitlement will end,

and for the purposes of this definition –

- (i) the reversion provider shall be deemed to have purchased all or part of any real property –

(A) in Guernsey, if the reversion provider has entered into a relevant transaction within the meaning of the Document Duty (Anti-Avoidance) (Guernsey) Law, 2017 conferring on the reversion provider a significant benefit (also within the meaning of that Law) arising from, or relating to, that real property,

(B) in Alderney –

(B.1) if there has been a grant or assignment to the reversion provider of a long lease of land (within the meaning of the Duty on Long Leases (Alderney) Law, 1994) comprising that real property, or

(B.2) if there has been a transfer to the reversion provider of the share capital of a land holding corporation (within the meaning of the Duty on Share Transfers (Alderney) Law, 1994) which is –

- the legal or beneficial owner, or

- the holding company of a land holding corporation which is the legal or beneficial owner,

of that real property,

and the other provisions of this definition shall apply accordingly,

(ii) "**related person**" in relation to the reversion occupier or, where the reversion occupier is a trustee, a beneficiary of the trust, means -

- (A) that person's spouse or civil partner,
- (B) a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife, or
- (C) that person's parent, brother, sister, child, grandparent or grandchild,

and a person's "**civil partner**" means a person who has registered as that person's civil partner under the Civil Partnership Act 2004, or who is treated under that Act as having formed a civil partnership by virtue of having registered an

overseas relationship within the meaning of that Act, and whose civil partnership, or registered overseas relationship, has not been dissolved or annulled,

(iii) "**qualifying termination event**", in relation to a person's entitlement to occupy real property, means -

(A) the person becomes a permanent resident of a care home, or

(B) the death of the person,

"**lifetime mortgage**" means an agreement (not being a retirement interest-only mortgage) whereby credit is provided and secured against real property situated in the Bailiwick and used for residential purposes, under which -

(a) interest or other charges may be levied on the customer or their estate,

(b) the lender may or may not specify a term for the agreement, but will not seek full repayment of the loan (including interest, if any, outstanding) until the occurrence of one or more of the specified life events, and

(c) while the customer continues to occupy the property that is subject to the agreement as their main residence

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(i) no instalment repayments of the capital and no payment of interest on the capital (other than interest charged when all or part of the capital is repaid voluntarily by the customer) are due or capable of becoming due,

(ii) although interest payments may become due, no full or partial repayment of the capital is due or capable of becoming due, or

(iii) although interest repayments and partial repayment of the capital may become due, no full repayment of the capital is due or capable of becoming due,

and in this definition "**specified life event**" means –

(A) the death of the customer,

(B) the customer leaves the property that is subject to the agreement to live elsewhere and has no reasonable prospect of returning (for example, by reason of becoming a permanent resident of a care home),

- (C) the customer acquires another property for use as their main residence,
- (D) the customer sells the property subject to the agreement, or
- (E) the provider exercises its legal right to take ownership or possession of the property subject to the agreement under the terms of the contract,

"retirement interest-only mortgage" means a regulated agreement described in section 6(1)(b) -

- (a) which requires the interest accruing under it to be repaid in full over the stated term,
- (b) entry into which is restricted to customers above a specified age,
- (c) under which the lender is not entitled to seek full repayment of the loan until the occurrence of one or more of the specified life events set out in the definition of "lifetime mortgage" above, unless the customer breaches the customer's contractual obligations (including any obligation to pay interest during the term) in a way which allows the lender to terminate the agreement, and

- (d) which is not an agreement under which the customer is obliged to make payments of interest and capital which are designed to repay the loan in full over the stated term,".

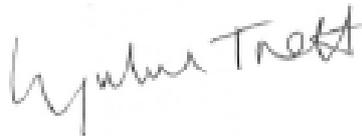
Citation.

6. These Regulations may be cited as the Lending, Credit and Finance (Equity Release) (Amendment) Regulations, 2025.

Commencement.

7. These Regulations shall come into force on the 1st January, 2026.

Dated this 17th day of June, 2025



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Deputy L. S. Trott O.B.E.

President of the Policy & Finance Committee

For and on behalf of the Committee



EXPLANATORY NOTE

(This note is not part of the regulations)

These Regulations amend the Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022 ("the Law") in order to enable the Guernsey Financial Services Commission to regulate the provision of "equity release finance", which comprises –

- (a) lifetime mortgages, whereby credit is provided and secured against real property in the Bailiwick used for residential purposes, and under which interest may be levied on the customer but the lender will not seek full repayment of the loan until the occurrence of a specified life event (for example, the customer's death, their acquisition of another property as their main residence, or their becoming a permanent resident of a care home), and
- (b) home reversion finance, whereby a person purchases real property in the Bailiwick used for residential purposes from an individual where the individual or a related person remains entitled to occupy the property until their death or their becoming a permanent resident of a care home.

Advising on equity release finance will also now be subject to licensing by the Commission under the Law as a service ancillary to the provision of credit, given the differing skillsets required to deal with these particular products.

The Regulations make the necessary amendments to the Law, and insert the relevant definitions of care home, equity release finance, home reversion finance, lifetime mortgages and retirement interest-only mortgages.

The Regulations come into force on the 1st January, 2026.
