

# Pension Wise Service Evaluation

Wave 1 interim findings on customer experiences  
of using the Pension Wise service

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October 2016

## **DWP ad hoc research report no. 38**

A report of research carried out by Ipsos MORI on behalf of the Department for Work and Pensions.

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# Executive summary

This short research paper presents early findings from Wave 1 of the Pension Wise service evaluation - a process evaluation measuring customer experiences of using the service. The evaluation presented within this report consists of interviews with 1,906 Pension Wise customers, which took place between 29 February and 5 June 2016<sup>1</sup>. Customers were interviewed approximately three to four weeks after their appointment.

This paper focuses on evidence around customer experiences of using the Pension Wise service, satisfaction, advocacy, and customers' perceptions of the impact on their knowledge and understanding of their pension options. Main headlines are:

- **Satisfaction:** There are high levels of satisfaction with the service among customers. Nine in ten (91%) customers are satisfied overall.
- **Advocacy:** The vast majority of customers who attended appointments (94%) said that they were likely to recommend the service to others.
- **Customer perceptions of the impact on their knowledge and understanding of their pension options:** Over four-fifths (85%) of customers felt that their understanding of their options improved as a result of using the Pension Wise service.

In 2017, DWP will publish further findings from this evaluation study. In addition to subsequent waves of this survey, it will include findings from follow up interviews with customers, around three to four months after their appointment with Pension Wise, focusing on knowledge and understanding of pension options and relevant actions taken, and from interviews with a non-user group to understand relative knowledge, understanding and actions.

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<sup>1</sup> The data in this report are representative of all customers who had appointments between 1 February and 24 April 2016.

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# 1 Introduction

Launched in April 2015 alongside the new 'pension freedoms', Pension Wise is a national service backed by Government and delivered in partnership with others. The service provides free, impartial guidance in face to face or telephone appointments, to those who are 50+ with defined contribution pensions, providing information on the options available to them for accessing their pension money.

This report provides interim findings from Wave 1 of a process evaluation study among Pension Wise customers, which began in early 2016. This study is intended to provide evidence around customer experiences of, and satisfaction with, the service.

The overall evaluation study consists of 3 stages:

1. Interviews with customers approximately three to four weeks after their appointment, focusing on their appointment experience and immediate views on the service;
2. Follow up interviews with the same customers three to four months after their appointment, focusing on their knowledge and understanding of their pension options, and relevant actions taken regarding their pension; and
3. Interviews with non-users (those who are eligible to use the service but have not), to measure knowledge of their pension options and relevant actions to compare with users of the service.

This report summarises findings from the first three months of interviews in stage 1 of the study only (these are the first interviews with customers about their experiences of using the service, around three to four weeks after their appointment). Interviews took place between 29 February and 5 June 2016 (with customers who had appointments in February, March and April 2016).

Ipsos MORI was commissioned to undertake this evaluation study over two years following a competitive tendering exercise.

This report outlines the methodology used, and then summarises the findings from the first stage of this study.

## 2 Methodology

Pension Wise commissioned a survey comprising telephone and online interviews to generate a quantitative assessment of customer experiences of using the Pension Wise service. A mixed method approach has been used to ensure high levels of participation from the audience (with consideration of the fact that there are lower levels of internet usage among the over 50s than in the general population), and because it represents a cost effective approach while delivering robust data.

In total there were 1,906 customer interviews achieved in Wave 1, stage 1 of this study. The interviews were carried out between 29 February and 5 June 2016 (of customers who had appointments between 1 February and 24 April 2016).

Response rates across the two parts of the research were as follows:

- Online survey: 24% (proportion of completed surveys from total sample emailed).
- Telephone survey: 45% (proportion of completed surveys from total telephone sample). The cooperation rate of the telephone survey was 73%.<sup>2</sup>

Throughout the report, due to rounding of percentages, figures do not always add to 100%.

Data presented in this report are weighted to be representative of the overall Pension Wise customer profile in that time period<sup>3</sup>. A breakdown of the characteristics of the customers who responded to the survey is found in Table 1.

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<sup>2</sup> This is [total completed interviews] / [completed interviews + refusals]. It gives an indication of the extent to which customers who were approached were willing to take part in the research, and is a measure typically used to judge the quality of quota sample surveys such as this one.

<sup>3</sup> Weights were applied by Pension Wise delivery partner, gender, age group and type of customer (i.e. those who completed their appointments versus those who did not complete or did not attend their appointments).

**Table 1: Profile of customers who responded to the survey**

<b>Variable</b>	<b>Weighted data</b>
	n = 1906
	%
<b>Gender</b>	
Male	68
Female	31
Other/not answered	1
<b>Age</b>	
50-59	45
60-64	38
65+	16
Not available	2
<b>Marital status</b>	
Single	12
Married/couple	71
Widowed/divorced	14
Other/not answered	3
<b>Working status</b>	
Working	59
Retired	25
Unemployed/not in work	14
Not answered	2
<b>Internet usage</b>	
At least daily	61
Less frequently	27
Never/no access	11
Not answered	1
<b>Highest educational qualifications</b>	
None	15
School/college	38
University	31
Other	9
Not answered	7
<b>Long term illness or disability</b>	
Yes	19
No	75
Not answered	5
<b>Ethnicity</b>	
White	93
Other	4
Not answered	3

# 3 Interim results – key findings from the research to date

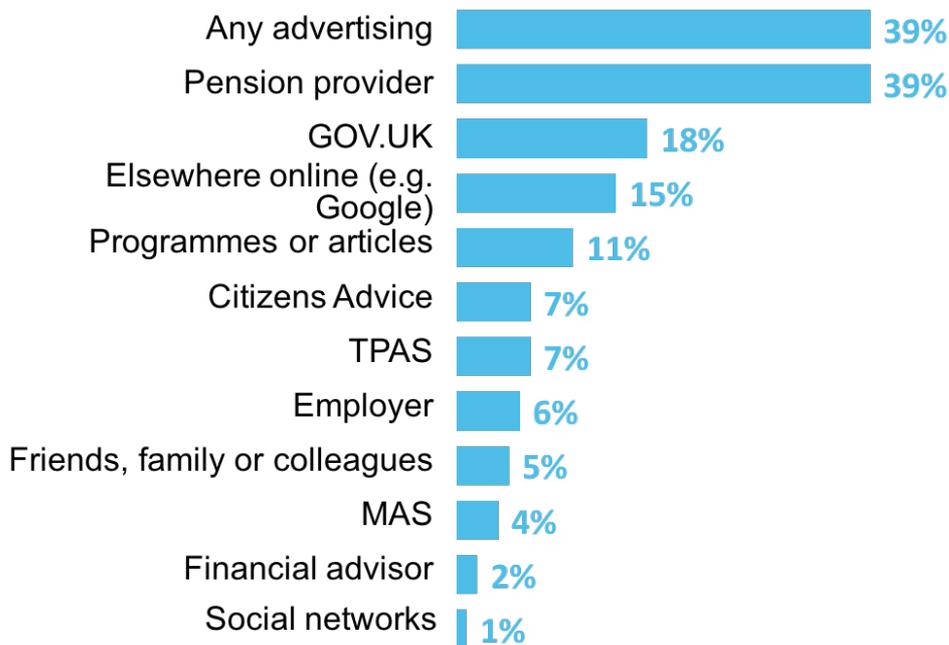
## 3.1 How customers heard about Pension Wise

Customers were most likely to have heard about Pension Wise from advertising (39%) or their pension provider (39%), followed by the GOV.UK website (18%) (see figure 1).

**Figure 1: How customers heard about the service**

*Base: 1,906 Pension Wise customers using the service from Feb to Apr 2016*

Q. Before you contacted Pension Wise, where had you seen or heard about the service?<sup>4</sup>



<sup>4</sup> 'Any advertising' includes print, TV and radio

## 3.2 Reasons for making an appointment

Customers arranged an appointment with Pension Wise for a wide range of different reasons (see figure 2). The most common reasons were: to find out about their pension options (mentioned by 90% of customers), to seek more information generally about retirement or pensions (83%), and to find out their next steps to prepare for retirement (63%).

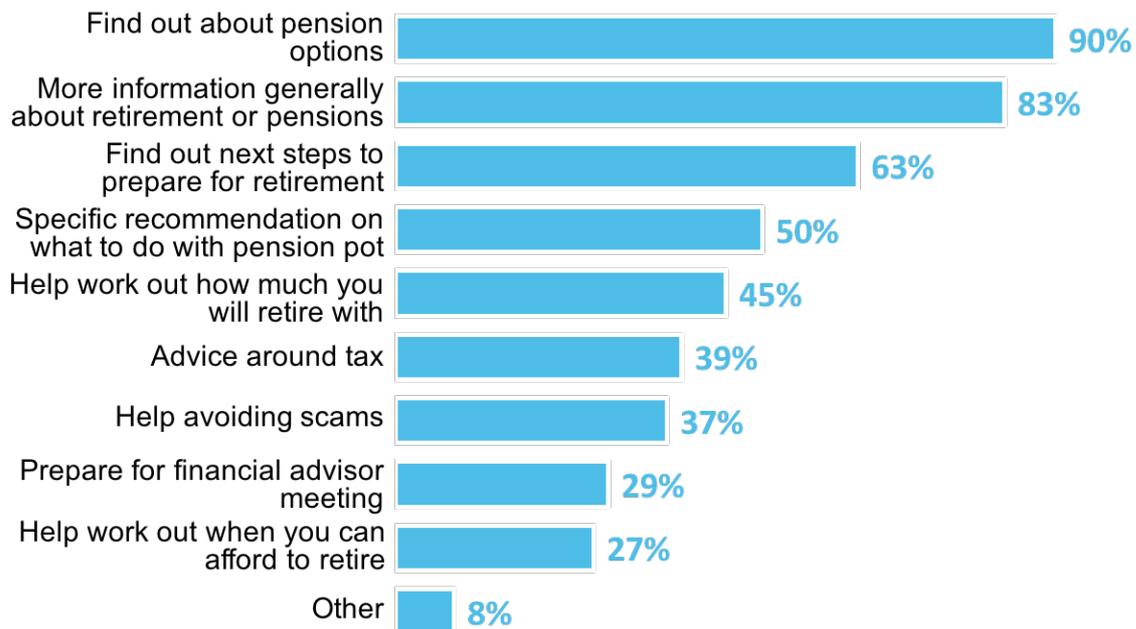
Half of all customers (50%) reported that one of the main reasons for making an appointment was to get a specific recommendation on what to do with their pension pot. However, these customers were no less satisfied overall with the service, and almost all customers who completed their appointment (99%) said that the Guidance Specialist ('Guider') giving their appointment explained that Pension Wise is impartial and does not make specific recommendations.

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**Figure 2: Main reasons for customers arranging a Pension Wise appointment**

*Base: 1,906 Pension Wise customers*

Q. Which of the following, if any, were your main reasons for arranging an appointment with Pension Wise?



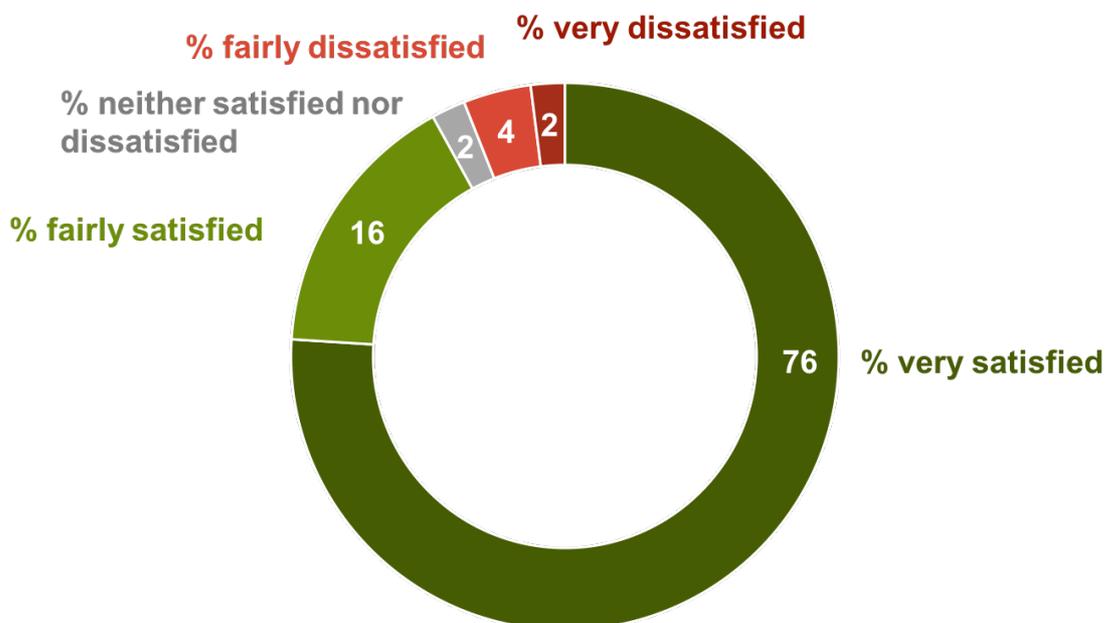
### 3.3 Satisfaction with the service and advocacy

Nine in ten eligible customers (91%) were satisfied with Pension Wise overall, with three-quarters (76%) reporting that they were very satisfied (see figure 3). Just six per cent said that they were dissatisfied (very or fairly).

**Figure 3: Overall customer satisfaction with Pension Wise**

Base: 1,895 eligible customers<sup>5</sup>

Q. Overall how satisfied or dissatisfied are you with Pension Wise?



The main reasons for satisfaction with the service were that it provides useful information (81% of those satisfied), the Guider was helpful/nice to deal with (73%), and that it made their pension pot options clear (65%).

Of the six per cent of customers who were dissatisfied with the service, the main reasons given were that the appointment told them nothing new (41%), the service wasn't personalised enough (33%), that it didn't give them a specific recommendation (24%) – although, as mentioned, almost all customers noted that

<sup>5</sup> Eligible customers are those aged 50 or over with non-accessed defined contribution pensions.

this was explained clearly by the Pension Wise Guider – and that the appointment wasn't useful to them (20%).<sup>6</sup>

Around nine in ten customers (88%) also said that they were satisfied (very or fairly) that the service had helped them to make an informed choice about what to do next, and that their pension options were set out clearly (92%) (see figure 4).

**Figure 4: Customer satisfaction with specific aspects of their overall Pension Wise experience**

*Base: 1,895 eligible customers*

Q. Now thinking about your overall experience of Pension Wise, from initially hearing about them through to now, how satisfied or dissatisfied were you with the following aspects of your experience?



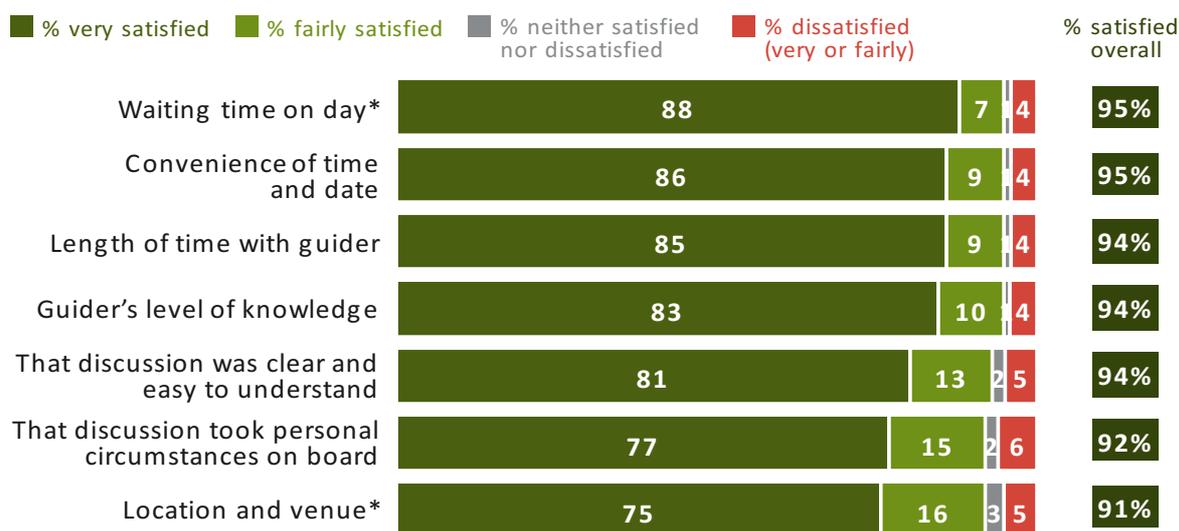
Customers who completed their appointment were asked for their views on a range of aspects of the appointment with their Pension Wise Guider (see figure 5). Among the vast majority of customers, the appointment was very well received, with satisfaction scores (combining those very and fairly satisfied) ranging from 91% to 95%.

<sup>6</sup> As so few were dissatisfied with their Pension Wise experience, these proportions are based on a relatively small number of customers (93) and so margins of error around these figures will be correspondingly higher. Future waves will show whether these are consistent reasons for dissatisfaction with the service (from the minority who are dissatisfied).

## Figure 5: Customer satisfaction with specific aspects of their Pension Wise appointment

Base: 1,788 customers who completed their appointment (\*face-to-face customers, n=1,326)

Q. How satisfied or dissatisfied were you with the following aspects of the appointment? (statements with asterisks were only for face-to-face customers)



Other aspects of the overall service experience were also rated highly, including the booking process and the information provided to customers following their appointment.

Just five per cent of customers reported experiencing any problems with the process of booking an appointment, with most (95%) experiencing no issues. Of those customers who did, the main reasons were not being able to get through on the phone (19%), the waiting time for the next available appointment (18%), and having to repeat the same information (16%).<sup>7</sup>

The summary information provided to customers after their appointments was also highly regarded by customers, with nine in ten (89%) having read at least some of the summary document and, of those, the overwhelming majority saying it was easy to understand (94%), tailored to their circumstances (91%), and useful (86%).

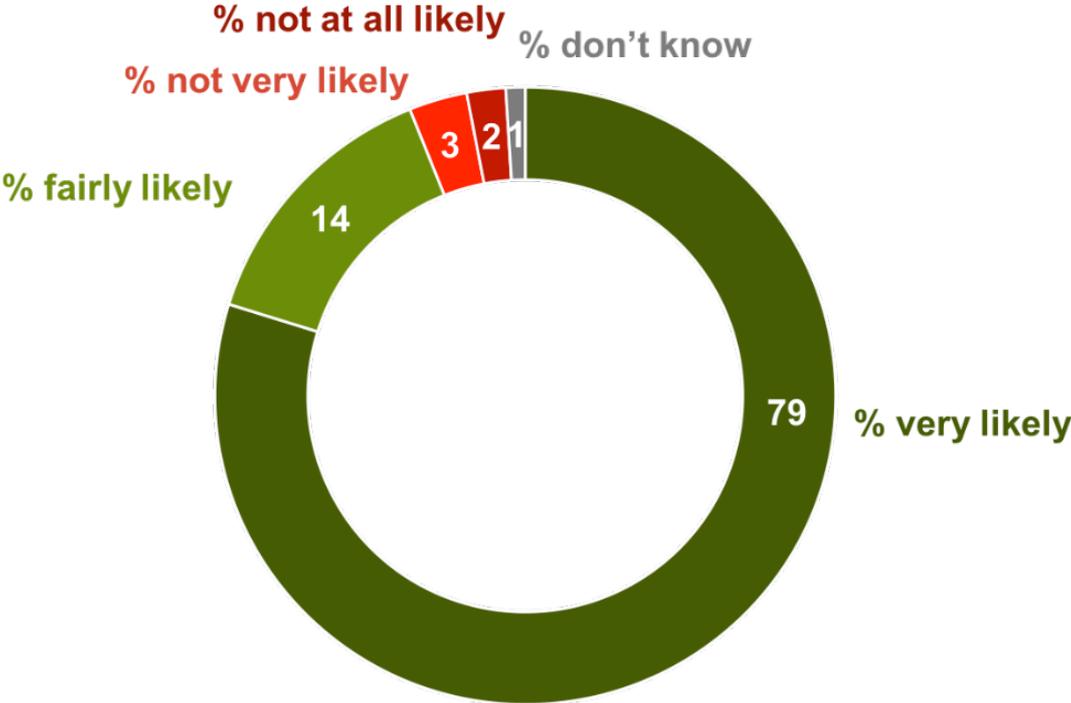
The vast majority (94%) of Pension Wise customers said that they would recommend the service to others (79% said they were very likely to do so). Only six per cent said they were unlikely to recommend the service (see figure 6).

<sup>7</sup> Once again, as so few experienced problems with booking their appointment, these proportions are based on a relatively small number of customers (86) and so margins of error around these figures will be correspondingly higher.

**Figure 6: Likelihood of customers to recommend Pension Wise to others**

Base: 1,858 customers who attended an appointment

Q. How likely is it, if at all, that you would recommend Pension Wise to others?



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### 3.4 Perceived self-reported impact on customers' knowledge and understanding of their pension options

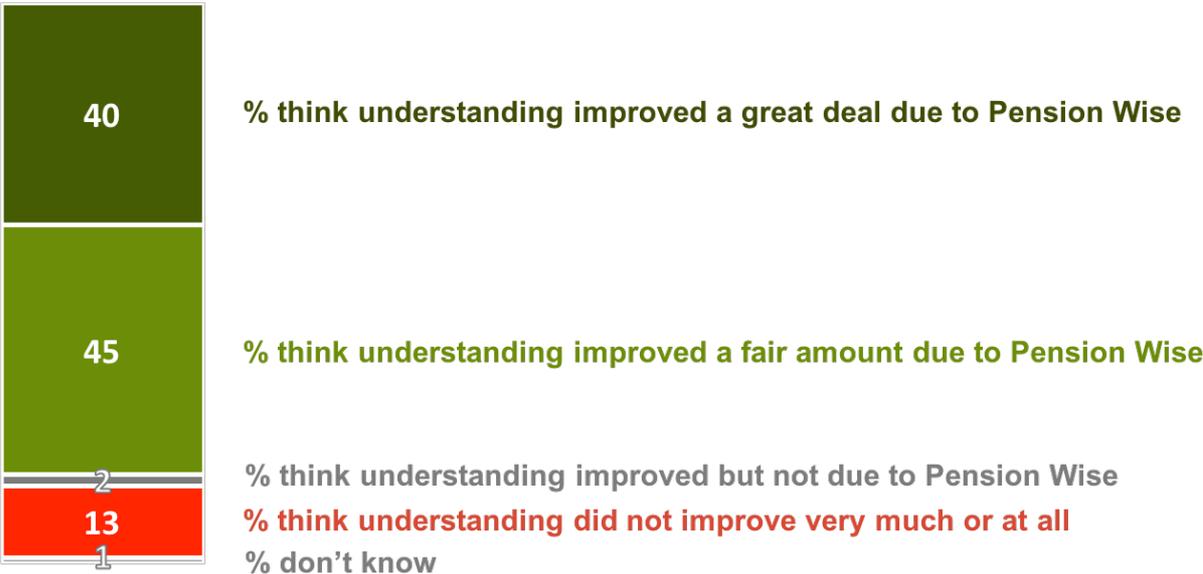
In this part of the study, customers were asked to self-report the impact that they felt Pension Wise had on their understanding of their pension options. Impact will be explored in more depth at the next stage of the evaluation in terms of the actions that people have taken and their factual understanding of their options.

Over four-fifths of all customers (85%) say that Pension Wise helped to improve their understanding (either a great deal or a fair amount) (see figure 7).

**Figure 7: Customer perceptions of the impact of Pension Wise on their understanding of their pension options**

Base: 1,895 eligible customers

Qs. Since you first contacted Pension Wise do you feel your understanding of your pension options has improved? And how much, if at all, did your experience with Pension Wise help improve your understanding?



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### 3.5 Customers' early actions

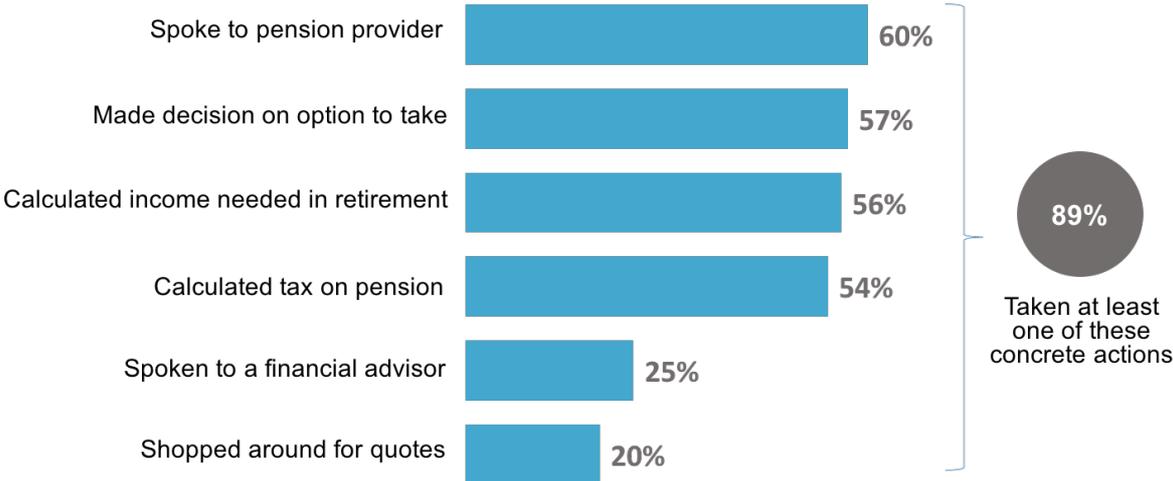
Pension Wise customers (who completed their appointment) reported taking various actions since the appointment (see figure 8). In total, 89% of customers had taken at least one concrete action in the decision making process since their appointment.

The most common actions taken, all by more than half of customers who completed their appointments, were speaking to their pension provider (60%), making a decision on which option to take (57%), and calculating their retirement income (56%) and tax (54%).

**Figure 8: Actions taken by customers following their appointment (within approx. 3 to 4 weeks)<sup>8</sup>**

*Base: 1,788 customers who completed their appointment*

Q. Since your Pension Wise appointment, have you done any of the following?



Actions taken following the use of Pension Wise will be examined again and in more detail in the second stage of the evaluation study, when customers are recontacted around 3 to 4 months after their appointment.

<sup>8</sup> The following response codes were also included for this question but not shown in figure 8 which shows concrete steps in the decision making process: Thought more about pension pot options (87%), Visited or returned to the Pension Wise website (17%), and Tried to arrange another appointment with Pension Wise (2%).

## 4 Conclusion

This report has set out the key interim results from the first wave of the evaluation study with Pension Wise customers.

It gives us useful insights into the experiences of those using the Pension Wise service in its first year of operation, and indicates high levels of satisfaction with the service among customers, and high likelihood to recommend it to others.

Work on the next stage of the study is now underway. We will report further on the findings and implications in 2017.