

# Personal Pensions - UK - 2022

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## This report looks at the following areas:

- How the individual pension market has performed during the pandemic and a five-year forecast of new business.
- The impact the sharp rise in the cost of living is having on the personal pension market, and how consumer attitudes and behaviours around personal pensions and retirement planning have been impacted by the situation.
- A ranking of the top pension providers and an overview of recent innovations and competitive strategies.
- Ownership of individual pensions among UK consumers, the types of pensions held, who manages them, and how much is contributed per month.
- Interest in taking out a new individual pension product and what consumers view as the most important features when arranging a new personal pension or SIPP.

Pension consolidation is set to be an ever more significant driver of new business in the personal pension market, with at least 59% of UK adults who own any type of pension holding two or more pension pots. Reflecting their longer time spent in employment, this peaks at 65% of over-55s with a pension.

The significant rise in the cost of living is hampering new business prospects in the near term as strained household budgets and a more cautious consumer mentality causes people to focus on near-term financial concerns. It is also impacting existing individual pension savers, with 25% of individual personal pension holders saying they have reduced or stopped contributions.

Unfavourable changes to pension legislation remains the biggest threat to the individual pension market. The introduction of workplace pension auto-enrolment has considerably reduced the need for privately arranged pensions, while stricter regulation around defined benefit (DB) to defined contribution



"The rare period of significant growth seen in individual pensions in 2021 has proven to be short-lived. The considerable increase in the cost of living during 2022 has damaged consumer confidence and reduced the amount of funds available to place into a pension."

– **George Zaborowski, Senior Analyst – Financial Services**

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(DC) pension transfer advice has severely impacted a significant avenue of new business generation.

The ongoing development of direct-to-consumer digital personal pension products is helping to expand access to the market by reducing the industry's reliance on often costly intermediaries. They are also helping to make saving in a pension less intimidating for the average person, since they offer more than just pensions and include features that inform, educate, help savers better manage their money, and easily consolidate multiple pensions.

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