

# JUST.

## NEWS RELEASE

Thursday 19 August 2021



### Fewer than two in 10 take advice or guidance before retirement, research from Just Group reveals

- 14% of retirees aged 55+ took regulated advice and 4% Pension Wise guidance
- Four in 10 (40%) carried out their own financial reviews before giving up work
- And three in 10 (30%) did not do any planning but said they 'just retired'
- Just Group calls for automatic guidance booking to be piloted to ensure many more people receive professional support when stepping back from work.

The vast majority of retired people gave up work without seeking help from any expert source such as a professional adviser or the government's free, impartial pensions guidance service, new figures from retirement specialist Just Group reveals.

The research<sup>1</sup> highlights the relatively low use of professional support among retired and semi-retired people aged 55+ at a key decision point in their lives.

Just one in 10 (10%) saw their own financial adviser, 4% saw an adviser arranged by their employer and 4% used the free, independent and impartial Pension Wise guidance service. Among the 55-64 age group, 9% used Pension Wise, still far below the government's stated ambition to make it 'the norm'.

The majority of people take the DIY approach or do no planning at all. Four in 10 (40%) said they conducted their own review of their personal finances to assess their income and outgoings in retirement, a figure that was nearly twice as high among men (51%) than women (27%).

Nearly one-third (30%) of people said they didn't do any financial assessments, they just retired, but this rose to half (51%) of those who retired when they started to receive State Pension. And one in eight (13%) said they had no time to plan because they were forced to retire.

What, if anything, did you do to work out if you could afford to retire/semi-retire?			
	All	Age 55-64	Age 65-74
Conducted a full review of my savings	40%	52%	41%
I did not work it out financially, I just retired	30%	15%	31%
I had no time to plan as I was forced to retire	13%	14%	14%
I saw an IFA to review my financial situation	10%	15%	8%
My employer arranged for me to see an IFA	4%	3%	4%
I used Pension Wise to get some free guidance	4%	9%	4%
I spoke to friends and family	7%	19%	5%
Other	4%	4%	4%

*Research carried out by Opinium between 21<sup>st</sup>-26<sup>th</sup> April 2021 with 1,043 adults aged 55+ who were retired/semi-retired*

"Stopping full-time work is a huge financial step and involves complex choices," said **Stephen Lowe, group communications director at Just Group**. "Yet most people take a DIY approach and go it alone rather than engaging professional help.

“While not everybody will have access to an adviser or will want to pay for regulated advice, that doesn’t explain the very low number benefitting from the free guidance from Pension Wise which is available to all those aged 50+ with a defined contribution pension.”

The research shows that younger retirees were more likely to have planned their exits from work than older age groups.

Among those aged 55-64, 18% saw a financial adviser and 51% conducted their own financial review. That compares to the 65-74 age group where one-third fewer (12%) saw an adviser and 41% conducted their own review.

Double the number of people aged 65-74 said they did not review their finances (31%) compared to those aged 55-64 (15%).

“State Pension Age still remains a key anchor point for giving up work,” said **Stephen Lowe**. “While early retirees are more likely to have made financial plans, those retiring at State Pension age are more likely to say they didn’t plan, they just retired.

“About one in eight (13%) said they had no time to plan because they were forced to retire which seems level across the age groups. However, there is a gender split with just 10% of men saying they were forced to retire compared to 17% of women.”

He said the figures show the scope for advice firms to broaden their offering to appeal to the army of ‘DIY’ retirees. It also reinforces the argument for automatically booking Pension Wise appointments for those aged 50 to increase the currently low usage levels of the highly regarded service.

“Our research shows that if a Pension Wise appointment was automatically booked, only 1-in-25 (4%) of those aged 45+ with a DC pension would opt out<sup>2</sup>,” he said.

“There is support from the industry, charities, Money and Pension Service and consumer groups for a pilot scheme to test the effectiveness of automatic booking which we believe offers the best measure strong enough to achieve the government’s objective of making Pension Wise use the ‘norm’ among people needing to make the best of their pension savings.”

## Enquiries

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## **Notes to Editors:**

### **About the research**

- 1. Just Group**, Research conducted by Opinium on behalf of Just Group among 1,043 UK retired and semi-retired adults aged 55+, between 21st and 26th April 2021
- 2. Just Group**, Research conducted by Opinium on behalf of Just Group among 1,000 people aged 55+ who have already accessed a DC pension, between 3rd and 10th August 2020

### **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 over £23 billion of customers' retirement savings and has helped customers release £5.8 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.

The companies within Just Group are authorised and regulated in the United Kingdom by the Financial Conduct Authority and / or the Prudential Regulation Authority.

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