

Gulf divides providers from scheme members – experts

There is a huge disconnect between the accumulation and decumulation stages of life which must be joined up if people are to retire with sufficient income, pension experts have warned.

Nigel Aston, business development director for London-based DCisions, said people must be engaged in financial planning for their retirement much earlier on than they are.

Speaking at a retirement conference hosted by the Tax Incentivised Savings Association, he said: “The average reading age of a defined contribution pension scheme member is 13 so expecting them to cope with complex ideas is unrealistic. We must engage them earlier and help them plan ahead.”

He also said there was a “massive gulf” between providers who build and distribute products and those relying on them.

He said: “It is as if the market is built for participants and not for those who actually matter and buy the products. It has almost grown into a contempt for customer. When people do not get good outcomes, we almost blame them.”

Professor David Blake, director of the Pensions Institute, agreed with Mr Aston. He said: “There is a major disconnect between accumulation and decumulation in this country. They have not met up and that lack of integration is not sensible. The industry not doing proper job or offering integrated solutions for whole of life cycles.”