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NEWS RELEASE

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Just Group's "Retirement Risk Index" shows half of over-40s have the basic knowledge required to make good pension decisions

However, one in 14 at high risk of making poor later-life financial choices

Half of today's over-40s have a basic understanding of the key retirement factors that will influence their retirement decisions, suggests a new **"Retirement Risk Index"** released today by **Just Group**.

Created to examine how prepared the British public are to make decisions over their later-life finances, the new Index highlights that the knowledge or intentions of the remaining half put them at greater risk of failing to meet their own retirement requirements, including one in 14 (7%) it suggests are at "high risk".

The research examines understanding of key factors such as longevity, the level of State support they can expect to receive in retirement and attitudes towards accessing and spending private pension savings.

The research reveals that half (50%) had enough basic understanding to be considered low risk, while 43% who lacked some knowledge were at medium risk. The remaining 7% were high risk, a reflection of poor understanding of longevity and State pension provision, combined with potentially extravagant spending plans.

Stephen Lowe, group communications director at Just Group said: "By asking questions based on capability and attitude the index seeks to discover whether people have the basic understanding about what retirement entails and whether that affects the pension decisions they are likely to make.

"What we have found is that half (50%) have an adequate idea of what the State will provide, with those closer to retirement having a better understanding of longevity. Coupled with realistic expectations about what they might do with their pension, it leads us to conclude they are on track to avoid the worst retirement pitfalls.

However, he said that one in 14 (7%) lacked the basic knowledge and the remaining four in 10 (43%) were weak in some key areas. The youngest respondents (40-44) and those just below 55 (the age at which most people can access their pension cash) were more likely to be high risk.

"Once we focused on those who were planning to fully cash in their pension at 55 the proportion of those at high risk doubled to 14%," said Stephen Lowe. "This is because these age groups were more likely to want to access all their pension cash early with no intention of using it for post-retirement income."

He said that while knowledge and intentions may generally be adequate, there was a difference between avoiding bad choices and actively making good ones, highlighting the importance of reinforcing knowledge with impartial guidance and regulated advice so that people fully understand the longer-term consequences of their choices when accessing their pension benefits.

"Guidance and advice are the best antidotes to the dangers that lurk when choosing how to use pension money, such as paying unnecessary tax or taking too much, too soon," he said.

"We are seeing record numbers of people accessing their pension pots flexibly and, as it's still too early to know the longer-term consequences, it is crucial that the industry strives to support consumers with their decisions wherever possible. The results of this research are reassuring yet that should not be a cause for complacency or inertia moving forward."

Enquiries

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Notes to Editors:

Research

Research conducted for Just Group by Opinion Matters from 5-12 March 2018 with a sample of 2,102 UK adults aged 40+.

About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company created by the merger of Just Retirement Group and Partnership Assurance Group.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage over £15 billion of customers' retirement savings and has helped customers release over £3.5 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

Marketed Products:

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life and flexible pension plans offering customers the options to blend secured and unsecured income;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

Professional services:

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

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