

# JUST.

## NEWS RELEASE

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### Half of 55-59 year olds taking pension cash without advice are dissatisfied with the support they received, Just Group research shows

- Half of pension savers aged 55-59 who have accessed a defined contribution pension without advice believe they did not receive enough support
- Only a third of 60-64 year olds were satisfied with the information they had about their options

Half (49%) of pension savers aged 55-59 who have taken cash from a defined contribution pension without advice believe they did not receive enough information and support about their options.

The research by Just Group found only 18% were satisfied with the help they received. This lack of support raises serious concerns that people may not fully understand their options and may be more likely to fall prey to scammers.

“The vast majority of people taking pension cash for the first time do not pay for advice so it is vital that they are directed to the support available to ensure they have the knowledge to make good choices,” said **Stephen Lowe, group communications director at Just Group**.

“Early access to pension cash has been described by the financial regulator as ‘the new norm’ and the 55-59 age group dipping into funds early are most at risk of facing a shortfall later so it is important they receive the help they need.”

He said that the research shows that even among 60-64 year olds accessing DC pension money without advice, only one-in-three (33%) thought they had received sufficient information and support about their pension options.

He added that high quality and effective support is available to those aged 50+ free of charge from Pension Wise, the free, impartial and independent guidance service.

“Pension Wise is very effective at helping people understand their options and beat scams but too few are using it. While Pension Wise reports 94% of users are satisfied with its service<sup>2</sup>, industry figures show only about one in six accessing pensions each year are using the service<sup>3</sup>.”

With the Financial Conduct Authority considering how best to increase guidance usage, Stephen Lowe called for ambitious measures that would deliver the transformation in numbers required. He said one option would be to automatically book Pension Wise appointments for people from age 50, emulating rules that automatically enrol employees into workplace pensions.

“The FCA now has a unique opportunity to ensure receiving free and impartial guidance becomes a new norm by setting an approach to ensure the majority gain from this valuable guidance rather than miss out on it. This would help a wide range of people and in particular would directly engage those with less knowledge or lower levels of financial capability who are most vulnerable to making poor decisions or falling for scams.

“People who feel they don’t need guidance, for example, because they were receiving regulated advice, could opt out. However, we believe that many people who might not take guidance or advice now would do so if it were a normal step all pension savers take before accessing their pension for the first time.”

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## Enquiries

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### Notes to Editors:

#### Research

1. Research conducted between 3rd and 10th August 2020 on behalf of Just Group by Opinium with 1,000 UK adults aged 55+ who have already accessed a defined contribution pension
2. **MaPS**, Pension Wise user evaluation 2019/20: <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/10/Pension-Wise-Service-Evaluation-report-2019-2020.pdf>
3. **FCA**, Retirement income market data 2019/20, <https://www.fca.org.uk/data/retirement-income-market-data>

#### About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage £23 billion of customers' retirement savings and has helped customers release over £5.2 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;
- 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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