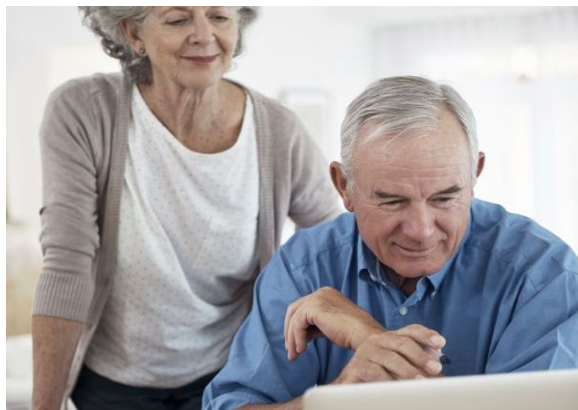


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“The retirement income market has changed dramatically since 2014, with mixed fortunes for annuities and income drawdown products. Despite a huge contraction in new annuity sales, it’s clear that retirees still want a predictable and guaranteed income in retirement, and this could see hybrid and blended products come to prominence in the market.”

– Scott McDonald, Financial Services Analyst

This report looks at the following areas:

- Consumers take a conservative approach to pension withdrawals
- Pension Wise popularity has increased, but need for tailored advice will see growth in robo-advice

New annuity sales have declined dramatically following the announcement of pension reforms in the 2014 Budget, and the introduction of the reforms a year later in April 2015. Annuity new contracts declined by 79% between 2011-15, while income drawdown sales increased by 317% in the same time frame.

The continued rollout of auto enrolment is likely to put both annuities and income drawdown providers in a position for future growth. The ageing population and the introduction of the flat rate state pension should also increase the number of people turning to these products in the long term. However, following the result of the EU referendum which has led to lower annuity rates and uncertainty among consumers there will be a growing number of people who put their retirement plans on hold for the short to medium term.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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