

## Personal Pensions and SIPPs - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Looking ahead, the SIPP and flexible personal pension markets are likely to continue to expand, and increasingly converge, as factors such as the freedom rules and the Pensions Dashboard help to maintain high levels of demand for pension consolidation and flexible retirement solutions.”

– Sarah Hitchcock, Senior Finance Analyst

This report looks at the following areas:

- The market for SIPPs and flexible personal pensions will continue to grow and converge
- Significant latent demand among the self-employed
- Potential to grow the children’s pension market

**BUY THIS  
REPORT NOW**

**VISIT:**  
store.mintel.com

**CALL:**  
EMEA  
+44 (0) 20 7606 4533

Brazil  
0800 095 9094

Americas  
+1 (312) 943 5250

China  
+86 (21) 6032 7300

APAC  
+61 (0) 2 8284 8100

**EMAIL:**  
reports@mintel.com

### DID YOU KNOW?

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

# Personal Pensions and SIPPs - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### Overview

What you need to know  
Products covered in this Report

### Executive Summary

The market

12 million individual pensions in force

New premium business set to grow strongly over next five years

Figure 1: Forecast of new individual pension business – fan chart, 2013-23

Transfers are the main growth driver

Figure 2: Transfers as a share of total new individual pension premiums, by product type, 2014-17

Direct sales more common in the individual stakeholder pension market

Auto-enrolment indirectly benefits individual pension providers

FCA investigates competition in the market for 'non-workplace' pensions and introduces new rules for pension transfers

Companies and brands

A heavily consolidated market

SIPP market is more fragmented

Recent M&A activity

More companies launch low-cost platform SIPPs

The consumer

Scope to improve take-up among the self-employed

Figure 3: Ownership of private pensions, by all adults and selected working status groups, September 2018

Many people have more than one pension

Figure 4: Number of pension pots owned, September 2018

Contributions need to be considered in the context of overall retirement saving

Figure 5: Amount contributing to individual pension per month, September 2018

Significant interest in online account management

Figure 6: Proportion of individual pension savers who receive, or are interested in receiving, online account access/management services, product information and other tools and services, September 2018

Good prospects for pension transfers...

Figure 7: Likelihood of undertaking of key pension-related activity within the next three years, September 2018

...and for future market expansion

Figure 8: Proportion of adults who would consider getting an individual pension in the future, September 2018

Many pension savers are drawn to the benefits of a SIPP

Figure 9: Reasons for considering transferring pension assets into a SIPP, by type of pension, September 2018

What we think

### Issues and Insights

The market for SIPPs and flexible personal pensions will continue to grow and converge

BUY THIS  
REPORT NOW

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Personal Pensions and SIPPs - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The facts

The implications

Significant latent demand among the self-employed

The facts

The implications

Potential to grow the children's pension market

The facts

The implications

## The Market – What You Need to Know

Nearly 12 million individual pensions in force

Transfers drive new business growth

Direct sales more common in the individual stakeholder pension market

Auto-enrolment indirectly benefits individual pension providers

FCA investigates competition in the market for 'non-workplace' pension

## Market Size and Forecast

Workplace auto-enrolment and consolidation activity have led to fall in the number of in-force individual pensions

Figure 10: Individual pension business in force, by product type, 2017

SIPPs continue to see growth

Strong rise in new individual pension premiums fuelled by transfers

Figure 11: New individual pension business, 2014-18

Five-year market forecast

Figure 12: Forecast of new individual pension business – fan chart, 2013-23

Figure 13: Forecast of new individual pension business, 2018-23

A cautionary note

Forecast methodology

## Market Segmentation

Significant product crossover

Stakeholder pensions remain a niche area

Figure 14: Number of new individual personal pension, stakeholder pension and insured SIPP sales, 2014-18

Figure 15: Value of new individual personal pension, stakeholder pension and insured SIPP business, 2014-18

Transfers account for most new individual pension business

Figure 16: Transfers as a share of new individual pension business, by product type, 2014-17

Total regulated SIPP sales reached nearly 1 million in 2017

Figure 17: Number of regulated SIPP, personal pension and stakeholder pension sales, 2013-17

## Channels to Market

Most new personal pension premiums are generated via IFAs

Figure 18: New individual personal pension business, by sales channel, 2014-17

Non-advised sales are more common in the stakeholder pension market

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Personal Pensions and SIPPs - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 19: New individual stakeholder pension business, by sales channel, 2014-17

Most insured SIPP sales are also transacted through advisers

Figure 20: New individual insured SIPP business, by sales channel, 2014-17

Intermediary definitions

## Market Drivers

DC pension pool boosted by auto-enrolment

Figure 21: Number of individual and work-based pensions in force and number of occupational DC members, 2012-17

Uncertain economic backdrop linked to Brexit could dampen demand for investing in the short term

Regulatory changes have boosted opportunities for the pension industry

Pensions Dashboard requires government backing

## Recent Regulatory Developments

New rules to improve pension transfer advance

Regulator investigates competitiveness of the individual pension market

Chancellor resists tinkering further with pension tax relief

Latest review of auto-enrolment regime shifts focus towards the self-employed

1% charge cap on early exit fees

## Companies and Brands – What You Need to Know

A heavily consolidated market

SIPP market is more fragmented

Acquisitions and disposals

More companies launch low-cost platform SIPPs

## Provider Rankings

Royal London was promoted to the top spot in 2017, ahead of Aviva

Figure 22: Rankings of top 10 providers of insurance-administered individual and group pension business, by total gross premium income, 2017

Scottish Widows could move back up the rankings with acquisition of Zurich's workplace pension business

Notable omissions: Aegon and Legal & General

Standard Life, AJ Bell and Hargreaves Lansdown are among the largest SIPP providers

## Competitive Strategies

M&A activity

Aegon's acquisition of Cofunds creates the largest intermediary platform

Embark buys Liberty SIPP's pension assets

Strategic developments

Legal & General sells its life and pensions business to Swiss Re subsidiary

Curtis Banks unveils new branding and plans for a new SIPP

Prudential ditches Flexible Retirement Plan as its Retirement Account continues to draw in most new business

New product launches

Goji launches low-cost platform SIPP

DP Pensions launches single-investment SIPP

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)

# Personal Pensions and SIPP's - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Moneyfarm launches a digital SIPP

Robo-adviser launches digital pension with access to a human adviser

## Advertising and Marketing Activity

Trivial amount invested in above-the-line advertising

Fisher Investment uses digital advertising to promote its 15-minute Retirement Plan

Figure 23: Total above-the-line, online display and direct mail advertising expenditure on pension products and advice, 2013/14-2017/18

Nielsen Ad Intel coverage

## The Consumer – What You Need to Know

Scope to improve take-up among the self-employed

Many people have more than one pension

Contributions need to be considered in the context of overall retirement saving

Significant interest in online account management

Pension transfer activity set to remain strong

Good prospects for future growth

## Ownership of Pensions and Other Retirement Savings

A third of the UK's adult population have an individual pension

Figure 24: Type of pension owned, September 2018

Self-employed are more likely to have an individual pension, but have a low overall take-up

12% of adults don't know if they have an individual or workplace pension

More than half of all pension savers have at least two separate pension pots

Figure 25: Number of pension pots owned, by type of pension, September 2018

Many adults are also saving for their retirement outside a pension

Figure 26: Ownership of other (non-pension) retirement savings, by all adults, pension savers and non-pension savers, September 2018

## Pension Contributions

Three quarters of individual pension savers are making regular contributions

Figure 27: Amount contributing to individual pension per month, by type of pension, September 2018

Those with a stakeholder pension are most likely to making regular contributions

## Pension Access and Management

52% of individual pension savers have online access to their pension...

Figure 28: Proportion of individual pension savers who receive, or are interested in receiving, online account access/management services, product information and other tools and services, September 2018

...but only 38% have full account management capability

Figure 29: Interest in provider offering online account access/management services, product information and other tools and services, by type of pension, September 2018

## Pension Transfer, Fund Switching and Decumulation Plans

Many individual pension savers have plans to switch or transfer funds within the next three years...

Figure 30: Likelihood of undertaking of key pension-related activity within the next three years, September 2018

...underpinning the need for expert advice

29% of individual pension savers expect to consider changing platform or provider

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: [reports@mintel.com](mailto:reports@mintel.com)

# Personal Pensions and SIPP's - UK - December 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Around one in five individual pension savers aged 52+ are planning to make a withdrawal within the next three years

Figure 31: Likelihood of undertaking decumulation-related activity within the next three years, September 2018

## New Business Opportunities

11% of adults would consider opening an individual pension for a child

Figure 32: Proportion of adults who would consider getting an individual pension in the future, September 2018

The benefits of a SIPP are attractive to many

Figure 33: Reasons for considering transferring pension assets into a SIPP, by type of pension, September 2018

31% of all pension savers would consider transferring into a SIPP if it meant lower charges

## Appendix – Abbreviations and Data Sources

Abbreviations

Consumer research methodology

## Appendix – Market Size and Forecast

Total market forecast – best- and worst-case scenarios

Figure 34: Forecast of individual pension premiums – best- and worst-case scenarios, 2018-23

Regular-premium sector

Figure 35: Forecast of new regular-premium individual personal and stakeholder pension business – fan chart, 2013-23

Figure 36: Forecast of individual personal and stakeholder pension regular premiums – best- and worst-case scenarios, 2018-23

Single-premium sector

Figure 37: Forecast of new single-premium individual personal and stakeholder pension business – fan chart, 2013-23

Figure 38: Forecast of individual personal and stakeholder pension single premiums – best- and worst-case scenarios, 2018-23

Forecast methodology

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](http://store.mintel.com)

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

**EMAIL:** [reports@mintel.com](mailto:reports@mintel.com)