

# Fixed on fairness

## ► The People's Pension's approach to member communications



It's a commonly held notion that people fear what they don't understand. But for anyone to miss out on getting the most out of their pension, just because they don't understand this highly valuable asset, seems wholly unfair.

We know many don't understand what pensions are all about and how they work. So, helping people make sense of them, and encouraging them to engage and stay interested is really important. It's the reason we and our trustees at The People's Pension firmly believe communications must always be clear and straightforward.

As an industry, it is our job to demystify the complicated and dispel the belief that only the highly financially literate can understand pensions.

For us, it's vitally important we continue to work towards making all communications more accessible for everyone, including those with disabilities – for those with low literacy levels, or if English is not their first language (17 per cent of our 5.1 million members are born outside the UK). 'Everyone' includes those who are more vulnerable, perhaps because they have dementia, or have been recently bereaved. In addition, the effects of Covid-19 mean more people have become financially vulnerable too, through furlough, redundancy, fear of insolvency, and the risk of fraud and scams. Pension savers have been given increased freedoms that further exposes them to substantial risk if they struggle to understand pensions. That's why

raising awareness of scams is important, as our recent report with The Police Foundation<sup>1</sup> highlights.

Then there's the huge number of people – 940,000 – who are turning 55 this year<sup>2</sup>. The worry is they could potentially be placed in a more vulnerable position if they feel compelled to start using their pension savings earlier than they'd planned and don't seek professional advice. There's much evidence, including from the Money and Pensions Service, that people leave retirement planning to the last minute or, most worryingly, don't do it at all<sup>3</sup>.

So the knock-on effect of failing to fully understand the way a pension pot works could be individually very significant, and every effort should be made to help people understand why it's important to plan and prepare.

We know that getting this right 100 per cent of the time for everyone is difficult – but to help we provide key information translated into Polish, Spanish and Romanian (the three most popular languages among our membership), and other languages on request.

Additionally, members can use BT's Relay UK service to talk to us if they have trouble hearing or speaking over the phone, and they can get in touch if they need their key member documents in another format such as Braille or large print. We've added the Recite Me tool to our website so users can change how they view things to suit their needs. And we've signed up to the Alzheimer's Society Dementia Friends initiative to

help us become a dementia-friendly organisation. If you get it right for people with dementia, you get it right for everyone.

This is important stuff, which can sometimes get overlooked. There's plenty more to do, but each little thing adds up and makes a real difference to many.

We regularly talk to our customers through focus groups, surveys and our new Research Lab to glean what matters to them most, and we use what we learn to improve our communications so no one's left out of the loop.

All of this has helped us shape and build our communications toolkit in support of employers to help them when they're talking to employees about their pension. We've kept things simple and it's available for all to use at no extra cost – because we believe that's only fair.

We're running free online events for employers to find out more about the communications toolkit – if you're interested please get in touch by calling 0333 230 1310 or emailing RRM@bandce.co.uk. For more information about how we can support you, visit [www.thepeoplespension.co.uk/comms-PA](http://www.thepeoplespension.co.uk/comms-PA)



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<sup>1</sup> The People's Pension and the Police Foundation (September 2020), **Protecting people's pensions: understanding and preventing pension scams**

<sup>2</sup> ONS figures show over 940,000 people in the UK will turn 55 this year <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesandnorthernireland> (tab MYE2, BG6)

<sup>3</sup> Over a third (37%) of over 50s are leaving their retirement financial plans until their final two years before retirement or won't prepare at all, according to research from the Money and Pensions Service (MaPS). <https://www.moneyandpensionservice.org.uk/2020/09/15/3-million-over-50s-will-leave-planning-retirement-finances-to-final-two-years-before-stopping-work/>