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Pension Wise service evaluation 2018/19

Experiences and outcomes of customers
using Pension Wise in 2018/19

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Foreword



It is my pleasure to write this foreword for the third annual Pension Wise service evaluation report, covering the 2018/19 financial year. 2019 has been a challenging year for us in setting up the Money & Pensions Service (MaPS) while bringing together its three constituent operations – Pension Wise, The Pensions Advisory Service and the Money Advice Service. In doing so, it's good to see that the foundations for our future are in such good order.

Pension Wise was launched in 2015 alongside the implementation of the new Pension Freedoms, which expanded the options of people accessing defined contribution pension pots. Since then it has provided free and impartial guidance covering these new options, to help people aged 50 or over to better understand what they can do with their pot(s), and the things they should take into consideration when deciding which options to take.

The provision of this guidance is a statutory requirement within the Financial Guidance and Claims Act 2018, which brought the Money & Pensions Service into being.

The service is provided face-to-face and over the phone, relying on valued partners to deliver it, and via a centrally administered website. Originally, the service was set up by HM Treasury. It then came under the auspices of the Department for Work and Pensions, before becoming an important part of the services provided by the Money & Pensions Service in 2019.

Pension Wise has expanded rapidly across its first four years from around 60,000 transactions in 2015/16 to being on target to break 200,000 transactions in 2019/20. Earlier this year, it passed half a million transactions since launch.

This increased reach has been achieved through careful and cost-efficient capacity expansion, national advertising and support from pension providers in signposting their customers to the service. The introduction of a self-serve, web-based service has also helped to increase the numbers of users. This is now evaluated, alongside the phone and face-to-face services, in this latest report.

Financial Conduct Authority (FCA) data¹ suggests there were roughly 300,000 to 400,000 people accessing a defined contribution pension pot in 2018/19. Around half of these pots did not receive any regulated advice or Pension Wise guidance and around half of those were valued at less than £10,000.

¹ This is sourced from FCA retirement income market data 2018/19 and based on MaPS calculations that assume an average of 1.5 to 2 pension pots per person accessing a DC pension. See: <https://www.fca.org.uk/data/retirement-income-market-data>.

Based on these FCA figures, we estimate that there are currently around 75,000 to 100,000 people accessing defined contribution pension pots worth £10,000 or more, without regulated advice or guidance, each year. These people are likely to derive the most benefit from an appointment. Whilst recognising that reaching more of them – on top of the 200,000+ transactions expected in 2019/20 – is essential, this number is now much smaller than it used to be.

Starting in 2016/17, Pension Wise has undertaken an annual service evaluation through Ipsos MORI and has maintained strikingly high customer satisfaction and advocacy ratings, alongside increasing customer knowledge and encouraging positive behaviours. All of this while almost trebling the number of transactions.

MaPS is committed to further expanding its pensions guidance services whilst maintaining the levels of service quality and impacts evidenced in this and previous reports. Greater face-to-face and telephone appointment capacity was brought on-line in 2018/19. This will continue in 2019/20 and the digital appointment service will also be upgraded.

A further service evaluation report covering 2019/20 will be published later this year. In the meantime, I commend this report to you and thank all those who have helped put it together, especially the staff at Ipsos MORI, whose research expertise and independence underpin it.

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Summary

About Pension Wise

Pension Wise is a Government-backed national pensions guidance service. The service launched in 2015 following the introduction of new pension freedoms, which changed how those aged 50 and over could access their defined contribution pension pots. It provides free, impartial information and guidance to this group.

The service offers guidance through face-to-face and telephone appointments. Since July 2017, Pension Wise has also offered a digital self-serve guidance option on their website.

Continued increases in volumes in 2018/19

 **Over 90,000**
face-to-face
appointments arranged
(+43% since 2017/18)

 **Around 40,000**
telephone
appointments arranged
(+63% since 2017/18)

 **Over 37,000**
self-serve
journeys completed (via
Pension Wise website)

Source: Money and Pensions Service

About this service evaluation



Ipsos MORI carried out a series of surveys with face-to-face and telephone appointment bookers, and self-serve web customers. We explored satisfaction with Pension Wise, and the impact the service has on knowledge, confidence and behaviour.



This included initial surveys around one month after their interaction with Pension Wise and follow-up surveys roughly three months after using the service.



We also carried out a separate survey of Pension Wise website visitors (who did not necessarily use the self-serve guidance) and non-users who are eligible for, but have not accessed, any Pension Wise guidance.



This work follows two previous, comparable service evaluations in 2016/17 and 2017/18. The 2018/19 evaluation is the first time that self-serve web customers have been included.

High satisfaction with Pension Wise across all customer types

% **very or fairly** satisfied with their overall experience



Bases: 1,589 appointment customers; 1,035 face-to-face customers; 554 telephone customers; 703 self-serve web customers

Key insights

- Among appointment customers (the 86% of appointment bookers that completed their appointments in full), 93 per cent are satisfied with Pension Wise. The proportion saying they are *very* satisfied has increased this year (to 73%, vs. 69% in 2017/18).
- Eight in ten self-serve customers (78%) are also satisfied. This is understandably lower than for appointment customers, given that having an appointment is a more intensive intervention.
- There are very low levels of dissatisfaction among appointment customers (3% dissatisfied) and self-serve customers (7% dissatisfied). This suggests that they do not want any substantive changes to the service.

High advocacy levels across all customer types

% **already recommended, or very or fairly likely to recommend Pension Wise**



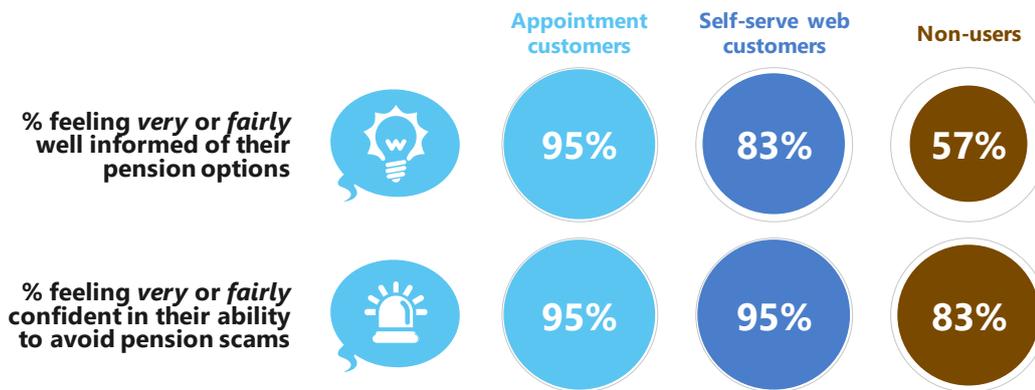
Bases: 1,589 appointment customers; 1,035 face-to-face customers; 554 telephone customers; 703 self-serve web customers

Key insights

- Around a quarter of appointment customers (24%) say they have *already* recommended Pension Wise to others, within one month of their interaction with the service.
- Among all customer types, the strength of feeling is such that far more say they would be *very* likely to recommend Pension Wise, and not just *fairly* likely.

Pension Wise customers feel well-informed and able to avoid scams

Around three months after their appointment ...



Bases: 681 appointment customers; 291 self-serve web customers; 760 non-users

Key insights

- Across a range of indicators around feeling well informed about their options, confidence in avoiding scams, feeling prepared for discussions with pension providers and feeling more certain about their chosen options, all customer types are more positive than non-users.
- Among the appointment customers that have made arrangements for withdrawing a pension pot by the time of the interview, nine in ten (93%) say Pension Wise contributed *a great deal* or *a fair amount* to their confidence in making this decision. Among self-serve customers that have made arrangements, over eight in ten (84%) say this.

Pension Wise customers are more knowledgeable

We explore customers' factual knowledge through a series of eight true or false statements about their pension options in the surveys. One month after using Pension Wise, all customer types typically have a better understanding of the facts than non-users.

Around one month after their appointment ...



Bases: 1,516 appointment customers; 703 self-serve web customers; 760 non-users

Key insights

All customer types are substantively more likely than non-users to know that:

- you do not have to withdraw your pension immediately on retiring (80% of appointment customers and 70% of self-serve customers get this correct, vs. 60% of non-users)
- you do not have to withdraw the full amount from your pension pot (78% and 63%, vs. 42%)
- buying an annuity is optional (75% and 65%, vs. 49%)
- pots can be transferred across providers (74% and 65%, vs. 56%)
- you can mix the ways you take money from a single pot (73% and 61%, vs. 40%).

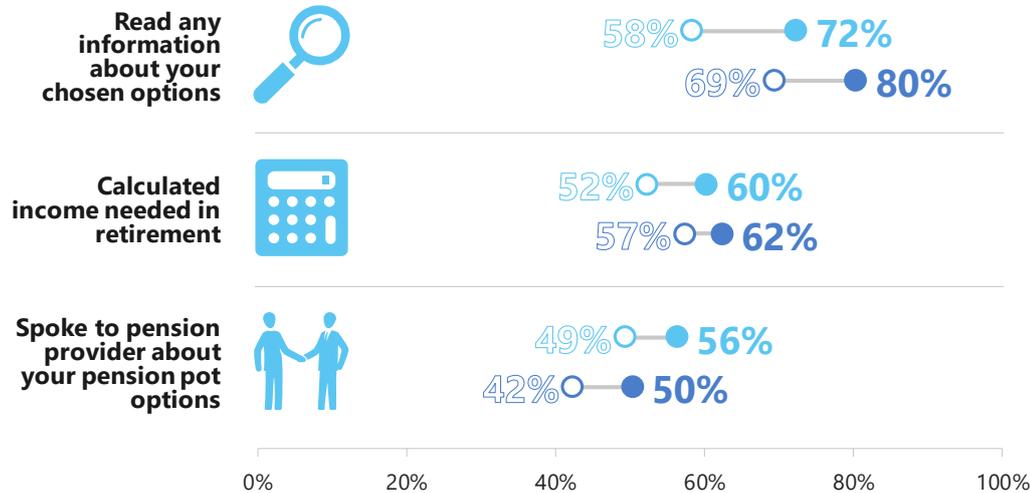
Pension Wise customers take more positive steps when accessing their pots

Appointment customers:

- within three months of appointment
- before appointment

Self-serve web customers:

- within three months of self-serve journey
- before self-serve journey



Bases: 1,526/681 appointment customers; 703/291 self-serve web customers (talking about actions before/since their appointment), or 310 appointment customers and 150 self-serve web customers who are considering specific options

Key insights

All customer types are more likely than non-users to have taken a range of appropriate actions after using Pension Wise and before making pension withdrawal arrangements, including:

- calculating the incomes they will need in retirement
- talking to their pension providers
- reading up on their chosen options
- looking into tax implications and potential charges associated with their chosen options.

Overall, these are a very positive set of results for Pension Wise. The service has maintained, or in some cases improved on, the scores for appointment customers seen in 2017/18 and 2016/17.

Self-serve web customers, evaluated for the first time this year, also rate Pension Wise highly and emerge with a great deal of confidence and knowledge. Their results in isolation are very strong, but are lower compared to appointment customers. Given the nature of the interaction, this is to be expected. Moreover, Pension Wise plans to improve the self-serve journey in 2019/20.

The next year will have ongoing challenges such as increasing customer volumes, as well as new challenges around engaging audiences digitally. These will all be explored in the 2019/20 service evaluation.

Characteristics of the different customer groups and how we evaluated them



1 Introduction

This report covers quantitative survey findings, showing how the Pension Wise service performed in 2018/19. It covers not only customer satisfaction with the service, but also the impact that Pension Wise has on:

- improving customers' knowledge and understanding of their pension options
- raising their confidence to deal with pension providers and avoid scams
- prompting them to take positive steps to finalise their pension access arrangements.

It also contextualises these results, giving a profile of customers and how they come to use Pension Wise, as well as comparing them throughout to those who do not use the service but are eligible to do so.

Background

Pension Wise is a national pensions guidance service, backed by Government and delivered in partnership with other organisations. The service provides free, impartial information and guidance to those who are aged 50 and over, with defined contribution pensions that have yet to be accessed. The guidance explains the options available to this audience when it comes to accessing their pension money. Following the introduction of new pension freedoms in April 2015, the options available to people aged 55 or over were expanded to include:

1. leaving their whole pension pot untouched
2. getting a guaranteed income (through an annuity)
3. getting an adjustable income (through flexi-access drawdown)
4. taking cash in chunks (Uncrystallised Funds Pension Lump Sum, or UFPLS)
5. taking their whole pot in one go
6. mixing the above options.

The service offers guidance through three channels:

- face-to-face appointments, delivered through Citizens Advice
- telephone appointments, delivered mainly through The Pensions Advisory Service (TPAS), with smaller numbers delivered by Teleperformance (in England and Wales), and Citizens Advice (in Scotland)
- digital, self-serve guidance, which customers can access through the Pension Wise website.

In 2018/19, the service arranged over 90,000 face-to-face appointments and almost 40,000 telephone appointments. These appointment volumes have risen considerably each year since the first year of operations in 2015/16. Compared to 2017/18, face-to-face appointments arranged are up by 43 per cent and telephone appointments up by 63 per cent.

There were around 2.3 million website visits in 2018/19. A little over 37,000 people completed the digital self-serve guidance journey on the website in this period. Pension Wise introduced this guidance in July 2017, so a full-year comparison to 2017/18 is not possible.

What the face-to-face and telephone appointment service involves

The face-to-face and telephone appointments can be booked online, over the telephone, or in person. Teleperformance provide the contact centre service for bookings done by phone.

Each face-to-face and telephone appointment lasts between 45 and 60 minutes. During this time, a Pension Wise Guidance Specialist fully explains the six pension options available to customers, helps them to understand the pros and cons of each option in an impartial way, raises awareness of the risk of pension scams, and explains the potential impact of each option on taxes and benefits. The Guidance Specialist also helps customers to clarify the next steps in their decision-making process, including key questions to ask their pension providers and information on shopping around. Customers receive a document summarising their appointment, either online or through the post, within 48 hours of their appointment time.

What the digital self-serve guidance includes

Visitors on the Pension Wise website are directed to a page where they can explore their options.² They receive a summary description of the six options and can select the ones they are interested in. They can then choose to see more detailed guidance for these options, for example around tax. Self-serve customers can then print or download a summary of this guidance.

The Pension Wise website also provides broader information to all visitors about accessing their defined contribution pensions.

Audience groups included in this report

Across the report, we refer to five primary groups:

- **Appointment bookers** are people who book a face-to-face or telephone appointment with Pension Wise. They include those who complete their appointments, as well as the small minority that have an incomplete appointment, or miss it entirely.
- **Appointment customers** are the large majority (86%) of appointment bookers, who complete their appointment (as opposed to leaving before the end or missing it). They are made up of face-to-face customers and telephone customers.
- **Website visitors** are those who have visited the Pension Wise website. They would have been eligible for a Pension Wise appointment in the past year but have not had one.
- **Self-serve web customers** are people who visit the Pension Wise website and fully navigate through the digital self-serve guidance pages. As such, they are a subset of **website visitors** who have specifically completed the self-serve guidance journey (although we survey these two groups separately).
- **Non-users** are those who have not had an appointment, nor visited the Pension Wise website, but would have been eligible for an appointment in the past year.

² See <https://www.pensionwise.gov.uk/en/explore-your-options>.

Methodology

Initial surveys

The findings are taken from five quantitative surveys, which Ipsos MORI carried out on behalf of Pension Wise. Two initial surveys explored service users' experiences and satisfaction with Pension Wise, roughly one month after their interaction with the service. These included:

1. 1,763 people who booked face-to-face or telephone appointments with Pension Wise to take place between September and November 2018
2. 703 customers who accessed the digital self-serve guidance on the Pension Wise website between late August 2018 and February 2019.

These surveys were carried out over several waves of fieldwork. In the first wave of fieldwork for the self-serve customer survey (survey 2 above), a handful of customers ended up taking part two to three months after they had visited the Pension Wise website. For the rest, the gap was more consistently around one month. For simplicity, we refer to a one-month gap in the rest of the report.

Follow-up surveys

Two follow-up surveys focused on customers' knowledge of their pension options and the steps they take towards finalising their pension arrangements. The interviews took place with the same respondents from surveys 1 and 2 above, roughly three months after their interaction with Pension Wise (although in a handful of cases this was closer to four months). This longer gap is intended to leave enough time for customers to fully explore their options and take relevant actions. These two surveys included:

3. 681 face-to-face and telephone appointment customers (i.e. excluding those who did not complete or missed their appointments) who took part in the initial appointment booker survey (survey #1 above)
4. 291 self-serve web customers who took part in the initial self-serve customer survey (survey #2 above).

Comparison survey

We carried out a final survey to draw findings from two comparison groups of people who have not had a Pension Wise appointment but would have been eligible for the service in the last 12 months. These are people aged 50 and over, who either have an unaccessed defined contribution pension, or one that they had only accessed in the past year. This survey fieldwork took place alongside the follow-up fieldwork with appointment customers (survey 3). It measured similar outcomes in terms of knowledge and steps taken towards the different pension options. It included:

5. 973 people eligible for Pension Wise, both those who have visited the Pension Wise website (213 website visitors) and those who have not (760 non-users).

We carried out surveys 1, 3 and 5 out through a mix of telephone and online interviewing. Surveys 2 and 4 with self-serve web customers were exclusively conducted online. Further details on the sampling, fieldwork and response rates are in the appendix.

Weighting

All the findings reported for face-to-face and telephone appointment bookers and customers (from surveys 1 and 3) are weighted, to represent people who booked Pension Wise appointments to take place between September 2018 and November 2019.

Website visitors and non-users (survey 5) have also been weighted to match the same appointment booker profile. As such, the achieved non-user sample from this survey is not intended to represent the wider population of 50-70 year-olds with unaccessed defined contribution pensions in the UK. It is, more simply, intended to provide a comparison group who are demographically similar to Pension Wise appointment bookers, but who did not approach the service.

The findings reported for self-serve web customers (from surveys 2 and 4) are unweighted. This is because there is no available population profile to use for weighting. Therefore, these findings are not necessarily representative of the true population of self-serve customers. Nonetheless, they are the best possible representation of this audience that we are able to achieve in a quantitative survey.

Further details on the weighting approach are included in the appendix.

Updates to the methodology and comparability with previous years

This research follows two studies that Ipsos MORI carried out to evaluate the Pension Wise service in 2016/17 and 2017/18. The report for 2017/18 can be found on the gov.uk website at:

<https://www.gov.uk/government/publications/pension-wise-service-evaluation-2017-to-2018-customer-experiences-and-outcomes>.

The previous years' studies covered appointment bookers, website visitors and non-users using a comparable survey methodology to the one used for 2018/19. For these audience groups, the sampling, fieldwork periods, weighting and questionnaires have remained largely consistent from 2017/18 to 2018/19. There was a reduction in sample sizes and a shorter fieldwork period in 2017/18 compared to 2016/17. This reflects that the 2016/17 study was purposely carried out on a much larger scale, with it being the first ever evaluation of the Pension Wise service.

The most significant update to the methodology for 2018/19 is the addition of the self-serve web customer audience. This is the first year that we have carried out surveys with this audience.

Each year, there have also been a small number of questionnaire changes. The most notable set of changes this year were:

- the addition of several attitudinal questions to split people into those who are more or less financially confident, and more or less likely to plan for their retirement
- changes in the wording used to describe some of the six pension options that people can take, to avoid any ambiguity (meaning these results are no longer directly comparable with previous years).

Where results are comparable across years, we draw out where findings have changed significantly or remained consistent over time. Primarily, we focus our comparisons between 2017/18 and 2018/19.

How to interpret the data

Representation of percentage scores

Throughout the report figures in charts do not always add to 100%. This is due to one of the following:

- rounding of percentages
- the exclusion of a very small number of “refused” responses when looking at the profiles of the different audience groups in Chapter 2
- questions that allow more than one response.

Statistical significance

The report highlights relevant differences between the average and subgroup findings, or across years. We only draw out differences that are found to be statistically significant at the 95% level of confidence. Strictly speaking, statistical significance testing applies only to random probability samples, whereas the telephone survey element of this study produces quota samples. In practice, significance testing is commonly used for surveys like this one, with the assumption being that the achieved (mixed quota and random probability) sample behaves like a random sample. In such cases, the significance testing is intended to provide a rough guide to the margins of error around the survey results.

Not all statistically significant differences are noted. The report highlights differences that appear consistently across questions, that indicate important subgroups, or indicate important shifts across years.

Subgroups based on financial confidence

This year’s surveys include a new question to split people into subgroups based on financial confidence. The subgroups are based on a single question, asking how confident people are on a scale of 0 to 10 in managing their money. We have grouped responses from 0 to 3 as “low confidence” and 7 to 10 as “high confidence”. The following table shows that, across all audience groups, only a small minority have low financial confidence. The differences across audiences are negligible.

Table 1.1: Financial confidence by audience group

	Appointment bookers	Self-serve web customers	Website visitors	Non-users
Base	1,763	703	213	760
High confidence	76%	75%	81%	71%
Low confidence	4%	5%	7%	5%

The purpose of the non-user comparison group

The non-user group is intended to be a broad comparison group, to understand how Pension Wise appointment bookers differ from other defined contribution pension holders, who are demographically similar to them, but have not used the appointment service. It is not meant to be a strict control group. This is because Pension Wise appointment bookers may be more informed and engaged with their pension pots than the typical defined contribution pension holder, even before they come into contact with the service.

In Chapter 4, the report uses difference-in-difference analysis between appointment customers and non-users. This is intended to elevate the analysis beyond simplistic, single-point-in-time comparisons between customers and non-users. Again, we do not suggest here that the non-users are a strict control group. However, this analysis does provide a deeper insight into how Pension Wise, rather than other external factors influencing behaviour, has prompted customers to take action towards finalising their pension arrangements.

Acknowledgements

Ipsos MORI would like to thank Becky Lewis and Midge Clayton from the Money & Pensions Service for their help and input across all stages and aspects of this research study.

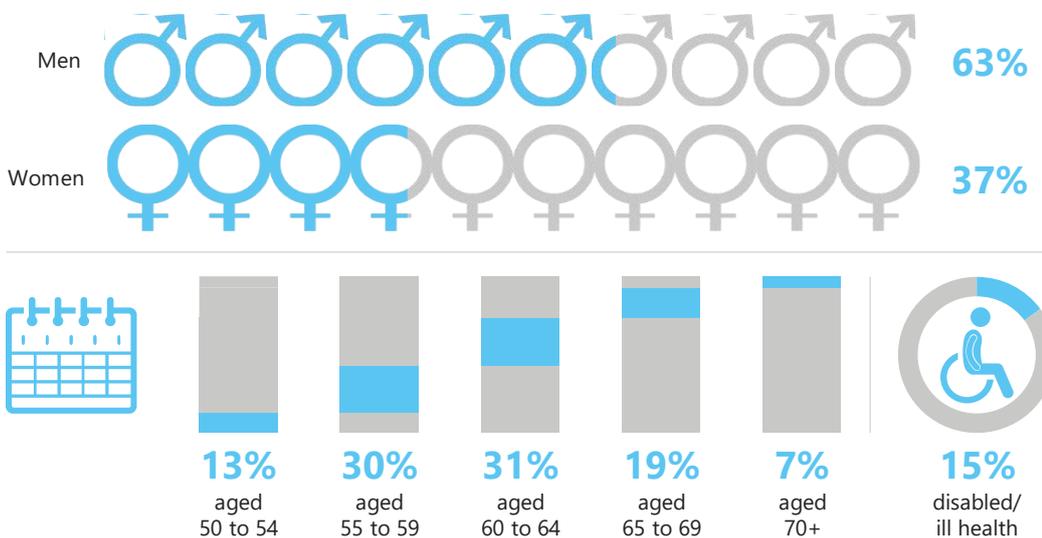
2 Profiles of customer and non-customer groups

This chapter looks at the characteristics and attitudes of the different audience groups featured throughout the report: appointment bookers (both those who do and do not complete their appointments), self-serve web customers, other website visitors and people who have not used any Pension Wise tools or services.

Appointment bookers

Figure 2.1 shows some key statistics for the demographics of appointment bookers.

Figure 2.1: Appointment Booker demographics



Base: 1,700 appointment bookers, excluding any who refuse to answer

They are more likely to be men than women (63% vs. 37%), although the extent of this has reduced over time (32% were women in 2016/17 and 35% were women in 2017/18). Overall, the gender balance is still in line with expectations and reflects that more men than women over 50 have defined contribution pensions. Other surveys, such as the Office for National Statistics (ONS) Wealth and Assets survey and the Financial Conduct Authority's (FCA's) Financial Lives survey also find this, but do not provide a direct comparison for this survey.³

In terms of age, three-quarters of appointment bookers are under 65 (74%), although relatively few are aged under 55 (13%). This distribution is broadly consistent with both previous years of the service evaluation.

Less than one in six (15%) report having a long-term illness, health problem or disability that limits their daily activities or the work they can do. This is lower than for all UK adults aged 50 to 69, with the Family Resources

³ The Wealth and Assets Survey is available here at <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/pensionwealthwealthingreatbritain> and the Financial Lives survey is available at <https://www.fca.org.uk/publications/research/understanding-financial-lives-uk-adults>.

Survey 2017/18 showing that 29 per cent of adults in this age group are disabled.⁴ This could reflect that Pension Wise appointment bookers are likely to be better off than the rest of their age group. As the next section covers, very few are or have been unemployed and many have high incomes.

Work status and wealth

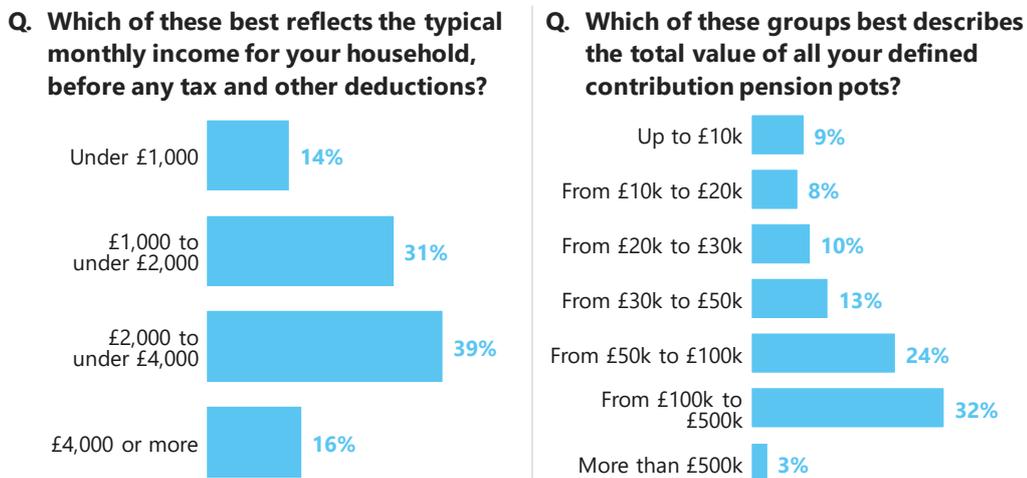
Three-fifths of appointment bookers (59%) are in work. A further nine per cent are unemployed or not looking for work. And the remaining third (32%) are retired. This breakdown is consistent with both previous years.

The surveys measure wealth both in terms of household incomes (a new question for 2018/19) and pension pot sizes, shown in Figure 2.2.

Most appointment bookers, seven in ten (69%), have a monthly household income of between £1,000 and £4,000 per month (before tax). Among these, the balance is towards higher incomes (39% receive £2,000 to under £4,000 per month). Monthly incomes below £1,000 or over £4,000 are much less common. These figures include all pensions and employment income for everyone in the household.

There are no direct comparisons we can make between these figures and the wider population. However, ONS data show that the median monthly income in households where people are aged 55 to 64 is around £2,600.⁵ This does not suggest that Pension Wise appointment bookers are greatly different from this wider population.

Figure 2.2: Income and pension pot size distributions of appointment bookers



Base: c.1,400 appointment bookers at each question, excluding any who refuse to answer or say they don't know

Around half (47%) of appointment bookers have pension pots totalling £20,000 to under £100,000. A fifth (18%) have relatively small pots at under £20,000. A third (35%) have pension pots of £100,000 or more, although very few (3%) have extremely large pots of £500,000 or more.

⁴ See <https://www.gov.uk/government/statistics/family-resources-survey-financial-year-201718>.

⁵ See <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/householddisposableincomeandinequality>.

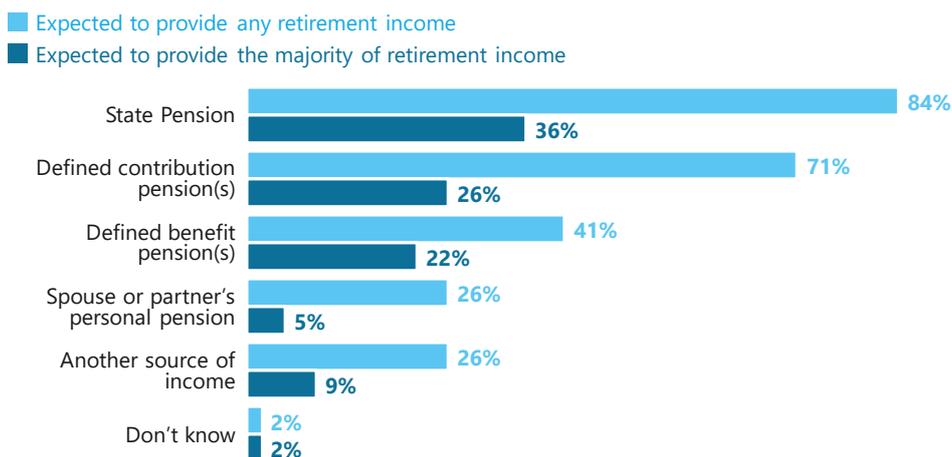
The median value falls in the £50,000 to £100,000 category, which is, anecdotally, similar to most industry estimates. This distribution is very similar to the 2017/18 findings, when this question was first asked in this way.

Defined contribution pensions are not the only source of wealth for appointment bookers. Two-fifths (42%) also expect to receive some of their retirement income from a defined benefit pension scheme they are in. In over half (53%) of these cases, these appointment bookers expect their defined benefit pension to provide the majority of their retirement income. This amounts to one in five appointment bookers as a whole (22%) saying that they have a defined benefit pension which is bigger than all their defined contribution pensions.

Around a quarter of appointment bookers (26%) expect their defined contribution pension or pensions to provide the majority of their retirement income (alongside other sources such as the State Pension, other types of pensions, partners' pensions and other income). This is, once again, in line with both previous years of the service evaluation. The full data are shown in Figure 2.3.

Figure 2.3: Expected sources of retirement income among appointment bookers

Q. Which of the following will you have for/provides the majority of your retirement income?



Base: 1,576 appointment bookers at each question, excluding any who refuse to answer

A minority of appointment bookers may not be fully aware of the type of pension they have. All those who complete an appointment with Pension Wise have at least one unaccessed defined contribution pension. However, in the survey, 29 per cent do not note any retirement income coming from this type of pension.

The group that expect their retirement income to come, for the most part, from their defined contribution pensions tend to have larger defined contribution pension pots, as might be expected. Six in ten have pots valued at £100,000 or more (58%, vs. 35% of all appointment bookers). Among those that expect to rely mostly on the State Pension, a quarter (27%) have small defined contribution pots, that are worth less than £20,000.

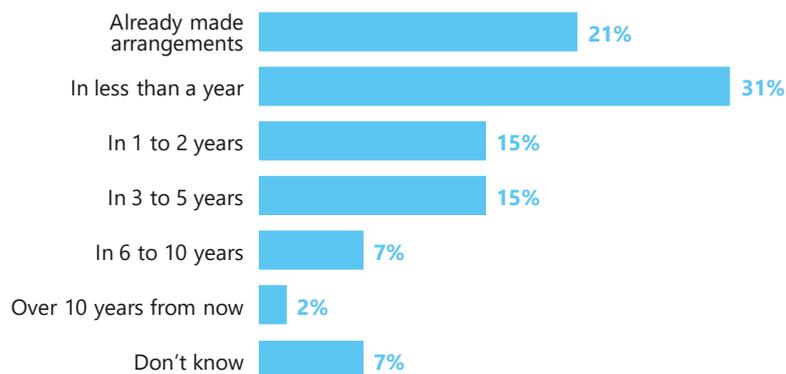
Proximity to accessing pension pots

A large majority of appointment bookers are close to accessing their defined contribution pension pots or have already done so. Around one month after their appointment date, two-thirds (68%) of appointment bookers have either already finalised their access arrangements or intend to do so within two years' time.

The full breakdown is shown in Figure 2.4. Not surprisingly, this profile is skewed towards those who intend to take their pensions sooner. This is likely to be very different from the wider population of all those with unaccessed DC pensions aged 50+. For this reason, we have weighted the sample of website visitors and non-users to a similar profile, in terms of proximity to access. This additional weighting ensures that the data are comparable to appointment bookers and not unduly skewed by differences in their proximity to access.

Figure 2.4: When appointment bookers expect to finalise their pension access arrangements

Q. Which of these best represents when you intend to make formal arrangements for taking money from your defined contribution pension or pensions?



Base: 1,595 appointment bookers, excluding any who refuse to answer

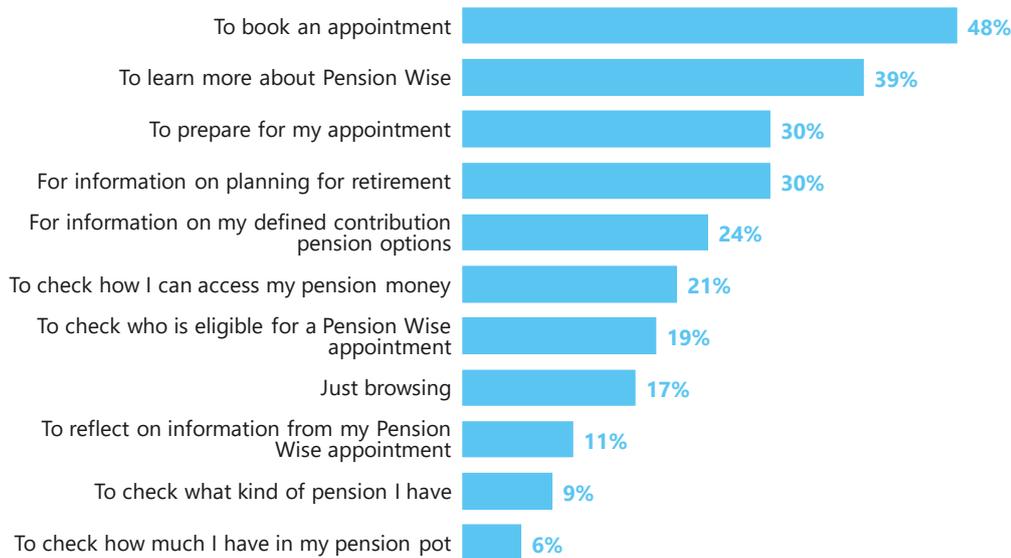
Internet and Pension Wise website usage

An overwhelming majority of appointment bookers (95%) use the internet, with seven in ten (72%) using it daily.⁶ Three-quarters (75%) have visited the Pension Wise website at some point. Two-thirds (67%) specifically use the website before their appointment, while four in ten (38%) use it after their appointment. These groups overlap, since three in ten (30%) use the website both before and after talking with a guidance specialist.

For the first time in 2018/19, the service evaluation explores why appointment bookers have used the Pension Wise website, based on what they can recall about their website visit. Figure 2.5 shows that the main reasons are to book a Pension Wise appointment, learn about Pension Wise, prepare for an appointment already arranged, or to learn more about planning for retirement generally.⁷

⁶ The figures in this section exclude the one per cent of appointment bookers that do not know if they have internet access or prefer not to answer.

⁷ This is asked unprompted for telephone respondents and with a prompted list for online respondents, with the option to give an "other" response.

Figure 2.5: Most common reasons for appointment bookers using the Pension Wise website**Q. What did you initially visit the Pension Wise website for?**

Base: 1,327 appointment bookers who also visit the Pension Wise website
Most common responses shown (registering 5% or higher).

The Pension Wise website does play a major role in driving people towards the appointments service. Among those who use the website before attending their appointment, over half (56%) say that they booked their appointment as a result of what they saw or read on the website. This represents around a third (35%) of all appointment bookers saying that the website drove them to make an appointment.

Further financial advice and guidance outside Pension Wise

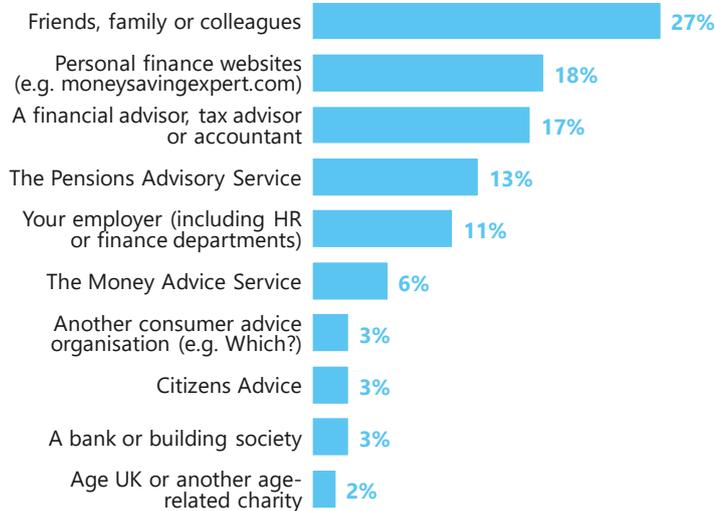
Before using Pension Wise, over half (54%) of appointment bookers have sought financial advice or guidance about their pension options from other sources, laid out in Figure 2.6.

Informal advice from friends and family is the most common category mentioned (27%). A similar proportion cite what is likely to have been unpaid guidance from a range of non-public sector advice and guidance organisations (Age UK, Citizens Advice, Which? etc.) and websites (e.g. moneysavingexpert.com), banks and employers (these categories amount to 30% combined). This is followed by:

- independent financial advisors and tax advisors, likely to have been paid advice or guidance (17%)
- other public sector advice and guidance sources (15% in total), including the former Money Advice Service (6%) and TPAS (13%), both of which are now part of the Money & Pensions Service alongside Pension Wise.

Figure 2.6: Sources of advice and guidance about defined contribution pensions outside of Pension Wise

Q. In the last 12 months before your Pension Wise appointment, did you receive any financial advice or guidance about your defined contribution pensions from any of the following sources?



Base: 1,748 appointment bookers

This pattern of responses is broadly similar to previous years of the service evaluation.

Attitude towards financial management and planning

We ask a series of attitudinal questions to gauge people's approaches to managing finances, seeking financial advice and planning for retirement. These show that, on the whole, appointment bookers are financially confident, forward-looking and strongly risk-averse:

- Three-quarters (76%) are confident at managing money (i.e. ranking themselves between 7 and 10 on a scale of 0 to 10, where 10 is completely confident).
- Three-fifths (59%) see themselves as confident and savvy consumers of financial products.
- Two-thirds (64%) *disagree* that they would rather think about today than plan for the future.
- The vast majority (84%) agree that they would rather be safe than sorry when it comes to taking chances generally (and 63% strongly agree).

Appointment bookers are also, by large, willing to seek financial advice:

- Three-quarters (74%) say that they would pay for financial advice that was reasonably priced.
- Half (52%) feel that they would know where to look for a financial advisor.
- Half (50%) trust that financial advisors act in the best interests of their clients.

Broadly speaking, this attitudinal profile is similar to the overall target audience for the Pension Wise service (unaccessed DC pension holders aged 50–70). Pension Wise customers are a little less confident and a little less likely to pay for financial advice than this group as a whole.

Men tend to feel a little more confident about their financial management than women (78% vs. 72% are confident). This kind of gender difference is not unique to the Pension Wise audience. For instance, the FCA's Financial Lives 2017 survey finds that 78 per cent of men across all age groups are financially confident, compared with 73 per cent of women.⁸

In this service evaluation, men also tend to be a little more confident than women when it comes to seeking financial advice. They are more likely to agree that they would pay for financial advice (76%, vs. 70% of women). They are more likely to feel they would know where to look for a financial advisor (55% vs. 45% of women).

Those with relatively small defined contribution pension pots under £10,000 are less likely to feel confident managing money (67%, vs. an average of 76%).

Comparing financial attitudes of Pension Wise appointment bookers to the wider population

The FCA's Financial Lives 2017 survey (the latest published dataset) finds, with a comparable question, that 75 per cent of adults aged 18 and over are confident at managing money.⁸ This matches the Pension Wise appointment booker population.

However, in other areas, Pension Wise appointment bookers differ from the norm.

- They are more likely to see themselves as confident and savvy around financial products (59%, vs. 51% of all adults in Financial Lives).
- They are more risk averse (84% would rather be safe than sorry, vs. 77% of all adults).
- And they are much more open to paying for financial advice (74%, vs. 46% of all adults).

⁸ The Financial Lives survey is available at <https://www.fca.org.uk/publications/research/understanding-financial-lives-uk-adults>.

Differences between face-to-face and telephone appointment bookers

The age distribution and proximity to pension accessing pension pots is similar for face-to-face and telephone appointment bookers.

They differ in other ways, although the extent of these differences is typically a handful of percentage points. Telephone appointment bookers are, compared to face-to-face appointment bookers:

- more likely to be female (41% vs. 35%)
- more likely to be disabled (19% vs. 14%)
- less likely to be in full-time employment (33% vs. 40%), which may be linked to the gender differences, and more likely to instead be retired (36% vs. 30%)
- more likely to have higher monthly household incomes (21% receiving £4,000 per month, vs. 14%) but also more likely to have smaller defined contribution pension pots (24% with pension pots of £20,000 or less, vs. 15%)
- less positive about paid financial advice (17% *disagree* they would pay for it vs. 11% of face-to-face appointment bookers, while 27% do not trust financial advisors to act in their interests vs. 21% of face-to-face appointment bookers).

Beyond their attitudes to financial advice specifically, the financial attitudes of both groups are similar.

The differences between these two audience groups have changed in each year of the service evaluation. This suggests that there is no particular demographic group that strongly leans towards telephone or face-to-face appointments each year.

How customers differ from non-completers

The overwhelming majority (86%) of appointment bookers complete their Pension Wise appointment. Only a small proportion do not complete them (8%) or miss the scheduled appointment (6%). The relatively small samples of non-completers mean that only limited comparisons can be made between these groups.

- Non-completers and non-attenders are more likely to have smaller defined contribution pension pots, valued at £10,000 or less (21% of those with incomplete appointments and 21% of those who miss appointments, vs. 8% of appointment customers, i.e. those who do complete it).
- These groups differ in terms of proximity to accessing pension pots. Appointment customers are more likely than non-completers to say they will access their pension pots within a year of using Pension Wise (32% vs. 21%), whereas non-completers are more likely to say they have already made arrangements for their pension pots (36%, vs. 21% of appointment customers). This suggests that many of those who attend but do not finish their appointments already have a preferred option in mind before they use Pension Wise, and their use of the service may be more for validation or reassurance.
- Those who attend but do not complete the appointment are more likely to be employed part-time (20%, vs. 11% of those who appointment customers).

Self-serve web customers

It should be noted that the self-serve customers sampled in this service evaluation are not necessarily representative of everyone using the digital self-service tools on the Pension Wise website. This is because these customers are required to opt into the survey sample at the start of the self-serve journey.

Nevertheless, in terms of gender, age band and disability, the achieved profile of self-serve customers is very similar to that of appointment bookers. This suggests that the groups using the face-to-face, telephone and digital channels are not markedly different from each other demographically.

- Two-thirds of self-serve web customers are men (66%), and a third are women (34%).
- Seven in ten (69%) are aged 55 to 64 (vs. 61% of appointment bookers).
- A total of 14 per cent are disabled (closely in line with the 15% of appointment bookers).

Appointment bookers and self-serve customers are also very similar in terms of their household income and pension pot size distributions, and in terms of when they plan to access their pension pots. Around a fifth (18%) have already made their pension access arrangements around one month after using the digital self-service tools and a further third (33%) expect to do so within a year.⁹

In terms of their attitudes, self-serve customers are also similar to appointment bookers, with over half (56%) feeling they are confident and savvy consumers of financial products (vs. 59% of appointment customers). Both groups have similar attitudes to paid financial advice as well.

⁹ The figures in this section make the same exclusions from base sizes for self-serve customers as for appointment bookers. We exclude from the base those who say they do not know, or refuse to answer about their gender, age or disability status. We also exclude those who refuse to answer about their pension access arrangements.

Views on Pension Wise as a whole

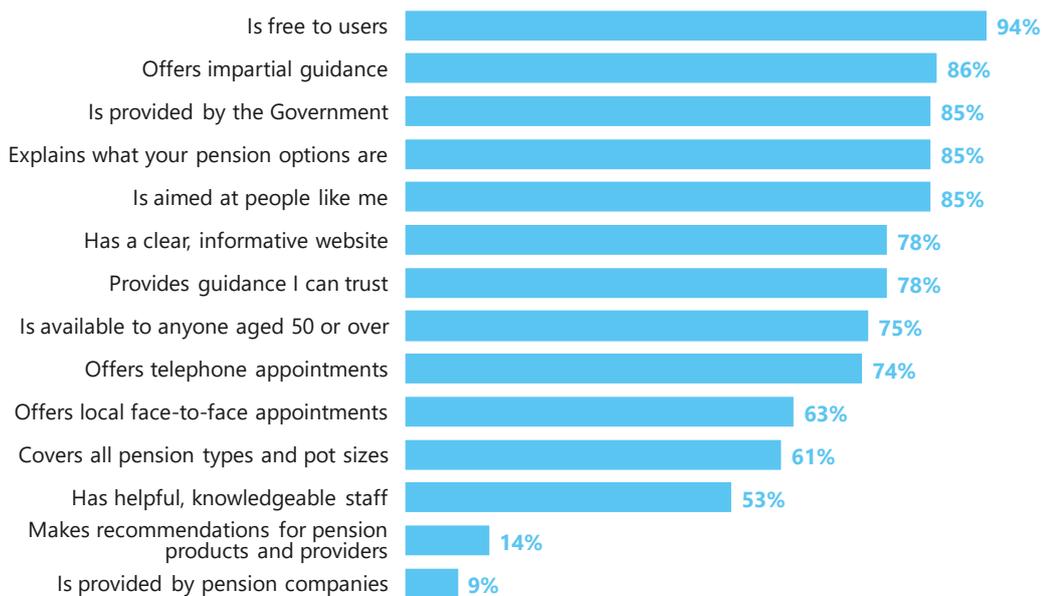
We ask self-serve customers about the attributes they feel Pension Wise has. These are a mixture of factual attributes, such as being provided by the Government, and more subjective attributes, such as trustworthiness. Figure 2.7 shows that self-serve customers by large view Pension Wise in a positive light. The vast majority are aware that this is a Government service and that it is impartial.

Around a quarter (26%) of these customers are not aware that Pension Wise offers telephone appointments, and two-fifths (37%) do not realise it offers face-to-face appointments.

One attribute that is less well rated is around having helpful, knowledgeable staff (53%). However, this is among customers that have not necessarily had an appointment. Among the 23 per cent who have attended an appointment, virtually all (95%) say staff are helpful and knowledgeable.

Figure 2.7: Attributes that self-serve customers associate with Pension Wise

Q. Do you think Pension Wise ... ?



Base: 703 self-serve web customers

Among these self-serve customers, men are more likely than women to think, wrongly, that Pension Wise offers recommendations for pension products and providers (17% vs. 8%). Beyond this, there are no major differences by gender or age.

Platforms used to access the Pension Wise website

The vast majority of self-serve customers (84%) have accessed the website via a computer or laptop. Over a third (36%) have accessed it via a smartphone or tablet. These two results overlap, with a fifth (20%) using the Pension Wise website both via a computer and a mobile device.

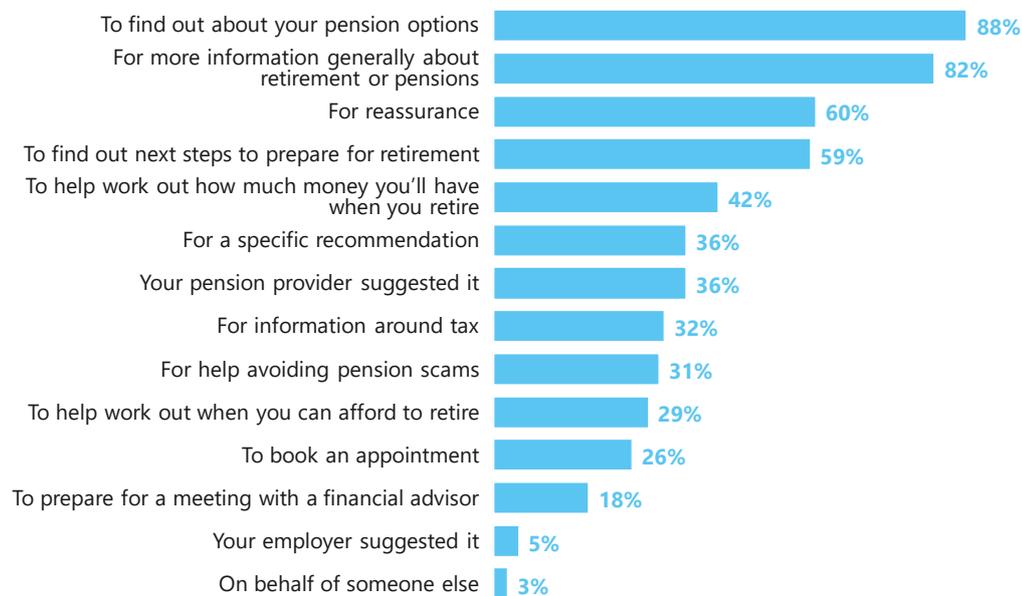
Women are more likely than men to see the self-serve journey on their mobile device (45% vs. 31%). Younger customers, aged 55 and under, are also among the most likely to view it on a mobile device (45%, vs. 36% overall).

Reasons for visiting the website

As Figure 2.8 shows, there is a wide range of reasons that self-serve customers visit the website. This question is asked as a prompted list. The most common reason is in line with the core aim of Pension Wise guidance, to help people understand their pension pot options. Beyond this, a large majority of self-serve customers, from six to eight in ten, are also looking for more general information, guidance and reassurance related to retirement planning.

Figure 2.8: Most common reasons for self-serve web customers using the Pension Wise website

Q. Which of the following, if any, were your main reasons for visiting the Pension Wise website [on the same day you used the self-serve guidance]?



Base: 703 self-serve web customers

Two-thirds (66%) pick five or more reasons from the list in Figure 2.8, while eight in ten (80%) pick four or more reasons. This highlights that most come to the website looking for a range of information and guidance.

Self-serve customers' awareness of the kind of pension they have

Only those with unaccessed defined contribution pensions are eligible for Pension Wise face-to-face and telephone appointments. By contrast, even though the digital guidance on the Pension Wise website is also designed specifically for people with defined contribution pensions, there is no way to stop others accessing it.

In the self-serve customer survey, three-quarters (74%) report having a defined contribution pension. A total of 14 per cent say they do not, and 12 per cent say they do not know (with the question giving examples of defined contribution pensions).

There could be a variety of explanations for this. Firstly, some of the 26 per cent that do not recall having a defined contribution pension may be visiting the website for general guidance on retirement planning, as the findings in the previous section confirm. Some may be visiting on behalf of someone else, although as Figure 2.8 suggests, this is a very uncommon reason for this group visiting the website. Finally, many may not realise they have a defined contribution pension, despite the explanation in the question. In many cases for this 26 per cent, their responses at later questions or in the follow-up survey confirm that this is the case.

Website visitors and non-users

The website visitor and non-users audience groups are used as comparison groups in this service evaluation. Website visitors are those who used the Pension Wise website. They may or may not have accessed the self-serve guidance on the website but are, in any case, sampled completely separately from those taking part in the self-serve customer surveys.

In this service evaluation, the website visitor and non-user results have been weighted to match the demographic profile of appointment bookers. Therefore, they have, when combined, an identical profile to appointment bookers in terms of gender, age band, work status, internet usage, and how soon they expect to access their defined contribution pension pots.

However, there are differences between the website visitor and non-user profiles:

- Website visitors are more likely to be men (71%, vs. 59% of non-users).
- Website visitors tend to be more confident about managing money (81% are in the "high confidence" group, vs. 71% of non-users).
- Website visitors are more likely than non-users to say they will access their pension pots within the next year (40% vs. 29%, both compared to 31% of appointment bookers).

Overall, this indicates that website visitors tend to be a little further advanced than non-users in terms of their financial engagement and planning. These differences may explain the relatively high level of action taken by website visitors to progress their pension pot options, as covered in Chapter 11. It is why our primary comparison group for appointment bookers and appointment customers is the more closely matched non-user group.

3 Customer acquisition and appointment booking

This chapter explores how people arrive at Pension Wise, where they find out about it, and how and why they make appointments. It also looks at why a small number of people miss appointments or do not finish them., and why non-users do not book appointments

Where people hear about Pension Wise

Appointment bookers are most likely to hear about Pension Wise from their pension provider (56%).¹⁰ This is also where many self-serve web users (47%) have heard about the service. Beyond this, the most common places for appointment bookers to hear about the service are through advertising (24%), on the GOV.UK website (23%) and general internet searching (16%). As expected, self-serve customers are more likely to get routed to this digital service through GOV.UK (46%) or online searching (25%).

We show the remaining most common sources in Figure 3.1. Around two-fifths (38%) of appointment bookers recall hearing about Pension Wise from more than one source. This is the case for around half of self-serve customers (53%).

Figure 3.1: Where appointment bookers and self-serve web customers hear about Pension Wise

Q. Before your Pension Wise appointment, where had you seen or heard about the service?



Bases: 1,763 appointment bookers; 703 self-serve web customers
Most common responses shown (registering 5% or higher among appointment bookers).

¹⁰ This is asked unprompted for telephone respondents and with a prompted list for online respondents.

There are also differences between face-to-face and telephone appointment bookers. Those with telephone appointments are more likely to be drawn to Pension Wise through pension providers (62%, vs. 53% of face-to-face appointment bookers). This difference is consistent with previous years of the evaluation. Those with face-to-face appointments are more likely to hear about Pension Wise via advertising (26% vs. 18%).

Older appointment bookers are more likely to hear about the service through their pension provider (68% of those aged 65 and over, vs. 35% of those aged 50 to 54). There is a similar pattern by age among self-serve customers.

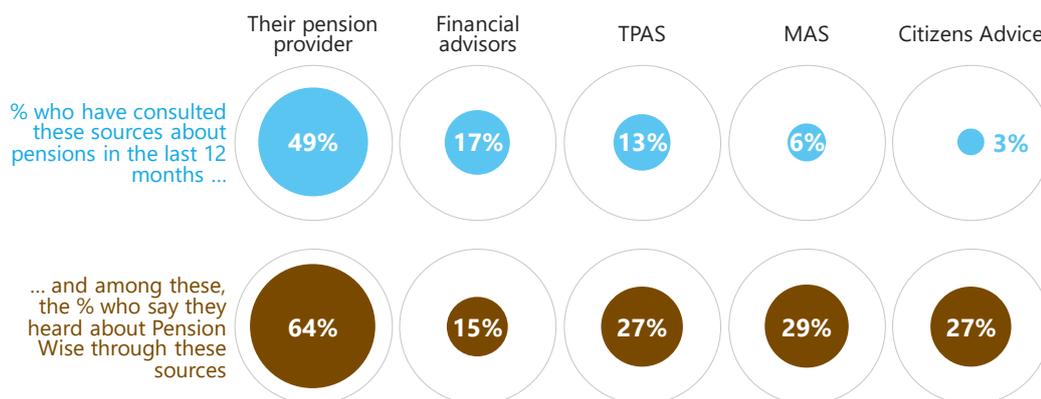
The proportion of appointment bookers hearing about Pension Wise from their pension provider is 56 per cent in 2018/19. It was 53 per cent in 2017/18, which itself was up from 43% in 2016/17. This suggests a general upwards trend in pension providers mentioning Pension Wise to their customers or signposting them to the service. Outside of this trend, the appointment booker findings are consistent with those from 2017/18.

The advice and guidance sources that advocate Pension Wise the most

Figure 3.1 shows that, overall, the proportion of appointment bookers directed to Pension Wise from Citizens Advice, the Money Advice Service and TPAS is relatively small. However, when rebasing these findings among the appointment bookers that have actually used these other advice and guidance services (which we covered in Chapter 2), the proportions introduced to Pension Wise by them are closer to three in ten. Figure 3.2 shows these results.

This proportion is lower among those consulting financial advisors. As we explore in Chapter 11, Pension Wise customers are more likely to seek financial advice after their appointment than before it (among appointment customers, 22% seek it before their appointment and 34% seek it within three months of their appointment).

Figure 3.2: Sources of financial advice and guidance that drive individuals to Pension Wise



Bases: 1,763 appointment bookers; 755 that have spoken to their pension provider; 320 that have spoken to a financial advisor; 231 that have used TPAS; 103 that have used MAS; 52 that have used Citizens Advice

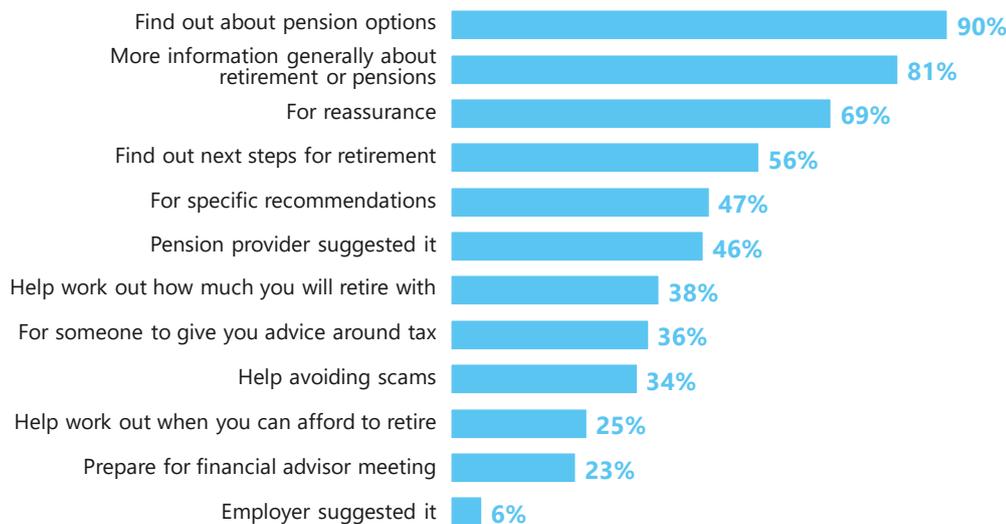
These findings have shifted since 2017/18. Among those that have used TPAS, the proportion introduced to Pension Wise by them has increased (from 15% in 2017/18 to 27% in 2018/19).

Reasons for using Pension Wise

Nine in ten appointment bookers (90%) say that one of the main reasons for them using Pension Wise is to find out about their pension options, i.e. in line with the service's core purpose.¹¹ Other commonly mentioned main reasons, shown in Figure 3.3, are to get more information about retirement and pensions generally (81%), for reassurance (69%) and to find out their next steps for retirement (56%). More than half of appointment bookers cite each of these reasons. The reasons given are very similar to those in 2017/18.

Figure 3.3: Main reasons for booking a Pension Wise appointment

Q. Which of the following, if any, were your main reasons for arranging an appointment with Pension Wise?



Base: 1,763 appointment bookers

Face-to-face and telephone appointment bookers are equally likely to say that a main reason for using Pension Wise is to find out about their pension options. However, there are differences between these two groups. Face-to-face appointment bookers are more likely to be looking for information on retirement generally (83%, vs. 75% of telephone appointment bookers), and to want to know the next steps they should be taking (59% vs. 50%). Telephone appointment bookers are more likely to say their pension provider suggested it (53% vs. 43% of face-to-face appointment bookers).

Those with relatively large pension pots (valued at £100,000 or more) are more likely than others to say they booked an appointment to prepare for a meeting with a financial advisor (29%, vs. 23% on average).

¹¹ This is asked unprompted for telephone respondents and with a prompted list for online respondents, with the option to give an "other" response. This data collection approach applies to all the questions in this chapter that ask why people have or have not used Pension Wise.

Appointment bookers' understanding that Pension Wise is an impartial service

Pension Wise provides impartial guidance. This means it does not provide specific recommendations for what people should do with their pension pots. Nevertheless, just under half of appointment bookers (47%) say they come to Pension Wise with a view to getting specific recommendations. This is consistent with the 2017/18 and 2016/17 findings. It suggests that managing customer expectations around what the service provides, in terms of guidance or advice, remains a challenge.

Among the six per cent of appointment bookers that miss their scheduled appointments, two-thirds (66%) say that one of their main reasons for booking the appointment is to get a specific recommendation. This is considerably higher than average. It may be that one of the reasons these individuals do not end up attending their appointment is because they realise beforehand that Pension Wise does not provide advice. Therefore, Pension Wise is already addressing some of these misperceptions before people attend. Moreover, these individuals are no less satisfied with their appointment than the average customer (92% satisfied, vs. 93% overall, which we cover further in Chapter 3).

In addition, 99 per cent of appointment customers (those that complete their appointments) recall their Pension Wise guidance specialist explaining to them during the appointment that the service is impartial and does not make specific recommendations on what they should do with their pension money. Therefore, these customers appear to be fully appraised of these limitations during their appointment.

As discussed in Chapter 2, the vast majority of self-serve customers are also aware of the impartial nature of Pension Wise, albeit to a lesser extent than those using the appointment service. In total, 86 per cent of self-serve customers think Pension Wise offers impartial guidance, whereas 14 per cent think it makes recommendations for pension products and providers.

Arranging an appointment

The ways in which people arrange appointments

In the 2018/19 survey sample, half of appointment bookers (49%) arranged their appointment by telephone and just under half arranged it online (44%). It is much less common for appointments to be arranged in person at Citizens Advice or through their employer. Broadly, these estimates match Pension Wise's own management information, which shows that:

- 50 per cent arranged appointments by telephone
- 35 per cent arranged them online
- 11 per cent arranged them in person
- 3 per cent arranged them through their employer.

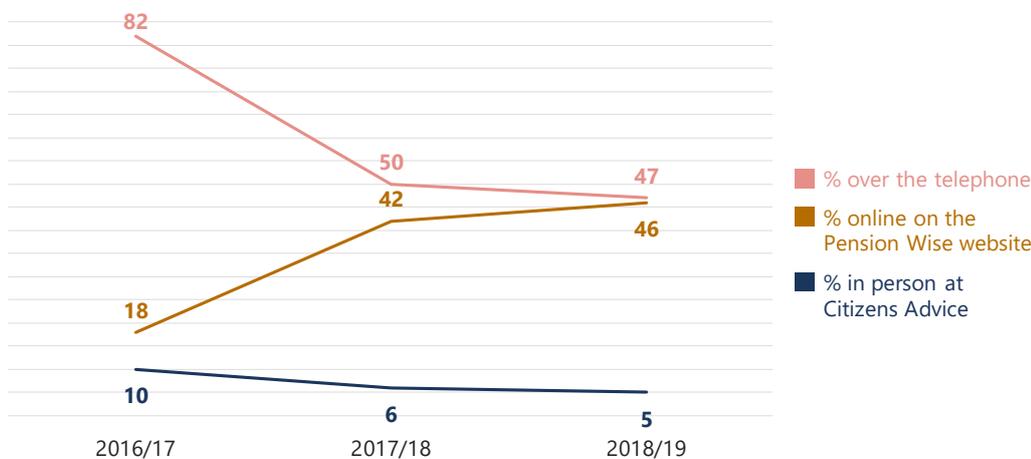
Those who book face-to-face appointments are most likely to book these on the Pension Wise website (48% book online, vs. 42% over the phone). As expected, most of those who book telephone appointments do this over the phone (64% over the phone, vs. 34% online).

Figure 3.4 shows that the ways in which people book their appointments has evolved over time. To enable direct comparisons over time, we have looked specifically at the subgroup of appointment bookers that use the internet (so are capable of booking online appointments).

Pension Wise introduced their online booking system in summer 2016, partway through the 2016/17 service evaluation period. Since then, more and more people have opted to book appointments online. Telephone booking has become less common as a result, but it still accounts for around half of all bookings among internet users (47% book over the phone).

Figure 3.4: Trend data for the ways in which people book appointments

Q. In which one of these ways did you arrange an appointment with Pension Wise?



Bases: 1,600+ appointment bookers that use the internet each year

Problems or issues when arranging appointments

Very few appointment bookers, just eight per cent, report any problems or issues when trying to arrange an appointment with Pension Wise. This figure is broadly the same regardless of the way in which they book the appointment or the type of appointment they are booking (face-to-face or telephone). Older customers aged 65 and over are more likely to have problems in this way (13%, vs. 7% of those aged under 65), although this is still a small minority of this age group.

Among this eight per cent, the most commonly raised issue is the long waiting time available until the next appointment (49% of those that have problems booking by telephone and 43% of those that have problems online).

The overall proportion saying they have problems with appointment booking is similar to 2017/18 (when it was 10%). The pattern of reasons they give is also similar. However, the proportion citing long waiting times for available appointments has fallen (from 62% in 2017/18 to 47% in 2018/19), suggesting that the measures Pension Wise has taken to reduce waiting times have had a positive effect.

Whether self-serve customers want appointments

There is a sizeable overlap between the appointment booker and self-serve customer populations, with three in ten self-serve customers (31%) saying they have booked a Pension Wise appointment. This includes 23 per cent who book and attend an appointment *before* completing the self-serve journey on the website and eight per cent who book and attend their appointment *after* completing the self-serve journey. In other words, where both an appointment and a self-serve journey are completed, the latter is mostly used as a follow-up to an appointment.

A further 37 per cent of self-serve customers have not yet booked an appointment but say they may do so in the future. A quarter (25%) expressly rule out booking an appointment in the future.

One of the common reasons for using the self-serve journey instead of booking an appointment is the convenience of it. Over two-fifths (44%) of self-serve customers agree that it was more convenient for them than having a face-to-face or telephone appointment. Three in ten (31%) neither agree nor disagree. Just two in ten (21%) disagree.

Among these latter two groups that do not necessarily find an online service more convenient, 45 per cent have already booked or attended a Pension Wise appointment and 33 per cent say they may book one.

These findings are largely the same across gender and age groups.

Reasons for missing or not completing an appointment

As noted in Chapter 2, 14 per cent of appointment bookers are listed as either not completing their appointment (8%) or missing a scheduled appointment (6%). However, when questioned about this, just over a third of this group (36%) say that they did complete or attend their appointment at a later date. In some cases, this may be because an appointment booker attended the appointment but left before the full contents had been delivered.

A small proportion of the group who do not complete or attend their appointments turn out to be ineligible for Pension Wise (6%), either because they do not have the right kind of pension (an unaccessed defined contribution pension) or are the wrong age (at least 50).

Beyond this, the most common reason for not completing is because something else comes up or people decide they need to be somewhere else (11%). Comparatively few say that the content of the appointment was a problem, for example in terms of not being useful or relevant, being hard to understand, being too long or not telling them anything new (12%).

Reasons for not booking an appointment

The comparison survey of non-users provides an opportunity to understand why those eligible for Pension Wise do not use the guidance service. Around half (47%) of non-users have not heard of Pension Wise at all.

Of the 53 per cent that have heard of the service, the most common reasons given for not booking an appointment are: saying they can get what they need from a financial advisor (23%), feeling they already know enough (19%) or saying they will book an appointment at a later date (17%).

Very few non-users mention reasons that relate to the perceived usefulness of the Pension Wise service. These include it being too basic, not personalised enough, not knowing enough about their specific pension, or not being able to tell them anything new. Taken together, these four reasons are mentioned by 12 per cent of website users and eight per cent of non-users.

We also ask website visitors (those who visited the Pension Wise website but did not necessarily use the self-serve guidance on the website) this question. The pattern of answers among this group is similar to the non-users who have heard of Pension Wise.

In the 2017/18 service evaluation, a fifth (19%) of website visitors said they were not aware they could book a Pension Wise appointment. This has fallen to seven per cent in 2018/19. Other than this, there has been no major change in the reasons given for not booking an appointment, by either the non-user or website visitor groups, since 2017/18.

Customer satisfaction and advocacy



4 Overall satisfaction

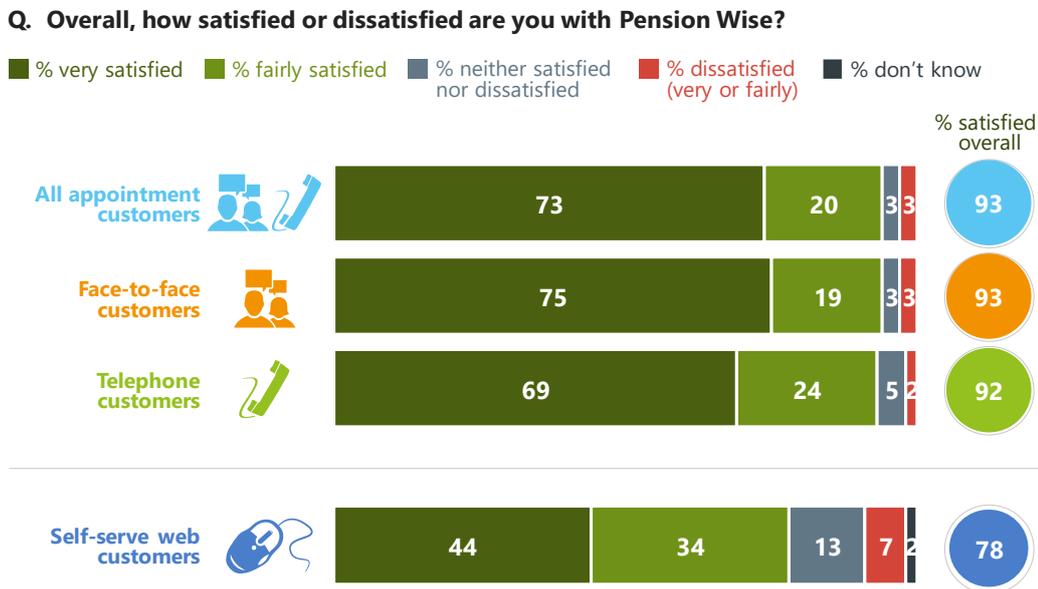
This chapter focuses on appointment customers (who complete their appointments) and self-serve web customers. It looks at their satisfaction with their entire Pension Wise experience.

The Pension Wise service continues to be rated extremely positively. Over nine in ten appointment customers are satisfied with the service overall (93%). This is equally high for face-to-face (93%) and telephone (92%) customers. However, as Figure 4.1 shows, face-to-face customers are more likely to feel very satisfied (75%) than telephone customers (69%).

Among self-serve customers, eight in ten (78%) are satisfied with their Pension Wise experience. More are very satisfied (44%) than *fairly* satisfied (34%). The difference between customers who have face-to-face or telephone appointments and those who use the self-serve guidance on the website is expected. It reflects that having an appointment is a more intensive intervention than using a digital tool.

Dissatisfaction with the service is very low across all customer groups. Just three per cent of face-to-face customers, two per cent of telephone customers, and seven per cent of self-serve customers are dissatisfied.

Figure 4.1: Overall satisfaction with Pension Wise
(around one month after interaction with the service)



Bases: 1,589 appointment customers; 1,035 face-to-face customers; 554 telephone customers; 703 self-serve web customers

The subgroups of customers that are more satisfied

For both appointment and self-serve customers, there is consistently high satisfaction by age band, by gender and between customers with different pot sizes. There are, nonetheless, a small number of subgroups who are particularly positive about their experience:

- For both appointment customers and self-serve customers, satisfaction is typically higher among those that have high confidence managing their money (e.g. 94% of high-confidence appointment customers are satisfied, vs. 83% of low-confidence appointment customers).
- Four-fifths of appointment customers (79%) recall looking at the summary document they receive after their appointment. Those who recall looking at it are more likely to be satisfied with their appointment than those who do not remember receiving the document (97% vs. 83%).
- Across appointment customers, those who are already retired (or retired within one month of their appointment) tend to be more satisfied than those who are not retired (96% vs. 92%).

It is worth noting that face-to-face customers, despite being more strongly satisfied, are less likely than telephone customers to be retired (covered in Chapter 2). This suggests that the stronger satisfaction among face-to-face customers is not simply due to them being demographically different from telephone customers.

Face-to-face and telephone customers with and without long-term conditions or disabilities are equally highly satisfied with their appointment. Among self-serve customers, those with a long-term condition or disability report lower satisfaction than those without (70% vs. 81%), although the vast majority are still satisfied. As we explore later in this section of the report, this difference may be linked to perceptions of website accessibility among this audience – how easy they feel it is to navigate and find what they need on the website.

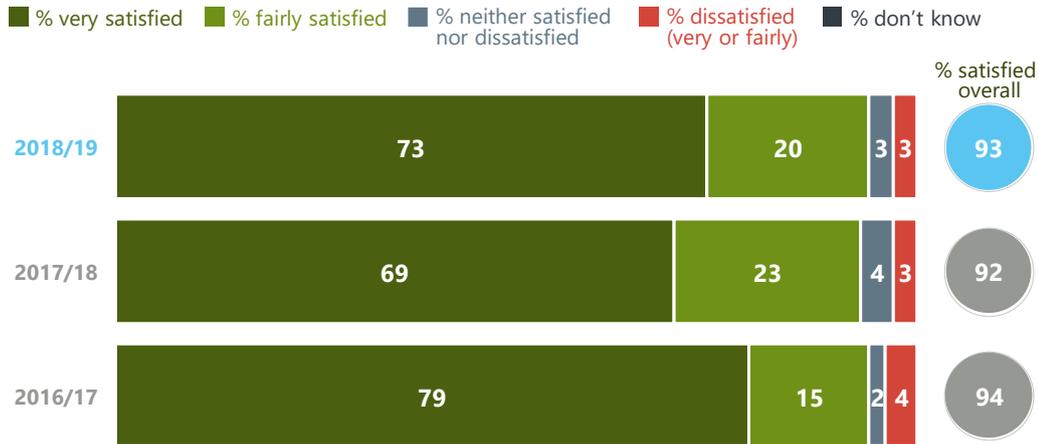
Among self-serve customers, around a third (32%) say one of their main reasons for visiting the Pension Wise website is for information on tax. These customers tend to be more satisfied with the website than average (86% vs. 78%). Those visiting for other specific reasons are all, broadly, equally satisfied.

Trend in satisfaction

These high levels of satisfaction among Pension Wise customers have been consistent over the three years of the service evaluation, as Figure 4.2 highlights.

Figure 4.2: Trend data for overall satisfaction with Pension Wise

Q. Overall, how satisfied or dissatisfied are you with Pension Wise?



Bases: 1,500+ appointment customers each year

This year, overall satisfaction is in line with the 2017/18 score (93%, vs. 92% in 2017/18). The proportion saying they are very satisfied has increased this year (to 73%, vs. 69% in 2017/18). The improvement is strongest among face-to-face customers where 75 per cent are very satisfied, compared with 69 per cent in 2017/18.

In 2017/18, the service faced challenges from a combination of operational efficiencies and increased customer volumes. Pension Wise put measures in place to alleviate the impact of these changes in 2018/19, including recruiting more Guidance Specialists and allowing more flexibility in how people book appointments. This may explain the improvements seen in this latest evaluation.

5 Satisfaction with specific aspects

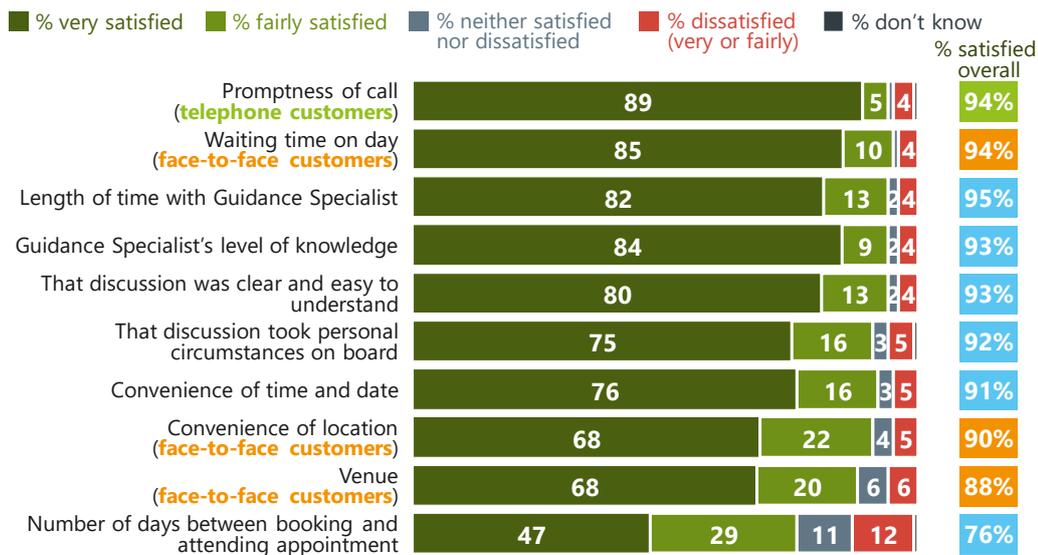
The evaluation also includes diagnostic measures of satisfaction, to see if there are any aspects of the service that customers are particularly pleased or displeased with, and to monitor if the service is performing to the required standard. These questions are asked of appointment customers and self-serve web customers (each around one month after their interaction with the service).

Appointment customers

Appointment customers are highly satisfied with specific aspects of the service, as Figure 5.1 shows. On most aspects, nine in ten are satisfied, including: the Guidance Specialist’s knowledge, waiting times on the day, appointment length, clarity, personalisation and convenience. Moreover, seven in ten or more are very satisfied with every aspect covered, bar one (the waiting time between booking and attending).

Figure 5.1: Appointment customer satisfaction with specific aspects of the appointment (including aspects relevant to face-to-face customers or telephone customers only)

Q. How satisfied or dissatisfied were you with the following aspects of the appointment?



Bases (from a random allocation of statements across respondents): c.1,000 appointment customers; 985 face-to-face customers; 541 telephone customers
 Unlabelled bars ("neither satisfied nor dissatisfied" and "don't know") are 1%.

Face-to-face customers are more likely to be satisfied than telephone customers with the number of days between booking and attending their appointment (80% vs. 66%).

Appointment customers with a long-term illness, health problem or disability are more likely than others to be satisfied with the convenience of the appointment location (91% vs. 83% on average).

Given the high satisfaction levels across each of these indicators, it is also useful to explore which customer groups are most likely to be *very* satisfied with certain aspects:

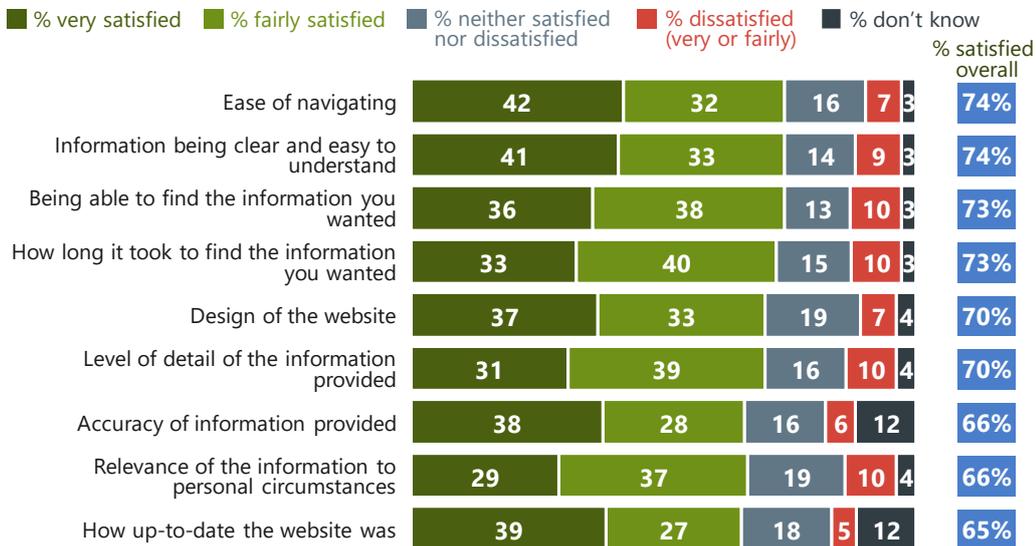
- Face-to-face customers are also more likely than telephone customers to be *very* satisfied that the discussion took on board personal circumstances (77% vs. 70%).
- Customers who arrange their appointment online through the Pension Wise website are more likely to be *very* satisfied with the time taken between booking and attending their appointment, than those who arrange by telephone (50% vs. 42%). This reverses the finding from 2017/18, when those arranging online tended to be less satisfied than average with the time taken.
- Those who arrange a telephone appointment through the website are also more likely to be *very* satisfied with the promptness of the call than those that arrange it by telephone (94% vs. 86%).

Self-serve web customers

The majority of self-serve customers are also satisfied with various specific aspects of the Pension Wise website, which Figure 5.2 shows. The most highly rated features are the ease of navigation and finding information, and the clarity of the information provided. Even in the less highly regarded areas, around two-thirds are satisfied. This includes the relevance and accuracy of the information, and how up-to-date it is.

Figure 5.2: Self-serve web customer satisfaction with specific aspects of the Pension Wise website

Q. How satisfied or dissatisfied were you with the following aspects of the website?



Base: 703 self-serve web customers

Trends in satisfaction with specific aspects of the service

On most aspects, satisfaction among appointment customers is on par with 2017/18 results. In two areas affecting face-to-face customers, satisfaction has improved since 2017/18, with more now saying they are *very* satisfied. This includes:

- the convenience of the location (68%, vs. 63% in 2017/18)
- the venue (68%, vs. 62% in 2017/18).

This may help to explain why overall satisfaction with Pension Wise has improved, most notably among face-to-face customers.

Self-serve customers are included for the first time in 2018/19, so the findings at Figure 5.2 represent the baseline data for these customers.

6 Advocacy

As the previous chapters show, Pension Wise customers hold the service in high regard. They are also strong advocates for it.

In total, 95 per cent of appointment customers report that they have already recommended the service or are likely to do so. This is the same across face-to-face and telephone customers. Similarly, almost nine in ten self-serve customers (87%) say this.

As Figure 6.1 shows, around a quarter of appointment customers say they have *already* recommended Pension Wise to others, within one month of their interaction with the service. Among all customer types, the strength of feeling is such that far more say they would be *very* likely to recommend, and not just *fairly* likely.

Figure 6.1: Likelihood to recommend Pension Wise or the Pension Wise website
(around one month after their interaction with the service)

Q. How likely is it, if at all, that you would recommend Pension Wise* to others?

■ % already recommended
 ■ % very likely
 ■ % fairly likely
 ■ % not very likely
 ■ % not at all likely
 ■ % don't know
 % already/likely to recommend



Bases: 1,589 appointment customers; 1,035 face-to-face customers; 554 telephone customers; 703 self-serve web customers
Unlabelled bars ("not at all likely" and "don't know") are 1%.

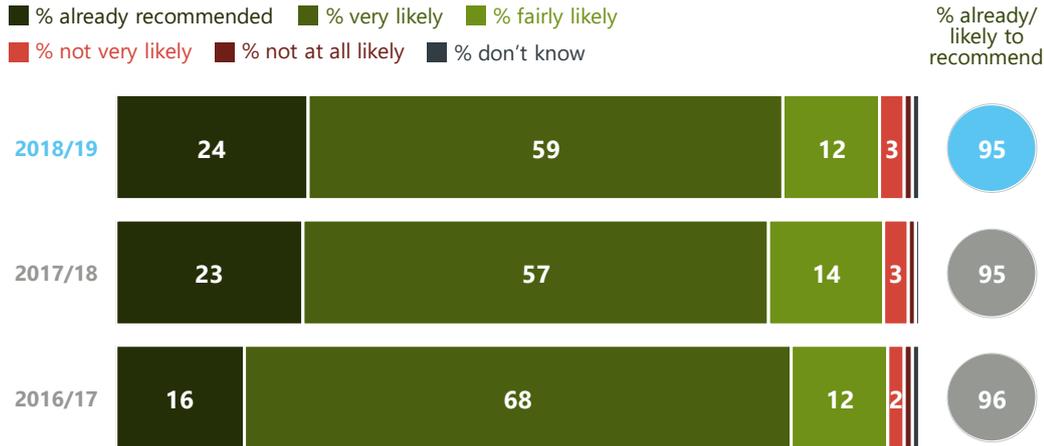
Across both appointment and self-serve customer groups, those aged under 55 are more likely to have already recommended the service than those aged 55 and over. For example, among appointment customers, 32 per cent of those aged 50 to 54 have done so, compared with 23 per cent of older customers.

Trend in advocacy

It is worth recalling that the proportion of appointment customers saying they had already recommended Pension Wise was 16 per cent in 2016/17. This rose to 23 per cent in 2017/18. This earlier improvement has therefore been maintained in 2018/19, as Figure 6.2 shows.

Figure 6.2: Trend data for likelihood to recommend Pension Wise

Q. How likely is it, if at all, that you would recommend Pension Wise to others?



Bases: 1,500+ appointment customers each year
 Unlabelled bars ("not at all likely" and "don't know") are 1%.

7 Potential improvements

We ask about reasons for dissatisfaction and ideas for improvement in the surveys. There are very low levels of dissatisfaction among appointment customers (3% dissatisfied with their overall experience) and self-serve customers (7% dissatisfied). This suggests that customers do not want any substantive changes. Among those that do have something to raise, there are nevertheless a small set of common themes, which we discuss here.

Reasons for dissatisfaction

When asked, the top reasons customers give for being dissatisfied are typically about the following issues, rather than about technical issues, accessibility or convenience:

- not getting an answer to their specific question
- thinking the service or guidance is insufficiently personalised
- guidance or information being confusing.¹²

High satisfaction also means that relatively few Pension Wise customers can suggest any concrete improvements to make to the service. When appointment customers are asked, what they would like to see improved, seven in ten (72%) say there is nothing to improve, give positive feedback or say they do not know. Among self-serve customers, this is eight in ten (83%).

Disabled people's satisfaction with the website

Customers with a disability who have face-to-face and telephone appointments tend to be just as satisfied with the appointment service as those customers without a disability. However, as previously mentioned, disabled self-serve customers tend to be less satisfied than others with the Pension Wise website (70% vs. 81% satisfied). This is reflected in how they rate specific aspects of the website as well. They are less satisfied with:

- being able to find the information they wanted (63%, vs. 76% of those without a disability)
- the time taken to find this information (64%, vs. 76% of those without a disability)
- the level of detail in the information provided (60%, vs. 73% of those without a disability).

They are also less likely to be *very* satisfied with the following aspects:

- information being clear and easy to understand (32%, vs. 45% of those without a disability)
- how up-to-date the website seems to be (31%, vs. 42% of those without a disability)
- ease of navigation (30%, vs. 46% of those without a disability).

¹² This is asked unprompted for telephone respondents and with a prompted list for online respondents, with the option to give an "other" response. We ask the question on suggested improvements, also covered in this chapter, in the same way.

In all these instances, disabled customers are still far more likely to be satisfied than dissatisfied. Nonetheless, the findings here may indicate that this customer group stands to benefit the most from any improvements to the accessibility and ease of use of the Pension Wise website.

Suggested improvements

The main area suggested for improvement among appointment customers is to reduce wait times between booking and appointments (highlighted by 7% of all appointment customers). This is more commonly mentioned among telephone customers (13%) than face-to-face customers (5%). Disabled customers raise it more often than those without a disability (11% vs. 6%).

Waiting times for appointments is also an issue mentioned by two per cent of self-serve customers (who receive the same list of answer options at this question). These customers have not (yet) had an appointment with a Guidance Specialist, but may intend to book one.

Other issues raised, albeit by a very small proportion of customers, include:

- issues with the appointment location and setting, such as having more privacy in venues, and having better navigation or parking at venue locations
- a desire for a more personalised service
- a wider range of information content, for example on different types of pensions, defined benefit pensions, or for people moving or living abroad.

These findings are broadly in line with those from 2017/18.

The impact of Pension Wise

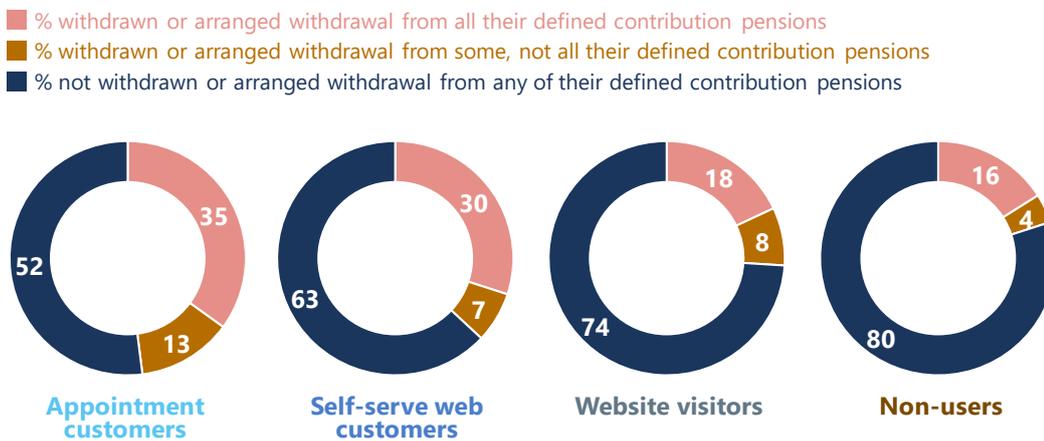


8 Confidence and preparedness

Pension Wise provides all customers with guidance on how to avoid pension scams. It also guides customers on the kinds of questions they can ask pension providers based on the pension options they are considering. This chapter looks at how customers (appointment customers and self-serve web customers) feel about these areas around three months after their appointment.

The chapter also explores how certain and happy people are about the options they will choose or have chosen for accessing their defined contribution pensions. It compares customers to website visitors and non-users in this regard. For context, the following chart (Figure 8.1) shows where customers, website visitors and non-users typically are, in terms of arranging access, at the point we survey them.

Figure 8.1: Arrangements made or to be made for accessing defined contribution pensions
(around three months after using Pension Wise, or equivalent period for website visitors and non-users)



Bases: 681 appointment customers; 291 self-serve web customers; 213 website visitors; 760 non-users

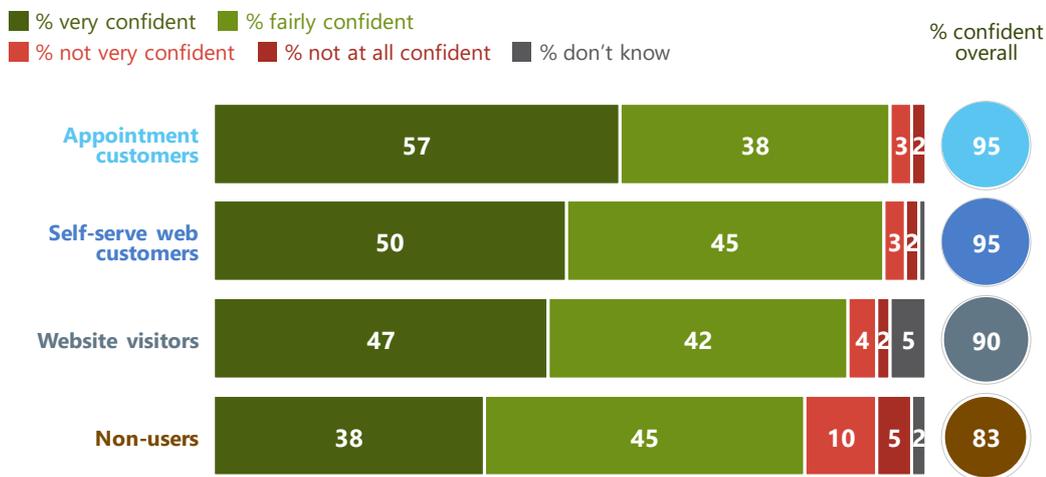
Confidence in avoiding scams

Around three months after their appointment, the vast majority (95%) of appointment customers feel confident in avoiding pension scams, with 57 per cent feeling *very* confident. A large majority (90%) of website visitors are also confident in this regard. Both groups are more confident than people who do not use the service (83% of whom are confident), as Figure 8.2 shows.

The level of confidence is equally high among face-to-face and telephone customers (at 95% and 96% respectively). Overall, a similar proportion of self-serve customers are confident (95%).

Figure 8.2: Levels of confidence in avoiding pension scams
(around three months after using Pension Wise, or equivalent period for website visitors and non-users)

Q. How confident, if at all, do you feel about being able to avoid any pension scams?



Bases: 681 appointment customers; 291 self-serve web customers; 213 website visitors; 760 non-users
Unlabelled bar ("don't know") is 1%.

The subgroups that are most confident in avoiding scams

There is near-universal high confidence in avoiding scams across all appointment customers, including by gender and age band. Among self-serve customers, those aged under 60 are more likely to say they are *very* confident than those aged 60 and over (56% vs. 44%).

Other subgroup differences tend to be very small. Wealthier appointment customers tend to be among the most confident. For example, those with pension pots valued at over £100,000 are more likely to be confident than those with lower-value pots (98% vs. 94%). Self-serve customers exhibit similar differences, though these are not statistically significant.

Being prepared for discussions with providers

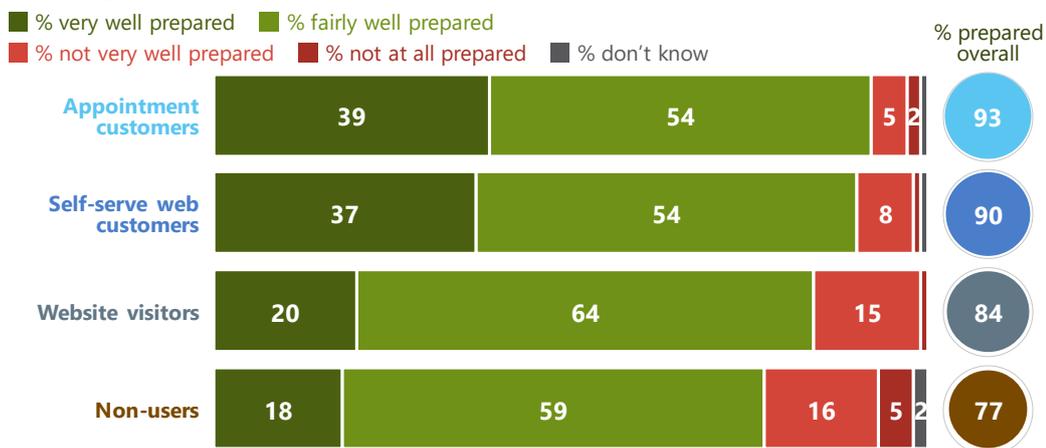
Within three months of their Pension Wise appointment, more than half of all appointment customers (56%) speak to their pension providers about their pension options. Among non-users, at the same point in time, a fifth do this (22%).

Among these groups, nine in ten appointment customers (93%) feel they are well prepared for this discussion, with two in five (39%) feeling *very well* prepared. They are more likely to feel well prepared than both website visitors (84%) and non-users (77%), as Figure 8.3 shows. Self-serve customers' results are very similar to appointment customers.

Figure 8.3: Feeling prepared for discussions with pension providers

(within three months of using Pension Wise, or equivalent period for website visitors and non-users)

Q. How well prepared, if at all, did you feel when discussing your pension pot options with your pension provider?



Bases: 380 appointment customers who have spoken to their pension provider since their appointment; 145 self-serve web customers; 69 website visitors; 155 non-users
Unlabelled bars ("not at all prepared" and "don't know") are 1%.

Again, the sense of preparedness among appointment customers is consistently positive across face-to-face and telephone customers, and across gender and age band. This is also the case for self-serve customers.

Those that have already retired are more likely to feel *very well* prepared than those still working or looking for work (48% vs. 33%).

Certainty and confidence when making arrangements

Certainty over preferred pension options among those who have yet to make arrangements

Three months after their appointment, two-thirds (65%) of appointment customers still have to decide how they will withdraw at least one defined contribution pension pot. The remaining proportion (35%) have already withdrawn or arranged how they will withdraw *all* their pension pots by this point.

By contrast, at the point we interview them, more non-users (84%) and website visitors (82%) still have to make this decision for at least one of their pension pots.

Among those who have yet to finalise arrangements for all their defined contribution pension pots, the surveys ask if people have any preferred pension options. The options they have in mind are covered in Chapter 11, while this section covers how certain people are about these choices.

Among those who have yet to finalise arrangements, nine in ten appointment customers (88%) feel certain about the options they will choose. By contrast, website visitors and non-users feel less certain (79% and 63% respectively), shown in Figure 8.4. On this question, self-serve customers are closer to website visitors than to appointment customers.

Figure 8.4: Certainty over preferred pension options

(around three months after using Pension Wise, or equivalent period for website visitors and non-users)

Q. How certain, if at all, would you say you are of taking that option or those options?



Bases: 373 appointment customers who have not made arrangements for at least one defined contribution pension; 161 self-serve web customers; 132 website visitors; 439 non-users
Unlabelled bars ("not at all certain" and "don't know") are 1%.

Face-to-face and telephone customers tend to be equally certain (*very* or *fairly*) overall. However, telephone customers are more likely to say they are *very* certain (30%, vs. 20% of face-to-face customers).

The 65 per cent of appointment customers who have yet to finalise their pension arrangements is made up of two groups: those who have not withdrawn or arranged to withdraw *any* defined contribution pensions (52% of all appointment customers) and those who have withdrawn or arranged to withdraw *some* but not all of their defined contribution pensions (13% of all appointment customers). Customers who have not withdrawn or arranged anything yet, i.e. those choosing a pension option for the first time, tend to be less certain about their preference than those who have already had to make a choice for another pension pot (86% vs. 96% certain).

Older appointment customers aged 60 and over also tend to be more certain of their upcoming choice than those aged under 60 (92% vs. 83% certain).

Among self-serve customers, these findings are consistent by gender and age. However, in contrast to appointment customers, there are differences by pot size. Self-serve customers with relatively large pension pots of £100,000 or higher tend to be more certain of their options (92% certain, vs. 78% on average).

Reasons behind uncertainty

As Figure 8.3 illustrates, a small proportion of appointment customers who have yet to make arrangements for at least one defined contribution pension feel uncertain about the option they will take (10%). When asked, these customers give several reasons for feeling this way, with the most common themes being:

- wanting more information or to talk to a pension provider first
- wanting to get financial advice first, or worrying that they cannot afford this
- waiting to see if there's a better deal in the future
- not being confident with finances generally
- feeling that the pension pot in question is too small or that retirement is too far away to worry about.¹³

The 21 per cent of self-serve customers who feel uncertain give a similar set of reasons, with no one reason standing out in particular. The 32 per cent of non-users who feel uncertain give similar reasons too, although 16 per cent of this group also say that they want to talk to Pension Wise first.

The role Pension Wise plays in choosing an option

Half of all appointment customers (48%) have withdrawn or arranged how they will withdraw at least one of their defined pension pots within three months of their Pension Wise appointment (that is, 35% that have withdrawn the whole value, and 13% that have withdrawn some of their pension pots). The survey asks this group, as well as those who have not arranged anything yet but say they are certain about what they will do, whether they feel their Pension Wise experience gave them the confidence to make their decision.

¹³ This is asked unprompted for telephone respondents and with a prompted list for online respondents, with the option to give an "other" response.

Among this group of appointment customers that have made a decision, nine in ten (93%) say Pension Wise contributed *a great deal* or *a fair amount* to them being confident in making this decision. Half (49%) specifically say Pension Wise contributed *a great deal*. This is, again, equally positive for face-to-face customers as for telephone customers, as Figure 8.5 highlights.

The vast majority of self-serve customers (84%) also feel that Pension Wise gave them confidence in making their decision, albeit to a lesser extent than appointment customers.

Figure 8.5: Extent to which Pension Wise makes customers feel confident in decision-making

Q. To what extent did Pension Wise give you confidence in taking your decision?



Bases: 579 appointment customers who have withdrawn or arranged withdrawal for at least one defined pension pot within three months of their Pension Wise appointment, or have not arranged anything yet but say they are certain about what they will do; 357 face-to-face customers; 222 telephone customers; 222 self-serve web customers
Unlabelled bar ("not at all") is 1%.

These findings are again consistently positive for men and women, and for different age bands. Among self-serve customers specifically, women are more likely than men to feel they have gained confidence from Pension Wise (91% *a great deal* or *fair amount*, vs. 80% of men).

Less wealthy subgroups are more positive about what they see as the impact of Pension Wise here, including:

- low-income appointment customers (58% of those with a yearly income of less than £24,000 say Pension Wise contributed *a great deal*, vs. 49% on average)
- appointment customers with smaller pension pots (62% of those with £20,000 or less invested in defined contribution pensions say it contributed *a great deal*).

Trends in confidence and preparedness

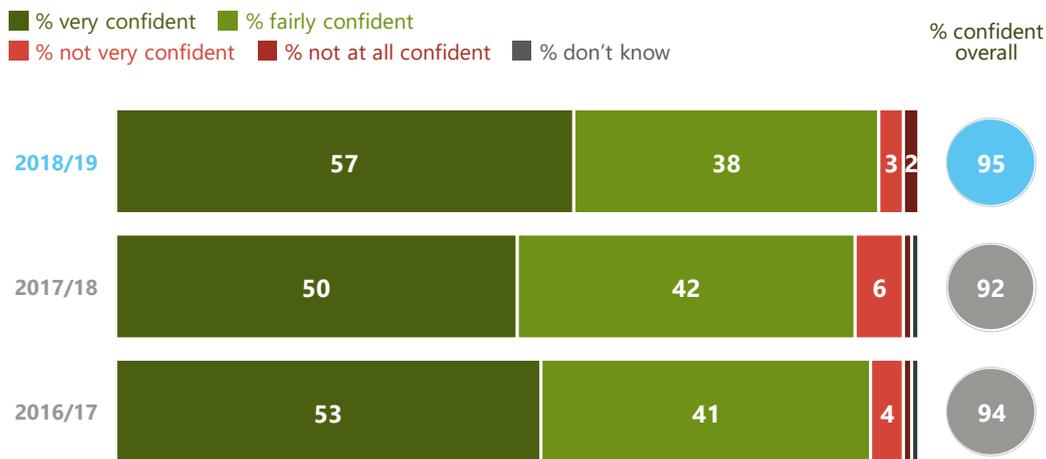
This chapter has covered the following areas:

- confidence in avoiding scams
- feeling prepared when talking to pension providers
- certainty when deciding between pension options.

For appointment customers, there are three years of data on these topics. These show that appointment customers' overall confidence in avoiding scams and their certainty in their preferred pension options are on a par with the positive results in 2017/18 and 2016/17. We show the three years of data on avoiding scams, as an example, in Figure 8.6.

Figure 8.6: Trend data for confidence in avoiding pension scams

Q. How confident, if at all, do you feel about being able to avoid any pension scams?



Bases: 650+ appointment customers each year
Unlabelled bars ("not at all confident" and "don't know") are 1%.

Moreover, among the appointment customers who are talking to providers, more now feel well prepared than in 2017/18 (93%, vs. 89% previously). Specifically, these customers are more likely than before to feel *very well* prepared (39% vs. 35% in 2017/18). This reverses an earlier downward trend (42% felt *very well* prepared in 2016/17).

9 Perceived understanding of pension options

This chapter covers customers' self-reported understanding of their pension options, how much they think it has improved, and how much they attribute this to their Pension Wise experience. It looks at this for appointment customers and self-serve web customers.

This self-reported understanding is different from customers' factual knowledge around the options they can take. We explore factual knowledge separately in Chapter 10.

Whether customers think their understanding has improved

Nine in ten appointment customers (88%) believe that their understanding of their pension options has improved either a great deal or a fair amount after their appointment. Nearly all (98%) attribute their sense of improved understanding to Pension Wise, at least by *a fair amount*.

Self-serve customers are also highly positive in this regard. Around three-quarters (73%) report that their understanding of their pension options has improved after using the self-serve guidance on the Pension Wise website. Even though the self-service journey is a less intensive interaction with the service than a face-to-face or telephone appointment, almost all these self-serve customers (99%) believe that their improvement is due to Pension Wise, at least by *a fair amount*.

Both sets of measures are collected around one month after people's interactions with Pension Wise. This is in order to capture their views while their experience is still fresh enough in their minds to reflect on it.

Figure 9.1 shows the findings for both of these questions combined. Among appointment customers, 86 per cent report that their understanding has improved and that this is due at least *a fair amount* to the Pension Wise appointment experience. A total of 43 per cent feel their understanding improved and that Pension Wise was responsible for *a great deal* of this improvement. These findings are consistent across face-to-face and telephone customers.

Figure 9.1: Extent to which customers feel that Pension Wise has improved their understanding (around one month after their interaction with the service)

Q. How much, if at all, did your experience with Pension Wise help improve your understanding of your pension options?

- % think understanding improved *and* Pension Wise is responsible for a great deal of the improvement
 - % think understanding improved *and* Pension Wise is responsible for a fair amount of the improvement
 - % think understanding improved but not due to Pension Wise
 - % think understanding has not improved very much or at all
 - % don't know
- % who feel Pension Wise is responsible



Bases: 1,589 appointment customers; 1,035 face-to-face customers; 554 telephone customers; 703 self-serve web customers
Unlabelled bars ("not due to Pension Wise" and "don't know") are 1%.

The subgroups of customers that feel they have got the most from Pension Wise

These results are, broadly speaking, consistently positive across men and women, and across age bands.

Less wealthy customers tend to reflect more positively than average on how much they got out of their Pension Wise interactions. For example, appointment customers with under £24,000 in annual income are more likely than average to say that they emerged with an improved understanding of their options, and that Pension Wise was responsible for *a great deal* of that (49% say this, vs. 43% on average). Those with pension pots under £10,000 are also more likely to say this (53%). The same indicative differences by income are present for self-serve customers, but these differences are not statistically significant.

There is a positive correlation between recalling the summary document and feeling you got something from the service. Appointment customers who remember receiving and reading the summary document are more likely to say their understanding improved and that Pension Wise contributed *a great deal* to this (47%, vs. 43% on average). Similarly, self-serve customers who remember downloading and reading their summary document are more likely to say this (35%, vs. 23% on average).

Feeling informed about your pension options in the longer term

We also explore whether Pension Wise customers feel informed about their pension options around three or more months after their interactions with the service. This longer-term outlook shows whether customers have maintained the sense of understanding that they felt they gained immediately after using the service.

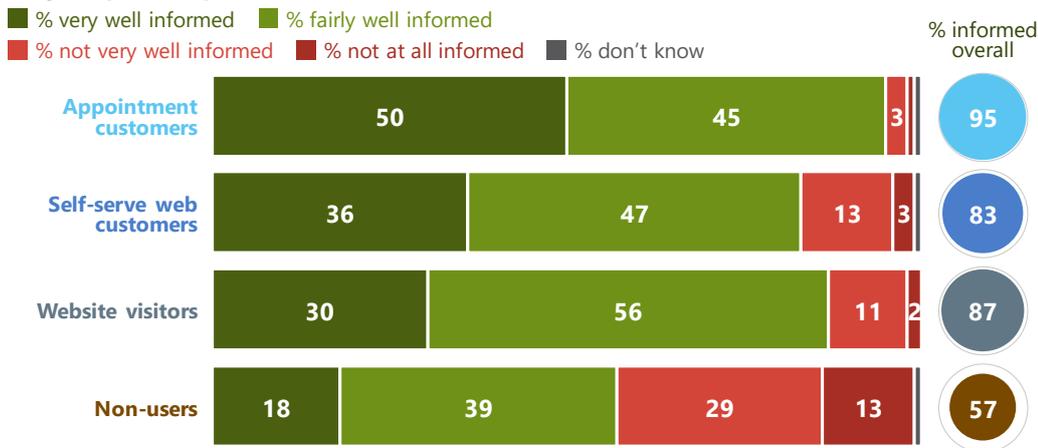
An overwhelming majority of appointment customers (95%) feel well informed, with half (50%) stating that they feel *very* well informed. As with the indicators on confidence and preparedness, appointment customers tend to emerge with a more positive outlook than website users (87% well informed) and non-users (57%), which Figure 9.2 shows. Self-serve customer results are close to those of all website visitors.

The results are, once more, consistent across both face-to-face (94%) and telephone (96%) customers. For both appointment customers and self-serve customers, results are similar across genders and age bands, and for those with different-sized pension pots.

Figure 9.2: Feeling informed about your pension options

(around three months after using Pension Wise, or the equivalent period for website visitors and non-users)

Q. How well informed, if at all, do you feel about the different options you can take with your pension pots?



Bases: 681 appointment customers; 291 self-serve web customers; 213 website visitors; 760 non-users
 Unlabelled bars ("not at all informed" and "don't know") are 1%.

The appointment customers who look at other Pension Wise information outside of their appointment tend to feel better informed. This includes the 67 per cent of appointment customers who visit the Pension Wise website before their appointment (97% feel informed, vs. 91% of those who do not) and the 79 per cent who remember reading the summary document they receive after their appointment (97% feel informed, vs. 90% who do not remember receiving or reading it).

The following customer subgroups are also more likely than others to say that they feel *very well informed* about the different options they can take with their pension pot:

- appointment customers who have taken cash in chunks since their appointment (the Uncrystallised Funds Pension Lump Sum or UFPLS option; 84% of whom feel *very well informed*, vs. 50% on average)
- those who have invested their pension pot to draw down as an income since their appointment (the flexi-access drawdown option; 69% *very well informed*).

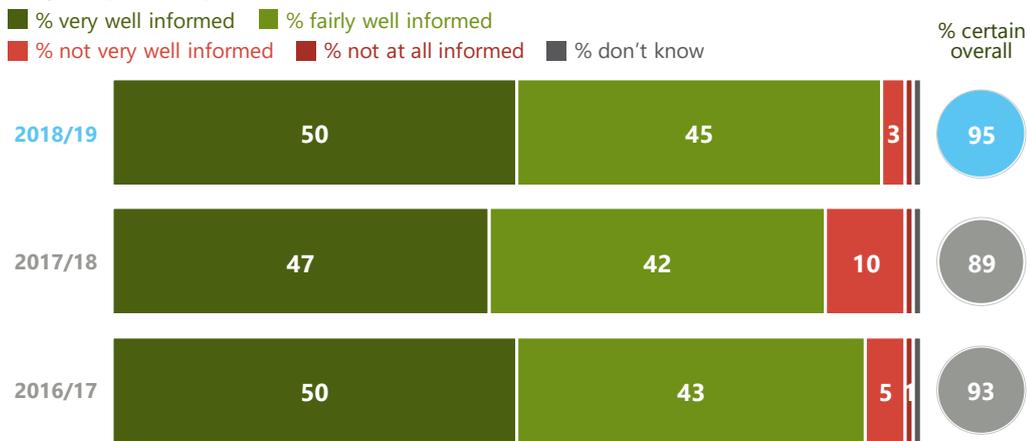
Trends in self-reported understanding

Among appointment customers, the proportion who feel that their understanding of their pension options has improved and that Pension Wise contributed to this has remained consistently high across all three years of the survey (86% in 2018/19, 85% in 2017/18 and 88% in 2016/17).

In 2018/19, 95 per cent of appointment customers feel well informed about their pension options. As Figure 9.3 shows, this is the highest percentage that Pension Wise has achieved for this measure to date and is a significant improvement over 2017/18.

Figure 9.3: Trend data for appointment customers feeling informed about their pension options

Q. How well informed, if at all, do you feel about the different options you can take with your pension pots?



Bases: 650+ appointment customers each year
 Unlabelled bars ("not at all informed" and "don't know") are 1%.

10 Knowledge of the facts

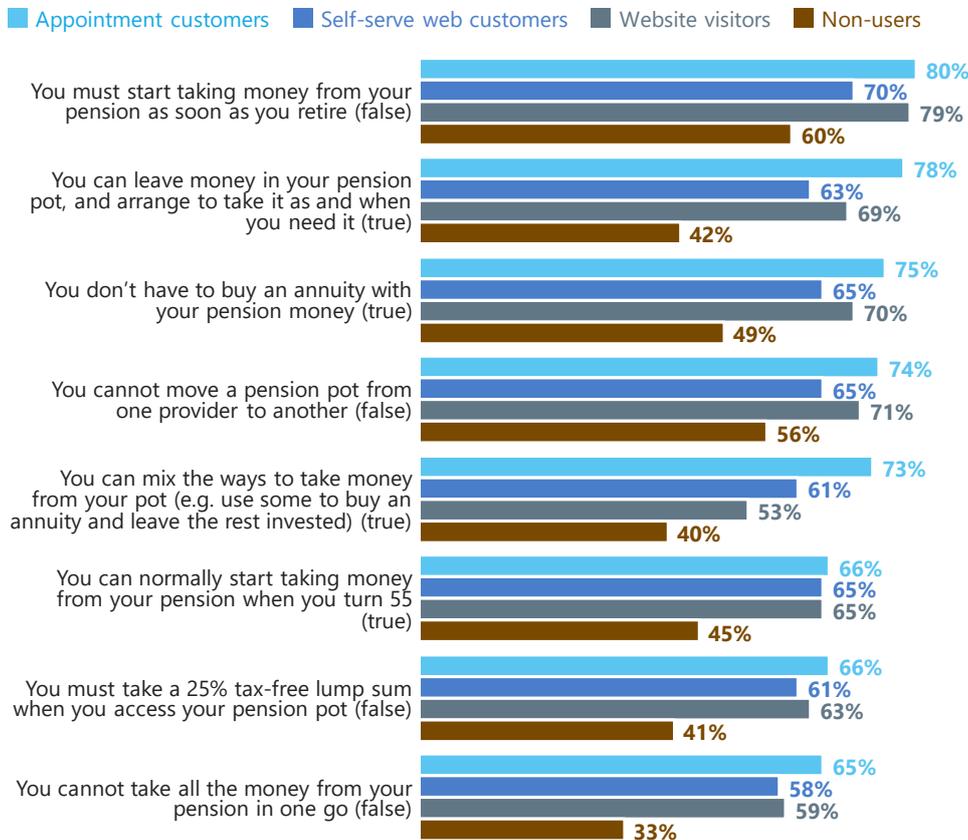
In addition to the self-reported understanding covered in Chapter 9, the evaluation also looks at people's factual knowledge around what they can do with their pension pots. We explore this through a series of eight true or false statements in the surveys.

We ask appointment customers (i.e. excluding those who did not attend or complete their appointment) and self-serve web customers about these facts around one month after their interaction with the Pension Wise, to see if they have maintained knowledge of the things that they would have been told or read when using the service.

Figure 10.1 shows that there is a very high level of factual knowledge among both groups of Pension Wise customers. Among appointment customers, around two-thirds to eight in ten are knowledgeable about each of these facts. Among self-serve web customers, around six to seven in ten are knowledgeable in each case. Moreover, these customers are unequivocal about the facts. They consider these things to be, correctly, *definitely* true or false, and not simply *probably* true or false.

Figure 10.1: Knowledge of specific facts around pension freedoms
(around one month after using Pension Wise, for customers)

Q. For each statement, please say whether you think it is definitely true, probably true, probably false or definitely false. % answering correctly (*definitely* only)



Bases: 1,516 appointment customers; 703 self-serve web customers; 213 website visitors; 760 non-users

Appointment customers, have particularly good knowledge of the following facts:

- that you do not have to withdraw your pension immediately on retiring (80% *definitely* correct)
- that you do not have to withdraw the full amount from your pension pot (78%)
- that buying an annuity is optional (75%)
- that pension pots can be transferred across providers (74%)
- that you can mix the ways you take money from a single pension pot (73%).

Overall, two-thirds of appointment customers (66%) and self-serve customers (65%) know that they can definitely withdraw their pension money from age 55 onwards. Knowledge is greater among the customers aged 50 to 54 who would be able to do this with their pensions. Among this age group, three-quarters of appointment customers (73%) and self-serve customers (73%) are definitely correct on this.

Similarly, it is worth looking at whether customers who are not yet retired are as aware as others of the fact that they do not have to withdraw their pension immediately on retiring. In fact, knowledge of this fact among non-retired customers is very close to the average. Among non-retired appointment customers, 76 per cent are *definitely* correct on this (vs. 80% on average). Among non-retired self-serve customers, this is 68 per cent (vs. 70% on average).

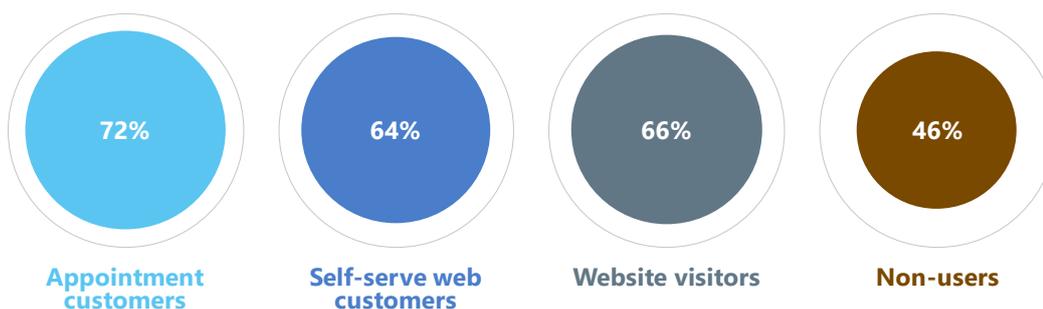
Comparing appointment customers to non-users

We also ask these questions of website visitors and non-users, as a point of comparison. As Figure 10.1 shows, appointment customers are, on average, more knowledgeable about each of these eight facts than non-users. Website visitors are typically closer to appointment customers on these measures. However, appointment customers are on average more knowledgeable than website visitors about being able to mix the ways they take money from a single pension pot (73% definitely correct, vs. 53% of website visitors).

We summarise the overall knowledge levels of each audience group in Figure 10.2. This shows an average of the percentages giving correct answers (either *definitely* true or *definitely* false) for each of the eight statements. It illustrates that all those having some form of interaction with Pension Wise do tend to be more knowledgeable than non-users.

Figure 10.2: Factual knowledge averaged across each of the eight statements in the survey

Average % answering correctly (either *definitely* true or *definitely* false) across all eight true/false statements



Bases: 1,516 appointment customers; 703 self-serve web customers; 213 website visitors; 760 non-users

Amongst non-users, the following facts are the most well known:

- you do not have to withdraw your pension immediately on retiring (60% *definitely* correct)
- pension pots can be transferred across providers (56%).

This suggests that these facts are more common knowledge than the other areas asked about.

Proportions who are incorrect about the facts

Table 10.1 shows that very few Pension Wise customers are wrong about these facts. It also shows that more non-users are likely to get specific facts wrong compared to customers.

While still broadly small proportions for customers, the most common misconceptions across all groups are that you have to take 25 per cent of your pot as a tax-free lump sum, that you cannot take all of your pension pot in one go and that you cannot move your pension pot from one provider to another. These are perhaps areas of guidance for additional focus within the Pension Wise service.

Table 10.1: Percentage of customers answering each factual statement about pension freedoms incorrectly (either selecting *definitely* or *probably* false for a true statement or *definitely* or *probably* true for a false statement)

	Appointment customers	Self-serve web customers	Website visitors	Non-users
Base	1,516	703	213	760
You must start taking money from your pension as soon as you retire (false)	7%	6%	4%	12%
You can leave money in your pension pot, and arrange to take it as and when you need it (true)	4%	4%	3%	9%
You don't have to buy an annuity with your pension money (true)	10%	8%	4%	12%
You cannot move a pension pot from one provider to another (false)	11%	12%	11%	12%
You can mix the ways to take money from your pot (e.g. use some to buy an annuity and leave the rest invested) (true)	6%	5%	3%	6%
You can normally start taking money from your pension when you turn 55 (true)	8%	5%	5%	14%
You must take a 25% tax-free lump sum when you access your pension pot (false)	19%	16%	16%	20%
You cannot take all the money from your pension in one go (false)	19%	18%	23%	38%

The customers who are most knowledgeable

Male appointment customers are more likely than women to answer *definitely* correctly across several of the eight true or false statements. For example, eight out of ten male appointment customers *definitely* know that it is optional to buy an annuity (78%, vs. 68% of female appointment customers). This gender difference is also common to self-serve web customers.

However, women are not more likely to be incorrect. Instead, they tend to be less certain of the facts, being more likely to say these things are *probably* true or false, or to say they do not know.

Across each of the eight statements, appointment customers with pot sizes over £100,000 are also more likely to answer several questions *definitely* correctly than others (83% *definitely* correct, averaged across each of the eight statements, vs. 72% for all appointment customers).

These same differences also emerge among self-serve web customers.

Appointment customers and self-serve web customers with university-level qualifications are also more likely than average to answer most of the eight questions *definitely* correctly. One exception to this is around whether you can withdraw your pension pot from age 55 onwards. There is a similar spread of answers among self-serve web customers, although for this audience the differences are not statistically significant.

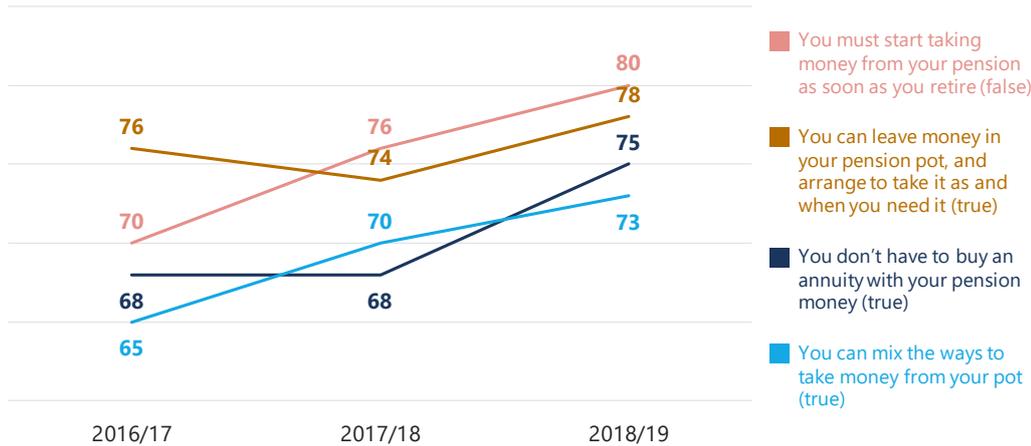
Once again, others outside of these subgroups are not more likely to choose incorrect answers. Instead, they tend to be less certain of the correct answers and are typically more likely to say they do not know.

Trends in factual knowledge

Figure 10.3 highlights that customers with Pension Wise appointments in 2018/19 emerge from their appointments with a generally higher level of factual knowledge than customers using the service in 2016/17 did, across the four aspects of knowledge shown.

Figure 10.3: Trend data for knowledge of pension freedoms among appointment customers

Q. For each statement, please say whether you think it is definitely true, probably true, probably false or definitely false. % answering correctly (*definitely only*)



Bases: 1,300+ appointment customers each year

By comparison, for non-users, the results across these four areas have not changed significantly over three years. We only observe these changes among appointment customers.

Figure 10.3 shows four out of the eight factual statements asked about in the surveys, since these are the areas where customers' knowledge has improved. For three of the remaining statements, there has been no significant change.

For one remaining statement, about the fact that you can withdraw your pension from age 55 upwards, factual knowledge has fallen since 2016/17, both among appointment customers (66% *definitely* correct in 2018/19, vs. 73% in 2016/17) and non-users (45% vs. 53%). This suggests that this change over time is not necessarily linked to these customers' use of Pension Wise and may be due to external factors, such as a drop in publicity around pensions freedoms.

11 Chosen pension options

The service evaluation explores which of the six pension options customers have taken or intend to take, if they have not yet finalised their access arrangements, within three months of using Pension Wise. For those that have made final arrangements or withdrawn money, it covers whether people use financial advisors in this process. It also looks at what they do with their pension money. Again, we ask the same questions of website visitors and non-users, for comparison.

As a reminder, the six options available to people with defined contribution pensions include:

1. leaving their whole pension pot untouched
2. getting a guaranteed income (through an annuity)
3. getting an adjustable income (through flexi-access drawdown)
4. taking cash in chunks (Uncrystallised Funds Pension Lump Sum, or UFPLS)
5. taking their whole pot in one go
6. mixing the above options.

In addition, people can take a tax-free lump sum on withdrawal, alongside options 2, 3 and 5, up to the value of 25 per cent of their pension pot. This tax-free lump sum existed before the wider pension freedoms were introduced in April 2015. If arranged as part of a flexi-access drawdown facility (option 3), it is possible for people to just take a tax-free lump sum without accessing any further money from their pot.

Pension arrangements made after using Pension Wise

Half (48%) of all appointment customers and just under two-fifths (37%) of self-serve customers access some of their pension money, or make arrangements to do so, in the three months after using Pension Wise (which we show in Figure 8.1, at the beginning of this section of the report).

As three months is a short period over which to cover non-users' behaviour, the evaluation instead captures the arrangements they have made over the last 12 months. A fifth (20%) of non-users have accessed their pension money or arranged to do so in this time period. We also ask website visitors these questions, but there are too few who have already made such arrangements in the survey sample to analyse separately.

Pension Wise customers are typically more aware of their access arrangements than others. Just two per cent of appointment customers and one per cent of self-serve customers do not know what arrangements they have made, compared with 12 per cent of non-users.

One in ten appointment customers (10%) and a similar proportion of self-serve customers (13%) only remember that they have arranged for a tax-free lump sum and not which of the six aforementioned options they have chosen. A quarter (24%) of non-users that have made arrangements can only recall taking a tax-free lump sum. In reality, these customers are likely to have arranged a drawdown facility with but not drawn anything down as yet (so-called zero income drawdowns, or ZIDs).

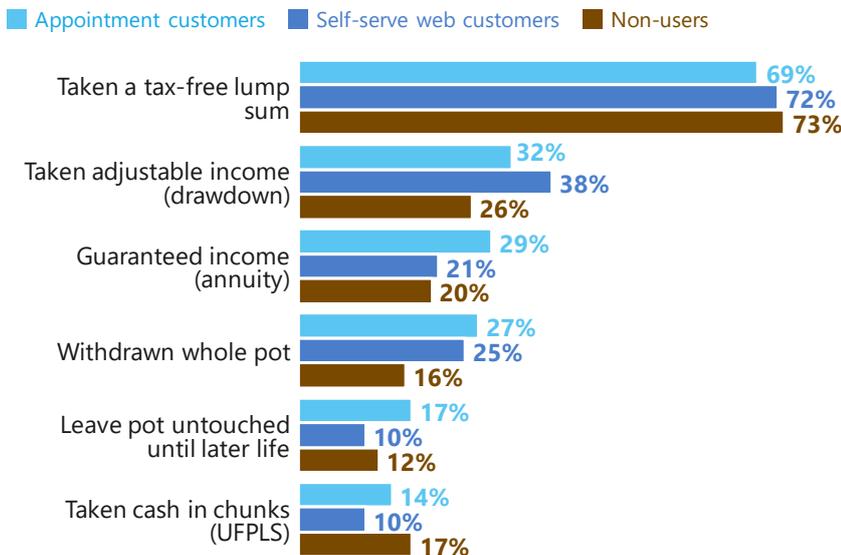
Therefore, the true proportion of appointment customers that have chosen a drawdown option is likely to be closer to four in ten rather than three in ten (the proportion in Figure 11.1). For self-serve customers, the true figure is likely to be around half.

Among those that have made arrangements, it is more common for people to choose a single pension option than to mix their options. Six in ten appointment customers (62%), seven in ten self-serve customers (69%) and under five in ten non-users (46%) have only taken one of the available pension options (other than taking a tax-free lump sum). By contrast, a quarter of appointment customers (25%), and fewer than two in ten self-serve customers (17%) and non-users (19%) choose two or more options (outside of the lump sum).

Figure 11.1 shows that the most common individual option among all groups is to arrange to take an adjustable income (flexi-access drawdown). This option is just as common as buying an annuity for appointment customers, while for both self-serve customers and non-users, it is a more common option than buying an annuity. The least common option across all three groups, when taken together, is to take cash in chunks. The most popular combination of options among appointment customers, outside of the tax-free lump sum, is to take an adjustable income alongside buying an annuity (7% combine these two options).

Figure 11.1: Options taken in cases where people have already made arrangements

Q. Which of the following things, if any, did you arrange with any of these pension pots?



Bases: 327 appointment customers who have withdrawn pension pots or arranged to do so since their appointment; 108 self-serve customers who have done so since using the Pension Wise website; 168 non-users who have done so in the last 12 months

The pattern of options taken is similar for face-to-face and telephone customers.

Among appointment customers that have made arrangements, men are more likely than women to have chosen the adjustable income option (41% vs. 15%). Those with relatively large pension pots worth £100,000 or more are also more likely than others to have chosen this option (47%, vs. 32% on average). These findings are linked, as men are more likely to have high-value defined contribution pension pots than women.

We changed the wording for these questions substantively in the 2018/19 service evaluation, so these findings are not directly comparable with previous years. Nevertheless, it is worth noting that the adjustable income option was also the most common option chosen in 2017/18 and 2016/17.

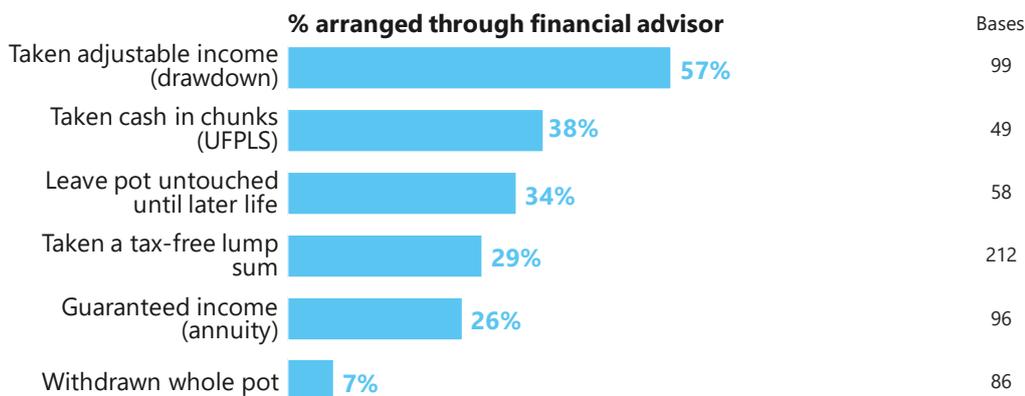
Using financial advisors to arrange pension options

We also ask whether people who have made access arrangements used a financial advisor in this process or arranged things themselves directly with a pension provider. Three in ten appointment customers (29%) and a similar proportion of non-users (31%) that have made any arrangements have done this via an advisor.

The use of financial advisors varies considerably across each of these options. This analysis is based on relatively small sample sizes but shows a similar pattern of results to the 2017/18 evaluation. Among the appointment customers that arranged each particular option, an adjustable income, taking cash in chunks and leaving the pot untouched are the most common things arranged via financial advisors. Only the adjustable income option is arranged with the help of a financial advisor in the majority of cases. Figure 11.2 shows this.

Figure 11.2: Proportion of appointment customers arranging chosen options via a financial advisor

Q. For each of the following, did you arrange these through a financial advisor or did you arrange them yourself?



Bases (as stated on chart): appointment customers who have made each of the following pension withdrawal arrangements since their appointment

There are too few self-serve customers, website visitors and non-users in the sample to break down responses here across the different pension options.

How people use withdrawn pension money

Not all of those who have made access arrangements have actually withdrawn their pension money yet. Around a third of appointment customers (35%) and fewer than two in ten non-users (16%) have done so (shown earlier in Figure 8.1).

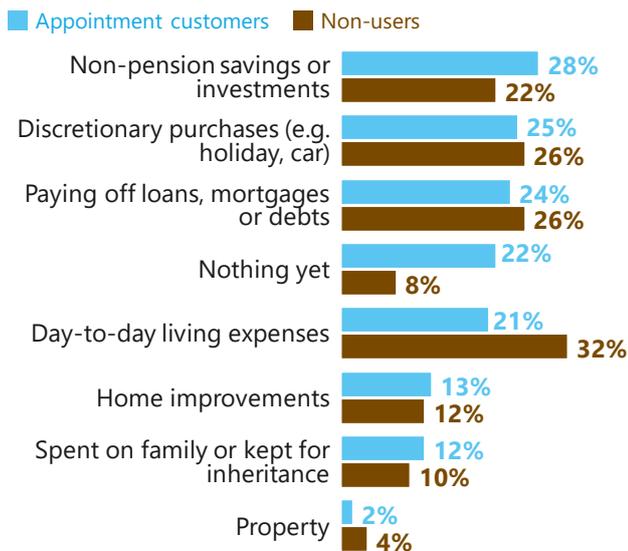
Figure 11.3 shows what these groups tend to do with their pension money.¹⁴ It shows that there is no single typical way in which either appointment customers or non-users put their withdrawn money to use. Instead, there are several common uses for this money, including putting it into other savings or investments, discretionary purchases, paying off loans, mortgages and other debts and day-to-day living expenses. Appointment customers and non-users tend to be similar in their behaviour.

Four in ten (39%) of the customers that have withdrawn funds have spent this money in two or more of these areas. However, there are no combinations of spending that are especially common.

Appointment customers are more likely than non-users to have not yet spent the money. However, this may reflect the way we ask the question. Customers are answering about withdrawals made in the last three months, while non-users are answering about the last 12 months, as previously mentioned. Therefore, customers are less likely to use their money over this shorter period.

Figure 11.3: How withdrawn pension pot money has been used or spent

Q. What are the main things that you have done with the money that you have withdrawn so far? (Only responses at two per cent or higher across groups shown.)



Bases: 221 appointment customers who have withdrawn pension pots since their appointment; 112 non-users who have done so in the last 12 months

These results are broadly similar across appointment channel, gender and age groups. The pattern of responses shown in Figure 11.2 is similar to the 2017/18 service evaluation.

There are too few self-serve customers and website visitors that have withdrawn funds to analyse at this question.

¹⁴ This is asked unprompted for telephone respondents and with a prompted list for online respondents, with the option to give an "other" response.

Pension arrangements people still intend to make

Two thirds of appointment customers (65%) and seven in ten self-serve customers (70%) still have unaccessed pension pots around three months after using Pension Wise. Over eight in ten website visitors (82%) and non-users (84%) also have unaccessed pensions at the point of interview. Again, this is laid out in Figure 8.1, at the start of this section of the report.

We ask these groups what pension access arrangements they intend to make. This is shown in Figure 11.4.

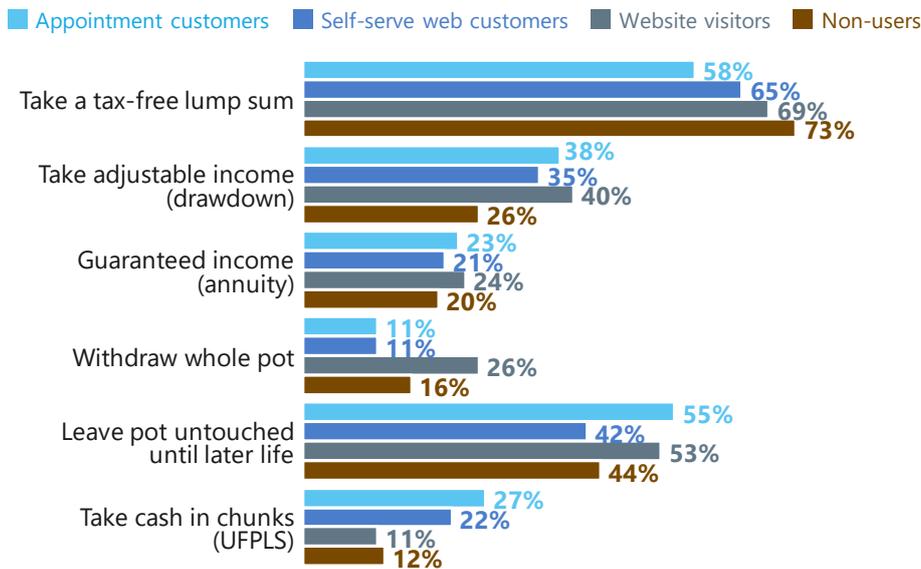
This pattern of results is different to Figure 11.1, which shows the actual behaviour of those that have made arrangements already, in several respects. Among the groups that have yet to make a decision, it is more common to consider leaving your pension pot untouched and more broadly to consider a wider range of options.

The pattern of responses suggests that, among Pension Wise customers, those who want to withdraw their entire pension pot are likely to have made arrangements for this relatively quickly after their interaction with the service, while those who want to leave their pot untouched are more likely to hold off for longer than three months before formalising the arrangements for this. It may also reflect that leaving your pension pot untouched is a proxy for putting off a decision on what to do.

One in twenty appointment customers (5%), one in ten self-serve customers (10%) and around one in ten non-users (12%) are considering taking a tax-free lump sum but are not contemplating any of the other options available to them.

Compared to Figure 11.1, which shows those that have already made arrangements, customers and non-users who are still contemplating their choices are more likely to have two or more options in mind, outside the tax-free lump sum. For example, almost half (47%) of the appointment customers that have unaccessed pensions are considering two or more options beyond the lump sum, whereas a quarter (25%) of those that have actually made arrangements end up choosing two or more such options. Here, the most common two options that appointment customers are jointly considering are the adjustable income (flexi-access drawdown) option and leaving their pension pot untouched (both chosen for consideration by 20%).

On the whole, appointment customers are more likely than non-users to pick out specific options, including leaving their pot untouched, taking an adjustable income, and taking cash in chunks. This reflects that they tend to have greater certainty with their choices, as Chapter 8 covers. It also reflects their overall greater knowledge of their options, as discussed in Chapter 10.

Figure 11.4: Intentions for unaccessed pension pots**Q. Are you likely to do any of the following things with your unaccessed pension pots?**

Bases: 441 appointment customers who have pension pots for which they have not yet arranged access; 108 self-serve customers; website visitors; 168 non-users

Telephone customers are more likely than face-to-face customers to be considering taking cash in chunks (33% vs. 23%). Other than this, both these customer groups are similar.

As with actual behaviour, male appointment customers are more likely than female ones to intend to take an adjustable income (41% vs. 31%), as are those with relatively large pension pots over £100,000 (51%, vs. 38% on average).

Appointment customers aged 50 to 54 are more likely than others to be considering taking their entire pot out in one go (20%, vs. 11% overall). Among this group, this is the least favoured option, alongside buying an annuity (21%).

These results are not directly comparable to the 2017/18 service evaluation because of changes to the question wording. However, the broad pattern of results is still similar to previous years, with annuities and withdrawing the whole pension pot being the least popular options each time, and taking an adjustable income being the most popular.

12 Taking positive steps

Pension Wise guidance encourages customers to seek out relevant information and advice that will help them:

- plan effectively for their retirement generally
- make an informed decision about the withdrawal of their pension pots specifically
- understand the full range of implications and possibilities for their chosen options.

The evaluation looks at the impact of Pension Wise in this regard by asking what actions customers (appointment customers and self-serve web customers) have taken before their interactions with the service, and what actions they have taken in the three months since then. This before-and-after comparison shows how much progress customers have made towards their preferred pension options.

As a comparison, we also ask website visitors and non-users what actions they have taken over a similar time period (i.e. in the three months prior to their interview, and before this point). By comparing non-users to customers, we can give an indication of the relative impact of Pension Wise.

Planning for retirement

Actions taken before using Pension Wise

There are several actions that defined contribution pension holders can take to help them plan for retirement. This evaluation looks at how many people are calculating the level of retirement income they want, seeking financial or tax advice, or speaking to a pension provider.

Figure 12.1 shows that just over half of all appointment customers and a similar proportion of self-serve customers have already calculated their retirement income needs before using Pension Wise. Similarly, close to half have spoken to pension providers before using Pension Wise.

Both these actions are much more common among customers than among non-users. It is worth noting that appointment customers are encouraged to think about their retirement incomes and speak to pension providers before their appointment. In their case, the difference here may reflect them preparing for their appointments.

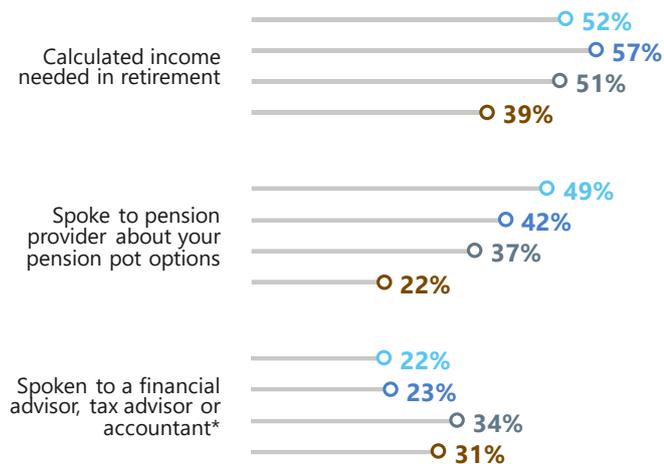
As expected, appointment customers who say they first heard about Pension Wise through their pension provider are more likely to have spoken to their provider about their pension options than those who heard about the service elsewhere (56% vs. 40%). Nevertheless, this still means that, even among those who heard about Pension Wise elsewhere, a higher proportion of appointment customers have spoken in advance to their pension providers than non-users.

Fewer customers than non-users have spoken to a financial advisor, tax advisor or accountant before the period of interaction with Pension Wise. This difference is consistent with the previous service evaluations. It suggests that Pension Wise may be a first port of call for some in their access journey, whereas those who have already consulted a financial advisor may be less inclined to contact Pension Wise.

Figure 12.1: Actions taken by customers before using Pension Wise, and by website visitors and non-users in the equivalent time period

Q. More than three months ago/before your interaction with Pension Wise, had you done any of the following?

○ Appointment customers ○ Self-serve web customers ○ Website visitors ○ Non-users



Bases: 1,526 appointment customers; 703 self-serve web customers; 213 website visitors; 760 non-users

*Not directly comparable to previous service evaluations due to changes in data collection and questionnaire wording.

Telephone customers are more likely than face-to-face customers to have taken each of these three preparative steps before their appointment. For example, 28 per cent have sought independent financial or tax advice, compared to 20 per cent of face-to-face customers.

Actions taken since using Pension Wise

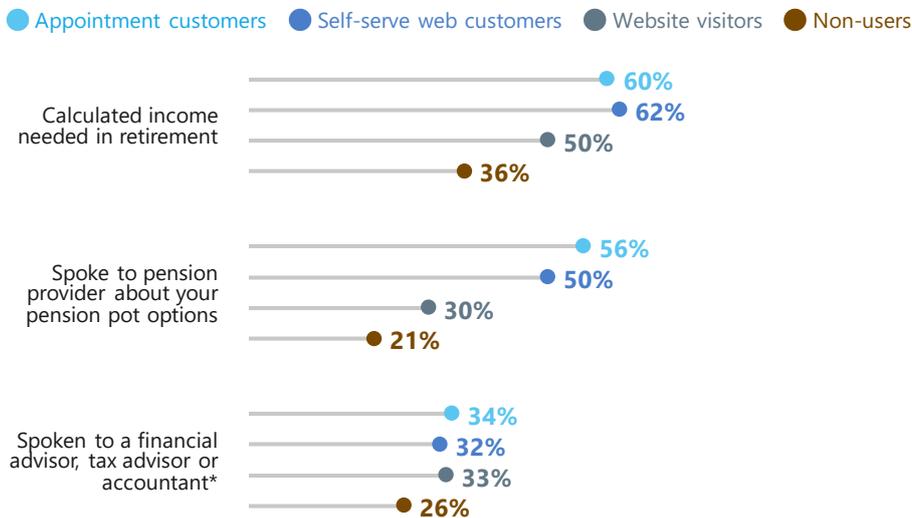
Figure 12.2 highlights that more customers take these actions in the three months following their interaction with Pension Wise than beforehand. Six in ten appointment and self-serve customers calculate the retirement incomes they think they will need following their appointments.

Customers are far more likely to do all these actions than non-users over this three-month time period. This shows that, following their use of Pension Wise, customers are more advanced in their preparations for retirement than others who are demographically similar to them.

Figure 12.2: Actions taken by customers since using Pension Wise, and by website visitors and non-users in the equivalent time period

(within three months of using Pension Wise, for customers)

Q. In the last three months/since your interaction with Pension Wise, have you done any of the following?



Bases: 681 appointment customers; 291 self-serve web customers; 213 website visitors; 760 non-users

*Not directly comparable to previous service evaluations due to changes in data collection and questionnaire wording.

There is still a large gap between appointment customers and non-users on these actions, and this has been a consistent finding across all three years of the service evaluation. However, compared to the 2017/18 evaluation, appointment customers in 2018/19 are less likely to report that, following their appointment, they have calculated the retirement income they need (60%, vs. 72% in 2017/18) or have spoken to their pension provider (56%, vs. 63% in 2017/18).

Whether Pension Wise appointments prompt people to plan more for their retirement

Figure 12.3 outlines the *distance travelled* by appointment customers and non-users for these three actions. That is, how many more people take these actions after the appointment period than before it. It does this by overlaying the results from Figure 12.1 and Figure 12.2.

The proportions taking these actions before the Pension Wise appointment period are shown via an unfilled circle and the proportions taking these actions after the appointment period are shown via a filled-in circle. We have restricted the comparison to be between appointment customers and non-users only, for clarity, and to provide a single “difference-in-difference” score.

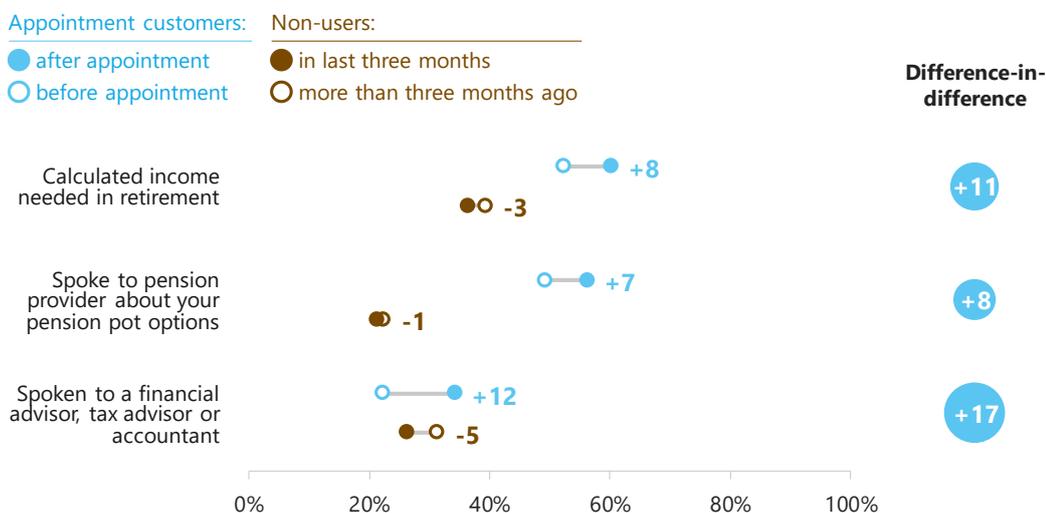
This score is intended to show more clearly the extent to which the Pension Wise appointment may have prompted customers to take relevant actions. For example:

- Before their appointment, 49 per cent of customers have spoken with their pension provider.
- Following the appointment, this rises to 56 per cent, a distance travelled of 7 percentage points.
- For non-users, 22 per cent have spoken with their provider before the period when 2018/19 Pension Wise customers had their appointments, while 21 per cent have spoken to them in the subsequent three months. This is a distance travelled of -1 percentage points.
- The “difference-in-difference” between customers and non-users is eight percentage points (7 minus -1).

There are similar differences for the other two actions. These differences suggest that the Pension Wise appointment has prompted customers to take each of these actions, rather than any outside factors (which would have also affected non-users).

A caveat to this conclusion is that non-users are not a perfect control group. Appointment customers may be inherently more likely to take relevant actions than the sampled group of non-users. The service evaluation methodology aims to account for this as much as possible, by weighting non-users to be demographically similar to appointment customers, and similar in terms of when they intend to access their pensions.

Figure 12.3: Distance travelled by appointment customers and non-users, in terms of actions taken to plan for retirement



Bases: 1,526/681 appointment customers (talking about actions before/since their appointment); 760 non-users

Steps taken by those who have already made arrangements for their pension pots

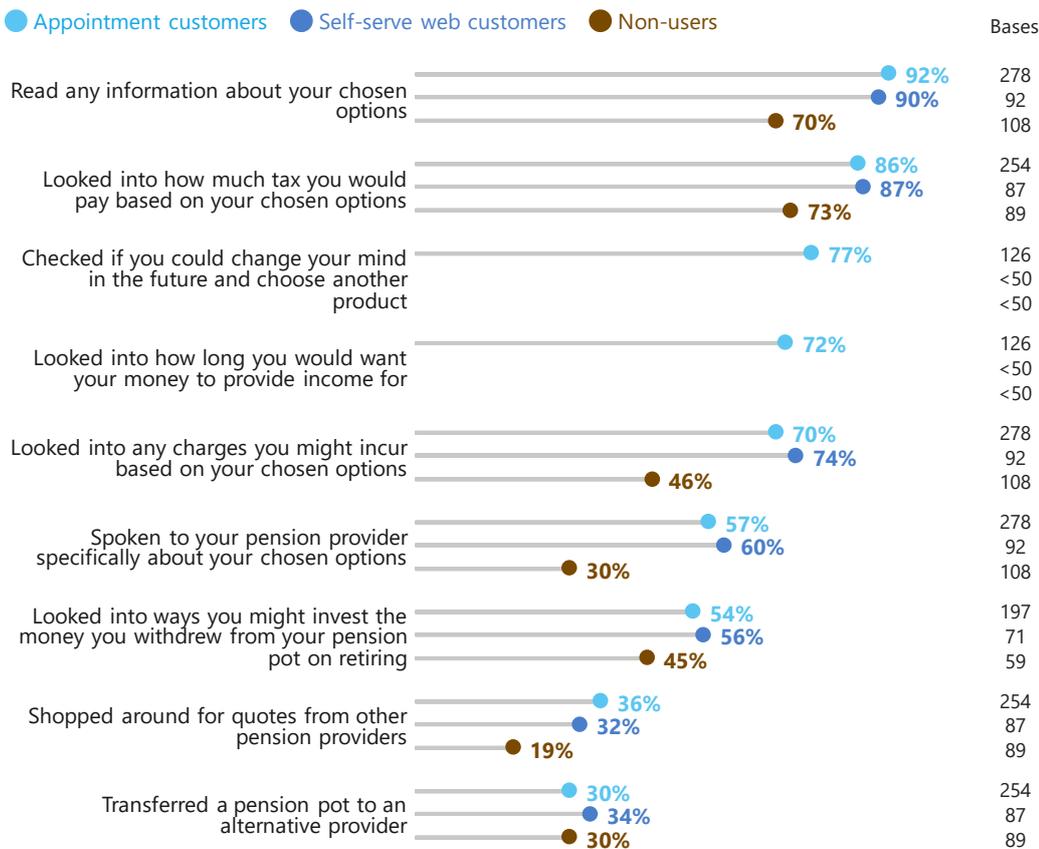
Half (48%) of all appointment customers and just under two-fifths (37%) of self-serve customers access some of their pension money, or make arrangements to do so, in the three months after using Pension Wise. The evaluation asks whether they take steps to inform themselves of their choices prior to making these arrangements.

As in Chapter 11, we compare customers to non-users who have withdrawn money or arranged to do so over the last 12 months. A fifth (20%) of non-users have accessed their pension money or arranged to do so in this time period. Again, there are too few website visitors who have already made such arrangements in the survey sample to analyse separately.

Figure 12.4 has the full list of actions covered. Customers and non-users are only asked about actions that are relevant to the arrangements they have made, so the sample sizes differ for each action. For example, those opting to leave their pot untouched would not need to look into ways to invest withdrawn money.

Figure 12.4: Steps taken before making arrangements to access pension pots, among customers and non-users that have already done so

Q. Before you made formal arrangements to take money from your pension pots, had you done any of the following?



Bases (listed on side of chart): those who have chosen an option where this is a potentially relevant next step
 Figures are not shown where base sizes are under 50.

The behaviour of appointment customers and self-serve customers in this situation is very similar. Both sets of customers are more likely than non-users to have taken several specific actions before making their arrangements, including:

- reading up about their chosen options
- looking into tax implications
- looking into potential charges
- speaking to their pension provider about these specific options.

Appointment customers are also more likely to have shopped around for quotes than non-users.

These figures are all broadly in line with those found in the 2017/18 service evaluation.

Steps taken by those who have unaccessed pension pots

Actions taken before using Pension Wise

Two thirds of appointment customers (65%) and seven in ten self-serve customers (70%) still have unaccessed pension pots around three months after using Pension Wise. Over eight in ten website visitors (82%) and non-users (84%) also have unaccessed pensions at the point of interview. The surveys ask these audiences about the specific steps they have taken to progress their preferred pension options, and whether these have been taken before, or after their interactions with Pension Wise (or in the equivalent time period for website visitors and non-users).

Figure 12.5 shows the proportion from each group that have taken each action before the appointment period (or the equivalent period, for groups other than appointment customers). Again, we only ask people about actions that are relevant to their preferred pension options, so the sample sizes differ for each action.

Audiences that engage with Pension Wise online (website visitors and self-serve customers) are among the most likely to have taken various actions across the four audience groups, such as reading up on their options and looking into how much tax they would pay. It may be that these individuals are naturally inclined to find more information online covering each of these steps, potentially around the same time that they end up visiting the Pension Wise website.

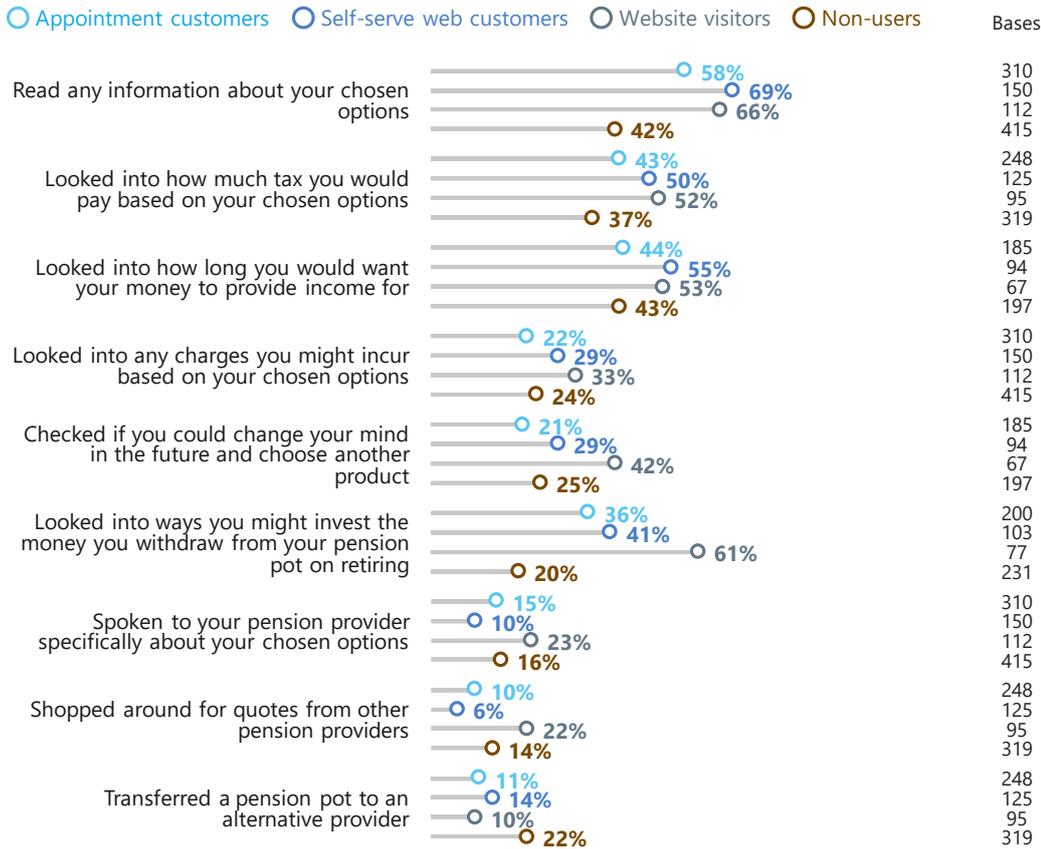
Appointment customers are more likely than non-users to have read up about their preferred options (58% vs. 42%) and looked at how they might invest their pension pot money (36% vs. 20%) before the appointment period. Non-users are more likely than appointment customers to have transferred a pension pot to an alternative provider (22% vs. 11%).

This latter difference in pension pot transfers is consistent with the 2017/18 service evaluation. Whereas the other steps in Figure 12.5 are about gathering information, this step is different in that it is an irreversible course of action. It suggests that Pension Wise customers who are considering transferring their pension pots

may be holding off, because they want to wait for their appointment and get appropriate guidance on the risks.

Figure 12.5: Steps taken by customers before using Pension Wise, and by website visitors and non-users in the equivalent time period, among those who still have unaccessed pension pots

Q. More than three months ago/before your interaction with Pension Wise, had you done any of the following?



Bases (listed on side of chart): those who say they would choose an option where this is a potentially relevant next step

Telephone customers are more likely than face-to-face customers to have read up about their preferred pension options before attending their appointment (66% vs. 54%). This mirrors the fact, reported earlier in this chapter, that they are more likely to have taken other actions to prepare for their appointment, such as calculating the income they want to have in retirement.

Once again, these results are all in line with the 2017/18 service evaluation.

Actions taken since using Pension Wise

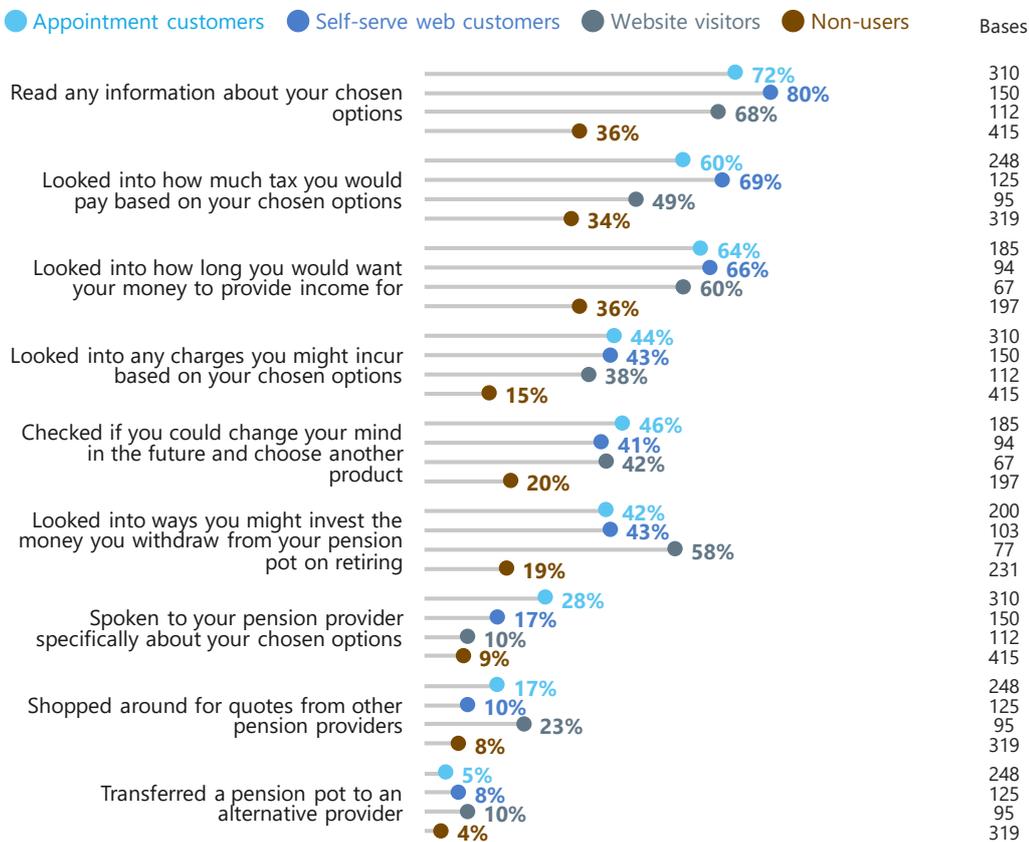
In the three months after their appointments, appointment customers are more likely than before to have taken almost all these next steps, where they are relevant. The one exception is transferring a pension pot to an alternative provider, which 11 per cent of appointment customers do before their appointment, and five per cent do after their appointment. This again reflects that this might be considered an irreversible action, and one of the last steps people may take when finalising their pension access arrangements.

Similarly, self-serve customers are more likely to have taken almost all these next steps in the three months after accessing the self-service guidance on the Pension Wise website, than to have done so before. The two exceptions are transferring pension pots (14% do this before and 8% do it after) and looking at ways to invest pension money on retiring (41% before and 43% after, which is not a statistically significant change).

As Figure 12.6 shows, customers are consistently more likely to take these actions following their appointment than non-users, again with the exception of transferring a pension pot (where all these audiences are more closely aligned).

Figure 12.6: Steps taken by customers since using Pension Wise, by website visitors and non-users in the equivalent time period, among those who still have unaccessed pension pots
(within three months of using Pension Wise, for customers)

Q. In the last three months/since your interaction with Pension Wise, have you done any of the following?



Bases (listed on side of chart): those who say they would choose an option where this is a potentially relevant next step

Once more, these results are all in line with the 2017/18 service evaluation.

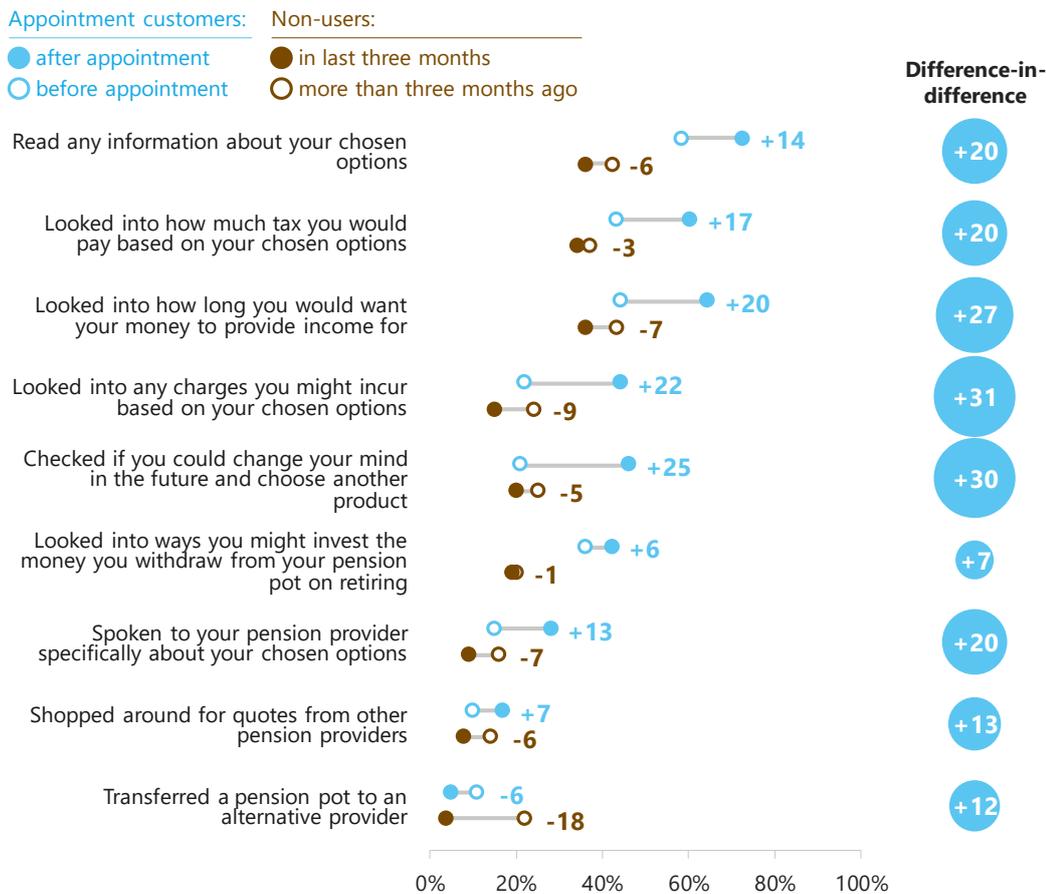
Whether Pension Wise appointments prompt people to take relevant steps towards their preferred options

Again, we use the relative *distance travelled* by appointment customers and non-users to help understand the impact that Pension Wise has had. This analysis aims to account for any external factors that would also affect non-users over the appointment period. For clarity, we focus on appointment customers and non-users, rather than self-serve customers and website visitors.

These calculations are laid out in Figure 12.7 and summarised in the difference-in-difference score. The positive difference-in-difference scores show that the distance travelled on these actions by customers, before and after their appointments, is typically greater than that of non-users (over an equivalent time period).

This analysis suggests that Pension Wise customers are likely to have taken a wide range of relevant next steps as a result of their appointment. There are relatively high difference-in-difference scores for: reading more about their chosen options, looking at the tax implications, researching how long they will need a retirement income for, looking into charges incurred, checking if they can still change to another option in the future and speaking to pension providers specifically about their preferred options.

Figure 12.7: Distance travelled by appointment customers and non-users, in terms of the specific steps taken towards their preferred pension options



Bases: c.300 appointment customers (talking about actions before/since their appointment); c.400 non-users

While it is not possible to test for statistically significant differences in these scores, they are typically much higher than the ones in Figure 12.3, which is more focused on broader retirement planning. This indicates that the impact of Pension Wise is greatest in getting people to take specific, relevant steps to progress their preferred options. There may be less impact in terms of getting people to plan for retirement in general, but this is not necessarily surprising, because many customers arrive at Pension Wise already having started retirement planning and are ready to access their pension pots.

Again, a caveat to these conclusions is that the non-user group is not a perfect control group. However, we have weighted non-users to be demographically similar to appointment customers, and similar in terms of when they intend to access their pensions, to make them as comparable as possible to customers.

Reasons for not taking relevant steps

A very small proportion of appointment customers (4%) and self-serve customers (6%) take none of the specific steps outlined in Figures 11.4 through to 11.7, either before or after their interactions with Pension Wise. The surveys ask these customers why they have not taken any steps to gather further information or advice.

Given that very few people fall into this subgroup, there are too few responses to analyse quantitatively. The most common themes across the responses relate to people's perceptions that retirement is too far away, that the value of their pension is too small, or that they have simply been too busy to take action.¹⁵ These themes are similar to the findings from the previous two service evaluations.

¹⁵ This is asked unprompted for telephone respondents and with a prompted list for online respondents, with the option to give an "other" response.

Appendix: survey technical details

Sampling approach

Appointment bookers and appointment customers

We carried out two surveys with these audience groups:

1. an initial experiences survey with people who booked face-to-face or telephone appointments with Pension Wise between September and November 2018
2. a follow-up survey of appointment customers (i.e. excluding those who did not attend or complete their appointments) who had appointments over the same period.

Pension Wise sent Ipsos MORI contact information for all the September to November 2018 appointment bookers who agreed to be contacted for research. They sent this in three batches, each month between October and December 2018.

For September and October appointment bookers, Ipsos MORI took a random sample of 800 leads each month that had a valid telephone number and then a random sample of 1,835 leads each month that had a valid email address. We prioritised the telephone sample as a first step because there were fewer telephone leads than email leads in the whole sample frame. For November appointment bookers, we increased the email sample selection to 2,420 leads, to ensure that the overall target for online interviews was met.

For the follow-up appointment customer survey, we sampled all the appointment customers who agreed to be contacted again in the earlier experiences survey.

The following table shows the volume of leads received each month, as well as the number released for both the initial and follow-up telephone and online surveys.

	Volume received	Initial experiences leads released		Follow-up leads released	
		Telephone	Online	Telephone	Online
September	5,842	800	1,835	153	240
October	6,617	800	1,835	135	188
November	7,255	800	2,420	157	324

Change in sampling approach from previous years

The approach for sampling appointment bookers is different from the 2016/17 and 2017/18 evaluations. In previous years, we sampled those that only had a telephone number in the telephone survey, i.e. excluding those that had an email address *as well as* a telephone number in their Pension Wise records. Then everyone with an email address was randomly sampled for inclusion in the online survey.

The current approach can be considered an improvement, as it leads to less of a skew in the telephone sample, and more accurately reflects the overall population of Pension Wise appointment bookers.

This change means that the achieved telephone survey samples for 2018/19 are more likely than in previous years to include people who use the internet (because they supplied an email address to Pension Wise). The telephone interviews are weighted to comprise around one-third of the overall sample, with the online survey making up the remaining two-thirds.

As a check to see how this may have affected the comparability of the 2018/19 survey data to previous years, we tested an alternative weighting approach for the 2018/19 appointment bookers' data. This involved matching them to the 2017/18 appointment booker profile based on internet usage (i.e. weighting down the proportion of 2018/19 appointment bookers that used the internet to 84%). Based on this test, we are confident that this change in approach does, broadly, not affect the comparability of findings across years. There are three specific exceptions, where findings across years are not considered comparable:

- the proportion of appointment bookers and appointment customers who use the internet, which has changed from 84 per cent in 2017/18 to 94 per cent in 2018/19, due to the change in the sampling
- the proportion of all appointment bookers who arranged their Pension Wise appointments online (49% in 2019/18, vs. 36% in 2017/18) and by telephone (44% in 2019/18, vs. 56% in 2017/18)
- the proportion of all appointment customers who received their summary documents as an online download following their appointment (60% in 2019/18, vs. 40% in 2018/17).

This is why we have not made comparisons for all appointment bookers to previous years for these questions in this report. However, for the questions on how people arranged their appointments and downloaded the summary document, we have instead made year-on-year comparisons among the subgroup of appointment bookers who use the internet, as this subgroup is consistent despite the sampling change.

Self-serve web customers

This year, for the first time, we also carried out two surveys with self-serve web customers:

1. an initial experiences survey with people who had used the digital self-serve guidance on the Pension Wise website largely between September 2018 and February 2019
2. a follow-up survey of this same group.

Pension Wise sent Ipsos MORI contact information for all the September 2018 to February 2019 self-serve web customers who agreed to be contacted for research. This amounts to all those who submitted an email address before accessing the self-serve guidance on the website. There were also a handful of customers from August 2018 included in the sample (under 5).

Pension Wise sent this sample in four batches, with each batch covering around one to two months' worth of self-serve customers. We then de-duplicated these batches (based on the email address provided) against previous batches, and against previous and current appointment booker samples. This excluded those who have accessed both face-to-face or telephone guidance and self-serve guidance online, and ended up removing a handful of leads (under 10) in each batch.

All leads with a valid email address were included in the initial experiences survey. For the follow-up survey, we sent an invite to all the leads that had given permission to be recontacted in the initial survey.

There were a total of 4,843 leads for the initial experiences survey and 503 leads for the follow-up survey (excluding any leads supplied that lacked a usable email address and after de-duplicating). Around three-quarters of these leads, in both surveys, were in the latter two batches, which covered customers using the service between December 2018 and February 2019. This reflects a change in the process Pension Wise used to collect contact details for the last two batches. It moved from asking a random selection of self-serve customers for details to asking all customers, resulting in higher sample sizes.

Website visitors and non-users

Ipsos MORI purchased the website visitor and non-user telephone sample from the UK Changes database. We recruited the online sample for these audiences from the Ipsos MORI online panel database. Screener questions in the questionnaire were used to screen out those who would not have been eligible for the Pension Wise service in 2018/19, i.e. those who did not have an unaccessed defined contribution pension at any point in the previous 12 months. An additional question identified which of the individuals sampled had previously used the Pension Wise website, to classify them as website visitors rather than non-users.

Fieldwork (quotas and timings)

Appointment bookers and appointment customers

For the appointment booker and customer surveys, c.66% of interviews were conducted online and c.33% were conducted by telephone (reflecting that around 66% of the sample received from Pension Wise had email addresses, and so could be surveyed online).

The telephone survey was a quota survey. For the initial experiences survey, interviewers were instructed to meet a target of 200 achieved interviews for each monthly batch of appointment booker sample. For the follow-up survey, this target was 100 achieved interviews per batch. Aside from this overall per-batch target, there were no other demographic quotas. However, the research team monitored the demographic profile of the achieved interviews to ensure there were no unusual skews by gender or age band.

The online survey did not have any quotas. Over the course of fieldwork, each batch of online sample received one email invite and two further email reminders from Ipsos MORI to encourage them to complete the survey. Each email had varied text to emphasise different reasons for taking part each time, with a view to maximising the response rate.

The following table shows the fieldwork dates for each batch of sample, for the initial and follow-up surveys.

	Appointment month	Initial survey fieldwork	Follow-up survey fieldwork
Batch 1	September	15/10/18 to 11/11/18	21/01/19 to 17/02/18
Batch 2	October	19/11/18 to 16/12/18	18/02/19 to 17/03/19
Batch 3	November	17/12/18 to 13/01/18	18/03/19 to 14/04/19

Self-serve web customers

The online surveys for self-serve web customers were similarly administered to the ones for appointment bookers and appointment customers. Again, they did not have any quotas. Over the course of fieldwork, each batch of online sample received one email invite and four further email reminders from Ipsos MORI to encourage them to complete the survey. We opted to send two more reminder emails to this group than to appointment bookers and customers, to maximise the response rate from the relatively small, finite sample.

Again, each email had varied text to emphasise different reasons for taking part each time.

The following table shows the fieldwork dates for each batch of sample, for the initial and follow-up surveys.

	Website visit dates	Initial survey fieldwork	Follow-up survey fieldwork
Batch 1	14/08/18 to 03/10/18	29/10/18 to 18/11/18	21/01/19 to 10/02/19
Batch 2	04/10/18 to 04/12/18	10/12/18 to 30/12/18	25/02/19 to 17/03/19
Batch 3	05/12/18 to 31/01/19	04/02/19 to 24/02/19	06/05/19 to 26/05/19
Batch 4	01/02/19 to 26/02/19	11/03/19 to 31/03/19	03/06/19 to 23/06/19

Website visitors and non-users

For the website visitors and non-user survey, c.62% were online and c.38% were by telephone, with the balance between online and telephone surveying reflecting the budget available for the survey.

Both the telephone and online surveys for these audiences were quota surveys. We had quota targets for gender, age band (50-59, 60-64 and 65-70) and geographic region. These targets matched the profile of appointment bookers and were based on the population profile information that Pension Wise had previously sent us. They ensured that the achieved interview profile resembled the demographics of Pension Wise customers. The weighting, detailed later in this appendix, made further adjustments to match the website visitor and non-user profiles to appointment bookers.

Fieldwork for these surveys took place from 20 February 2019 to 31 March 2019.

Differences between data collection modes

Some questions, which we outline throughout in the report, are asked with a prompted list of response codes for online respondents, and are unprompted for telephone respondents. This is consistent with how the questions were asked in both previous service evaluations. It is a common approach taken in multi-mode surveys for these types of questions and reflects that it is unfeasibly time-consuming for an interviewer to read out all the response options during a telephone interview.

It may be that people pick more responses when presented with a prompted list than if they have to respond spontaneously, without prompting. Having the question entirely unprompted online (where people have to write their answers in an open-text box), however, may also under-represent people's real answers. This is because people may find open-text boxes on surveys a burden to complete, and leave them blank. This means that it is not necessarily better nor worse in terms of the accuracy of the data for the online survey to have a prompted list at these questions.

These questions may be subject to mode effects, where people are inclined to answer the same question differently online versus by telephone. At the same time, we cannot assume that all the differences between online and telephone responses are just because of the data collection mode. There may also be differences in the profile of online and telephone respondents that effect the way they answer.

Response rates and cooperation rates

The following table shows the response rates¹⁶ for all the online and telephone surveys. It also shows the cooperation rates¹⁷ for the telephone fieldwork. A cooperation rate gives an indication of the extent to which respondents who were approached were willing to take part in the research, and is a measure typically used to judge the quality of quota sample surveys such as these.

The follow-up survey samples only included the customers that consented to be re-contacted after taking part in their respective initial surveys. The proportion of respondents giving permission for re-contact was high for both customer groups, at 75% for appointment customers and 72% for self-serve web customers.

	Appointment bookers		Appointment customers		Self-serve customers	
	Initial surveys		Follow-up surveys		Initial	Follow-up
	Telephone	Online	Telephone	Online	Online	Online
Response rate	27%	19%	61%	56%	14%	57%
Cooperation rate	74%	N/A	78%	N/A	N/A	N/A

We made several efforts to maximise the response rates for the surveys, including offering reassurances on confidentiality, setting up a survey website and sending various tailored reminder emails to the online sample.

¹⁶ This is [total completed interviews] / [total number of customers contacted for the study] and can be used, in conjunction with other measures, to assess the quality and representativeness of a study.

¹⁷ This is [total completed interviews] / [completed interviews + refusals].

Nevertheless, there were several constraints that restricted the response and cooperation rates that it was feasible to achieve:

- Fieldwork for each monthly batch of sample was relatively short, at around three to four weeks.
- Response rates for general public surveys are typically lower around the Christmas period. Fieldwork for the third batch of the appointment booker initial survey took place shortly after Christmas. For the third batch of the self-serve web customer initial survey, it took place over Christmas. Where possible, we delayed telephone calls and reminder emails to avoid the two Christmas and New Year weeks. However, this also means that there was a slightly greater gap between people's interactions with Pension Wise and their survey interviews, which might also have lowered their propensity to take part.
- For the telephone surveys, there was a fixed target of achieved interviews per batch of sample (200 for the initial survey and 100 for the follow-up), so the response rate simply reflects the ratio of available leads to this target. The cooperation rate indicates that relatively few respondents refused to take part in the survey when interviewers managed to contact them.

Weighting

Appointment bookers and appointment customers

The data for the appointment booker and customer surveys have been weighted to represent all of those who booked Pension Wise face-to-face and telephone appointments across September to the end of November 2018. This is based on population profile information that Pension Wise gave to Ipsos MORI. Weighting was applied for Pension Wise delivery partner (TPAS, Citizens Advice in England and Wales, Northern Ireland Citizens Advice Bureau, Citizens Advice Scotland and Teleperformance), appointment status (whether they completed their appointment or not), gender, age band (50-59, 60-64 and 65+), and data collection mode.

The weights by data collection mode ensured that the proportion of online vs. telephone respondents in the sample was consistent with previous years of the service evaluation. This helps to neutralise the impact of any modal effects when making year-on-year comparisons.

Self-serve web customers

The sample for self-serve web customers comes from those who leave their contact details on the Pension Wise website. Self-serve customers are not obliged to do this. Therefore, the profile of the sample frame that we received from Pension Wise does not necessarily reflect the population profile, for everyone using the digital self-serve guidance on the website.

On the basis of there not being any population profile information, we agreed with Pension Wise to not weight the self-serve web customer data.

Website visitors and non-users

In order to act as a comparison group, website visitors and non-users have also been weighted to match the appointment booker profile. The combined sample of website visitors and non-users is weighted on gender, age band (50-59, 60-64 and 65-70), internet use, data collection mode and proximity to accessing pension pots (measured in terms of when people expect to make final arrangements to access their defined contribution pension pots).

The gender and age band weights matched the appointment booker population profile that Pension Wise supplied. The internet use and proximity to pension pot access weights matched the achieved weighted results in the appointment bookers initial survey. These latter two weight variables are not part of the demographic profile data that Pension Wise collects. Including these ensured that the website visitor and non-user survey did not overrepresent people who use the internet and did not overrepresent those who were unlikely to choose their pension options anytime soon. People who use Pension Wise are, as expected, typically closer to the point at which they make these decisions than the average 50+ defined contribution pension holder.

Note on statistical significance

The final data from the survey are based on samples, rather than the entire population of Pension Wise appointment booker and customer groups (or website visitors and non-users). Percentage results are therefore subject to margins of error, which vary with the size of the sample and the percentage figure concerned.

This report only comments on differences between samples and subgroups that are found to be statistically significant. Strictly speaking, significance testing applies only to random probability samples. It is commonly carried out for quota surveys like this one, with the assumption being that the achieved sample behaves like a random probability sample. In such cases, the significance testing is intended to provide a rough guide to the margins of error governing the survey.

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