

PRESS RELEASE

For Immediate Release

“The introduction of The Pensions Dashboard has potential to reduce the prevalence of lost pensions” says Pensions Policy Institute

The Pensions Policy Institute (PPI) is today publishing *Lost pensions: What's the scale and impact?* A Briefing Note which explores the definition of lost pensions, the estimated value of such policies, as well as the effectiveness of current processes to reunite individuals with their retirement savings.

The Briefing Note presents data gained from the Pensions Policy Institute's lost pensions survey. The survey covers more than 13 million pots of which 6% (more than 800,000 pots in total) are held by customers considered 'gone away'. These 'gone away' pots have an aggregate value of £9.7bn, substantially higher than previous estimates of the total value of lost pension pots.

Lauren Wilkinson, Policy Researcher at the PPI said “There is much uncertainty surrounding lost pensions which is impacted by the fact there is no clear definition or measure of what is actually meant by lost. There is also a wide range of estimates as to the value which might be held within these pots. To allow government, regulators and providers to work towards a more consistent and effective approach to reuniting individuals with their lost pensions assets this issue needs to be addressed.

It is estimated that by 2050 there could be as many as 50 million dormant and lost pensions. If unclaimed these pots could have a significant impact upon reduction in standards of living in retirement on individuals effected.

There seems to have been some increase in consumer awareness of this issue, as there has been a large increase in requests received by the government's pension tracing service over the last decade. However, the data from our Lost Pensions Survey shows it is still a significant issue. The Pensions Dashboard would enable savers to find all their pensions in one place and potentially reduce the prevalence of lost pensions.”

ENDS

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Notes for editors

1. The Pensions Policy Institute (PPI) is an educational research charity, which provides non-political, independent comment and analysis on policy on pensions and retirement income provision in the UK. Its aim is to improve the information and understanding about pensions policy and retirement income provision through research and analysis, discussion and publication. Further information on the PPI is available on our website www.pensionspolicyinstitute.org.uk.
2. PPI Briefing Notes clarify topical issues in pensions policy.



3. This Briefing Note has been sponsored by the Association of British Insurers (ABI) Sponsorship has been given to help fund the Briefing Note, and does not necessarily imply agreement with, or support for, the analysis or findings from the project.
4. The Lost Pensions Survey includes data from 12 large insurers, covering around half of the DC market.