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NEWS RELEASE

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UK public criticises “terrible” government performance in meeting its own target to make Pension Wise ‘the norm’

- UK public benchmark 7 in 10 as ‘the norm’ for numbers using Pension Wise – a significant increase from current dismal level
- Two in three of all UK adults aged 45-65 rate the government as doing “terribly” against this target

The UK public has condemned the government for doing “terribly” in its ambition to make using **Pension Wise** - the free, independent and impartial guidance service - ‘the norm’.

Only a few months ago Pensions Minister Guy Opperman said that using Pension Wise should be ‘the norm,’ yet figures from the Financial Conduct Authority (FCA) show only one in seven (14%) pension pots were accessed after the saver had made use of the free, independent and impartial service¹.

Pension Wise is the key consumer protection measure introduced in 2015 to help people explore their options when taking money and to avoid pitfalls such as paying too much tax or falling for scams.

Appointments are available for free and are independent of pension companies. However, numbers using the service have been disappointing, raising fears many thousands of people may be making decisions they might rethink if they had the professional support.

The research found most people think the government is falling short in encouraging use of the service. When asked, the vast majority of 45 to 65-year-olds said that the government was performing “terribly” (22%) or “quite terribly” (45%) in its attempt to make using Pension Wise the norm².

Just one in 10 (11%) said the government was doing well.

The same consumer research found that the public considered ‘the norm’ would be a behaviour common to around seven in 10 (68%) of the population. To increase Pension Wise use to this level would require a four or five-fold increase on FCA-reported usage.

Stephen Lowe, group communications director at retirement specialist Just Group, said the research shows people are not impressed by the results of changes made so far to boost guidance usage, such as TV adverts and better sign-posting of the service in pension communications.

“Most people think current usage is a long way short of the government’s ambition and making guidance ‘the norm’ will require an ambitious and targeted shift in policy.”

He said that the government has passed this responsibility to the FCA to transform usage of Pension Wise, commenting: “The FCA’s top priority should be getting more people into Pension Wise appointments at earlier ages, before these pension savers are eligible to access their pension benefits. We can then help people to make informed rather than uninformed decisions.”

“The free to use service is proven to help people become more aware of their options, more confident in their decision making and less likely to fall victim to scams.

“Automatically booking people onto appointments would help to transform Pension Wise usage. The highly successful policy of automatic enrolment into workplace pensions shows that inertia can be a force for good – applying this to guidance would be a great first step towards increasing take-up and achieving better retirement outcomes for millions.”

Enquiries

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Notes to Editors:

References

1 - FCA, Retirement Income Market data 2019-20: <https://www.fca.org.uk/data/retirement-income-market-data>

2. **Just Group**, Research conducted by Opinium on behalf of Just Group between 22 and 25 January 2021 among 2,011 UK adults aged over 45-65

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