



Department  
for Work &  
Pensions



# Public attitudes towards taking up Support for Mortgage Interest as a loan

A report for the Department for Work and Pensions by  
Ipsos MORI

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August 2017

## Research Report No 941

A report of research carried out by Ipsos MORI on behalf of the Department for Work and Pensions

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# Summary

This report contains the findings from quantitative research on attitudes towards changes to Support for Mortgage Interest (SMI). This is a benefit available to homeowners to help with mortgage interest and interest payments on some loans for improvements or repairs. People are eligible for it as part of one of the income-related benefits such as Jobseeker's Allowance. In the June 2015 Summer Budget, it was announced that SMI would be changed from a benefit to a loan that would eventually have to be paid back.

This study, conducted by the research agency Ipsos MORI, took the form of three quantitative surveys. The first, conducted face-to-face with a sample of the general public across Great Britain, set out to gauge the proportion of the public potentially eligible for SMI. A follow-up survey, which used the same methodology, was then conducted with members of the public who were judged potentially eligible for SMI, and they were asked about their awareness of SMI and reactions to the proposed changes to its administration. In parallel with this, a telephone survey was conducted with a sample of actual SMI claimants, supplied to Ipsos MORI by the Department for Work and Pensions. It asked many of the same questions that were posed to potentially eligible members of the public, namely awareness of SMI and attitudes to the proposed changes due to take effect in 2018.

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# List of abbreviations

<b>BME</b>	Black and minority ethnic
<b>CATI</b>	Computer assisted telephone interviewing
<b>DWP</b>	Department for Work and Pensions
<b>SMI</b>	Support for Mortgage Interest

# Glossary of terms

## **Support for Mortgage Interest (SMI)**

SMI is a payment that helps homeowners with interest payments on their mortgage or loans that they have taken out for certain repairs and improvements. SMI is paid as part of Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Pension Credit and Universal Credit. Individuals must be in receipt of one of these benefits to qualify for SMI. These are income-related benefits and are dependent on income and savings when the level of assistance is calculated. The working-age benefits (Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance) also have 'remunerative work' rules which specify the hours that can be worked before benefit ceases. Claimants have to satisfy the qualifying conditions for one of the income-based benefits to receive SMI. Claimants are excluded, for example, on grounds of excess capital, or, where the claimant works 16 hours or more a week, or the partner works for 24 hours or more a week

# Executive summary

## Introduction

Following the Chancellor's announcement in the summer of 2015 that Support for Mortgage Interest (SMI) will be converted from a benefit to a loan, this research study set out to understand likely take-up of SMI as a loan; identify alternatives to SMI loans that claimants might consider so that the advice they receive for SMI loans can be tailored and to understand the public and claimants' perceptions of SMI as a loan.

The Department for Work and Pensions (DWP) commissioned Ipsos MORI to investigate public attitudes towards taking up SMI as a loan. A representative survey of the general public was conducted via the Ipsos MORI Capibus (Ipsos MORI's face-to-face omnibus survey), alongside a targeted telephone survey of SMI claimants.

The research came in the form of three quantitative surveys. The first was conducted face-to-face with a sample of 1,965 people aged 15+ across Great Britain between 29 January and 19 February 2016; its purpose was to estimate the proportion of the public potentially eligible for SMI. A secondary survey, which used the same methodology, was then undertaken with 4,017 members of the public aged 15+ across Great Britain between 13 and 27 May 2016. Of these respondents, 424 were judged potentially eligible for SMI and were asked about their awareness of SMI and reactions to the proposed changes to its administration. Separately, a telephone survey was conducted with a sample of 501 actual SMI claimants between 17 March and 5 April 2016. It asked many of the same questions that were posed to potentially eligible members of the public, namely awareness of SMI and attitudes to the proposed changes due to take effect in 2018.

## Overall knowledge of SMI

Knowledge of SMI is very limited, even among claimants. Four per cent of the targeted sample<sup>1</sup> of the general public claim to know at least a fair amount about SMI. This compares with much higher levels of awareness for other income-related benefits. For example, two in five members of the targeted sample of the public know at least a fair amount about Jobseeker's Allowance (41 per cent).

Awareness of SMI is greater among SMI claimants (28 per cent know at least a fair amount about it). However, this still means only a minority have detailed knowledge of SMI, which may well reflect the fact that it is paid directly to the mortgage lender, with little involvement from recipients themselves.

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<sup>1</sup> In Phase 2 Ipsos MORI undertook a longer survey to answer the key research questions knowing the definition and likely incidence of this group. In total, 424 individuals fell into our broad definition of prospective claimants/people who might take up an SMI loan. Throughout this report, this group is referred to as the 'targeted sample of the general public'.

## **Public attitudes towards taking up Support for Mortgage Interest as a loan**

The relatively low profile of SMI, even among recipients, is also shown by the very limited knowledge which individuals have about the changes due to happen in 2018 when SMI is converted from a benefit to loan. Only two per cent of the targeted sample of the general public know at least a fair amount about these changes. Although this proportion is somewhat greater among SMI claimants, it is still very low (eight per cent) and over half (59 per cent) of claimants know nothing at all about these changes.

Respondents who have heard of SMI were then asked what they knew about it. Individuals are most likely to say that they know that SMI only meets the interest payments on mortgages and not the capital sum; this is the case among the targeted sample of the public (31 per cent) and SMI claimants (34 per cent).

## **Attitudes towards borrowing and spending**

To further understand respondents' views, they were all asked about their attitudes towards borrowing and spending. Most respondents say they have a responsible attitude towards buying expensive things, and would save up for these items rather than buy them on credit; this is the case both among SMI claimants (65 per cent) and members of the targeted sample of the general public (70 per cent). Only a minority disagree (19 per cent of claimants and 13 per cent of the targeted public sample).

However, there is more difference when it comes to borrowing, with SMI claimants less likely to agree that borrowing money is a normal part of today's lifestyle (54 per cent, compared with 67 per cent of the targeted sample of the public). SMI claimants typically have lower incomes and report greater financial difficulties than members of the targeted sample, and these problems are likely to have an effect on their attitudes towards taking on debt.

## **Attitudes towards an SMI loan**

Only a minority of respondents say they are likely to take up an SMI loan, although it must be noted that very few were aware of the changes planned to SMI and their views on taking an SMI loan must be considered to be only an initial response.<sup>2</sup>

Among members of the targeted sample of the public, only one in seven (15 per cent) say they are likely to take up an SMI loan, compared with the great majority who say they are unlikely to do this (79 per cent). In contrast, a greater proportion of SMI claimants say they are likely to take an SMI loan (30 per cent), although it is still a minority.

Financial necessity is an important factor in being responsive to the idea of an SMI loan. Among targeted members of the public who are likely to take up such a loan, over half (58 per cent) say it is because they will still need help with mortgage payments, followed by around one in five (21 per cent) who say they have no other option. Among SMI claimants likely to take up an SMI loan, over half also say it is because they will still need help with their mortgage (52 per cent) and they are even more likely than members of the public to say they have no other choice (36 per cent).

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<sup>2</sup> It should be noted that there has not yet been correspondence with all SMI claimants about the change, as this will happen at an appropriate time nearer to the policy coming into effect in April 2018.

## **Public attitudes towards taking up Support for Mortgage Interest as a loan**

In contrast, dislike of borrowing is the main factor behind reluctance to take up an SMI loan. Those unlikely to take it up are most likely to say it is because they do not like the idea of a loan; this is the case among members of a targeted sample of the public (45 per cent) and SMI claimants (39 per cent).

### **Perceived effect of changes to SMI**

SMI claimants were asked about the anticipated effect of changing SMI from a benefit to a loan, and the balance of opinion was generally negative. More than one in three (38 per cent) expect it to make their mortgage interest payments less affordable, compared with only nine per cent who think these payments will become more affordable as a result.

The difference is even more pronounced when SMI claimants are asked to think about the effect of the changes on the complexity of the mortgage payments system. Three in five (60 per cent) say the changes will make the system more complex; only seven per cent believe it will become simpler.

### **Preparations for the future**

Strategies for paying mortgage interest in the future vary between members of the targeted sample of the public and SMI claimants. Members of the public are more likely to consider changes to their employment status. For example, one in three of them (33 per cent) would look for a better paid job, compared with one in six SMI claimants (17 per cent).

In contrast, SMI claimants are more likely to consider cutbacks in spending so they can afford mortgage interest payments in the future; for instance, almost half (48 per cent) would spend less on non-essential goods, compared with one in five members of the targeted sample (20 per cent). Similarly, SMI claimants are more likely than members of the targeted sample to consider dealing with their future mortgage interest payments by selling up and moving into social or privately rented housing.

A sizeable proportion of SMI claimants (43 per cent) have sought advice or help to do with difficulties with their mortgage, and this has most often been from the Citizens Advice Bureau. However, only around one in ten SMI claimants (11 per cent) has planned ahead for the costs of their care and support in later life.

### **Socio-economic differences between claimants and targeted sample of public**

It is important to note that SMI claimants generally have considerably worse financial circumstances than members of the targeted sample, and this is likely to affect their perceptions of the changes to SMI. For example, a majority of SMI claimants belong to the most deprived DE socio-economic grades (70 per cent), compared with one in six (16 per cent) members of the targeted sample. Three in four SMI claimants (75 per cent) say they are struggling on their current household income, compared with around three in ten members of the targeted sample (31 per cent). Very few SMI claimants (eight per cent) are in any type of paid work, compared with a much greater proportion of the targeted sample (70 per cent).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

The fact that SMI claimants have a lower or less regular income may therefore explain why they are less likely to consider borrowing to be a normal part of everyday life. Conversely, it may also explain why they are more receptive to the idea of an SMI loan, as they have no other way to meet their mortgage interest payments.

The financial circumstances of SMI claimants may also account for their different strategies for paying back an SMI loan or paying mortgage interest in the future. As already noted, they are less likely than members of the targeted sample to pay back an SMI loan through using savings and investments. In contrast, they are more likely than members of the targeted sample to meet future interest payments by cutting back on spending or moving out of owner-occupied status altogether<sup>3</sup>.

The fact that members of the targeted sample are more likely to meet their future mortgage interest payments by changing their work status further underlines their differences with SMI claimants. Members of the targeted sample are much more likely than SMI claimants to be in work already and therefore to find it easier to imagine getting a new job or working longer hours.

## How do results vary by other factors?

Results vary by age, with younger SMI claimants aged 20-49 more likely to take up an SMI loan (41 per cent compared with 23 per cent of those aged 60+). A similar pattern is found among members of the targeted sample, as around one in six respondents younger than 55 are likely to take up a loan (18 per cent) compared with only seven per cent of those aged 55+. These differences may well reflect the fact that older mortgage holders have less of their mortgage to pay off and are therefore less interested in an SMI loan. For example, among those unlikely to take an SMI loan, it is more common for older respondents to say it is because they will have paid off their mortgage by 2018.

Age is also a factor in meeting mortgage interest payments in the future. For example, older members of the targeted sample aged 65+ are less likely to have any strategies for this (35 per cent, compared with nine per cent overall) and are more likely to say they 'don't know' (14 per cent, compared with five per cent overall). It is middle-aged members of the targeted sample who are most likely to say they would downsize their property (34 per cent of 45 to 54-year-olds, compared with 25 per cent overall). In contrast, younger members of the targeted sample are more likely to change employment status. For example, half of 25 to 34-year-olds would pay for their mortgage interest by getting a better paid job (50 per cent, compared with 33 per cent overall). Similar variations by age are also found among SMI claimants. The fact that changing employment status is more often mentioned by younger claimants and members of the public may be significant, because getting back into work is expected to be one of the main ways to repay an SMI loan. However, SMI claimants are generally older and very few are in work, which raises the question about how many will change their work status to make the payments.

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<sup>3</sup> As this would mean no longer having a mortgage the payments on the capital would stop along with payments on the mortgage interest.

## Public attitudes towards taking up Support for Mortgage Interest as a loan

Results also vary by ethnicity, with black and minority ethnic (BME)<sup>4</sup> respondents more likely to take up an SMI loan than those who identify as 'white'. This is the case for the targeted sample (26 per cent, compared with 14 per cent) and especially among SMI claimants (45 per cent, compared with 28 per cent). Among SMI claimants, BME groups are also more likely to consider almost every given strategy for paying their mortgage interest. For example, claimants from BME backgrounds are more likely than those who define themselves as white to apply for an SMI loan (39 per cent, compared with 24 per cent) and to look for a job (56 per cent, compared with 20 per cent).

The socio-economic differences between SMI claimants and the targeted sample of the public have already been noted. However, there are some marked socio-economic differences within both samples of respondents as well. For example, awareness of SMI is greater among claimants in ABC1 social grades who more often know at least a fair amount about it (39 per cent, compared with 26 per cent of those in the least affluent DE social grades<sup>5</sup>). This is consistent with results for other benefits; claimants in the ABC1 grades or on higher incomes are generally more knowledgeable about most benefits covered in the survey.

Across sub-groups of the targeted public sample, those with lower annual incomes between £11,500 and £17,499 are most likely to take up an SMI loan (29 per cent, compared with only 10 per cent of those with higher incomes of at least £25,000 a year), which may be because they feel they have no other option. These limited options are reflected, for instance, in the sources of income they think they can call on in later life. Members of the targeted sample with an income of £25,000+ are more likely than average to mention a wide range, such as a personal pension (45 per cent, compared with 36 per cent), savings or investments (24 per cent, compared with 20 per cent) or second homes they could rent out (16 per cent, compared with 11 per cent). Conversely, those in the least affluent DE social grades are only more likely than average to mention the State Pension (38 per cent, compared with 26 per cent) or simply 'don't know' (19 per cent, compared with eight per cent).

The fact that SMI claimants are disproportionately concentrated in the least well-off DE social grades is therefore another important factor to consider. People in these social grades are likely to have income that is limited in size, range and regularity, which will have implications for how easily they can repay an SMI loan.

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<sup>4</sup> BME stands for 'black and minority ethnic'.

<sup>5</sup> Social grades A, B and C1 are the middle class socio-economic grades, whereas grades C2, D and E are the working class socio-economic grades. Please refer to Section 8.2 in the appendices for a fuller definition of social grades.

# 1 Introduction

## 1.1 Background

Support for Mortgage Interest (SMI) is a payment that helps homeowners with interest payments on their mortgage or loans that they have taken out for certain repairs and improvements. It is paid as part of Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Pension Credit and Universal Credit. Individuals must be in receipt of one of these benefits to qualify for the SMI. These are income-related benefits and are dependent on income and savings when the level of assistance is calculated. The working-age benefits (Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance) also have 'remunerative work' rules which specify the hours that can be worked before benefit ceases. Claimants have to satisfy the qualifying conditions for one of the income-based benefits to receive SMI. Claimants are excluded, for example, on grounds of excess capital, or, where the claimant works 16 hours or more a week, or the partner works for 24 hours or more a week.

SMI is currently paid as part of these benefits and is normally paid direct to the lender. Currently there are 170,000 claimants receiving SMI and around 55 per cent of claimants are working age and 45 per cent pension age.<sup>6</sup>

In the Summer Budget of 2015 the Chancellor announced that SMI will be converted from a benefit to a loan from April 2018, for existing and new claimants. The amount of SMI paid to any claimant (plus interest on that loan, and an administration charge if applicable) will be recouped from any equity in the property when it is sold, or claimants have the option of repaying when they return to work.

## 1.2 Survey objectives

The overall research objective is to understand likely take-up of SMI as a loan, as well as to understand the information and guidance claimants would require before the change in policy comes into effect. The specific questions, which the research set out to answer, include:

- What proportion of existing SMI claimants would take up or refuse an SMI loan; and why?
- For those who would refuse, what alternatives to claiming SMI do they have?
- For those who would take up SMI, what proportion of those would choose to repay the loan if they moved back into employment?
- What proportion of non-SMI claimants would take up SMI as a loan?
- What alternatives would people have to taking SMI as a loan?
- What factors would make existing SMI claimants and non-claimants more likely to consider taking up SMI as a loan?

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<sup>6</sup> <http://www.parliament.uk/documents/impact-assessments/IA15-006D.pdf>



- What advice and guidance on SMI loans would potential claimants require when making a decision on whether to take up SMI as a loan?

Providing the Department for Work and Pensions (DWP) with detailed information on the above issues allows the Department to improve its modelling of the scheme and will assist with detailed design of the policy, in particular the content of the advice and indicators of alternatives to SMI loans that respondents identify.

## 1.3 Methodology

### 1.3.1 Survey of SMI claimants

The findings of the research with SMI claimants presented in this report are based on 501 telephone interviews conducted between 17 March and 5 April 2016. Interviews were carried out using CATI (computer-assisted telephone interviewing) in Great Britain.

Ipsos MORI recommended interviewer-administered data collection with this group in preference to self-completion postal and online methods, which are more likely to generate self-selecting samples. In addition, given the nature and potential sensitivity of the topics in question, an interviewer-administered approach, using highly trained and experienced interviewers, offered the best capability to collect high quality data. Telephone interviewing instead of an alternative face-to-face in-home interview design was adopted because it offered a number of practical and cost advantages, particularly in light of the availability of an existing sample frame that included telephone numbers.

In collaboration with DWP, a telephone survey questionnaire was developed, which was designed to be both practical and fit for purpose, for example by avoiding long read-out lists and developing detailed code frames for unprompted questions. On average, the telephone survey was 15 minutes in length.

The sample frame for the survey was provided by DWP. The sample frame contained the names and contact details for 4,000 current SMI claimants. These claimants were selected at random, and background information about them came as part of the sample. This included their age, sex, region of Great Britain and the range of benefits they were claiming.

A letter<sup>7</sup> was sent out before the research took place, and it provided SMI claimants with a telephone number and email address to contact to opt out of the research or to contact if they required further information, in advance of participating in the survey.

In order to interview a representative survey of SMI claimants, the sample was released in batches, each one stratified by key characteristics of the known population: benefit type, age and region. The final data has been weighted to the known profile of the population, by sex, age groups, other benefits claimed and region of Great Britain to provide a nationally representative sample.

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<sup>7</sup> A copy of the letter can be found in the appendices.

### 1.3.2 General public survey

The general population survey was split into two phases:

#### Phase 1

Phase 1 of the research was carried out between 29 January and 19 February 2016. Interviews with 1,965 adults aged 15+ were carried out face-to-face, in respondents' homes, in Great Britain via the Ipsos MORI Capibus (Ipsos MORI's face-to-face omnibus survey). Data has been weighted by age, social grade, region, tenure, ethnicity and working status – all within sex.

Phase 1 of the general public survey set out to measure the incidence of different types of participant based on their demographic and attitudinal characteristics using a short five-minute questionnaire. Key questions were asked about people's financial circumstances and the benefits which they are or could be eligible for, their tenure, their employment status and so on. In addition to this, attitudinal questions were asked about debt, loans, desired tenure and propensity to move.

These questions helped to categorise those who might benefit from or be interested in SMI as a loan and settle on a definition of prospective claimants based on the data generated. The data generated in Phase 1 provided an estimate for the likely number of respondents in the subsequent survey who would fall into our definition of people who might take up SMI as a loan. In total, we estimated that a maximum of 250 people would fall into this definition. On that basis Ipsos MORI recommended 'rolling' the Phase 2 survey of the general public across more than one omnibus wave to increase base sizes and therefore analytical potential.

#### Phase 2

The second phase of the research was carried out between 13 and 27 May 2016. Interviews were conducted across two waves of the Ipsos MORI Capibus with 4,017 adults aged 15+ face-to-face, in respondents' homes, in Great Britain. As with Phase 1, data are weighted by age, social grade, region, tenure, ethnicity and working status – all within sex.

In Phase 2, Ipsos MORI undertook a longer survey to answer the key research questions, guided by the definition and likely incidence of this group. In total, 424 individuals fell into our broad definition of prospective claimants/people who might take up an SMI loan. Throughout this report this group are referred to as the 'targeted sample of the general public'.

## 1.4 Technical note

Where figures in this report do not add up to 100 per cent, this is the result of computer rounding or multiple responses. An asterisk (\*) indicates a score less than 0.5 per cent, but greater than zero. Unless otherwise indicated, results are based on all participants. Please treat answers with a base size of less than 100 with caution.

## **Public attitudes towards taking up Support for Mortgage Interest as a loan**

Results are subject to statistical tolerances. Not all differences between the overall results and those for individual sub-groups will be significant. All differences mentioned in the text are statistically significant unless otherwise stated. Results for questions with low base sizes are occasionally mentioned, but attention is drawn to the fact that they are only indicative, and therefore not statistically reliable. The descriptive sections of this report aim to highlight where findings between different sub-groups of residents are statistically significant. A guide to statistical reliability is provided in Appendix 1.

## 2 Scene setting: Profiling respondents

The profile of Support for Mortgage Interest (SMI) claimants and of the targeted sample of the general public differ in several respects, with SMI claimants more likely to have interest-only mortgages and to be under acute financial pressure.

### 2.1 Mortgage arrangements

SMI claimants are far more likely than members of the targeted sample of the general public to have an interest-only mortgage (44 per cent, compared with 15 per cent). However, very few claimants who have such a mortgage have a specific means for repayment, such as savings or assets (nine per cent compared with 32 per cent of the targeted sample with an interest-only mortgage). This lack of repayment options is likely to reflect the difficult financial circumstances of most SMI claimants (see Section 2.2).

**Table 2.1 Types of mortgages and means of repayment**

Q. Can I ask, what kind of mortgage do you currently have on your property?	Targeted sample of general public with a mortgage (304)	SMI claimants (501)
	Percentages	Percentages
Interest only	15	44
Repayment	66	43
Endowment	6	8
Don't know/can't remember	13	5
Q. Do you have a repayment vehicle, such as savings, investments or other assets, for your interest-only mortgage?	Targeted sample of general public with an interest only mortgage (49)	SMI claimants with an interest-only mortgage (229)
	Percentages	Percentages
Yes	32	9
No	66	88
Don't know/can't remember	2	3

Sources: Ipsos MORI surveys of targeted sample of general public and of SMI claimants.

There is relatively little difference between various groups of claimants, except that older claimants aged 60+ are more likely to have an interest-only mortgage (49 per cent, compared with 44 per cent overall), whereas younger claimants aged 20-49 are more likely to have a repayment mortgage (57 per cent, compared with 37 per cent of those aged 50+). In comparison, within the targeted sample of the general public, having an interest-only mortgage is more common among middle-aged people aged 55-64 and the least affluent DE social grades (25 per cent and 31 per cent respectively compared with 15 per cent overall).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

In terms of purchase schemes, Table 2.2 shows SMI claimants are more likely to have used Right to Buy than members of the targeted sample of the general public (18 per cent, compared with four per cent). Again, it is older claimants aged 60+ who are particularly likely to have chosen Right to Buy (22 per cent, compared with 14 per cent of those younger than 60).

**Table 2.2 Types of purchase schemes**

Q. Did you buy your property under any of the following?	Targeted sample of general public with a mortgage (304)	SMI claimants (501)
	Percentages	Percentages
Right to Buy	4	18
Shared ownership/shared equity	2	4
Other/don't know/can't remember	94	78

Sources: Ipsos MORI surveys of targeted sample of general public and of SMI claimants.

## 2.2 Financial circumstances

As shown in Tables 2.3 and 2.4, SMI claimants have a distinctly more negative view of their current financial situation. The great majority of them (75 per cent) say their household is struggling on its current income, compared with only around three in ten members of the targeted sample of the general public (31 per cent).

Similarly, almost two in three SMI claimants (64 per cent) say they find it hard to meet the cost of their monthly mortgage payments, which is much greater than among targeted members of the public who have a mortgage (21 per cent).

**Table 2.3 Attitudes to present income**

Q. Which of the following phrases would you say comes closest to your feelings about your household's income these days?	Targeted sample of general public (424)	SMI claimants (501)
	Percentages	Percentages
Living really comfortably on present income	5	-
Living comfortably on present income	33	6
Neither comfortable nor struggling on present income	32	17
Struggling on present income	24	44
Really struggling on present income	7	30
Don't know	*	2
Refused	-	*
<b>Living comfortably</b>	<b>38</b>	<b>6</b>
<b>Struggling</b>	<b>31</b>	<b>75</b>

Sources: Ipsos MORI surveys of targeted sample of general public and of SMI claimants.

## Public attitudes towards taking up Support for Mortgage Interest as a loan

**Table 2.4 Ability to meet mortgage payments**

Q. How easy or difficult do you find meeting the cost of your mortgage each month?	Targeted sample of general public with a mortgage (304)	SMI claimants (501)
	Percentages	Percentages
Very easy	25	3
Fairly easy	31	12
Neither easy nor difficult	21	16
Fairly difficult	15	29
Very difficult	6	35
Don't know	3	4
Refused	*	*
<b>Easy</b>	<b>56</b>	<b>15</b>
<b>Difficult</b>	<b>21</b>	<b>64</b>

Sources: Ipsos MORI surveys of targeted sample of general public and of SMI claimants.

These results clearly reflect the deprived background of most SMI claimants. The majority (70 per cent) belong to the least affluent DE social grades, compared with only one in six (16 per cent) members of the targeted sample of the public. Similarly, only eight per cent of SMI claimants are currently in any type of work, compared with the great majority of the targeted sample of the public (70 per cent).

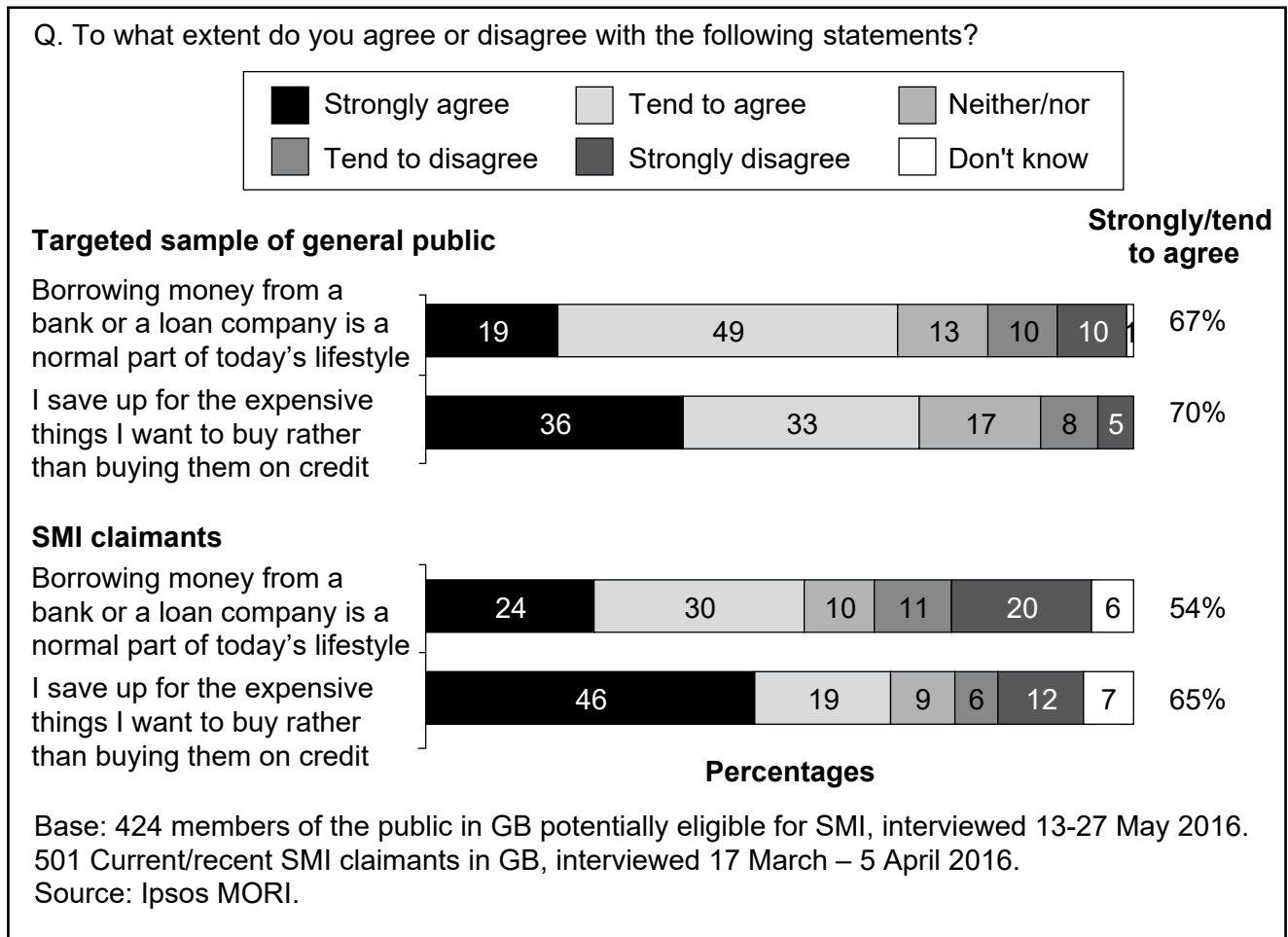
Although the great majority of SMI claimants find it hard to get by on their present household income, this proportion is particularly high among claimants aged 50-59 (84 per cent, compared with 75 per cent overall). It is also greater among those with incomes below £9,500 a year (85 per cent, compared with 71 per cent of those with higher annual incomes) and those with an interest-only mortgage (80 per cent, compared with 65 per cent of those with an endowment mortgage).

## 2.3 Attitudes towards borrowing and saving

Most respondents say they have a prudent attitude towards buying expensive goods, with a majority who agree they save up for these things rather than buy them on credit; this is the case both among SMI claimants (65 per cent) and members of the targeted sample of the general public (70 per cent). Only a few disagree (19 per cent of claimants and 13 per cent of the targeted public sample).

However, there is more difference when it comes to borrowing, as SMI claimants are less likely to agree that borrowing money is a normal part of today's lifestyle (54 per cent, compared with 67 per cent of the targeted sample of the public). It may be that claimants' views are coloured by their own difficult financial circumstances; conceivably their income problems may put them off the idea of borrowing or they may want to borrow but are prevented from doing so by their lack of funds.

Figure 2.1 Attitudes towards borrowing and saving



There are few differences between sub-groups, except that members of the targeted sample of the public are more likely to disagree that borrowing is part of today's lifestyle if they are not in work now (27 per cent, compared with 16 per cent of those who are) or if the household's chief income earner has rarely or never been in work (37 per cent, compared with 19 per cent overall). Again, it may be that those who do not have a regular income from work may feel more reluctant to borrow money and therefore to think borrowing is a normal thing to do. Alternatively, they may genuinely want to borrow money but are prevented from doing so by their lack of funds.

## 3 Knowledge of qualifying benefits

People are eligible for Support for Mortgage Interest (SMI) if they already claim at least one of a series of benefits. Respondents' knowledge of these benefits is generally limited, especially for SMI itself, although knowledge of this benefit is distinctly greater among claimants than among members of the targeted sample.

### 3.1 Amount known about qualifying benefits

#### 3.1.1 Knowledge among targeted members of the public

As shown in Figure 3.1, awareness of the qualifying benefits varies considerably among the targeted sample of the general public, although, in each case, knowledge is limited. Respondents are most likely to know at least a fair amount about Jobseeker's Allowance (41 per cent). They are less likely to know at least a fair amount about Income Support (23 per cent), Employment and Support Allowance (16 per cent) and Pension Credit (12 per cent).

Only a handful (four per cent) know at least a fair amount about SMI, and the majority have never heard of it (76 per cent).

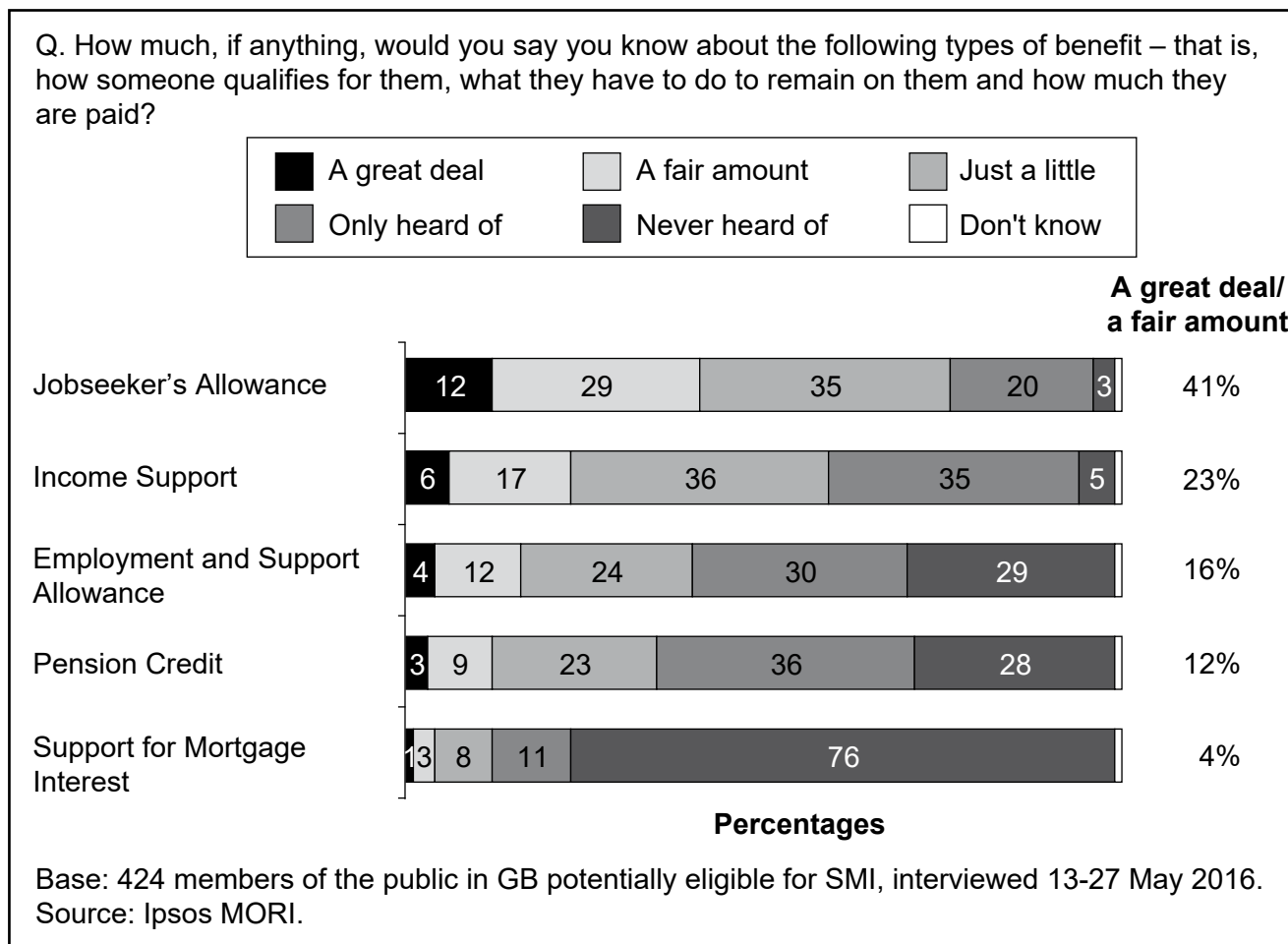
The differing levels of knowledge about benefits reflects the greatly differing numbers of people who have ever claimed them. For example, in the initial, preparatory wave of research with the general public, 12 per cent of the 1,965 respondents had claimed Jobseeker's Allowance at some point in their lives. This compares with only one respondent who had ever claimed SMI.

Knowledge of SMI varies very little between sub-groups of the targeted sample of the public, except that those in London are more likely to know at least a fair amount about SMI (11 per cent, compared with four per cent overall). So too are those who currently claim at least one of the qualifying benefits (10 per cent, compared with four per cent of those who do not).

Attitudes towards an SMI loan are also a factor, as those who say they are likely to take such a loan are more likely to know at least a fair amount about SMI (10 per cent, compared with four per cent of those unlikely to take an SMI loan).



**Figure 3.1 Knowledge of benefits among the targeted sample of the public**



### 3.1.2 Knowledge among SMI claimants

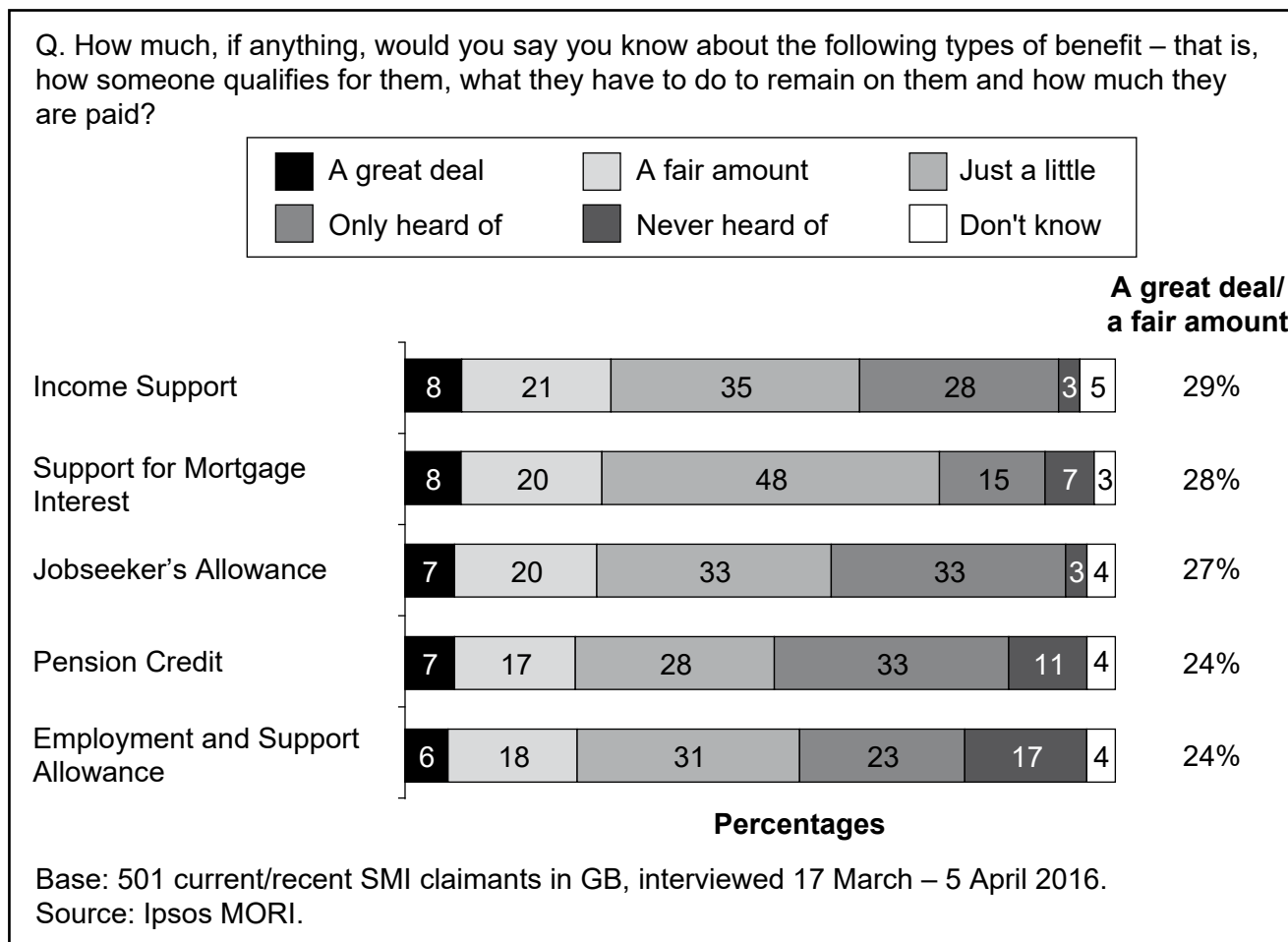
Knowledge of SMI is a good deal greater among SMI claimants, with one in four (28 per cent) who know at least a fair amount about it, compared with merely four per cent of the targeted sample of the general public. However, it must be pointed out that SMI claimants were told beforehand that SMI is sometimes known as ‘help with housing costs’, which may account for at least some of the greater awareness of it among claimants.

Nonetheless, this still leaves almost half (48 per cent) of claimants who know little about SMI, or who have only heard of it (15 per cent) even though they are recipients of it.

Knowledge of the qualifying benefits is at a similar level, with consistently about one in four SMI claimants who know at least a fair amount about Income Support (29 per cent), Jobseeker's Allowance (27 per cent), Pension Credit (24 per cent) and Employment and Support Allowance (24 per cent).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

**Figure 3.2 Knowledge of benefits among SMI claimants**



Knowledge of SMI also does not vary statistically significantly between most groups of SMI claimants. However, it does vary by socio-economic background, with claimants in the better off ABC1 social grades more likely to know at least a fair amount about SMI (39 per cent, compared with 26 per cent of those in the least affluent DE social grades).

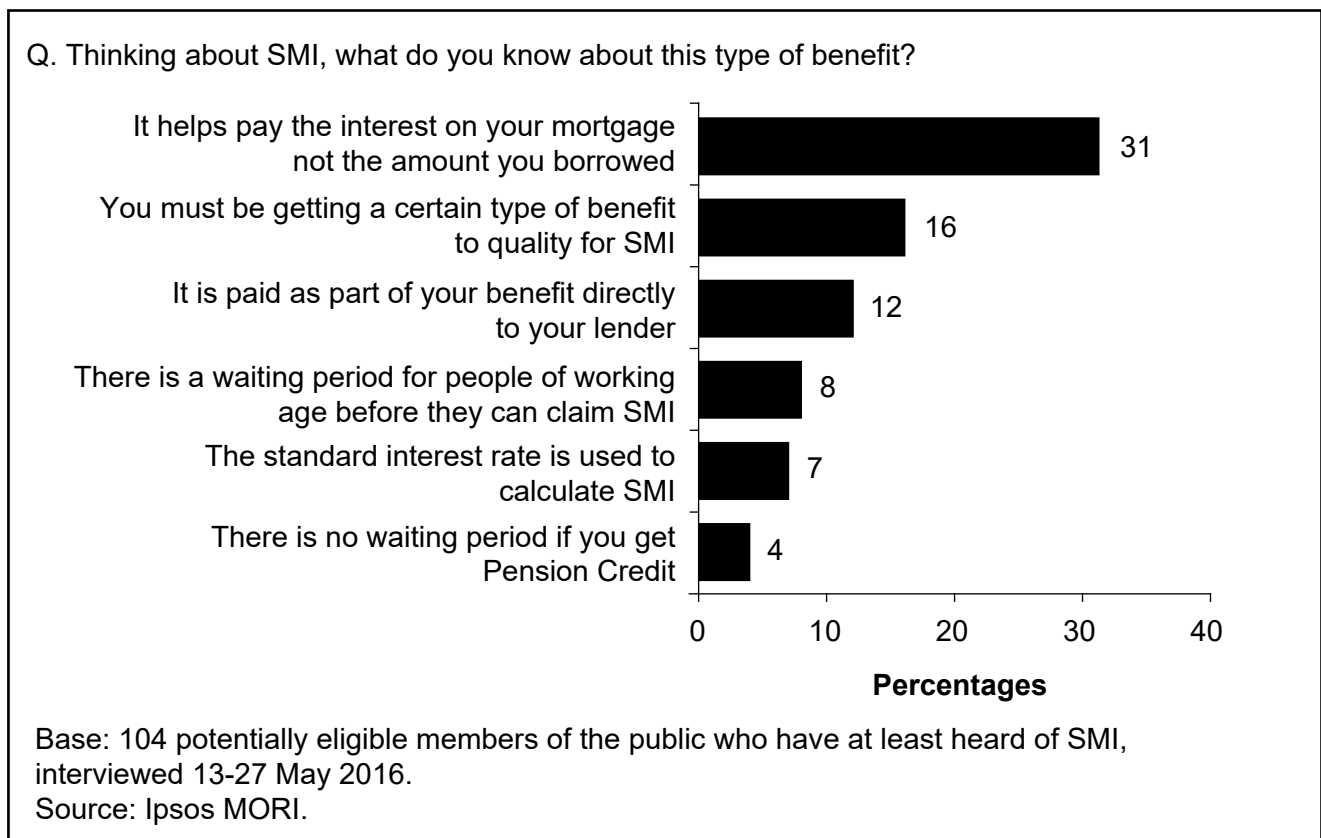
Correspondingly, those with higher incomes of £13,500+ a year are more likely to know at least a fair amount about SMI (46 per cent, compared with 31 per cent of those on lower incomes). This is consistent with results for other benefits; those in the ABC1 grades or on higher incomes are generally more knowledgeable.<sup>8</sup>

<sup>8</sup> For example, knowing at least a fair amount about Employment and Support Allowance is more common among those in social grades ABC1 (35 per cent, compared with 18 per cent in grade C1 and 23 per cent in grades DE). It is also more common among those with an annual income of £13,500+ (40 per cent, compared with 24 per cent overall).

### 3.2 What is known about SMI?

Of the targeted members of the public, only a minority have at least heard of SMI (24 per cent, or 104 respondents). Among those who have heard of it, the most often known detail about it is that SMI only helps to pay the mortgage interest, not the capital sum borrowed (31 per cent). This is followed by the fact that SMI is only open to those who already claim certain types of benefit (16 per cent) and that it is paid directly to the mortgage lender, not the mortgagee (12 per cent). However, these results must all be interpreted with considerable caution because of the low base size.

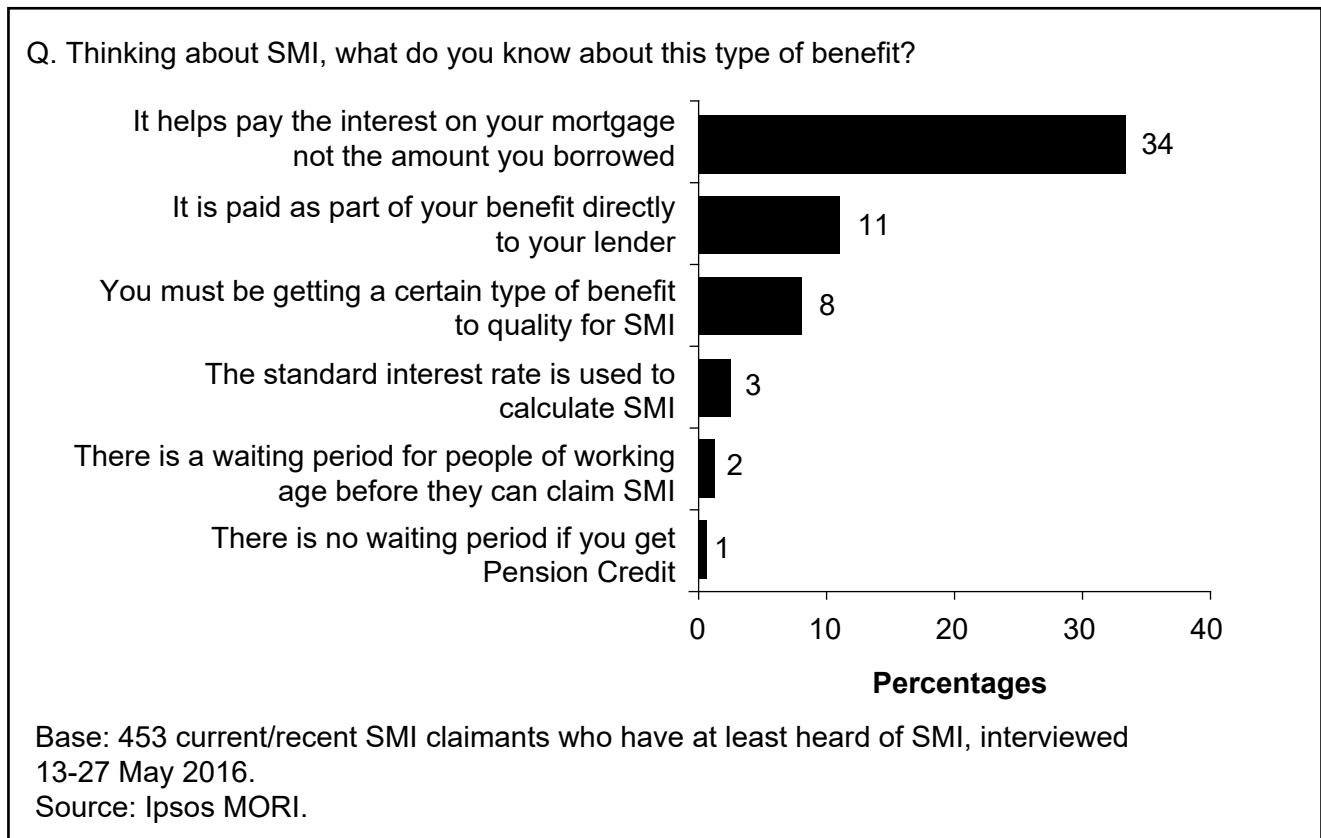
**Figure 3.3 Detailed knowledge of SMI among targeted members of the public**



Among SMI claimants, the vast majority (90 per cent) have at least heard of SMI. Among these claimants, the most widely known detail about SMI is again that it helps to pay only for the interest on the mortgage, not the capital sum (34 per cent). This is followed by the benefit being paid directly to the lender (11 per cent) and eligibility being limited to those on a certain type of benefit (eight per cent).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

**Figure 3.4 Detailed knowledge of SMI among SMI claimants**



The low base size means there are no apparent statistically significant differences between sub-groups of the targeted sample of the public. However, among SMI claimants, it is those on low incomes (below £9,500 a year) who are most likely to know that SMI pays off only the interest on their mortgage (47 per cent, compared with 34 per cent overall). As might be expected, those who know at least a fair amount about SMI are also more likely to know it only pays the interest (49 per cent, compared with 28 per cent of those who know only a little about it or have only heard of it).

## 4 Attitudes to future changes in SMI

There is very little awareness of the change in Support for Mortgage Interest (SMI) from a benefit to a loan from April 2018, even among those who are themselves SMI claimants. Only a minority of respondents feel they are likely to claim an SMI loan, although this proportion is greater among SMI claimants. Financial need is the main driver to taking up an SMI loan, whereas dislike of the idea of a loan is the foremost reason why people would not take it up.

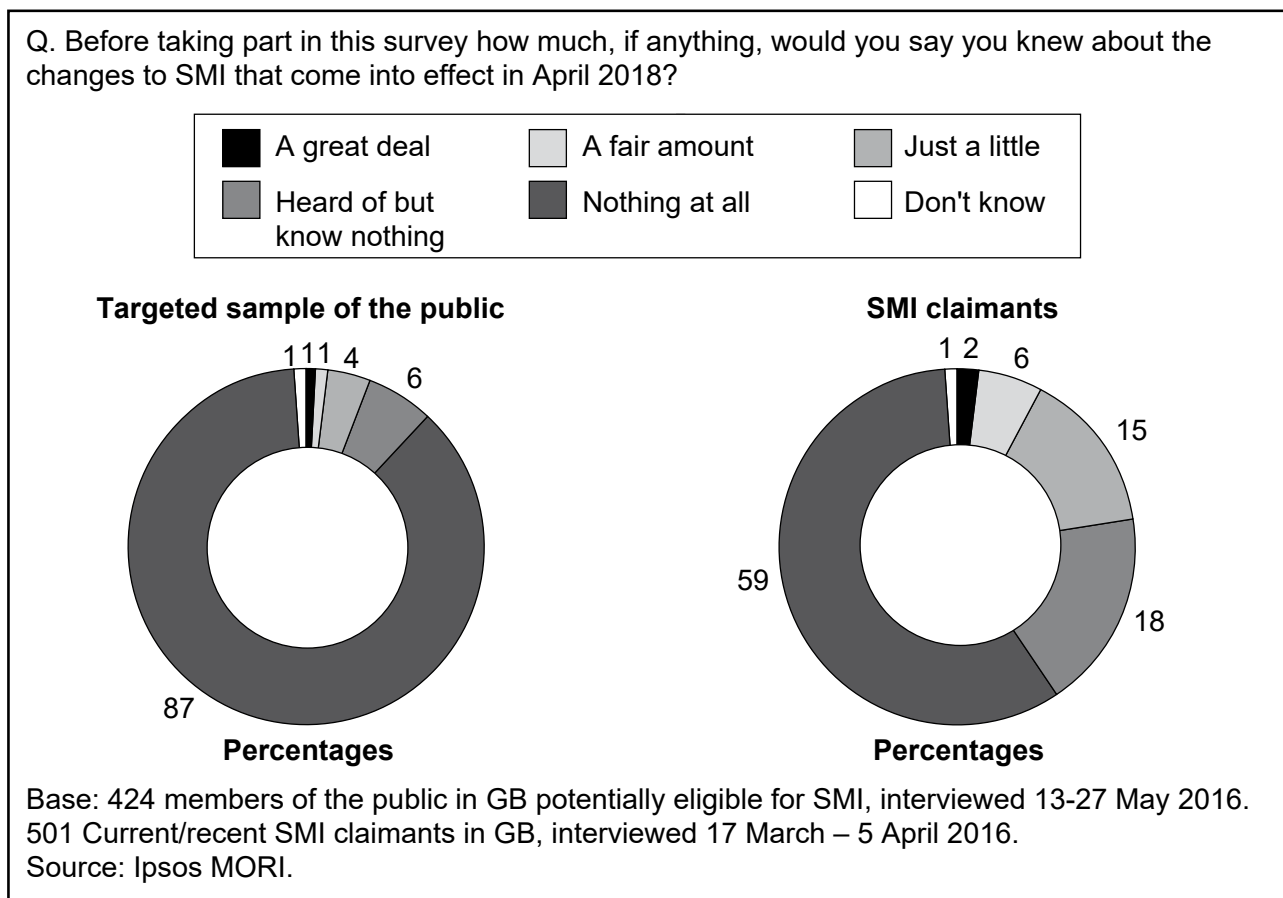
### 4.1 Knowledge of changes to SMI

Awareness of the transition of SMI from a benefit into a loan, as of April 2018, is very low. As shown in Figure 4.1, only two per cent of the targeted sample of the general public know at least a fair amount about it, and only one in eight (12 per cent) have heard anything about it at all.

Among SMI claimants, knowledge is somewhat higher. Even so, only eight per cent know at least a fair amount about the changes that are due to happen, and most (59 per cent) have not heard anything about them at all. This is further evidence of the limited knowledge that SMI claimants have about this benefit they are claiming. However, it should be noted that the Department for Work and Pensions (DWP) has not yet had correspondence with all SMI claimants about the change, as this will happen at an appropriate time nearer to the policy coming into effect in April 2018.

Knowledge of the changes to SMI varies very little between claimants, although men are more likely than women to know at least a fair amount about it (11 per cent, compared with four per cent). This is also the case among those who know at least a fair amount about SMI (15 per cent, compared with five per cent among those who know little or nothing about it).

Figure 4.1 Knowledge of changes to SMI



## 4.2 Likelihood of taking up an SMI loan

Respondents were asked about their likelihood of taking an SMI loan. For members of the targeted sample of the public, this question was asked after a concise statement had been read out about the changes due to be made to SMI in 2018 (see questionnaire in appendices). In turn, SMI claimants were each given an advance letter through the post which informed them briefly about the overall changes to SMI. In both cases, most respondents had known very little about the changes to SMI before they were given this information, so their reported likelihood of taking an SMI loan must be considered only a provisional opinion at this stage.

As shown in Figure 4.2, among the targeted sample of the general public, only one in seven feel they are likely to take up an SMI loan (15 per cent). The great majority (79 per cent) say they are unlikely to do so, and of these 54 per cent indicate they are **very** unlikely to do so.

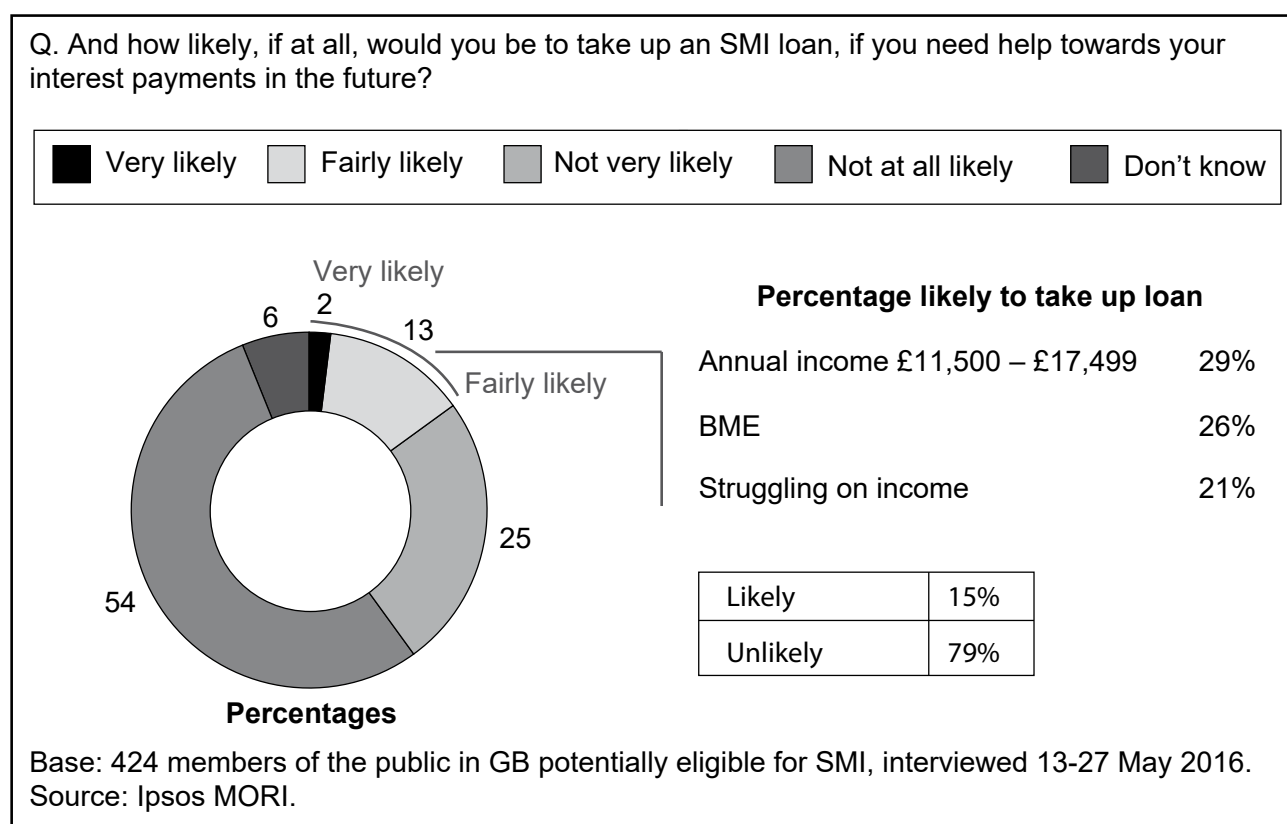
Across the sub-groups of the targeted public sample, it is those with lower annual incomes between £11,500 and £17,499 who are most likely to take up an SMI loan (29 per cent, compared with only 10 per cent of those with higher incomes of at least £25,000 a year). Those who belong to black and minority ethnic (BME) groups are also more likely to take up an SMI loan theoretically (26 per cent, compared with only 14 per cent of those who are white).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

Likelihood of taking up an SMI loan falls with age (seven per cent of those aged 55+, compared with 18 per cent of those aged younger than 55). It is also at least partly affected by financial outlook, as those who are struggling on their present income are also more likely to take an SMI loan (21 per cent, compared with 15 per cent overall).

In terms of how these sub-groups overlap with each other, there is little correlation between age and either ethnicity or income. However, BME respondents are more likely than those who are white to have an income of between £11,500 and £17,499, which may explain why BME respondents and those in this income band are both more likely to take an SMI loan. However, the difference is not great enough to be statistically significant, so it can only be considered indicative.<sup>9</sup>

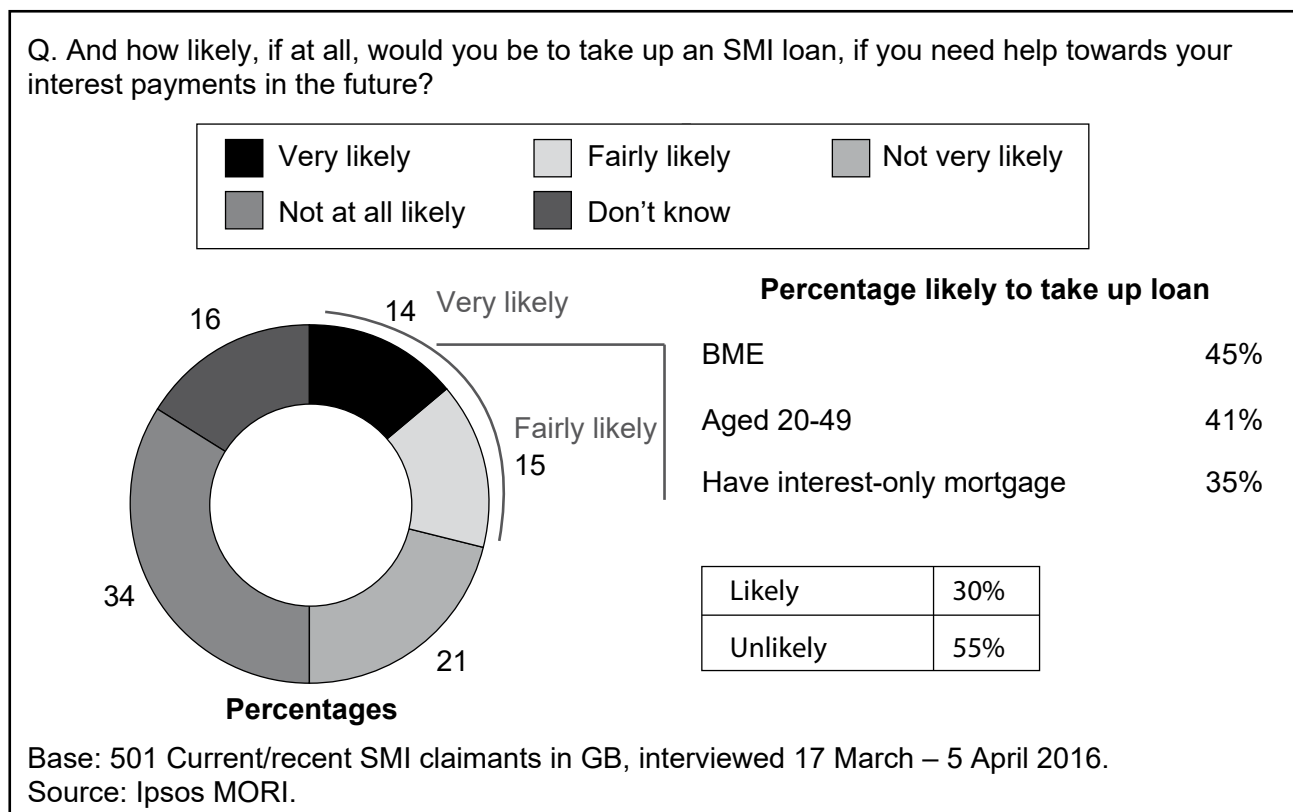
**Figure 4.2 Taking up an SMI loan amongst targeted sample of the public**



Among actual SMI claimants, likelihood of taking up an SMI loan is significantly greater than among targeted members of the public (30 per cent, compared 15 per cent). Even so, over half of SMI claimants (55 per cent) say they are unlikely to take up a loan and one in three (34 per cent) are very unlikely to do so.

<sup>9</sup> Among the 288 respondents of the targeted sample who gave their income and their ethnicity, 24 per cent of BME respondents said their annual household income was between £11,500 and £17,499, compared with 13 per cent of white respondents.

**Figure 4.3 Likelihood of taking an SMI loan among SMI claimants**



As with members of the public, it is again claimants from BME backgrounds who are most likely to consider taking up an SMI loan (45 per cent, compared with 28 per cent of white claimants). This is followed by younger claimants aged 20-49 (41 per cent, compared with 23 per cent of those aged 60+) and those with an interest-only mortgage (35 per cent, compared with 18 per cent of those with an endowment mortgage).

Attitudes towards borrowing are also a potential factor, as claimants who agree that borrowing is a normal part of life are more likely to take up an SMI loan potentially (34 per cent, compared with 20 per cent of those who disagree).

## 4.3 Reasons for attitudes towards an SMI loan

### 4.3.1 Reasons for being likely to take an SMI loan

Among respondents who say they are likely to take an SMI loan, the main reason is to do so with financial necessity. As shown in Figure 4.4, almost three in five members of the public who are likely to take up an SMI loan say it is because they would still need help with mortgage payments (58 per cent). It is also the most common reason mentioned by SMI claimants (52 per cent).

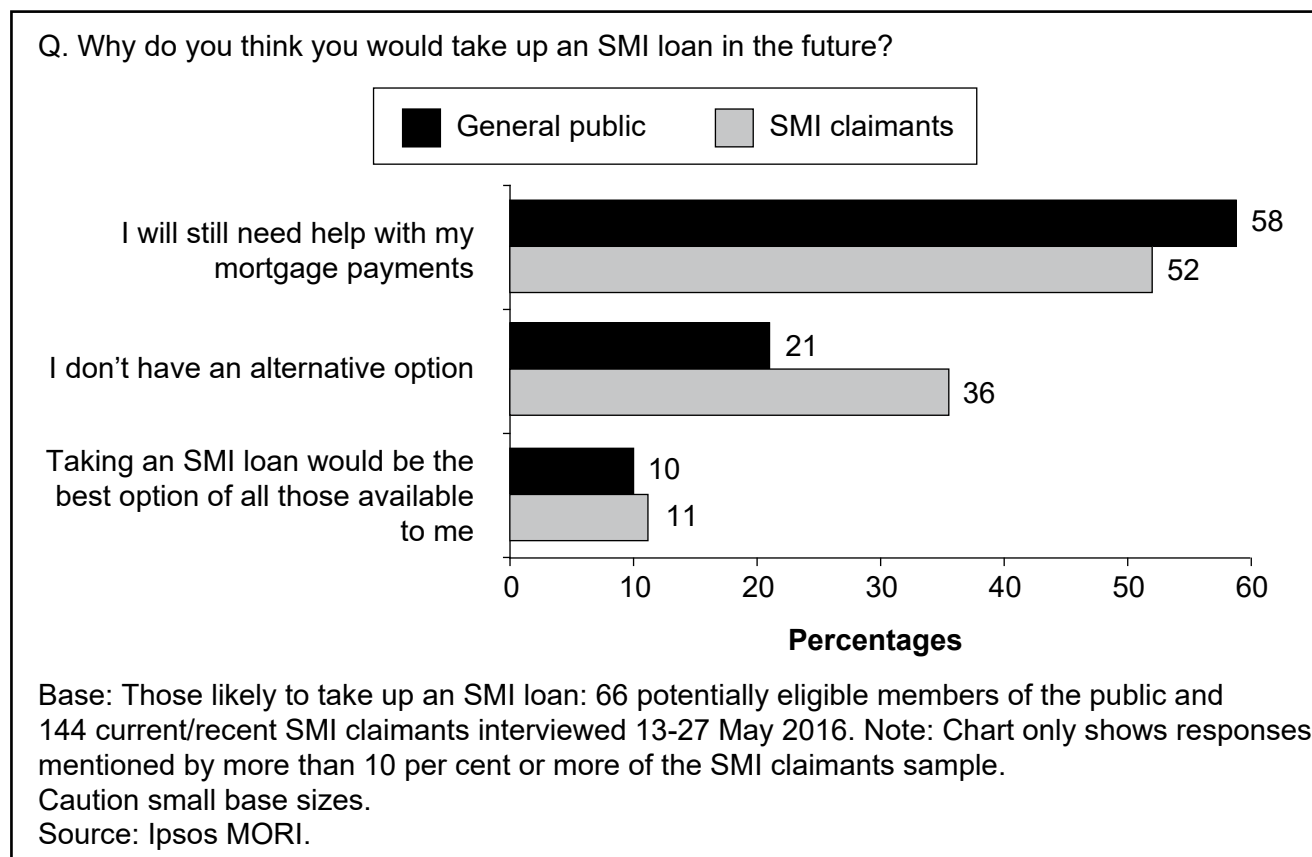
The more difficult financial circumstances of SMI claimants may also explain why they are more likely to say they 'don't have an alternative option to taking an SMI loan' (36 per cent, compared with 21 per cent of those who are members of the targeted sample of the general public).



## Public attitudes towards taking up Support for Mortgage Interest as a loan

However, it must also be noted that the very low base sizes for these questions means these results can only be considered indicative, and not statistically representative.

**Figure 4.4 Reasons for being likely to take up a loan**



The small numbers of respondents who say they are likely to take an SMI loan mean no significant differences can be found between different sub-groups.

### 4.3.2 Reasons for being unlikely to take an SMI loan

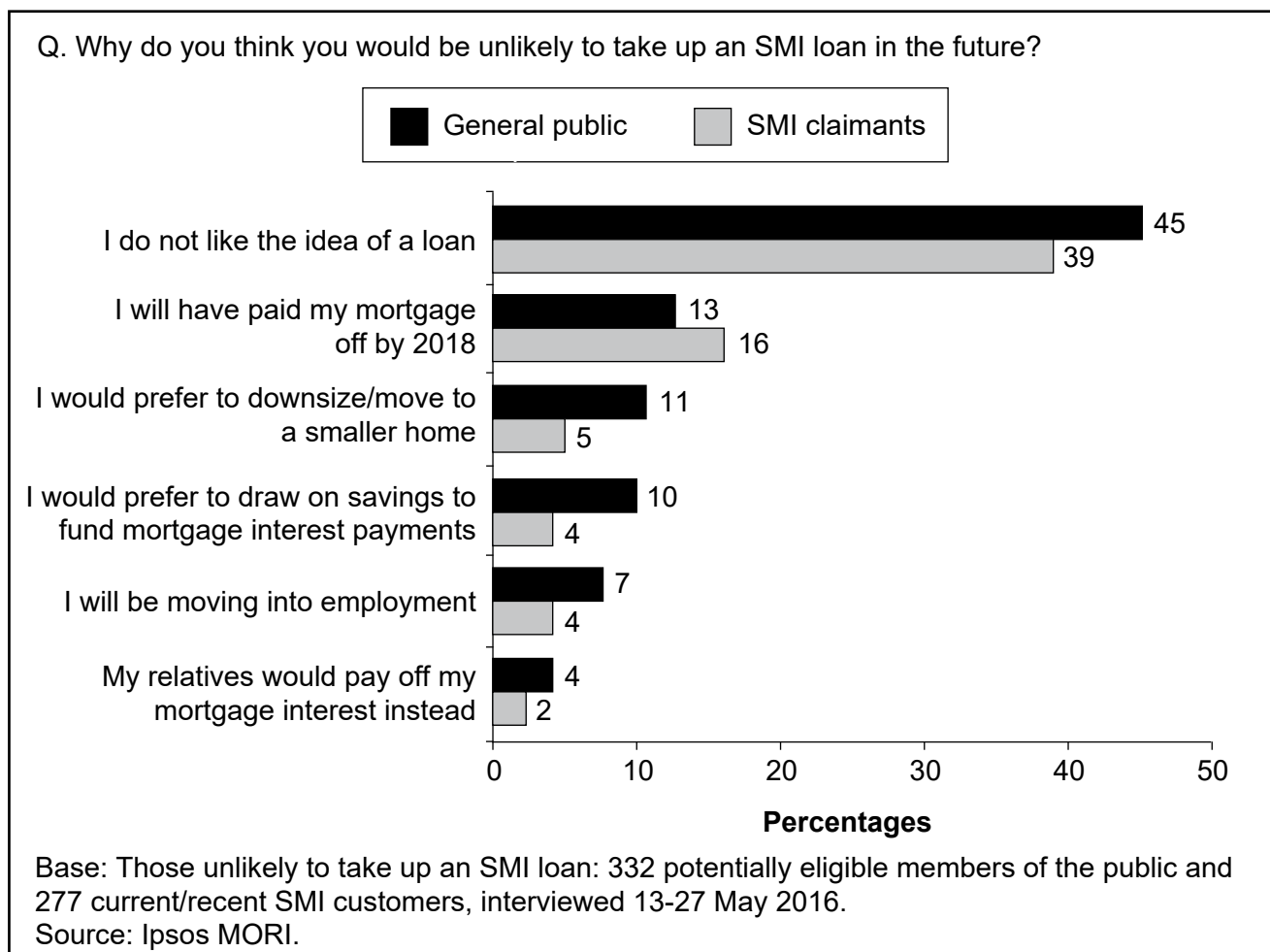
Among the majority of respondents who say they are unlikely to take out an SMI loan, dislike of the idea of a loan is by far the main reason given. This is the case among members of the targeted sample of the public (45 per cent) and also among SMI claimants (39 per cent), although, as most respondents have only just heard of an SMI loan, this may reflect broader dislike of the notion of borrowing rather than specific opposition to an SMI loan.

The second most common reason for not taking up an SMI loan is that the mortgage will have been paid off by 2018 (13 per cent of the general public and 16 per cent of SMI claimants).

Members of the public are more likely to offer multiple reasons for not taking up an SMI loan, in comparison to SMI claimants. This includes preferring to downsize their home (11 per cent, compared with five per cent), preferring to draw on savings to fund interest payments (10 per cent, compared with four per cent) and moving into employment (seven per cent compared with four per cent). This reflects the fact that, in general, SMI claimants have fewer options available to them when faced with the prospect of meeting mortgage interest payments.

## Public attitudes towards taking up Support for Mortgage Interest as a loan

**Figure 4.5 Reasons for being unlikely to take up a loan**



Among targeted members of the public who are unlikely to take an SMI loan, it is those aged 55-64 who most often say it is because they will have paid off their mortgage by 2018 (27 per cent, compared with nine per cent of those younger than 55), which is unsurprising as many will have been paying into their mortgages for longer. In contrast, younger respondents aged 15-24 are more likely not to take an SMI loan because they will be getting a job (21 per cent, compared with only six per cent of those aged 25 or older), whereas those aged 25-34 are more likely to say their relatives would pay off their mortgage interest payments (13 per cent, compared with four per cent overall).

Across other groups of the targeted sample of the public, it is those from a BME background who most often say they do not like the idea of a loan (63 per cent, compared with 44 per cent of white respondents).

Among SMI claimants, it is again older respondents who are more likely not to take an SMI loan because they will have paid off the mortgage by 2018 (20 per cent of those aged 60+ compared with 16 per cent overall). Conversely, those younger than 60 are more likely to say their reason for not taking a loan is that they would move into employment (nine per cent compared with one per cent of those aged 60+).

In contrast, it is SMI claimants in the ABC1 social grades who are more likely to prefer using funds from equity release rather than take a loan (eight per cent compared with two per cent overall).

## 5 Impact of changing SMI to a loan

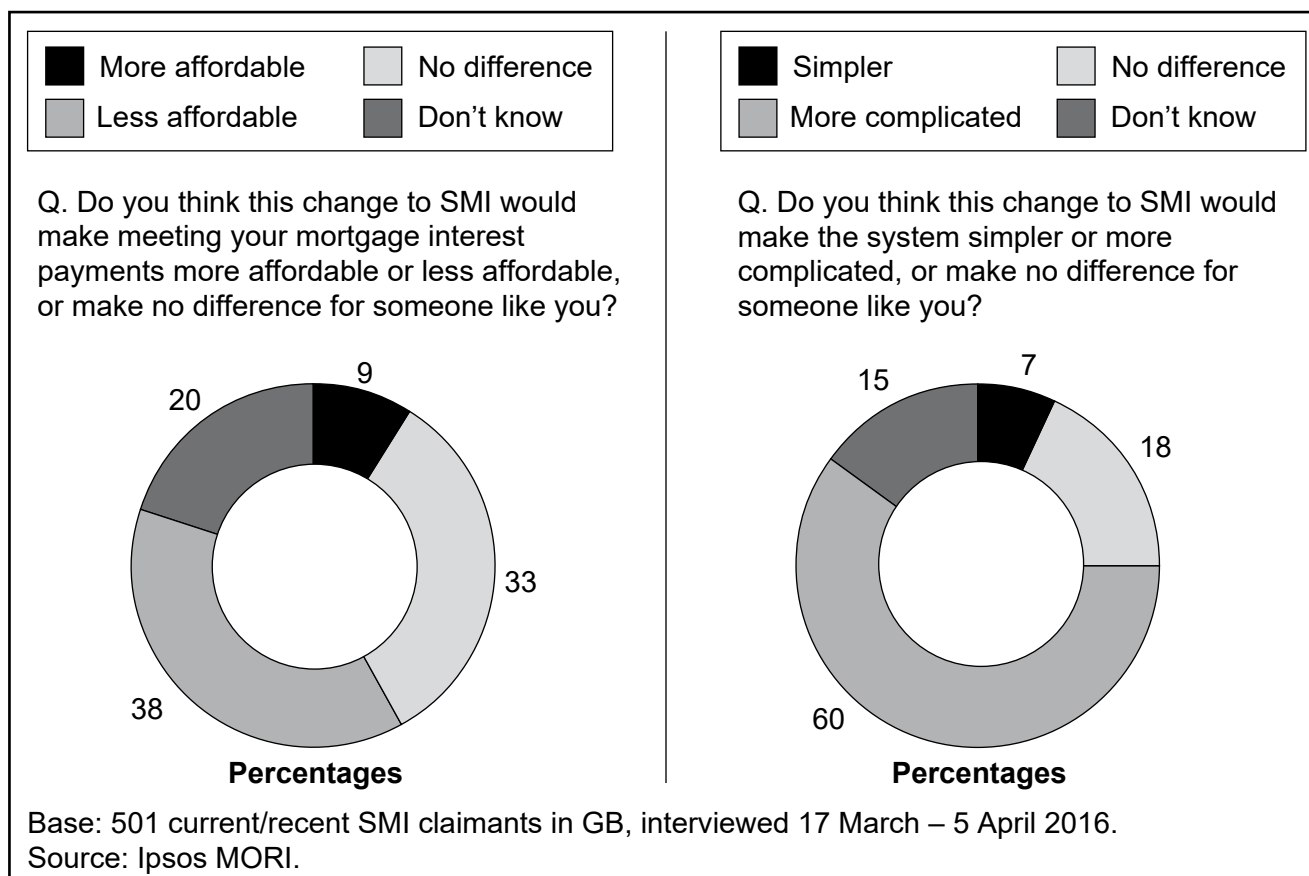
Support for Mortgage Interest (SMI) claimants were asked about the anticipated effects of changing SMI to a loan, and the impact is expected to be more negative than positive. The balance of opinion is that the changes will make meeting mortgage payments less affordable and the system of payments more complicated. In terms of paying back an SMI loan, downsizing property is the most common means for repayment both among SMI claimants and members of the targeted sample of the general public. Again, it must be stressed that responses to these questions should be considered provisional, because very few respondents had known anything about the proposed changes to SMI before the research took place.

### 5.1 Affordability and ease of mortgage payments

As shown in Figure 5.1, SMI claimants have, on balance, a negative view of the effect of changing SMI from a benefit into a loan. They are much more likely to expect it to make meeting their mortgage interest payments less affordable rather than more (38 per cent, compared with nine per cent), although over half either expect no difference or say they don't know.

In addition, three in five (60 per cent) say the change will make the payments system more complicated, compared with only seven per cent who think the system will become simpler.

**Figure 5.1 Perceived effects of changing SMI to a loan**



## **Public attitudes towards taking up Support for Mortgage Interest as a loan**

Claimants aged 40-49 are more likely to say the change will make their mortgage interest payments less affordable (48 per cent, compared with 34 per cent of those aged 60+). It is also worth noting that the more knowledgeable claimants are about SMI, the more negatively they perceive its effects to be; almost half (47 per cent) of those who know at least a fair amount about SMI say the change will make their payments less affordable, compared with a third of those who know little or nothing about SMI (35 per cent).

Claimants who have sought help or advice about difficulties with their mortgage are also more likely to say the change will make their payments less affordable (43 per cent, compared with 34 per cent of those who have not done so). Claimants generally have more difficult economic circumstances and it is perhaps not surprising that those who have sought advice may feel particularly vulnerable to changes in how SMI is administered.

On the other hand, claimants who are likely to take out an SMI loan view the change more positively, with almost one in five (19 per cent) who say the reform will make their mortgage payments more affordable, compared with only four per cent of those who are unlikely to opt for an SMI loan.

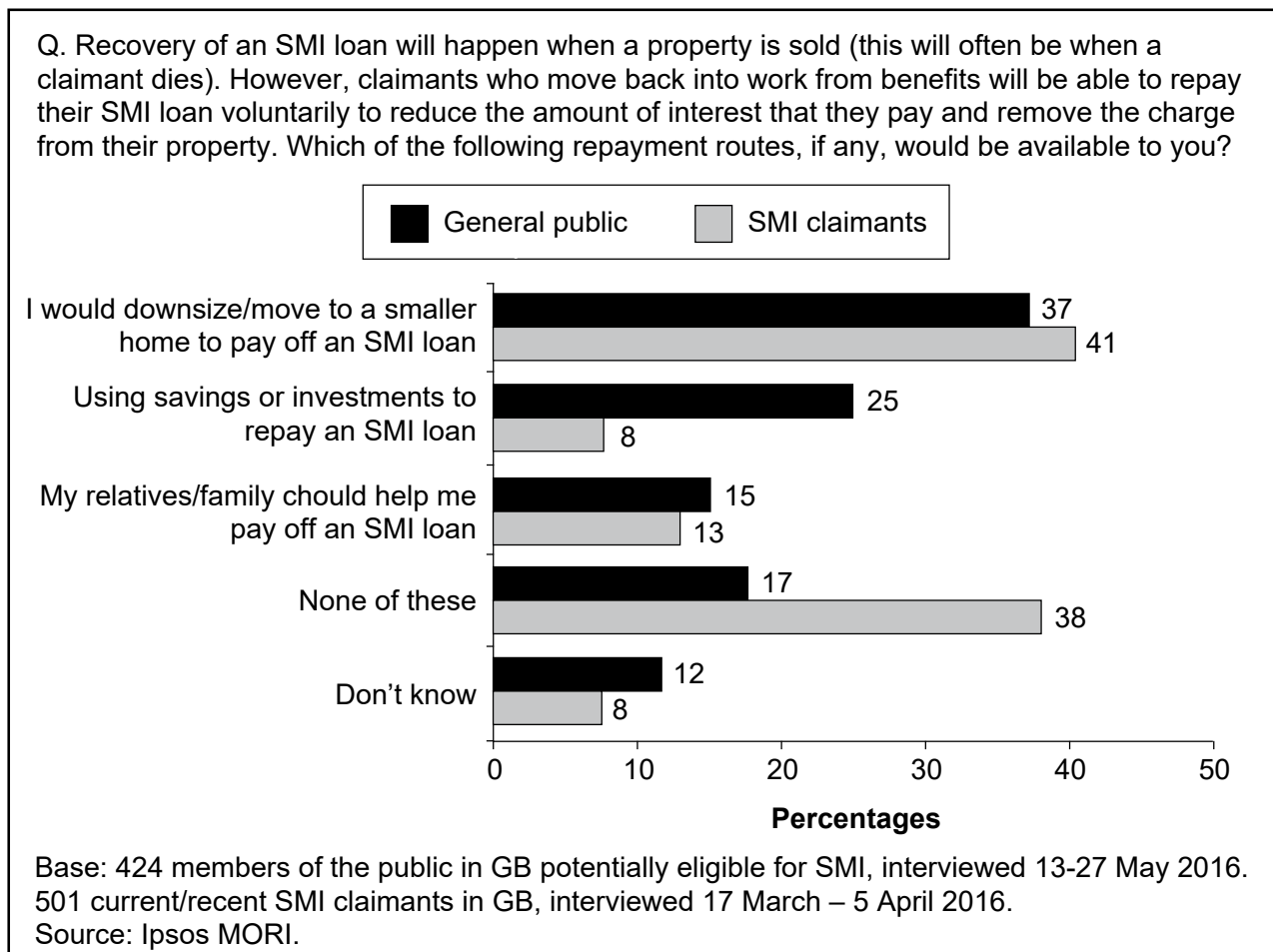
There are few differences between claimants in terms of whether the change will make the system more complicated. The exception is that, once again, those likely to take an SMI loan more often say the change will make things simpler (11 per cent, compared with four per cent of those unlikely to take an SMI loan).

## **5.2 Paying off an SMI loan**

When asked how they would pay off an SMI loan, moving to a smaller property is the most common strategy for both members of the targeted sample of the public (37 per cent) and SMI claimants (41 per cent). Roughly equal proportions of both groups also say their family could help them pay it off (15 per cent of the targeted public sample and 13 per cent of claimants).

However, members of the targeted sample of the public are much more likely to say they would use savings or investments to pay it off (25 per cent, compared with only eight per cent of SMI claimants). In contrast, SMI claimants are twice as likely to say none of these options for repayment are open to them (38 per cent, compared with 17 per cent of the targeted public). This is very likely to reflect the difficult financial circumstances of most SMI claimants, who are unlikely to have many sources of income to make repayments, such as savings or shares.

Figure 5.2 Methods for paying off an SMI loan



Among SMI claimants, it is those aged 50-59 who are most likely to say they would move to a smaller house to meet the repayments (50 per cent, compared with 41 per cent overall), followed by those who have an interest-only mortgage (46 per cent, compared 35 per cent of those with a repayment mortgage).

Socio-economic background is a distinct factor in responses, as those with comparatively higher annual incomes of £13,500+ are more likely to use their savings or investments to pay off an SMI loan (16 per cent, compared with eight per cent overall). In contrast, those with incomes below £9,500 a year more often say their family would help them (21 per cent, compared with 13 per cent overall). However, those in the least affluent DE grades most often indicate 'none of these' options are available to them (41 per cent, compared with 38 per cent overall), which almost certainly reflects their difficult financial circumstances and the comparative lack of options for repaying debt.

Attitudes also vary by overall perceptions of SMI, with the use of savings and investments being greater among those who know at least a fair amount about SMI (11 per cent, compared with six per cent of those who know little or nothing about it), and those who are likely to take an SMI loan (12 per cent, compared with eight per cent overall).

## **Public attitudes towards taking up Support for Mortgage Interest as a loan**

Among the targeted sample of the general public, it is again middle-aged respondents who most often say they would pay off an SMI loan by moving to a different property (51 per cent of 45 to 54-year-olds, compared with 37 per cent overall). In contrast, younger respondents aged 15-24 are particularly likely to say their family would give them help (36 per cent, compared with 15 per cent overall), and those aged 25-34 mention using savings and investments more often (38 per cent, compared with 25 per cent overall).

Socio-economic circumstances are also a factor within the targeted sample, as with SMI claimants. Those who have a university degree are more likely to mention using savings and investments (31 per cent, compared with 25 per cent overall). So too are those who are living comfortably on their current incomes (31 per cent, compared with 19 per cent of those who are struggling). Conversely, those who are struggling give greater thought to moving house to meet SMI loan payments (49 per cent, compared with 37 per cent overall).

# 6 Preparing for the future

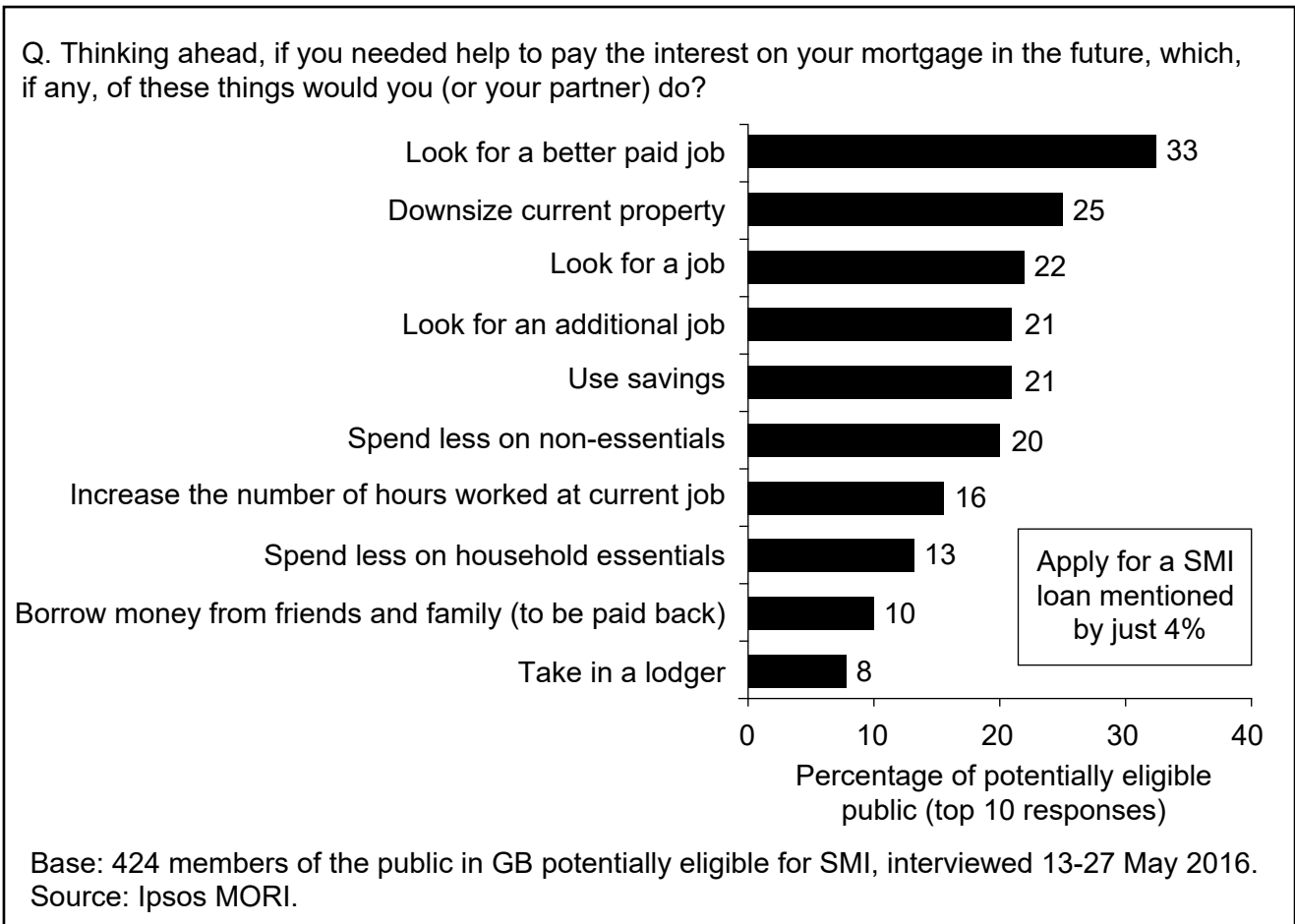
Strategies for paying mortgage interest in the future vary between members of the targeted sample of the public and Support for Mortgage Interest (SMI) claimants. Members of the public are more likely to consider changes to their employment status, such as looking for a better paid job. SMI claimants are more likely to consider cutbacks in spending or a move into rented housing, which probably reflects the financial limitations they experience.

## 6.1 Strategies for paying mortgage interest

Among the targeted sample of the public, the most common strategies considered in order to pay their mortgage interest in the future are to do with employment. They are most likely to look for a better paid job (33 per cent), and other prominent responses include looking for a job of some kind (22 per cent), looking for an additional job (21 per cent) or increasing hours at their existing job (16 per cent).

In addition, one in four (25 per cent) say they would pay their mortgage interest by moving to a smaller property, and around one in five mention using savings (21 per cent) or spending less on non-essentials (20 per cent). Only four per cent of them say they would apply for an SMI loan.

**Figure 6.1 Strategies to repay mortgage interest among members of the targeted sample of the public**



## Public attitudes towards taking up Support for Mortgage Interest as a loan

Age is an important factor, in that older members of the public aged 65+ are less likely to have any strategies for paying their mortgage payments (35 per cent, compared with nine per cent overall) and are also more likely to say they 'don't know' (14 per cent, compared with five per cent overall). As with other questions, it is middle-aged people who are most likely to say they would downsize their property (34 per cent of 45 to 54-year-olds, compared with 25 per cent overall). Younger respondents appear more likely to change employment status. For example, half of 25 to 34-year-olds would pay for their mortgage interest by getting a better paid job (50 per cent, compared with 33 per cent overall).

Some options are favoured more by those with better off socio-economic circumstances or who at least have regular incomes. For example, those from the AB social grades are more likely than average to mention downsizing their property (33 per cent, compared with 25 per cent), using savings (31 per cent, compared with 21 per cent) or taking a lodger (13 per cent, compared with eight per cent). Similarly, those in full-time work are more likely than non-working respondents to mention looking for a better paid job (38 per cent, compared with 19 per cent), downsizing their property (30 per cent, compared with 16 per cent), or working additional hours (20 per cent, compared with eight per cent). In contrast, looking for a job of any kind is more often the response of those from less affluent backgrounds, such as the DE social grades and those not in work (38 per cent and 36 per cent respectively, compared with 22 per cent overall).

Among SMI claimants, a different set of strategies prevail for paying their mortgage interest in future, as shown in Figure 6.2. The most prominent are to do with cutting back on spending, be it on non-essentials (48 per cent) or on essentials (44 per cent). This is followed by moving to a smaller property (40 per cent).

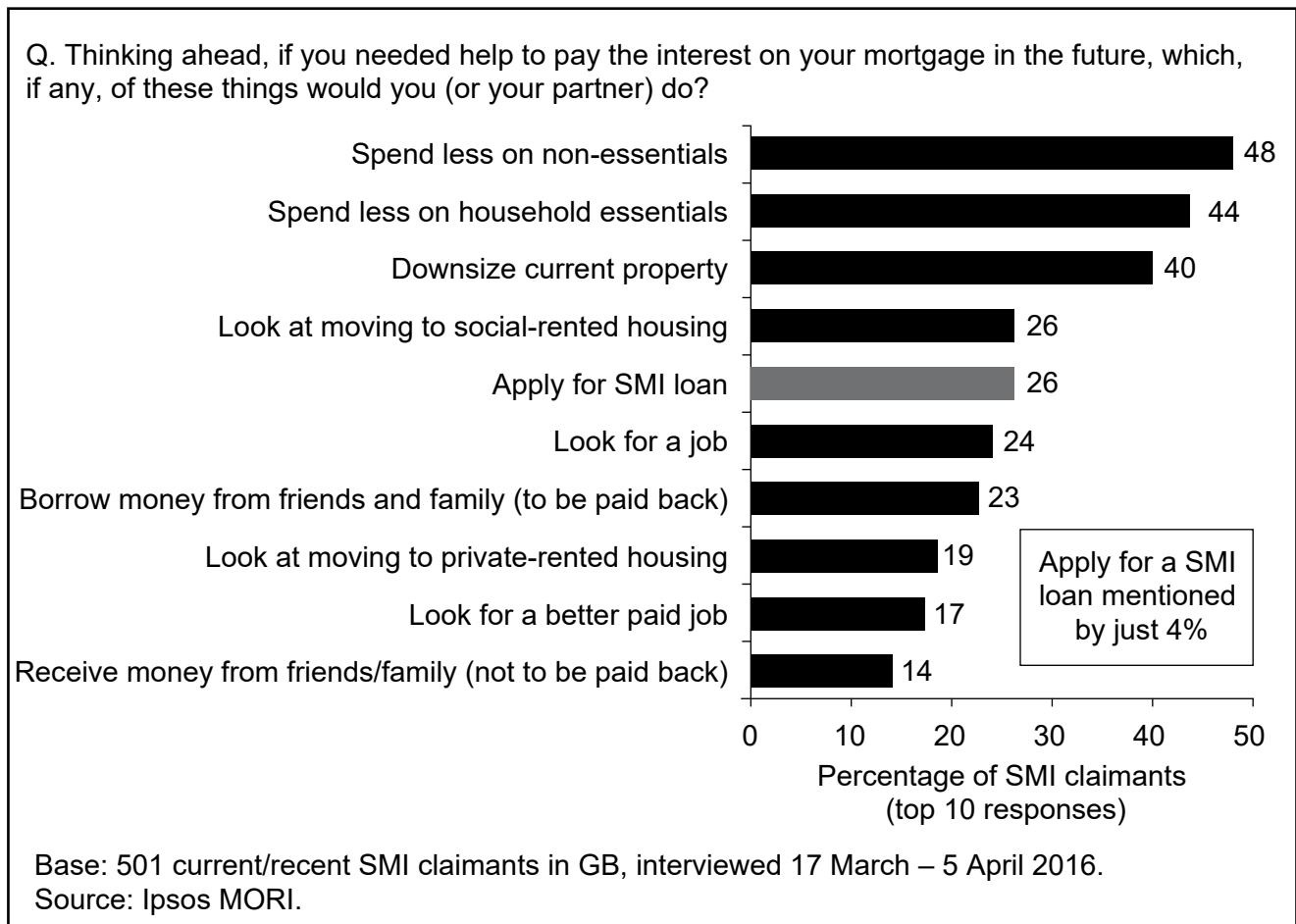
Moving into the rented sector is also a much more common response among SMI claimants than the targeted sample of the public, with one in four claimants who would pay the interest on their mortgage by moving into social housing (26 per cent), and one in five who would rent from a private landlord (19 per cent). Moving into rented housing would of course mean no longer having a mortgage, and the payments on the capital would stop along with payments on the mortgage interest.

Also, it is important to note that around one in four (26 per cent) would be willing to apply for an SMI loan to pay their mortgage interest, which is well above the proportion among the targeted sample of the general public (four per cent).

Although changing employment status is mentioned by some SMI claimants, it is less prominent than among members of the targeted sample, with almost one in four (24 per cent) who say they would look for a job of some kind, and around one in six who would look for a better paid job (17 per cent).



**Figure 6.2 Strategies to repay mortgage interest among SMI claimants**



As with members of the targeted sample of the public, it is middle-aged SMI claimants who are most likely to move to a smaller property (48 per cent of those aged 50-59, compared with 40 per cent overall). By contrast, those aged 20-49 are more likely than to consider changing their work status, such as by looking for a job (45 per cent, compared with 24 per cent overall) or finding a better paid job (34 per cent, compared with 17 per cent overall).

Those in the least affluent DE social grades are the most likely to consider a move into rented accommodation, whether rented socially (29 per cent, compared with 26 per cent overall) or from a private landlord (21 per cent, compared with 19 per cent overall). In contrast, claimants in the ABC1 social grades are more likely to take in a lodger (25 per cent, compared with 14 per cent overall).

Results also vary consistently by ethnicity and income, with black and minority ethnic (BME) groups and those with higher earnings being more likely to consider almost every strategy for paying their mortgage interest. For example, claimants from BME backgrounds are more likely than those who define themselves as white, to apply for an SMI loan (39 per cent, compared with 24 per cent), and so too are those with an annual income of at least £13,500 a year (45 per cent, compared with 26 per cent of those with an income below £9,500 a year).

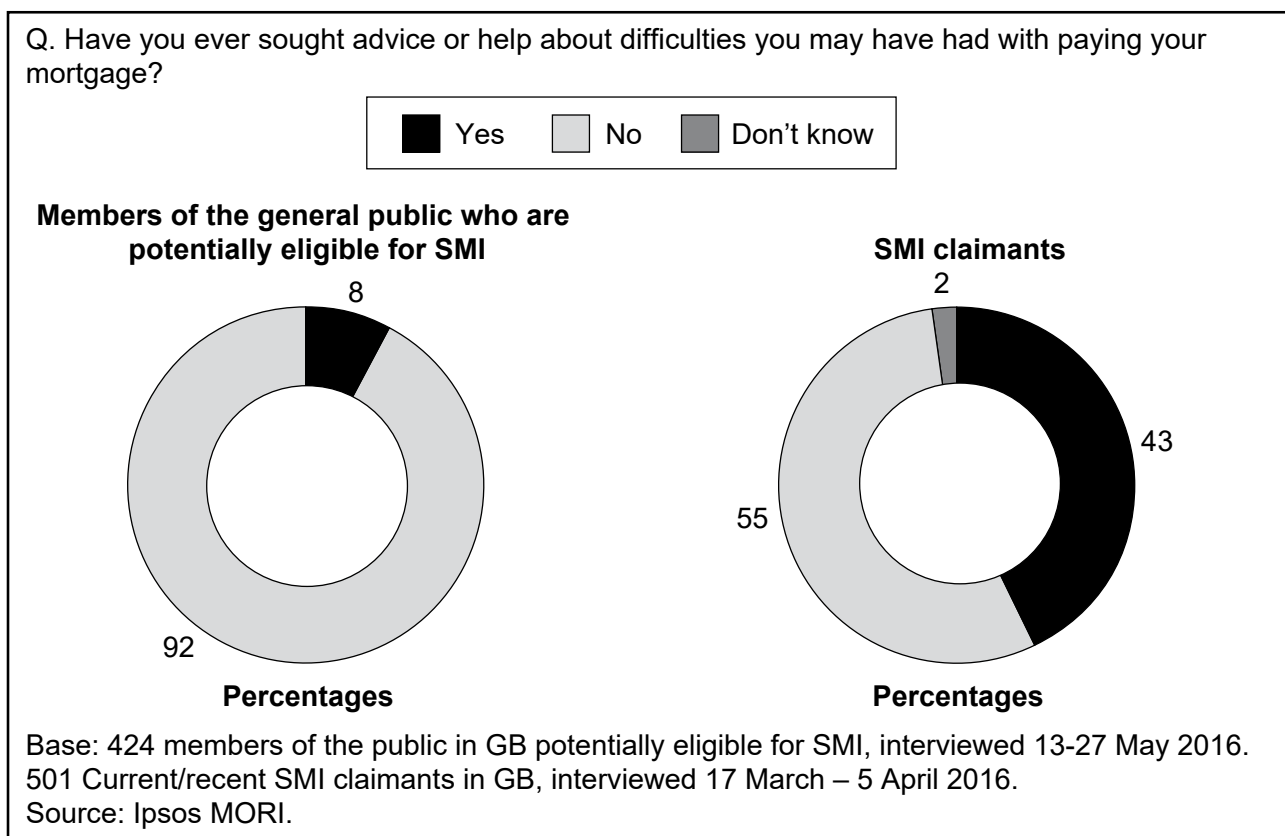
## Public attitudes towards taking up Support for Mortgage Interest as a loan

Across other groups of claimants, those with an interest-only mortgage are more likely to consider moving to a smaller property (47 per cent, compared with 34 per cent of those with a repayment mortgage). In contrast, those with a repayment mortgage are more willing than those with an interest-only mortgage to think about getting money from friends or family, whether as a loan (28 per cent, compared with 19 per cent) or as a sum that does not have to be repaid (20 per cent, compared with 11 per cent).

## 6.2 Seeking advice or guidance

Seeking advice and guidance about problems with their mortgage is common among SMI claimants, with around two in five (43 per cent) having done so at some point. This compares with only eight per cent of our targeted sample of the general public (and 10 per cent of those in the targeted sample who currently have a mortgage).

**Figure 6.3 Seeking advice or help about mortgage difficulties**



Among SMI claimants, it is those on low incomes who are, not surprisingly, more likely to have sought advice about their mortgage problems (46 per cent of those on annual income below £9,500, compared with 29 per cent of those with an income of at least £13,500 a year). The proportion is also greater among those in work (70 per cent, compared with 41 per cent of those not in work) and those who are single or not in a relationship (47 per cent, compared with 36 per cent of those who are married or live with someone). In contrast, older claimants aged 60+ are less likely to have sought advice (34 per cent, compared with 43 per cent overall).

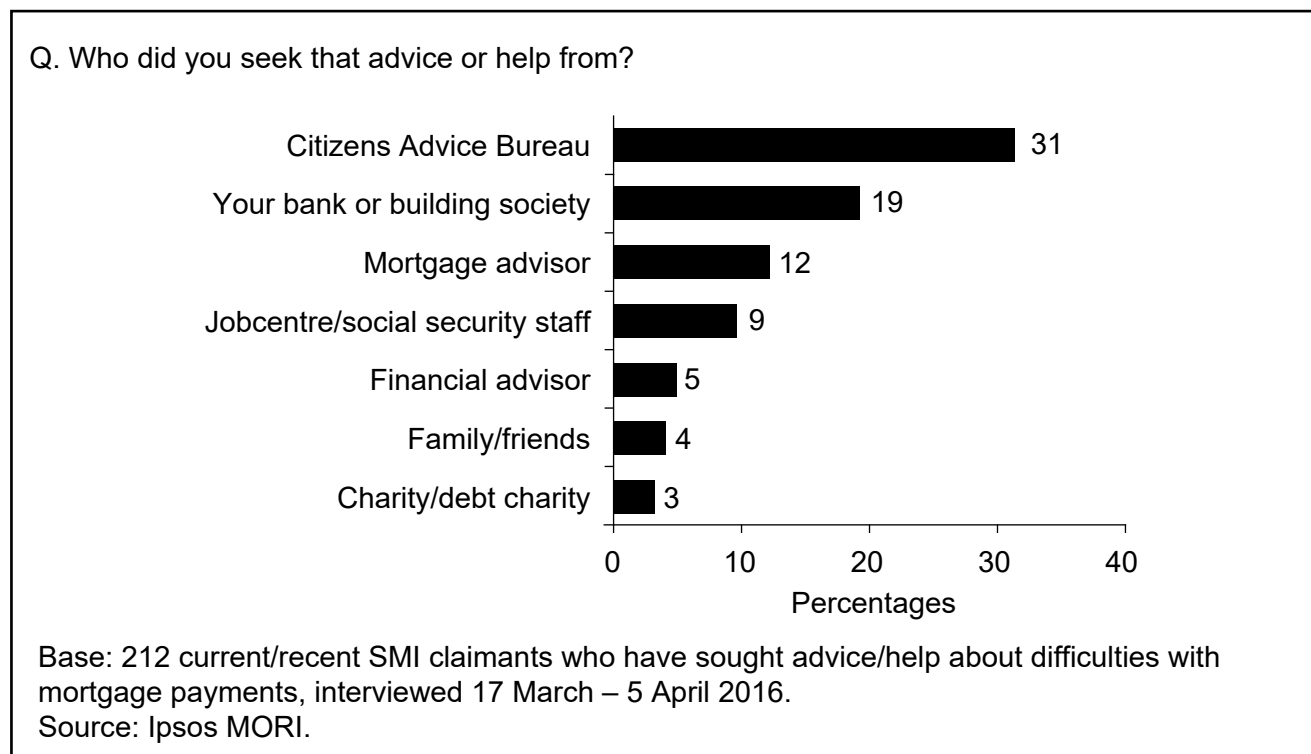
## Public attitudes towards taking up Support for Mortgage Interest as a loan

Among the targeted sample of the public, there are fewer differences. However, it is notable that those aged 55-64 are more likely to have sought advice or help with their mortgage difficulties (17 per cent, compared with eight per cent overall). As might be expected, so too are members of the public who are struggling on their present income (17 per cent, compared with two per cent of those who are living comfortably). Those likely to take up an SMI loan are also more likely to have asked for help and advice (21 per cent, compared with six per cent of those unlikely to take an SMI loan).

### 6.3 Sources of advice on mortgage difficulties

Among the SMI claimants who have sought advice and help with their mortgage payments, the most common source of advice has been from Citizens Advice Bureau (31 per cent), followed by a bank or building society (19 per cent), a mortgage advisor (12 per cent) and by Jobcentre Plus staff (nine per cent).

**Figure 6.4 Sources of advice and help about difficulties with mortgage**



The low base size means there are no statistically significant differences between the various groups of SMI claimants.

Of the targeted sample of the general public, only 38 respondents have ever sought advice or help because of difficulties with their mortgage payments. Most often, they have gone to a bank or building society for guidance (13 respondents), followed by a mortgage advisor (11 respondents) and the Citizens Advice Bureau (10 respondents).

## 6.4 Providing an income for later life

When asked what sources of income they think they could draw upon in later life, responses differ markedly between members of the targeted sample and SMI claimants. Members of the targeted sample are more likely than SMI claimants to think most sources of income are available to them, especially a personal pension (36 per cent, compared with 16 per cent), savings and investment (20 per cent, compared with four per cent), an inheritance (17 per cent, compared with eight per cent) and a second home they could rent out (11 per cent, compared with two per cent). In contrast, SMI claimants are more likely to say they would draw on the State Pension (42 per cent, compared with 26 per cent) or to say 'don't know' (16 per cent, compared with eight per cent). Again, this very probably reflects the much more constrained financial circumstances of SMI claimants.

**Table 6.1 Potential sources of income in later life**

Q. Which one or two of the following, if any, do you think would provide you with the best opportunity to generate an income for later life, after you have retired?	Targeted sample of general public (424) Percentages	SMI claimants (501) Percentages
Personal pension(s)	36	16
State Pension	26	42
Main home you plan to sell or downsize or release money from	20	23
Savings or investments	20	4
An inheritance	17	8
Second home or property you rent out	11	2
Partner's pension(s)	9	2
Plan to work past State Pension age	8	9
Business you plan to sell	3	*
Equity release/lifetime mortgage	1	7
Other	1	5
Don't know	8	16

Sources: Ipsos MORI surveys of targeted sample of general public and of SMI claimants.

Results differ markedly by socio-economic background. For example, members of the targeted sample of the public with an income of £25,000+ are more likely than average to mention a personal pension (45 per cent, compared with 36 per cent), savings or investments (24 per cent, compared with 20 per cent) or a second home they could rent out (16 per cent, compared with 11 per cent). On the other hand, those in the least affluent DE social grades are more likely than average to mention the State Pension (38 per cent, compared with 26 per cent) or simply 'don't know' (19 per cent, compared with eight per cent). Among SMI claimants, it is also notable that those in the higher ABC1 social grades are more likely to mention savings and investments (12 per cent, compared with three per cent across grades C2DE).

Age is also something of a factor, as the State Pension is more often mentioned as a source of income by members of the public aged 55+ (45 per cent, compared with 12 per cent of those aged 15-34) and SMI claimants (49 per cent of those aged 60+, compared with 36 per cent of those younger than 60).

Results for SMI claimants also vary partly by mortgage type, with the selling of the main home mentioned more often by those with an interest-only mortgage (28 per cent, compared with 20 per cent of those who have a repayment mortgage).

### **6.5 Preparing for care and support in later life**

SMI claimants were also asked if they had done anything to prepare for the cost of care and support in later life, over and above preparations for day-to-day living costs in retirement.

Only around one in ten (11 per cent) have done so, a figure which is generally consistent between the various groups of claimants. However, it is higher among those who know at least a fair amount about SMI (16 per cent, compared with 10 per cent of those who know little or nothing about it) or who are unlikely to take an SMI loan (14 per cent, compared with eight per cent of those who likely to do so).

# Appendix A

## Guide to statistical reliability

### A.1 How accurately does the survey reflect the views of the target population?

It should be remembered that a sample and not the entire population of adults living in Great Britain has been interviewed. In consequence, all results are subject to sampling tolerances, which means that not all differences between results are statistically significant. For example, for a question where 50 per cent of the people in a weighted sample of 1,000 respond with a particular answer, the chances are 95 in 100 that this result would not vary more than plus or minus three percentage points from the result that would have been obtained from a census of the entire population (using the same procedures).

Indications of approximate sampling tolerances for this survey, and for surveys of smaller groups of respondents, are provided in the table below. As shown, sampling tolerances vary with the size of the sample and the size of the percentage results. This survey used a quota sampling approach. Strictly speaking the tolerances applied here apply only to random samples with an equivalent design effect. In practice, good quality quota sampling has been found to be almost as accurate.

**Table A.1 Approximate sampling tolerances applicable to percentages at or near these levels**

Size of sample on which survey result is based	10% or 90%	30% or 70%	50%
	±	±	±
100 interviews	6	9	10
200 interviews	4	6	7
424 interviews (with targeted sample of the public)	3	4	5
501 interviews (SMI claimants)	3	4	4
700 interviews	2	3	4
1,000 interviews	2	3	3
4014 interviews with general public overall	1	1	2

Source: Ipsos MORI.

## A.2 Comparing the views of different groups within the sample surveyed

Different groups within a sample (e.g. men and women) may have different results for the same question. A difference has to be of a certain size in order to be statistically significant. To test if a difference in results between two sub-groups within a sample is statistically significant, at the 95 per cent confidence interval, the differences between the two results must be greater than the values provided in the table below. Again, strictly speaking the sampling tolerances shown here apply only to random samples with an equivalent design effect. In practice, good quality quota sampling has been found to be almost as accurate.

**Table A.2 Differences required for significance at or near these percentages**

Size of sample on which survey result is based	10% or 90% ±	30% or 70% ±	50% ±
100 and 100	8	13	14
100 and 200	7	11	12
100 and 500	7	10	11
200 and 200	7	10	11
300 and 500	4	7	7
500 and 500	4	6	6

Source: Ipsos MORI.

# Appendix B

## Guide to social classification

In this report, references are made to social grade. The following table contains a brief list of social grade definitions as used by the Institute of Practitioners in Advertising. These groups are standard in all surveys carried out by Ipsos MORI.

**Table B.1 Social grade definitions**

<b>Social Grade</b>	<b>Social grade</b>	<b>Occupation of Chief Income Earner</b>
A	Upper Middle Class	Higher managerial, administrative or professional
B	Middle Class	Intermediate managerial, administrative or professional
C1	Lower Middle Class	Supervisor or clerical and junior managerial, administrative or professional
C2	Skilled Working Class	Skilled manual workers
D	Working Class	Semi and unskilled manual workers
E	Those at the lowest levels of subsistence	State pensioners, etc, with no other earnings

Source: Ipsos MORI.

Interviewers use the following questions to help assign a respondent a social grade classification:

- Who is the chief income earner in the household? (This is the person in the household with the largest income, whether from employment, pensions, state benefits, investments or any other source.)
- What is the occupation of the chief income earner?
- What is chief income earner's job title is and what do they actually do?
- What type of company does the chief income earner work for?
- How many people work for the company?
- How many people is the chief income earner responsible for?
- Does the chief income earner have any job related qualifications?

In some cases, interviewers also ask these additional questions:

- Is the chief income earner self-employed?
- How many hours a week does the chief income earner work?
- Is the chief income earner's job manual or non-manual?



# Appendix C

## Sample profiles

**Table C.1 Sample profile of SMI claimants interviewed**

	Unweighted		Weighted	
	n	Percentage	n	Percentage
<b>Total</b>	<b>501</b>	<b>100</b>	<b>501</b>	<b>100</b>
<b>Gender</b>				
Male	256	51	245	49
Female	245	49	256	51
<b>Age</b>				
20-39	27	5	42	8
40-49	88	18	97	19
50-59	136	27	125	25
60+	250	50	237	47
<b>Social grade</b>				
AB	19	4	18	4
C1	53	11	57	11
C2	79	16	75	15
DE	350	70	351	70
<b>Working status</b>				
In work	36	7	38	8
Not in work	463	92	461	92

Source: Ipsos MORI surveys of SMI claimants.

## Public attitudes towards taking up Support for Mortgage Interest as a loan

**Table C.2 Sample profile of members of the public interviewed in Phase 2**

	Unweighted		Weighted	
	n	Percentage	n	Percentage
<b>Total</b>	<b>4,017</b>	<b>100</b>	<b>4,014</b>	<b>100</b>
<b>Gender</b>				
Male	2,001	50	1,956	49
Female	2,016	50	2,058	51
<b>Age</b>				
15-24	641	16	615	15
25-34	581	14	662	16
35-44	552	14	626	16
45-54	591	15	686	17
55-64	673	17	555	14
65+	979	24	871	22
<b>Social grade</b>				
AB	916	23	1,078	27
C1	1,329	33	1,088	27
C2	758	19	864	22
DE	1,014	25	984	24
<b>Working status</b>				
In work	1,977	49	2,230	56
Not in work	2,040	51	1,785	44

Source: Ipsos MORI survey of targeted sample of general public.

# Appendix D

## General public questionnaire: Phase 1

ASK ALL (DERIVED FROM CAPIBUS TENURE QUESTION)  
TENURE. **Which of these applies to your home?**  
SINGLE CODE ONLY

1. Being bought on a mortgage.
2. Owned outright by household.
3. Rented from a local authority.
4. Rented from a private landlord.
5. Rented from a Housing Association/Trust.
6. Other (PLEASE SPECIFY).

Refused.

ASK ALL

**Q1. Which of the following statements best describes your current attitude to moving to a different property in the future?** SINGLE CODE ONLY READ OUT (1-3 ONLY)

1. I intend to move within the next year.
2. I intend to move within the next 2 to 5 years.
3. I do not intend to move within the next 5 years.

Don't know (DO NOT READ OUT).

ASK IF CODE 1-2 at Q1

**Q2a. What type of accommodation do you ideally want to move into next?**

**Q2b. And what type of accommodation do you expect to move into next?**

SHOWSCREEN SINGLE CODE ONLY

1. Social rented.
2. Private rented.
3. Owner occupied with mortgage.
4. Owner occupied without mortgage.
5. Shared ownership or Shared equity.
6. Intermediate rent.
7. Other (PLEASE SPECIFY).

Don't know.

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK ALL

**Q3. Are you receiving any of these state benefits or allowances? Your answers are completely confidential.**

SHOWCARD (R) MULTI-CODE OK

Yes:

1. Income Support.
2. Jobseeker's Allowance (formerly Unemployment Benefit or Income Support for unemployed people).
3. State Retirement Pension.
4. Incapacity Benefit or Severe Disablement Allowance.
5. Employment and Support Allowance.
6. Disability Living Allowance (mobility or care components).
7. Some other benefit for people with disabilities (e.g. Industrial Injuries Benefit).
8. Working Tax Credit.
9. Child Tax Credit.
10. Child Benefit.
11. Council Tax Benefit.
12. Free school meals.
13. Pension Credit (previously Minimum Income Guarantee).
14. Carer's Allowance (formerly Invalid Care Allowance).
15. Attendance Allowance.
16. Support for Mortgage Interest (SMI).
17. Some other state benefit (PLEASE SPECIFY).
18. No, none of these.

Don't know.

Refused.

ASK ALL

**Q4. Have you ever received any of these state benefits or allowances? Your answers are completely confidential.**

SHOWCARD (R) MULTI-CODE OK

Yes:

1. Income Support.
2. Jobseeker's Allowance (formerly Unemployment Benefit or Income Support for unemployed people).
3. State Retirement Pension.
4. Incapacity Benefit or Severe Disablement Allowance.
5. Employment and Support Allowance.
6. Disability Living Allowance (mobility or care components).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

7. Some other benefit for people with disabilities (e.g. Industrial Injuries Benefit).
8. Working Tax Credit.
9. Child Tax Credit.
10. Child Benefit.
11. Council Tax Benefit.
12. Free school meals.
13. Pension Credit (previously Minimum Income Guarantee).
14. Carer's Allowance (formerly Invalid Care Allowance).
15. Attendance Allowance.
16. Support for Mortgage Interest (SMI).
17. Some other state benefit (PLEASE SPECIFY).
18. No, none of these.

Don't know.

Refused.

IF PREVIOUSLY RECEIVED SMI (CODE 16 AT Q4)

**Q5. And how likely, if at all, do you think it is that you may need to apply for SMI in the future?**

SINGLE CODE ONLY READ OUT REVERSE SCALE FOR HALF OF RESPONDENTS

Very likely.

Fairly likely.

Not very likely.

Not at all likely.

Don't know (DO NOT READ OUT).

ASK ALL

**Q6. Which of the following phrases would you say comes closest to your feelings about your household's income these days?**

SINGLE CODE ONLY, READ OUT, ROTATE a)-e) ONLY.

- a) Living really comfortably on present income.
- b) Living comfortably on present income.
- c) Neither comfortable nor struggling on present income.
- d) Struggling on present income.
- e) Really struggling on present income.

Don't know (DO NOT READ OUT).

Refused (DO NOT READ OUT).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK ALL

**Q7. Thinking about the next 12 months, do you expect your household's financial situation to get better, get worse or stay the same?**

SINGLE CODE ONLY, READ OUT REVERSE SCALE FOR HALF OF RESPONDENTS

Get a lot better.

Get a little better.

Stay the same.

Get a little worse.

Get a lot worse.

Don't know (DO NOT READ OUT).

ASK ALL

**Q8a. Now thinking about the chief income earner in your household, which of the following best describes <<their/your>> employment history since leaving full-time education (school, further or higher education)?**

SINGLE CODE ONLY//READ OUT//REVERSE SCALE FOR HALF OF RESPONDENTS

NOTE TO INTERVIEWER: RESPONSE WORDING BASED ON WHETHER RESPONDENT IS CHIEF INCOME EARNER

1. I/they have always been in paid employment.
2. I/they have mostly been in paid employment.
3. I/they have sometimes been in paid employment.
4. I/they have rarely been in paid employment.
5. I/they have never been in paid employment.
6. Don't know (DO NOT READ OUT).
7. Refused(DO NOT READ OUT).

ASK THOSE CODE 1-4 AT Q8a

**Q8b. And thinking about the time since leaving full-time education <<have you/has the chief income earner>> worked part-time or full-time?**

SINGLE CODE ONLY//READ OUT//REVERSE SCALE FOR HALF OF RESPONDENTS

NOTE TO INTERVIEWER: RESPONSE WORDING BASED ON WHETHER RESPONDENT IS CHIEF INCOME EARNER

1. Always in full-time employment.
2. Mostly in full-time employment.
3. A combination of part-time and full-time employment.
4. Mostly in part-time employment.
5. Always in part-time employment.
6. Don't know (DO NOT READ OUT).
7. Refused(DO NOT READ OUT).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK ALL

**Q9. Which one or two of the following, if any, do you think would provide you with the best opportunity to generate an income for later life, after you have retired?**

IF RESPONDENT HAS ALREADY RETIRED PLEASE ASK THIS QUESTION

REGARDLESS OF THEIR CURRENT CIRCUMSTANCES

SHOWCARD (R) CODE UP TO TWO RESPONSES ONLY

1. An inheritance.
2. Business you plan to sell.
3. Main home you plan to sell or downsize or release money from.
4. Second home or property you rent out.
5. Partner's pension(s).
6. Personal pension(s).
7. Plan to work past State Pension age.
8. Savings or investments.
9. State Pension.
10. Workplace pension(s) from a previous employer.
11. Other (PLEASE SPECIFY).

Don't know.

**Demographic questions covered as standard by Capibus**

REQUIRED FOR ANALYSIS

- Region.
- Sex.
- Age.
- Work status.
- Social classification (SOC).
- Qualifications.
- Marital status.
- Parental status.
- Number of people in household.
- Number of children in household.
- Age of children.
- Durables in household (TV type, satellite/freeview PC, tablet, games consoles, smart phone, debit or credit cards, store cards etc).
- Income.
- Ethnicity.

# Appendix E

## General public questionnaire: Phase 2

ASK ALL (DERIVED FROM CAPIBUS TENURE QUESTION)  
TENURE. **Which of these applies to your home?**  
SINGLE CODE ONLY

1. Being bought on a mortgage.
2. Owned outright by household.
3. Rented from a local authority.
4. Rented from a private landlord.
5. Rented from a Housing Association/Trust.
6. Other (PLEASE SPECIFY).

Refused.

ASK ALL (ALL GB SAMPLE)

**Q1. Which of the following statements best describes your current attitude to moving to a different property in the future? SINGLE CODE ONLY. READ OUT (1-3 ONLY)**

1. I intend to move within the next year.
2. I intend to move within the next 2 to 5 years.
3. I do not intend to move within the next 5 years CLOSE IF CODE 2-5 AT TENURE.
4. Don't know (DO NOT READ OUT) CLOSE IF CODE 2-5 AT TENURE.

AT Q1 WE REMOVE ANYONE WHO IS CURRENTLY RENTING/OWNS THEIR HOUSE OUTRIGHT AND DOES NOT FORESEE THEIR TENURE CHANGING IN THE NEXT 5 YEARS –THIS WILL APPLY TO C.450 RESPONDENTS

ASK IF CODE 1-2 at Q1 (c.500 RESPONDENTS)

**Q2(a). What type of accommodation do you ideally want to move into next?**

**Q2(b). And what type of accommodation do you expect to move into next?**

SHOWSCREEN SINGLE CODE ONLY

1. **Social rented.**
2. **Private rented.**
3. **Intermediate rent.**
4. Owner occupied with mortgage.
5. Owner occupied without mortgage.
6. Shared ownership or shared equity.
7. Other (PLEASE SPECIFY).
8. Don't know.



## Public attitudes towards taking up Support for Mortgage Interest as a loan

THANK AND CLOSE IF CODE 2, 3, 4 OR 5 AT TENURE AND CODE 1, 2 OR 3 AT Q2b

AT Q2b WE REMOVE ANYONE WHO IS CURRENTLY RENTING/OWN THEIR HOUSE OUTRIGHT AND EXPECTS TO MOVE INTO A RENTED PROPERTY IN THE FUTURE THIS WILL APPLY TO C.200 RESPONDENTS

ASK ALL NOT ROUTED OUT (c.1350 RESPONDENTS)

**Q3. Are you receiving any of these state benefits or allowances? Your answers are completely confidential.**

SHOWCARD (R) MULTI-CODE OK

Yes:

1. **Income Support.**
2. **Jobseeker's Allowance (formerly unemployment benefit or Income Support for unemployed people).**
3. State Retirement Pension.
4. Incapacity Benefit or Severe Disablement Allowance.
5. **Employment and Support Allowance.**
6. Disability Living Allowance (mobility or care components).
7. Some other benefit for people with disabilities (e.g. Industrial Injuries Benefit).
8. Working Tax Credit.
9. Child Tax Credit.
10. Child Benefit.
11. Council Tax Benefit.
12. Free school meals.
13. **Pension Credit (previously Minimum Income Guarantee).**
14. Carer's Allowance (formerly Invalid Care Allowance).
15. Attendance Allowance.
16. **Support for Mortgage Interest (SMI – sometimes known as 'help with housing costs').**
17. Universal Credit.
18. Some other state benefit (PLEASE SPECIFY).
19. No, none of these.

Don't know.

Refused

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK ALL NOT ROUTED OUT (c.1350 RESPONDENTS)

**Q4. Have you ever received any of these state benefits or allowances? Your answers are completely confidential.**

SHOWCARD (R) MULTI-CODE OK

Yes:

1. **Income Support.**
2. **Jobseeker's Allowance(formerly Unemployment Benefit or Income Support for unemployed people).**
3. State Retirement Pension.
4. Incapacity Benefit or Severe Disablement Allowance.
5. **Employment and Support Allowance.**
6. Disability Living Allowance (mobility or care components).
7. Some other benefit for people with disabilities (e.g. Industrial Injuries Benefit).
8. Working Tax Credit.
9. Child Tax Credit.
10. Child Benefit.
11. Council Tax Benefit.
12. Free school meals.
13. **Pension Credit (previously Minimum Income Guarantee).**
14. Carer's Allowance (formerly Invalid Care Allowance).
15. Attendance Allowance.
16. **Support for Mortgage Interest (SMI – sometimes known as 'help with housing costs).**
17. Universal Credit.
18. Some other state benefit (PLEASE SPECIFY).
19. No, none of these.

Don't know.

Refused.

ASK ALL NOT ROUTED OUT (c.1350 RESPONDENTS)

**Q5. Which of the following phrases would you say comes closest to your feelings about your household's income these days?**

SINGLE CODE ONLY. READ OUT. ROTATE 1-5 ONLY.

1. Living really comfortably on present income.
2. Living comfortably on present income.
3. Neither comfortable nor struggling on present income.
4. **Struggling on present income.**
5. **Really struggling on present income.**
6. Don't know (DO NOT READ OUT).
7. Refused (DO NOT READ OUT).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK IF CODE 1 AT TENURE. (c. 750 RESPONDENTS). OTHERS GO TO Q7

**Q6. How easy or difficult do you find meeting the cost of your mortgage each month?**  
SINGLE CODE ONLY. READ OUT. REVERSE 1-5 ONLY.

1. Very easy.
2. Fairly easy.
3. Neither easy nor difficult.
4. **Fairly difficult.**
5. **Very difficult.**
6. Don't know (DO NOT READ OUT).
7. Refused (DO NOT READ OUT).

ASK ALL NOT ROUTED OUT (c. 1350 RESPONDENTS)

**Q7. Now thinking about the chief income earner in your household, which of the following best describes <<their/your>> employment history since leaving full-time education (school, further or higher education)?**

SINGLE CODE ONLY//READ OUT//REVERSE SCALE FOR HALF OF RESPONDENTS  
NOTE TO INTERVIEWER: RESPONSE WORDING BASED ON WHETHER RESPONDENT IS CHIEF INCOME EARNER

1. I/they have always been in paid employment.
2. I/they have mostly been in paid employment.
3. **I/they have sometimes been in paid employment.**
4. **I/they have rarely been in paid employment.**
5. **I/they have never been in paid employment.**
6. Don't know (DO NOT READ OUT).
7. Refused(DO NOT READ OUT).

THANK AND CLOSE IF NOT CODED 1, 2, 5, 13 OR 16 AT Q3 OR Q4, IF NOT CODED 4-5 AT Q5 OR Q6, OR CODE 3-5 AT Q7.

IN SECTION Q3-7 WE REMOVE ANYONE WHO DOES NOT/HAS NEVER CLAIM/ED ANY OF THE FOUR QUALIFYING BENEFITS + SMI OR DOES NOT HAVE THE POTENTIAL TO BE IN THE POSITION TO CLAIM BENEFITS IN THE FUTURE.

FROM HERE ON WE SHOULD HAVE AROUND 200-250 RESPONDENTS, UNLESS QUESTIONS ARE FILTERED OFF TENURE/OTHER QUESTIONS  
ASK IF CODE 1 AT TENURE. OTHERS GO TO Q11.

**Q8. Can I ask, what kind of mortgage do you currently have on your property?**  
IF RESPONDENT HAS MORE THAN ONE PROPERTY, PLEASE ASK THEM TO THINK ABOUT THEIR MAIN RESIDENCE.  
READ OUT. ROTATE LIST 1-3 ONLY. SINGLE CODE ONLY.

1. **Interest-only.**
2. **Repayment.**
3. **Endowment mortgage.**
4. Don't know/Can't remember.

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK IF CODE 1 AT Q8. OTHERS GO TO Q10.

**Q9. Do you have a repayment vehicle, such as savings, investments or other assets, for your interest-only mortgage?**

IF RESPONDENT HAS MORE THAN ONE PROPERTY, PLEASE ASK THEM TO THINK ABOUT THEIR MAIN RESIDENCE.

SINGLE CODE ONLY.

1. Yes.
2. No.
3. Don't know/Can't remember.

ASK IF CODE 1 AT TENURE. OTHERS GO TO Q11.

**Q10. Did you buy your property under any of the following schemes?**

IF RESPONDENT HAS MORE THAN ONE PROPERTY, PLEASE ASK THEM TO THINK ABOUT THEIR MAIN RESIDENCE.

READ OUT 1-2. MULTICODE OK.

1. **Right-to-buy.**
2. **Shared ownership or shared equity.**
3. Neither of these.
4. Other (please specify).
5. Don't know/Can't remember.

ASK ALL

**Q11. Which one or two of the following, if any, do you think would provide you with the best opportunity to generate an income for later life, after you have retired?**

IF RESPONDENT HAS ALREADY RETIRED, PLEASE ASK THIS QUESTION REGARDLESS OF THEIR CURRENT CIRCUMSTANCES.

SHOWCARD (R). CODE UP TO TWO RESPONSES ONLY.

12. **An inheritance.**
13. **Business you plan to sell.**
14. **Main home you plan to sell or downsize or release money from.**
15. **Second home or property you rent out.**
16. **Partner's pension(s).**
17. **Personal pension(s).**
18. **Plan to work past State Pension age.**
19. **Savings or investments.**
20. **State Pension.**
21. **Equity release/lifetime mortgage.**
22. Other (PLEASE SPECIFY).
23. Don't know.

## Public attitudes towards taking up Support for Mortgage Interest as a loan

### AWARENESS AND ATTITUDES TO LOANS (STATE LOANS, MORTGAGE ETC)

ASK ALL

**Q12. To what extent do you agree or disagree, with the following statements?**

READ OUT SCALE (1-5 ONLY)

SINGLE CODE FOR EACH STATEMENT; SCRIPT TO REVERSE SCALE EXCEPT LAST CODE. ROTATE ORDER OF STATEMENTS. READ OUT STATEMENTS.

- a. **Borrowing money from a bank or a loan company is a normal part of today's lifestyle.**
- b. **I save up for the expensive things I want to buy rather than buying them on credit.**
- 1. **Strongly agree.**
- 2. **Tend to agree.**
- 3. **Neither agree nor disagree.**
- 4. **Tend to disagree.**
- 5. **Strongly disagree.**
- 6. **Don't know (DO NOT READ OUT).**

### Awareness and attitudes to SMI (general and specific)

ASK ALL

**Q13. How much, if anything, would you say you know about the following types of benefit – that is, how someone qualifies for them, what they have to do to remain on them and how much they are paid?**

READ OUT SCALE (1-5 ONLY).

SINGLE CODE FOR EACH STATEMENT; SCRIPT TO REVERSE SCALE EXCEPT LAST CODE. ROTATE ORDER OF STATEMENTS. READ OUT STATEMENTS a) to e)

- a) **Employment and Support Allowance.**
- b) **Pension Credit.**
- c) **Jobseeker's Allowance (formerly unemployment benefit or Income Support for unemployed people).**
- d) **Income Support.**
- e) **SMI (Support for Mortgage Interest).**
- 1. **A great deal.**
- 2. **A fair amount.**
- 3. **Just a little.**
- 4. **Heard of, know nothing about.**
- 5. **Never heard of.**
- 6. **Don't know (DO NOT READ OUT).**

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK IF HAD HEARD OF SMI Q13e) CODES 1-4

**Q14. Thinking about SMI, what do you know about this type of benefit?**

DO NOT READ OUT. PROBE FULLY. MULTICODE OK

1. It is paid as part of your benefit directly to your lender.
2. It helps pay the interest on your mortgage not the amount you borrowed.
3. The standard interest rate is used to calculate SMI.
4. There is a waiting period for people of working age before they can claim SMI.
5. There is no waiting period if you are getting Pension Credit.
6. You must be getting a certain type of benefit to qualify for SMI.
7. Other (please specify).
8. Don't know.

INTERVIEWER READ OUT:

**Support for Mortgage Interest (SMI) is currently paid as a benefit (usually direct to the claimant's mortgage lender). If people are homeowners getting certain income related benefits, they might be able to get help towards interest payments on:**

- their mortgage; and
- loans they've taken out for certain repairs and improvements to their home.

**This help is paid as part of their benefit and is called Support for Mortgage Interest (SMI). SMI does not provide help towards the amount they borrowed – only the interest.**

**In April 2018, SMI will be changed from a benefit to an interest-bearing loan which will be secured on the claimant's property as a second charge. All existing and new claimants will be given advice and information by a third party provider before they make a decision whether or not to take a loan.**

**Recovery of SMI loans will be when the property is sold (this will often be when the claimant dies). Claimants who move back into work from benefit will be able to repay their SMI loans voluntarily to reduce the amount of interest that they pay and remove the charge from their property.**

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK ALL

**Q15. Before taking part in this survey how much, if anything, would you say you knew about the changes to SMI that come into effect in April 2018?**

READ OUT CODES 1-5. REVERSE SCALE. SINGLE CODE ONLY.

1. **A great deal.**
2. **A fair amount.**
3. **Just a little.**
4. **Heard of, know nothing about.**
5. **Never heard of.**
6. Don't know (DO NOT READ OUT).

ASK ALL

**Q16. And how likely, if at all, would you be to take up a SMI loan, if you need help towards your interest payments in the future?**

READ OUT. SINGLE CODE ONLY. REVERSE SCALE.

1. **Very likely.**
2. **Fairly likely.**
3. **Not very likely.**
4. **Not at all likely.**
5. Don't know (DO NOT READ OUT).

ASK IF CODE 1-2 (LIKELY) AT Q16

**Q17a. Why do you think you would take up an SMI loan in the future?**

MULTICODE OK. DO NOT READ OUT BUT PROBE RESPONSE.

1. I don't have an alternative option.
2. I will still need help with my mortgage payments.
3. Taking an SMI loan would be the best option of all those available to me.
4. Other (please specify).
5. Don't know.
6. Refused.

ASK IF CODE 3-4 (UNLIKELY) AT Q16

**Q17b. Why do you think you would be unlikely to take up an SMI loan in the future?**

MULTICODE OK. DO NOT READ OUT BUT PROBE RESPONSE.

1. I will have paid off my mortgage by 2018.
2. I would prefer to draw on my savings to fund my mortgage interest payments.
3. My relatives would pay off my mortgage interest payments instead.
4. I would prefer to downsize/move to a smaller home.
5. I will be moving into employment.
6. I will be using funds from an equity release/lifetime mortgage.
7. Other (please specify).

## **Public attitudes towards taking up Support for Mortgage Interest as a loan**

8. I do not like the idea of a loan.
9. Don't know.
10. Refused.

ASK ALL

**Q18. Recovery of a SMI loan will happen when a property is sold (this will often be when a claimant dies). However, claimants who move back into work from benefit will be able to repay their SMI loans voluntarily to reduce the amount of interest that they pay and remove the charge from their property. Which of the following repayment routes, if any, would be available to you?**

READ OUT CODES 1-3. MULTICODE OK.

1. Using savings or investments to repay a SMI loan.
2. My relatives/family could help me pay off a SMI loan.
3. I would downsize/move to a smaller home to pay off a SMI loan.
4. None of these (DO NOT READ OUT).
5. Don't know (DO NOT READ OUT).

ASK ALL

**Q19. Thinking ahead, if you needed help to pay the interest on your mortgage in the future, which, if any of these things would you (or your partner) do?**

READ OUT CODES 1-18. PROBE FULLY. MULTICODE OK.

1. Look for a job.
2. Look for a better paid job.
3. Look for an additional (i.e. second or third) job.
4. Increase the number of hours worked at current job.
5. Downsize current property.
6. Look at moving to a property in the social rented sector.
7. Look at moving to a property in the private rented sector.
8. Apply for SMI as a loan.
9. Use savings.
10. Borrow money from friends/family (money which you intend to pay back).
11. Receive money from friends/family (money which you are not expected to pay back).
12. Borrow money through a pay day loan provider.
13. Borrow money from another lender.
14. Borrow money via a credit card.
15. Spend less on household essentials.
16. Spend less on non-essentials.
17. A partner/someone else will move in.
18. Take in a lodger.



## Public attitudes towards taking up Support for Mortgage Interest as a loan

19. Other (SPECIFY).
20. None of these.
21. Don't know.

<b>ADVICE AND GUIDANCE REQUIRED BY POTENTIAL SMI CLAIMANTS (IN GENERAL AND IN THEIR DECISION-MAKING PROCESS)</b>
--

**Q20a. Have you ever sought advice or help about difficulties you may have had with paying your mortgage?**

SINGLE CODE ONLY.

1. Yes.
2. No.
3. Don't know/can't remember.

ASK IF CODE 1 AT Q20a.

**Q20b. Who did you seek that advice or help from?**

DO NOT READ OUT. PROMPT OK. MULTICODE OK.

1. Your bank or building society.
2. Mortgage advisor.
3. Financial advisor.
4. Accountant.
5. The local council.
6. Citizens Advice Bureau.
7. Welfare rights office.
8. Other advice service (specify).
9. Solicitor.
10. Jobcentre/social security staff.
11. Credit union.
12. Family/friends.
13. Other (specify).
14. Can't remember.
15. Don't know.

## **Public attitudes towards taking up Support for Mortgage Interest as a loan**

### **Demographic questions covered as standard by Capibus**

#### **REQUIRED FOR ANALYSIS**

- Region.
- Sex.
- Age.
- Work status.
- Social classification (SOC).
- Qualifications.
- Marital status.
- Parental status.
- Number of people in household.
- Number of children in household.
- Age of children.
- Durables in household (TV type, satellite/freeview PC, tablet, games consoles, smart phone, debit or credit cards, store cards etc).
- Income.
- Ethnicity.

# Appendix F

## SMI claimant survey

### Introduction READ OUT:

Good morning, afternoon, evening. My name is ..... and I am calling you from Ipsos MORI, the research organisation, on behalf of the Department for Work and Pensions.

Can I please speak to [insert name of resident from sample].

**INTERVIEWER:** If transferred to another person, repeat “My name is from Ipsos MORI ... the Department for Work and Pensions”.

We are carrying out a short survey about attitudes to Support for Mortgage Interest.

Support for Mortgage Interest’ or SMI is a term used to describe the help that some people get towards their housing costs. People with outstanding mortgages who receive income-related benefits may be able to receive support for mortgage interest.

In the July 2015 Budget, the Chancellor of the Exchequer announced plans to change SMI to a loan that will have to be repaid, with this change due to happen in 2018. To understand better the potential impacts of these changes, the Department for Work and Pensions (DWP) has asked Ipsos MORI to conduct a survey of current claimants of SMI.

You should have received a letter through your door a few weeks ago, alerting you to this survey.

**QA. Can I just check, are you currently claiming Support for Mortgage Interest (SMI)?**  
SINGLE CODE ONLY.

1. Yes – CONTINUE TO Q1.
2. No – CONTINUE TO QB.

**QB. Have you claimed Support for Mortgage Interest (SMI) at any point in the past six months?** SINGLE CODE ONLY.

1. Yes – CONTINUE TO Q1.
2. No – THANK AND CLOSE SURVEY.

**Q1. Can I ask, what kind of mortgage do you currently have on your property?**

IF RESPONDENT HAS MORE THAN ONE PROPERTY, PLEASE ASK THEM TO THINK ABOUT THEIR MAIN RESIDENCE.

READ OUT. ROTATE LIST 1-3 ONLY. SINGLE CODE ONLY.

5. Interest-only.
6. Repayment.
7. Endowment mortgage.
8. Don't know/Can't remember.

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK IF CODE 1 AT Q1. OTHERS GO TO Q3.

**Q2. Do you have a repayment vehicle, such as savings, investments or other assets, for your interest-only mortgage?**

IF RESPONDENT HAS MORE THAN ONE PROPERTY, PLEASE ASK THEM TO THINK ABOUT THEIR MAIN RESIDENCE.

SINGLE CODE ONLY.

1. Yes.
2. No.
3. Don't know/Can't remember.

ASK ALL

**Q3. Have you ever re-mortgaged a property in order to move or to fund either repair works or an extension to your property?**

IF RESPONDENT HAS MORE THAN ONE PROPERTY, PLEASE ASK THEM TO THINK ABOUT THEIR MAIN RESIDENCE.

SINGLE CODE ONLY.

1. Yes.
2. No.
3. Don't know/Can't remember.

ASK ALL

**Q4. Did you buy your property under any of the following schemes?**

IF RESPONDENT HAS MORE THAN ONE PROPERTY, PLEASE ASK THEM TO THINK ABOUT THEIR MAIN RESIDENCE.

READ OUT 1-2. MULTICODE OK.

1. **Right-to-buy.**
2. **Shared ownership or shared equity.**
3. Other (please specify).
4. Don't know/Can't remember.

ASK ALL

**Q5. Which of the following phrases would you say comes closest to your feelings about your household's income these days?**

SINGLE CODE ONLY. READ OUT. REVERSE 1-5 ONLY.

1. **Living really comfortably on present income.**
2. **Living comfortably on present income.**
3. **Neither comfortable nor struggling on present income.**
4. **Struggling on present income.**
5. **Really struggling on present income.**
6. Don't know (DO NOT READ OUT).
7. Refused (DO NOT READ OUT).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK ALL

**Q6. How easy or difficult do you find meeting the cost of your mortgage each month?**  
SINGLE CODE ONLY. READ OUT. REVERSE 1-5 ONLY.

1. **Very easy.**
2. **Fairly easy.**
3. **Neither easy nor difficult.**
4. **Fairly difficult.**
5. **Very difficult.**
6. Don't know (DO NOT READ OUT).
7. Refused (DO NOT READ OUT).

ASK ALL

**Q7. Which one or two of the following, if any, do you think would provide you with the best opportunity to generate an income for later life, after you have retired?**

IF RESPONDENT HAS ALREADY RETIRED, PLEASE ASK THIS QUESTION REGARDLESS OF THEIR CURRENT CIRCUMSTANCES.  
READ OUT 1 TO 10.

ALTERNATE ORDER OF LIST.

CODE UP TO TWO RESPONSES ONLY.

1. **An inheritance.**
2. **Business you plan to sell.**
3. **Main home you plan to sell or downsize or release money from.**
4. **Second home or property you rent out.**
5. **Partner's pension(s).**
6. **Personal pension(s).**
7. **Plan to work past State Pension age.**
8. **Savings or investments.**
9. **State Pension.**
10. **Equity release/lifetime mortgage.**
11. Other (PLEASE SPECIFY).
12. Don't know.

<b>AWARENESS AND ATTITUDES TO LOANS (STATE LOANS, MORTGAGE ETC)</b>
---

ASK ALL

**Q8. I am now going to read out a list of loan and credit products. Please select any that you currently have, either in your name or jointly with someone else.**

READ OUT 1 TO 9. PROBE FOR OTHER.

ALTERNATE ORDER OF LIST.

MULTICODE OK.

1. **Personal loan with bank or building society.**
2. **Loan from a payday loan provider.**

## Public attitudes towards taking up Support for Mortgage Interest as a loan

3. **A loan from another type of lender.**
4. **Student loan.**
5. **Informal loan from friends or family.**
6. **Hire purchase, credit sale or rental purchase agreement.**
7. **Mail order catalogue arrangement to buy goods in instalments.**
8. **Credit card.**
9. **Store card.**
10. Something else (specify).
11. None of these (SCO).
12. Don't know (SCO).
13. Refused (SCO).

ASK ALL

**Q9. To what extent do you agree or disagree, with the following statements?**

READ OUT SCALE (1-5 ONLY)

SINGLE CODE FOR EACH STATEMENT; SCRIPT TO REVERSE SCALE EXCEPT LAST CODE. ROTATE ORDER OF STATEMENTS. READ OUT STATEMENTS.

- a. **Borrowing money from a bank or a loan company is a normal part of today's lifestyle.**
  - b. **I save up for the expensive things I want to buy rather than buying them on credit.**
1. **Strongly agree.**
  2. **Tend to agree.**
  3. **Neither agree nor disagree.**
  4. **Tend to disagree.**
  5. **Strongly disagree.**
  6. **Don't know (DO NOT READ OUT).**

<b>AWARENESS AND ATTITUDES TO SMI (GENERAL AND SPECIFIC)</b>
--

ASK ALL

**Q10. How much, if anything, would you say you know about the following types of benefit – that is, how someone qualifies for them, what they have to do to remain on them and how much they are paid?**

READ OUT SCALE (1-5 ONLY).

SINGLE CODE FOR EACH STATEMENT; SCRIPT TO REVERSE SCALE EXCEPT LAST CODE. ROTATE ORDER OF STATEMENTS. READ OUT STATEMENTS a) to e)

- a) **Employment and Support Allowance.**
- b) **Pension Credit.**
- c) **Jobseeker's Allowance(formerly Unemployment Benefit or Income Support for unemployed people).**
- d) **Income Support.**
- e) **SMI (Support for Mortgage Interest).**

## Public attitudes towards taking up Support for Mortgage Interest as a loan

1. **A great deal.**
2. **A fair amount.**
3. **Just a little.**
4. **Heard of, know nothing about.**
5. **Never heard of.**
6. Don't know (DO NOT READ OUT).

ASK IF HAD HEARD OF SMI Q10e) CODES 1-4

**Q11. Thinking about SMI, what do you know about this type of benefit?**

DO NOT READ OUT. PROBE FULLY. MULTICODE OK

1. It is paid as part of your benefit directly to your lender.
2. It helps pay the interest on your mortgage not the amount you borrowed.
3. The standard interest rate is used to calculate SMI.
4. There is a waiting period for people of working age before they can claim SMI.
5. There is no waiting period if you are getting Pension Credit.
6. You must be getting a certain type of benefit to qualify for SMI.
7. Other (please specify).
8. Don't know.

INTERVIEWER READ OUT:

**Support for Mortgage Interest (SMI) is currently paid as a benefit (usually direct to the claimant's mortgage lender). If you're a homeowner getting certain income related benefits you might be able to get help towards interest payments on:**

- **your mortgage; and**
- **loans you've taken out for certain repairs and improvements to your home.**

**This help is paid as part of your benefit and is called Support for Mortgage Interest (SMI). SMI does not provide help towards the amount you borrowed – only the interest.**

**In April 2018 SMI will be changed from a benefit to an interest-bearing loan which will be secured on the claimant's property as a second charge. All existing and new claimants will be given advice and information by a third party provider before they make a decision whether or not to take a loan.**

**Recovery of SMI loans will be when the property is sold (this will often be when the claimant dies). Claimants who move back into work from benefit will be able to repay their SMI loans voluntarily to reduce the amount of interest that they pay and remove the charge from their property.**

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK ALL

**Q12. Before taking part in this survey how much, if anything, would you say you knew about the changes to SMI that come into effect in April 2018?**

READ OUT CODES 1-5. REVERSE SCALE. SINGLE CODE ONLY.

1. **A great deal.**
2. **A fair amount.**
3. **Just a little.**
4. **Heard of, know nothing about.**
5. **Never heard of.**
6. Don't know (DO NOT READ OUT).

ASK ALL

**Q13. And how likely, if at all, would you be to take up a SMI loan, if you need help towards your interest payments in the future?**

READ OUT. SINGLE CODE ONLY. REVERSE SCALE.

1. **Very likely.**
2. **Fairly likely.**
3. **Not very likely.**
4. **Not at all likely.**
5. Don't know (DO NOT READ OUT).

ASK IF CODE 1-2 (LIKELY) AT Q13

**Q14a. Why do you think you would take up an SMI loan in the future?**

MULTICODE OK. DO NOT READ OUT BUT PROBE RESPONSE.

1. I don't have an alternative option.
2. I will still need help with my mortgage payments.
3. Taking a SMI loan would be the best option of all those available to me.
4. Other (please specify).
5. Don't know.
6. Refused.

ASK IF CODE 3-4 (UNLIKELY) AT Q13

**Q14b. Why do you think you would be unlikely to take up an SMI loan in the future?**

MULTICODE OK. DO NOT READ OUT BUT PROBE RESPONSE.

1. I will have paid off my mortgage by 2018.
2. I would prefer to draw on my savings to fund my mortgage interest payments.
3. My relatives would pay off my mortgage interest payments instead.
4. I would prefer to downsize/move to a smaller home.
5. I will be moving into employment.
6. I will be using funds from an equity release/lifetime mortgage.
7. Other (please specify).



## Public attitudes towards taking up Support for Mortgage Interest as a loan

8. I do not like the idea of a loan.
9. Don't know.
10. Refused.

ASK ALL

**Q15. Do you think this change to SMI would make meeting your mortgage interest payments more affordable, less affordable, or make no difference for someone like you? SINGLE CODE ONLY.**

1. More affordable.
2. No difference.
3. Less affordable.
4. Don't know.

ASK ALL

**Q16. Do you think this change to SMI would make the system simpler, more complicated, or make no difference for someone like you? SINGLE CODE ONLY.**

1. Simpler.
2. No difference.
3. More complicated.
4. Don't know.

ASK ALL

**Q17. Recovery of a SMI loan will happen when a property is sold (this will often be when a claimant dies). However, claimants who move back into work from benefit will be able to repay their SMI loans voluntarily to reduce the amount of interest that they pay and remove the charge from their property. Which of the following repayment routes, if any, would be available to you?**

READ OUT CODES 1-3. MULTICODE OK.

1. Using savings or investments to repay a SMI loan.
2. My relatives/family could help me pay off a SMI loan.
3. I would downsize/move to a smaller home to pay off a SMI loan.
4. None of these (DO NOT READ OUT).
5. Don't know (DO NOT READ OUT).

ASK ALL

**Q18. Thinking ahead, if you needed help to pay the interest on your mortgage in the future, which, if any of these things would you (or your partner) do?**

READ OUT CODES 1-18. PROBE FULLY. MULTICODE OK.

1. Look for a job.
2. Look for a better paid job.
3. Look for an additional (i.e. second or third) job.
4. Increase the number of hours worked at current job.

## Public attitudes towards taking up Support for Mortgage Interest as a loan

5. Downsize current property.
6. Look at moving to a property in the social rented sector.
7. Look at moving to a property in the private rented sector.
8. Apply for SMI as a loan.
9. Use savings.
10. Borrow money from friends/family (money which you intend to pay back).
11. Receive money from friends/family (money which you are not expected to pay back).
12. Borrow money through a pay day loan provider.
13. Borrow money from another lender.
14. Borrow money via a credit card.
15. Spend less on household essentials.
16. Spend less on non-essentials.
17. A partner/someone else will move in.
18. Take in a lodger.
19. Other (SPECIFY).
20. None of these.
21. Don't know.

<b>ADVICE AND GUIDANCE REQUIRED BY POTENTIAL SMI CLAIMANTS (IN GENERAL AND IN THEIR DECISION-MAKING PROCESS)</b>
--

**Q19a. Have you ever sought advice or help about difficulties you may have had with paying your mortgage?**

SINGLE CODE ONLY.

1. Yes.
2. No.
3. Don't know/can't remember.

ASK IF CODE 1 AT Q19a. IF CODE 2/3 at Q19a, GO TO Q20

**Q19b. Who did you seek that advice or help from?**

DO NOT READ OUT. PROMPT OK. MULTICODE OK.

1. Your bank or building society.
2. Mortgage advisor.
3. Financial advisor.
4. Accountant.
5. The local council.
6. Citizens Advice Bureau.
7. Welfare rights office.
8. Other advice service (specify).

## Public attitudes towards taking up Support for Mortgage Interest as a loan

9. Solicitor.
10. Jobcentre/social security staff.
11. Credit union.
12. Family/friends.
13. Other (specify).
14. Can't remember.
15. Don't know.

### LEVEL OF PREPAREDNESS FOR FUTURE CARE AND SUPPORT

ASK ALL

**Q20. Have you done anything to prepare financially for the cost of care and support you might need in the future, over and above any preparations you are making for your day-to-day living costs in retirement?**

SINGLE CODE ONLY.

1. Yes.
2. No.
3. Don't know.

### DEMOGRAPHICS

**Question SEX**

CODE SEX. INTERVIEWER SHOULD NOT ASK RESPONDENT

1. Male.
2. Female.

**Now, I'd like to ask you a few questions about you and your household**

ASK ALL

**Question AGE**

**Could I please take your age?**

1. AGE OF RESPONDENT: Enter exact age.
2. Refused.

IF REFUSED

**Which group applies to you? READ OUT**

1. **Under 15.**
2. **15-17.**
3. **18-24.**
4. **25-29.**
5. **30-34.**
6. **35-39.**
7. **40-44.**

## **Public attitudes towards taking up Support for Mortgage Interest as a loan**

8. **45-49.**
9. **50-54.**
10. **55-59.**
11. **60-64.**
12. **65+.**
13. **REFUSED.**

ASK ALL

### **Question WORK2**

**Which of the following applies to you?**

SINGLE CODE ONLY. READ OUT 1-12. ALLOW REFUSED.

1. **Have paid job – Full-time (30+ hours per week).**
2. **Have paid job – Part-time (8-29 hours per week).**
3. **Have paid job – Part-time (Under 8 hours per week).**
4. **Not working – Housewife.**
5. **Self-employed full-time.**
6. **Self-employed part-time.**
7. **Full-time student.**
8. **Still at school.**
9. **Unemployed and seeking work.**
10. **Retired.**
11. **Not in paid work for other reason.**
12. **Not in paid work because of long-term illness or disability.**

REFUSED

ASK ALL

### **Question ETHNICITY**

**Which ethnic group do you consider you belong to?**

SINGLE CODE ONLY. READ OUT 1-18. ALLOW REFUSED.

1. **White – English/Welsh/Scottish/Northern Irish/British.**
2. **White – Irish.**
3. **White – Gypsy or Irish Traveller.**
4. **White – Any other white background.**
5. **Mixed – White and black Caribbean.**
6. **Mixed – White and black African.**
7. **Mixed – White and Asian.**
8. **Mixed – Any other mixed/multiple ethnic background.**
9. **Asian/Asian British – Indian.**
10. **Asian/Asian British – Pakistani.**

**Public attitudes towards taking up Support for Mortgage Interest as a loan**

11. **Asian/Asian British – Bangladeshi.**
12. **Asian/Asian British – Chinese.**
13. **Asian/Asian British – Any other Asian background.**
14. **Black – African.**
15. **Black – Caribbean.**
16. **Black – Any other black/African/Caribbean background.**
17. **Arab.**
18. **Any other ethnic group.**
19. Don't know.
20. Refused.

ASK ALL

**Question NIH**

**What is the total number of people in your household including yourself and any children? SINGLE CODE ONLY. ALLOW REFUSED.**

1. 1
2. 2
3. 3
4. 4
5. 5
6. 6
7. 7
8. 8
9. 9+
10. Refused.

ASK ALL

**Question SOCG**

WORK STATUS :%SOCTX%  
DETAILS OF CIE: %COPIED%  
CODE IN SOCIAL GRADE:

1. A
2. B
3. C1
4. C2
5. D
6. E

## Public attitudes towards taking up Support for Mortgage Interest as a loan

ASK ALL

### Question SELF1

**Are you the chief income earner?** SINGLE CODE ONLY. ALLOW REFUSED.

1. Yes.
2. No.
3. Refused.

ASK ALL

### Question INCOME

**What is your total household income per year from all sources, before tax and other deductions?** READ OUT GROUPS IF NECESSARY. SINGLE CODE ONLY. ALLOW REFUSED

1. Up to £4,499.
2. £4,500 – £6,499.
3. £6,500 – £7,499.
4. £7,500 – £9,499.
5. £9,500 – £11,499.
6. £11,500 – £13,499.
7. £13,500 – £15,499.
8. £15,500 – £17,499.
9. £17,500 – £24,999.
10. £25,000 – £29,999.
11. £30,000 – £39,999.
12. £40,000 – £49,999.
13. £50,000 – £74,999.
14. £75,000 – £99,999.
15. £100,000 or more.
16. Don't know.
17. Refused.

ASK ALL

### Question QUAL

**Please tell me which, if any, of the following is the highest educational or professional qualification you have obtained?** READ OUT 1-5. SINGLE CODE ONLY. PROBE FOR OTHER. ALLOW REFUSED (IF STILL STUDYING, CHECK FOR HIGHEST ACHIEVED SO FAR).

1. **GCSE/O-Level/CSE.**
2. **Vocational qualifications (=NVQ1+2).**
3. **A-Level or equivalent (=NVQ3).**
4. **Bachelor Degree or equivalent (=NVQ4).**
5. **Masters/PhD or equivalent.**

## Public attitudes towards taking up Support for Mortgage Interest as a loan

6. Other.
7. No formal qualifications.
8. Still studying.
9. Don't Know (DO NOT READ OUT).

ASK ALL

### Question MARITAL

**Which of the following best applies to you?**

READ OUT CODES 1-7. SINGLE CODE ONLY. ALLOW REFUSED.

1. **Married.**
2. **Civil partnership.**
3. **Living together.**
4. **Single.**
5. **Widowed.**
6. **Divorced.**
7. **Separated.**
8. Don't know.
9. Refused.

ASK ALL

### Question PARENT

**Which, if any of the following apply to you? I am the parent or legal guardian of ...**

READ OUT 1-4. SINGLE CODE ONLY. ALLOW REFUSED.

1. ... a child/children under the age of 16 who does/do live with me.
2. ... a child/children aged under 16 who does not/do not live with me and to whose upbringing I contribute financially.
3. ... a child/children aged under 16 who does not/do not live with me and to whose upbringing I do not contribute financially.
4. ... a child/children aged 16 to 19 who is/are currently in full-time education.
5. **None of these.**

[NOTE FOR INTERVIEWER INSTRUCTIONS: IF RESPONDENT HAS FURTHER QUESTIONS/CONCERNS READ OUT:

**SMI will not change from a benefit to an interest-bearing loan until April 2018. In advance of this change happening, all existing and new claimants will be given advice and information by a third party provider before they make a decision whether or not to take a loan.]**

THANK RESPONDENT. CLOSE SURVEY.

# Appendix G

## Advance letter to SMI claimants

<<Customer name>>

<<Address 1>>

<<Address 2>>

<<Address 3>>

<<Address 4>>

<<Address 5>>

<<Postcode>>

Ref No.: <<UNIQUE ID>>

February 2016

Dear <<Customer name>>,

### Your attitudes towards Support for Mortgage Interest (SMI)

We are writing to ask for your help with a research study about future changes to Support for Mortgage Interest (SMI). At the moment, SMI is a benefit available to help people who find it hard to make interest payments on their mortgage. However, in the July 2015 Budget, the Chancellor of the Exchequer announced plans to change SMI to a loan that will have to be repaid, with this change due to happen in 2018. To understand better, the potential impacts of these changes, the Department for Work and Pensions (DWP) has asked Ipsos MORI, an independent research organisation, to conduct a survey of current claimants of SMI.

Throughout March, Ipsos MORI will be conducting telephone interviews with 500 people across England, Scotland and Wales who currently claim SMI. Your name and telephone number have been chosen at random from the DWP's database of SMI claimants. We would like to include you to find out more about your experiences of claiming SMI and your views on the proposed change.

Your details are protected by the Data Protection Act and anything you say to the interviewer will be treated as strictly confidential. No-one looking at the study findings will be able to identify you in any way, and no personal information that you provide will be shared with any third parties. **Helping with this study will never affect any benefit you receive or any contact you have with a government department or agency, now or in the future.**

If you have any questions about the research or if you do not wish to take part in this research study please contact Ipsos MORI by Monday 29 February on 0808 108 0382, via email at [dwpismi@ipsos-mori.com](mailto:dwpismi@ipsos-mori.com), or you can write to us at the address below. Please **quote the reference number** at the top of this letter. Or you can just let the interviewer know who you are when they call.

We hope that you will take this opportunity to have your say.

Yours sincerely,

Christopher Lord  
Senior Research Officer