

Getting the message across



Following the announcement of the PLSA and ABI's cross-industry engagement campaign earlier in the year, Tom Dunstan investigates its details, aims and methodology

Inspiring interest in pensions is a daunting task; convincing people to focus on the end of their working lives by saving money today being a tough sell.

This is an issue that the Pensions and Lifetime Savings Association's (PLSA) and Association of British Insurers' (ABI) recently announced cross-industry pension engagement campaign will seek to address, with support to date from 15 different providers and pension schemes,

representing a total 41.5 million savers and customers.

The campaign, aimed at boosting people's understanding and engagement with their pensions, already has grand ambitions. It is expected to reach and help tens of millions of savers, but with details not in abundance yet, it is reasonable to ask how it intends to do so.

Importance and objectives

The campaign's formation stems from its organisers recognising the importance of pensions engagement. The pension schemes involved have also noted demand for improved engagement from their members.

"Everyone realises the importance of engagement," Aviva managing director, Emma Douglas, comments. "A survey we conducted with our master trust members found that 60 per cent of people just don't feel at all knowledgeable about pensions."

The importance of engagement is a

Summary

- The PLSA and ABI are leading a co-ordinated industry campaign to boost understanding and engagement with pensions.
- It is hoped that 30 million pension savers will be supported by the industry campaign.
- Fifteen providers and schemes have committed to support the campaign.
- While the details are still to be ironed out, the campaign is gaining more relevance as the cost-of-living crisis deepens.

sentiment echoed by Legal & General Investment Management (LGIM) co-head of DC, Stuart Murphy: "When it comes to member communication, build it and they might well not come. So, you can build great engagement tools, but you need to get them there, you need to get the members to engage with them."

Although there are high ambitions for the campaign, "it's still being worked on at the moment", Douglas says. PLSA deputy director of policy, Joe Dabrowski adds that the campaign is "not quite at the phase yet" where more information

can be divulged.

The campaign had, however, been in the works for some months before its official announcement. “There was a lot of industry discussion over the course of last year when we were looking at the question of engagement and statement season,” Dabrowski explains. “There was a lot of support for an industry-led engagement season and, from there, the genesis of this idea came.”

Methodology and demand

The campaign will seek to drive engagement by providing basic detail for savers to more easily understand their pensions. Douglas explains: “The aim of it is really to get some basic information about pensions out there and get people a little more comfortable with their pensions.”

Douglas also emphasises the importance of providing the right amount of information: “People have got an appetite to understand a bit more about pensions. They don’t want shedloads of detail, but they do want to know some basic facts and I think that is at the very heart of this campaign.”

To achieve this, Dabrowski says he hopes the campaign will result in everybody pushing “simple messages at the same time together” and that a “concerted effort will make a big difference”.

This could provide a solution to an issue of inconsistency within the industry.

Standard Life chief marketing officer, Sangita Chawla, highlights the issue: “Providers have their own way of communicating. We can send information out to our members at any time we want, but information goes out to people in different formats with different words and that could be confusing to the end customer.”

This aim will be no doubt supported by the huge number of the campaign’s sponsors, including Legal and General, Standard Life, Aviva, Scottish Widows and Nest, to name a few.

The campaign will also support the existing work of the Department for Work and Pensions. Pensions Minister Guy Opperman, back in April, welcomed the announcement of the launch, saying: “We are committed to bringing about a step change for engagement in pensions and I am looking forward to working with the ABI and PLSA – and with other industry partners – to boost saver engagement.”

Dashboards and cost of living crisis

As well as providing simple, digestible pieces of pension information for savers, the campaign will also seek to prepare people for the upcoming pensions dashboards.

Those involved in the campaign emphasise the importance of getting people ready for their launch, as Murphy comments: “Pensions dashboards in particular are going to be a great source of information for members, but we’ve got to get members directed towards it.”

Dabrowski elaborates on how this could be done, emphasising the power of simple preparations. “Just people being a bit more familiar with their pension schemes, with their pension data, will help people a little bit with dashboards,” he says.

The original announcement indicated that the campaign would be run in autumn or winter of this year, but Dabrowski has since clarified that the campaign will run through the autumn “probably from September to November”.

Whilst the early plans for the campaign can have their origins traced back to last year, it has taken on new importance given the recent economic conditions. “As the cost-of-living crisis starts to take hold, making informed financial decisions is more important than ever,” ABI director of long-term savings policy, Yvonne Braun, states.

And while those involved in the campaign are happy to discuss the aims and ambitions of the campaign, they are less keen to make any absolute statements on how these ideas may manifest

themselves and in what format they may appear.

Chawla suggests that this vagueness surrounding the campaign will benefit it in the long run: “I think if we’re too early with information regarding this, the public might forget about it. It may not mean anything to people because it is too far away, but we will be getting the excitement going a bit closer to the time.”

The industry reaction to the campaign’s announcement has been positive, with many involved seeing it as a valuable asset to increasing pension engagement. Indeed, Murphy describes it as “a really great tool in the armoury”.

Murphy also points to the campaign’s ability to build on previous engagement tools, such as video pension statements, as a potential example of how it could prove to be a success.

There may not be that long a wait until more information is revealed, as Douglas says: “Given that we want to run this campaign in the autumn, it needs to have its features decided relatively quickly”.

Whilst the lack of concrete details surrounding the campaign may make it difficult to ascertain how it will be rolled out, there is plenty to be positive about. Whatever the details turn out to be, the unification of so many providers and schemes behind a single goal shows the seriousness with which the engagement challenge is being tackled.



Written by Tom Dunstan