

12 April 2022

Ref: FOI2022/05656

Freedom of Information Act 2000

Thank you for your enquiry of 15 March 2022, which we have considered under the terms of the Freedom of Information Act 2000 (the FOI Act).

You asked for the following information:

"Please could you make available any reports/summaries arising from qualitative research into public attitudes to retirement saving and pensions taxation that was carried out to inform the Government's 2015 consultation Strengthening the Incentive to Save? If quantitative research was also carried out, please could you make the data tables available?"

By way of background, the following comments from HM Treasury indicate that some such research was carried out:

- Discussing the 2015-16 consultation in oral evidence to the Public Accounts Committee on 10 June 2020, Beth Russell, HM Treasury's Director General, Tax and Welfare, said: "There was also focus group research and other types of research around the system." (Q48)*
- In his 2016 Budget Statement, the then Chancellor, the Rt Hon George Osborne, said: "The fundamental problem is that far too many young people in their 20s and 30s have no pension and few savings. Ask them and they will tell you why. It is because they find pensions too complicated and inflexible, and most young people face an agonising choice of either saving to buy a home or saving for their retirement." (Hansard, 16 March 2016, col.965)*
- The 2016 Budget Red Book said: "The government consultation 'Strengthening the incentive to save' looked at the way pensions are taxed. The consultation found that while the current system gives everyone an incentive to save into a pension, and people like the 25% tax free lump sum, it is also inflexible and poorly understood. Young people in particular are not saving enough, often because they feel they have to choose between saving for their first home and saving for retirement." (Paragraph 1.106. A footnote to the final sentence quoted gave the source as the summary of responses to that consultation, which HM Treasury published alongside the March 2016 Budget. But that document does not discuss the housing/retirement trade-off or refer to any research undertaken. I presume that HM Treasury did not draw conclusions about public understanding of*

pensions taxation or about young people's saving decisions based on a self-selecting sample of individuals who responded to the consultation, or on what industry respondents reported.)"

Following a search of our records, we can confirm that HM Treasury does hold information within the scope of your request.

This document is a report from Ipsos MORI entitled "Pension tax relief: awareness, understanding and saving behaviours". HM Treasury has released this report to you as an attachment to this response. The report was originally intended to be published in 2016, however due to extended pre-election periods following the EU referendum, it was not published.

A copy of this response (with identifying information redacted) and the report will be published on GOV.UK as part of HM Treasury's Transparency and Freedom of Information Releases here:

https://www.gov.uk/government/publications?departments%5B%5D=hm-treasury&publication_type=foi-releases

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

Yours sincerely

Information Rights Unit

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