

Public attitudes towards a Pension Dashboard

March 2015

Foreword

The Pensions Dashboard is a simple concept. In short, members would be able to log on to an online portal to check all of their pension savings in one place. They would be able to see their State Pension entitlement, Defined Benefit entitlement and Defined Contribution pots alongside each other.

Given the simplicity of the concept, it is remarkable that the Pensions Dashboard does not already exist. Pension savers in Denmark, the Netherlands and Australia already have access to a Pensions Dashboard. Yet our fragmented pension system, with 36,000 occupational schemes and many insurance-based providers, has so far made a Pensions Dashboard fiendishly difficult to implement in the UK.

Before the introduction of the new pension freedoms, a Pensions Dashboard would have been a nice addition to the pensions system. But with these radical changes, it is now essential.

Pension Wise has the potential to transform the relationship between the pensions industry and its customers. But we need a Pensions Dashboard so that consumers have a clear understanding of their own circumstances in order to secure the best possible outcome. Informed consumers need to know exactly what they have and where they are held.

For several years, the Government has been struggling to make the case for 'pot follows member' which sees members' small pension pots automatically transferred when they change job and pension scheme. However, the costs for providers and risks for consumers make the policy increasingly undesirable. The Pensions Dashboard offers a solution. It creates a secure data sharing infrastructure and gives members the practical benefits of consolidation with the option to easily transfer, if they choose.

From a policymaking perspective, the case for the Pensions Dashboard is clear. This is why the Work and Pensions Select Committee and the Financial Conduct Authority now support it. Even the Pensions Minister, Steve Webb, has called for a Pensions Dashboard to be implemented within two years of the forthcoming election.

But a crucial piece of the puzzle has been missing: the consumer.

This report fills that gap by demonstrating that there is overwhelming public support for a Pensions Dashboard. Two thirds (77%)¹ would be interested in the concept and with pension savers forming an increasingly important voting demographic, it is little surprise that politicians are seeing potential in the Pensions Dashboard.

The challenges of creating a Pensions Dashboard are considerable, but surmountable. There are many successful international examples. The technology already exists and is used in other sectors in the UK.

Darren Philp
Director of Policy & Market Engagement

¹Of those who are aged 65 and under in work or looking for work and currently have a pension

Summary of key findings

Background

The Pensions Dashboard has attracted much discussion amongst policymakers, parliamentarians, think tanks, the pensions industry and regulators. Slowly, a consensus is emerging that a Pensions Dashboard would be positive for the pensions market and the consumers who rely on it.

While there is a strong case for policymakers, there has been no attempt to gauge public opinion for the Pensions Dashboard which, after all, would be a consumer-facing tool.

This research aims to determine levels of public support among jobholders and jobseekers aged 65 and under² for a Pensions Dashboard. It asked respondents about their current pension provision, current understanding of their pension provision and their attitudes towards a single online hub collating information on their savings.

Support for a Pensions Dashboard

There is high level interest in a Pensions Dashboard among the pension holding general public (77%), across all ages and gender, with women (80%) and those aged 25 to 34 (84%) being the most interested. This possibly reflects lower levels of pensions knowledge and familiarity with web-based solutions.

Most are also interested in a website that combines a pension dashboard with information about all of their financial services products, including pensions, banking and other financial products such as mortgages and insurances (69%).

There are mixed views as to who should be responsible for such a website, especially for a website that focuses only on pensions, with a quarter each saying the government (23%), an independent regulator (25%) and a pension provider (23%). However, more believe that a website providing information about all financial services should be run by an independent regulator (29%) rather than the government (19%), pension providers (14%) or banks (10%).

Current pension provision

As a possible result of automatic enrolment, most jobholders and jobseekers aged 65 and under now have some form of pension provision (71%). Most have an employer pension scheme (63%), with fewer having a personal pension scheme (15%). As expected, many (40%) have more than one pension pot, while a significant minority (14%) have three or more pension pots.

Women (67%) and the youngest age group (29%) (which is not fully covered by the automatic enrolment regulations) have lower levels of pension provision than either men (74%) or other age groups. Notably, for the architects of automatic enrolment, the lower social classes (57%) are less likely to have a pension scheme than the higher social classes (81%).

Financial awareness

Despite this high level of pension provision, the minority are aware of how much they have saved in their different pension schemes (41%). In contrast, the majority are aware of how much they have in their bank account (88%) and their other savings accounts (72%).

Despite not knowing how much they have saved for retirement, the vast majority believe this awareness is important (93%). Nonetheless, a quarter (25%) say they have never checked how much they have saved in pensions, while only a third (31%) say they check their pension savings more than once a year. In contrast, three quarters of people say they check their bank account at least once a week (76%).

Women (30%) and those aged 25 to 34 (34%) are far less likely to know how much money they have in pension savings than men (50%). Among those closest to retirement (ie aged 55-65 years old) almost a half (44%) do not know how much they have saved for retirement.

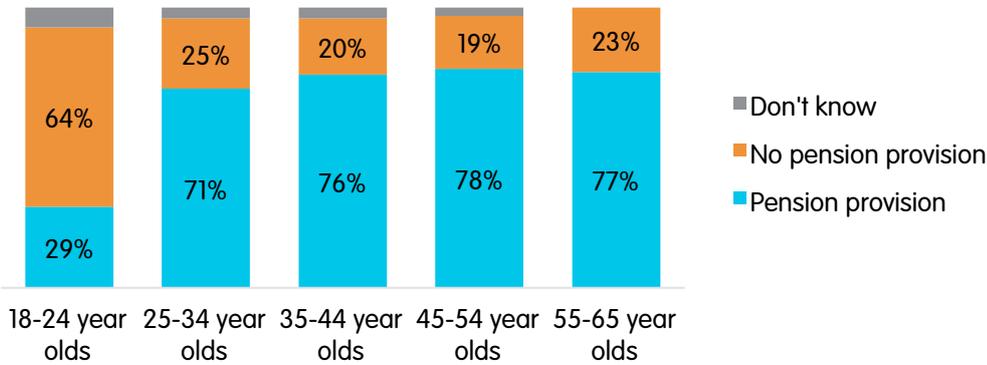
² Referred to as pension holders throughout the report

Pension provision

Current pension provision

As a possible result of the changes in pensions law and the introduction of automatic enrolment, most jobholders and jobseekers aged 65 and under now have some form of pension provision (71%). Younger jobholders and jobseekers (ie those aged between 18 and 24) are least likely to be in a pension scheme (29%) compared to other age groups (72% of those aged between 25 and 34 have a pension scheme), possibly due to much of this group not being included in automatic enrolment.

Pension provision by age

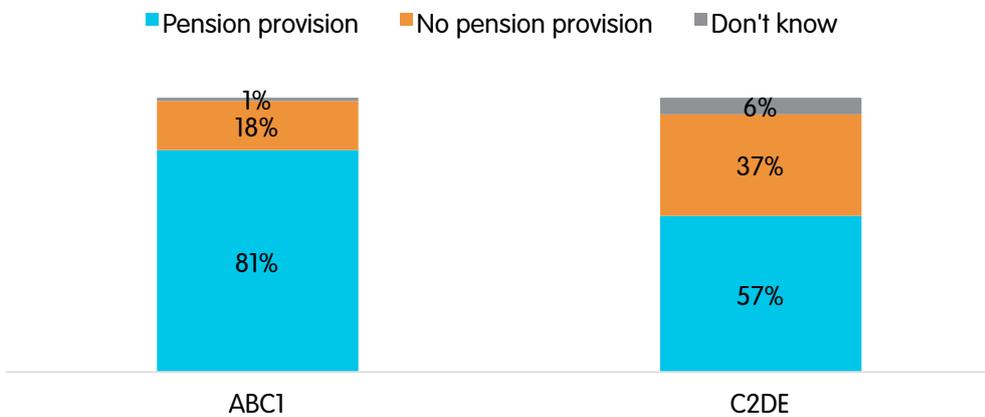


Base: All GB adult jobholders/jobseekers under 66 years old (1,370)

Women are less likely to have a pension scheme than men (67% compared to 74% of men), as are part-time workers (62% compared with 79% of full-time workers).

Those in higher social classes (81% of ABC1s) are more likely to be in a pension scheme than those in the lower social classes (57% of C2DEs).

Pension provision by social grade

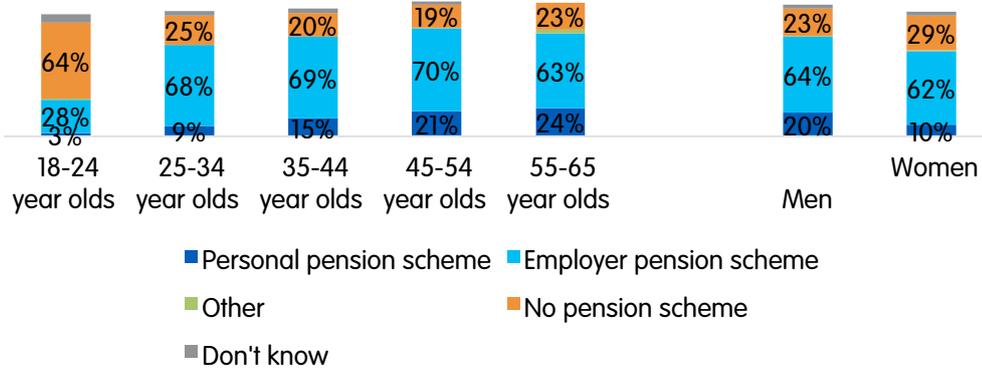


Base: All GB adult jobholders/jobseekers under 66 years old (1,370)

Type of pension provision

Most say they have an employer pension scheme (63%), while one in seven (15%) said they have a personal pension scheme. Men (20%) are more likely than women (10%) to have a personal pension scheme, as are older age groups (24% of those aged between 55 and 65 compared with three per cent of those between 18 and 24).

Type of pension scheme



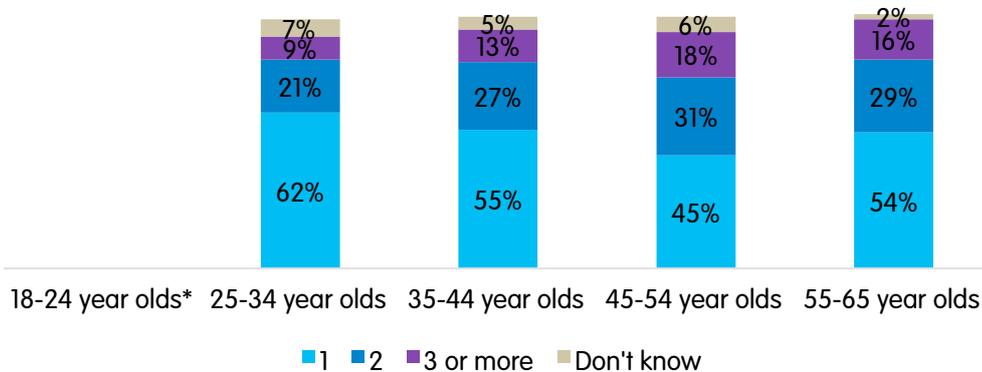
Base: All GB adult jobholders/jobseekers under 66 years old (1,370)

Worryingly, almost a quarter of those approaching retirement have no private pension saving (23% of those aged 55-65) and may therefore be relying solely on state provision. Where given, the responses from those citing 'other' means of pension saving indicated that many have not been able to identify pension savings.

Number of pension pots

Two-fifths (40%) of pension holders have more than one pension pot (ie from different employers or schemes), with one in seven (14%) having three or more pension pots. Those aged 35 to 44 are just as likely to have several pension pots (13% have three or more pension pots) as those approaching retirement (16% have three or more pension pots). This may reflect changes in patterns of working lives between generations.

Number of pension pots



Base: All GB adult jobholders/jobseekers with a pension under 66 years old (1,030)

*Sample too small to report on

Men are more likely to have several pension pots (18% have three or more) than women (9% have three or more).

Financial awareness

Current level of knowledge of financial situation

Most pension holders know how much money they have in their bank account (88%) and in their other savings, including savings accounts, ISAs and shares (72%).

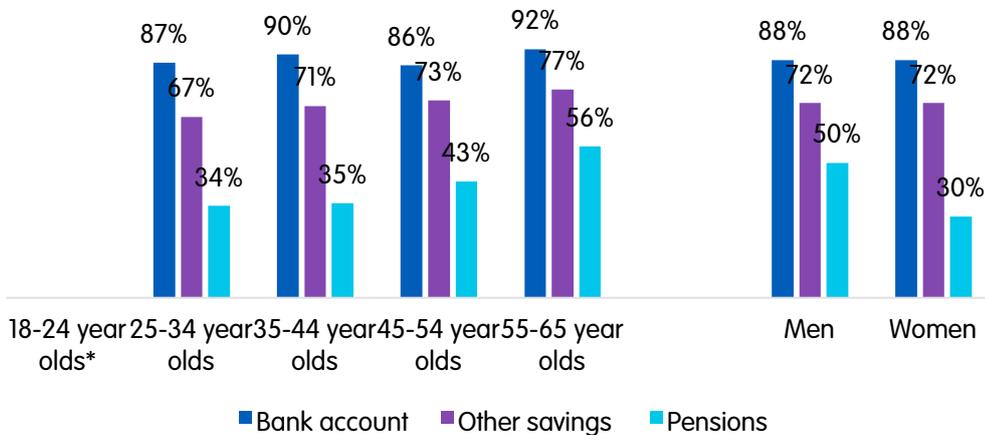


In contrast, only two in five (41%) know how much money in total they have in their pension savings.

Despite having the same level of knowledge of the amounts they have in their bank account and other savings accounts, women are far less likely to know how much money they have in pension savings than men (30% compared with 50%).

Although those close to retirement have greater awareness of their pension savings than the younger age groups (66% of 25-34 year olds do not know how much they have in their pension schemes), almost half do not know how much they have in pension savings accounts (44%).

Awareness of savings

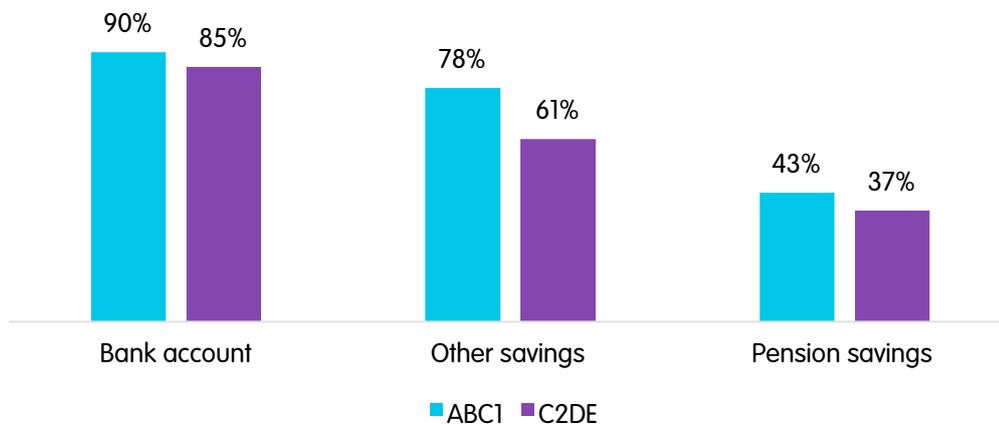


Base: All GB adult jobholders/jobseekers with a pension under 66 years old (1,030)

*Sample too small to report on

Those in higher social classes are more likely to be aware of their financial savings in terms of their banking and savings situation than those in the lower social classes. However, the higher social classes are no more likely to be aware of how much money they have in pension savings (43%) than the lower social classes (37%).

Financial awareness by social class



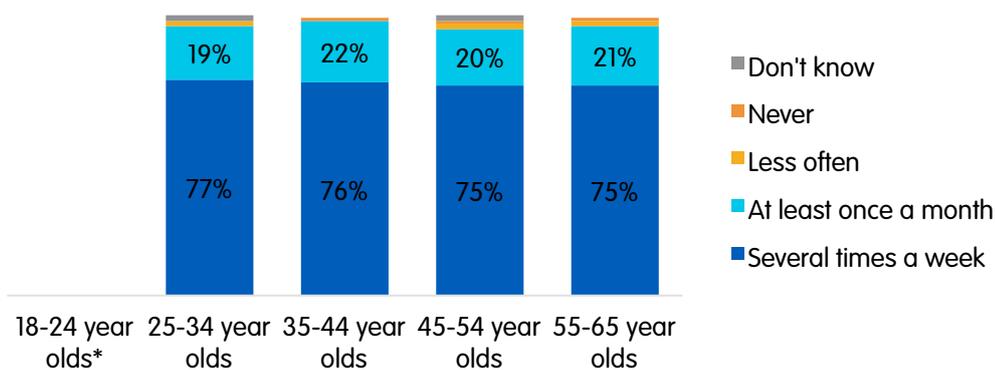
Base: All GB adult jobholders/jobseekers with a pension under 66 years old (1,030)

Frequency of checking their savings

Pension holders are more likely to have checked how much they have in their bank account than they are to have checked how much they have saved in their pension schemes.

The vast majority of pension holders check their bank account at least once a month or more often (96%), with three-quarters (76%) checking their bank account at least once a week. The younger age groups are just as likely to check their bank account as frequently as are the older age groups.

Frequency of checking bank account

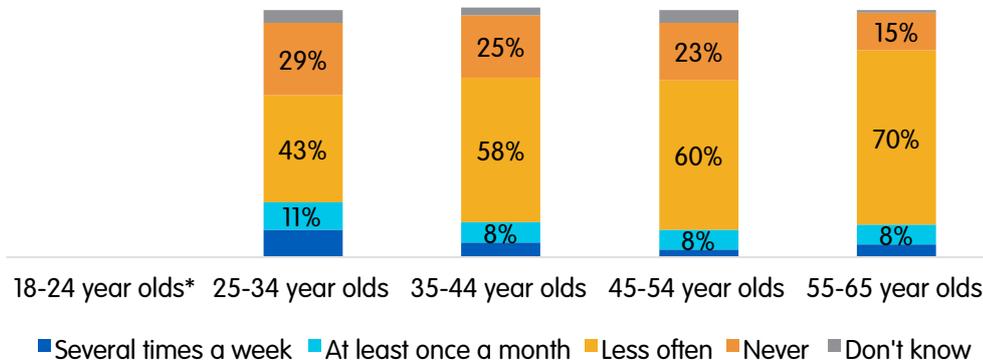


Base: All GB adult jobholders/jobseekers with a pension under 66 years old(1,030)

*Sample too small to report on

In contrast, a quarter of pension holders say they have never checked how much they have in their pension savings (25%), with two in five (40%) saying they check less than once in every six months. Those closest to retirement are more likely to have checked their pension savings at some point (84%) than the younger age groups (66% of those aged 25 to 34 years old). However, many of those close to retirement check their pensions less than once every six months (45% of those aged between 55 and 65 years old).

Frequency of checking pension savings



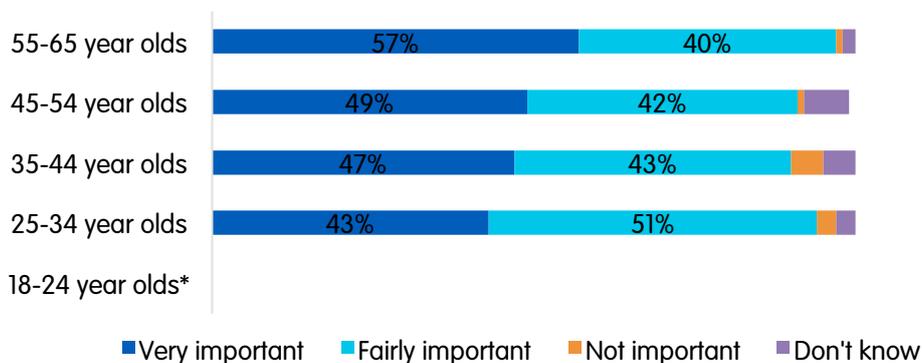
Base: All GB adult jobholders/jobseekers with a pension under 66 years old (1,030)

*Sample too small to report on

Perceived importance of knowing amount of pension savings

Despite having little awareness of how much money they have in pension savings, the vast majority (93%) believe that it is important to know how much money they have saved for retirement, with those approaching retirement, predictably, more likely to think it is very important (57%) compared to the younger age groups (43% of 25-34 year olds).

Importance of knowing pension savings



Base: All GB adult jobholders/jobseekers with a pension under 66 years old (1,030)

*Sample too small to report on

Across all age groups more than nine in ten of all individuals agree that it is important for people to know how much they had saved for retirement.

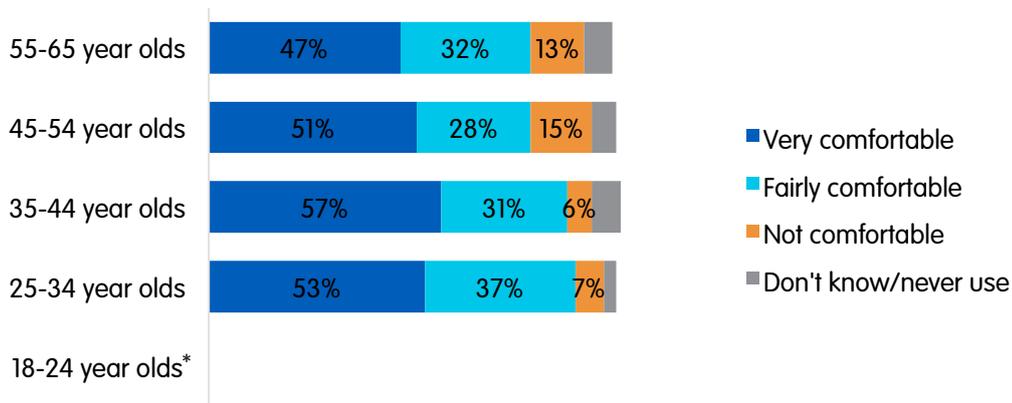
This report does not draw any conclusions for the causes of the discrepancy between the perceived importance of knowing how much has been saved against those actually accessing this information. However, the Pensions Dashboard may prove to be one such solution.

Interest in financial websites

Comfort in using financial services online

Most pension holders are comfortable with using financial services online (84%).

Levels of comfort in using online financial services



Base: All GB adult online jobholders/jobseekers with a pension under 66 years old (1,030)

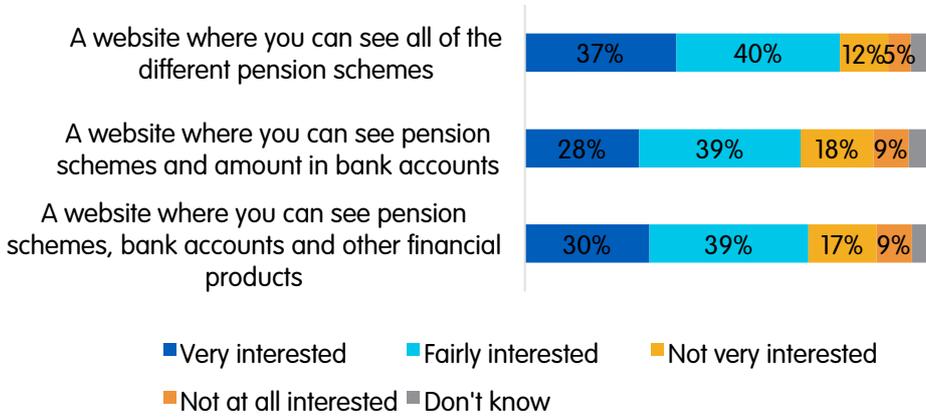
*Sample too small to report on

It is perhaps understandable that the younger age groups are most comfortable using online financial services since these groups will have had greatest exposure to the internet.

Levels of interest in financial websites

Three-quarters of pension holders (77%) would be interested in a website where they can see all of the different pension schemes that belong to them (including both company and state pension schemes), while two-thirds would be interested in a website that also shows how much they have in their bank accounts (67%). A similar proportion are also interested in a combined website that shows their pension, banking and other financial products, including mortgages and insurances (69%).

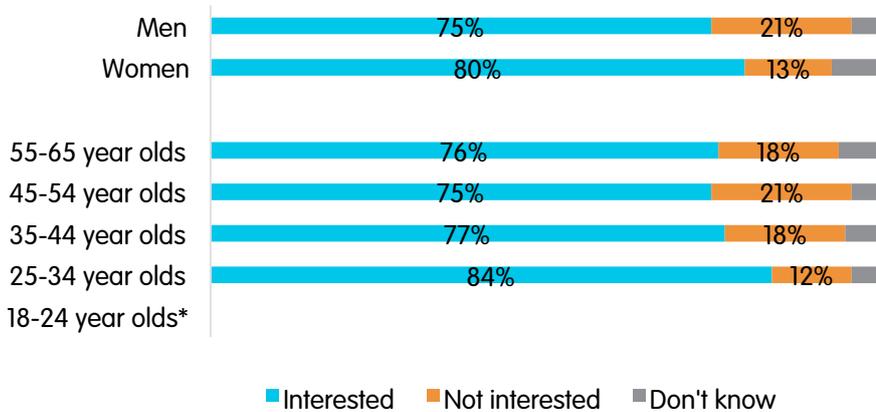
Interest in different types of dashboards



Base: All GB adult online jobholders/jobseekers with a pension under 66 years old (1,030)

More than a third (37%) would be very interested in a pensions website. Women (80%) are more interested than men (75%), although most men are interested in such a website. Those aged 25 to 34 year olds are most interested in such a website (84%) with 45-54 year olds being the least interested (75%).

Interest in pensions dashboard

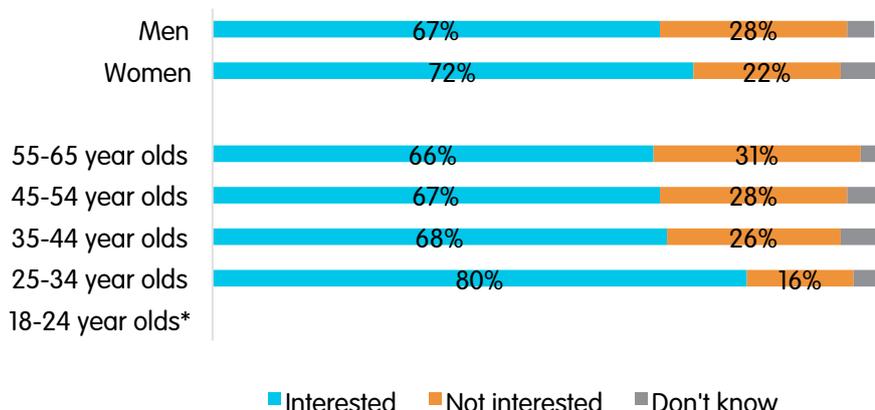


Base: All GB adult online jobholders/jobseekers with a pension under 66 years old (1,030)

*Sample too small to report on

As with the pension only website, women (72%) are more interested than men (67%), as are those aged 25 to 34 (80%), in a website that provides information about their pensions, bank accounts and other financial products.

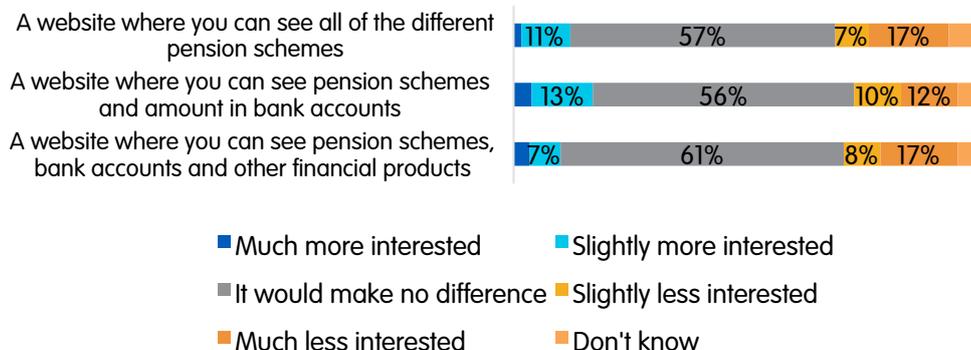
Interest in all financial services dashboard



Base: All GB adult online jobholders/jobseekers with a pension under 66 years old (1,030)

Pension holders who were initially not interested in the different type of websites were then asked whether they would be interested in such a website if they received less postal communication from their pension provider or bank. Most did not feel it would make any difference. However, over one in ten said they would be more interested in a Pensions Dashboard (12%) and a dashboard that provides them with information about their pensions, bank accounts and other financial products (10%) if they received less postal communication. Almost one in five (17%) initially not interested in a website that gave them information about their pension schemes and bank accounts said they would be more interested if they received less postal communication.

Interest in different types of dashboard if less postal communication



Base: All GB adult online jobholders/jobseekers not interested in website under 66 years old

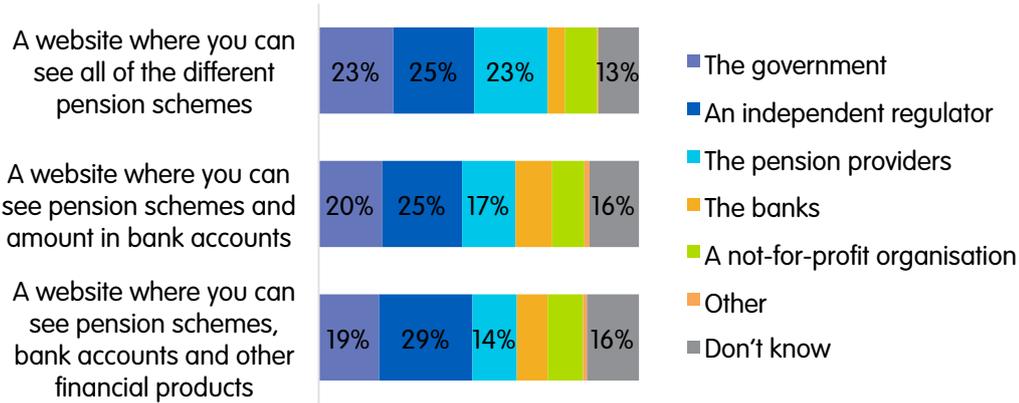
Responsibility of the Pensions Dashboard

There are mixed views as to who they think should be responsible for such a website, with around one in five each saying the government, a regulator and the pension providers should be responsible for a pensions website.

Among those interested in a website which gives information about pensions, banking and other financial products, three in ten believe an independent regulator should be responsible. Fewer believe the government (19%), a pension provider (14%) or a bank should be responsible (10%).

Those closer to retirement are most likely to think an independent regulator should be responsible (34%).

Responsibility over websites



Base: All GB adult jobholders/jobseekers under 66 years old interested in website

Background to the survey

The aims of the survey were to determine among current jobholders and jobseekers their level of knowledge of their pension savings and to determine levels of interest in a dashboard, which would provide them with information about all of their pension savings and also other savings and financial accounts that they may have.

On behalf of The People's Pension, YouGov undertook this research among UK jobholders and jobseekers.

Method

The survey was conducted online via the YouGov panel. Fieldwork was carried out among 1,370 working/looking for work aged 65 and under between 11 and 12 March 2015 and was selected and weighted (1,369) to be representative of the all GB adults (aged 18+). The sample profile is normally derived from census data or, if not available from the census, from industry-accepted data.

Sample breakdown

Table 1 provides a breakdown of the key groups within the sample.

Key groups	Number (weighted)	%
All jobholders/jobseekers	1,369	100
Gender		
Men	682	50%
Women	688	50%
Working status		
Full-time	964	70%
Part-time	240	18%
Social Grade		
ABC1	781	57%
C2DE	588	43%
Age		
18-24	146	11%
25-34	311	23%
35-44	312	23%
45-54	349	25%
55-65	251	18%

For people, not profit

B&CE is a not-for-profit organisation, which operates for the benefit of its members and their dependants. Established in 1942 and founded in construction, B&CE's current offerings include a workplace pension, employee accident cover, employee life cover and employee healthcare. Today it manages assets of £2.3 billion, with 2.8 million members and provides financial benefits to over 1,000,000 active individuals on behalf of over 14,000 corporate accounts. (Information correct as of 31 January 2015.)

For over 30 years, B&CE has been providing workplace pensions to employers with transient, low to moderate earning workforces, both large and small. B&CE has been operating a form of automatic enrolment for over ten years through its stakeholder product. In November 2011, B&CE announced details of The People's Pension, as an additional product to assist employers in complying with their automatic enrolment duties.

The People's Pension is a flexible and portable workplace pension scheme designed for people, not profit and is suitable for any organisation, large or small, in any sector.

B&CE has won a number of awards, as the provider of The People's Pension, including DC Provider of Year at the UK Pensions Awards 2014, Best Master Trust Provider at the 2014 Pension and Investment Provider Awards (PIPAs), Auto-Enrolment Provider of the Year at the UK Pensions Awards 2013 and best 'DC Master Trust' at the 2013 PIPAs.



Building & Civil Engineering Holidays Scheme Management Limited (B&CEHSM)
Manor Royal, Crawley, West Sussex, RH10 9QP.

Registered in England and Wales No. 377361. To help us improve our service, we may record your call. This is the parent company for the B&CE Group of companies. B&CEHSM also acts in the capacity of administrator of the retirement, death and accident benefit schemes on behalf of Building and Civil Engineering Benefits Scheme Trustee Limited. B&CEHSM is an appointed representative of B&CE Insurance Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority Ref: 177791, and B&CE Financial Services Limited which is authorised and regulated by the Financial Conduct Authority Ref: 122787.

