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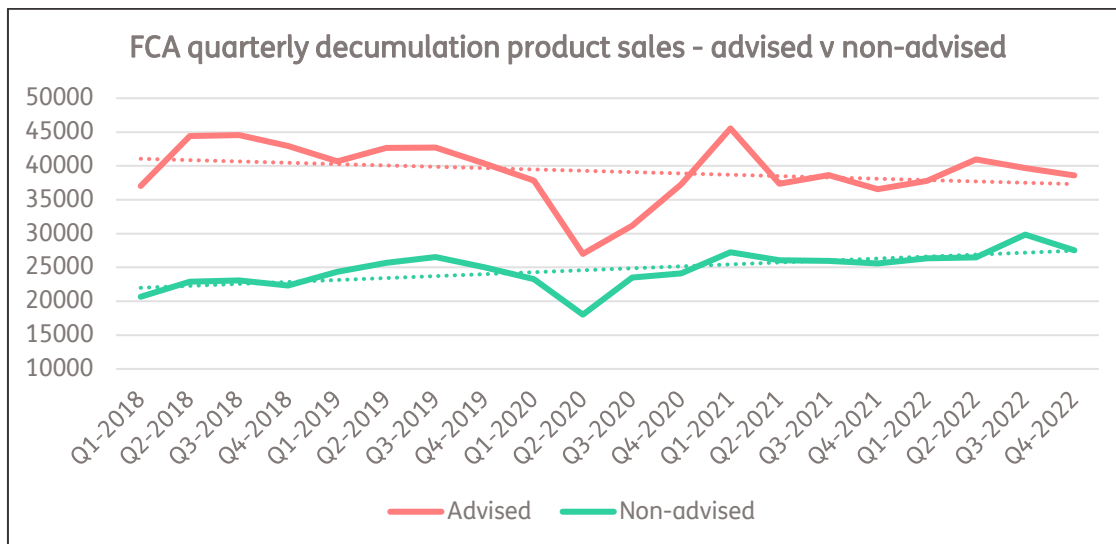
More retirees are shunning decumulation advice, latest FCA product sales figures show

- Analysis of sales data by Just Group shows both the overall number and proportion of advised decumulation sales have fallen in the last five years
- Retirement specialist says figures a concern given complexity of decisions and low take-up of free, impartial and independent guidance

Fewer retirees are taking regulated advice before switching their pension cash into income drawdown and guaranteed income for life solutions, latest product sales data from the Financial Conduct Authority¹ shows.

Analysis by **retirement specialist Just Group** found that of the 267,204 decumulation products sold in 2022 just over 41% were sold without advice compared to 34% in 2018.

In the same period, the annual number of advised sales dropped by 7% to 157,011 while the number of non-advised sales soared by 24% to 110,193.



Stephen Lowe, group communications director at Just Group, said that the trend towards lower take-up of regulated advice is concerning given the complexity of the decisions facing pension savers as they switch to decumulation.

“Advice is important in a market where there are multiple providers with often quite different rates on offer, as is the case in the annuity market,” he said.

“And those who want to use drawdown find it almost impossible to shop around without professional help to compare providers to get the best deal because the product’s charging structures, investment choices and fees are so complex and varied.

“Unfortunately, the figures show increasing numbers of individuals going it alone which significantly raises the risks of poorer outcomes in retirement.”

He said the figures are particularly worrying because only a minority of non-advised customers take up their entitlement to the free, independent and impartial pensions guidance offered by Pension Wise which was put in place after the 2014 pension reforms to help savers understand their options at a crucial point of life.

“We are now eight years on from the ‘freedom and choice’ reforms and use of the professional help available – either advice or guidance – is slowly but surely slipping away, even though we know the average value of pensions used to buy annuities and drawdown has been increasing.

“The regulator and policymakers have a responsibility to make sure people are making informed and considered choices that they don’t later regret. These figures put a big question mark over their success so far.”

Enquiries

Media

Stephen Lowe, Group Communications Director

Lucy Grubb, Head of Media & PR

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

Temple Bar Advisory

Alex Child-Villiers
William Barker
Sam Livingstone

Telephone: +44 (0) 20 7183 1190

Notes to Editors

About the research

1 – FCA, Product Sales data 2022: <https://www.fca.org.uk/data/product-sales-data>

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 around £23 billion of customers’ retirement savings and has helped customers release more than £6 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.

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