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NEWS RELEASE

Wednesday 9 December 2020



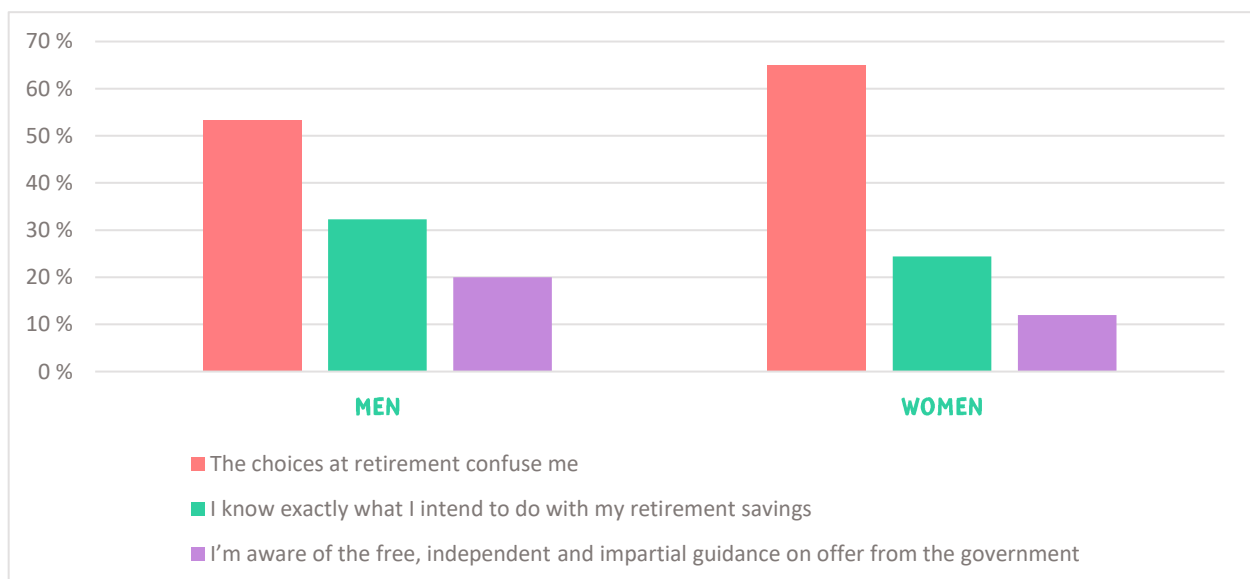
Majority of people nearing pension access age still confused by their choices at retirement

- Three in five 45-54-year olds say they are confused by their choices at retirement, rising to 65% of women
- Only three in 10 know what they will do with their retirement savings, with women more uncertain than men
- Research underlines need for majority of pension savers to receive free, independent and impartial guidance before accessing their pension, says Just Group

The majority of people approaching the age at which they can first access their pensions (aged 45-54) are confused by their choices at retirement, highlighting the need for stronger consumer protections according to retirement specialist **Just Group**.

Three in five (59%) said that they are confused by their choices at retirement. This rises to nearly two-thirds (65%) of women, who are half as likely as men to be aware of the free, independent and impartial guidance on offer from the government: only 12% of women are aware of Pension Wise compared to 20% of men.

The research also found that just 28% of 45-54 year olds said they knew what they planned to do with their retirement savings. Women were even more uncertain with under a quarter (24%) having certainty over their intentions.



In the recent debate on the Pension Schemes Bill, MPs from across the House put forward compelling proposals to automatically book Pension Wise appointments for people when they reach age 50. **Stephen Lowe, group communications director at Just Group** said there is overwhelming evidence that stronger support is needed for the majority of those facing life-changing choices when deciding how to get best value from their pension benefits.

“When the evidence shows that most people find their pension options confusing and are unsure what they will do with their savings, it seems common sense that the FCA and the Pensions Regulator should prioritise significantly increasing take up of a free service that is proven to help people understand their pension choices as well as avoiding scams and paying too much income tax.

“The Pension Wise evaluation from the Money and Pensions Service tells us that these guidance sessions leave the vast majority of users better informed and more confident in their decision-making. However, the opt-in ‘nudge’ to encourage people to take up this guidance means these sessions will still only reach a minority of people approaching the age when they become eligible to access their pension benefits.

Referencing this year’s FCA figures on Pension Wise take-up, which show that only 14% receive impartial guidance before accessing their pensions³, Stephen Lowe continued: “The DWP’s recent ‘stronger nudge’ proposal⁴ made clear that they want guidance to become “a normal part” of the process. The ‘norm’ is a significant majority of people – much like pension contributions have become ‘the norm’ since auto-enrolment – and it is certainly not a meagre 14%. To make good on this promise, the FCA and the Pensions Regulator must have some tactics up their sleeve to transform usage to an accepted norm. Perhaps now will be a good time to trial automatic appointment booking into the Pension Wise guidance service.”

Enquiries

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Notes to Editors:

Research

1. Research conducted between 3rd and 10th August 2020 on behalf of Just Group by Opinion with 1,000 UK adults aged 45-54
2. MaPS, Pension Wise service evaluation 2019/20, <https://maps.org.uk/2020/10/05/pension-wise-service-evaluation-2019-2020/>
3. FCA, Retirement income market data 2019/20, <https://www.fca.org.uk/data/retirement-income-market-data>
4. DWP, Stronger nudge to pensions guidance: statement of policy intent, www.gov.uk/government/publications/stronger-nudge-to-pensions-guidance-statement-of-policy-intent/stronger-nudge-to-pensions-guidance-statement-of-policy-intent

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