

# The Pension Tracing Service: A quantitative research study to establish who is using the service, and their outcomes

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The Pension Tracing Service (PTS) is a free service available to the general public in the UK to assist individuals in tracking down pensions that they have lost track of. The PTS has been the responsibility of the Department for Work and Pensions (DWP) since 2005 and is currently part of The Pension Service.

Individuals who contact the PTS are asked to provide basic details of the pension they are trying to trace. PTS staff then review an internal database and try to find contact details of the pension scheme administrator, which are passed on to the customer if the trace is successful. If unsuccessful, the PTS signpost customers to other organisations, where further help may be available. The PTS is not set up to take up individual cases or contact pension scheme administrators directly – it simply acts as a conduit of information.

The DWP commissioned IFF Research to undertake a research project in order to establish a detailed customer profile and to explore the ways in which customers become aware of the service, how they access it, their reasons and motivations for using it, what they do with the information they receive, and the outcomes and levels of satisfaction they report.

To this end, IFF Research conducted two telephone surveys: A profiling survey which was designed primarily to establish a detailed socio-demographic profile and centred around customers' reasons for losing track of their pensions, their initial expectations, and their satisfaction with the service; and an outcomes survey which explored in detail what happened after customers received the information from the PTS, what further steps they took, and how successful they were in tracking down their pensions.

The survey sample was compiled by PTS operations staff, who logged the details of anyone who contacted the PTS by phone or email between July and October 2009. The sampling frame was split at random into six batches of equal size, with each batch being issued only after each record in the previous batch had been approached at least once for an interview, thereby giving each customer an equal probability of being selected. After a small scale pilot in December 2009 the main-stage fieldwork was carried out in January 2010. In total 1,000 telephone interviews were achieved for the outcomes survey and 1,001 for the profiles survey.

The surveys show that the vast majority of PTS customers were private individuals enquiring about their own pension (91 per cent). A small proportion, (7 per cent) were individuals trying to trace somebody else's pension, i.e. third parties enquiring on behalf of a relative or a friend. Most only traced one pension (81 per cent) although one in 20 (19 per cent) enquired about more than one pension.

There were a small number of professional intermediaries (3 per cent), who contact the PTS on behalf of their clients. These were primarily independent financial advisers (IFAs), but there were also a number of pension consultants, law firms, or the Citizens Advice Bureau (CAB). The overall volume of pensions traced by these organisations is relatively small (3 per cent).

## Customer profile

The age profile of respondents indicated that most were approaching retirement, with half (48 per cent) aged 55 to 64 and one in six (16 per cent)

aged 65 or over; more than a quarter (28 per cent) were already retired. Men were more likely to be amongst the oldest age group than women (24 per cent compared to 6 per cent were aged 65 or older). This may reflect the tendency for women to retire at a younger age. However, women were also more likely to approach the PTS with a pensions enquiry at an earlier stage in life – a quarter (25 per cent) of women were already retired when they contact the PTS compared to a third (32 per cent) of men.

Thinking about pensions is clearly a function of increasing age; a third (35 per cent) of respondents were aged under 45 when they started the process of tracing their pension. Indeed, the majority of respondent customers had not yet retired, with two in five working full-time (44 per cent) and one in seven working part-time (14 per cent).

The PTS customer base appeared slightly skewed towards men (54 per cent) compared to women (46 per cent). The vast majority were white British (94 per cent) with 3 per cent being from an ethnic minority background. One in six (17 per cent) had a health problem or a disability, an incidence that increases with age.

Two thirds, (63 per cent) of respondents were educated to a Level 2 qualification compared to three quarters (75 per cent) of all working age adults in the general population. One in six (17 per cent) had an annual household income below £10,000 and for a quarter (24 per cent) it was between £10,000 and up to £20,000. They were also more likely to be classified into social grade C2 (42 per cent compared to 29 per cent in the overall population) and less likely to fall into the top two social grades A and B (16 per cent compared to 27 per cent).

## Triggers for contacting the Pension Tracing Service

Respondents typically stated that their retirement planning prompted them to contact the PTS (51 per cent). Other reasons for tracing pensions via the PTS included having heard about the service from colleagues, friends or family (20 per cent); having seen advertising for the PTS (17 per cent); or having received advice from a professional (12 per cent) about it.

One in five (19 per cent) reported a change in personal circumstances which prompted them to contact the PTS. Most frequently, these changes included approaching retirement (25 per cent) or retirement (19 per cent). One in ten (11 per cent) experienced a drop in income, and other changes in circumstances revolved around life events, such as changing employer, separating from a partner, the death of a partner, or moving house.

The survey also explored the reasons why people lost touch with their pensions in the first place. Of all the individual pensions being traced, two-thirds (68 per cent) were lost because the pension holder moved on from their employer, and one in five pensions (19 per cent) were lost because their owners stated it had been a long while since they were last employed at the company that provided their pension.

## Approaching the Pension Tracing Service and prior expectations

Respondents became aware of the PTS through a variety of channels. Overall, nearly two in five (37 per cent) reported becoming aware of the service through various online channels, including internet search engines, the Directgov website, and other websites. A quarter (23 per cent) heard about it through word of mouth, from family, friends or colleagues. One in five (19 per cent) became aware of the PTS through various traditional media channels, such as newspapers, leaflets, TV or radio content. Finally, one in seven (16 per cent) were referred from other organisations, including professional organisations, pension providers, the DWP, the Pension Forecast Service or the CAB.

Younger respondents, those working full-time, those from a higher social grade, and who were male were more likely to have become aware of the PTS through an internet search engine. One might expect that the proportion of customers who become aware of the PTS online will increase as the more internet-savvy younger and middle-aged generations approach pensionable age. By contrast, older customers tended to hear about the PTS through word of mouth and traditional media channels.

Two-thirds (64 per cent) accessed the PTS online while a third did so by telephone (36 per cent). Again, younger respondents and those in full-time employment were more likely to use the service online, while older and retired respondents were more likely to use their phone to access the PTS. A third of telephone users (35 per cent) stated that they would not be able to access the PTS were it only available online.

When prompted about the expectations they had before contacting the PTS, almost nine in ten (87 per cent) respondents said they had expected to have been provided with contact details of their pension scheme administrator and just over half (53 per cent) expected to be signposted to another service that would provide further assistance with their trace.

These two service elements are already provided by the PTS, however, three in five (60 per cent) had expectations that went beyond this core service offer. Two in five respondents, (39 per cent) thought they would receive more details about their pensions including its overall value; a similar proportion (37 per cent) assumed that PTS would contact the pension scheme administrator on their behalf. A third (34 per cent) expected the PTS to get the pension scheme administrator to contact them directly, and one in 12 (9 per cent) wanted the PTS to actually pay the pension.

## Nature of pensions

The vast majority of pensions traced by the PTS were occupational pensions (91 per cent), with about one in 20 being personal pensions (6 per cent). Of all occupational pensions, two-thirds (65 per cent) were connected to previous employment within the private sector; over half (59 per cent) were linked to large employers (with more than 500 staff); and they typically originate from employment in the primary, utilities and manufacturing sector (28 per cent), public administration, education and health sector (20 per cent), or the financial and business services sector (15 per cent).

Three in five (57 per cent) occupational pensions related to jobs which had been held for more than five years, with one in ten (22 per cent) involving

employment periods of over ten years. A high proportion of pensions were connected to a job that dates back between 20 and 40 years (64 per cent), while only a small proportion (13 per cent) come from a job held ten years or less ago.

## Outcomes of pension traces

Respondents reported a successful trace in 75 per cent of cases, where the PTS was able to provide the name or contact details of the pension scheme administrator, or both. There were no significant differences between socio-demographic groups. However, the likelihood of a successful trace is higher for pensions relating back to employment at large organisations (79 per cent of pensions linked to companies with more than 500 staff), compared to small organisations (65 per cent of those originating from companies with 5 to 499 staff).

Exploring the next steps undertaken after a successful trace, in 72 per cent of cases respondents went on to take further action themselves, mostly by trying to contact the pension scheme administrator directly. A quarter (28 per cent) did not take further action at this stage. Of these however, 39 per cent stated that the reason for not taking further action was that they had not had time to do so yet, so these respondents may still follow up their trace at a later stage. Younger respondents were more likely not to take further action at this stage, which may be because the primary objective for this cohort was to only establish pension scheme details at this moment in time.

Where further action is undertaken, respondents reported in 80 per cent of cases that the contact details provided by the PTS were correct. Of those pensions, respondents were able to establish their eligibility to access the pension in 43 per cent of cases. Where eligibility has been verified, a third of pensions (34 per cent) had already been accessed, while the remainder (66 per cent) were expected to be accessed in the future. Of those pensions where eligibility had been established but which had not yet been accessed, nine in ten (89 per cent) will definitely be accessed in the future according to the intentions of respondents.

In summary, based on all enquiries processed by the PTS the outcome for around one in five of pensions (19 per cent) is that the respondent's eligibility to draw the pension had been confirmed. One in 20 pensions (6 per cent) were already being accessed, and a further one in ten (11 per cent) will be accessed in the future according to the intentions of respondents.

As outlined earlier however, some respondents had not yet made contact with administrators, therefore the actual figures may be higher.

In terms of typical value, of those pensions that had already been accessed or will be accessed in the future (and where respondents were willing to share the financial details), three-quarters of pensions (72 per cent) provide a regular payment of up to £29 per week and a third (37 per cent) provide payments between £1 and £9 per week. A lump sum payment is or will be accessed from more than half (55 per cent) of these pensions, paying a lump sum of £5,000 or less in two-thirds of cases (66 per cent), and £500 or less in a third of cases (32 per cent).

When the initial pension trace was unsuccessful, the majority of respondents did not take any further steps. However, a quarter (26 per cent) of respondents where the PTS was unable to find the name or contact details of the pension scheme administrator, and a third (35 per cent) of those where the contact details provided by the PTS turned out to be incorrect, kept on searching for their pensions. Where further action was undertaken, respondents managed to find the correct address of the pension scheme administrator in 59 per cent of cases, and to confirm their membership in the pension scheme in 49 per cent of cases. In two-fifths of cases (42 per cent) the respondent was able to confirm that the pension will be paid, and one in six (16 per cent) of these pensions were already being paid. It should be noted that it may well have been the case that these respondents subsequently sourced more details than they provided to the PTS (but chose to pursue the trace themselves rather than go back to the PTS).

## Customer satisfaction

Overall, the vast majority of respondents were satisfied with their experience of using the PTS. They were slightly more likely to be satisfied with the service they received (89 per cent) than with the information the PTS provided them with (84 per cent).

Satisfaction levels were high for both the online and the telephone service channel. Nine in ten (94 per cent) online respondents found the website to be useful, and a similar proportion (93 per cent) of telephone users felt that PTS call centre staff were helpful.

Three-quarters (75 per cent) felt that the service did not need any improvements. However, those who suggested any improvements, tended to recommend a more comprehensive service offer that would complete the pension tracing journey, for example, by contacting pension scheme administrators on behalf of customers. Some respondents also wanted the PTS to provide them with further details about the individual pensions they were tracing. Other suggestions include more advertising of the service, faster response times, and regular updating of the PTS database so that the contact details of pension scheme administrators are kept up to date.

The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 84712 850 8. Research Report 697. October 2010).

You can download the full report free from:  
<http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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