



## **Press Statement**

**16 June 2015**

### **ROYAL LONDON HIGHLIGHTS IMMEDIATE NEED FOR COST-EFFECTIVE ADVICE REGIME THAT HELPS SAVERS WHO WANT TO CASH-IN MEDIUM SIZED PENSION POTS**

**Phil Loney, Chief Executive of Royal London, today reiterates his call for an advice regime that enables consumers to make informed decisions when accessing their pension funds. He said:**

*“For two years Royal London has been calling on the Government and the Financial Conduct Authority, (FCA) to deliver an advice regime that meets the needs of mid-market savers who typically have medium sized pension pots. Since “Pensions Freedoms” became a reality in April the need for such an advice regime has intensified, but neither government nor the regulator have acted to decisively resolve this problem.*

*Royal London, along with other pension providers, has complied with the legal requirement to ensure that customers with safeguarded benefits, such as guaranteed annuity rates, and a pension pot worth at least £30,000 take advice before giving up these valuable benefits. But it is clear that access to the advice required, at an affordable cost, is a real issue for customers across the UK.*

*Customers are having problems finding an adviser offering advice on pension pots of this size and funding the cost of that advice. So we are calling on the Government and the FCA to give immediate priority to delivering an advice regime that is affordable for these customers and commercially viable for advisers.*

[royallondon.com](http://royallondon.com)

*We appreciate that customers want their money. However, the safeguarded benefits available under some pension schemes are very valuable, with guaranteed annuity rates reaching up to 11% compared with current average rates of around 4%. This is why we support the regulator's requirement that customers should discuss their decision to give up these benefits with an adviser, before making their final decision."*

**Phil continued:**

*"There are thousands of Royal London customers who have valuable guaranteed annuity rates. We estimate those benefits are worth over a £1 billion per year if extrapolated across the population as a whole.*

*In common with other providers Royal London points its customers to services which help them to find an adviser such as [www.unbiased.co.uk](http://www.unbiased.co.uk). However many savers with medium sized pension pots are finding it hard to find advisers offering this form of advice. We also appreciate that advisers need to have an advice regime in place that is commercially viable. The only option is for the FCA or government to rise to the challenge and make advice on pension freedoms affordable for all customers."*

-ENDS-

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**About Royal London:**

Royal London is the largest mutual life, pensions and investment company in the UK, with Group funds under management of £86.3 billion. Group businesses serve around 5.3 million policy holders and employ 2,859 people. (Figures quoted are as at 31 March 2015).

The Group is currently moving all of its UK businesses under a new version of the Royal London brand. The Group's independent wrap platform will remain branded Ascentric.



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