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Pension Decumulation & Decision-making

Main findings report

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Executive summary

Background and context

This research explores how individuals aged 53–67 understand, approach, and make decisions about pension decumulation. This research focuses specifically on how people choose when and how to access Defined Contribution (DC) pension savings in a landscape where individuals now bear more responsibility for decision-making.

This research aims to answer the following questions:

- How do people make decisions on when and how to access their Defined Contribution pension(s)?
- What factors do people consider when making decumulation decisions, and why? How do those factors influence decision-making?
- What influences long-term decision-making?
- What extra support may individuals need to make decumulation decisions?

Key findings

The findings are based on 55 qualitative interviews with a diverse group of respondents varying in income, health, pension pot size, employment histories and family circumstances. While not statistically representative, the sample captures the range of experiences and challenges individuals face as they consider their retirement options.

People accessed pensions for a range of reasons, including reaching State Pension age, health or work changes, bereavement, divorce or to supplement income. Health and caring responsibilities were particularly influential, pushing some towards early or unplanned retirement, meaning respondents were accessing pensions sooner than planned.

Understanding of pension access routes varied considerably. The 25% tax-free lump sum was the most widely understood and often the only option respondents felt confident about. Knowledge of drawdown, annuities, fees, charges and investment risk was generally low, with many struggling to differentiate between products or assess long-term implications. While most understood that DC pots were invested, only a few actively engaged with investment decisions. Understanding of the State Pension was clearer, but its sufficiency was a common concern.

Confidence mapped closely onto understanding. Respondents fell broadly into low, partial and high confidence groups. Low-confidence individuals tended to avoid engaging with pensions due to anxiety and limited knowledge. Those with partial confidence understood the basics but struggled with more complex decisions and often delayed taking action, whereas high-confidence respondents were proactive and more able to evaluate options.

Decisions were shaped by income security, lifestyle expectations, work demands, health, family responsibilities and long-term outlook. Many hoped to maintain a comfortable lifestyle and support family members, while worrying about making mistakes, running out of money and uncertainty about the future.

Respondents expressed a need for clearer and simpler information that was more personalised. Pension Wise was a valued but under-used service among respondents, and least likely to be known about by those who had not planned to access their pension, and paid financial advice was often considered unaffordable. Respondents wanted plain-English explanations and tailored guidance as well as earlier financial education.

The findings broadly align with future policy developments being taken forward, such as Targeted Support (which allows firms to provide suggestions designed for groups of consumers with common characteristics to help them make important decisions across their pensions and investments) and Guided Retirement (a default approach which presents a sustainable default to individuals, without them having to make complex decisions). While considering recent policy developments, the findings from this research suggest that the following could be considered:

- Improve clarity and accessibility of pension information to provide a single, easy-to-understand view of savings, alongside simpler explanations of access options, charges and risks.
- Recognise and respond to how personal circumstances shape decumulation behaviour.
- Continue to make the pension system feel less complex.
- Enable access to interventions that help individuals interpret their situation and take action, while continuing to signpost to regulated advice that can provide personalised recommendations.
- Provide earlier and ongoing financial education, preparing individuals to engage with more structured retirement solutions.

Overall, respondents felt that improving understanding, capability and access to trusted support would help them make more informed decumulation decisions.

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Key terms

The following terms were used throughout the interviews and are defined below. Some have been abbreviated for the purpose of this report.

Annuity. An annuity is a financial product, often from an insurance company, that converts a lump sum (like a pension pot) into a steady, guaranteed stream of payments, typically for retirement, providing regular income for life or a fixed term.

Defined Contribution (DC after the first use). A pension scheme where the amount of money in an individual's pension pot is determined by how much they have contributed, how well the investments chosen for the fund have performed over time and how the individual chooses to access their pension.

Defined Benefit (DB after the first use). A pension scheme where the benefits a member receives are set out in the scheme's rules and do not depend on how much is paid in or how investments perform. Benefits are typically based on a member's salary along with how long they have worked for the employer. These schemes are often called 'final salary' or 'salary-related' schemes. The employer guarantees the pension benefits.

Drawdown. Income drawdown is a way of accessing pension income when you retire while allowing your pension fund to remain invested to keep on growing.

Financial advice. Financial advice is a regulated service where a firm analyses your financial circumstances to provide a recommendation on what's best for you and your money. Firms can provide financial advice that is narrow in scope, focused on a specific need or full financial advice which considers your full financial circumstances.

Financial guidance. Financial guidance, including pensions guidance, provides impartial, general information about a recipient's options to aid understanding, without recommending a particular product or course of action. This may include educational content and options for managing money, such as pensions, budgeting, and savings.

Guided Retirement. A framework which will ensure the vast majority of people are offered default pensions which are designed to provide a sustainable pension income, without the individual needing to make complex decisions while always retaining their right to do so.

Lump sum. A lump sum is a one-off withdrawal taken from a person's pension pot. Under pension rules, individuals can usually take up to 25% of their pot tax-free, either as a single lump sum or across multiple lump-sum withdrawals. Taking a lump sum reduces the remaining value of the pension pot, which may then be used for income drawdown, an annuity, or left invested.

Pensions Commission. The Pensions Commission was launched by the UK government in July 2025 to examine the long-term sustainability and adequacy of the UK pension system.

Pensions dashboards. A pensions dashboard is an online tool where people can access their pension information. They will enable people to see information about all their pensions information online, securely and in one place.

Pension freedoms. UK rules introduced in April 2015 that allow people aged 55 or over (rising to 57 from 2028) to access their defined contribution (DC) pension savings with much greater flexibility, rather than having to buy an annuity, including taking cash, drawing income flexibly, or leaving the money invested.

Qualifying earnings. An employee's gross pay (including things like salary, bonuses and overtime) between the statutory lower and upper earnings limits, on which minimum workplace DC pension contributions must be calculated under UK automatic enrolment rules. In 2025/26 (when the research was conducted), the lower earnings limit was £6,240 and the upper earnings limit was £50,270.

State Pension (SP after the first use) and State Pension Age (SPa). The UK State Pension is a regular government payment for people who have reached State Pension age (gradually increasing from 66 to 67 between April 2026 and March 2028) and have sufficient National Insurance contributions.

Targeted Support. Targeted Support is a form of advice which allows firms to provide suggestions designed for groups of consumers with common characteristics to help them make important decisions across their pensions and investments. It can be provided for free at the point of use.

Summary

Introduction

This research explored how individuals aged 53-67 understand, approach and make decisions about pension decumulation. The study was commissioned by DWP to support the Pensions Commission and wider government thinking on adequacy, fairness and sustainability of the pensions system, focusing specifically on how people make decisions about when and how to access Defined Contribution (DC) pension savings.

The UK pension system has changed to give individuals more choice but also more responsibility when planning their retirement. Most workers now save through DC pensions rather than DB schemes, meaning they carry the risks of investment performance. Automatic enrolment into schemes has brought more people into pension saving, especially lower-paid workers, but contribution levels are often at the legislative minimum (currently 8% of qualifying earnings), so many may retire with limited savings. The introduction of Pension Freedoms has given people greater flexibility in how they use their pension pots, but this has also made decisions more complex with individuals having to consider investment and longevity risks throughout retirement. At the same time, a changing landscape including State Pension age (SPa) and recent tax changes, leaving many people to navigate retirement decisions in a system that remains difficult to understand.

New initiatives have been developed, aimed at providing more structured and practical retirement support. Targeted Support, launched in April 2026, aims to bridge the gap between guidance and full financial advice by allowing firms to provide suggestions designed for groups of consumers with common characteristics to help them make important decisions across their pensions and investments, such as increasing contributions or selecting investment strategies. Alongside this, Guided Retirement, expected from 2029, will shift the focus from simply building savings to delivering a regular retirement income, with an with an emphasis on ensuring that less engaged members have an option for accessing a regular income without having to make complex decisions, while still providing a high-quality default option for engaged members, considering factors like longevity, inflation and value for money. In addition, the Money Helper dashboard (which is planned to be introduced in financial year 2027/28) will give individuals a single, online view of all their pension savings, including the State Pension (SP), helping them reconnect with lost pots and improving awareness, ultimately supporting better-informed retirement planning.

To support these changes and to support people to navigate pensions decisions more broadly, the research aims centre on understanding:

- How do people make decisions on when, and how, to access their Defined Contribution pension?

- What factors do people consider when making decumulation decisions, and why? How do those factors influence decision-making?
- What influences long-term decision-making?
- What extra support may individuals need to make decumulation decisions?

Methodology

A total of 55 qualitative interviews took place. Respondents were recruited across a range of DC pot sizes, engagement levels, income, health, family structures, and employment circumstances and 10 respondents also held Defined Benefit (DB) pensions.[1]

The research is qualitative in nature to explore issues in depth and not intended to be representative. The broad range of demographics in the sample allows for understanding of how different groups engage with decumulation decisions.

Findings

Context

Respondents' employment histories were varied, often shaped by redundancy, career disruptions, health issues, and caring responsibilities. Some had long, stable careers resulting in more predictable pension arrangements, however employment instability had pushed others towards early or unplanned retirement.

Most respondents held multiple DC pension pots through changes in employer, which a small group had tracked and consolidated. DB pensions were seen as highly valuable when available, providing more certainty than a DC pension pot.

Respondents had accessed their pensions for various reasons, including reaching SPa, changes to health or work, changes to family such as bereavement or divorce, and the need to supplement income.

Health emerged as a major driver of pension decisions. Long-COVID, cancer, mental health issues and chronic conditions led many to reduce hours or stop working earlier than planned. Caring responsibilities for partners or relatives (such as children or grandchildren) also shaped employment choices and income needs.

Relationship status played a role: bereavement, separation and divorce often led to a shift to single-income households, prompting a reassessment of retirement expectations, expenditure, and pension access timing.

These intersecting changes often reduced individuals' sense of control, increased reliance on pensions, and prompted earlier-than-expected access. Most respondents had originally expected to work until, or beyond, SPa and access their pensions later, viewing this as the financially responsible way to bolster their retirement income. Only

[1] We enforced a maximum quota of 10 respondents with Defined Benefit pension pots.

a minority had entered later life actively planning for early retirement, which may be a reflection of the income levels of this sample.

Understanding of Pension Access Options

The tax-free lump sum was the most widely understood access option, with drawdown and annuities being understood less well. While some grasped the high-level differences between the decumulation options, many found the concepts of drawdown and annuities confusing or had not considered them as an option at all.

Knowledge of fees and charges was also low, with some respondents being unaware that charges existed and a small number who confused fees with tax. This lack of understanding suggests a barrier to informed decision-making.

People generally understood that DC pots were invested and could increase or decrease in value but trusted providers to manage investments. Only a few actively monitored or adjusted investment risk.

DB pensions were consistently viewed as more secure than DC pension pots and therefore some wished they had contributed more to DB schemes earlier.

Understanding of the SP was clearer than understanding of private pensions, particularly DC pensions. Many respondents expected it to form a substantial part of their retirement income but recognised the amount would not be enough on its own.

Confidence

Respondents' confidence of decumulation decisions fell into three broad categories:

- **Low confidence:** These respondents had limited understanding, high anxiety, and a tendency to avoid pension decisions despite recognising their importance. This group tended to express overwhelm at the complex nature of pension decision making. This low confidence often correlated with low capability and lower financial security in the long-term.
- **Partial confidence:** These respondents understood basic concepts of pension decumulation, but struggled with more complex decisions. This group were more comfortable with high-level concepts but lacked understanding of drawdown, annuities, investment risk or charges, meaning that they often postponed decisions until necessary.
- **High confidence:** This was the smallest group of respondents, typically consisting of those with professional experience relevant to finance, those with access to financial advice, supportive networks, or a strong personal interest in financial planning. These individuals made proactive decisions, monitored investments, consolidated pots and engaged earlier with retirement planning.

These findings suggest that confidence acted as a driver for engagement. Higher confidence linked to more proactive decision-making, while lower confidence led to avoidance of decision-making.

Factors Influencing Decision-Making

Income security was the most important factor in decision-making, and concerns about income impacted the timing of pension access, decisions to continue part-time work, and willingness to take lump sums. Savings, ISAs, additional properties, downsizing plans and expected inheritance also shaped decumulation decisions.

Health issues often pushed respondents towards early access or early retirement, due to not being able to work as much. Most commonly, physically demanding roles or high stress levels influenced decisions to reduce hours.

Many hoped to maintain or slightly improve their lifestyle, for example, travelling or eating out more, or spending time with family. Some prioritised supporting children or grandchildren and others wanted to leave an inheritance, which impacted decision-making.

Long-Term Decision-Making

People engaged with pensions at different points and were either long-term planners, short-term planners or avoidant planners. Many wished they had started saving earlier, increased contributions or sought advice sooner. A smaller group felt satisfied, believing they had made the right decisions about their finances.

A common theme was anxiety about how long pension savings need to last and a fear of spending pots too quickly. There was also worry about the risk of making financial mistakes, unclear tax implications reducing their take home amount, investment risk and market volatility.

Hopes for retirement included reduced stress, financial stability, a comfortable lifestyle, more time with family and maintaining health and independence, which linked to the factors that affect decision-making. Optimism about the future varied widely depending on financial security and planning habits.

Support Needs

Respondents used a variety of free sources to find information about their pension, including pension statements, pension provider websites, government websites, media figures (such as Martin Lewis), informal advice from friends or family, or AI tools. Although there was some awareness of Pension Wise, engagement was low among the respondent group but for those that used it, experiences were positive, echoing wider experiences of the target audience. Free guidance helped reassure people they were ‘on the right track,’ even if it did not directly influence their decisions. Some respondents suggested that using guidance earlier could have improved their confidence over time.

Only a few respondents used paid financial advice due to cost concerns and lack of trust in advisors. Those who used advice found it valuable, especially in translating complex information into clear recommendations.

When considering barriers to support, complexity of language around pensions was prominent. Additionally, information overload, lack of trust in sources, assumptions of the cost of advice and lack of tailored guidance were cited as barriers. Respondents wanted simpler and clearer explanations, personalised guidance and information that was in more digestible formats. Many also suggested that earlier financial education would be helpful, ideally in schools or early career stages. Some suggested that they would benefit from speaking to someone directly to aid their understanding.

Typologies

The typologies developed through this research help explain not only what decisions people make, but why similar individuals respond very differently to the same pension system. In particular, levels of understanding and confidence emerged as the strongest differentiators of behaviour, shaping whether individuals planned proactively, delayed decisions, or acted reactively under pressure:

- Individuals with **high understanding** were confident, engaged and proactive, able to navigate pension complexity, seek or sense-check advice, and make deliberate, adaptable decumulation decisions over time.
- Those with **medium understanding** grasped the basics of pension decumulation but lacked confidence with more complex choices, making them vulnerable at key decision points such as first access if they had not accessed timely, targeted guidance.
- In contrast, those with **low understanding** often delayed engagement and avoided complex choices. These individuals often felt overwhelmed or anxious, and made reactive decumulation decisions shaped by immediate pressures such as health, caring responsibilities or income shocks rather than long-term planning.

Importantly, these typologies do not differentiate clearly by income, pension size or gender, underlining that capability rather than financial status is a critical determinant of decumulation behaviour.

Overall Conclusions

- Respondents’ pension decisions are shaped by their financial understanding, employment stability, health and caring responsibilities, amongst other factors, but understandably financial security is prioritised above all else.
- While some felt confident and prepared to make decumulation decisions, many experienced uncertainty, confusion and anxiety, especially around complex choices such as drawdown and annuities.
- Understanding of DC pensions beyond the tax-free lump sum remains limited. This lack of understanding reduces capability to make decisions, undermines confidence, and leads to avoidance of decision-making.
- Ultimately, the findings point to a strong need for clearer, simpler, more personalised support throughout the life course, as well as earlier and more accessible financial education.

- Improving capability, confidence and access to trustworthy information can help individuals to make well informed decisions and support more positive financial outcomes.

The findings broadly align with future policy developments being taken forward, such as Targeted Support (which allows firms to provide suggestions designed for groups of consumers with common characteristics to help them make important decisions across their pensions and investments) and Guided Retirement (a default approach which presents a sustainable default to individuals, without them having to make complex decisions). The findings from this research also point to potential considerations for future policy development:

- **Improve accessibility and capability around pension decumulation decision-making.** This could include simplifying how pension access options, charges, risks and trade-offs are explained, with a particular focus on drawdown, annuities and longevity risk, to address gaps in understanding and capability.
- **Increase the visibility and appropriate use of free guidance**. This could include improving awareness and visibility of free guidance services, including Pension Wise, to support informed and confident decumulation decisions when individuals choose to engage. This could be reinforced helping individuals engage with guidance as part of a more structured process.

  Provide trustworthy support that people can interpret based on their individual circumstances. This could include helping people to access impartial guidance, and interventions that help them interpret their circumstances and pension options at a high level, while signposting to financial advice where a consumer can receive a recommendation of what to do.
- **Recognise how personal circumstances shape decumulation behaviour**. This could include policy and support that reflects the impact of health, caring responsibilities, employment and relationship changes and financial insecurity. Changes could better meet the needs of different member segments, particularly those less engaged or with smaller pots.
- **Build capability and confidence earlier across the life course.** Introduce earlier and more consistent financial education and engagement, in line with the government's commitment to make financial education compulsory in primary schools in England. Supporting longer-term decision-making and reducing reliance on reactive choices at the point of decumulation could be beneficial

1. Introduction

1.1 Background

The UK pension landscape has undergone substantial change over the past two decades, reshaping how individuals save for retirement and, increasingly, how they access and manage pension income later in life. These changes have shifted greater responsibility and risk onto individuals, particularly those with Defined Contribution (DC) pensions. A key development has been the long-term move away from Defined Benefit (DB) schemes towards DC provision in the private sector. As DB schemes have closed to new members, DC schemes, where individuals accumulate an invested pension pot, have become the most common form of workplace saving, leaving individuals to bear investment and longevity risk.[2]

The introduction of automatic enrolment into a DC pension in 2012 increased pension participation, particularly among lower-paid workers. However, most savers contribute at or near minimum levels, meaning many are likely to retire with modest DC pension pots, raising concerns about adequacy and preparedness for managing retirement savings.[3] Pension Freedoms introduced in 2015 marked a further shift, allowing individuals greater flexibility over how and when they access DC pensions, including tax-free lump sums and drawdown.[4] While widely used, these options have increased complexity and heightened risks around sustaining income in later life.

There are a number of changes to the pension landscape, including but not limited to changes to the State Pension age (SPa), passing of the Pension Schemes Act[5], and tax reforms (inheritance tax reforms[6]). The SPa is rising (from 66 to 67),[7] which is likely to influence decisions about working longer and the timing of pension access. Despite policy efforts to improve value for money of workplace pensions, making consolidation simpler and positively received tools such as Pension Wise,[8] people now have more choice in retirement. They are also more responsible for making the right decisions, which can have a big impact on their finances and depend on individual circumstances.

New initiatives like Targeted Support and Guided Retirement are being introduced to aid retirement planning. Targeted Support,[9] led by the FCA and launched in April 2026, aims to bridge the gap between general guidance and full financial advice. It

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[2] FCA (2024). *Pensions: Adapting our requirements for a changing market*. Available here
[3] House of Commons (2026). *Pensions: Automatic enrolment - current issues.* Available here
[4] Which (2025). *6 things we've learned from 10 years of pension freedoms.* Available here.
[5] UK Parliament (2026) Pension Schemes Act 2026 - Parliamentary Bills - UK Parliament
[6] HMRC (2026) *Technical note: Inheritance Tax on pensions.* Available here.
[7] GOV.UK (2025). *Third State Pension age review.* Available here.
[8] Money Helper (2026). *Learn how you can take your pension*. Available here.
[9] Pi Partnership (2026). *Getting Ready for Targeted Support and Guided Retirement.* Available here.

allows firms to provide suggestions designed for groups of consumers with common characteristics to help them make important decisions across their pensions and investments. This might include recommendations to increase contributions, choose drawdown strategies, or select investment options. Guided Retirement,[10] focusing on delivering regular income, is expected to be implemented from 2029. The reforms aim to remove the need for individuals to make complex decisions and balance strong defaults for the vast majority of people while considering factors like longevity, inflation, and value for money.

Pension dashboards[11] will enable individuals to view all their pension information, including their State Pension (SP), in one free, online place whenever they choose. They will also help people reconnect with lost or forgotten pensions. Easier access to this information, combined with greater awareness and understanding, should support more informed retirement planning.

1.2 Research aims

This research aimed to understand the factors and information sources people consider when making decumulation decisions and how those factors influence decision-making in those aged 53-67. This age range covers from around the age people can access their personal/workplace pension (55) to around SPa (66, which is currently increasing to 67), where most will have accessed or considered accessing their SP. This research will support the Pensions Commission to make recommendations to the government on the broader questions of adequacy, fairness and sustainability to guide the long-term future of our pensions system, as well as Department for Work and Pensions policy work more broadly.

Specifically, this research sought to answer the following questions:

- How do people make decisions on when and how to access their Defined Contribution pension?
- What factors do people consider when making decumulation decisions, and why? How do those factors influence decision-making?
- What influences long-term decision-making?
- What extra support may individuals need to make decumulation decisions?

The report is structured according to these research questions, as well as additional chapters that outline to what extent individuals understand their decumulation options, and if there are certain typologies of respondents that make decisions.

[10] Jadav and Eagle (2026).*Guided Retirement – ushering in a new era for UK defined contribution pensions*. Available here.
[11] GOV.UK (2026). *Pensions dashboards: guidance on connection: the staged timetable* Available here.

2. Methodology

2.1 Sampling and fieldwork

A pilot took place in December 2025 with five interview respondents, to test and refine questions before the mainstage of fieldwork. Following refinements to the topic guide, a further 50 interviews took place during mainstage research in January and February 2026, totalling 55 interviews for this research.

A purposive sampling approach was taken. Interviews took place with people who were retired or approaching retirement age (53-67-years-old) and who have a Defined Contribution (DC) Pension pot.

Within this sample, we also included 10 respondents that also have a Defined Benefit (DB) Pension. There were minimum quotas for priority groups such as gender and DC pot size. In terms of access, the sample purposely included a mix of individuals who had either not yet considered accessing their pension, were planning to do so within the next one to two years, or had only recently begun drawing on their savings.

Appendix B – Sample breakdown shows the profile of respondents included in the analysis.

2.2 Topic guide design

Qualitative interviews followed a semi-structured topic guide which was collaboratively and iteratively designed by IFF Research and DWP. Interviews lasted 45-60 minutes and explored how and when decumulation decisions are taken. This qualitative research included exploration of what support is sought and why, and what is taken into consideration when pensions are accessed (see Appendix A for the full Topic guide).

2.3 Analysis and reporting

All interviews were recorded and transcripts were uploaded into Quirkos[12] analysis software. Transcripts were manually thematically analysed in this software by the research team, according to how responses answered the research questions and the most prominent themes on decision-making were identified.

We hosted an internal analysis session, which was a structured, collaborative discussion between team members to identify themes and refine interpretation. Verbatim quotes are used throughout this report to support and illustrate key findings.

The study draws on a relatively small and diverse sample of interview participants, meaning the views reported illustrate individual experiences rather than being

[12] Quirkos - Qualitative Data Analysis Software made simple

representative. While strong themes emerged, findings varied based on participants' varied experiences. As with all self-reported accounts, perspectives may be influenced by personal context and may not capture every factor shaping an individual's pension-related knowledge, actions and experiences. The themes identified reflect patterns commonly described by participants but cannot be used to determine how widespread these experiences are. Quotations and case studies are included to illuminate specific issues rather than to imply frequency. Attributions have been added to show participants' gender, level of confidence and if they have accessed their pension. Within case studies, we have used pseudonyms to protect each respondent's identity.

3. Research Findings

3.1 Individual circumstances

This chapter explores the lived experiences of respondents, including their employment histories, pension arrangements, and the personal circumstances shaping their behaviour.

Overall, most respondents remained in employment, even after accessing their pension, although this was frequently driven by financial necessity. Most respondents had either already accessed their pension or were planning to do so, although many were waiting until State Pension age (SPa) before accessing their entitlements.

Individuals often navigated substantial personal challenges, most of which had occurred in recent years, such as poor health, caring responsibilities, and relationship changes. These factors created varied levels of preparedness for retirement, with some demonstrating proactive financial management, while others faced constraints that limited their ability to plan effectively.

3.1.1 Employment history

Respondents' employment histories were diverse, often characterised by periods of progression, disruption, and adaptation. While some individuals experienced relatively stable careers within a single organisation, others moved frequently between employers and sectors.

Some respondents reported long-term employment within a single organisation, starting in junior roles earlier in life and progressing into more senior or specialised positions over time. This trajectory was commonly associated with more stable pension accumulation.

However, most respondents had worked across multiple employers throughout their lives. In these cases, job changes were not always voluntary. Redundancy, company closures, and wider economic disruptions (including the impact of the COVID-19 pandemic) were frequently cited as key drivers of employment transitions. These, often sudden, external events often required individuals to make reactive decisions about their careers, sometimes accepting roles that prioritised immediate income over long-term progression or pension benefits.

Some respondents described factors that altered the overall direction of their lives, including family responsibilities, health challenges and caring roles, often intersecting with labour market pressures to shape career decisions.

> *"I got made redundant. And then my father passed away a few years [later]...And at the same time, I was going through a divorce...I have to rebuild myself....I was in quite high management, I sort of gave that up and sort of gone back down to the bottom of the ladder."*
>
> **Female, Neither confident nor unconfident, Planning on accessing pension**

Family circumstances also played a role in shaping employment patterns, particularly for women. Several respondents described leaving the workforce, either temporarily or for extended periods, to look after children. In later life, caring responsibilities continued to influence employment decisions. Some respondents reduced their working hours or exited the labour market entirely to care for partners, parents, or other relatives.

> *"I didn't work when the children were young. So that was a chunk of time. So, I've kind of like been playing catch up since then, really."*
>
> **Female, Not very confident, Accessed pension**

Health-related factors also contributed to early or unplanned exits from employment. Respondents who had stopped working altogether often cited their own health conditions or the need to care for others as the primary reason. Some respondents also described transitioning from full-time employment to part-time roles in later life, often as a way to balance work with health needs, caring responsibilities, or a gradual move towards retirement.

Alongside these challenges, there was also evidence of proactive career development and reinvention. Some respondents returned to education later in life, motivated by a desire to change careers, or a personal ambition to pursue new interests or qualifications.

A smaller group of respondents had also transitioned into self-employment later in life, often marking a shift towards more flexible or less demanding work, sometimes as a step towards gradual retirement.

A few respondents indicated that pension considerations directly influenced their employment choices. For example, one respondent actively sought a role within the Civil Service to access a more secure pension arrangement. However, these cases were relatively limited.

3.1.2 Pension type and access

Overall, most respondents reported holding more than one pension pot, reflecting the more common tendency for individuals to have been employed by multiple employers and sectors over the course of their careers. A small number of respondents had been planning their pension since they could first pay into it. However, most respondents had not meaningfully considered their pension until later in life.

Among those who had accessed their pensions, this was most commonly triggered by reaching SPa or by health conditions that limited their ability to continue working. However, accessing a pension did not necessarily coincide with a full exit from the labour market, as some individuals continued working alongside drawing pension income, with some reducing their hours to part-time work.

While there was some consideration of the minimum access age (55) in retirement planning, particularly in enabling earlier or phased transitions such as part-time work, decision-making was much more strongly anchored around SPa. Respondents also described accessing their pensions in response to changes in personal circumstances, such as divorce or bereavement, which resulted in a transition to a single-income household.

Defined Benefit (DB) pensions were a central component of retirement income for many respondents. Of respondents that had a DB pension, most reported having at least one DB scheme, often linked to long-term employment, with many reporting multiple DB pots. These schemes were generally viewed as a stable and predictable source of income for retirement.

Despite this, there was a widespread perception that DB pensions alone would not provide sufficient financial security, especially not enough to support their retirement aspirations, such as travelling or an overall better quality of life. As a result, many respondents expected to rely equally on the State Pension (SP). This reliance often reflected a retrospective view that insufficient contributions had been made earlier in life, whether due to delayed entry into pension saving, career breaks, or periods of lower earnings. Respondents frequently considered savings, inheritance, and other financial assets as part of their broader strategy for later-life financial stability (as will be explored in more depth in later chapters).

Where individuals had both a DC and DB pensions, DC pensions were less commonly viewed as the primary source of retirement income among respondents. DB pensions were perceived as more secure and less exposed to market risk. DC pots were often smaller and seen as supplementary rather than central to retirement planning.

A small number of respondents also reported having lost track of, or forgotten about, pension pots from earlier employment. These “lost” pensions were typically associated with short-term roles or early career jobs, and their existence was sometimes only partially recalled. The next section will further illustrate the challenges associated with managing multiple pension arrangements over time, particularly where engagement was limited.

3.1.3 Multiple pension providers

As mentioned, most respondents reported holding multiple pension pots, typically as a result of changing employers, and particularly among those with varied employment histories spanning different sectors and roles.

Experiences of managing these multiple pots varied. Some respondents described feeling confident in their ability to keep track of their pensions, indicating that they were broadly aware of how many pots they held and the approximate value of each. For these individuals, managing pensions across different providers did not appear to present a challenge.

However, others found the process more difficult, particularly where pots were held with multiple providers and varied in size. Several respondents noted that some of their pensions were relatively small, often linked to short-term or earlier roles, which could make them easier to overlook or deprioritise.

Several respondents had taken steps in recent years to organise their pension arrangements. This included consolidating multiple pots into a single scheme or using pension tracking services to improve visibility and organisation. These actions were often motivated by a desire for greater clarity and control over their retirement savings.

> *"When I went to university… I moved all of my pensions into there because I wanted them all in the same place… so everything was there and I knew where it was."*
>
> **Female, Very confident, Has accessed pension**

In certain cases, the process of consolidating pensions could also provide tangible benefits. For example, one respondent described how transferring earlier pension contributions into a DB scheme allowed these to be converted into credited years of service, increasing the overall value of their entitlement. However, respondents were also aware that transferring pensions may involve trade-offs, including the potential loss of certain benefits or reductions in value.

3.1.4 Current circumstances

Health emerged as a central factor influencing current circumstances. Some respondents reported living with ongoing or worsening health conditions, which affected their capacity to work, their day-to-day quality of life, and their ability to plan for the future. In some cases, health issues had already led to a reduction in working hours or a complete exit from the labour market, often earlier than anticipated and with limited opportunity for prior planning. These developments not only affected income but also altered expectations around retirement timing and financial security.

> *"I'm gonna have to be finishing work quite soon because I've got a brain tumour now so I can't handle being at work and all the stress of it and then...all [the] appointments."*
>
> **Female, Fairly confident, Planning to access pension**

Caring responsibilities were also a prominent feature of respondents' lives. Several respondents described providing care for partners, parents, or other family members, often alongside paid work. This created additional pressures on time, energy, and finances, and in some cases led individuals to reduce their hours or leave employment altogether.

For some, these two factors interacted in particularly challenging ways. Respondents spoke about managing their own health conditions while also supporting others, compounding the strain on both their financial and emotional resources. In these situations, the ability to maintain consistent employment, and therefore pension contributions, was constrained.

> *"I gave up work a few years ago to take care of my late wife… and I haven't gone back to work since basically due to my own ill health now."*
>
> **Male, Not very confident, Planning to access pension**

Relationship status further shaped respondents' current circumstances, with many describing how living arrangements, income sources, and financial responsibilities were organised around whether they were single or partnered. Experiences of divorce, separation, and bereavement were relatively common and often resulted in a shift to single-income households. This had immediate financial implications, including increased living costs relative to income and, in some cases, the need to access savings or pensions earlier than planned. Such changes also prompted a reassessment of budgeting, savings and retirement expectations, with some individuals delaying retirement or adjusting their lifestyle expectations. In addition to these challenges, some respondents described broader changes in their living arrangements, such as becoming empty nesters or moving to a smaller property.

> *"I've gone through a divorce recently...and then you start thinking more regarding the future...it's having to buy your own house and taking your own mortgage on and things like that...that's the worrying part of it I think more than a personal basis of not having a partner, it's your finances and having to manage...I just need to be secure."*
>
> **Female, Neither confident nor unconfident, Planning to access pension**

Respondents who had experienced bereavement described a combination of emotional and financial adjustment, including managing household finances independently for the first time or adapting to reduced income. Opposingly, in one case, inheritance from a deceased partner enabled a respondent to retire earlier than had previously been possible.

In contrast, respondents living with a partner often described financial interdependence that shaped their current choices and opportunities. Household income pooling often provided greater flexibility in employment or retirement decisions. For example, some respondents reported retiring earlier than planned because their partner remained in paid work, had a more generous pension, or provided health insurance coverage. In dual-income households, workplace benefits and pension schemes were sometimes treated as shared resources, influencing decisions about when to draw pensions, reduce working hours, or take on caring roles.

Current circumstances were rarely shaped by a single factor. Instead, many respondents described overlapping influences, for example, a health issue occurring alongside bereavement, or caring responsibilities emerging during a period of employment instability.

3.2 How do people make decisions on when and how to access their pension?

This chapter explores respondents' understanding of and engagement with their pension arrangements, including their knowledge of different access options, their confidence in decision-making, and factors that shape how they approach choices about their pensions.

Across the sample, respondents had an understanding of the 25% tax-free lump sum for DC pensions, as well as the SP. Knowledge of drawdown and annuities was weaker and many were unsure about how these options worked in practice.

Respondents also tended to have a basic understanding of how DC pensions worked, but had mixed understanding of investments, performance, or risk. Most took a passive approach, trusting providers to manage things. Where relevant, DB pensions were viewed more favourably than DC for providing a more stable and reliable source of income.

Confidence levels varied widely and were shaped by capability, information sources, and planning orientation.

3.2.1 Understanding of Defined Contribution (DC) access options

The tax-free lump sum was the most widely understood access option across respondents, regardless of whether they had already accessed their pension. Most knew that 25% of their pension pot could be withdrawn tax-free, and that taking this money out would reduce their ongoing monthly payments. It was commonly seen as a simple, attractive option, with many having taken, or planning to withdraw it, to pay off a mortgage, fund home renovations, go on holiday, or support family members.

> *"I just got short of like 10 grand so what I did was I just paid it off my mortgage."*
> ***Male, Not very confident, Accessed pension***

> "*I believe I can take 25% tax-free. Outside of that, I don't really know much else."*
> ***Female, Neither confident nor unconfident, Planning to access pension***

A minority mentioned the age of 55 as a milestone, most commonly understood as the earliest point at which they could access their lump sum, and only rarely as part of a deliberate early retirement strategy. A few were able to use part of their pension as a top-up to enable part time work, whilst leaving other pots untouched. More commonly, respondents planned to retire at or around at least SPa.

Understanding of drawdown and annuities was more mixed. Some respondents understood that an annuity provides guaranteed income for life but cannot be passed on,[13] whereas drawdowns offer more flexibility but carry the risk of the pension pot eventually running out.

> *"If you bought an annuity you pay your whole pot into this thing and then it gives you — it's like interest almost — and you get that for the rest of your life. However, if you decide not to go for that and you go for the cash drawdown, which is what I will be doing, you eventually will run out of money."*
>
> **Female, Neither confident nor unconfident, Planning to access pension**

> *"The annuity is what you buy to give you a fixed amount per month for lifetime. It's my understanding of that. But in terms of how much that would cost and what that would give me, I don't have any forecasts on that. And that would be something that would be of interest and would be useful."*
>
> ***Female, Not very confident, Accessed pension***

Some were familiar with the terms but uncertain about their meanings, and many others had not engaged with these options at all. This gap in knowledge represents a barrier to some respondents' capability to make fully informed decisions about how to structure their pension withdrawals.

> *"I just need to explain to me (in) plain English. What can I get? That's all I need to know."*
>
> **Male, Not very confident, Planning to access pension**

Fees and charges were not a primary concern for most respondents, and understanding of them was generally quite limited, particularly among respondents with lower confidence and engagement overall. Many were unaware that charges existed at all, while others who knew they had paid something may have been unclear on the amounts or the reasons for these charges. A couple of respondents confused charges with tax. In most cases, fees and charges did not appear to have much impact on withdrawal decisions.

[13] This applies to single-life annuities, but not joint-life annuities, which can continue payments to a surviving partner.

> *“You know, there doesn't seem to be a great loss to take the money out apart from the tax implication.”*
>
> ***Female, Fairly confident, Planning to access pension***

3.2.2 Understanding of different pension pots

Most respondents understood the basic mechanisms of their DC pensions: that both they and their employer contributed, that their pot was invested, and that its value could go up or down based on performance in the stock market.

Fewer had a clear sense of specifics of the investment process, such as where their money was invested, how to monitor investment performance, or the level of risk their investments carried. Many took a fairly passive attitude, content to leave the management to their provider as long as the pot was growing.

> *"As long as I don't lose money and it goes up a little bit more than the bank interest rate of a couple of percent, I'm happy. The actual mechanics of it, well, it just doesn't interest me really."*
>
> **Male, Not very confident*, Planning to access pension***

> “*I'm not too concerned about how the money is invested. I get the impression that it's a very good company.”*
>
> ***Male, Neither confident nor unconfident, Planning to access pension***

Some were more engaged with the performance of their investments, particularly those who had spoken to advisors or had done extensive research. This group included individuals who monitored the performance of their investments and those who made active decisions about where to keep their money based on levels of risk.

> *“Three years ago I wouldn't have questioned what it was put into. Now I'm very savvy about having it be [invested in] a low-risk product.”*
>
> **Female, Fairly confident, Accessed pension**

> *“You can invest where you wanted so you could take a higher risk and invest. I never did any of that because I was never that confident about where I should invest.”*
>
> **Female, Fairly confident, Accessed pension**

As shown in Case Study 1, one respondent had had a pension pot that had performed poorly in the past, driving her to pay more attention to assessing risk. Differences in engagement may be linked to gaps in knowledge, motivation and capability, as without a clear understanding of how to monitor performance or assess risk, active involvement may feel out of reach.

Case Study 1: Changes in engagement over time (Female, Fairly confident, Accessed pension)

Sandra paid into a Defined Contribution pension throughout her career and described herself as being focused on retirement planning from an early stage.

However, when several Enterprise Investment Schemes[14] she had invested in failed and she received no compensation, she was forced to lower her expectations about her retirement income. Sandra began actively researching risk and investment performance, developing her financial knowledge and capabilities, and making more informed decisions about where to keep her money.

The loss of a close family member further shifted her outlook, motivating her to think about her pension as a source of security for her family as well as a personal income.

Together, these experiences highlight how engagement with pension decisions and planning can be triggered by life events and shift over time.

Where respondents had experience of DB pensions, these were generally viewed more favourably and seen as more secure and better performing than DC pensions. The guaranteed nature of DB income was particularly valued, offering a level of certainty that many felt their DC pensions could not match. Some wished they had contributed more to a DB scheme earlier in their working lives, while others actively suggested that anyone with access to a DB pension should explore it more carefully before defaulting to DC contributions.

> *"I've got a small (Defined Benefit) pension from social services, which actually does better. I mean, it's a very tiny pension, but to be honest, I wish I'd have put more into that because that is growing fantastically and goes up."*
>
> **Female, Fairly confident, Accessed pension**

> *"I think that anyone who is doing a Defined Contribution pension and has access to a Defined Benefit pension should look at that more closely."*
>
> **Female, Neither confident nor unconfident, Accessed pension**

Understanding of the SP was relatively consistent across respondents, and was, broadly, more comprehensive than understanding of other pension types. Most expected the SP to be insufficient on its own and saw it as a supplement to other private pensions. This was a widely shared assumption that shaped how respondents thought about the adequacy of their overall retirement provisions. This awareness may have acted as a motivating factor for some, prompting earlier or more active engagement with private pension saving, though for others the gap between expected SP income and what they felt they needed may have been a source of anxiety rather than action.

> *"You need to have a private pension as well — you can't rely on a State Pension as previous generations did."*

[14] This is a government driven initiative designed to stimulate investment in early-stage businesses.

Female, Not very confident, Accessed pension

Many were aware that the SPa had increased in recent years, with some displaying good understanding of the age they would be eligible for it, and some remaining uncertain about what it might be by the time they came to retire. The current SPa is rising from 66 to 67 over the next two years. While some respondents expressed uncertainty and concern about future increases, a rise to 70 in the near term, as suggested in the quote below, goes beyond current policy and would represent a significant change.

Most understood that eligibility is based on National Insurance qualifying years, through contributions or credits over time. Awareness of the SP as a known, if limited, future income source, functioned in many cases as a reference point around which respondents anchored other retirement planning decisions, such as the timing of private pension access or the decision to continue working part-time.

“I did an inquiry about that for both me and my husband, and we both paid enough. So that's fully paid up.”

Female, Fairly confident, Accessed pension

"They keep moving the goalposts as well, don't they, with the State Pension. So who knows really actually how old. It might have been pushed up to... it might be 70 by the time I come to retire.”

Female, Neither confident nor unconfident, Planning to access pension

3.2.3 Sense of confidence

Respondents' confidence in managing their pension and making decisions about it varied considerably and broadly fell into three groups.

Those with low confidence tended to have limited knowledge of how pensions work and were often reluctant or anxious about engaging with the topic. For some, this manifested as active avoidance: acknowledging that they needed to engage but putting off taking any next steps and was common amongst those who had not yet accessed their pension. This reflects how low knowledge and confidence can form a barrier to action. Confidence did not map exactly onto access; whilst many with low confidence had not accessed their pensions yet, there were some who had accessed their pensions but remained low in confidence.

"Pension is something I really don't know about and I really need to start digging into. I'm just a bit hesitant at the moment."

Female, Not very confident, Planning to access pension

"I get why your employer sort of matches your contributions or puts in a contribution as well as, but sometimes I think, is it better just to put it into an ISA if I've got any spare money? I don't know."

Male, Not very confident, Planning to access pension

A middle group had partial confidence; they were broadly comfortable with the basics of how their pension worked, but less sure of themselves when it came to investment risk, charges, or evaluating their options in detail. This group may have understood enough to feel reassured about their pension in general terms, but not enough to feel confident making active decisions, particularly around drawdown or annuity choices.

> *“I'm not an expert. I'm not... you know, I've just put money in over the years and I hope that there would be a good return.”*
>
> ***Female, Neither confident nor unconfident, Accessed pension***

Those with high confidence typically had good working knowledge of pension terminology, understood the risks involved in different approaches, and felt well-placed to make informed decisions. This group tended to have sought financial advice, drawn on knowledgeable friends or family members, worked in a field with relevant transferable knowledge, or invested substantial time in independent research. This points to the role of opportunity, through access to the right information, networks, or professional support, in building the capability needed for confident decision-making. This group tended to include individuals who had already accessed their pension, or who had taken active steps such as consolidating pots or adjusting their investment strategy.

> *"I think I'm more savvy than the average person about things to do with finance. I think a lot of that has got to do with the fact that working in legal for a very long time and dealing with house buying and sellings and wills and everything, as I did. I think that kind of got me a bit more conscious of that sort of thing from a fairly early age."*
>
> **Female, Fairly confident, Accessed pension**

Nevertheless, confidence was not wholly determined by whether respondents had already accessed their pension. It reflected a combination of knowledge accumulated over time, the resources and networks available to respondents, and their broader orientation toward financial planning.

3.3 What factors do people consider when making decumulation decisions?

This chapter explores the full range of factors that shape how respondents decide when and how to access their pension savings. It also outlines how individuals draw on different income sources in retirement and how these influence confidence, preparedness and perceived control over retirement decisions.

Income security and long-term financial stability were the strongest drivers of pension decisions, as well as health issues, changing job stability, caring roles, and major life events such as divorce or bereavement.

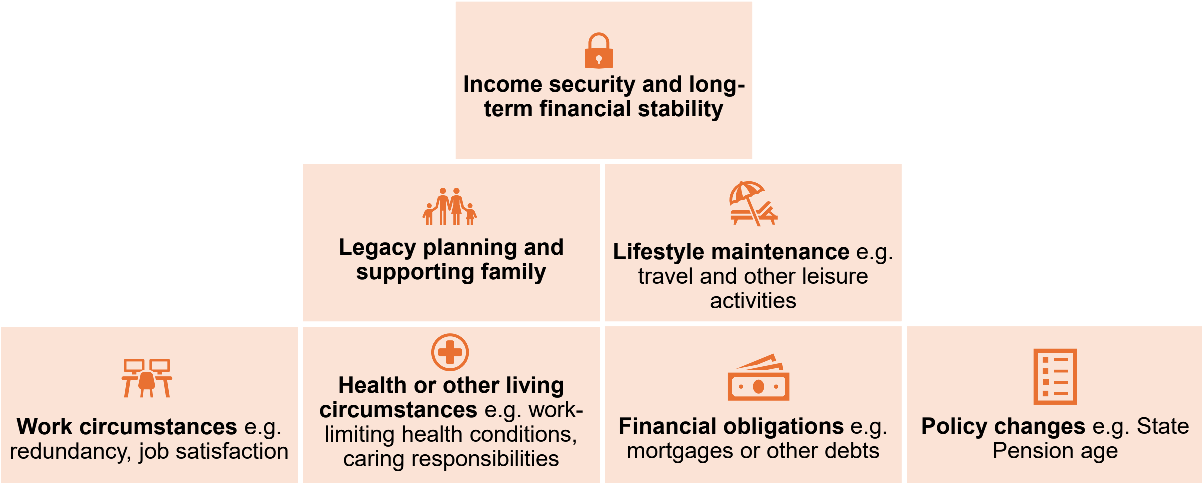
Respondents wanted to maintain their desired lifestyle, support family members, and manage financial obligations such as mortgages or debt. While many respondents felt broadly satisfied with their current quality of life, those with smaller pension pots reported greater concern about the future and expected to rely more heavily on SP income or additional sources such as savings, property equity or inheritance.

Overall, retirement planning was heavily influenced by a combination of personal circumstances, financial pressures and wider economic and policy changes.

3.3.1 Key factors in decision-making

Income security was the primary driver of pension decisions for most respondents, with many focused on covering essential costs and maintaining financial stability, sometimes by delaying retirement or working part-time. Lifestyle goals, such as travel or other leisure activities, also influenced choices, often supported by taking lump sums. Some prioritised leaving money to family, shaping their preference for flexible access options. Health issues, work circumstances, financial commitments and policy changes also played a role in when and how respondents chose to access their pensions. Figure 1 illustrates the relative importance of different key factors in respondents' decision-making, with the most important at the top of the pyramid.

Figure 1. Relative importance of respondents' key factors in decision-making



Income security and long-term financial stability were the main factor in decision-making around pensions (and particularly around timings of pension access) for most if not all respondents. Respondents prioritised ensuring that their pension income would be sufficient to manage their essential expenses in retirement. Some predicted that they would need to reduce discretionary spending in retirement to ensure long-term financial stability. Others mentioned delaying retirement until they became eligible for the SP or continuing part-time work as an additional source of income to ensure their everyday expenses were covered.

> *"I need to be secure with my financial planning. I need to know that I can manage my house, I can manage my bills… I just need to be secure."*
>
> **Female, Neither confident nor unconfident, Planning to access pension**

> *"I don't see myself being any better off when I retire, which is why in the back of my mind, I'm thinking I might need to take a part-time job where possible just to supplement anything that, you know, is maybe lacking in my financial resources."*
>
> **Male, Neither confident nor unconfident, Planning to access pension**

This demonstrates that respondents' pension decisions were mainly driven by wanting to feel financially secure in retirement. When they were unsure whether their income would cover their day-to-day costs, they tended to delay retirement, keep working part-time, or plan to cut back on any non-essential spending. This shows that without confidence in their long-term income, people often made cautious choices and did not feel able to retire when they ideally would have liked to.

Lifestyle maintenance was another important factor in decision-making about accessing their pension for many respondents. This typically involved having sufficient income to enjoy travel and other leisure activities on top of essential expenses. Some mentioned accessing their tax-free lump sum prior to retirement or at the start of their retirement to spend on holidays or home upgrades. Others continued part-time work into their retirement for additional income to maintain their desired lifestyle.

> *“We took a lump sum to begin with, because it allowed us to have the holidays that we would normally have had [before retirement].”*
>
> **Male, Fairly confident, Accessed pension**

> *“I’ll have to get a part-time job… Just a bit of spending money. I’ve looked at what the pension is and what I would need, you know, for my bills and stuff. But yes, it's the cost of living, the food shopping and my gas and electric. When I looked at it years ago, I thought, oh, yeah, I could just manage a couple of treats, whereas now it's one of the two. So I'm going to have [to earn] extra spending money to get a holiday.”*
>
> **Female, Not very confident, Accessed pension**

This shows that pension decisions are not driven by financial need alone but also by people’s aspirations for their retirement. These lifestyle priorities can lead people to access funds earlier, take on additional work, or make trade-offs between short-term enjoyment and long-term financial stability.

Legacy planning and supporting family was mentioned as a priority in pension decision-making by several respondents. Some expressed a desire to support family members during their retirement or to leave an inheritance to their family, which played a role in their decisions about spending in retirement. For some, having grandchildren introduced new priorities, including saving for them or providing informal childcare. A few decided to take their DC pension as a drawdown or a lump sum instead of an annuity as they believed they would not be able to pass on an annuity to their family after their death.

> *“I don't want to be a burden to them [my kids] and I don't want it to be them financially supporting me when I've got shortfall. I want to be in a situation where I am still financially independent and maybe I can help and support them if they need it.”*
>
> **Female, Neither confident nor unconfident, Planning to access pension**

> *“I suppose there's a part of me that thinks I might prefer to take the larger lump sum and the lower pension because I'm a bit of a workaholic anyway… I think it'd be better for me if I could have the money [as a larger lump sum] because I could help my daughter out and I would still probably get part-time work somewhere to kind of, to match the pension that I've got.”*
>
> **Female, Not very confident, Planning to access pension**

Decisions are therefore also shaped by broader family priorities. These motivations can lead people to limit their own spending in order to leave something behind, which in turn influences their long-term financial planning and the choices they make across retirement.

Work circumstances influenced decisions around retirement for some respondents. In some cases, respondents opted to retire earlier due to low job satisfaction or finding their work more physically challenging as they got older. One was offered an enhanced pension with voluntary redundancy and made the decision to retire as a result.

Health or other living circumstances also factored into decisions around pensions for some. Some planned to retire earlier due to difficulty working because of health conditions. A few spoke more hypothetically about new or worsening health conditions in the future and how this affected their thinking around retirement, such as planning to spend more of their pension earlier on in their retirement so that they could travel while they were still able.

> *"I used to be a plumbing and heating engineer. So you were forever on your knees, your back, you name it. I've done that for 40-odd years and it's just got to a stage where I'm just riddled with arthritis now and everything else… February last year when I had my knee done and I just thought I can't do this anymore… So we thought that's it, just pack it in."*
>
> **Male, Not very confident, Accessed pension**

Work and health were prominent themes and show that respondents were often forced to make pension decisions based on immediate needs rather than long-term plans, perhaps causing them to reconsider when they can retire and how long their pension needs to last.

Some respondents reported making decisions about their pensions due to other financial obligations, such as mortgages or other debts. Some took out lump sums prior to retirement to pay off debts or other large expenses, while others planned not to retire until they had paid off their mortgage as their retirement income would not be sufficient to cover mortgage payments.

> *"I've moved house, so we've took on a bigger mortgage. So that's affected my pension because I was hoping to go [retire] at 60 if I had carried on living in my old house. But now I've got a bigger mortgage, I can't afford to go at 60."*
>
> **Female, Not very confident, No plans to access pension**

> *"Because I hit 55 in December just gone, which obviously you can start taking money out of your pensions when you get to 55, so I've taken a lump sum out of one of my pensions… Part of it is for now. So a little bit of spending on the house, a little bit of spending on the car"*
>
> **Female, Neither confident nor unconfident, Accessed pension**

Respondents also reflected on policy changes, particularly increases to the SP age, describing these as "moving the goalposts" and influencing their timing and expectations around retirement and accessing their pension.

> *"When the law was changing, the government were changing the pension dates, and we were originally 65 years of age to retire and that's coming up this year… And now we're just starting to put our head above water and look at what we've got, where we've got, see what our finance situation is, to see if we can finish this year. If not, then obviously we'll have to carry on."*
>
> **Male, Not very confident, Accessed pension**

Respondents' retirement decisions were typically shaped by overlapping shifts in income, employment stability, health, and family circumstances. These changes affected not only when people engaged with their pension, but also their confidence, preparedness, and sense of control over their financial futures.

3.3.2 Current quality of life

Most respondents reported that they were satisfied with their current quality of life. Reasons given for this included good health, satisfaction with their living situation and being able to enjoy travel, time with family and other leisure activities.

Most did not anticipate this changing as they reached or continued retirement, although a few with smaller DC pensions and other assets did express concern about a reduced income in retirement impacting their quality of life. These respondents expressed intentions to continue working for as long as possible to improve their outlook in retirement.

> *"I'm not confident about what the future looks like because I've seen my parents struggle and my father worked for you know 60 years of his life if you like. I see how they struggle with the cost of living and they paid off their mortgage relatively soon. So I'm not confident and it does concern me… I'm not optimistic for the future."*
>
> **Female, Not at all confident, Accessed pension**

3.3.3 Current financial circumstances

Most respondents reported that they were comfortable with their current financial situation. Others described that they were able to keep up with bills and essential expenses, but had room for greater security, while a few respondents expressed concerns about their financial circumstances. In these cases, the rising cost of living often exacerbated their concerns and shaped both current spending and future expectations.

> *"I've paid my mortgage, I've paid off my little outstanding debt, and now I feel like my money's my own, really. If I want to save a little bit or spend a little bit, I feel I'm in a good position now. I had to wait till 60 to get there, but there you go."*
>
> **Female, Neither confident nor unconfident, Accessed pension**

> *"[My financial circumstances are] not great, because I've just had to put my husband's funeral on a credit card. And that is something that stays with you."*
>
> **Female, Neither confident nor unconfident, Planning to access pension**

Respondents' current financial circumstances played a role in shaping their decisions regarding pension decumulation. Those who feel comfortable and secure in their finances were more likely to approach retirement with confidence. By contrast, respondents who were less comfortable often worried that their pension and other assets would not be enough, which led them to delay decisions.

3.3.4 Reliance on DC pension

Most respondents intended to depend on both their DC pension and the SP as their primary sources of income during retirement. Whilst many indicated that their DC pension would form the largest part of their retirement income, others expected the SP to be their main income stream. In these cases, respondents planned for their DC pension and any additional sources they had (such as inheritance or savings) to provide supplementary support.

> *"I can't see myself retiring before I get my state pension because I need the state pension to bolster my private pension. I think my private pension will only provide me with, I don't know, maybe a maximum of 30% of my state pension."*
>
> **Female, Fairly confident, Planning to access pension**

In some cases, respondents used their DC pension to retire earlier than the age they would become eligible for the SP, relying on it for several years prior to receiving their SP.

> *"Whenever I'm ready to now, I can start drawing my state pension. So I have that, I have my pension, I have an ISA, I have some other savings here and there. I feel fairly comfortable heading into retirement, that I'll be able to live reasonably well."*
>
> **Male, Very confident, Planning to access pension**

> *"I don't want to retire and not be able to do anything. I don't want to retire and go on big holidays and stuff like that, but I just want a reasonable standard of living. I don't think retiring now on what finances are available to me will give me that. So I've no choice but carry on working until 67 anyway."*
>
> **Female, Not very confident, Have accessed pension**

Case Study 2: High reliance on DC and SP (Female, Neither confident nor unconfident, Planning to access pension)

Eleanor is a 60-year-old part-time childcare worker who is planning to retire in the next year, driven primarily by declining health and the physical demands of her role. Living with rheumatoid arthritis has become a key factor shaping both the timing and nature of her retirement decisions, alongside the financial independence required following a divorce six years earlier.

Since taking on sole responsibility for her mortgage and household finances, Eleanor's pension planning has been guided by a desire for security. Her core objective is to ensure she can maintain her home, pay bills and live modestly without financial stress, rather than fund discretionary spending or travel.

Eleanor has a single DC pension, which she began saving into around 30 years ago. She plans to take part of her DC pension as a lump sum to pay off her mortgage and take the remainder as a monthly drawdown. She anticipates that her DC pension will be enough to serve as her main source of income until she reaches SP age at 67, at which point her reliance would shift to her SP. She expects to have to reduce her non-essential spending prior to receiving her SP to ensure she can keep up with bills and everyday expenses.

Those who had a DB pension alongside their DC pension tended to depend more heavily on their DB pension, as it offered a higher and/or guaranteed monthly income.

> *"At the moment [my Defined Benefit pension is] extremely important because the level of payment I get each month is six times the size of my Defined Contribution pension. If I didn't have the Defined Benefit pension, I would have to find another job."*
>
> **Female, Fairly confident, Have accessed pension**

Those with smaller DC pensions and no DB pension planned to rely primarily on either additional resources such as savings, inheritance or money from downsizing their home. A few reported that the SP would be their main income source in retirement.

> *"When I get the monthly pension off the private [DC] pensions, […] it's only like £10 a week. So it's just a little bit of extra, it might be like Christmas presents or something."*
>
> **Female, Not very confident, Have accessed pension**

> *"I think by itself it [the SP] is probably not enough to sustain, so I need to have supplementary income or some way of topping it up. But it is something that I'm hoping will just give me a base, you know, something to live on."*
>
> **Male, Neither confident nor unconfident, Planning to access pension**

3.3.4 Other financial resources

In addition to their DC pension, many respondents also mentioned having additional financial resources from savings or investments, e.g. in ISAs. These typically supplemented a larger income from their DC pension. Only a few reported that their non-pension savings would make up the largest proportion of their retirement income. These respondents all reported high levels of financial security.

> *"Well, the largest one by far is my pension. The ISA is worth about a third of my pension. So of my sort of whole investments, that was 25%, my pensions were 75%. Savings, I have some because my income is higher than my outgoings. So it tends to build up and every so often I'll just do something and I'll dip into that."*
>
> **Male, Very confident, Planning to access pension**

Case Study 3: Low reliance on DC (Male, Not very confident, Planning to access pension)

Anthony is a recently retired aircraft engineer in his mid-sixties living with his wife, who continues to work as a teacher. Pensions have historically played a secondary role in his financial decision-making. He began contributing to a DC pension only when automatic enrolment was introduced in 2012 and his contributions remained modest, as he directed any surplus income into savings and mortgage repayments.

Anthony views the pension pot as relatively small compared with his other assets, including savings from inheritance and a recent downsize, as well as his wife's upcoming DB pension. He plans to use his DC for discretionary spending, particularly travel while health allows, rather than as a core source of retirement income.

Among those who owned their home outright, it was fairly common to consider the possibility of downsizing or equity release to increase their financial resources in retirement. A few indicated they had firm intentions to sell their home in the next few years before retiring, whereas others viewed these steps as a contingency measure should their retirement income prove inadequate. A few respondents had downsized in the last few years, typically for a combination of financial reasons and household changes, such as children leaving home. A few respondents supplemented their retirement income through letting out a second property or planned to sell their second property prior to retirement as an additional income source.

> *"I'm looking to downsize, so I'm hoping to release a little bit of capital in my house. So I'm hoping that might sort of help with my pension pot."*
>
> **Male, Neither confident nor unconfident, Planning to access pension**

> *"I haven't even thought about [how long my pension is going to last]. When it's gone, it's gone, isn't it? I suppose I can always sell my house."*

Female, Neither confident nor unconfident, Have accessed pension

Many respondents discussed the option of semi-retirement or continuing to work part-time during retirement. Their motivations varied: some felt it necessary to keep working to meet essential expenses, while others sought to supplement their income so they could afford holidays and other leisure activities. Some of those who expressed high job satisfaction were hesitant to stop working completely and lose this aspect of their daily routine, even if they planned to reduce their working hours as they got older.

> *"I hate thinking about retirement… I love working. Absolutely love it. I love being with people. I love, you know, getting up in the morning, getting ready. And so I think, but then all my friends are retiring… So I'm thinking 70."*
>
> **Female, Fairly confident, Have accessed pension**

A few respondents mentioned that their partner's pension would make up a sizeable proportion of their income in retirement. In these cases, their partners typically had a DB pension which provided a high monthly income. There was little evidence that respondents timed retirement to coincide with their partner's. Several retired respondents reported that their partner continued to work, either due to their age, job satisfaction, for financial reasons, or a combination of these factors.

Some respondents also referred to inheritance they had received (or anticipated to receive) from family members as a supplementary financial resource in retirement.

> *"Sadly, when my dad passes away, there'll be a chunk of inheritance there for sure. That might afford me the option to buy an annuity or put towards the pensions that I've got at that point in time to buy an annuity."*
>
> **Female, Not very confident, Have accessed pension**

3.4 What extra support do individuals need to make decumulation decisions?

This chapter outlines how individuals locate and interact with information about their pensions, exploring the range of channels they use and the experiences that shape their engagement. It also considers how people seek out guidance and support, and the factors that influence whether they feel able or motivated to do so. Throughout, the chapter highlights the broader context in which people navigate pension information and the types of support they view as helpful.

Overall, this chapter shows that while individuals draw on a wide range of sources to understand their pensions, many still struggle due to complex terminology, administrative barriers, and emotional resistance.

Experiences of financial advice were generally positive among those who accessed it, but hesitancy in using such professional advice remained common due to concerns about cost, trust, and accessibility.

3.4.1 Information sources

Respondents reported drawing on a wide range of information sources when attempting to understand or manage their pensions. However, engagement was often low and reactive rather than proactive. For some, pension information was primarily reviewed in response to prompts from providers, most commonly annual statements, rather than as part of ongoing financial planning. This was particularly common among those who had not yet accessed, or were not planning to access, their pension.

For some, these prompts led to further action, such as contacting providers to seek clarification or additional detail.

> *"When that statement comes through, it tells me where we're at, what percentage it is, et cetera. And then that just thinks, well, OK, I'll ask a few questions. And so then I'll contact them and ask a few questions, get some more information."*
>
> **Male, Not very confident, Has accessed pension**

Beyond annual statements, several respondents reported using pension provider websites to monitor the value of their savings and access forecast information. These platforms were generally seen as a practical way to check balances and projected retirement income, although engagement tended to remain surface-level, focused on headline figures rather than detailed analysis.

In addition, many respondents described independently searching for pension-related information online, through general search engines. This included the use of official government sources such as HM Revenue & Customs and GOV.UK, as well as financial news outlets. These sources were often used to build a broader understanding of pension rules, tax implications, and retirement planning options.

While many respondents recognised the name Pension Wise, relatively few had actively used the service. Among those who had engaged with it, experiences were consistently positive, with Pension Wise described as helpful in clarifying options and providing reassurance rather than prompting major changes.

Alongside formal sources, respondents frequently turned to more accessible and informal channels of information. Financial commentators and media figures, particularly those known for simplifying complex topics, were seen as valuable in translating technical pension concepts into plain language. For example, Martin Lewis was cited by a handful of respondents as a trusted figure who made financial information easier to understand.

A small number of respondents also reported using artificial intelligence tools, such as ChatGPT, valued for their ability to explain terminology in plain language and provide quick, conversational responses to specific questions. One respondent with attention deficit hyperactivity disorder (ADHD), for example, described finding the volume of information returned through search engines overwhelming, and instead preferred using AI tools to obtain clearer, more digestible explanations.

> *"ChatGPT is everybody's friend. You have to ask for very specific things and you also have to give it a boundary so in other words don't expect an honest answer back from it until [you] give it specific parameters...otherwise it would just tell you what it wants [you] to hear."*
>
> **Male, Neither confident nor unconfident, Has accessed pension**

3.4.2 Influence of friends and family

Respondents described a relatively limited role for other people in shaping their pension decisions, although informal discussions with friends, family, and acquaintances did occur in most cases. Where these conversations took place, they were typically ad hoc and exploratory rather than a central part of financial decision-making. They often served to raise awareness of pensions, prompt further research, or introduce new information sources, rather than directly influencing specific actions.

Some respondents reported drawing on the experiences of people within their social networks, particularly when those individuals were perceived to have greater financial knowledge or experience. A few respondents had personal connections to professionals working in financial services, such as financial advisers. These relationships were sometimes used as a source of informal guidance.

However, even where such expertise was available, it was not always actively utilised. For some, pensions were seen as a private matter, limiting willingness to seek advice from personal contacts.

"There is two people which are friends of mine that [are] financial advisers. But in all my life, I've never turned to them because it's private. But I could ask them for advice. But that's all it would be. It would be just advice from them."

Male, Not very confident, Has accessed pension

For some respondents, discussions about pensions were minimal or entirely absent. Some respondents noted that pensions were not a common topic of conversation within their social circles, or that they found the topic boring.

Where conversations did occur, respondents tended to approach the information shared with caution. There was a widespread recognition that financial circumstances, such as income, employment history, and retirement goals, vary between individuals. As a result, advice or experiences shared by others were not always seen as directly applicable.

Ultimately, such interactions were more likely to act as prompts for individuals to seek further information independently, rather than as a basis for action in their own right.

3.4.3 Experiences of guidance

Among those who had accessed Pension Wise's free guidance, experiences were consistently positive. Respondents described these services as clear, accessible, and helpful in explaining pension options in a structured way. A key benefit was the ability to discuss individual circumstances and ask questions in real time, which helped to clarify areas of confusion that written materials had not resolved.

Similarly to the experience of Pension Wise, general guidance was often valued less for driving major changes in behaviour and more for providing reassurance. Respondents frequently reported that sessions confirmed they were broadly "on the right track," rather than prompting adjustments to their pension arrangements. In this sense, guidance played a validating role, increasing confidence in existing decisions rather than acting as a catalyst for new ones.

For some, guidance also improved their overall understanding of pensions, particularly in relation to how different components, such as contributions, tax treatment, and withdrawal options, fit together.

There were also indications that earlier engagement with guidance could have been beneficial. Some respondents reflected that access to clear, impartial support at earlier stages, such as when first enrolled in a workplace pension, might have improved their understanding and engagement over time.

Despite the breadth of sources used, concerns about reliability and bias were common, particularly in relation to online content, social media, and televised guidance. Respondents were aware that not all information encountered was impartial or applicable to their situation, and some expressed difficulty in distinguishing trustworthy guidance from promotional or misleading material.

> *"Google is probably my best friend, but then you have to know like on social media you get adverts and people talking and you know the phone listens to you it starts throwing things up about investing and pensions and...you don't know what's trusting and what's not."*
>
> **Female, Neither confident nor unconfident, Planning to access pension**

Some respondents also perceived official guidance as potentially aligned with government financial interests, which in some cases reduced trust and willingness to rely on these sources exclusively.

Overall, the findings suggest that free guidance services are well-regarded by those who use them and can play an important role in building confidence and understanding. However, their influence on decision-making is currently constrained by low levels of active engagement.

Case Study 4: Prefers clear, unbiased explanations (Male, Not very confident, Planning to access pension)

Mark is 60 years old, working part-time in a bakery after being made redundant, with plans to fully retire at age 67. He sees his current situation as a gradual transition into retirement. While financially comfortable, Mark feels that pensions are complex and risky, leading him to delay active decision-making. He values trust, neutrality, and simplicity, and ideally want reassurance and clarity without pressure or perceived bias as they approach retirement.

He believes that advisers and TV commentators may be financially biased or incentivised to promote specific products. He has a strong preference for information directly from his own pension providers, whom he sees as the most trustworthy source. He reviews annual statements when they arrive and occasionally logs into provider websites for pensions he is aware of. This is Mark's primary factual source, although he has chosen to wait until nearer 65 before engaging fully.

Overall, Mark describes pensions as a "minefield" and feel that anyone who claims to fully understand them is "very lucky".

3.4.4 Financial advice

Engagement with financial advice was mixed across respondents, with experiences varying depending on prior knowledge, financial circumstances, and perceptions of value. A few respondents had consulted a financial adviser, and those who had done so generally reported positive experiences. Advice was particularly valued where it helped translate abstract pension savings into more tangible outcomes, and where it clarified how different financial products and decisions fit together.

As one respondent noted, advice provided a level of insight they had not previously achieved through independent research.

For these individuals, financial advice contributed to a stronger understanding of their overall financial position and, in some cases, increased confidence in decision-making. Unlike free guidance, which was often described as reassuring, advice was more likely to be associated with actionable recommendations tailored to individual circumstances.

However, despite these positive experiences, most respondents had not sought financial advice. The primary barrier was perceived cost, as is explained in more detail in the following section. Trust and transparency also influenced attitudes towards financial advice. A small proportion of respondents expressed uncertainty about how advisers are incentivised, including concerns about potential bias or conflicts of interest. This contributed to hesitation about engaging with paid services, particularly where individuals felt unable to assess the quality or independence of the advice being offered.

> *"I think I'd want someone who's a bit of an expert in it that could really break it down into simple terminology for me. So I'd understand it fully and then look at all my options...[but] I think I'm hesitant with the financial advisor as well because they take a payment as well don't they or they take a certain payment off what you invest."*
>
> **Female, Neither confident nor unconfident, Planning to access pension**

Nevertheless, there was clear latent demand for financial advice if barriers could be reduced. Several respondents indicated that they would be more likely to seek professional support if it were more affordable, subsidised, or easier to access.

3.4.5 Barriers to support

Respondents identified a range of barriers that limited their ability or willingness to engage with pension information, guidance, and advice.

One of the most frequently cited challenges was the complexity of pension language. Many respondents described written materials as overly technical, with dense terminology and financial jargon that made them difficult to interpret. This created a sense of exclusion for those without prior financial knowledge and reduced confidence in engaging with available information.

More broadly, pensions were often perceived as an inherently complex topic. Respondents described feeling overwhelmed when attempting to research or compare options, particularly when encountering conflicting information from different sources.

This sense of information overload was reinforced by the volume of content available online. While digital sources increased access to information, they also introduced challenges in assessing credibility and relevance. Respondents expressed uncertainty about which sources to trust, particularly when encountering sponsored content, advertising, or opinion-based material alongside factual information.

These challenges were often exacerbated for respondents with disabilities or additional needs. For example, one respondent recovering from abdominal surgery described particular difficulty navigating large volumes of information to identify what was relevant, due to a lack of energy and overall ill health.

Practical and administrative barriers in regard to information about pensions also played a role. Some respondents reported difficulties in contacting organisations such as HMRC or navigating government systems to obtain information or resolve queries. Long waiting times, complex processes, and unclear points of contact contributed to frustration and, in some cases, disengagement.

Cost was another prominent barrier, particularly in relation to paid financial advice. Many respondents viewed financial advisers as expensive, and there was a common concern that fees would reduce the value of their savings or outweigh the potential benefits of the advice received. This perception often led individuals to rely instead on informal or self-directed sources of information, even where they acknowledged that professional advice could be beneficial. Cost sensitivity appeared particularly pronounced among those with more modest pension savings, who were less likely to see advice as accessible.

In addition to these structural barriers, emotional and psychological factors were also evident. Some respondents described avoiding engagement with pensions altogether due to anxiety, uncertainty, or a reluctance to confront their financial situation. For these individuals, pensions were associated with long-term risks and unknowns, making the topic feel daunting.

> *"I probably haven't sought it enough...I think now in the last few years, there seems to be a lot more communication about pensions before it was kind of this dark art. But now I think there's a lot more transparency, but...I don't want to be probably hit with the reality I've got absolutely zero clue and I think that's the scary bit"*
>
> **Female, Not at all confident, Has accessed pension**

Personal circumstances could further exacerbate these challenges. For example, periods of ill health or other life pressures reduced individuals' capacity to engage with complex financial decisions.

3.4.6 Desired support

Respondents consistently highlighted a need for clearer, more accessible, and more user-centred forms of pension information and support. Across the sample, there was a strong preference for guidance that simplifies complex concepts and presents information in a way that is easy to understand without requiring prior financial knowledge. Many respondents emphasised the importance of "plain English" explanations rather than technical terminology.

In addition to clarity of language, respondents expressed a desire for more concise and structured information. Lengthy documents and dense statements were often seen as difficult to navigate, with some respondents suggesting that summaries or highlights would make it easier to identify key points quickly. Short, digestible formats were perceived as more practical and less overwhelming.

> *"I'd like it explained to me in English, simple, easy terms, easy to understand, you know, because lots of us don't understand the percentages of interest or, you know, tax stuff. I'm sort of at an age where it wasn't a thing...But so right now, I just need to explain to me plain English."*
>
> **Male, Not very confident, Planning to access pension**

Personalisation was another recurring theme. Respondents indicated that generic information was often of limited use, as pension arrangements and financial circumstances vary between individuals. There was therefore a preference for tailored explanations that relate directly to an individual's specific pension pots, contributions, and projected outcomes. More personalised outputs were seen as helping individuals better understand their own position, rather than interpreting general guidance and applying it themselves.

Similarly, many respondents expressed a preference for being able to speak directly with someone who could explain information, answer questions, and walk through options in real time. This was particularly important for those who struggled with written materials or found pensions difficult to interpret independently.

Such interaction was viewed as particularly helpful in building confidence and reducing uncertainty, allowing individuals to clarify misunderstandings and receive immediate feedback.

Alongside improvements to current support mechanisms, some respondents suggested that earlier intervention and education could play a role in improving pension understanding over the longer term. There was a view that financial literacy, including basic pension concepts and terminology, could be introduced earlier in life, such as through formal education, to help individuals engage more effectively with pensions when they enter the workforce.

3.5 What influences long-term decision-making?

This chapter explores how people think, plan, and feel about their long-term financial future and retirement. It covers timing of pension engagement, planning orientation, retrospective reflections, areas of uncertainty, future hopes and future financial outlooks.

Respondents engaged with pensions at very different points in life, and this timing strongly shaped how confident and prepared they felt when making retirement decisions. Long-term planners tended to feel more in control and financially secure, whereas others focused only on the near term or avoided planning altogether due to anxiety or feeling overwhelmed.

Looking back, some were satisfied with their decisions, but many wished they had saved earlier, contributed more, or sought advice sooner. Uncertainty, particularly fear of outliving their pension, making mistakes with their money, or navigating complex information, led many to take cautious or delayed decisions. Finally, hopes for retirement centred on financial security, a comfortable lifestyle, reduced stress, and the ability to enjoy family and leisure, though confidence in achieving this varied widely depending on personal circumstances and planning orientation.

3.5.1 Engagement timeline

Respondents described engaging with their pensions at very different points in their lives, and this timing had a clear influence on how confident and informed they felt when making decisions later on. Some had started thinking about pensions early, either because they naturally took a proactive approach to planning or because family members with financial knowledge encouraged them to do so.

Others had been enrolled automatically early in their careers, often into DB schemes, meaning they began contributing without making a deliberate choice but later came to appreciate the long-term financial benefits.

> *"With the NHS one, it was just taken automatically from my salary. Again, I was in my 20s. You don't think about it, do you? But I'm glad I did, obviously."*
>
> **Female, Not very confident, Not considered accessing pension**

Life events were also important triggers for engagement. Milestones such as having children prompted people to think more long-term, while unexpected changes in circumstances, such as a need for increased income, pushed some to review their pension arrangements. A small number said the Covid-19 lockdown gave them space and motivation to organise their finances, including consolidating pension pots.

> *"When COVID hit… it gave me the opportunity to tidy up… I had a little look and […] I brought all my pensions together."*
>
> **Male, Fairly confident, Accessed pension**

For many others, meaningful engagement only began in the last few years as they approached retirement age. These respondents described pensions as something operating "in the background" during most of their working life, and therefore easy to ignore until decisions became more immediate.

> *"I've taken more of an interest in the last two or three years… it was always a thing working away in the background, but it didn't really affect or do anything for me."*
>
> **Male, Neither confident nor not confident, Accessed pension**

Across these experiences, the timing of engagement shaped how prepared individuals felt and how complex the decision-making process felt. Early engagement tended to support greater confidence and clearer planning, while later engagement often meant trying to make sense of pensions at the point when choices carried more risk, urgency, and emotional weight.

3.5.2 Planning orientation

Similarly to the variation in how people engaged with their pensions, planning for retirement differed widely across respondents and reflected differences in capability (knowledge and skills), opportunity (resources and support), and motivation (emotional readiness and planning orientation). These differences mattered, as the point at which people chose to plan and the depth of that planning shaped how well-prepared respondents felt when making long-term financial decisions, as well as how much control they felt they had over their retirement outcomes. People's approaches to retirement planning were strongly influenced by their broader attitudes toward planning in other areas of life.

A group of respondents described having long-term plans in place and felt comfortable thinking ahead. These respondents were often high in confidence and understanding of pensions, and planning was more commonly expressed among male respondents. Respondents with a long-term planning orientation typically had a better understanding of pensions and future income needs (capability), alongside strong motivation to plan ahead and avoid uncertainty. These individuals felt more in control and better equipped to make informed retirement decisions

They had considered factors such as life expectancy, changes in reliance on income sources, and how long their savings might last. This group typically included those who had already begun accessing their pension and who displayed strong planning behaviours elsewhere in their lives, such as managing mortgages or saving for family needs.

> *"I've always been quite future focused in terms of investments and planning... which has enabled me to pay off the mortgage… invest money for the kids… and put money into pensions."*
>
> **Male, Fairly confident, Accessed pension**

> *"I'm one of those that tends to plan ahead… I don't like any nasty surprises."*
>
> **Male, Not very confident, Planning to access pension**

Others saw themselves as planners but focused mainly on the next few years rather than the more distant future. This group had partial understanding and engagement in planning for the near future but struggled to do this for the longer term. While this group was motivated to stay on top of their immediate financial needs, the uncertainty about the future as well as limited confidence assessing future needs reduced their ability to form long-term retirement strategies.

A distinct group actively avoided retirement planning. This avoidance reflected limited understanding of pensions alongside low motivation driven by anxiety, overwhelm, or discomfort engaging with long-term financial issues. These individuals were aware of their avoidance but were generally unconcerned about the potential long-term consequences for their pension income. This tendency meant that important decisions, such as contribution levels or when to access pension pots, were often postponed until options narrowed or risks increased.

> *"I can't believe I've got to start planning for this now when I'm like 60… I'll deal with it in a couple of years."*
>
> **Male, Not very confident, Planning to access pension**

> *"Retirement's retirement, but I don't want to think… I don't even want to think about it."*
>
> **Male, Not very confident, Accessed pension**

Across the sample, most did not describe having a detailed long-term plan. Many felt that thinking far ahead was unrealistic due to uncertainties such as changes in health, income, or personal circumstances, which reduced their perceived capability to plan and motivation to do so. As a result, their planning tended to be reactive rather than strategic and focused on immediate needs rather than shaping their long-term financial position.

> *"I don't look too far ahead… it's the here and now, in all honesty."*
>
> **Male, Not very confident, Planning to access pension**

Ultimately, the timing and depth of engagement played a role in shaping people's retirement readiness. Those who planned earlier or more comprehensively tended to feel more confident and better equipped to make informed choices. In contrast, later or more limited planning left people navigating key decisions, at a point when their options were more limited.

These findings suggest that improving long-term retirement planning requires interventions that build capability (through better understanding), support motivation (by reducing anxiety and supporting planning), and increase opportunity (through access to guidance before decisions become urgent).

3.5.3 Sense of control

Respondents' sense of control over their pension and wider financial situation varied, but most described having at least some degree of agency in managing their finances. This was often expressed in terms of being able to make decisions about contributions, monitor savings, and choose how pension funds were allocated or accessed. For many, this sense of control was linked to the ability to engage with provider tools and statements, which provided visibility over balances and projected outcomes.

Some respondents reported a particularly strong sense of autonomy, especially where their pension arrangements were perceived as straightforward or consolidated. In these cases, having fewer pension pots or simpler financial structures contributed to greater confidence in understanding and managing their position.

However, this sense of control was often qualified by recognition of external factors beyond individual influence. Respondents frequently acknowledged that broader economic conditions, such as inflation, interest rates, and market performance, play a role in determining the value and adequacy of pension savings over time. These macroeconomic factors were widely understood to be outside personal control, introducing an element of uncertainty into long-term planning.

> *"I think I've got quite a lot of control over it because know we're pretty secure with money at the moment...I suppose like the country's economy that's completely out of our hands really isn't it...but you can control where you put your money and you can keep an eye on it."*
>
> **Female, Neither confident nor unconfident, No plans to access pension**

Some who had not yet retired also shared concerns about whether their current pension provision would be sufficient to support a comfortable standard of living in later retirement. These respondents often described an intention to take more active steps in the coming years to improve their outlook, such as increasing pension contributions, building additional savings, or seeking advice on how to better manage their pensions.

3.5.4 Retrospective views and hindsight

We asked respondents how they felt looking back on their financial planning, if there was anything they regretted, or anything they felt they had done well.

Respondents reflected on their pension journeys with varying degrees of satisfaction, and these retrospective views often shaped how they thought about long-term financial planning. Some described actively encouraging younger relatives to start thinking about retirement earlier, drawing on their own experiences of being consistently financially savvy and monitoring the best deals throughout life. Their reflections reinforced the belief that early engagement pays off.

Others felt content with how they had prepared for retirement, believing they had taken sensible steps throughout their working lives and that little could have been done differently to improve their current outlook.

> *"I feel fine, I don't think I could have done anything better really."*
>
> **Male, Fairly confident, Accessed pension**

Another noted that their stable retirement position was the result of deliberate planning:

> *"It wasn't really an accident… we didn't retire until we had no outgoings… and it hasn't really happened [that we had to draw heavily on savings]."*
>
> **Male, Not very confident, Planning to access pension**

Alongside feelings of satisfaction, there was also a strong theme of regret among some respondents. These individuals wished they had been more proactive earlier in their careers, joining workplace schemes sooner, increasing contributions in line with salary rises, or saving more consistently. Such reflections often stemmed from recognising missed opportunities that could have strengthened their pension position.

> *"I should have been more proactive… I should have been better at going, actually, I'll up this."*
>
> **Male, Fairly confident, Accessed pension**

A smaller number expressed regret about not seeking financial advice sooner, believing that professional advice could have helped them maximise their pension pot. Some compared themselves to peers whose proactive approach had resulted in substantially larger retirement savings, highlighting how hindsight can sharpen awareness of gaps in earlier planning.

> *"my brother's got over a million pounds in his. because he's always paid into pension and obviously they've, you know, invested it well and whatever. And sort of, it can be a bit depressing to think of that gap between retiring and you starting your pension"*
>
> **Female, Neither confident nor not confident, Planning to access pension**

These positive and negative reflections influenced how people thought about long-term financial decision-making moving forward. Those satisfied with their past choices felt reassured about their approach, while those expressing regret often emphasised the importance of better information earlier in life. Many wanted clearer guidance on topics such as tax implications and stronger support for people in their 30s and 40s, believing that earlier, targeted information could help others avoid the challenges they faced. This is discussed in further detail in the following chapter on extra support.

3.5.5 Areas of uncertainty

We asked how respondents felt about the future and how long they expect their pension to last.

A common theme throughout was that respondents who felt anxious about their retirement often reflected that receiving clearer and more timely information earlier in life could have prompted them to engage with pensions sooner. Several believed that earlier awareness of their options would have encouraged more active planning and potentially placed them in a stronger financial position today. These retrospective views shaped how they now approached long-term decisions, reinforcing the need for better information at key life stages.

A major source of worry for respondents centred on longevity and uncertainty about how long their money would need to last. For those with family members who had lived to an older age, this concern was particularly pronounced. They feared drawing down too quickly and facing a future without sufficient income.

> *“The risk of that is, if you take all the money out and you do survive in 10 years’ time, well, what are you going to live on?”*
>
> **Male, Neither confident nor not confident, Planning to access pension**

Linked to this were anxieties about how long money (particularly the 25% tax free lump sum) would realistically last. Some felt that, despite appearing substantial, it could be spent far more quickly than expected, raising fears that poor early decisions could harm their long-term financial security.

> *“It is a lot of money and it isn't… you can blow that in a year quite easily. And then what are you going to do?”*
>
> **Male, Neither confident nor not confident, Planning to access pension**

Case Study 5: Uncertainty about longevity (Female, Not very confident, Planning to access pension)

Helen is a retired actress that stopped working due to ill-health. She does not class herself as being money-orientated and stated she does not have people to depend on her financially, so has not planned much about her financial future.

She has suffered with her personal health for the last few years and has continued to prioritise that over research into pensions. Her overall goal is to feel healthier and to have enough money to be comfortable.

This respondent was particularly worried about how long their pension needed to last. Their mother is in a care home at 98 years-old and worries about also needing their own support if they live that long, including who will support them and how they will pay for caring needs. This emphasises how uncertainty plays a part in avoiding pension decision making, as respondents don't know how long they need to spend their pension over.

She mentions pension decisions feeling overwhelming. While she has the paperwork ready to go to withdraw her pension, her understanding of options is low and says decumulation feels like an enormous task.

Across respondents, uncertainty about future income led many to adopt a cautious approach to money management in retirement. They worried that their pension might not sustain them and anticipated relying on government support or personal savings later in life (as suggested in earlier chapters). This uncertainty prompted some respondents to actively explore ways to increase their pension income where possible.

> *"I think there's not enough in there to sustain me… which is why I'm trying to find ways of increasing it."*
>
> **Male, Neither confident nor not confident, Planning to access pension**

For others, the sheer complexity of pensions contributed to hesitation and delayed decision-making. Many felt they lacked sufficient understanding to make confident choices, especially when approaching the point of accessing their pension.

> *"There's a lot to understand before you touch your pensions."*
>
> ***M*ale, Fairly confident, Had not considered accessing pension**

Together, these reflections show that uncertainty strongly shapes how individuals think about long-term planning. Worries about making mistakes or running out of money often lead people to delay decisions, act cautiously, or wish for earlier, clearer support that might have helped them plan more effectively.

3.5.6 Hopes for retirement, desired lifestyle and future outlook

Interviews ended with a summary of respondents hope for their future financial circumstances, whether they feel they are set up well for retirement, and what they hope to get out of retirement in terms of lifestyle.

Respondents varied in how comfortable they felt about their future financial circumstances, and these views strongly influenced their long-term planning and expectations for retirement. Some felt confident and secure, citing stable income (from ongoing employment or pension payments), as well as savings and assets they could rely on. These individuals tended to look forward to a retirement that allowed them to maintain their lifestyle, continue enjoying leisure activities, and support family members when needed.

> *"I don't want too much—just a reasonable standard of living… enough to keep my home, feed myself, and go out with the kids or friends, and a holiday now and again."*
>
> **Female, Neither confident nor not confident, Planning to access pension**

> *"Perfect world is just a comfortable way of life, not worrying about bills."*
>
> **Female, Neither confident nor not confident, Accessed pension**

In contrast, those who felt less financially comfortable had typically experienced unexpected changes in their circumstances, such as bereavement, new health conditions, or redundancy. These events often reduced their financial savings and heightened concerns about whether their income would sustain them through retirement. Despite this, only a few proactively anticipated future changes (for example, potential health-related expenses) that might affect their long-term planning.

When discussing their aspirations for retirement, many respondents hoped for an improved lifestyle. They looked forward to having more time to enjoy activities they previously had little capacity for, such as travelling, eating out, going to the theatre, or even buying a holiday home. Others hoped to downsize or relocate to achieve a simpler or more manageable way of living.

> *"We should have enough to cover a nice, comfortable retirement with a decent annual holiday and help the kids out now and again."*
>
> **Male, Fairly confident, Accessed pension**

> *"I would like a much more relaxed lifestyle, not quite as strenuous."*
>
> **Female, Fairly confident, Planning to access pension**

A central theme was the desire for reduced stress, with respondents imagining a gentler pace of life, the ability to stop working, and more opportunities to spend time with grandchildren. Additionally, staying active, mobile, and independent were viewed as essential.

> *"I would like a much more relaxed lifestyle, not quite as strenuous."*
>
> **Female, Fairly confident, Planning to access pension**

> *"To be active with my grandchildren… It doesn't involve too much money."*
>
> **Female, Very confident, Planning to access pension**

Across respondents, financial security remained fundamental. Respondents wanted to avoid worrying about day-to-day expenses and sought enough income to cover regular outgoings while still affording small luxuries, occasional holidays, and social activities.

> *"Perfect world is just a comfortable way of life, not worrying about bills."*
>
> **Female, Neither confident nor not confident, Accessed pension**

Some respondents also spoke about wanting to spend a portion of their pension lump sum on a major holiday. For some, this was framed as a reward after years of work and a way of marking the transition into retirement. These planned expenses were often balanced against respondents' worries about how long their pension pot needed to last, and the choice between enjoying funds in the short-term and financial security in the long-term. For some, using a lump sum for a holiday was seen as a worthwhile trade-off; for others, the idea raised concerns about potentially reducing their future income.

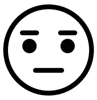
> *"The first thing we're going to do when we get that 25% tax-free is book a really lovely cruise."*
>
> **Female, Neither confident nor not confident, Accessed pension**

This desire highlights how immediate lifestyle goals can influence long-term planning, prompting some to access their pension earlier or consider drawdown options, while making others more cautious about depleting their savings too quickly.

We also discussed whether people are optimistic, worried or resigned to their future outlook and how this links to their planning orientation (broadly this links to Typologies discussed in the next chapter). Respondents expressed three broad outlooks on their financial future:

Those who felt optimistic were typically proactive planners who had contributed substantially to their pension or generally tended not to worry about life's uncertainties. Their confidence often supported more deliberate long-term decision-making.

Those who felt worried tended to focus on potential future costs - such as health needs, care expenses, or funeral costs - and the uncertainty of not knowing how much money they would need, describing retirement as "jumping into a black hole." This group often drew on experiences of seeing others struggle financially, which heightened their concerns and sometimes made long-term planning feel more daunting.



A third group felt **resigned** to whatever the future might bring. Some in this group were content with their pension position, while others simply preferred not to plan ahead. This resignation often meant they were less engaged with long-term decisions, either because they felt secure enough not to worry or because they viewed planning as unhelpful or overwhelming.

3.6 Do similar typologies make decisions in the same way?

This chapter outlines the different 'types' of individuals who emerged in the research based on their levels of understanding and capability for making pension decisions.

Some respondents demonstrated high understanding, strong engagement, and proactive planning, typically supported by stable finances, access to advice, or relevant knowledge. Others had partial understanding, enough to feel broadly reassured but not confident enough to make detailed decisions. A third group had very limited understanding, often leading to anxiety, avoidance, or delayed action. Differences within these typologies were also influenced by gender, confidence levels, employment history, health, family dynamics, and reliance on SP income or DB schemes.

A breakdown of respondents by understanding is shown in Table 1 and explained below. Participants understanding was self-rated based on specific questions in the topic guide.

Table 1. Summary of typologies

Theme	Low understanding	Medium understanding	High understanding
Understanding & confidence	• Low understanding and low confidence • Anxiety and fear of making mistakes • Strong avoidance of decisions • More likely to be female.	• Partial understanding with mixed confidence • Hesitation around complex choices • Some uncertainty but no complete lack of confidence.	• High understanding and confidence driven by knowledge, experience and sense of control • Slightly more likely to be male.
Engagement & behaviour	• Low or late engagement; limited planning for decumulation • Some rely on partners for decisions.	• Surface-level engagement • Confidence often increases closer to or after pension access.	• Highly engaged • Often already accessing or actively planning • Comfortable making

			complex decisions.
Financial situation	• Mixed financial security • Typically smaller DC pots; reliance on DC and SP • Some expect income from downsizing or inheritance.	• Mixed financial security and sense of control • No clear dominant pattern.	• Mixed wealth levels • Reliance mainly on DC and SP • Financial security not a prerequisite for high understanding.
Support needs	• Confidence-building guidance • Support before key decisions • Plain English • Recognition of wider life circumstances.	• Timely guidance at key decision points • Support comparing options • Reassurance and confidence-building.	• Less likely to need confidence-building guidance • Support on specific complex choices.

3.6.1 Low understanding

This segment consists primarily of respondents with a lower understanding of pension decumulation, which was often also associated with lower confidence around decision making. Respondents with low understanding commonly avoided pension decisions altogether, often feeling overwhelmed by complexity or worried about making mistakes. These patterns combined with financial security, health, caring responsibilities, and experiences of redundancy or family change to shape how different groups approached retirement planning and suggest this is the group most likely to need support to build capability for decumulation decision-making in the future.

Participants in this group were more likely to be female, in line with recent evidence that female working age adults in the UK are more likely to report not understanding enough about pensions to make decisions about retirement.[15]

This group often expressed low confidence around decumulation decision making.

Respondents in this group had a tendency towards lower or later engagement with pension planning, e.g. not making substantial

[15] MoneyView 2026 | Money and Pensions Service

contributions to their DC pension pot until later in life, or reporting that they had not yet put much thought into their pension decumulation plans.

This segment was split between those who had already accessed their pension and those who were planning to do so. Respondents in this group tended to rely on a combination of their DC pension and SP for their income during retirement. This was often due to having a smaller DC pension pot, which some reported would not be enough for them to live off in retirement. A few also mentioned planning to rely on other sources of income, such as from downsizing or inheritance.

Perceived current financial security within this group was mixed, indicating that greater financial security does not necessarily translate into higher confidence regarding pension decisions. Those who reported higher financial security but lower understanding and/or confidence mentioned that their partner tended to handle pension decision-making for the couple, or they intended to rely on other income sources during retirement, such as from selling property.

The low-understanding group reported that they needed intensive, confidence-building, and supported guidance, focused on helping them to feel able to start to participate in decision-making. This includes proactive support before key decisions, building confidence, using plain English and supporting decision making. For this group in particular, pension decisions cannot be considered in isolation, other life circumstances and pressures will be important in their decision-making.

Case Study 6 reflects a respondent that would fit into the low understanding typology and how that impacts her decision-making.

Case Study 6: Low understanding and low confidence (Female, Not at all confident

Jane was previously self-employed but had to stop working due to serious illness, and is now working part-time. During her illness she used most of her available savings to cover her living costs, which has shifted her focus away from long-term retirement planning and more towards managing her short-term finances.

Now in her mid-50s, Jane has found herself thinking about retirement more in recent years. However, her confidence and understanding around pensions is limited, describing pensions as complex, jargon-heavy and difficult to engage with. While she is aware of guidance services such as Pension Wise and recognises the need to seek support, her engagement with guidance has been limited due to a lack of confidence and the immediate pressure of managing her day-to-day finances.

She began contributing to a DC pension relatively late in her career, resulting in a small pot that she does not view as a meaningful source of retirement income. Instead, she expects to rely primarily on the SP and money from downsizing. Her current financial priority is paying off her mortgage and views downsizing as her most realistic retirement strategy.

Overall, Jane’s decision-making reflects a preference for short-term financial certainty, with longer-term planning constrained by her health and a lack of accessible guidance.

3.6.2 Medium understanding

Those with a medium understanding of pensions were characterised by moderate knowledge levels and mixed confidence. Those with partial understanding were engaged at a surface level but hesitated around more complex choices such as drawdown and annuities. Few clear patterns emerged on these individuals:

The gender split was roughly even for those with medium confidence.

Confidence levels were spread widely across the group. Many reported being not very confident, some were neutral, and some were fairly or very confident. Notably, none were not at all confident, suggesting that having some level of pension knowledge may prevent a complete lack of confidence.

Amongst those who had accessed their pensions, many were not very confident. In contrast, individuals who were planning to access their pensions tended to report fair confidence. This pattern may imply that knowledge and confidence change over time for some, increasing with access. Those with medium knowledge today may build a greater understanding by the time they access their pension, while those who have already accessed may have had lower prior knowledge initially.

Engagement, sense of control and financial security were also mixed within this group, reinforcing the overall pattern of variability for those with medium knowledge.

This group have enough knowledge to engage, but their hesitation around drawdown, annuities, and decumulation choices means they feel vulnerable at key decision points, particularly when they first access their pension. Their confidence varied widely, with some in this group avoiding decision-making.

Participants in this group felt that they could benefit from guidance at key decision points rather than general information to educate them on pensions. Existing pensions guidance offers this, helping people compare and contrast between options such as drawdown and annuities at any point (through MoneyHelper) and when planning to access a DC pension (through Pension Wise). When utilised, this support could help build confidence, providing plain-English explanations that may help individuals feel more confident in decisions that are made, which this group were particularly interested in.

3.6.3 High understanding

Overall, high confidence and understanding in pension decision-making is driven more by knowledge, engagement, experience, and perceived control, with confidence growing as respondents move towards real planning and decision-making.

Those with higher understanding were often the most confident making decisions, such as consolidating pots or adjusting investment risk. They often cited being supported by guidance and/or financial advice or were strong planners in all elements of their life.

Distinct patterns were as follows.

Gender differences were not pronounced.

A defining feature of high understanding is high confidence (mostly fairly confident, as well as some ‘very confident’).

High-understanding respondents are typically highly engaged with their pensions and more likely to have already accessed their pension or to be actively planning to do so.

Financial security within this group is mixed, suggesting that understanding does not depend on levels of wealth. In terms of pension composition, high-understanding respondents most commonly report medium to high reliance on DC and SP income, while DB pensions are more often low, medium, or not applicable.

Most respondents report a medium to high sense of control, reinforcing confidence even when uncertainty remains.

These are generally confident, engaged, and capable of making and acting on pension decisions independently. Support could help them to optimise their choices and make sure that they have sight of all important information. This might include guidance to sense check decision making or support on more complex decisions, but this is likely to be targeted guidance on specific elements.

These typologies help explain how people are making pension decisions, not just what decisions they make. We have found that higher understanding is associated with proactive planning and confidence; lower understanding with avoidance, anxiety, and delayed or constrained choices.

However, the variation shows that typologies are not defined by a single factor (such as wealth or gender) but instead show clusters of characteristics. For example, knowledge, control, (capability) financial context, health, life circumstances (opportunity) and engagement (motivation) interact to shape behaviour.

It seems that financial security does not neatly map onto understanding or confidence, reinforcing the value of typologies that go beyond income or pension size alone, but factor in people's personal circumstances.

The low-understanding typology clearly emerges as the priority group for support, as they are most likely to struggle with decumulation decisions and least able to engage confidently with guidance, even when aware of it.

4. Conclusions

This research highlights that decisions about pension decumulation are rarely discrete or purely financial choices. Instead, respondents' experiences were shaped by a combination of income needs, personal circumstances, and levels of understanding, all within a pensions landscape that requires individuals to take on increasing responsibility for managing risk in later life.

Across the sample, respondents' primary concern was achieving financial stability in retirement, rather than maximising returns or navigating choices between decumulation options. Decisions to delay retirement, continue working part-time, or access lump sums were most often driven by a need to ensure essential costs could be met, particularly in the context of rising living costs, although a few participants did use their lump sum for holidays. While some respondents also sought to maintain a modest lifestyle or ensuring future support for, for example, their children and grandchildren, these aims were usually secondary to managing short- and medium-term affordability.

Understanding of pension options played a critical role in shaping how people approached decumulation. While awareness of the 25% tax-free lump sum was widespread, understanding was much poorer for other decisions such as drawdown, annuities, investment risk, and how long pension savings might need to last. For many respondents, limited knowledge reduced confidence and led to caution, delay, or avoidance of decision-making, particularly where choices felt irreversible or poorly understood. A smaller group, typically those with access to advice or greater financial capability, felt better able to plan proactively and adjust their approach over time. This contrast points to uneven capability within those in the current system.

Respondents' decisions were also strongly influenced by changes in personal circumstances, often occurring close to, or after, the point at which pensions were accessed. Health issues, caring responsibilities, employment disruption, bereavement, divorce and changes in household income frequently brought pension decisions forward or reduced flexibility in how people approached retirement. These events often required individuals to respond quickly, with limited opportunity to plan or seek support; decumulation decisions were largely reactive rather than proactive.

Looking ahead, respondents had varied outlooks on retirement. Some felt optimistic and well-prepared, while others were anxious and/or resigned, particularly those with smaller pension pots or lower incomes. Concerns about savings running out, making poor decisions early on, or not fully understanding the implications of different withdrawal options were common. These fears often shaped conservative behaviours, such as delaying retirement or limiting spending, even where individuals would have preferred a different outcome.

A consistent finding across the research was the desire for clearer, simpler and more personalised support. Although services such as Pension Wise were viewed positively by those who had used them, overall engagement remained low. Barriers to advice included cost, complexity, lack of awareness, and uncertainty over which sources of information could be trusted. Respondents wanted information that was easier to navigate, tailored to their own circumstances, and available earlier, before key decisions were required. There was also strong support for earlier financial education to help build confidence and understanding well before decumulation decisions are imminent.

Taken together, these findings suggest that many individuals are navigating pension decumulation with limited confidence and under conditions of considerable uncertainty. While some are well-equipped to manage these choices, others face compounded challenges linked to health, employment history, caring responsibilities and financial capability. Without clearer support and earlier engagement, there is a risk that decumulation decisions will continue to be shaped more by immediate pressures and anxiety than by longer-term planning, with consequences both for individual outcomes and for the wider pensions system.

The findings point to implications for future policy development and consideration. These broadly align with the Government’s reforms including on Targeted Support (which allows firms to provide suggestions designed for groups of consumers with common characteristics to help them make important decisions across their pensions and investments), guided retirement (a default approach which presents a sustainable default to individuals, without them having to make complex decisions) and the launch of Dashboards:

- **Supporting earlier and more sustained engagement with pension planning:** Many respondents only engaged meaningfully with their pensions close to retirement or following a sudden change (such as a change in health or job loss). Earlier and more routine engagement, supported by tools like pension dashboards and ongoing nudges, could reduce the need for reactive decision-making at the point of decumulation.
- **Addressing capability gaps around decumulation choices:** While awareness of the tax-free lump sum was high, understanding of drawdown, annuities, longevity risk, and withdrawal trade-offs was limited. This reinforces the role of clearer communication alongside Targeted Support, helping individuals navigate complex or irreversible choices with greater confidence.
- **Improving access to trusted and impartial guidance at key decision points:** Engagement with Pension Wise and other guidance services was positive where it occurred, but overall take-up remained low. There may be opportunities to consider how guidance is integrated into the decumulation journey to better support informed decision-making, alongside Targeted Support interventions.
- **Recognising how personal circumstances shape decumulation behaviour:** Health issues, caring responsibilities, employment disruption and relationship changes often brought pension access forward or reduced flexibility. Policy approaches that assume stable circumstances may not reflect

the lived realities of many individuals approaching retirement, again, positively reinforcing the need for more personalised forms of support.

- **Considering the needs of those with lower confidence and smaller pension pots:** Respondents with lower financial capability or limited DC savings were more likely to feel anxious, delay decisions, or rely heavily on the SP. These groups may be less well-served by a system that places responsibility on individual choice without sufficient support. Strong Guided Retirement defaults and accessible information can help ensure these groups receive appropriate support without requiring complex decision-making.
- **Supporting long-term decision-making, not just point-of-access choices:** Concerns about outliving pension savings and making early mistakes were common, highlighting the need to frame pensions as a sustainable income stream, aligned with Guided retirement’s focus on regular income throughout retirement.
- **Building confidence and understanding across the life course:** Respondents frequently reflected that clearer information or financial education earlier in life might have led to better outcomes. Earlier and more consistent financial education, in line with the government’s commitment to make financial education compulsory in primary schools in England, combined with improved visibility of pensions through dashboards and structured support frameworks, could help individuals build the capability needed to engage with retirement choices over time.

Appendix A – Topic guide

Pension Decumulation Qualitative Interview Topic Guide

Note for interviewers

The topic of pensions, financial situations and retirement planning may be a sensitive subject for some respondents. As interviewers, please use your experience and discretion, allowing the conversation to flow naturally, and ensure rapport is established. Please demonstrate empathy while gently keeping the interview on track.

If individuals display worried, have any questions about pensions, or express they are at risk of financial distress, we need to be clear that we cannot provide any guidance ourselves, but can signpost towards approved sources (listed below).

- MaPS guidance (including Pension Wise) - Money and Pensions Service
- Check your State Pension - Check your State Pension forecast - GOV.UK
- Pension Tracing Service - Find pension contact details - GOV.UK

Key definitions:

- **Defined Contribution** (DC): Pension you build up a pot of money that you can use to fund your retirement. The amount of money you get at retirement is not guaranteed – it depends on how much you have contributed to your pot, how well your investments have done and how you choose to access your pension.

- **Defined Benefit (DB):** A scheme in which the benefits are defined in the scheme rules and build up regardless of the contributions paid and investment returns. The benefits are most commonly related to members' earnings at the point they leave the scheme or retire, and the length of their pensionable service. These are also known as 'final salary' or 'salary-related' schemes. DB benefits are guaranteed or underwritten by the sponsoring employer.

- **UFPLS (Uncrystallised Funds Pension Lump Sum)**: a way to access your pension in a flexible way by taking cash lump sums as and when you need them. The rest of your pension remains invested.

- **Drawdown:** Income drawdown is a way of getting pension income when you retire while allowing your pension fund to keep on growing.

- **Annuity:** An annuity is a financial product, often from an insurance company, that converts a lump sum (like a pension pot) into a steady, guaranteed stream of payments, typically for retirement, providing regular income for life or a fixed term.

A Introduction (3 mins)

A1 **<u>Thanks and Introduction:</u> My name is [NAME] and I work for IFF Research, an independent research agency. We have been commissioned by the Department for Work and Pensions (DWP), to explore the experiences of people thinking about, planning for, or accessing their Defined Contribution (DC) pension pot. When we spoke to you last, you confirmed that you had a Defined Contribution (DC) pension pot.**

<u>Anonymity and confidentiality:</u> IFF Research is an independent market research company, operating under the strict guidelines of the Market Research Society's Code of Conduct. This means that nothing you say in this interview – positive or negative – will be attributed to you as an individual. All individuals involved in the research will be kept completely anonymous in our reporting. All the information we collect will be kept in the strictest confidence and used for research purposes only. We will also not pass any of your details on to any other organisation.

DWP will not know who has taken part, and your participation and what you say will not affect your dealings with DWP, or any other government agencies.

<u>Reassurances:</u> There are no right or wrong answers; we just want to explore your honest views on the topics we cover. Equally, if there is something you don't know how to answer or do not want to answer, just say and we can move on.

<u>Right to Data:</u> The personal data we may have used to contact you, transcripts, notes, audio files, and analysis frameworks and datasets, will be kept securely on the IFF secure servers for up to three months after the research is complete (currently estimated to be September 2026). After this time, it will be securely deleted.

Under GDPR you will have the right to a copy of your data, to change your data or to withdraw from the research at any point until it is deleted. You can obtain more information on these rights at iffresearch.com/gdpr. We can also email this information to you upon request.

<u>Duration:</u> The interview should take around 60 minutes, depending on what you have to say.

<u>Incentive</u>: To thank you for your time today we will send you a £50 e-voucher. I'll check which email you would like us to send this to at the end.

<u>Questions:</u> Do you have any questions/concerns at this point?

<u>Adjustments</u>: Can I just check that you are comfortable and if you need anything to help you take part in this interview?

A2 **Based on this, are you happy to take part?**

Yes	1	CONTINUE
No	2	THANK AND CLOSE

A3 **Just so that I don't have to rely solely on taking notes, and for quality monitoring purposes, I would like to record this interview. After the interview is completed, a written version will be created and will be kept within our team for analysis purposes only. The recording and written version will be deleted once the project is completed. Are you happy for me to record the interview?**

Yes	1	BEGIN RECORDING
No	2	TAKE NOTES

IF YES: **Great, thanks!**

IF NO: **No problem. I may just need to interrupt or pause occasionally to take more detailed notes.**

CONTACT DETAILS IF REQUESTED:

- *MRS: MARKET RESEARCH SOCIETY ON [REDACTED] (FREEPHONE)*
- *IFF: GENERAL RESEARCH QUERIES CAN GO TO [REDACTED] OR YOU CAN CALL [REDACTED] DWP: PLEASE SEND ANY QUERIES TO THE TEAM VIA EMAIL AT: [REDACTED]*

B Background (5 minutes)

When people think about financial planning, including pensions, this is often affected by wider circumstances and context. So, to start, I have a few questions to explore your current situation.

B1 **To begin, could you tell me about your current circumstances? For example, whether you're working, not working, semi-retired or retired, whether you have any caring responsibilities and who you live with.**

PROBE: Full-time / part-time?

B2 **Thinking about the last few years, have there been any changes in your work, health, or family circumstances that have affected how you think about the next few years?**

PROBE: Changes in income / job stability/ bereavement / divorce? [IF CARING RESPONSIBILITIES] New caring roles? Any events which have shifted your outlook? Approaching / reached state pension age?

B3 **Before we talk specifically about pensions, how much have you found yourself thinking about retirement or later life planning in recent years?**

PROBE: When did you first start thinking about your retirement? (recently or have you explored information in the past)?

PROBE: Are there any moments or events which have informed / influenced this thinking?

PROBE: Have you found yourself thinking about financial planning?

B4 **How long have you been meaningfully planning for retirement (if at all)?**

PROBE: Was this when you started saving, or at a different time?

PROBE: Was your thinking more about supporting yourself financially or leisure time, or both?

B5 **How many employers have you had in your working life?**

KEY PROBE: Do you have multiple pension pots with different providers?

PROBE: How have you kept track of these different pots? Which sources of information did you use?

PROBE: Have there been differences in how you have treated different pots (if multiple) – e.g. size of pot

B5b **At what point in your career did you start saving or preparing for your pension?**

PROBE: How have you been preparing?

IF RETIRED

B6 **Before you retired, what roles were you in which contributed to your DC pot?**

PROBE: Is there anything about your career which has informed how you view retirement now?

C Awareness and confidence (Capability) (15 mins)

The next few questions will explore your understanding of your pension and how confident you feel making decisions about it. There are no right or wrong answers – we are just trying to get a sense of what feels clear to you, and what feels less familiar.

C1 **How would you describe your current understanding of how your Defined Contribution pension has been built up over time?**

ADD IF NECESSARY: Defined Contribution is a pension scheme in which a member's benefits are determined by the value of the pension fund. The value of the fund at any time depends on contributions and performance of investments.

PROBE: What do you feel confident about? What feels less clear?

C2 **Can you tell me what you know about the different ways you can access your pension savings?**

PROBE: For example, as cash, drawdown, annuity, or a combination of the above.

PROBE: How confident do you feel in understanding these options?

PROBE IF ACCESSED (A5 = 2 in screener): Can you talk me through what you did when you accessed your pension savings? How much have you accessed to date?

IF ACCESSED (A5 = 2 in screener)

C3 **Had you already retired when you first accessed your pension savings or were you still working?**

PROBE: What led you to this decision?

IF ACCESSED (A5 = 2 in screener)

C4 **Did you access your pension savings to reduce your working hours while still working or to otherwise top up your income?**

IF ACCESSED (A5 = 2 in screener)

C5 **When you first accessed your pension savings what did you do with the lump sum and the remaining amount?**

IF STILL WORKING BUT NOT ACCESSED:

C6 **What do you know about <u>when</u> you can access your pension savings?**

PROBE: When would you expect to access your pension'?

ASK ALL

C7 **What do you know about the tax implications of withdrawing money from your DC pension?**

C8 **What is your understanding of the potential investment risk of your Defined Contribution pension??**

ADD IF NECESSARY: Investment risk refers to the potential for the value of your pension investments to increase or decrease.

PROBE: Do you monitor investment risks i.e. the value of your pot increasing or decreasing?

PROBE: Do you worry about your pot running out?

PROBE: Do you worry about timing, or accessing your pot in a market downturn? Do you worry you may miss out on investment growth?

PROBE: Do you worry about inflation, and whether the value of your pension may not increase in line with inflation or the cost of living? Have you thought about/sought protection from this?

PROBE: How confident do you feel about managing or assessing investment risk?

C9 **How does this relate to the money you withdraw from your pension?**

C10 **How would you rate your understanding of the charges or fees that might apply when withdrawing from your DC pension?**

PROBE: Could you tell me more about what you understand about these charges or fees? Is there anything that you are less sure about?

C11 **How would you describe your understanding of how the State Pension works?**

PROBE: What do you feel confident about? What feels less clear?

PROBE: Did the State Pension age influence when you planned to access your pension?

PROBE: How reliant on State Pension are you compared to your private pension?

ASK THOSE WITH A DEFINED BENEFIT PENSION

C12 **How would you describe your current understanding of how your Defined Benefit pension works?**

ADD IF NECESSARY: Defined Benefit is a pension scheme in which the benefits are defined in the scheme rules and build up regardless of the contributions paid and investment returns.

PROBE: What do you feel confident about? What feels less clear?

PROBE: How important is your Defined Benefit pension to you, in comparison with your Defined Contribution pension?

ASK ALL

C13 **If you feel comfortable sharing, aside from your pension, do you expect to have any other sources of income during your retirement?**

PROBE: For example, this may include a partner's income, income from investments or interest on savings, income from inheritance, rental income, income from social benefits or income from part-time work.

PROBE (IF YES): How do these additional sources of income influence your pension decisions?

C14 **If you feel comfortable sharing, could you tell me a bit about the size or scale of these other income sources?**

PROBE: What proportion of your total income do you expect to come from your DC pension pot, aside from your State Pension? How important are your other income sources in comparison?

C15 **How do you feel about the length of time you expect your pension savings to last, and how this impacted your decision-making?**

PROBE: Expectations over the next 20+ years or worrying about the here and now

D What influences decisions (Opportunity) (15 mins)

I'll now ask a few questions about the information, support, and other influences that may have affected your decision-making process in relation to your pension.

D1 **Have you sought out any general information or guidance about your pension?**

PROBE: Have you received any information or guidance from your employer or pension provider?

PROBE (IF RECEIVED ANY): What information or guidance have you received about your pension?

PROBE: Have you heard of or used Pension Wise?

IF RECEIVED ANY INFORMATION OR GUIDANCE

D1a What started you thinking about seeking information of guidance about pensions?

D1b Can you talk me through your experience of receiving this information or guidance?

PROBE: How did you find the guidance? For example, through online searching, through friends and family, or via advertising.

PROBE: Was the guidance free or did you pay for it?

PROBE: How useful or clear did you find the information you were given?

ASK ALL

D2 **Have you sought out any financial advice about your pension?**

ADD IF NECESSARY: By financial advice, I mean personalised recommendations given by a qualified, regulated professional about what you should do with your money based on your individual circumstances.

PROBE: What prompted you to seek this out? What specific information were you looking for?

D3 **Have you ever struggled to find pension information, guidance or advice when you needed it?**

PROBE: For example, due to cost barriers, the time required, or the availability or accessibility of information.

PROBE (IF YES): What made it difficult to find information or guidance?

D4 **Do you ever talk to family members or friends about pensions or financial decisions?**

PROBE (IF PARTNER): Have you spoken to your partner? How did this influence your decisions?

PROBE: How far do these conversations tend to influence your own pension decisions?

D5 **Can you think of any types of support that could make it easier for you to understand or manage your pension?**

PROBE: For example, is there any information that you wish was available earlier, or in a more accessible format?

D6 **What are the main factors that you consider when making decisions about your pension?**

PROBE: Housing situation – rent or own

PROBE: Why are these important?

PROBE: How do they impact your decision-making?

E Feelings towards pension (Motivation) (10 mins)

E1 **How would you describe your financial situation at the moment?**

E2 **How satisfied are you with your current quality of life? Are you hoping for any changes to this in retirement?**

E3 **When you think about the next few years, what would you say matters most to you, or what you're hoping for?**

PROBE: Lifestyle / quality of life changes? Work / retirement expectations? Changes in your family circumstances or relationships?

E4 **Looking ahead, how do you feel about your financial situation over the next few years, including retirement?**

PROBE: What factors inform how you feel about your financial situation?

E5 **Thinking further ahead, how do you feel about your financial situation in the longer term? Have you considered your future needs?**

PROBE: How far ahead do you think about your pension and future decisions?

PROBE: Ability to continue making appropriate financial decisions in the future, health circumstances

E6 **Over the last few years, have there been any aspects of your health or day-to-day family roles that have influenced how you're thinking about the next few years, including retirement? Is there anything you haven't already mentioned that feels relevant here?**

PROBE: Do you support anyone regularly for example family members or friends? Any informal childcare or financial support you provide? Any health changes on your side or within the family? Have any of these shaped how you're thinking about timing, work or retirement?

E7 **Have you planned for any changes to circumstances?**

PROBE: How do you manage finances with your partner or family? Have you made plans regarding your health and finances e.g. will, power of attorney? Why/Why not?

E8 **People vary in how they plan ahead. Some like to make clear plans, and others prefer to take things as they come. How would you describe your approach?**

PROBE: Short-term vs. long-term planning? Does planning feel difficult or straightforward? Does this affect your thinking about retirement? Does your approach affect the actions you're likely to take?

E9 **Is there anything you would change about financial planning you have done in your life so far?**

E10 **When you think about accessing your pension pot, whether now or in the future, what kinds of feelings or reactions come up for you?**

PROBE: Positive feelings or more concerned ones? Feelings about leaving the pot untouched vs drawing from it?

PROBE (IF ACCESSED): How much of your pension has been accessed or used? What have you done with your pension income so far?

E11 **Thinking about decisions around when and how to access your pension, whether you've done this already or not, can you tell me what has guided your thinking so far? What has influenced your decisions the most and why?**

PROBE (if accessed): What prompted you? What steps did you take? Is there anything you know now which it would have been helpful to know when you initially accessed it?

Probe (if not accessed): Have you thought about when you might access it? What might prompt you to access your DC pot in future if circumstances change?

PROBE: Guidance, family and friends, personal views – what do you rely on most?

E12 **How much control do you feel you have over decisions about retirement and managing your income in later life?**

KEY PROBE: Which parts feel within your control? Are there any areas that feel outside of your control? How does this shape your decisions around timing or access?

E13 **If nothing were limiting you, money, health, responsibilities, how would you ideally want life during retirement to look like? What would be most important to you? How do you expect this to change over time?**

PROBE: Do some areas feel more or less achievable?

F Thank and close (2 mins)

F1 **Thank you for your time today. Do you have any other comments regarding your views on your Defined Contribution pension that we have not discussed today?**

F2 **Do you have any other questions for us?**

Interviewers: Please remind respondents of the resources that are available to them. If individuals display worries, have any questions about pensions, or express they are at risk of financial distress, we need to be clear that we cannot provide any guidance ourselves, but can signpost towards approved sources (listed below).

- MaPS guidance (including Pension Wise) - Money and Pensions Service
- Check your State Pension - Check your State Pension forecast - GOV.UK
- Pension Tracing Service - Find pension contact details - GOV.UK

F3 **Would you be happy for us to recontact you if we needed to clarify any of the information you have shared today?**

F4 **Would you be happy for us to recontact you regarding future depth interviews for DWP on these themes?**

F5 **As a thank you for your time today you will receive a £50 shopping voucher. This voucher will be sent to you via email. Please allow up to two weeks for this voucher to be transferred. Please could I confirm which contact email you would like this voucher to be sent to?**

WRITE IN EMAIL

THANK RESPONDENT AND CLOSE INTERVIEW

Finally, I would just like to confirm that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct. Thank you very much for your help today.

Appendix B – Sample breakdown

Table 2. Profile of respondents

Segment	Sub-groups	Number of respondents
Amount in Defined Contribution pot	Under 10k	16
	£10-50k	32
	£50k-£100k	2
	Above £100k	5
Defined Benefit pot	Yes	10
	No	41
	Don't know	4
Access	Had not considered accessing pension pot, although are eligible to	7
	Planning to access pension pot in the next 1-2 years	24
	Have accessed pension pot in the last 1-2 years	24
Advice and guidance	Not used any advice or guidance	27
	Paid-for advice	13
	Regulated (free) guidance offered by the Money and Pensions service e.g. MoneyHelper, Pension Wise	15
Confidence	Very confident	2
	Fairly confident	12
	Neither confident nor not confident	24
	Not very confident	17
Gender	Female	29
	Male	26

Annual household income	Under £20k	18
	£30k-£38k	31
	Over £38k	6
Living situation	Rent	12
	Home owner	35
Family status	Single	20
	Single (widowed)	4
	Couple/family	31
Ongoing health conditions	No	41
	Yes	14
Region	England	47
	Scotland	4
	Wales	4