

“Shopping around in the annuities market could be worth thousands in retirement” says Pensions Policy Institute

The Pensions Policy Institute (PPI) is today publishing *Shopping around for annuities: the changing market*. This Briefing Note explores how the annuities market has changed since the introduction of the pension flexibilities in 2015 and previous PPI research in 2017.

The Briefing Note examines the reasons why people may not be choosing to purchase annuities, how shopping around between annuity providers might benefit people in retirement, and why they don't opt to shop around and what might be done by providers to encourage people to be more active in the annuities market.



Mark Baker, Senior Policy Researcher at the PPI said “While the annuities market has seen a downturn since the introduction of the pension flexibilities in 2015, they can still provide people with security and a reliable income in retirement. For people who do purchase an annuity, comparing the different providers’ products and rates available in the annuities market could mean receiving up to an extra £7,000 over the course of their retirement per £100,000 of pot size.

However, a lack of trust in financial services and low engagement with pensions can present barriers to people having the confidence or the will to find the best deal for them. Current industry prompts appear to have had minimal effect on customer behaviour, and a more tailored and targeted approach to potential customers may prove more effective in helping people to understand and engage with the potential benefits associated with shopping around.”

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Notes for editors

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2. **20 Years of shaping Pensions Policy** – 2021 is the PPI's 20th Anniversary Year. We have now been analysing policy and future trends for 20 years.
3. This Briefing Note is kindly sponsored by **Canada Life and Retirement Line**. Sponsorship has been given to help fund the research, and does not necessarily imply agreement with, or support for, the analysis or findings from the project.



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