

COMPLAINT NUMBER	17/343
COMPLAINANT	G Milverton
ADVERTISER	Heartland Seniors Finance
ADVERTISEMENT	Heartland Seniors Finance, Television
DATE OF MEETING	2 October 2017
OUTCOME	No Grounds to Proceed

Advertisement: The Heartland Seniors Finance television advertisement for reverse mortgages said in part- :.."So glad Mum decided not to sell the house...it means she could by a new car and she got to renovate the bathroom...and she doesn't have to worry about mortgage repayments anymore...if you are 60 or over call Heartland Seniors Finance about a reverse mortgage today..."

The Chair ruled there were no grounds for the complaint to proceed.

Complainant, G Milverton, said: The advert states that the fictitious mother "Doesn't have to worry about her Mortgage payments ever again". But in order to apply for this reverse mortgage, as stated in text at the end of the advert, you have to wholly own your home. E.G. have no mortgage, and so would not have any Mortgage Payments!
The advert is misrepresentative, and plays on emotions, not facts.

The relevant provisions were Code for Financial Advertising - Guideline 1 (a), Guideline 2 (a), Guideline 2 (b), Principle 1, Principle 2

The Chair noted the Complainant's concern the advertisement was misleading because to be eligible for the product, a person needs to own their house outright and therefore would not have had mortgage payments.

The Chair confirmed a reverse mortgage allows homeowners to borrow against the equity in their home without having to sell it or to make repayments during their lifetime. The Chair considered the likely consumer takeout of the advertisement was someone who had an asset but limited income could take a reverse mortgage to provide money to purchase a new car and undertake renovations. The Chair said the scenario in the Advertisement showed a reverse mortgage product in contrast with a mortgage with regular repayments. The Chair did not consider the advertisement was misleading and noted it encouraged viewers to contact the Advertiser for more information.

The Chair ruled the advertisement was not misleading, had been prepared with a high standard of social responsibility to consumers and there was no apparent breach of the Code for Financial Advertising.

Accordingly, the Chair ruled there were no grounds for the complaint to proceed.

Chair's Ruling: Complaint **No Grounds to Proceed**