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NEWS RELEASE

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Women more likely to miss out on entitlement to free guidance despite having most to gain, says Just Group

- Women less likely than men to know about their entitlement to impartial pension guidance
- Smaller average pensions reinforce need for women to make most of their resources
- Pension Wise is the gateway to better outcomes, says Just Group

Women are nearly half as likely as men to know about their entitlement to free, impartial pension guidance, new figures from retirement specialist **Just Group** reveal.

Nearly nine in 10 (88%) women aged 45-54 – those approaching the age at which they can start to take pension money – did not know they are entitled to free, independent and impartial pension guidance¹. The 12% who said they were aware is nearly half the 20% of men aged 45-54 who knew about the service.

Women are initially more sceptical than men about the value of a guidance session with 45% thinking it would help them make sense of their retirement options compared to 56% of men. That rises sharply to 63% of women and 68% of men once they know there is no cost for the service.

“Pension Wise should be a compelling proposition for women in particular but male users outnumber female users by three to two²,” said **Stephen Lowe, group communications director at Just Group**.

“Usually the smaller the investment, the less likely people are to seek professional support. The fact that Pension Wise is free to users should overcome that cost blockage, but that message does not seem to be getting through.”

Research by the Pensions Policy Institute earlier this year revealed that the average income from private pensions for women aged 65+ is £3,920 a year, £4,700 a year less than men³.

This is often due to lower average pay when working and being more likely to have career breaks or to work part-time to provide care for children or elderly relatives. The research found single mothers and divorced women end up with smaller private pensions than the average woman.

“Government and regulators want to increase the numbers taking up their guidance entitlement because they know it gives people more confidence to make choices and avoid scams,” he said.

“It’s a chicken and egg situation – people who have a guidance appointment understand its value, but those who don’t know about it won’t book an appointment and find out how it can help them.”

He said that streaming pension savers into guidance by automatically booking appointments would overcome this problem by reaching groups among those most likely to miss out.

“Those with smaller pensions and less financial confidence and knowledge are in most need of support. Automatic bookings would help engage these groups who are less likely to ask for help,” he said.

“The government has said that it wants taking the free guidance to be the ‘social norm’ for all those starting to take pension cash. Automatically booking appointments will make Pension Wise the gateway to retirement and would be particularly welcomed by the two-thirds of women who said they would value the helping hand.”

Enquiries

Media

Stephen Lowe, Group Communications Director

Temple Bar Advisory

Lucy Grubb, Head of Media & PR

Alex Child-Villiers

Telephone: +44 (0) 1737 827 301
press.office@wearejust.co.uk

William Barker
Sam Livingstone

Telephone: +44 (0) 20 7183 1190

Notes to Editors:

Footnotes

1 - Research conducted between 3rd and 10th August 2020 on behalf of Just Group by Opinionum 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 – Pensions Policy Institute & NOW:Pensions, UK pension system short-changing women: <https://www.nowpensions.com/press-release/uk-short-changing-women/>

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