

PENSION FREEDOMS

PETE GLANCY, HEAD OF POLICY



HOW HAVE CUSTOMERS REACTED?

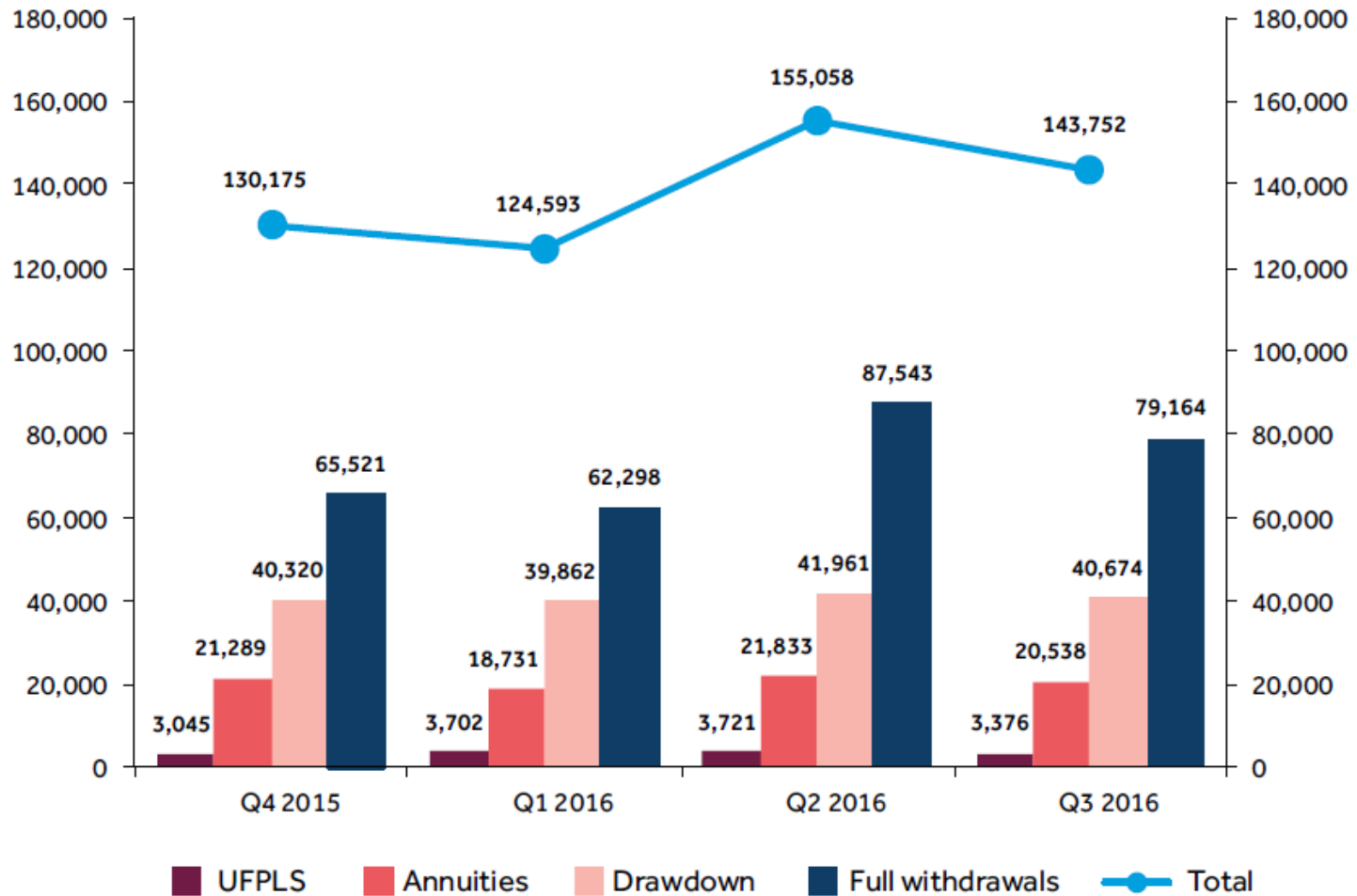
2.1%

of pots held by over 55s
accessed

- Consumers have welcomed the increased flexibility
- But of all the customers who could take money out, relatively few have done so
- Nonetheless, total withdrawal values have exceeded expectations



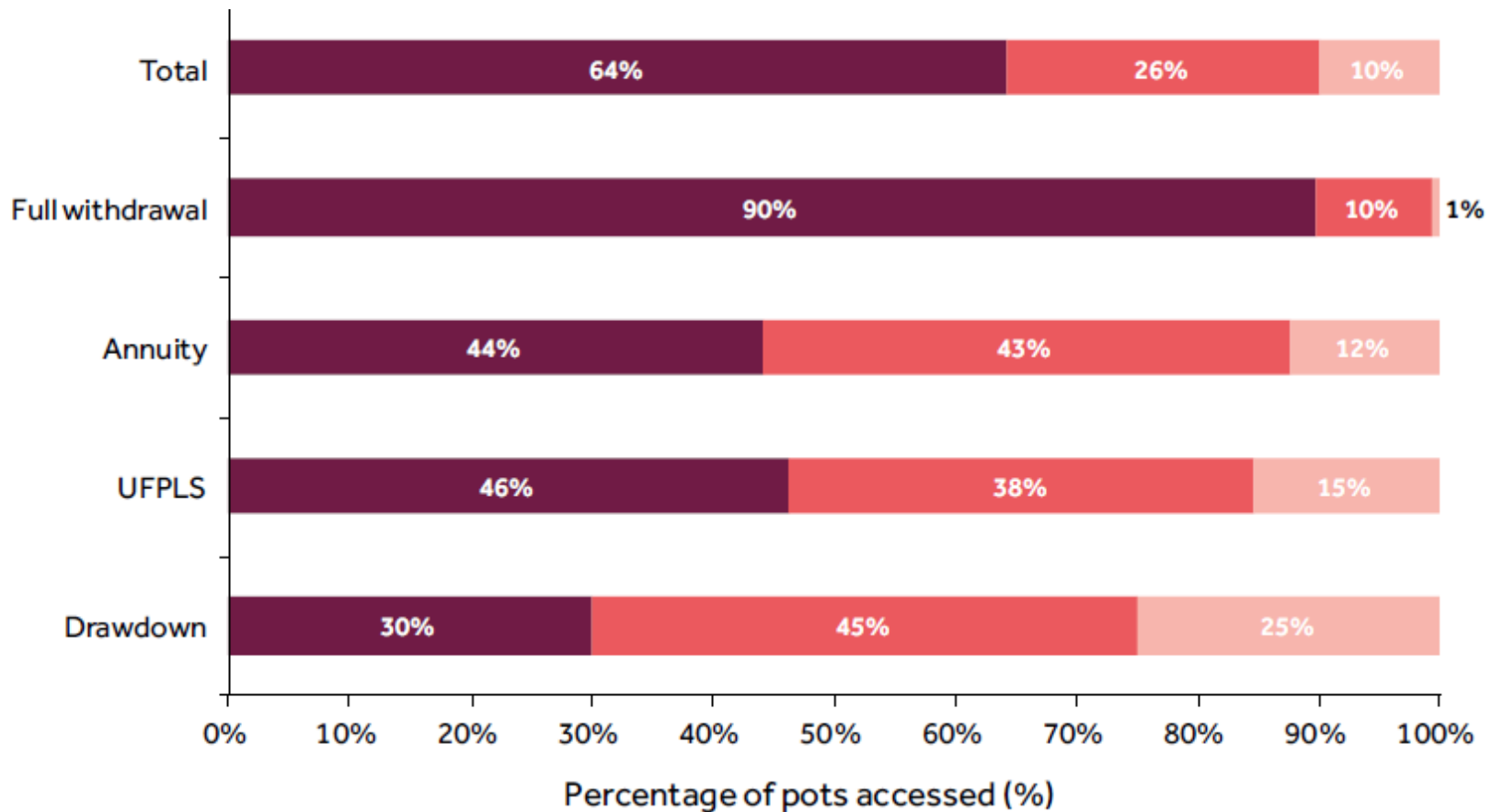
'DASH FOR CASH'?



Choices made by customers who accessed their DC pots for the first time Oct 2015 – Sept 2016



WITHDRAWAL VOLUMES DRIVEN BY SMALL POTS



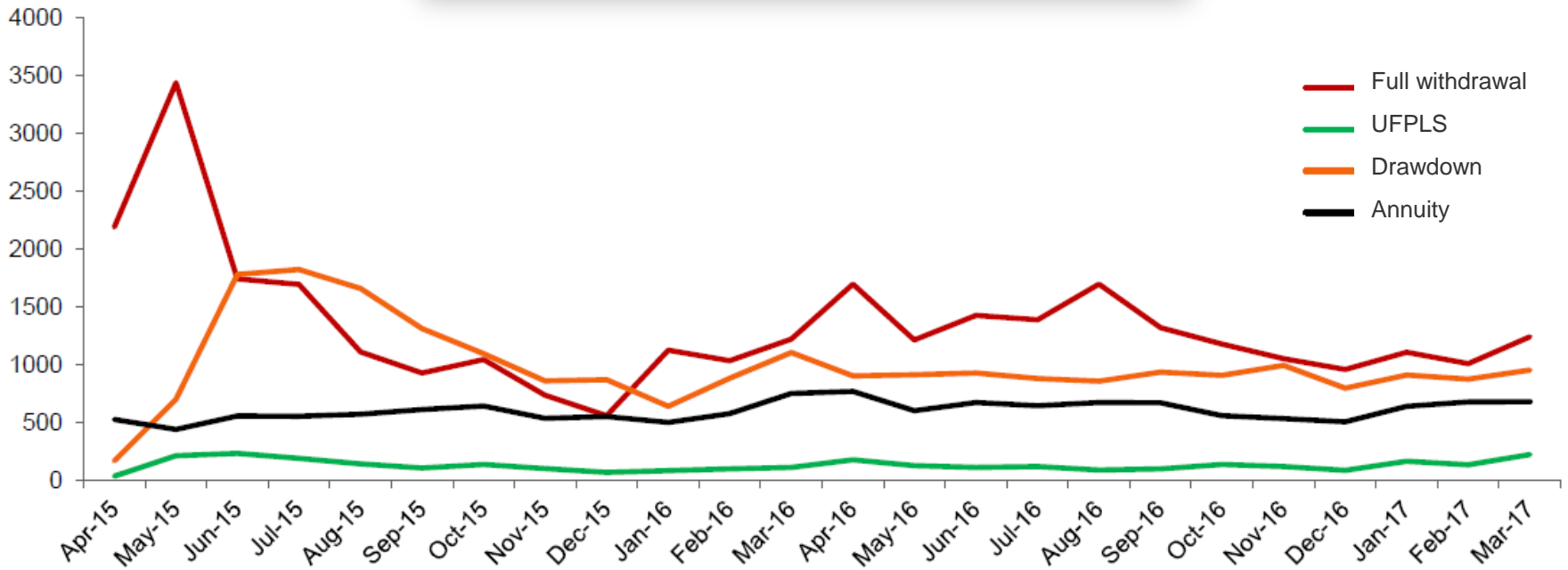
Distribution of pot size used for each option, October 2015 – September 2016

■ Less than £30,000 ■ £30,000 - £99,000 ■ £100,000+

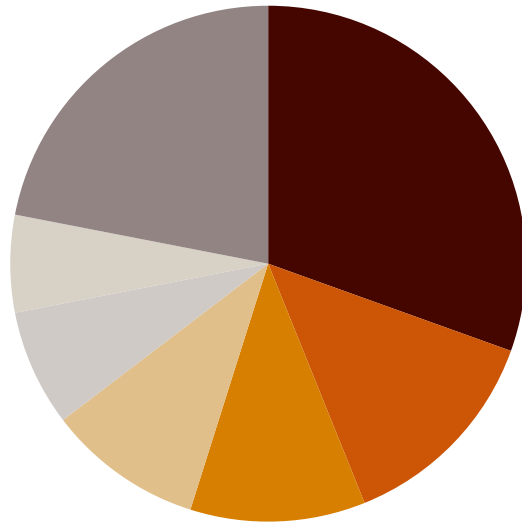


SCOTTISH WIDOWS EXPERIENCE

Month on Month View of Choices



WHAT ARE PEOPLE DOING WITH THEIR MONEY?



- "I just wanted the cash"
- To pay off debt (excl mortgages)
- To make a large purchase (e.g. a holiday)
- To pay off a mortgage (all or in part)
- To invest in another product
- To buy a property
- Other

- Some consumers have fully withdrawn pots to move their savings elsewhere
- Withdrawing tax-free cash has become the new norm – but little consideration as to what to do with the rest of the pot
- Consumers do not make use of the available information



of our new non-advised drawdown customers continuing to work

ADVICE GAP



of customers are willing to pay for advice

Barriers to closing the gap:

- Cost
- Trust
- Availability

Comparison of willingness to pay values	Mean (all individuals)	Mean (excluding those unwilling to pay)	Actual cost (industry average)
Financial advice on the setup of an £11,000 investment ISA	£60	£145	£450
Financial advice on an £80 a month pension contribution	£65	£197	£500
Financial advice on turning a £100,000 pension pot into a retirement income	£239	£456	£2,000