

Personal Pensions and SIPP's - UK - December 2019

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.



“A combination of increased reliance on workplace pensions and declining transfer business has had a negative effect upon the individual pensions market. Nevertheless, the increase in non-advised business is positive, and reflects the changing nature of the market with growth in the number of D2C providers and options.”
– Douglas Kitchen, Financial Services Analyst

This report looks at the following areas:

By focusing on Gen-Xers, who are the most likely to be unengaged with their pensions, and the self-employed, the market can return to growth.

- **Innovation and flexibility needed to drive ownership among the self-employed**
- **Providers cannot rely on wake-up packs to attract Gen-Xers**

**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 2019

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

New premium income falls for the second year in a row...

...and is set to continue its decline

Figure 1: Forecast of new individual pension business – fan chart, 2014-24

SIPP sales also fall for the second consecutive year

Figure 2: Number of regulated SIPP, personal pension and stakeholder pension sales, 2015-19

Non-advised sales the best-performing channel...

Average individual pension contributions fell in 2017/18

Figure 3: Personal and stakeholder pension annual contributions, 2013/14-2017/18

...while the self-employed continue to remain unengaged

Figure 4: Number of self-employed personal and stakeholder pension members and total contributions, 2013/14-2017/18

New wake-up packs enter the market

Companies and brands

Royal London retains top spot

A fall in DB transfers hits the larger SIPP providers

AJ Bell prioritises advised customers

Penfold focuses on the self-employed

The consumer

Confusion around pension ownership

Figure 5: Type of pension owned, September 2019

Almost half of workplace pension savers are not saving anywhere else

Individual pension holders expect to turn to financial advice

Figure 6: Agreement with attitudes towards pensions and retirement planning, by pension ownership, September 2019

Just 6% intend to open an individual pension

Figure 7: Agreement with attitudes towards pensions and future retirement plans, by pension ownership, September 2019

Converting interest into ownership is a challenge

Individual pension holders are more engaged

Clarity and transparency are key factors

Figure 8: Important factors among owners of individual pensions, September 2019

What we think

Issues and Insights

Innovation and flexibility needed to drive ownership among the self-employed

**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

Personal Pensions and SIPPs - UK - December 2019

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

Providers cannot rely on wake-up packs to attract Gen-Xers

The facts

The implications

The Market – What You Need to Know

New single-premium income falls for the second year in a row...

...driven by a decline in single-premium personal pensions

SIPP sales also fall for the second consecutive year

Non-advised sales the best-performing channel

Average individual pension contributions fell in 2017/18...

...while the self-employed continue to remain unengaged

New wake-up packs enter the market

Market Size and Forecast

Slight fall in the number of in-force individual pensions in 2018

Figure 9: Individual pension business in force, by product type, 2018

SIPPs account for 34% of the non-workplace pensions market

New single-premium income set to fall for the second consecutive year

Figure 10: New individual pension business, 2015-19

New individual pension business to continue to decline

Figure 11: Forecast of new individual pension business – fan chart, 2014-24

Figure 12: Forecast of new individual pension business, 2014-24

Forecast methodology

Market Segmentation

New single-premium pensions set to fall by 20%

Stakeholder pensions continue their decline

Figure 13: Number of new individual personal pension, stakeholder pension and insured SIPP sales, 2015-19

Figure 14: Value of new individual personal pension, stakeholder pension and insured SIPP sales, 2015-19

SIPP sales decline for the second year running, but still dwarf other individual pensions market

Figure 15: Number of regulated SIPP, personal pension and stakeholder pension sales, 2015-19

Regulatory scrutiny has hampered pension transfers

Figure 16: Transfers as a share of new individual pension business, by product type, 2015-18

Channels to Market

Non-advised sales increase across the board...

...with SIPPs the main beneficiary

Sharp decline in adviser sales for personal and stakeholder pensions

Figure 17: New individual personal pension business, by sales channel, 2015-18

Figure 18: New individual stakeholder pension business, by sales channel, 2015-18

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

Personal Pensions and SIPP's - UK - December 2019

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 insured SIPP business, by sales channel, 2015-18

Market Drivers

Auto-enrolment drives increased workplace pension membership

Figure 20: Membership of occupational pension schemes, by membership type, UK, 2008-18

Employers drive increased personal pension contributions

Figure 21: Personal and stakeholder pension annual contributions, 2013/14-2017/18

Self-employed personal pension members and contributions fall

Figure 22: Number of self-employed personal and stakeholder pension members and total contributions, 2013/14-2017/18

Regulatory and Legislative Environment

The Pension Schemes Bill is introduced

With a focus on the Pensions Dashboard...

...and tackling pension transfer fraud

Attention turns to improving the advice and speed of transfers

Through the FCA...

...and industry bodies

Wake-up pack revamp could increase engagement...

...while the DWP prioritises the self-employed

Companies and Brands – What You Need to Know

Royal London retains top spot

A fall in DB transfers hits the larger SIPP providers

AJ Bell prioritises advised customers

New D2C products enter the market

Penfold focuses on the self-employed

Provider Rankings

Royal London retains top spot

Figure 23: Rankings of top 10 providers of insurance-administered individual and group pension business, by total gross premium income, 2017 and 2018

Decrease in DB transfers affects larger SIPP providers

Competitive Strategies

Established brands focus on improving engagement

Lloyds and Scottish Widows

L&G's own Pensions Dashboard

AJ Bell focusses on the advised market

LV= unveils a new range of ESG funds

New D2C products become more commonplace

Through Fintech apps...

...and D2C investment platforms

New digital-only provider Penfold focuses on the self-employed

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

Personal Pensions and SIPP's - UK - December 2019

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 Consumer – What You Need to Know

- Confusion around pension ownership
- Almost half of workplace pension savers are not saving anywhere else
- Individual pension holders expect to turn to financial advice
- Just 6% intend to open an individual pension
- Converting interest into ownership is a challenge
- Individual pension holders are more engaged
- Clarity and transparency are key factors

Pension Ownership

- Three quarters own a pension...
...but there is confusion around type of pension held
- Significant scope for greater targeting of the self-employed
Figure 24: Type of pension owned, September 2019
- Most individual pension holders own more than one pot
Figure 25: Number of pension pots owned, by pension ownership, September 2019

Other Retirement Savings

- 48% are relying on their workplace pension
Figure 26: Other retirement savings methods, by pension ownership, September 2019
- Convincing existing investors should be a key focus
Figure 27: Other retirement savings methods, by financial situation, September 2019

Attitudes towards Pensions and Retirement Planning

- Individual pension holders are more confident about pensions...
Figure 28: Agreement with attitudes towards pensions, by pension ownership, September 2019
- ...and are more likely to seek financial advice about their pension
- Millennials have good intentions but need help
Figure 29: Agreement with attitudes towards pensions and retirement planning, by pension ownership, September 2019

Future Retirement Plans

- Just 6% plan on opening an individual pension within the next two years
- Millennials show more enthusiasm...
...but Gen-Xers need to be convinced
Figure 30: Agreement with attitudes towards pensions and future retirement plans, by pension ownership, September 2019
- Converting interest to ownership among the self-employed will be key
Figure 31: Agreement with attitudes towards pensions and future retirement plans, by employment status, September 2019
- Individual pensions not a front-of-mind retirement planning solution
Figure 32: Agreement with attitudes towards pensions and future retirement plans, by response to the statement 'I am currently planning for retirement', September 2019

Pension Engagement

- Personal pension holders are more engaged

**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

Personal Pensions and SIPPs - UK - December 2019

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 33: Pension engagement, by pension ownership, September 2019

Pension engagement split between online and offline methods

Figure 34: Channels used to check on the value of a pension, by pension engagement, September 2019

Individual Pensions: Most Important Factors

Clarity is the most important factor for individual pension holders

Convenience is also a priority

Figure 35: Important factors among owners of individual pensions, September 2019

Scope for greater product development across the market...

...but there are significant obstacles when it comes to ethical investments

Members who prioritise convenience save for retirement in many ways

Figure 36: Other retirement savings methods, by important factors among owners of individual pensions, September 2019

Established brands have a distinct advantage

Figure 37: TURF Analysis – Important factors among owners of individual pensions, September 2019

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Turf analysis methodology

Figure 38: Table – TURF Analysis – personal pensions and SIPPs, September 2019

Appendix – Market Size and Forecast

Total market forecast – best- and worst-case scenarios

Figure 39: Forecast of individual pension premiums, best- and worst-case scenarios, 2019-24

Individual personal and stakeholder pension business – Regular premiums

Figure 40: Forecast of new regular-premium individual personal and stakeholder pension business – fan chart 2014-24

Figure 41: Forecast of regular-premium individual pension premiums, best- and worst-case scenarios, 2019-24

Individual personal and stakeholder pension business – Single premiums

Figure 42: Forecast of new single-premium individual personal and stakeholder pension business – fan chart 2014-24

Figure 43: Forecast of single-premium individual pension premiums, best- and worst-case scenarios, 2019-24

Forecast methodology

**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