

Pension Wise service evaluation

Full year findings on customer experiences and
outcomes of using the Pension Wise service

October 2017

Pension Wise service evaluation: full year findings

DWP ad hoc research report no. 56

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Executive summary

This report details the findings from a quantitative service evaluation conducted by Ipsos MORI on behalf of Pension Wise, the Government-backed pensions guidance service. Surveys were carried out with customers who had appointments with the service between February 2016 and January 2017, as well as eligible defined contribution pension holders who only used the Pension Wise website (website customers), or did not access any Pension Wise service (non-users).¹

The customer experience has been highly positive

Customer satisfaction with the service was consistently high across several measures. Overall, 94 per cent of customers who completed appointments were satisfied with Pension Wise and eight in ten (79%) were *very* satisfied. 94% were also satisfied that their options were clearly set out to them, and 90% felt they were helped to make an informed choice about their next steps. Over nine in ten were also satisfied with various aspects of their appointment, including convenience, waiting times, length, knowledge of the Pension Wise guider, clarity of discussions and that discussions took on board personal circumstances.

The overwhelming majority of customers (97%) either already had, or said they were likely to, recommend Pension Wise to others. Almost a quarter (23%) had already done so, while a further three-fifths (62%) said they were *very* likely to do this.

Better knowledge and understanding of pension options is correlated with use of the service

Appointment customers' reasons for using Pension Wise were in line with the service's intended purpose. Overall, 90% used the service to find out more about their pension options. Furthermore, a similar proportion (88%) believed that their understanding of their pension options had indeed improved as a result of their Pension Wise appointment. This self-reported sense of understanding compared favourably to non-users:

- Over nine in ten appointment customers (93%) felt informed of their pension options after their Pension Wise appointment (vs. 86% of website customers and 56% of non-users).

¹ A total of 7,967 appointment customers were interviewed by telephone and online from February 2016 to March 2017. From these, 3,208 were followed-up for a second interview around 3 to 5 months later. A total of 1,857 people who did not have a Pension Wise appointment but were eligible for the service were interviewed over the same period (both website customers and non-users).

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- More than nine in ten appointment customers (94%) also felt confident in their ability to avoid scams (vs. 90% of website customers and 80% of non-users).
- Seven in ten appointment customers (70%) had spoken with their pension providers since their Pension Wise appointment. Of these, around nine in ten (87%) felt well prepared for these discussions (vs. 88% of website customers and 76% of non-users).

Factual knowledge of the available pension options under the new freedoms was also measured through a series of eight true or false questions, focused on how people were able to use their pension pots, the age at which they can start taking their pension money, and the tax implications. On average, those who used the Pension Wise appointment service or website were more factually informed than non-users. For example, when asked whether it was true or false that you can leave your money in your pension pot and take it as and when it is needed, 76% of appointment customers and 66% of website customers correctly answered 'definitely true'. Among non-users, this figure was significantly lower at 43%.

Pension Wise appointments lead to customers taking positive actions towards deciding on their access options

There was also evidence that Pension Wise had a positive impact on customer behaviour post-appointment. Customers who had an appointment with the service were more likely than non-users to have taken specific steps to help them make an informed decision, such as calculating desired retirement income, talking to pension providers, shopping around for quotes, looking into tax implications and charges, and considering investment options. For example, following their appointment 72% of customers calculated the income they needed in retirement, compared with 57% of those who had only used the Pension Wise website, and 29% of non-users during a similar time period.

Conclusions

Overall, Pension Wise has been shown to provide high levels of customer satisfaction, and having an appointment with the service was strongly linked to improvements in knowledge and understanding of pensions options, as well as making progress towards deciding on their access options.

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1 Introduction

1.1 Background and aims

Pension Wise is a national pensions guidance service backed by Government and delivered in partnership with other public bodies. The service provides free, impartial guidance to those who are aged 50 and over with defined contribution pensions that have not already been accessed. It provides information and guidance on the options available to people when accessing their pension money, which expanded following the introduction of new pension freedoms in April 2015.

The service offers face-to-face appointments, delivered through Citizens Advice, and telephone appointments, delivered through The Pensions Advisory Service (TPAS). It also offers online information and guidance via the Pension Wise website.

Between launch and September 2017, the Pension Wise website received over 5.6 million visits, and the service delivered more than 167,000 appointments, with around 70% of these being delivered face-to-face and 30% over the telephone².

Appointments, delivered by either channel, last between 45 and 60 minutes, and give customers a full explanation of the six options available for accessing a defined contribution pension under the pension freedoms. The options are:

- Leave your whole pot untouched
- Guaranteed income (Annuity)
- Adjustable income (Flexi-access drawdown)
- Take cash in chunks (Uncrystallised Funds Pension Lump Sum - UFPLS)
- Take your whole pot in one go
- Mix your options

The service helps customers to understand the pros and cons of the options for them in an impartial way, raises awareness of the risk of pension scams, and explains the potential impact on taxes and benefits. The Guidance Specialists (Guiders) who facilitate the appointments help customers to clarify their next steps in the decision making process, including key questions to ask their pension providers and information on shopping around. Customers receive a document summarising their appointment within 48 hours.

Appointments for the service can be booked online, over the telephone, or in person. Teleperformance provide the contact centre service for bookings.

² Pension Wise performance data is published monthly on gov.uk:
<https://www.gov.uk/performance/pension-wise>

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This report covers surveys undertaken with Pension Wise customers as well as those who were eligible for the service but did not use it. The survey measures the success of the service in terms of customer experiences and the outcomes achieved, relative to non-users. It covers:

- where customers heard of the service and what prompted them to use it
- the experience of booking and undergoing face-to-face and telephone appointments
- satisfaction with the service
- the impacts of the service, both on knowledge and understanding of pensions options, and on the actions people took to progress their chosen options.

The research was carried out by Ipsos MORI, on behalf of Pension Wise.

1.2 Methodology

The service evaluation incorporated three surveys:

- An initial experiences survey of 7,967 telephone and face-to-face customers, taking place roughly one month after their appointments. This survey was undertaken on an ongoing basis between February 2016 and March 2017.
- A follow-up outcomes survey of 3,208 customers who took part in the initial survey, conducted around three to four months after their appointment (also on an ongoing basis between May 2016 and May 2017). This gap was intended to leave enough time for customers to have explored their pension options further and potentially taken relevant actions.
- A survey of 1,857 people who did not have a Pension Wise appointment but were eligible for the service, encompassing both people who had visited the Pension Wise website and those who had not. This survey took place at four points across the year, coinciding with the period for the outcomes survey.

All three surveys were carried out through a mix of telephone and online interviewing. The data for all three surveys have been weighted to represent Pension Wise customers across the period between February 2016 and January 2017.³ Those taking part in the website customers and non-users survey have also been weighted to match the profile of the same cohort of appointment customers, in order to act as a comparison group.

Further details on the sampling, fieldwork dates, weighting and response rates are included in Appendix A. Copies of the questionnaires applied to all three surveys are provided separately in an annex.

³ Weighting was applied within each three-month group of customers, by Pension Wise delivery partner, appointment status (i.e. whether they completed their appointment or not), gender, age and mode of interview (to ensure there was no data collection mode bias introduced across waves).

1.3 Reporting conventions

Throughout the report, due to rounding of percentages, or exclusion of “refused” responses, figures in charts and tables do not always add to 100%.

Across the chapters, three primary groups are referred to:

1. **Appointment customers** are those who had a telephone or face-to-face appointment with Pension Wise.
2. **Website customers** are those surveyed in the non-user survey who had not had an appointment, but had visited the Pension Wise website.
3. **Non-users** are the remaining respondents who took part in the non-user survey, who had not had an appointment nor visited the website.

Only differences that are found to be statistically significant at the 95% level of confidence are commented on in the text. In charts, statistically significant differences between subgroups are shown throughout by a circle (●) next to the figure.⁴ Where possible, significance is tested between channel subgroups by comparing telephone appointment scores to face-to-face appointment scores. For customer type, significant differences between appointment customer and website customers or non-users are shown. For any other sub-groups, significance is tested against the overall average.

⁴ Strictly speaking, significance testing applies only to random probability samples, so in terms of quota sample surveys like the ones presented here, it should only be considered as a rough guide to statistical reliability.

2 Customer profiles

This chapter looks at the profile of customers, who attended a Pension Wise appointment, with comparisons between telephone and face-to-face customers. Due to instances where people have refused to respond, some figures in tables and charts in this chapter do not add to 100%.

2.1 Demographics

As Table 1 illustrates, appointment customers were more commonly male (67%), aged under 65 (84%) and often married or living as a couple (70%). A minority of one in five (19%), identified themselves as disabled, while one in twenty (5%) said they were from ethnic minority backgrounds. The gender balance is as expected – it reflects that, among those aged 50 or over, more men have defined contribution pensions than women.

Telephone and face-to-face customers were similar across most indicators, but the former tended to have a younger age profile.

Table 1: demographic breakdown of telephone and face-to-face customers

	All appointment customers	Telephone customers	Face-to-face customers
Gender	n=7,967	n=1,948	n=6,019
Male	67%	67%	67%
Female	32%	31%	33%
Age			
50-54	19%	34%	14%
55-59	24%	10%	29%
60-64	37%	39%	37%
65-69	11%	5%	12%
70+	4%	6%	3%
Appointment	n=7,967	n=1,948	n=6,019
Complete	85%	73%	89%
Incomplete ⁵	8%	15%	6%
Unattended	3%	8%	1%
Marital status	n=7,967	n=1,948	n=6,019
Single	12%	12%	12%
Married/couple	70%	69%	70%
Widowed/divorced	14%	15%	15%
Long-term disability	n=7,967	n=1,948	n=6,019
Yes	19%	19%	19%
No	75%	74%	75%
Ethnicity	n=7,967	n=1,948	n=6,019

⁵ These are customers who attended but did not see their appointment through to the end. “Unattended” stands for customers who, by contrast, did not make their appointment.

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	All appointment customers	Telephone customers	Face-to-face customers
White	93%	92%	93%
Other	4%	5%	4%
Social grade⁶	n=1,356	n=106	n=1,250
AB	9%	6%	9%
C1	24%	18%	25%
C2	30%	23%	31%
DE	31%	45%	29%

2.2 Education and work status

Three in ten appointment customers (28%) already considered themselves to be retired, with a quarter (25%) no longer doing any paid work. As can be seen in Table 2, telephone customers tended to be more highly educated than face-to-face customers, and both groups tended to be similar in terms of their work statuses.

Table 2: breakdown of educational level and work status of telephone and face-to-face customers

	All appointment customers	Telephone customers	Face-to-face customers
Working status⁷	n=4,428	n=971	n=3,457
Employed	47%	45%	48%
Self-employed	10%	12%	10%
Retired but still working	3%	5%	3%
Fully retired	25%	24%	25%
Unemployed/not in work	12%	10%	12%
Highest educational qualification	n=7,967	n=1,948	n=6,019
None	15%	11%	17%
School/college	38%	35%	38%
University	32%	38%	29%

2.3 Financial advice and guidance sources

Seven in ten (69%) appointment customers had consulted another source of financial advice or guidance about their defined contribution pensions outside Pension Wise in

⁶ Data for social grade were only collected in the telephone surveys, not the online surveys, so readers should be cautious when considering these figures in isolation – they are likely to be skewed away from the typically more highly educated customers who participated more in the online survey. This question was added from wave 3 onwards, so figures represent, with the stated caveat, customers using the service from August 2016 to January 2017.

⁷ This is based exclusively on August 2016 to January 2017 customers (i.e. the final two waves of the four-wave fieldwork), which reflects that the answer codes at this question were significantly changed after the second wave.

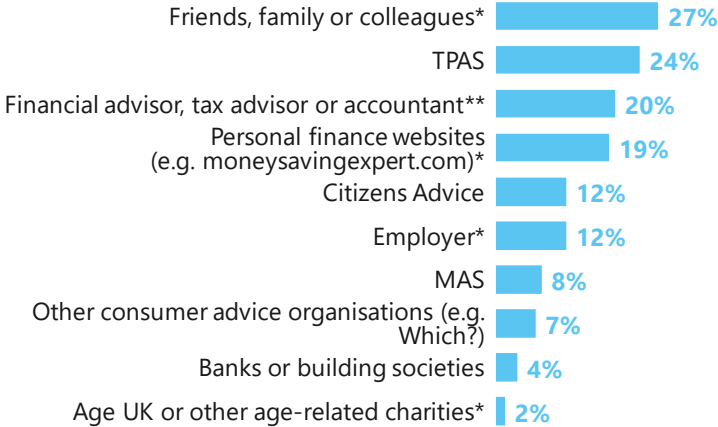
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the last year. This left around three in ten (31%) who had not. This was similar across telephone and face-to-face customers.

Figure 1 shows that the most common sources of advice and guidance included friends, family and colleagues (26%), TPAS (24%) and professional paid advice from financial advisors, tax advisors or accountants (20%). Banks and age-related charities tended to be especially uncommon sources of advice or guidance. As expected, telephone customers were more likely to have used TPAS, while face-to-face customers were more inclined to use Citizens Advice, reflecting that these were the delivery organisations for their respective appointments (N.B. it may be that customers were thinking of the Pension Wise appointment itself when answering).

Figure 1: sources of advice and guidance outside Pension Wise

Q. In the last 12 months, have you received any financial advice or guidance about your defined contribution pensions from any of the following sources?



Base: 7,934 eligible customers using Pension Wise from Feb 2016 to Jan 2017 (*6,028 given this response option from May 2016 onwards; **1,927 given this response option from May to July 2016 only), i.e. excluding those who were aged under 50 or without a non-accessed defined contribution pension

Men were more likely than women to have used paid financial advice (22% said financial advisers, tax advisers or accountants, vs. 17% of women). As might be expected, those who had booked their Pension Wise appointment online were also more likely to have used personal finance websites (26%, vs. 19% overall). These were also a more common source for people with high-value pension pots of £100,000 or more (30%).

Citizens Advice was more consulted among those who held no qualifications (18%, vs. 12% overall), disabled people (17%) and those with smaller pension pots under £20,000 (16%).

2.4 Retirement provision

Table 3 shows that there was a wide spread in the value of appointment customers' pension pot values. Since their appointment, a fifth (20%) had already made formal arrangements as to how they intended to access their defined contribution pension money. This was higher among telephone customers than face-to-face customers, which runs counter

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to the fact that telephone customers had a younger age profile. It suggests that telephone customers may have typically been more decisive as to how to use their pension pots, or were simply closer to making a decision when they visited Pension Wise, regardless of their age.

Table 3: breakdown of retirement provision of telephone and face-to-face customers

	All appointment customers	Telephone customers	Face-to-face customers
Pension pot(s) value⁸	n=5,522	n=1,470	n=4,053
Up to £20,000	15%	15%	15%
More than £20,000 up to £50,000	23%	21%	24%
More than £50,000 up to £100,000	20%	20%	20%
More than £100,000 up to £500,000	22%	21%	22%
More than £500,000	2%	4%	2%
When expect to make arrangements⁹	n=1,885	n=419	n=1,466
Already made pension arrangements	20%	30%	17%
In less than 1 year	37%	35%	37%
In 1 to 2 years	12%	9%	12%
In 3 to 5 years	11%	7%	12%
In 6 to 10 years	7%	5%	7%
In over 10 years	2%	1%	2%

Other sources of retirement income

Over two-fifths of appointment customers (44%) had ever had a defined benefit pension in addition to their defined contribution pension pot or pots. This was more common among those with high (defined contribution) pot values of £100,000 or more (56% of this group also had defined benefit pensions).

The vast majority of these customers had opted to keep their defined benefit pensions and their defined contribution pensions separate. Nine per cent had transferred the value of their defined benefit pension into a defined contribution scheme.

Figure 2 shows where appointment customers expected the majority of their retirement income to stem from. Just a quarter (24%) of customers anticipated that

⁸ Question asked only of May 2016 to January 2017 customers.

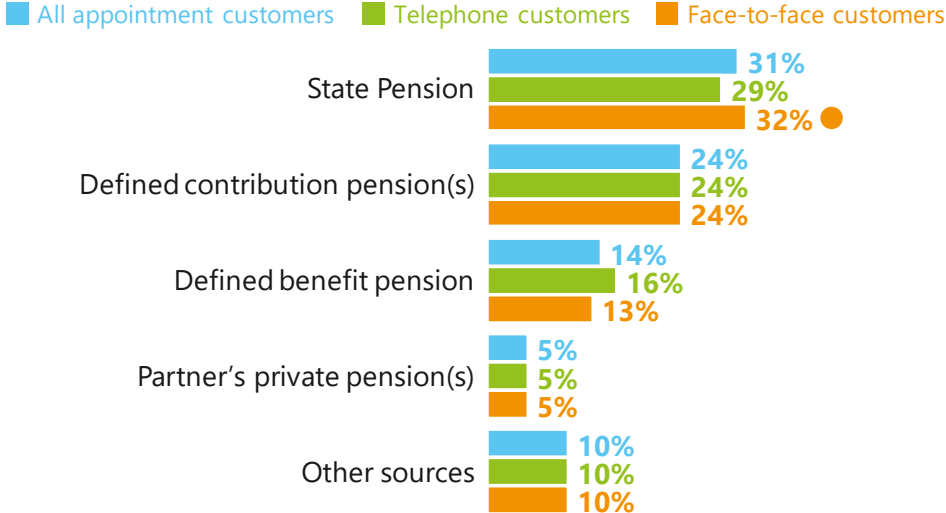
⁹ Question asked only of November 2016 to January 2017 customers. In the first two waves of the survey, a similar question was asked of when people expected to withdraw their pots (rather than just finalise their arrangements for doing so). Given the significant change to the question post-November, the earlier data are not merged in here.

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most of their retirement income would come from their defined contribution pension, and the State Pension was a more common response (31%).

Figure 2: expected main income source in retirement

Q. Which of the following do you think will provide the majority of your retirement income?



Base: 6,028 eligible customers using Pension Wise from May 2016 to Jan 2017 (i.e. excluding those who were aged under 50 or without a non-accessed defined contribution pension)

Those with a university education were more likely to think their defined benefit pension would make up the bulk of their retirement income compared to the average (25% vs. 14%).

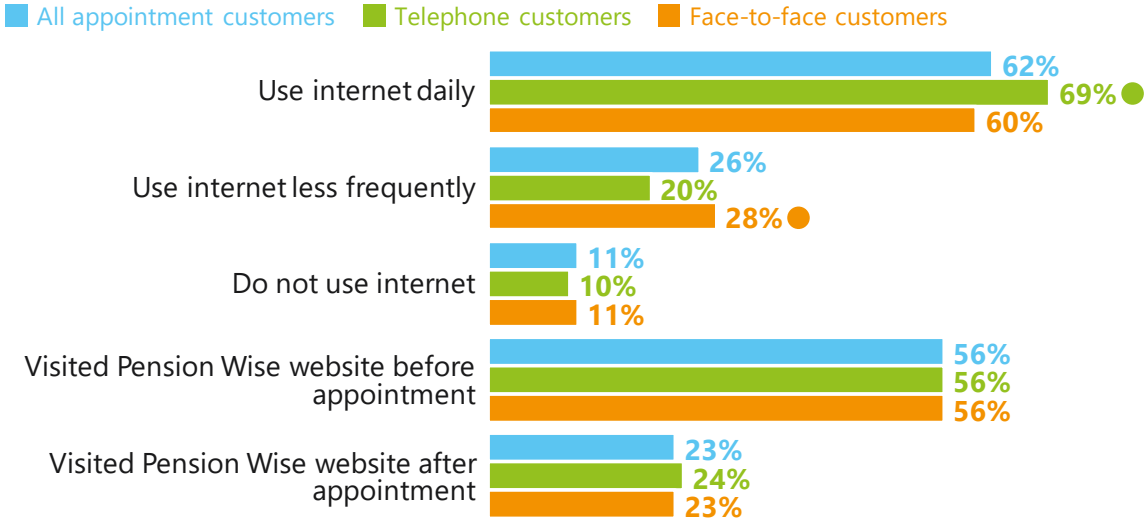
Defined contribution pensions were the most common response among the 50 to 54 age group, in terms of comprising the majority of their retirement income. This suggests that in the future, Pension Wise will deal with more customers who have defined contribution pensions as their expected main retirement income source.

2.5 Internet and Pension Wise website usage

As Figure 3 indicates, appointment customers were typically internet users, but telephone customers tended to use the internet more frequently than face-to-face customers. Just one in ten appointment customers (11%) did not use the internet. Three-fifths (61%) of appointment customers had visited the Pension Wise website, mostly before their appointment. Nevertheless, around a quarter (23%) had visited the website after their appointment, potentially seeking further information or confirming the information they have been given.

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Figure 3: use of internet and Pension Wise website by appointment customers



Bases: 7,967 customers using Pension Wise from Feb 2016 to Jan 2017; 1,948 telephone customers; 6,019 face-to-face customers

Customers who completed their appointment were more likely to have visited the Pension Wise website beforehand than those who did not complete it (41% vs. 34%).¹⁰ The less affluent were much less likely to have visited the website beforehand (18% of C2DEs had done so).

¹⁰ A total of 85 per cent of customers completed their appointment, while 8 per cent left appointments early, and 3 per cent had unattended appointments.

3 Booking an appointment

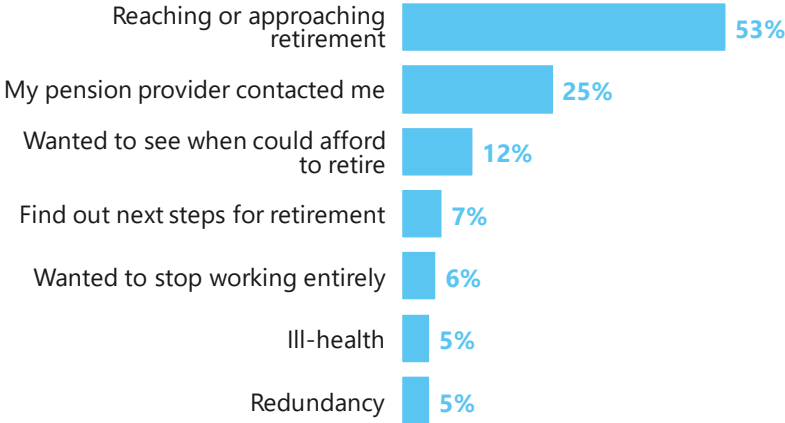
This chapter covers the motivations customers had for booking their appointment with Pension Wise, where they heard about the service and the channels they used to arrange their appointment. It also reports on any problems customers had during the booking process, and why customers chose a specific channel for their appointment (telephone or face-to-face).

3.1 Initial motivations for considering pension options

Half of all appointment customers (53%) said that approaching retirement age spurred them to think about their pension options, as Figure 4 shows. A quarter (25%) were prompted by their pension provider. Outside of these two main responses, relatively few cited specific life events, such as redundancy or ill health, or other motivations as driving their behaviour. This was largely the same across telephone and face-to-face customers.

Figure 4: motivations that prompted thinking about pension options

Q. Before your Pension Wise appointment, what would you say prompted you to start thinking about your pension options?



Bases: 5,464 customers who completed an appointment from May 2016 to Jan 2017 (question asked from wave 2 onwards)

Women were slightly more likely to be encouraged by their pension provider contacting them (28%, vs. 23% of men). Pension provider nudging was also a more common reason among those with lower value pension pots (29% of those with pot values of £50,000 or less mentioned this, vs. 25% overall). Among those who were disabled, ill-health was cited by a fifth as a motivation for considering their pension options (21%, vs. 5% overall).

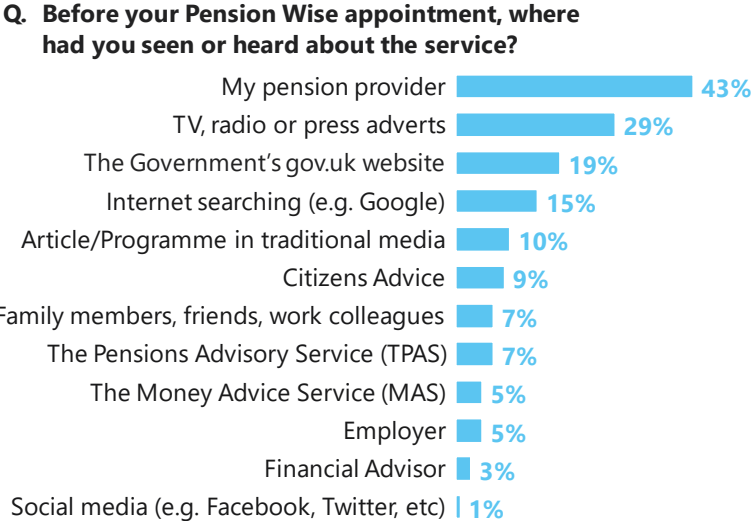
3.2 How customers heard about Pension Wise

Appointment customers were also asked about *where* they had heard of Pension Wise. Pension providers were the most commonly cited source (43%), followed by advertising (29%) as Figure 5 indicates.

For those who had consulted Citizens Advice for general financial advice or guidance in the past year, Citizens Advice was – as expected – among the top sources where they heard about Pension Wise (27%, vs. 9% overall). Similarly, of those who spoke to their employers for general financial advice or guidance, a fifth were directed to Pension Wise by their employer (20%, vs. 5% overall).

Among those who had used paid financial advisors in the past year, just seven per cent had heard of Pension Wise through this source – although it is worth remembering that the service may be more beneficial to those who have *not* already had independent financial advice.

Figure 5: where appointment customers heard about Pension Wise



Base: 4,435 customers who completed an appointment from Feb to Apr 2016 and Aug to Oct 2016 (question asked on waves 1 and 3)

Those aged 60 to 64 were more likely to say they heard about Pension Wise through their pension provider (49%, vs. 43% overall). Those from ethnic minority backgrounds were also more likely to have heard about the service through their provider (55%. vs. 43% of white people), as were appointment customers in the south of England (54%).

Men were generally more likely to hear via internet sources (30% had found Pension Wise via GOV.UK or Google searching, vs. 24% of women).

3.3 Main reasons for using Pension Wise

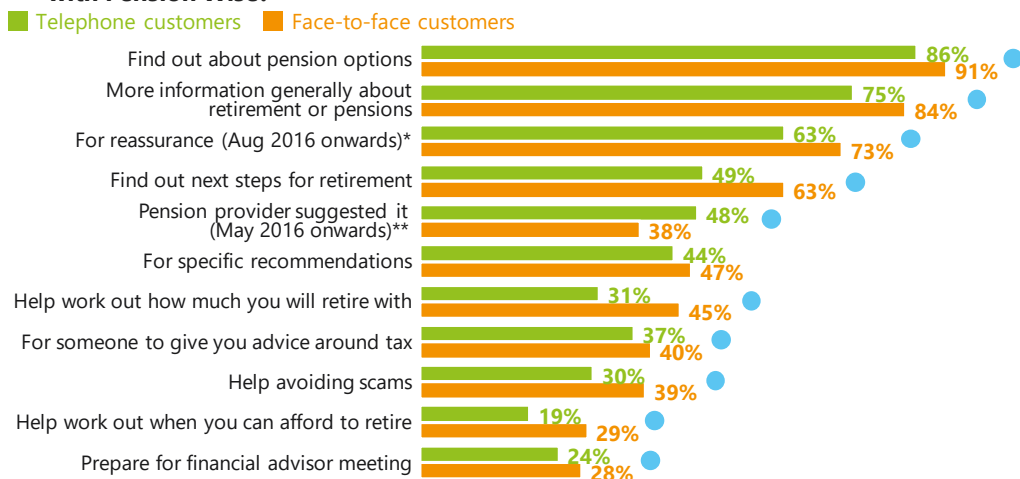
Broadly speaking, appointment customers' reasons for using Pension Wise were in line with the service's intended purpose. Overall, nine in ten (90%) used the service to find out more about their pension options.

Beyond this, general guidance or reassurance were common reasons. Eight in ten (82%) said they used it to receive more information generally about retirement and pensions and seven in ten (70%) used the service simply for reassurance. Notably, around half (47%) of appointment customers were looking for more specific recommendations around what to do with their pot – something that Pension Wise does not provide, giving impartial guidance rather than advice. This highlights the ongoing challenge Pension Wise has in managing expectations around this. The customers who came to their appointment with this reason in mind were more likely than average to feel their understanding of their pension options had improved (47% felt this improved a great deal, vs. 41% overall).

As Figure 6 illustrates, face-to-face customers were more likely to have several specific main reasons for using the service, whereas telephone customers were more likely to attend on the basis of a recommendation from their pension provider (48%, vs. 38% of face-to-face customers). This may indicate a more focused use of the service from telephone customers, or potentially a more passive use (i.e. just attending based on an external recommendation).

Figure 6: main reasons for using Pension Wise

Q. Which of the following, if any, were your main reasons for arranging an appointment with Pension Wise?



Bases: 1,948 (*1,056) (**1,488) telephone customers; 6,019 (*2,847) (**4,089) face-to-face customers

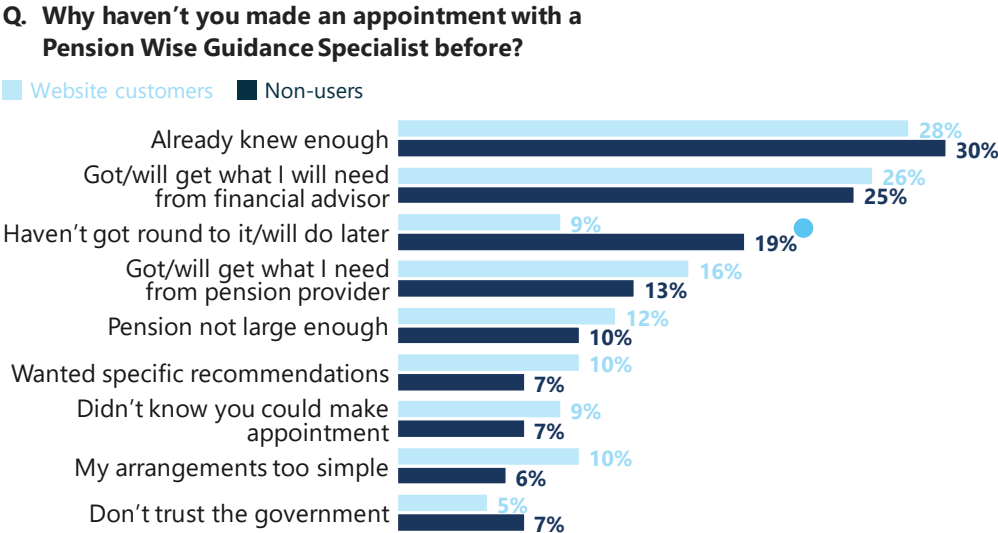
Appointment customers with smaller pots under £20,000 were more likely to be looking for specific advice on what to do with their money (55%, vs. 47% overall). Those with larger pots of £500,000 or more were more likely to say they were using the service to prepare for a meeting with a financial advisor (34%, vs. 27% overall).

3.4 Reasons for not using the Pension Wise service

The non-user survey asked those who had heard of Pension Wise and thought about or chosen certain pension options, but not arranged a Pension Wise appointment, why they had not done so. Figure 7 shows that the most common reasons related to people already feeling they knew enough, or thinking they would get sufficient guidance from a financial advisor instead.

Around a fifth (19%) of non-users said they had not got round to it yet but would consider doing it later. This was lower for website customers (9%), who might feel they had got everything they needed from the website (although this is not directly evidenced in the survey). Nonetheless, this still leaves around just under a fifth overall who may be interested in having a Pension Wise appointment. It is also worth noting that relatively few in both groups said that wanting specific advice, not just guidance, was a barrier to using Pension Wise.

Figure 7: reasons for website customers and non-users not arranging a Pension Wise appointment



Bases: 101 website customers; 239 non-users

3.5 Arranging the appointment

Eight in ten customers (80%) arranged their appointment by telephone, and almost all telephone customers (95%, vs. 75% of face-to-face customers) did this. Customers could also book an appointment face-to-face at Citizens Advice, and 12% of appointment customers overall opted for this channel (16% of face-to-face appointment customers).

The survey also measured web bookings. This option was being phased in gradually during fieldwork and the number of web bookings rose from 4 per cent for August to October 2016 customers, to 18 per cent for November 2016 to January 2017 customers.

Preference for telephone or face-to-face appointments

Telephone customers largely chose this channel because of the perceived convenience that a phone call offered them (83% cited this as a reason). The other reasons given were much less common. Just over one in ten (14%) mentioned privacy, under one in ten (8%) said they preferred telephone interactions generally, and the same proportion (8%) preferred telephone interactions for financial matters. When face-to-face customers were asked for the reasons behind their preference, more than two-thirds (68%) said they generally preferred face-to-face interactions and almost six in ten (57%) preferred talking face-to-face when specifically discussing financial matters. The next most commonly mentioned reason was wanting to discuss paperwork, which was flagged by a quarter (27%).

Problems booking appointments

During the booking process, only a very small proportion (5%) of appointment customers encountered any issues. For those booking via telephone, four per cent had issues, while five per cent of those booking in person encountered a problem. A slightly larger proportion (8%) of those booking online encountered an issue, which may be due to the fact that online booking was a relatively new service. The top mentions of problems that appointment customers incurred were that they could not get through on the phone (15%), found it was a long time before the next available appointment (13%) or found that appointment times were inconvenient (12%).

4 The appointment experience

This chapter covers customers' experience of their Pension Wise appointment. This includes being told the service was impartial, and reasons for customers not completing or missing appointments. It also explores the usage and perceived usefulness of the summary document that summarises the appointment and gets sent to customers, either by post or downloaded online.

4.1 Perceived impartiality of the service

The vast majority of customers confirmed that their guider explained the impartial nature of Pension Wise to them, including the fact that no specific recommendations would be provided. This was consistent across telephone (99%) and face-to-face customers (98%), and across all demographic subgroups.

It is worth noting that, later on in the survey when asked if there was anything Pension Wise could improve, a small number of customers¹¹ still said they wanted advice and recommendations on what choice they should make with their pension pots.

Alongside this, of the small minority of customers who felt dissatisfied with the service overall one of the more common (but not the most common) reasons given was that the service did not provide a specific recommendation (see chapter 5).

These data highlight that while managing expectations about the scope of the service is an ongoing challenge that Pension Wise faces, this only affects a small number of customers.

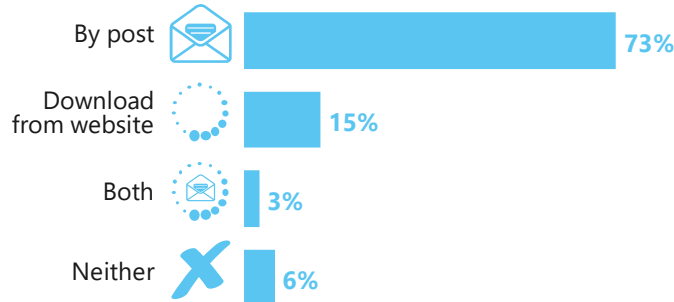
4.2 Summary document

As Figure 8 indicates, the majority of customers who completed their appointment, received their summary document through the post (76%). Another fifth of customers (18%) downloaded the document from the Pension Wise website – an option that was phased in over the course of the research, so was expected to be a lower response. This leaves six per cent who did not recall receiving their summary document.

¹¹ Responses to the question were not coded so have not been quantified, but it is important to note that it was only mentioned by a handful of customers.

Figure 8: channel for receiving summary document

Q. After your appointment, did you get a document summarising your discussion with the Pension Wise Guider, either in the post, or as a download from the Pension Wise website, or both?



Base: 5,464 customers who completed an appointment from May 2016 to Jan 2017

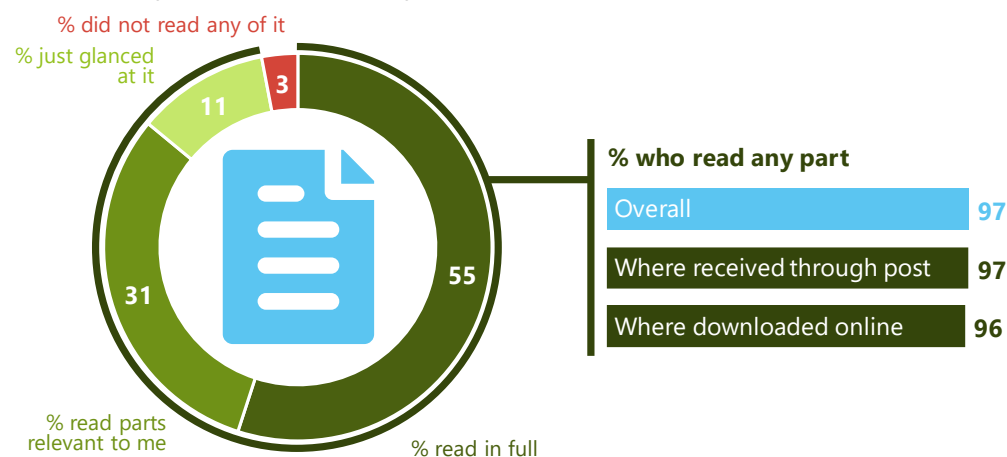
Customers under 55 were more likely to have downloaded the summary document online (27% vs. 18%), as were telephone customers (44%).

Reading the summary document

Out of those who recalled receiving the summary document, the overwhelming majority (97%) said they had read at least some of it. This amounts to nine in ten appointment customers (91%) in total, when accounting for those who did not remember receiving it. As Figure 9 shows, just over half (55%) said they read the document in full, and this was equally true among those who received it by post versus those who downloaded it online.

Figure 9: whether appointment customers read the summary document

Q. Which of the following best describes the extent to which you read the summary document?



Bases: 4,119 appointment customers who remembered receiving the output document; 2,136 receiving output document through post; 417 downloading output document online

Those who intended to make formal arrangements for taking their pension pots later on paid less attention to the document (49% of those intending to do so in two or more years read it in full, vs. 55% overall). The less affluent (DEs) were more likely to have just glanced at it (23%, vs. 11% overall).

Importance of the summary document

Nine in ten customers (88%) said they found the summary document useful in helping them to decide on their next steps, with nearly half (45%) saying it was *very* useful.

Perceived usefulness was somewhat higher among face-to-face customers than telephone customers (88% vs. 85%). The channel difference reflects that face-to-face customers tended to be less highly educated (see Chapter 2), and the summary document seemed to work particularly well for those who were less well educated (92% of those with no qualifications found it useful, vs, 89% of those with school or college qualifications, and 83% of those with university qualifications).

It is worth noting that while the less affluent were among the least likely to have engaged with the document, those who did were more likely than average to have found it useful (94% useful among C2DEs, vs. 88% overall).

Finally, those who used the Pension Wise website after their appointment also tended to find the summary document more useful (54% *very* useful, vs. 45% overall). This suggests that customers might get more out of using the website in conjunction with the summary document.

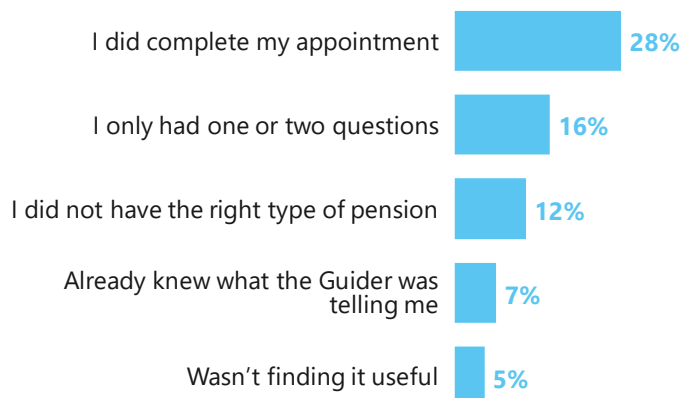
4.3 Reasons for incomplete or missed appointments

A small proportion of Pension Wise customers did not complete their appointment (8% over the course of the year) or missed it completely (3%).

Figure 10 highlights the reasons customers gave for not completing their appointment. It is worth noting that around a third of these customers (28%) felt that they had actually completed their appointment (e.g. they may have felt they got what they needed and left early). Following this, the most commonly cited reasons were having just a couple of questions (16%) and being told they were ineligible (12%).

Figure 10: reasons for not completing the appointment

Q. What were the reasons you were not able to complete your appointment?



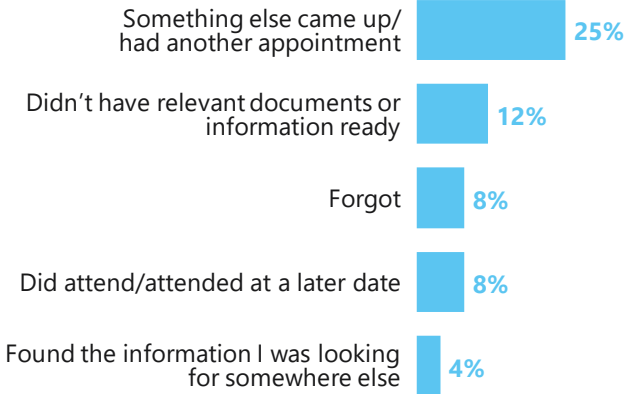
Base: 336 customers with an incomplete appointment
Question unprompted for telephone respondents. Top five mentions shown.

Pension Wise service evaluation: full year findings

As Figure 11 indicates, for those who did not attend the appointment, a quarter (25%) mentioned having another appointment or other priorities. Outside this, the most common reason was not having the right documents prepared (12%).

Figure 11: reasons for missing the appointment

Q. What were the reasons you were not able to attend your appointment?



Base: 98 customers who missed their appointment
Question unprompted for telephone respondents. Top five mentions shown.

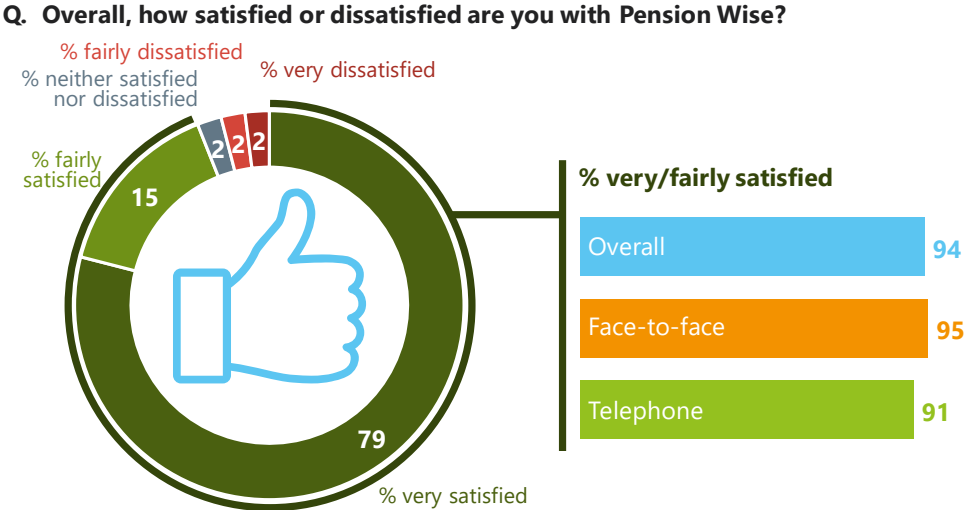
5 Overall views of the service

This chapter covers appointment customers’ overall satisfaction with Pension Wise as well as their satisfaction with more specific aspects of their appointments. Among those who were dissatisfied, it also covers reasons for dissatisfaction. Finally, it reports whether people would recommend the service to others.

5.1 Overall satisfaction

Overall satisfaction was measured across three indicators. Satisfaction with Pension Wise as a whole is shown in Figure 12. The overwhelming majority (94%) of appointment customers who completed an appointment were satisfied.¹² Satisfaction was a little higher among face-to-face customers (95% satisfied and 81% very satisfied) than telephone customers (91% satisfied and 74% very satisfied) – this nonetheless means that, in both groups, over nine in ten were satisfied.

Figure 12: overall satisfaction with Pension Wise



Bases: 7,359 customers who completed an appointment from Feb 2016 to Jan 2017; 1,786 telephone customers; 5,573 face-to-face customers

As Figure 13 shows, nine in ten or more appointment customers were also satisfied that the main aims of the Pension Wise service were being fulfilled, i.e. that their pension options were explained (94%) and that the service helped them make an informed decision afterwards (90%).

¹² From May 2016 onwards, this question was only asked of customers who completed their appointments (i.e. excluding customers who missed their appointments or cut them short). This is slightly different to the wave 1 interim findings report published in October 2016 (<https://www.gov.uk/government/publications/pension-wise-service-evaluation-wave-1-interim-findings>), where the question included all those who set up an appointment. This partly explains the difference in satisfaction measured in wave 1 vs. now (91% vs. 94%).

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Figure 13: satisfaction with Pension Wise fulfilling its main aims

Q. How satisfied or dissatisfied were you with the following aspects of your experience?

■ % very satisfied
 ■ % fairly satisfied
 ■ % neither satisfied nor dissatisfied
 % satisfied overall
■ % fairly dissatisfied
 ■ % very dissatisfied



Base: 7,359 customers who completed an appointment from Feb 2016 to Jan 2017

Again, face-to-face customers were slightly more satisfied compared to their telephone counterparts, both in terms of pension options being set out clearly (94% vs. 91%) and feeling they could later make an informed choice (91% vs. 86%). These small differences may have various underlying causes:

- Firstly, they could reflect the inherent difficulty of relaying advice over the telephone compared with face-to-face. This is supported by the findings in Section 3.5 showing that a general preference for face-to-face interactions was the most common reason for choosing a face-to-face appointment.
- Differences could partly be linked to the survey findings that telephone customers were more likely simply to have been referred to Pension Wise by their pension provider, rather than proactively opting to use the service (see Chapter 3) – so the face-to-face audience was more predisposed to positively engaging with the service.
- Face-to-face customers typically waited longer after their Pension Wise appointment before making arrangements to withdraw their money, so their need for Pension Wise may have been less urgent (and therefore they may have had more moderate expectations of the service).
- Differences may also be related in part to the finding that telephone customers were typically more educated and considered themselves to be more aware of the facts, so were simply using the Pension Wise service as a sense-check.

Across all three indicators, satisfaction levels were equally high across men and women and different age groups. Regionally, there were consistent differences, with customers in Wales and the North East tending to be more satisfied (91% and 86% very satisfied with Pension Wise respectively, vs. 79% overall) and those in London less satisfied than average (76% very satisfied with Pension Wise).

There were also links between satisfaction and use of the other Pension Wise tools, such as the website and summary document. Those who accessed the website after their appointment tended to be more satisfied overall with the service (84% very

Pension Wise service evaluation: full year findings

satisfied, vs. 79% overall). Those who recalled reading the summary document were also more likely to be satisfied with the service than those who did not (95% vs. 91% satisfied).

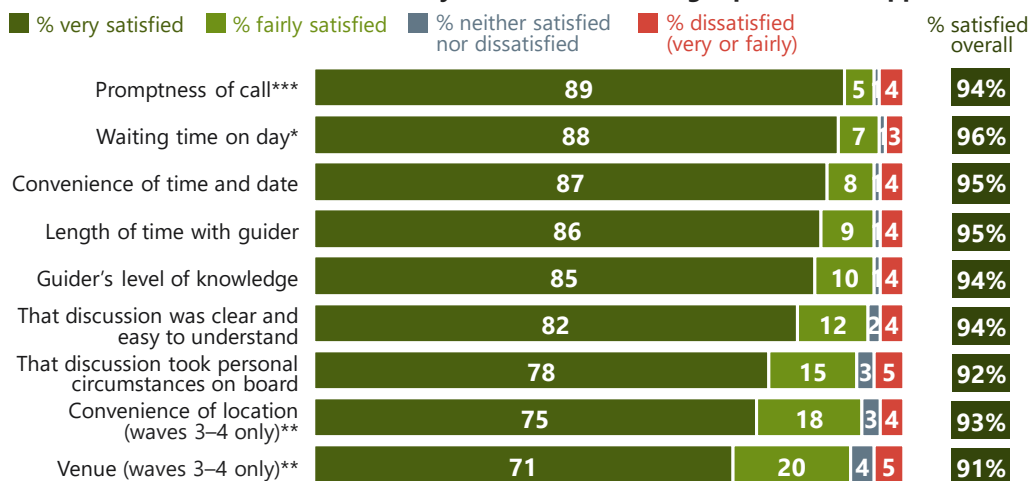
Satisfaction was also linked to the reasons cited for using the service. Appointment customers who were simply looking for reassurance tended to be more satisfied overall (83% very satisfied, vs. 79% overall) as were those who wanted help in avoiding pension scams (85% very satisfied, vs. 79% overall).

5.2 Satisfaction with specific aspects

As Figure 14 shows, customers demonstrated high levels of satisfaction with various aspects of their Pension Wise appointment. More than nine out of ten customers were very or fairly satisfied across all the aspects measured in the survey. The promptness of the service, the length of the appointment and the perceived knowledge of the Pension Wise guider all rated especially highly. Ratings around clarity and tailoring of discussions tended to be less strong, as did those around where the appointment took place (for face-to-face customers).

Figure 14: Satisfaction with specific aspects of the appointment

Q. How satisfied or dissatisfied were you with the following aspects of the appointment?



Bases: 7,252 customers who completed an appointment from Feb 2016 to Jan 2017 (*5,559 face-to-face customers)
 Certain codes introduced from wave 3 onwards: **3,284 face-to-face customers; ***857 telephone customers

Figure 15 shows that face-to-face customers tended to be more strongly satisfied than telephone customers across a range of these indicators – although in most cases these differences were very small. This included the length of the appointment, perceived knowledge of the guider, clarity and taking on board personal circumstances.

Figure 15: Satisfaction with specific aspects by appointment channel

Q. How satisfied or dissatisfied were you with the following aspects of the appointment?



Bases: 1,693 telephone customers; 5,559 face-to-face customers

These satisfaction scores also varied across regions, with appointment customers in Scotland and Wales consistently showing higher levels of satisfaction than the rest of the United Kingdom across all these aspects of the appointment. Customers in London were typically the least satisfied across a number of these indicators, particularly with the logistical aspects of the appointment (65% very satisfied with the location and venue, vs. 75% overall; 80% very satisfied with the waiting time on the day of appointment, vs. 88% overall).

White appointment customers were more satisfied with various aspects than those from ethnic minority backgrounds, including the length of discussion with the guider (87% vs. 79%), the convenience of the time and date of the appointment (81% vs. 79%) and the guider's level of knowledge (85% vs. 76%).

5.3 Reasons for dissatisfaction

It should be noted that very few appointment customers (4%) were dissatisfied with Pension Wise. Those who were dissatisfied commonly related this to the content of the advice they received. The top three reasons given were that the service told them nothing new (37%), that it was not personalised enough (29%) and that it did not give them a specific recommendation (29%). It is worth noting that the latter reason was *not* the top mention, despite many people using the service on the basis that they might receive a specific recommendation.

Face-to-face customers who were dissatisfied were more likely to mention that the service did not give them a specific recommendation (33%, vs 13% of telephone customers).

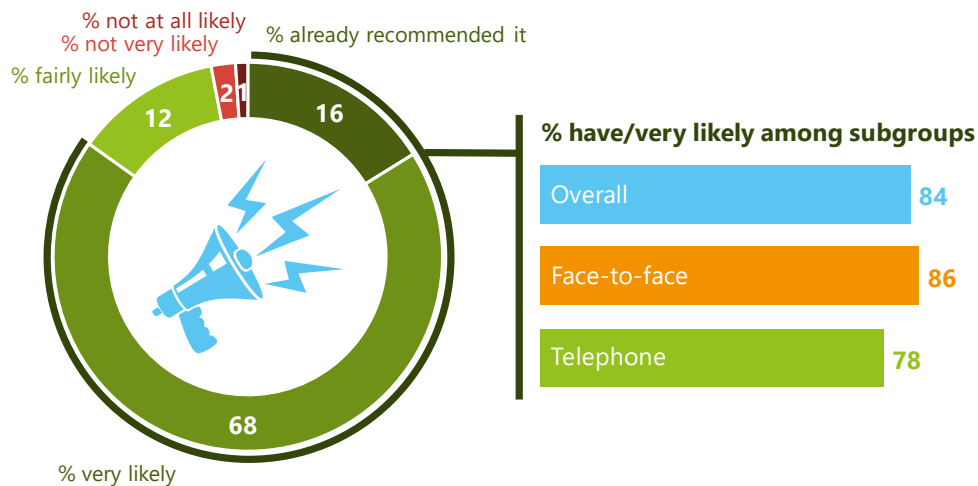
5.4 Advocacy for the service

Overall advocacy for the service was very strong. The overwhelming majority (97%) of appointment customers said they were either fairly or very likely to recommend the service, or had already done so. Most of these advocates (68%) were very likely to recommend Pension Wise in future, while a smaller proportion (16%) said they had already done so, as Figure 16 shows.

In line with the small disparity in satisfaction scores, advocacy was stronger among face-to-face customers than telephone customers (86% vs. 78% already had or were very likely to recommend). More telephone customers said they would be *fairly* likely to recommend Pension Wise (15%, vs. 11% of face-to-face customers).

Figure 16: likelihood to recommend Pension Wise to others

Q. How likely is it, if at all, that you would recommend Pension Wise to others?



Bases: 7,252 customers who completed an appointment from Feb 2016 to Jan 2017; 1,753 telephone customers; 5,569 face-to-face customers

Advocacy was equally high across men and women and, broadly speaking, was more consistent across regions compared with satisfaction.

6 Knowledge and understanding

The surveys also measured appointment customers’ knowledge and understanding of their pension options. This included both perceived understanding – and customers own sense of how much Pension Wise had impacted on this – as well as their understanding of the facts, assessed by a series of true/false questions, and compared to website users and non-users.

6.1 Perceived understanding

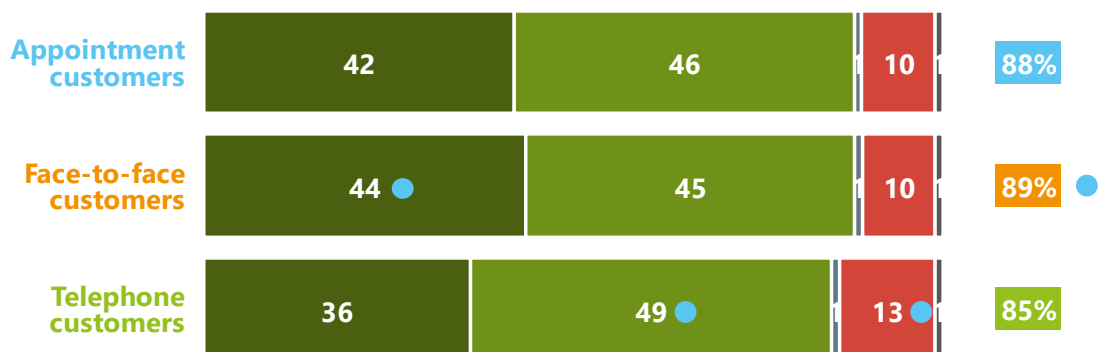
Around nine in ten customers (88%) believed that their understanding of their pension options had improved as a result of their Pension Wise appointment.¹³ It should be noted that this is *perceived* understanding, rather than actual understanding (which is covered later in this chapter).

As Figure 17 illustrates, this perception tended to be a little stronger among face-to-face customers (89% think their understanding improved due to Pension Wise, versus 85% of telephone customers).

Figure 17: whether customers felt their understanding had improved through Pension Wise

Q. How much, if at all, did your experience with Pension Wise help improve your understanding of your pension options?

- % think understanding improved a great deal due to Pension Wise
 - % think understanding improved a fair amount due to Pension Wise
 - % think understanding improved but not due to Pension Wise
 - % think understanding did not improve very much or at all
 - % don't know
- % improved understanding overall



Bases: 7,252 customers who completed an appointment from Feb 2016 to Jan 2017; 1,753 telephone customers; 5,569 face-to-face customers

¹³ This analysis combines data from two survey questions: the first asked how much appointment customers felt their understanding of their options had improved, and the second asked how much they attributed this improvement to Pension Wise.

Improvements in perceived understanding were broadly consistent by gender and age. Disabled customers were stronger in their feeling that Pension Wise had improved their understanding (46% a great deal, vs. 42% overall), as were non-internet users (52% a great deal) and those without qualifications (49% a great deal). This in turn provides a context for the delivery channel differences, as face-to-face customers also tended to be less well-educated and less likely to use the internet than telephone customers. The channel differences may therefore reflect that face-to-face customers had on average started out with a lower level of understanding, so felt they gained more from their Pension Wise experience than others.

There were also differences by region. Appointment customers in Wales (56% a great deal, vs. 42% overall) and the East Midlands (47%) felt most strongly that their knowledge and understanding had improved. These differences are also likely to reflect the customer profiles within each region, for example a greater proportion of less affluent and less well-educated customers in Wales. Nonetheless, it is worth noting that within each region, at least eight in ten customers felt that Pension Wise had helped improve their understanding at least a fair amount.

6.2 How Pension Wise was felt to contribute to decision-making

Making customers feel informed of their options

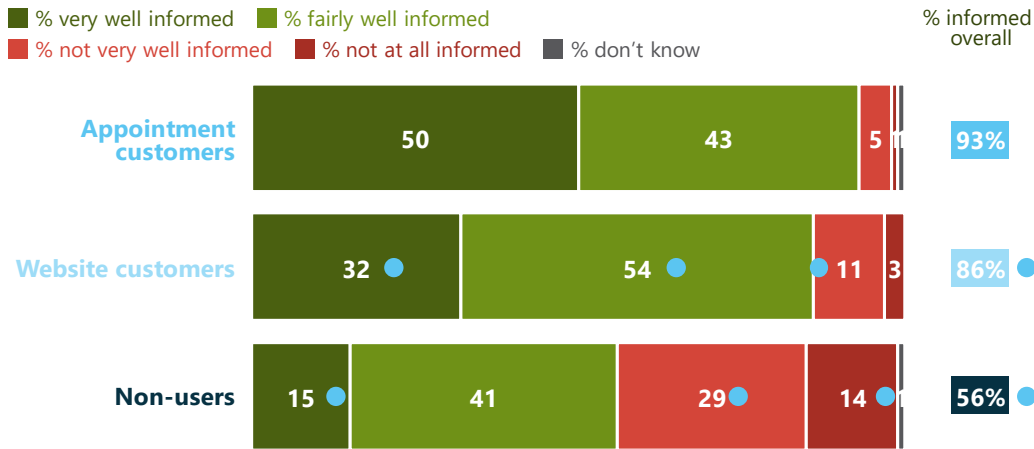
Over nine in ten appointment customers (93%) felt informed of their pension options after their Pension Wise appointment, with half (50%) feeling very well informed. As Figure 18 indicates, this sense was stronger among appointment customers than it was among either website customers or non-users. While this does not prove the impact of Pension Wise on people's understanding¹⁴, it does suggest that the service may have had a positive impact on people's outlooks.

¹⁴ It should be noted that, although the samples of website customers and non-users were weighted to match the characteristics of appointment customers, the latter subgroup may still have been more inherently predisposed to feeling engaged with their pension options.

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Figure 18: feeling informed about pension options

Q. How well informed, if at all, do you feel about the different options you can take with your pension pots?



Bases: 3,208 customers who completed an appointment from Feb 2016 to Jan 2017; 267 website customers; 1,573 non-users

Avoiding scams

More than nine in ten appointment customers (94%) also felt confident in their ability to avoid scams. Of these, two-fifths (41%) attributed this as being a *great deal* due to Pension Wise, and a further similar proportion (46%) felt this was a *fair amount* due to their Pension Wise experience.

Once again, as Figure 19 shows, appointment customers were more confident in avoiding scams than either website customers or non-users.

Figure 19: confidence in avoiding scams

Q. How confident, if at all, do you feel about being able to avoid any pension scams?



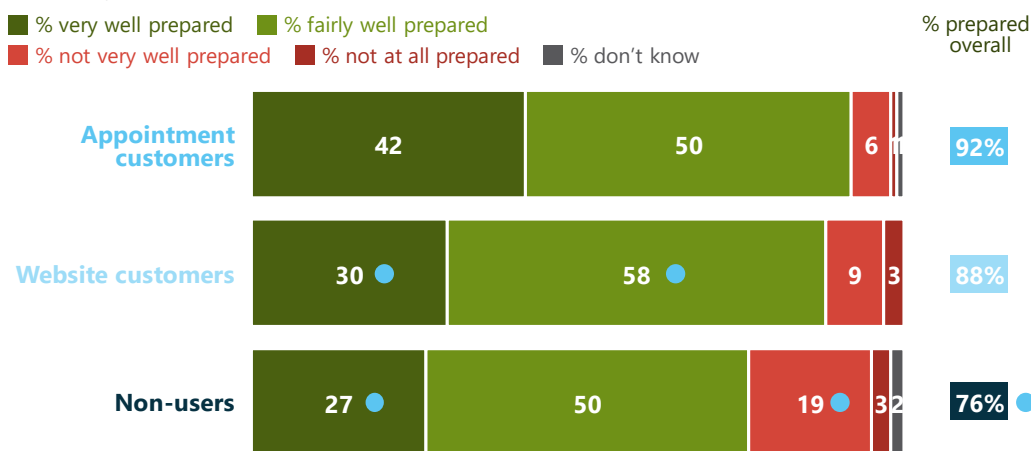
Bases: 3,208 customers who completed an appointment from Feb 2016 to Jan 2017; 267 website customers; 1,573 non-users

Facilitating discussions with providers

Seven in ten appointment customers (70%) had spoken with their pension providers since their Pension Wise appointment. This compared to 37% of website customers and 18% of non-users over the equivalent time period. Of the appointment customers who spoke to their pension providers, around nine in ten (92%) felt well prepared for these discussions. Once more, as Figure 20 illustrates, there was a clear difference between appointment customers, website customers and non-users in terms of how prepared they felt, highlighting the potential impact that Pension Wise had on these subsequent discussions.

Figure 20: perceived preparedness for provider discussions

Q. How well prepared, if at all, did you feel when discussing your pension pot options with your pension provider?



Bases: 2,125 appointment customers who spoke to their pension provider; 267 website customers; 1,573 non-users

Indeed, when those appointment customers who felt prepared were asked how much they attributed this to their Pension Wise appointment, over half (54%) said this was a *great deal*, and two-fifths said this was a *fair amount* (40%).

Subgroup differences

Telephone customers were more likely than face-to-face customers to feel very well prepared to discuss their pension options with their providers (44% vs. 38%) and just as likely to attribute this to Pension Wise. Considering the slightly lower levels of satisfaction among telephone customers, it may be that telephone customers were generally more knowledgeable than face-to-face customers prior to their appointment.

Once again, disabled customers were more likely to attribute their sense of understanding to Pension Wise across these measures. Nearly half (46%, vs. 41% overall) attributed their confidence in avoiding scams a *great deal* to their contact with Pension Wise. Similarly, around two-thirds (65%, vs. 54% overall) attributed a great deal of their preparedness for provider discussions to Pension Wise. This was also the case for those without qualifications (52% and 66% a great deal respectively). Customers who were closer to retirement tended to be more assured in their knowledge and understanding. Of those who planned to agree arrangements for

taking their pensions after two or more years just 39 per cent felt very well informed (vs. 54% of those intending to make arrangements within two years). Similarly, those planning to make arrangements after two or more years did not feel as well prepared to discuss their options (31% vs. 41%).

6.3 Factual knowledge of pensions freedoms

Customers and non-users were also asked a series of questions to assess their factual knowledge of their pensions options.¹⁵

As Figure 21 shows, for all statements, a higher proportion of appointment customers were more certain of the correct answer – i.e. saying, correctly, that it was *definitely* true or *definitely* false – compared to non-users. This is also true when comparing website-only customers to non-users – for all statements website-only customers were more certain of the correct answer. This again suggests (though we cannot assume a causal relationship based on this analysis) that Pension Wise is having a positive impact on customers' factual knowledge – both in terms of customers having appointments and customers using the website.

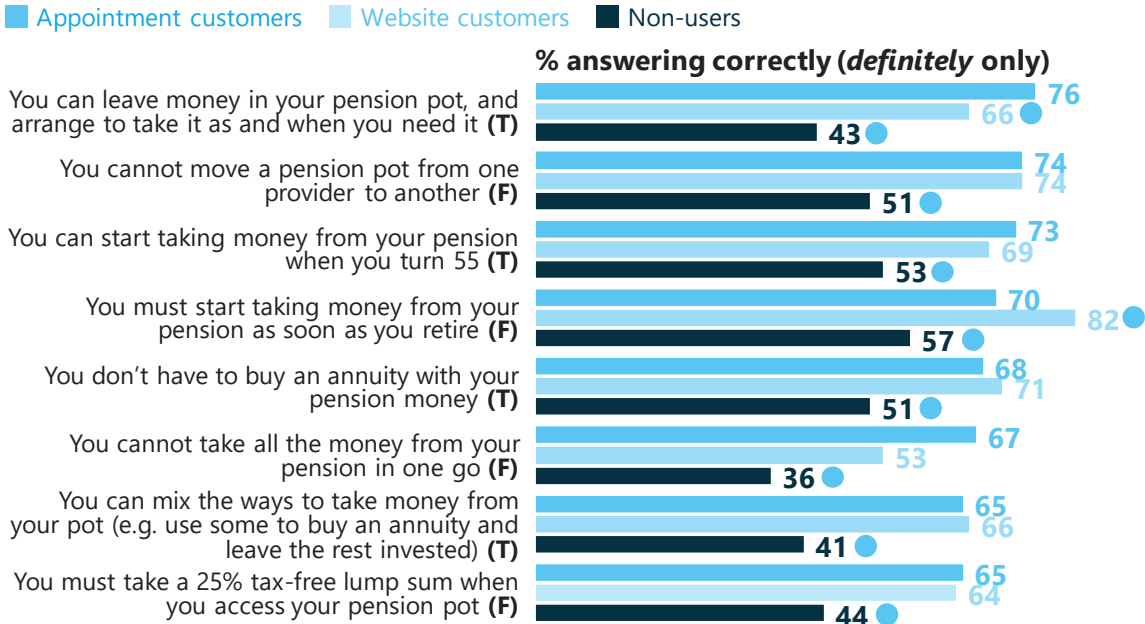
When comparing appointment customers with website-only customers, there was a statistically significant positive difference when it came to one statement, focusing on whether people can take cash in chunks (true).

¹⁵ These questions were asked consistently of appointment customers on the experiences survey from the second wave of fieldwork onwards. Therefore, the answers shown here only represent customers using the service from May 2016 to January 2017 (and not customers interviewed in the first wave). Website customer and non-user samples have been aligned to represent the same period.

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Figure 21: knowledge of specific facts about pensions freedoms

Q. For each statement, please say whether you think it is definitely true, probably true, probably false or definitely false.



Bases (split sample): 2,752/2,712 customers who completed an appointment from May 2016 to Jan 2017; 131/136 website customers; 802/771 non-users

The differences in factual knowledge and understanding between these subgroups can be summarised as follows in Figure 22 across all eight statements. These scores show the average percentage of people certain of the correct answer (either saying, correctly, that it is definitely true, or definitely false) across the eight statements. This again highlights that Pension Wise customers tended to be more knowledgeable about their options than non-users.

Website customers were not discernibly different from appointment customers on most of these eight measures, which may indicate that there is significant value added from individuals visiting the Pension Wise website alone.¹⁶

It is important to note that there are tangible differences between appointment and website customers across the other measures covered in this section. Appointment

¹⁶ It is worth noting the relatively small sample size for website users, which means it is less likely that a statistically significant difference between appointment and website customers would be observed. In this context, there may still be an incremental impact that attending a Pension Wise appointment has, above and beyond visiting the website, but it is not one that this survey is able to definitively observe.

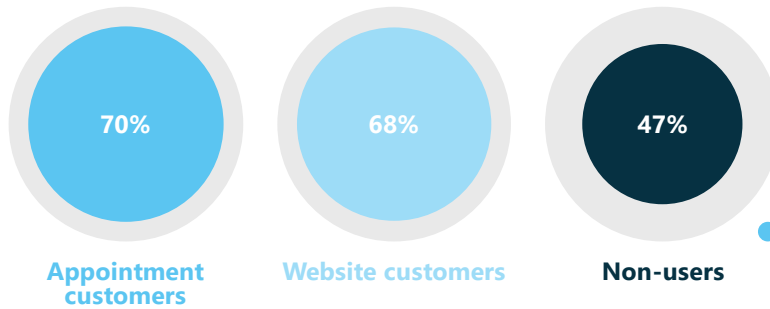
Moreover, website customers are themselves an extracted sub-sample of the original non-user survey sample. While website customers and non-users are both *demographically* similar groups, the website customers sub-sample is very likely to be composed of individuals who are naturally more engaged with their pension pots (even before using the Pension Wise website) – they are not a perfect “control” group. This is another probable reason for why this service evaluation has not observed many differences between appointment and website customers’ knowledge of pensions facts.

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customers were more likely to feel informed and prepared, and to self-report an improvement in their understanding. This trend is also evident in the decisions and steps customers made which is outlined in sections 7 and 8.

Figure 22: average scores across all factual knowledge statements

Average % answering correctly (either definitely true or definitely false) across all eight true/false statements



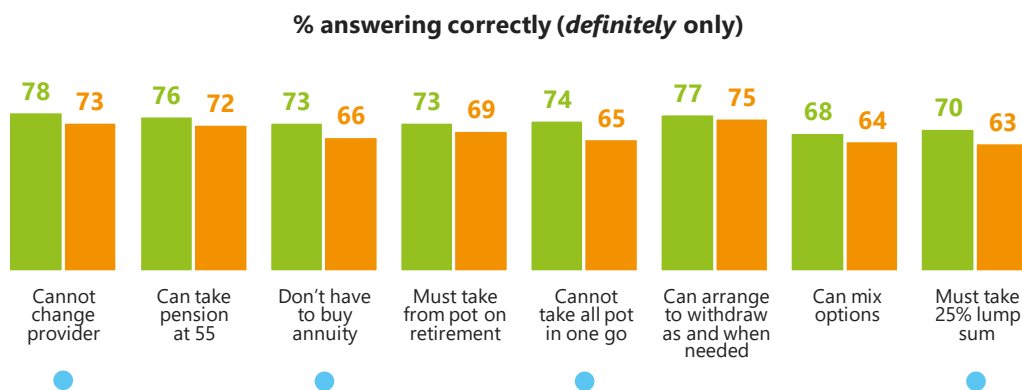
Bases (split sample): 2,752/2,712 customers who completed an appointment from May 2016 to Jan 2017; 131/136 website customers; 802/771 non-users

Telephone customers were, across a range of these statements, slightly more likely to select the correct answer compared with face-to-face customers, as Figure 23 shows. This finding is consistent with the idea that, before their appointments, telephone customers may have been generally more knowledgeable customers due to their demographic profile.

Figure 23: knowledge of specific facts about pensions freedoms by appointment channel

Q. For each statement, please say whether you think it is definitely true, probably true, probably false or definitely false.

■ Telephone customers ■ Face-to-face customers



Bases (split sample): 625/606 telephone customers; 2,127/2,106 face-to-face customers

Also across several statements, there were various other consistent subgroup differences:

- The less affluent, from social grades DE, and those with no qualifications were less likely than others to answer correctly.
- Those with smaller pot sizes (of under £20,000) also tended to have more limited factual knowledge than others, possibly indicating greater engagement

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among those who had more at stake in their pots (and who have a larger range of realistic access options).

- Those from ethnic minority backgrounds were less likely to answer correctly than White respondents.

7 Steps taken

The follow-up surveys with customers and non-users also measured the actions they had taken relating to the specific pensions options they were considering (for instance, whether those looking to withdraw their whole pot had looked into the tax implications of this option).

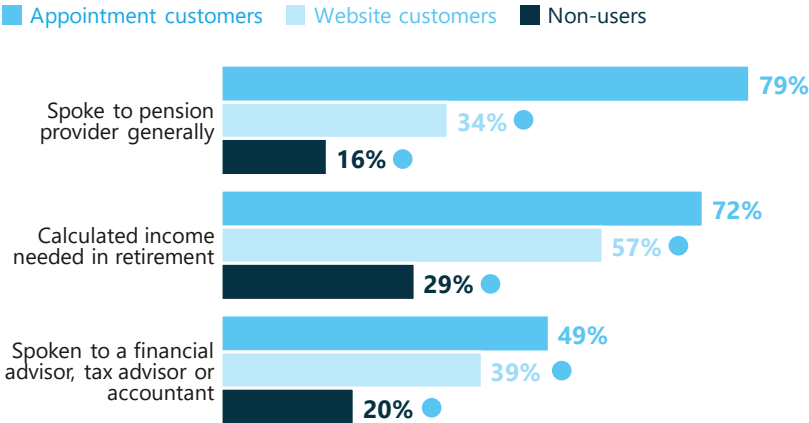
Appointment customers were asked whether they had taken these actions before or after their Pension Wise appointment, while non-users (and website customers) were asked if they had taken actions over a similar period (i.e. more than four months before their interview, and in the four months leading up to their interview). This allows for difference-in-difference analysis of the results, to provide more conclusive evidence for whether the Pension Wise appointment led to people taking action. The analysis is explained further in this chapter, with worked-through examples.

7.1 Broad actions taken

The survey measured three broad actions that could be beneficial next steps in helping customers make an informed choice, regardless of which pension option they ended up choosing. These are shown in Figures 24 and 25.¹⁷

Figure 24: broad actions taken after Pension Wise appointments (or the equivalent period for non-users)¹⁸

Q. In the last 3 to 4 months/since your appointment with Pension Wise, have you done any of the following?



Bases: 1,805 customers who completed an appointment from May 2016 to Jan 2017; 146 website customers; 749 non-users

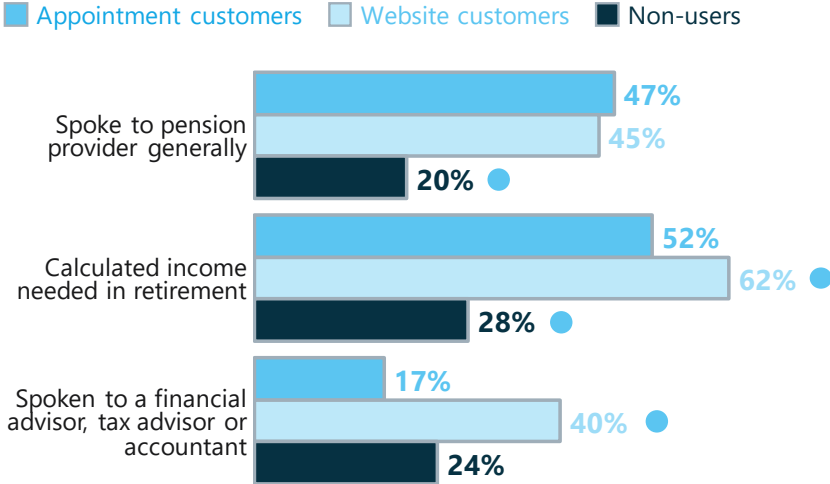
¹⁷ The breakdown of what actions were taken before versus after the appointment (or an equivalent period) were only added from wave 2 of the survey onwards, so answers represent customers using Pension Wise from May 2016 to Jan 2017 only.

¹⁸ For website customers and non-users, the “after” results are expected to be relatively low, as these results are specifically recording whether individuals took these actions within the last three to four

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Figure 25: broad actions taken before Pension Wise appointments (or the equivalent period for non-users)

Q. Before the last 3 to 4 months/your appointment with Pension Wise, had you done any of the following?



Bases: 1,805 customers who completed an appointment from May 2016 to Jan 2017; 146 website customers; 749 non-users

Relative to others, appointment customers showed a clear increase in their likelihood to have taken each of these next steps after having visited Pension Wise, demonstrated in Figure 26. As a worked through example, prior to their appointment, 47 per cent of appointment customers had spoken generally with their pension provider. Following the appointment, that figure rose to 79 per cent – a difference of 32 percentage points. For non-users, 20 per cent had spoken with their provider c.4 months or more before being interviewed in the survey, while 16 per cent had spoken to them within the last c.4 months – a difference of -4 percentage points.¹⁹ In this case, the “difference-in-difference” between appointment customers and non-users is therefore 36 percentage points.

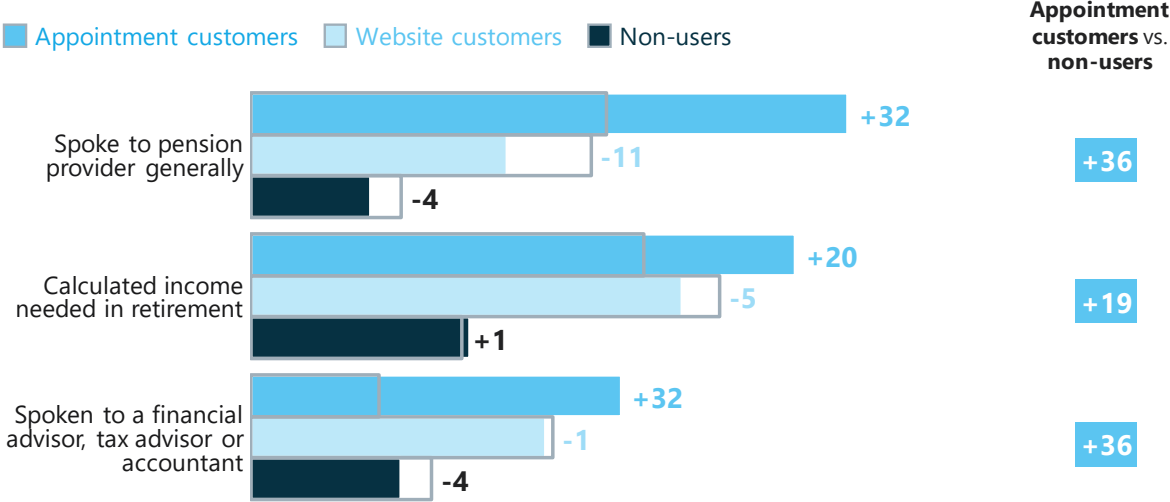
Figure 26 outlines the “difference-in-difference” fully for all three measures. The proportions taking the action after the appointment period are shown via the filled-in blue bars, and the proportion taking actions before this point are shown via the grey outline bars. The figures are compared just between appointment customers and non-users for clarity and to provide a single “difference in difference” score.

months. The “before” results are, by contrast, recording whether individuals have ever taken these actions, at any period before the last three to four months. This does not negate from the fact that the differences are reversed for Pension Wise customers, showing that contrary to the rest of the eligible population, they appear to be taking these relevant actions in response to their Pension Wise appointments.

¹⁹ The survey script asked this question of non-users (and website customers) using the month that reflected the equivalent wave of Pension Wise customers. For instance, non-users surveyed alongside customers using Pension Wise from May to Jul 2016 were asked if they had done these things before and after Jun 2016.

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Figure 26: difference-in-difference analysis on broad actions taken



Bases: 1,805 customers who completed an appointment from May 2016 to Jan 2017; 146 website customers; 749 non-users

It is also evident from these results that both appointment customers and website customers were predisposed to having taken these actions, i.e. they were more likely to have done so *before* their use of the Pension Wise service or website than non-users. However, this does not change the evidence presented here that the Pension Wise appointment specifically spurred these actions among appointment customers. By contrast, use of the website on its own does not appear to have led to action in the same way.

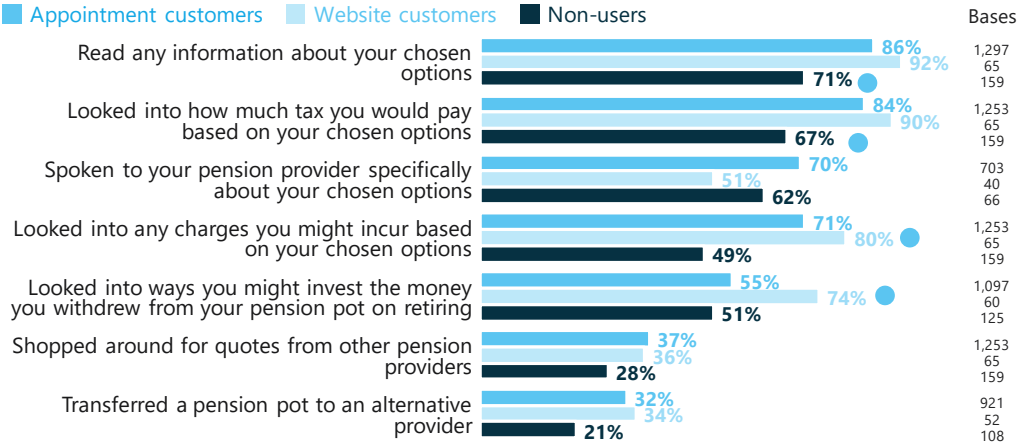
7.2 Steps taken by those who had made arrangements for accessing their pension

Both sets of customers and non-users who had already made arrangements for accessing one or more of their pots were asked whether they had taken any relevant steps to inform themselves of their choices *prior* to making these arrangements. As Figure 27 shows, customers who had some form of interaction with Pension Wise (either via an appointment or just the website) were more likely to have taken various steps compared with non-users.

In two circumstances, website-only customers were significantly more likely than appointment customers to have taken specific steps. This includes looking into charges related to options and looking into investment options for withdrawn funds. Given that website customers' most commonly cited reason for not having an appointment was that they already knew enough, this adds to the evidence that website only customers may be more engaged (see section 7.5).

Figure 27: steps taken before making arrangements to access pension pots²⁰

Q. Before you made formal arrangements to take money out of the pension pots you accessed since April 2015, had you done any of the following?



Bases (as stated on chart): those who chose or said they would chose an option where this was a relevant next step

Telephone customers were more likely than face-to-face customers to have taken certain steps, such as looking into charges for their chosen options (78% vs. 67%) and investment options for withdrawn funds (61% vs. 52%).

Level of education also appears to have made a difference. Those with a university education were more likely to have read information about their options (91% vs. 86%), looked into charges (82% vs. 71%) and looked into how they could invest their funds (66% vs. 55%) than average.

7.3 Steps taken by those with non-accessed pensions

Customers and non-users who were yet to make arrangements to access their pension pots were asked the same question about the steps they had taken to progress their preferred options.

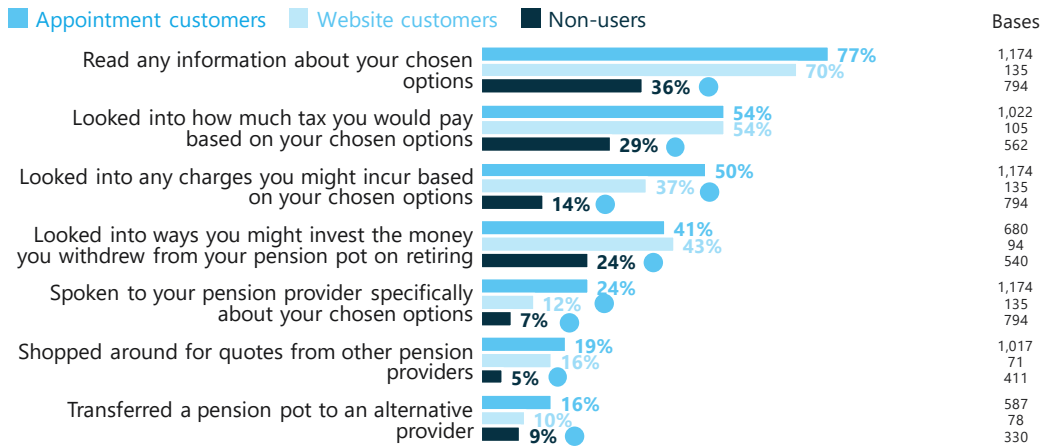
Figure 28 shows that appointment customers were more likely to have taken each of the specific steps measured in the survey since their appointment, compared with non-users over an equivalent period. Website customers were much closer in terms of actions taken to appointment customers than to non-users.

²⁰ Again, this breakdown of what actions were taken before versus after the appointment (or an equivalent period) were only added from wave 2 of the survey onwards, so answers represent customers using Pension Wise from May 2016 to Jan 2017 only.

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Figure 28: steps taken since appointment (or equivalent period for non-users) by those who are yet to make formal arrangements

Q. In the last 3 to 4 months/since your appointment with Pension Wise, have you done any of the following?

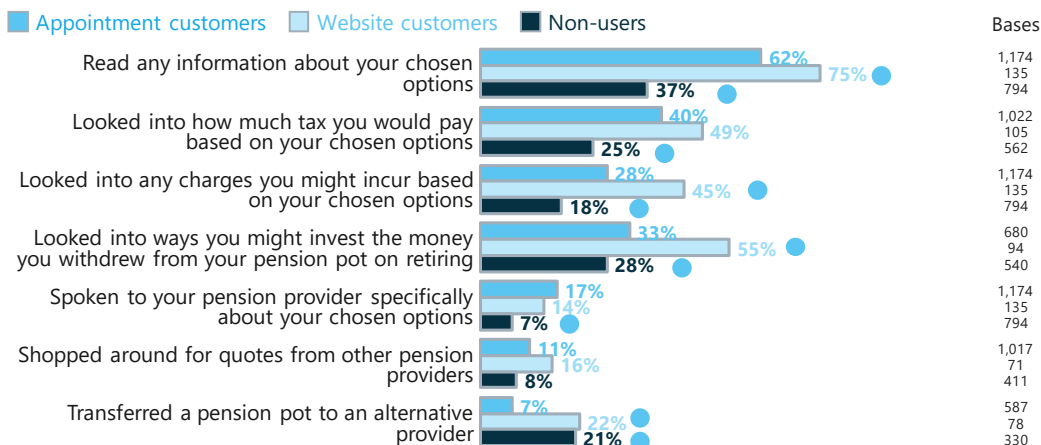


Bases (as stated on chart): those who chose or said they would chose an option where this was a relevant next step

Figure 29 shows that a high percentage of both appointment customers and website customers had also taken the same specific actions *before* their appointments (or over an equivalent time period for website customers).

Figure 29: steps taken before appointment (or equivalent period for non-users) by those who are yet to make formal arrangements

Q. Before the last 3 to 4 months/your appointment with Pension Wise, had you done any of the following?



Bases (as stated on chart): those who chose or said they would chose an option where this was a relevant next step

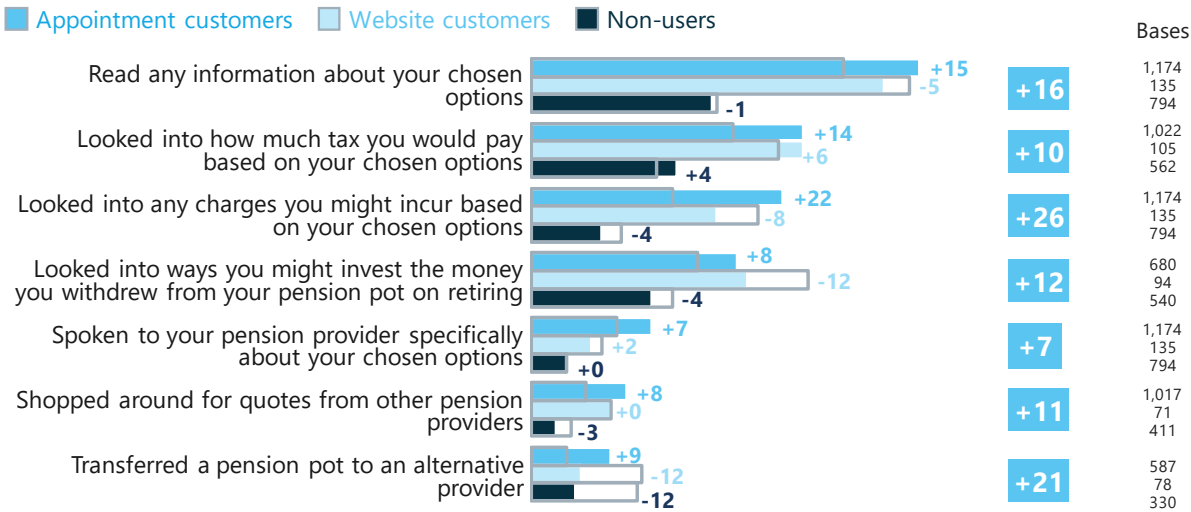
Again, telephone customers were more likely than face-to-face customers to have taken various steps both before and after their appointments, indicating potentially a greater baseline level of knowledge and a greater disposition towards taking action among the former subgroup or that they are further along in their decision making process. Similarly, appointment customers with no qualifications were also less likely to have taken any of these actions than others (e.g. 55% had read any information about their preferred options, vs. 62% overall).

Difference-in-difference analysis

As with broad actions taken (Section 7.1), here a difference-in-difference calculation can be used to assess the specific impact the Pension Wise service had on customers – beyond their predisposition to take action anyway. These calculations are laid out in Figure 30. This overlaps the bar charts from Figures 28 and 29 – the proportions taking action after the appointment period are shown via the filled-in blue bars, and the proportion taking actions before this point are shown via the grey outline bars. For clarity, the difference-in-difference figures are compared just between appointment customers and non-users.

Again, as a worked-through example, 28 per cent of appointment customers had looked into charges they might incur for their preferred options before their appointment, and 50 per cent had done this after their appointment – this is a difference of 22 percentage points. For non-users, 18 per cent had taken this action before an equivalent period and 14 per cent had done this after the equivalent period – this is a difference of -4 percentage points.²¹ The difference-in-difference is therefore calculated as 26 percentage points.

Figure 30: difference-in-difference analysis on steps taken towards retirement planning



Bases (as stated on chart): those who chose or said they would chose an option where this was a relevant next step

It is evident from Figure 30 that Pension Wise had spurred appointment customers to take specific next steps towards progressing their chosen pension options. Website only customers and non-users were much less likely to see any increase in the proportion taking action.

²¹ Once again, the survey script asked this question of non-users (and website customers) using the month that reflected the equivalent wave of Pension Wise customers. For instance, non-users surveyed alongside customers using Pension Wise from May to Jul 2016 were asked if they had done these things before and after Jun 2016.

7.4 Reasons for not taking any relevant actions

Appointment customers who had made their arrangements for accessing their pension pots but had not taken any specific actions prior to this were asked for the reasons behind this. It should be noted that this represents just 4 per cent of the wider group who had made their arrangements.

Among this 4 per cent, the most common reason, mentioned by one in three (34%), was that they still wanted more information and felt they did not know enough about these next steps. A smaller number of these customers said they did not understand information that their pension provider had given them (15%) or were not aware that they could take these next steps (14%). Outside of perceived lack of knowledge and understanding, a feeling that their pension pot was too small to merit them taking any of these actions was another reason commonly cited by these customers (17%).

Among appointment customers who had not yet made any arrangements to access their pension pots, 20 per cent had also not taken any of the prescribed next steps since their appointment. This 20 per cent were also asked about the reasons for this. Here, the most common reason, mentioned by one in three of these customers (33%), was feeling that retirement was too far away. A similar proportion (31%) said that they had other priorities or were too busy. Other common reasons given included not having enough information (17%) or wanting to talk to a financial advisor first (13%).

7.5 Summary of different customer groups

The data from the last two sections highlight some of the different characteristics of the various customer groups which have a bearing on the impact of the Pension Wise service. This includes:

- Non-users tended to be further away from accessing their defined contribution pensions and have lower value pots;
- Pension Wise website customers tended to have higher value pots and be closer to accessing their defined contribution pensions than non-users; and
- Appointment customers were as close to accessing their defined contribution pots as website customers but have lower value pots.

Pension Wise website customers were the most engaged and prepared customer group and had generally taken more steps towards accessing their defined contribution pensions before their contact with Pension Wise. They benefit from their contact with Pension Wise but not in quite such a marked way as appointment customers.

Broadly speaking appointment customers appeared to be a little less engaged with and prepared for their pension access prior to their contact with Pension Wise but not

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because this is any further away. Partly because of this lower level of engagement, they benefit more from their contact with Pension Wise. This may also be due to the relative ease of communicating either orally or face-to-face compared to via a website. Indeed, the small advantage that face-to-face appointments show in terms of satisfaction and impact measures, suggests that this channel is the best in this regard.

It is also clear that the Pension Wise website is an important communication and delivery channel in its own right, and these findings suggest that it attracts slightly more prepared customers than the other channels.

The comparisons between appointment and website customers with non-users are illustrative of both the relative engagement levels of these groups and the impact that Pension Wise has across all of its delivery channels.

8 Making a decision

This chapter covers appointment customers' decisions regarding their pension pots. It also looks at what customers had done in cases where money had been withdrawn or arranged to be withdrawn already. In cases where these arrangements had not been made, customers were asked about what they intended to do, how certain they were about this and reasons behind any uncertainty. In all instances, appointment customers are compared here to website-only customers and non-users, to assess what difference Pension Wise might have made in informing people's decision-making (although the service does not provide specific recommendations). Of course, individuals are expected to arrive at Pension Wise with a range of different plans or intentions, and have their own niche reasons for their subsequent choices. Therefore, the differences uncovered here would not necessarily be attributed solely to the Pension Wise appointment.

8.1 Decisions made with pension pots

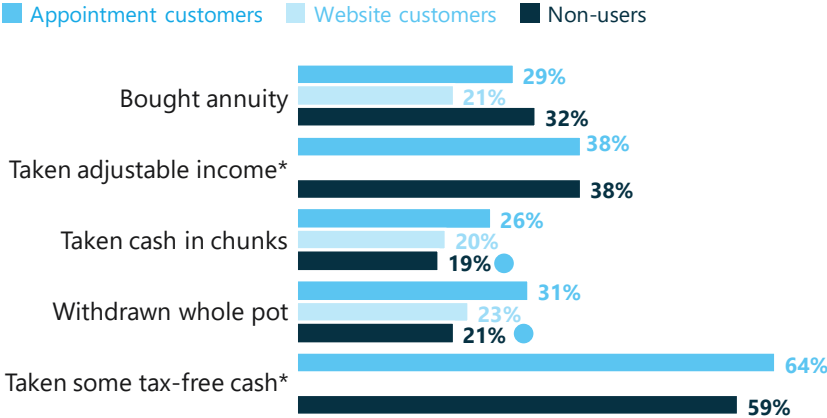
As Figure 31 demonstrates, adults aged 50+ with defined contribution pensions are using the new pensions freedoms in a range of ways.²² In total, two-fifths (42%) of appointment customers had already made arrangements for withdrawing money from their pots within three to four months of their Pension Wise appointment. Around three in ten of these appointment customers (29%) and non-users (32%) arranged to purchase an annuity – which they would have been obliged to do before the freedoms came into being. The most popular choice among both customers and non-users was to have arranged to take some form of adjustable income (38%). Appointment customers were more likely than non-users to have taken or arranged to take cash in chunks (26% vs. 19%) or to withdraw their whole pension pot in one go (31% vs. 21%).

²² This question (and the question on intentions in Section 7.2) were changed significantly partway through the year to ask not only about pension pot money already withdrawn, but also about instances where people had made arrangements for how to withdraw their money (despite not having yet done so). This change did not lead to a major shift in the findings, so the findings presented here continue to merge all four waves (with two exceptions). The question wording shown is the latest wording used. Two exceptions are where answer codes changed significantly in wave 4 – these are noted on Figure 24. For these codes, the data are only shown for wave 4, representing customers using the service from November 2016 to January 2017 and non-users surveyed over an equivalent period.

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Figure 31: decisions taken with pension pots already accessed or where arrangements for access have been made²³

Q. Which of the following things have you arranged with any of your pension pots?



Bases: 1,403 (*412) customers who completed an appointment from Feb 2016 to Jan 2017 (*Nov 2016 to Jan 2017) and had made arrangements; 61 (*under 30 – too few to analyse) website customers; 210 (*45) non-users

Face-to-face customers were more likely to have bought an annuity than their telephone counterparts (31% vs. 24%). Appointment customers with lower value pension pots were notably more likely to have withdrawn their whole pot than average (57% of customers with a pot worth £20,000 or less vs. 31% average).

Expected actions among those who had pots yet to be withdrawn

Two-thirds (67%) of appointment customers also had defined contribution pension pots for which they had not yet made access arrangements, around three to four months after their appointment. These customers and non-users alike were considering a range of options, with the most popular being to take some form of adjustable income. Over two-fifths (46%) of both these appointment customers and non-users were considering leaving their pots untouched until a later date. These data are laid out in Figure 32.

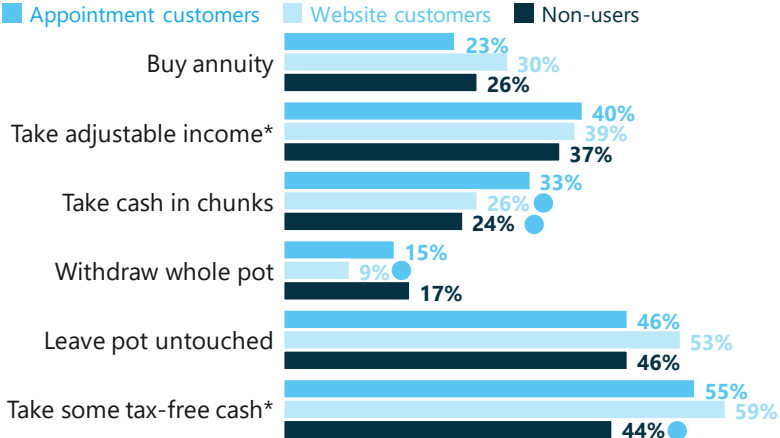
In terms of differences between appointment customers and non-users, the former were more likely to have considered taking cash-in-chunks and taking some tax free cash.

²³ Respondents could give multiple answers at this question, reflecting that they may have had more than one pension pot.

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Figure 32: likelihood to take action with non-accessed pot²⁴

Q. Are you likely to do any of the following things with your non-accessed pension pots?



Bases: 1,958 customers using Pension Wise from Feb 2016 to Jan 2017 with non-accessed pots; 204 website customers; 1,377 non-users

Among appointment customers yet to make arrangements, women were more likely to say they would withdraw the whole pot (19%, vs. 13% of men), as were those without financial dependents (17%, vs. 12% of those with dependents), and those with no qualifications (20%, vs. 15% overall). As might be expected, those with relatively small pots were also more likely to consider this option (32% among those with pots under £20,000), but even among this group, more were considering leaving their pot untouched (44%).

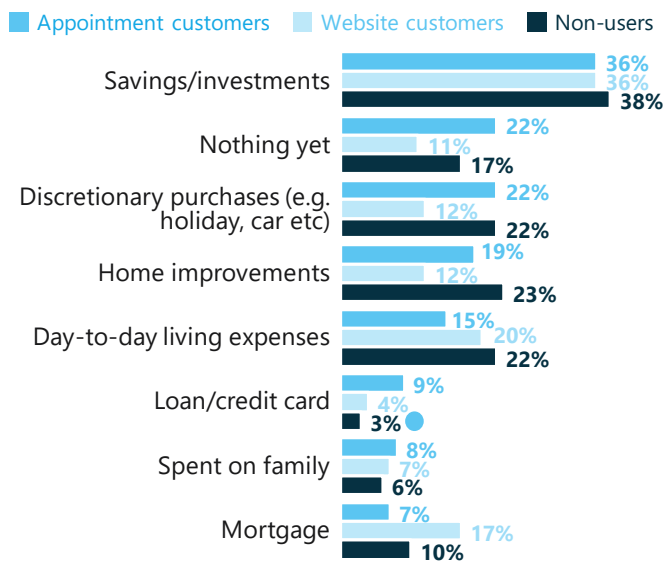
Uses of withdrawn money

Among those who had already withdrawn any pension money, the most common action was to have put this cash into other savings or investments (36% of appointment customers), as Figure 33 shows. Other common uses for funds were home improvements and discretionary purchases – both of which were mentioned by around one in five appointment customers (22% and 19% respectively) and non-users (22% and 23% respectively). Around one in five appointment customers (22%) and non-users (17%) had not yet spent this pension money.

²⁴ Respondents could give multiple answers at this question, reflecting that they may have had more than one pension pot.

Figure 33: how withdrawn pension pot money has been used or spent

Q. What are the main things that you have done with the money that you have withdrawn so far?



Bases: 1,129 customers who completed an appointment from Feb 2016 to Jan 2017 and had made arrangements; 60 website customers, 125 non-users

Face-to-face customers were more likely than telephone customers to be yet to do anything with their withdrawn funds (24% vs. 18%). A higher proportion of telephone customers, on the other hand, had spent their money on discretionary purchases (28% vs. 19% of face-to-face customers).

Appointment customers with higher qualifications were more likely to have put their money into other savings or investments (43% among those who were university educated, vs. 29% of those with no qualifications). Those of a younger age profile, between 50 and 54, were more likely to have used their funds to pay off a loan, credit card or mortgage compared with those over 55 (25% vs. 12%).

8.2 Certainty of intentions

Among those who were still considering specific options for accessing their pensions, appointment customers were typically more certain of their proposed choices than website customers or non-users, as Figure 34 illustrates.

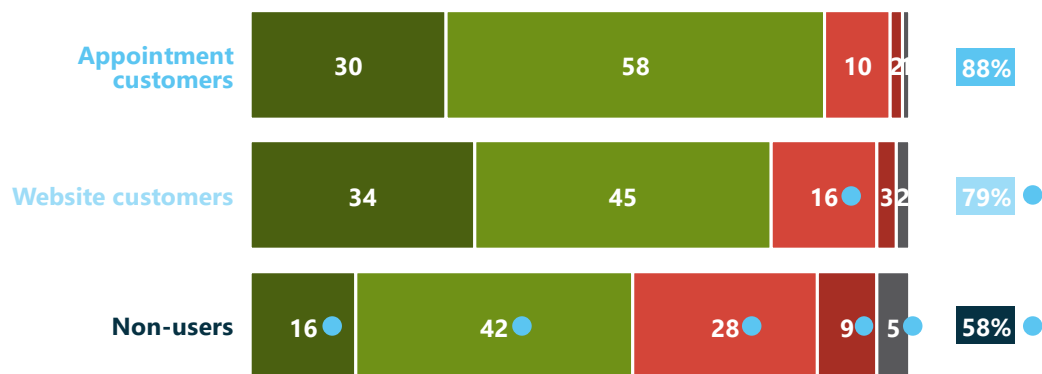
In a separate question, over two-fifths (45%) of appointment customers said they attributed their certainty a great deal to their Pension Wise appointment and, in total, almost all (92%) felt it was due to their Pension Wise appointment, *at least a fair amount*. This was consistent across gender and age groups, but as with other indicators, disabled customers and those with no qualifications tended to be more positive (50% and 56% said their certainty was a great deal down to their Pension Wise experience).

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Figure 34: certainty about taking specific options

Q. How certain, if at all, would you say you are of taking that option or those options?

■ % very certain
 ■ % fairly certain
 ■ % not very certain
 ■ % not at all certain
 ■ % don't know
 % certain overall



Bases: 1,790 customers using Pension Wise from Feb 2016 to Jan 2017 with non-accessed pots; 182 website customers; 1,112 non-users

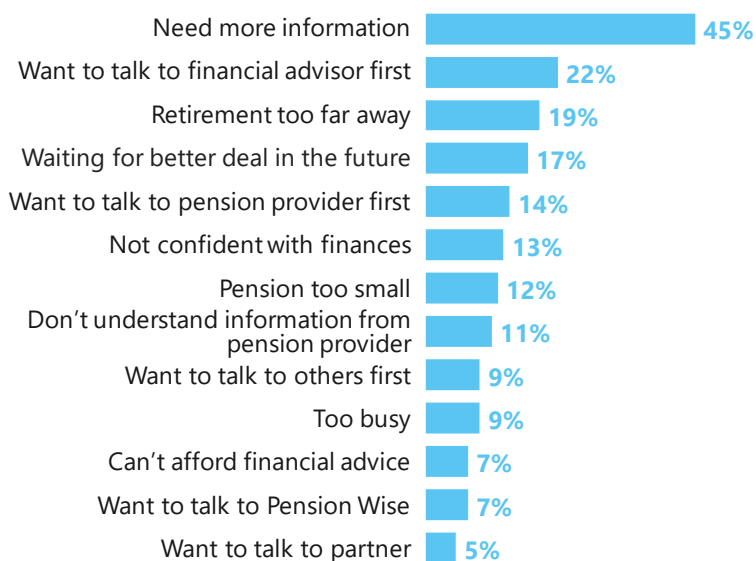
As might be expected, those who planned to make their withdrawal arrangements within the next two years were more likely to be very certain about the decisions they were making (35%, vs. 24% overall).

Reasons for being uncertain

Among the 12 per cent of appointment customers who said they were not certain of their preferences, just under half (45%) cited needing more information as a reason for being uncertain, and one in five (22%) said they wanted to talk to a financial advisor first.

Figure 35: reasons for uncertainty around preferred pension options

Q. What makes you uncertain about which pension pot options you will choose?



Base: 200 appointment customers uncertain about the options they will chose
Question unprompted for telephone respondents.

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Women were more likely than men to feel that they needed more information (56% vs. 39%). A higher proportion of telephone customers wanted to speak to a financial advisor first compared to face-to-face customers (42% vs. 16%).

9 Conclusions

The Pension Wise service evaluation shows that, since its launch, the service has been successful in fulfilling its core purposes. This is demonstrated through the following findings:

- Customer experiences have been overwhelmingly positive, demonstrated through consistently high satisfaction and advocacy scores.
- Evidence suggests the service has contributed to improved knowledge among users.
- Findings indicate the service has encouraged users to take action towards their retirement planning.
- Appointment customers are more likely to have demonstrated confidence and planning compared to non-users by shopping around for quotes and talking to financial advisors or their pension provider.

The following areas are therefore ones that Pension Wise might focus on to make tweaks to an already effective service.

Customers used the service as intended, but may come in with misperceptions

The overwhelming majority of appointment customers used the service to find out more about their pensions options, which is in line with its main purpose – helping customers to make better informed decisions about their defined contribution pension access options. However, just under half also indicated wanting a specific recommendation as one of their main reasons for using Pension Wise. Not receiving a recommendation also left a small proportion of customers dissatisfied – although this was not the top reason given for dissatisfaction. While specific advice does lay outside the remit of the service, making customers aware of this will continue to be important.

Key differences between customer groups

A consistent finding across the service evaluation has been the differences between telephone and face-to-face customers. Satisfaction and advocacy scores were relatively higher for face-to-face customers (and still high for telephone customers in absolute terms). The demographic profile of telephone customers may be a factor, as they tended to be more highly educated and more likely to have made a decision on accessing their pension pots shortly after their appointment. Telephone customers tended to be more knowledgeable about their pension options, so may have had less to learn about their options than face-to-face customers. They also had fewer specific reasons for using the service than face-to-face customers, so were perhaps more likely to be using it to affirm their existing intentions, often as a result of provider referrals, rather than to start to develop retirement plans. Overall, these findings imply

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that telephone customers may be further along in their decision-making at the point of using Pension Wise.

Similarly, the findings suggest that website customers were more engaged and self-directed, so benefitted from their contact with Pension Wise but not in quite such a marked way as appointment customers. This may be due to them being further into the decision making process.

In addition, the diversity of customer situations and knowledge will be an ongoing challenge. With seven in ten customers also having sought guidance from other sources and the broad range of pension pot values represented in the customer base, the service will continue to be used for a variety of different purposes from customers' personal perspectives.

Significant gaps between customers and the wider population eligible to use Pension Wise

The findings suggest that appointment and website customers' knowledge around their pension options, and their actions taken to advance their pension options, far exceed that of non-users. While this may be partly due to a predisposition among those using Pension Wise to already be more engaged with their pension pots, it also indicates the positive impact the service is likely to be having. Pension Wise might wish to expand its reach among those who are typically less engaged, to overcome any current skew towards those who are already fairly engaged with their options.

Appendix A: survey technical details

Sample

Appointment customer samples were received fortnightly from Pension Wise during fieldwork and then released to fieldwork teams after being processed internally at Ipsos MORI. For the outcomes survey, those who agreed to be contacted again in the earlier experiences survey were sampled again for follow-up contact. Non-user telephone sample was purchased from the UK Changes database. Non-user online sample was recruited from the Ipsos MORI online panel database. Screener questions in the questionnaire were used to screen out those who would not be eligible for the Pension Wise service (i.e. those without non-accessed defined contribution pensions).

Fieldwork approach and quotas

Where the customer sample had email addresses, these users were surveyed online. Over the course of fieldwork, each batch of sample received one email invite and two further email reminders to encourage them to complete the survey. Where no email addresses were available for appointment customers, these were surveyed by telephone. This was undertaken as a quota survey, with interviewers instructed to meet a target of 111 achieved interviews for each two-week batch of customer sample. Quotas were applied for the non-user survey to ensure that the achieved interview profile matched appointment customers in terms of gender, age and region. For the experiences and outcomes surveys, c.66% of interviews were conducted online and c.33% were conducted by telephone. For the non-user survey, c.55% were online and c.45% were by telephone. Weighting was later applied to correct this disparity.

Fieldwork timings

Each survey consisted of four waves across the fieldwork period, with each wave encompassing around three months of customers. The non-user survey typically took place around the middle month of each three-month wave. The following tables show exact fieldwork dates and per-wave sample sizes:

Table A1: timings and sample sizes for experiences surveys

Wave	Customers represented	Fieldwork dates	Sample sizes
1	Feb to Apr 2016	29/02/16 to 05/06/16	1,906
2	May to Jul 2016	23/05/16 to 28/08/16	1,633
3	Aug to Oct 2016	15/08/16 to 09/12/16	2,529
4	Nov 2016 to Jan 2017	05/12/16 to 10/03/17	1,899

Table A2: timings and sample sizes for outcomes surveys

Wave	Customers represented	Fieldwork dates	Sample sizes
1	Feb to Apr 2016	23/05/16 to 28/08/16	779
2	May to Jul 2016	15/08/16 to 09/12/16	624
3	Aug to Oct 2016	05/12/16 to 10/03/17	1,004
4	Nov 2016 to Jan 2017	06/03/17 to 02/05/17	801

Table A3: timings and sample sizes for non-user surveys

Wave	Fieldwork dates	Sample sizes
1	23/06/16 to 11/08/16	500
2	03/10/16 to 27/10/16	455
3	02/01/17 to 16/01/17	452
4	03/04/17 to 30/04/17	450

Weighting process

For the experiences and outcomes surveys, weighting was applied within each three-month group of customers, by Pension Wise delivery partner, appointment status (i.e. whether they attended and completed their appointments), gender and age.

Weighting was also applied by mode of interview, to ensure that each three-month group included a similar proportion of telephone versus online survey respondents – this ensured that any modal effects were consistent across all waves of the survey.

The profile information for each three-month period was received from Pension Wise, via their delivery partners. While Pension Wise had profile information on pension pot sizes of appointment customers, this was incomplete for some delivery partners, and it was not possible to weight by pension pot size.

Those taking part in the website customers and non-users survey had additional weighting applied to match the employment status and internet usage profile of the weighted experiences survey data. This helped make the non-user profile a closer match to Pension Wise customers.

Response rates and cooperation rates

The response rates²⁵ and, for telephone interviewing, cooperation rates²⁶ for the respective surveys are shown in the following table.

	Experiences		Outcomes	
	Telephone	Online	Telephone	Online
Response rate	32%	26%	61%	50%
Cooperation rate	91%	N/A	92%	N/A

Given the quota survey methodology, where all customers who had not opted out of research were sampled for their respective wave, the telephone surveys were expected to have a low response rate. In the case of the telephone surveys, the cooperation rate is a more relevant indicator of survey performance, as it shows the extent to which respondents were convinced to take part when invited.

²⁵ This is [total completed interviews] / [total number of customers contacted for the study] and can be used, in conjunction with other measures, to assess the quality and accuracy of a study.

²⁶ This is [total completed interviews] / [completed interviews + refusals]. A cooperation rate gives an indication of the extent to which respondents who were approached were willing to take part in the research, and is a measure typically used to judge the quality and extent of bias within quota sample surveys such as this one.