March 2022

Fidelity International

Stepping into retirement

How pension freedoms and Investment Pathways are affecting what individuals do with their retirement savings

This report is only for the use of scheme sponsors, trustees, their advisers and consultants and should not be shared with scheme members.

Workplace Investing

Fidelity International

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1. Setting the scene

The changing landscape

It is now nearly seven years since the launch of pension freedoms. Gone are the days when a defined contribution (DC) pension member had to buy an annuity when they retired, and their only dilemma involved choosing the best deal, with help from one of the brokerage services available. Drawdown was only a realistic option for the wealthy and those willing to pay for financial advice. Pension freedoms turned this landscape upside down. Individuals could now choose exactly what they wanted to do with their pension savings and when. As the press delighted in telling us back in 2015, they could even spend their whole pension pot on an expensive car.

However, we know from the work of behavioural scientists that there is the phenomenon called the 'paradox of choice'. When individuals are confronted with too many options, they are unable to choose a single one. While there are, in fact, a limited number of options for members withdrawing their DC pension savings, there are almost infinite ways they can slice and dice their savings to achieve their retirement goals. Assuming, of course, that they know what their goals are.

The introduction of Investment Pathways

The Financial Conduct Authority introduced Investment Pathways in February 2021 to give objective-based investment options to DC members moving money into drawdown, who may not have had to make any decisions about their pension investments in the past. The four Investment Pathways are designed to improve outcomes for non-advised consumers who are not confident in choosing, or do not want to choose, their own investment funds.

The basis of this report

Fidelity launched Investment Pathways in November 2020, four months before they became mandatory. In recognition of the legislation's first anniversary, we have conducted a comprehensive review into how pension savers are using their pension pots.

The insight will enable us to enhance our services, give members a better experience and help them to choose the most suitable withdrawal and investment options for their needs.

2. Key Findings

This report

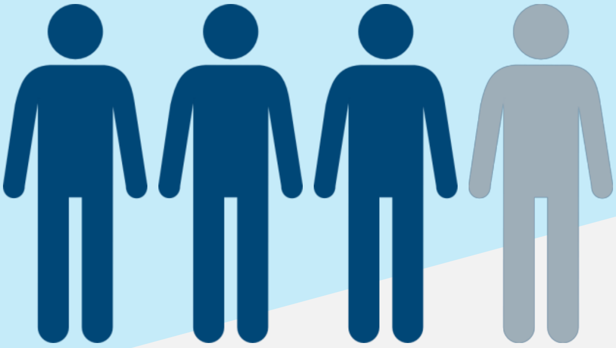
Our analysis covered three main areas: member engagement and financial confidence, withdrawal and crystallisation trends and post-crystallisation investment decisions. We analysed 9,412 withdrawal requests over the course of a year, and examined our entire member base, with a specific focus on those in drawdown (also referred to throughout this report as members who have crystallised pension savings). In addition, we drew on three of our propriety research studies, including a member engagement and relationship survey, The Fidelity Global Retirement Survey 2019 and The Fidelity Global Sentiment Survey 2021. Alongside this quantitative research, we carried out 12 in-depth retirement-focused interviews.

The impact of retirement on savers' engagement and financial confidence

Members who have started to access their pension savings are significantly more engaged and have higher financial confidence than those approaching retirement

Withdrawal and crystallisation trends

- Those with small pots (less than £50,000) were **more likely to withdraw the full amount** in one go
- Most (71%) members access their tax-free cash **before their selected retirement age**
- **Just 1% of members set up an annuity** alongside their full tax-free cash withdrawal
- 3 out of 4 members who draw down 5% or less each year, **are likely to see their money last** until they are 90 or older. Whereas 99% of those drawing down 6-10% each year **will run out by the time they reach 90**



Post-crystallisation investment decisions

93%

of members stick with their current investments when moving into drawdown

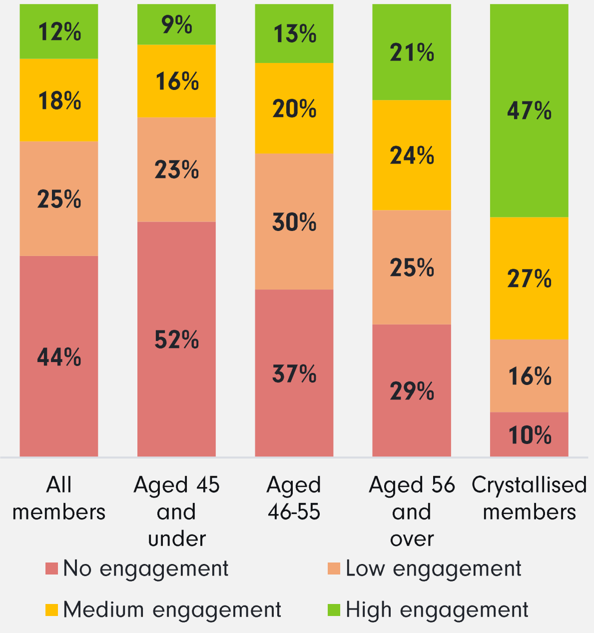
Source: Fidelity International; Member relationship and engagement survey - June 2021; Retirement interviews - November to December 2020

3. The impact of retirement on savers’ engagement and financial confidence

Engagement with pensions soars during and after crystallisation

74% of members who have accessed some of their pension have a high or medium level of engagement, compared with 30% across our member base as a whole.

Member engagement across segments*



*Fidelity’s measure of engagement considers factors such as whether members have registered to manage their account online, whether they have selected their own funds or use the default strategy, whether they have made account elections such as an expression of wish, and how often they have contacted our call centre or opened marketing emails. Using this data, we give each member a rating of no, low, medium or high engagement.

The turning point

Deciding to make the first withdrawal from a pension pot is, unsurprisingly, a key driver for individuals to engage with their pension savings. This is the case whether it is a once-and-once-only decision – for example, if someone is taking their whole account as a cash lump sum – or if they are going to keep some of their savings in drawdown.

These findings closely echo what we found in member interviews during November and December 2020. Several of the interviewees had not been actively planning for retirement during their working life. **Turning 50 was a common milestone for them, when they had started to think about retirement.** The process of making the first withdrawal from their pension came as a day of reckoning. After years of burying their head in the sand and ignoring the pensions paperwork in a drawer at home (some even showed us the piles of paper on Zoom), they realised they had to do something about their lack of knowledge and rapidly make decisions on their pension.

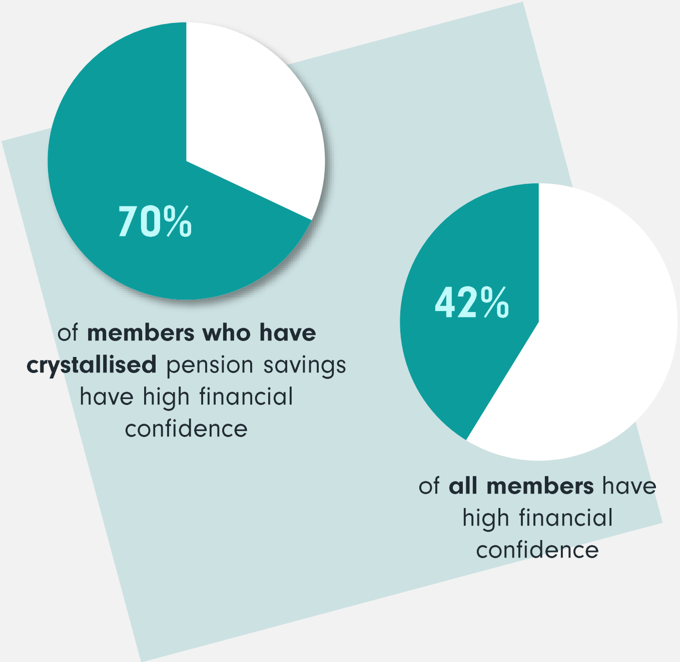
Soaring levels of engagement

Comparing the levels of engagement among our member base as a whole with those for members around retirement age is like comparing night and day. **Nearly 47% of members who have withdrawn tax-free cash show a high level of engagement, four times more than the average.** Among the same group, the levels of no or low engagement drop from 69% to just 26%. While this may not be surprising, we still need to appreciate the pivotal importance of the moment when a member first takes money from their pension. It sees their engagement with their pension increase to a level they may only have previously shown for core banking products, such as current accounts.

The immense learning curve members go through when first crystallising their pension savings boosts their overall financial confidence

In June 2021 we asked a broad sample of members to score themselves on a scale of 0 to 10 against five statements related to their finances. We averaged each member's scores to give them an overall financial confidence score. We also asked them about their understanding of workplace pensions and retirement savings generally, and their appetite for learning more.

Only 34% of under-55s achieved a 'high' score for general financial confidence. This rose to 51% for over-55s who had not so far withdrawn any money from their pension, but was **significantly higher, at 70%, for those who had withdrawn pension savings.**



Each question is asked with a scale from 0 for 'strongly disagree' to 10 for 'strongly agree'. Respondents have to give a rating to at least four of the five statements to be given a financial confidence score. A member's overall financial confidence score is an average of their individual statement scores. Those with a confidence score of 8-10 are deemed as having high financial confidence. Results are based on 6,110 responses.

Mind the 'advice' gap

Despite overall financial confidence growing through the act of accessing one's pension, we know the process and planning for it is confusing to many. Fidelity's 2019 Global Retirement Survey found that **45% of respondents aged 55-75 felt that retirement planning is too difficult to do themselves. This increases to 61% for those aged 35-54.**

So where do members turn for advice (or guidance for those of us who operate in the tightly regulated UK environment where the word 'advice' is reserved for a personalised recommendation)? While some will be able to afford the services of a qualified financial adviser, many members won't (or at least won't see the benefit of paying for it). Findings from our member interviews during November and December 2020 found popular sources of information were friends and relatives, along with the self-appointed 'expert' at work whose expertise was limited to having been through the experience of making a pension withdrawal themselves.

45% of respondents aged 55-75 felt that retirement planning is too difficult to do themselves. This increases to 61% for those aged 35-54.

A role to play

In light of these findings, it is clear that we need to think about how we can help members at each stage of their retirement journey. This might involve digitising and streamlining withdrawal and income management requests. More generally, it means looking at how we can best support members as they approach retirement.

Our outreach and content initiatives need to be carefully planned in the years leading up to the member's retirement. We need to capture their interest earlier with small learning steps, gradually building their confidence in seeking advice or guidance and using financial planning tools, so that the act of finally taking money out of their pension pot is not as big a hurdle as it currently is for some.

In the case of advice, **we have a role to play** in providing **affordable and accessible options,** either through **traditional** or **lower-cost digital channels**, so that members feel more confident in their retirement choices.

In addition, we need to think about how we can better support members after they retire, or after they first withdraw money from their pension. Perhaps our engagement activities need to shift away from softer, educational messages about saving more, to harder personalised messages, such as illustrations of when their pensions savings could run out or how to get a Power of Attorney in place. These messages need to be delivered in a positive and meaningful way with proactive steps that will help individuals manage their finances in later life.

4. Withdrawal and crystallisation trends

Comparing apples with apples

Each member making a withdrawal will be at a different stage of their overall journey. Some will be taking money from their pension for the first time. Others will already have taken their tax-free cash and will be coming back for another withdrawal. This makes it difficult to directly compare withdrawal types. The picture is further complicated by the fact that regular drawdown income was not an option for some members at the time they took their tax-free cash.

All members of our Master Trust and contract-based schemes have the option to take just tax-free cash if they wish. Some of the trust-based schemes we administer also offer this option. The current pensions regime means that members who just take tax-free cash automatically end up with 'funds designated to drawdown', even if this was not something they had intended or considered.

The analysis we conducted only relates to pension savings held with Fidelity. Many members are also likely to have pension pots with other providers, along with other sources of income.

Of the 6,000 members who withdrew money in the year to 31 October 2021:

- **60%** had less than £50,000 in value
- **18%** had between £50,000 and £100,000
- **22%** had more than £100,000

The fact that the majority of pension pots being crystallised were less than £50,000 could suggest that most members have other pension savings (either DC or DB) that they will be relying on in retirement, alongside a State Pension.

Findings from Fidelity's 2019 Global Retirement Survey support this suggestion. The survey revealed that 49% of people in the UK aged 55-75 had two or more pension pots, with a further 8% unsure how many they had. More recently, our Member Relationship and Engagement Survey in June 2021 found that **60% of members have more than one pension pot. This increases to 71% for those over 55.**

Pension freedoms permanently changed trends

The popularity of tax-free cash

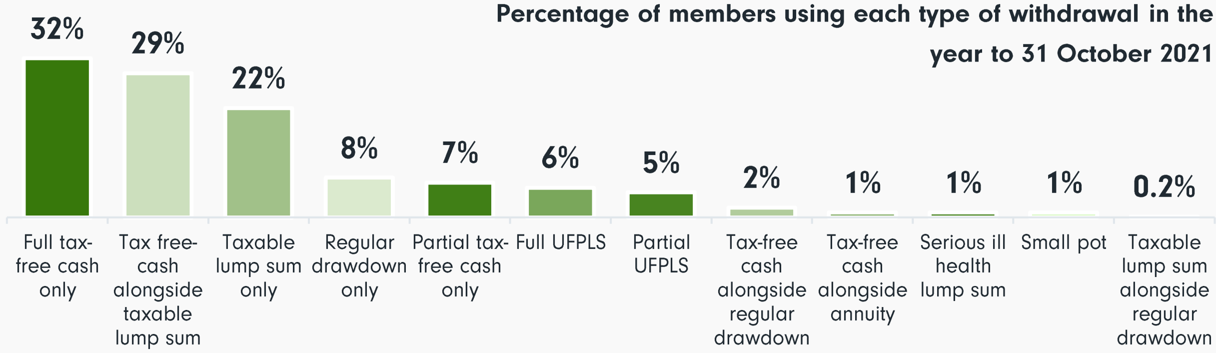
It is clear that the pension freedoms introduced in 2015 have led to a shift in members favouring drawdown options over the guaranteed income provided by annuities.

As expected, the popularity of different withdrawal options varies with age – older members who have already withdrawn their tax-free cash have fewer options available to them. **Full tax-free cash is the most popular withdrawal option for the 55-59 age group, at 37%.**

In the 60 - 64 age group, however, taxable lump sums become the most popular type of withdrawal, at 28%, even though 60 is the average age for full tax-free cash withdrawals. Taxable lump sums also come out top for the for over-70s, with the figure rising to 44%.

Regular income drawdown has still not gained significant levels of acceptance among members of Fidelity-administered schemes. Of those members withdrawing money from a drawdown account (having previously taken tax-free cash), only 27% set up a regular income, rather than taking a taxable lump sum.

Percentage of members using each type of withdrawal in the year to 31 October 2021



Regular drawdown is not available from all schemes. The percentages for regular drawdown shown here only relate to the total numbers of withdrawals from schemes where it is available. Members may have used more than one withdrawal type in the year and therefore the percentages do not add up to 100%. UFPLS stands for uncrystallised funds pension lump sum.

All for the taking

Of those members that withdrew tax-free cash, just under 50% chose to withdraw a taxable lump sum at the same time. **Those whose pots were less than £50,000 particularly favoured taking an additional taxable lump sum with their tax-free cash, and 77% took the full value of their account.**

Needless to say, this opens up the possibility of financial difficulties for members later in life, if a lump sum doesn't last as long as expected, or they have to work longer before they can fully retire.

For others, it could be a case of cashing in one of many pots as part of a broader financial plan for retirement. Alternatively, cashing in a small pot may allow a member to create a better work-life balance in the lead up to full retirement.

Shying away from a sure bet?

Just 1% of members set up an annuity alongside their full tax-free cash withdrawal. However, it is possible that the actual percentage is higher than this. The reason for this is that, if a member moves their money to a company providing annuities, our system will record it as a transfer rather than an annuity purchase.

The proportion of members transferring to other schemes, particularly from trust-based schemes, is higher among the over-55s. This could suggest they want the security of a guaranteed income from an annuity, but it could also mean they are looking for more flexible drawdown options than their trust-based Fidelity scheme offers.

Redefining 'retirement'

Very few of our members take tax-free cash and set up a regular drawdown income at the same time. This may well be because taking money from a pension is no longer synonymous with retirement, defined as the point when an individual stops work. Many members take tax-free cash while they are still working. **We found that 23% of tax-free withdrawals were made by active members – in other words, they still had contributions coming into their pensions.**

The actual proportion of those taking tax-free cash while still working will be even higher than this, because if a member's Fidelity pension is from a previous employer, we will probably not know their current employment status.

Fidelity's 2021 Global Sentiment Survey found that **40% of people over 55 in the UK plan to work at least part-time after they start withdrawing money from their pensions.** A further 32% would consider working part-time after they start withdrawing.

What do we mean by 'retirement age'?

71% of members accessed their tax-free cash before their selected or default retirement age.

As an industry, we need to disentangle pension withdrawals from 'retirement' to have meaningful conversations with people planning a phased retirement. We use 'retirement age' to determine which communications and investments are most suitable for members, but the reality is that 'retirement age' and 'withdrawal age' are not necessarily the same thing.

Our data shows that **31% of Fidelity members have changed the retirement age shown in their account**. The other 69% have a default retirement age that they have either not reviewed or chosen not to change.

Of those members taking tax-free cash, we found that only 11% made the withdrawal in the same year as their selected or default retirement age. The majority, 71%, did so before this point, and the remaining 18% after it.

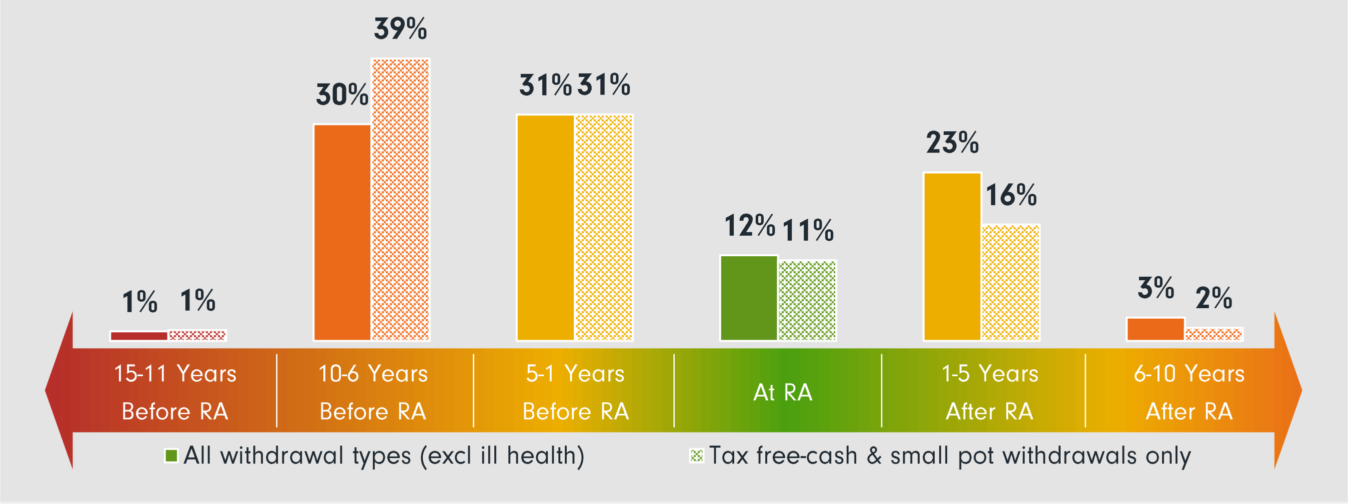
Given that 85% of members are in the default investment strategy, their investment profile at the time of withdrawal may not be ideal. For example, someone with a pension age of 67 who withdraws tax-free cash when they are 57 may still have pension investments with a higher level of potential volatility than is appropriate for someone starting to draw on their pension savings.

Variation in withdrawal ages

76% of the members we analysed took tax-free cash before they were 65, with the average age being 60, regardless of the size of the pension pot. A small minority, just 3%, were over 70.

Of the relatively small number of members who still have pension savings with Fidelity when they are 65 or over, just 16% have crystallised savings in their account. The remaining 84% have either decided not to take money from their Fidelity pension yet or have lost track of their pension.

Withdrawal age compared with selected or default retirement age (RA)



Is an overhaul needed?

The disparity between selected retirement ages and the actual dates of withdrawal doesn't seem to be driven by anything other than members not knowing they need to review and update this important point as they plan their pension withdrawals. While we already use email engagement campaigns in this area, we need to further evolve how members are informed and reminded about reviewing their retirement age, and how they are given guidance on the impact it has on their investments.

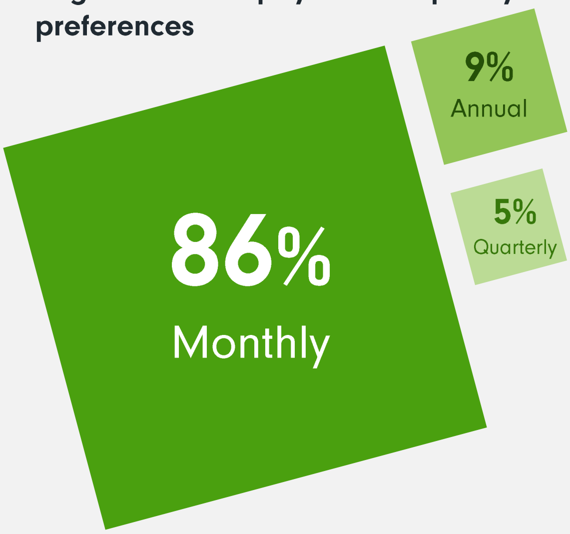
Furthermore, we may need to consider decoupling withdrawals from retirement in the context of retirement ages. **If the trend is to withdraw tax-free cash while still working, then setting a 'retirement age' that relates to someone's actual retirement may not be the most appropriate way of determining their asset allocation.**

If there are two stages in accessing a pension, sometimes many years apart, how do we create flexible options for members that they both understand and can make decisions on? **Should we give them the option of setting a 'tax-free cash age' as well as a 'retirement age' and link it to innovative investment options? Or do we need a fundamental re-think of how we design our default investment strategies?**

Lastly, If members have not yet started making withdrawals from their pension after their default retirement age, pension administrators need to be more pro-active about engaging with them. If a member has had no engagement with the provider at all, it is highly likely that they have forgotten about their pension pot and we need to make an extra effort to trace them.

Regular income - the tipping point between a sustainable retirement and running out of money

Regular income payment frequency preferences



There are 392 members of Fidelity-administered schemes who have set up a regular income. Of these, 86% have opted for monthly payments, 5% quarterly and 9% annual.

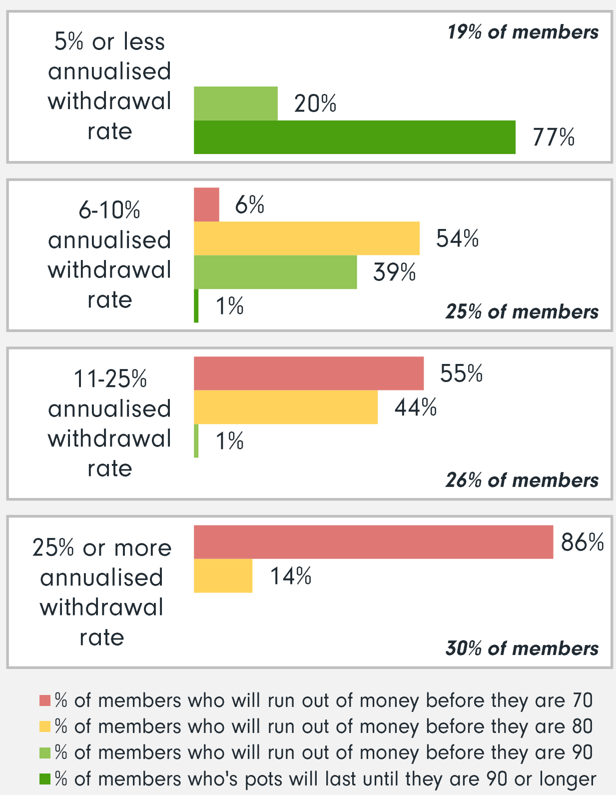
Fidelity's retirement savings guidelines suggest that a rule of thumb for making one's money last is to consider a withdrawal rate of no more than 5% of retirement savings in the first year, adjusted for inflation in subsequent years. **Our membership analysis found that just 19% of members making regular withdrawals were doing so at rate of 5% or less.** 25% had a rate of 6-10%, 26% had a rate of 11-25%, and the remaining 30% were withdrawing over 25% of their pension savings each year.

Assuming investment growth of 4% a year and a net return of 1.46% after 2.5% inflation, we found that **71% of our members are likely to run out of money before they are 80** if they keep to their current withdrawal rate. The average life expectancy in the UK is 81.

If we look specifically at **those who have set an annual withdrawal rate of 5% or less, our analysis showed that 77% are likely to see their retirement income last until they are 90.** However, this figure dropped to just 1% for those who had set a withdrawal rate of 6-10%.

For those with other sources of income, these findings may not be significant, but for those whose Fidelity pension is their main source of income, it could be a concern. Education for members continues to be vital, even after they retire and start taking a long-term income from their pension.

Regular income withdrawal rate and how long retirement income will last



Source: Office of National Statistics life expectancy tables.

5. Post-crystallisation investment decisions

Since February 2021 the FCA has required contract-based schemes to offer members four Investment Pathways as options for any money that they move into drawdown, usually after taking tax-free cash.

The Investment Pathways were introduced to prevent the poor outcomes that were being observed in parts of the market – for example, consumers investing wholly in cash when entering drawdown.

The Investment Pathways were not intended to replace or reduce the need for independent financial advice, particularly where a consumer has complex requirements, but to provide non-advised pension savers with clear, good-value investment options that match their retirement goals. When used, they can improve outcomes for non-advised consumers, particularly those in workplace schemes who are not confident about choosing, or do not want to choose, their own investment funds.

Fidelity started offering these new investment options in November 2020. We made them available to members of Master Trust and contract-based schemes entering drawdown. We also wrote to members who had previously taken tax-free cash to tell them about the Investment Pathways.

The four Investment Pathways

Members are able to invest as much or as little of their drawdown funds as they choose in a single Investment Pathway, or in any combination of the four.

Investment Pathway 1

I have no plans to touch my money in the next five years.

Investment Pathway 2

I plan to use my money to set up a guaranteed income (annuity) within the next five years.

Investment Pathway 3

I plan to start taking my money as a long-term income within the next five years.

Investment Pathway 4

I plan to take out all my money within the next five years.

93% of members stick with their current investments when moving into drawdown

Low take-up rates

The take-up of Investment Pathways is generally low, with just 6% of Fidelity members choosing them for drawdown savings, and our experience is not unique.

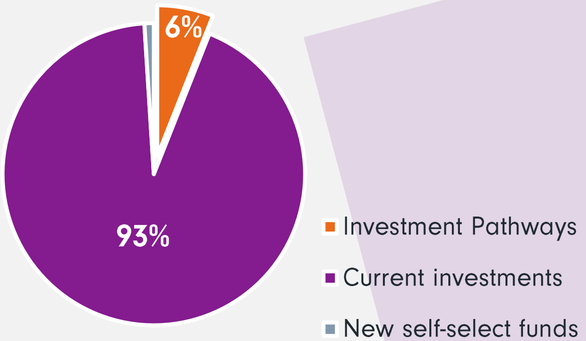
The most common decision is for a member to keep the same investments as they had before crystallisation, whether that was a lifestyle strategy or self-select funds. With 93% of members making this choice, it is **not surprising that 76% of crystallised members have their drawdown savings in their scheme's default investment strategy.**

Considering that most default investment strategies have a cash allocation of around 25%, this may not be the best strategy for an individual who no longer has an entitlement to tax-free cash. On the other hand, there is currently a trend for lifestyle strategies to have much lower allocations to cash, so this may not become a serious concern.

The take-up of Investment Pathways is higher, at 9%, among members who set up a regular income. This could suggest that members making active decisions on how to withdraw their money over the long term are also more engaged with how their money will be invested.

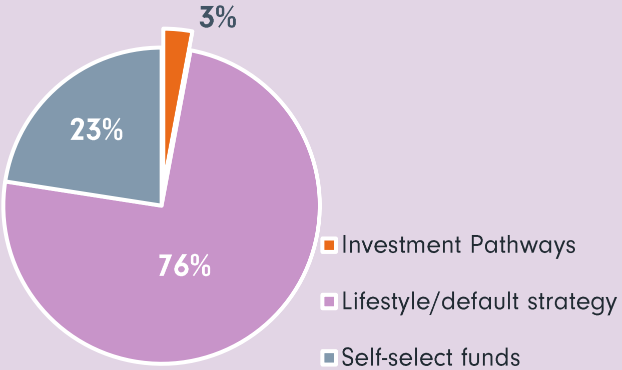
Those taking a regular income and investing in an Investment Pathway are generally choosing the 'right' one (in other words, Investment Pathway 3 – I plan to start taking my money as a long-term income within the next five years). However, a surprising number have set up a regular income with the intention of drawing all their income in the next few years, as suggested by their high withdrawal rates and their choice of Investment Pathway 4 (I plan to take out all my money in the next five years).

Member investment choices at drawdown



Data on member choices shows percentages of 2,388 members of Master Trust and contract-based plans entering drawdown between 31 October 2020 and 31 October 2021.

Investment profile of members in drawdown



Data on member investment profiles shows percentages of 7,460 members who had crystallised assets as at 9 December 2021.

New to the concept of investing

Various pieces of research have shown that many people do not know how their pension is invested. Fidelity's 2019 Global Retirement Survey found a **quarter of UK men and a third of UK women do not know what investments they have in their pension**. Half of UK women don't think their pension savings are invested at all, compared with a third of UK men.

Other research has shown that a number of pension scheme members are unaware of the options they will have when they retire. Against this background, it is not surprising that levels of understanding of investment risk within pensions are low. Even among those members who know they are able to change the investments they hold in their pension, some would not have the confidence to make a change. For many members, the point of crystallisation may be the first time in their life that they have had to make a decision about investing, so it is hardly surprising that most stick with what they know or, perhaps more accurately, what they don't know, because it is the path of least resistance.

These findings highlight the importance of giving members the knowledge and the skills they need if they are to make better financial decisions. Resolving access to advice and guidance, therefore, remains a priority for the industry, with a focus on delivery before first decisions are made.

Given that the act of withdrawing money from a pension inherently increases engagement, subsequent engagement activities may be more successful than previous attempts at helping members choose investments that are better aligned to their retirement goals.

In January 2022 we started sending emails to members who have recently made a pension withdrawal and chosen to keep the same investments as before. The aim is to highlight the importance of reviewing their investments and making sure they are suitable for their retirement goals. We will closely monitor the number of members who open the email and then go on to change their investments.

Evolving investment strategies

Throughout this report, we've touched on the importance of developing accumulation and decumulation strategies that cater to emerging behaviours, such as early withdrawal of tax-free cash.

Some clients call on us to allow members to take tax-free cash from the cash allocation of a lifestyle strategy. Although, on the face of it, this seems a good, intuitive idea, it would be **challenging to implement.** To start with, in many cases, the cash allocation in a lifestyle strategy acts to provide diversification and manage volatility, rather than specifically fund tax-free cash.

Furthermore, as we found in our analysis, most members start withdrawing money from their pension before the process of reducing risk in the lifestyle strategy is complete, so there may not be enough cash in their pot to cover their entire tax-free cash payment. Just as importantly, making a withdrawal from one section of the strategy would mean that the member's remaining allocations would not then match the lifestyle strategy as a whole.

One way to resolve this would be to move their pension savings into the underlying funds, effectively under a 'self-select' status, yet many schemes have funds in their lifestyle strategy that are not available to members on a self-select basis. Even in schemes where the funds are available for self-select members, is it the right thing to move a member from the scheme's default strategy into the self-select pool?

As we evolve our house default investment strategy, FutureWise, we will continue grappling with this challenge and looking to identify the most appropriate solutions to support members nearing and entering retirement.

6. Closing thoughts

The DC industry has focused, quite rightly, on helping members save for retirement. Employers tend to concentrate on their current employees, rather than those who worked for them in the past, so it is not surprising that there is still an emphasis on how regular contributions help members build up retirement savings. However, with minimum contribution rates of 8% under auto-enrolment, the reality is that many employees' DC schemes will not give them the type of comfortable retirement they may feel they deserve.

There is more we can do, as an industry, to cater for those who are starting to withdraw money from DC pensions. This is especially important when considering the relative immaturity of the DC market. It is well known that, for those retiring at the current time, the reliance on DC pensions as a proportion of their overall retirement income is limited, in comparison to defined benefit and State Pension benefits. We know the reliance on DC will increase for future generations. Acting now, learning from emerging behaviours and creating innovative propositions is of the upmost importance before these generations start to navigate the complexity of accessing their pension savings.

There are two main challenges we must rise to as an industry. Firstly, it is vital that we prioritise member education, including finding the right 'hooks' that will engage them with well designed and easy-to-understand material, and with intuitive tools that help and do not hinder. We also need to champion the need for affordable advice and, where this is not possible, more personalised guidance. Fidelity is working with industry bodies and regulators to define a regulatory framework where more personalised guidance can be provided.

Secondly, we need to make the processes involved in withdrawing money and managing pension investments as smooth and intuitive as possible, keeping red tape and other distractions to a minimum, so that members can understand and concentrate on the implications of their decisions.

As we translate these findings into our roadmap for delivering change, we will continue reflecting on and considering these insights, for the purpose of adding value for our members and clients. Our roadmap encompasses a number of strategic pillars, including retirement, and highlights key areas of change. It is published periodically and shared directly with clients and strategic partners, with the latest version produced in Q1 2022.

7. Data used to inform this report

The Fidelity Global Retirement Survey 2019

The Fidelity Global Retirement Survey is a study that posed a comprehensive set of financial and behavioural questions to working people in the United Kingdom, Germany, Japan, Hong Kong, Canada and the United States. Only the findings relating to the 2,400 UK participants were used for this report.

https://retirement.fidelityinternational.com/retirement-insights/global-retirement-survey/

The Fidelity Global Sentiment Survey 2021

The Fidelity Global Sentiment Survey was launched in 2021 and will be an annual study of attitudes and actions of employees in four areas: wellbeing, financial habits, retirement and work. The 2021 survey provides extensive information from 19,000 employees in 16 parts of the world. Only the findings relating to the 1,000 UK participants were used for this report.

https://retirement.fidelityinternational.com/global-sentiment-survey/

Member interviews and user research (pre- and post-retirement) 2020

User research conducted in November and December 2020 to understand member sentiment at the point of and after retirement. One-hour interviews were held with six pre-retirement members and six post-retirement.

Member Relationship and Engagement Survey 2021

Fidelity's Member Relationship and Engagement Survey conducted in June 2021 asked 6,100 UK members a series of questions to gauge their financial confidence, pension understanding and general satisfaction drivers.

Member engagement segmentation framework

Fidelity's engagement segmentation framework pilot includes data on our 617,341 members, relating to inbound calls and emails, marketing email engagement, tool usage, PlanViewer log-in activity and election activity, such as transfers in, expressions of wish and single premiums, over the year from March 2020 to March 2021.

Withdrawal behaviour analysis

Data on 9,412 withdrawal transactions, across 6,007 members between 31 October 2020 and 31 October 2021.

Transfer-out behaviour analysis

Data on 7,473 transfers to other providers, completed by members aged 46 or over between 1 October 2020 and 1 September 2021. June data was unavailable and has been included as an average of all other months analysed.

Crystallised member analysis

Data on 7,219 members with crystallised pension savings as at 10 November 2021.

Regular income analysis

Data on 392 members who had a regular income mandate in place as at 10 November 2021.

Investment Pathways behaviour analysis

Data on investment profiles of 7,460 members with drawdown investments as at 9 December 2021, plus data on investment decisions made at the point of crystallisation by 2,388 members belonging to Master Trust and contract-based pension plans between 31 October 2020 and 31 October 2021.

Average life expectancy

Office of National Statistics life expectancy tables.

https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/bulletins/nationallifetablesunitedkingdom/2018to2020

Authors

Natalie Flood

Associate Director, Workplace Investing Propositions

Natalie has over 15 years' experience in the pensions industry. Having started as an actuarial analyst, she worked as a DC consultant before joining Fidelity's Workplace Investing Propositions team, where she is responsible for member and retirement experience. She studied Politics, Philosophy and Economics at the University of Essex, has a diploma in Regulated Financial Planning and an Executive MBA from Bayes Business School (formally Cass).

Nathan Hodgin-Culver

Senior Manager, Workplace Investing Propositions

Nathan has over 14 years' experience in financial services, previously working at a major UK bank in a variety of consumer and corporate banking roles. Nathan joined Fidelity in 2019, to lead the Workplace Investing Voice of the Customer and Customer Experience Insight Programme, before joining the Workplace Investing Propositions team in July 2021.

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