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## Legal & General launches new pension tracing and consolidation services to help find £19.4 billion of unclaimed pension pots

Legal & General Retail Retirement has expanded its retirement range, launching two new services – a ‘stand-alone’ tracing service to help people track down lost or forgotten pension pots, and a consolidation solution, for those wanting to bring their various pension savings together with Legal & General.

The tracing-only service is unique in the market in offering a ‘no-strings’ tracing option, meaning customers have no obligation to buy a product once tracing is complete. It needs only basic details to draw on an extensive database of UK pension providers and administrators to locate pensions and present them in a single dashboard view. The tracing-only service has a one-off fee of £100. Customers will then have the option of deciding their next step - to get guidance or speak to a financial adviser; do nothing (other than have an up-to-date record of their pension savings), or to consolidate their pensions into one Legal & General retirement product (in which case their fee is refunded if they take this action within six months).

Tracing is free for those selecting to consolidate their pensions with Legal & General from the outset.

### The problem of lost pension pots

With 1.6 million pension pots unclaimed, worth £19.4 billion, Legal & General aims to address a growing customer need<sup>1</sup>. Until now, people tracking down lost pensions have either navigated the process themselves, used the Government’s online Pension Tracing Service, or have had to commit to consolidate. The Government’s service requires a degree of knowledge of pension and employment history, and relies on customers to contact the providers themselves. Research undertaken by Legal & General found that, of those who have tried to track down their lost pension through the Government’s Pension Tracing Service, approximately a third (32%) didn’t have the right details and 16% found it too complicated<sup>2</sup>.

Legal & General offers a simple and time efficient process, requiring minimal detail on a customer’s pensions and past employment. Once registered, the customer will receive regular progress updates. Once traced, pension details are displayed in a personal, secure, dashboard. The customer can see their current values and where possible, whether there are any penalties, guarantees or valuable benefits they should be aware of: helping them to make an informed decision on their next steps.

*“In times of financial uncertainty, every penny of your pension counts. But still, too many people lose track of past pension pots. The average value of lost pots has been estimated at nearly £13,000 and the Government predict there will be as many as 50 million dormant and lost pensions by 2050. People change jobs and move house more frequently than in the past, but the options for people looking to trace their pension pots have not kept pace.*

*“At Legal & General we are retiring the clichés and reducing the complexities of retirement. Our service aims to make life simpler for the millions of people who need help locating lost and forgotten pots, without them having to have their old pension statements to hand.*

*“We also recognise that not everyone is ready to make that consolidation decision until they have a better understanding of all their pension savings, which is why we’ve created a ‘stand-alone’ tracing option for customers unsure of their next steps.*

*“People now have control over their own retirement planning, which is great, but for the many non-advised consumers that means they need simple, low-cost and transparent products. Having launched our self-service drawdown product earlier this year, based on the FCA’s investment pathways, we are now continuing to lead on innovation with our tracing and consolidation services.”*

**Emma Byron, CEO of Legal & General Retirement Income**

## **Bringing pensions under one roof**

Legal & General’s research shows over half (53%) of 45 to 65-year olds have more than one pension pot and, of those, only 17% have already consolidated to better manage their savings. There are a number of benefits from bringing together individual pension plans, with the main reasons in our study given as: bringing all pensions together with their preferred provider (39%), achieving better performance (33%), reducing paperwork (24%), keeping on top of fees and charges (21%), having their affairs in order for loved ones (19%) and cheaper to draw an income from a single pot (12%).

## **Consolidating your pensions with Legal & General**

Once customers have located their pension pots, they can choose to consolidate into a range of retirement products depending on age and needs. Under 55s will have the option to consolidate eligible pension pots into a Legal & General pension, whilst customers of retirement age could choose from a guaranteed income for life, or for a fixed term; drawdown, or a combination. They may also continue saving in one personal pension.

*“There are a number of reasons why it can make sense to bring your pension pots together. If you are still saving, it gives you a clear view of the charges you are paying and means you can choose to bring a higher charging pension into one with lower charges. The majority (69%) of 45 – 65-year-olds we spoke to were unaware of the charges on their pensions. You can also clearly see what you have and it’s worth, to ensure you are on track for the retirement you want. If you’re 55 and over, looking to consolidate to get a retirement income, consolidating means you can receive one payment. Making it easier to keep track of your finances.”*

**Emma Byron, CEO of Legal & General Retirement Income**

**The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.**

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## **Notes to Editors**

The launch of the pot tracing and consolidation services follows the acquisition of MyFutureNow:

<https://www.legalandgeneralgroup.com/media-centre/press-releases/legal-general-retail-retirement-acquires-myfuturenow/>

## **References**

1. <https://www.abi.org.uk/news/news-articles/2020/05/19.4-billion-of-pension-pots-unclaimed-just-because-of-house-moves/>
2. Opinium Research ran a series of online interviews among a nationally representative panel of 2,008 UK non-retired adults aged 45-65 from the 6<sup>th</sup>-12<sup>th</sup> October 2020

## **About Legal & General**

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With over £1.2 trillion in total assets under management at **31 December 2019**, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income.

### **About Legal & General Retail Retirement**

Legal & General Retail Retirement (LGRR)'s mission is to help its customers lead longer, healthier, happier lives. We believe everyone should be able to have a 'more colourful retirement'.

The Division comprises the Group's individual annuity, lifetime mortgage and care solutions businesses. In 2019, LGRR wrote £970 million of annuity premiums and issued £965 million of lifetime mortgages. (2020-315)

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