

PRESS RELEASE

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Call on UK retirement savers to take action on £26.6bn in lost pensions

UK pension savers are being encouraged to take action to trace their lost pension pots worth a total of £26.6 billion, with almost three million pots not currently matched to their owner. Ahead of National Pension Tracing Day this Sunday, the industry is boosting efforts to point savers towards ways to take control of their retirement pots.

The Pensions Policy Institute is today publishing **Briefing Note 134: Lost Pensions 2022: What's the scale and impact?** This Briefing Note, sponsored by the Association of British Insurers (ABI) and Punter Southall Aspire (PS Aspire), shows the scale of the problem of lost pension pots has increased by £7 billion in just four years.

The study carried out by the PPI shows savers across the UK are in danger of missing out on significant sums of cash as they have lost contact with their pension providers.

- Since 2018, the value of lost pension pots in the UK has risen by 37% to reach a total of £26.6 billion.
- Over 2.8 million pension pots are considered lost, an increase of 75% over the last four years.

Pension providers spend millions of pounds every year on measures to help identify, track down, verify and reconnect people with their lost pension savings. They are also working on and delivering other solutions, including developing pensions dashboards and launching a national engagement campaign. Despite action by the industry, problems usually arise because people forget about pots built up in previous jobs, or they change their name or move house without telling their pension provider. Studies have shown that only one in 25 people instinctively think to tell their pension provider that they have moved home. In contrast, around 89% think to tell their GP or dentist. If people are unsure who their pension provider is, they can ask their employer or use the free pension tracing service.

In recent years we have seen an increase in people moving house and more people changing jobs through the Coronavirus pandemic. This has exacerbated the issue and made it more important than ever for people to update their details with their provider.

The steep increase in lost pension pots highlights the urgency for action to be taken by savers themselves to keep track of their pensions and trace their lost savings. These lost pots, which are worth an average of £9,470, could make a real difference to people's retirement if they were reunited with their owner.

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To help drive up engagement, the pension sector recently launched its Pension Attention campaign. The three-year campaign, led by the ABI and the Pensions and Lifetime Savings Association (PLSA), aims to reach those who do not typically engage with pension communications.

John Upton, Policy Analyst at the PPI said: “While the problem of lost pots had been expected to worsen over time, the second iteration of the PPI Lost Pensions Survey has enabled the problem to be gauged more precisely. There has been significant growth in the value held by these pots, underlining the fact that this problem will continue to grow without intervention. One such intervention is pensions dashboards, about which the Survey found cautious optimism among providers. Conducting this PPI Lost Pensions Survey immediately before the launch of dashboards will allow us to evaluate their impact with further iterations of the Survey.”

Yvonne Braun, Director of Policy, Long-Term Savings and Protection, at the ABI, said: “The amount of money in lost pension pots has increased by 37% to £26.6 billion in recent years, with people missing out on money that can make a real difference to their quality of life in retirement. It’s time to pay your pension some attention and use the resources available to track down any lost pots. It only takes a short amount of time to check what money you have built up and keep your records up to date.”

In addition, National Pension Tracing Day, launched by Punter Southall Aspire and supported by the industry’s leading providers is taking place this Sunday on 30 October. The campaign urges consumers to take action on misplaced pensions. The day itself coincides with the clocks going back, so the campaign encourages people to take advantage of the extra hour to start their search and use the pension tracing tools available. The Government’s Pension Tracing Service, designed to help reunite people with their misplaced pensions quickly, is one helpful free service on offer.

There are five simple steps people can take to trace their pension. These are to retrace career steps, check old papers, check that details are up to date, check for any gaps in your pension history, and to contact your provider.

Alan Morahan of PS Aspire, the creators of National Pension Tracing Day, said: “We are pleased to have been able to co-sponsor this reprise of the research the PPI last carried out in 2018. The findings support our rationale for founding National Pension Tracing Day and show there is still much work to do to reunite people with lost pension savings. The introduction of pensions dashboards should assist with that and this research provides a benchmark from which to measure their success. It also supports the work being carried out to reduce the number of small, deferred pots. In the meantime, we hope that pension providers, pension schemes and employers will promote the importance of tracing lost pensions, with the message that doing so isn’t as difficult as some people might think.”

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Notes for editors

1. **We are an independent educational research charity: The Pensions Policy Institute (PPI)** does not lobby for any particular solution, and we are not a think-tank taking politically influenced views. The PPI is an educational research charity, and have been providing non-political, independent comment and analysis on pensions policy and retirement income provision in the UK for over 20 years. Our aim is to improve information and understanding about pensions policy and retirement income provision through research and analysis, discussion, and publication. For news and other information about The PPI please visit www.pensionspolicyinstitute.org.uk

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2. 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.
3. The [UK Government's Pension Tracing Service](#) is available to help people find their lost pension pots.
4. The Pension Attention campaign is a three-year industry campaign being co-ordinated by the ABI and Pension and Lifetime Savings Association. Access the [Pension Attention](#) campaign website for more information.

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5. National Pension Tracing Day is an annual event dedicated to helping people track down savings they've forgotten about. Access the [National Pension Tracing Day](#) website for more information.

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