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NEWS RELEASE

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Advice confusion rife among pension dippers, Just Group research shows

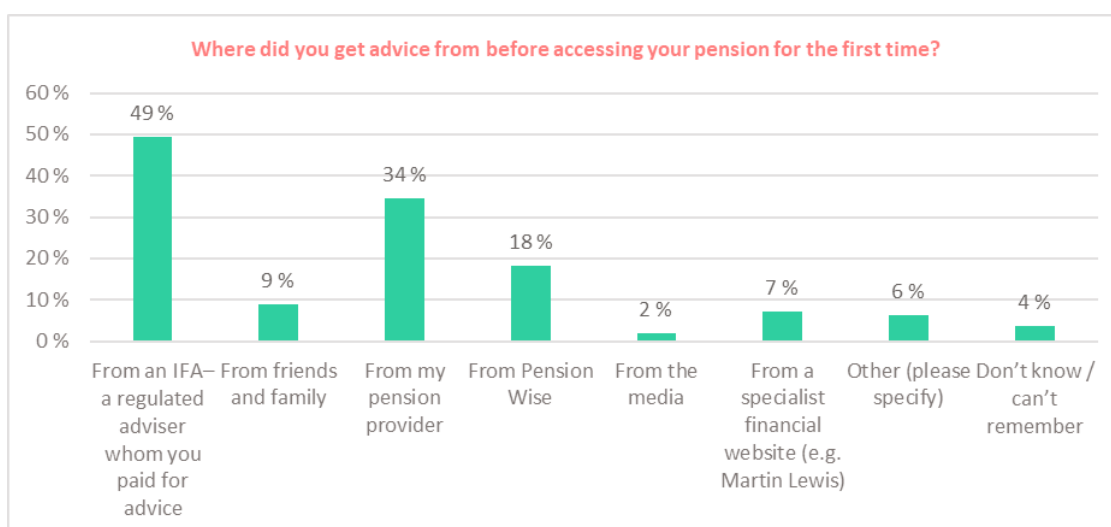
- Confusion over the meaning of “advice” means many pension savers think they have received regulated financial advice when they have not
- Fewer than half who said they received advice before accessing their pension spoke to a regulated adviser
- A third took ‘advice’ from their own pension provider, and one in five from Pension Wise

Many pension savers who think they have received regulated financial advice before accessing a pension may have missed out, new figures from **Just Group** suggest.

The research shows that the concept of “advice” means different things to different people. Of those aged 55+ who had accessed a pension and said they received advice, fewer than half (49%) said they paid for it from a regulated financial adviser.

A third (34%) said the advice came from their own pension provider. Nearly one in five (18%) said they were advised by Pension Wise, the free, independent and impartial guidance service which does not offer regulated advice.

Other sources of advice were friends and family (9%), a specialist financial website (7%) and the media (2%).



“Overall, we found fewer than half of those who had taken cash from their pension said they received advice and, of those who said they did, many were clearly confused about what advice is,” said **Stephen Lowe**, group communications director at **Just Group**.

“Misconceptions are rife, ranging from using Pension Wise to seeing articles in the newspapers or talking to friends or family.

“People are obviously trying to make good decisions but many are missing out on the free, independent and impartial support they are entitled to.”

He said that too few were benefitting from the government’s ‘guidance guarantee’, which was introduced alongside ‘freedom and choice’ in 2015. Designed to help equip people with the knowledge of how the retirement market works, it also helps them understand the difference between information, guidance, and advice.

“Ensuring everyone gets the benefit of impartial, free guidance unless they make an active decision to opt out is the job given to the Financial Conduct Authority by government,” said Stephen Lowe. “Guidance has been proven to boost users’ confidence in making the decisions they face and their ability to spot scams.

“Put simply, too few are receiving the support they have been promised and given the clear confusion among savers about what advice or guidance looks like, the FCA has an urgent job to do.

“Our research found only one in 25 would opt out if an impartial guidance session was pre-booked for them. This approach would deliver a meaningful boost to the low one in six who currently make use of a guidance session – and would be especially helpful for groups with lower financial capability and less confidence to engage in pension decisions who are currently at greater risk of missing out.”

Enquiries

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Notes to Editors:

Research

1. Research conducted on behalf of Just Group between 3rd and 10th August 2020 by Opinium with 1,000 UK adults aged 55+ who have already accessed a Defined Contribution pension

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.

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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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