

£20bn pension treasure hunt

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October 20 2018, 12:01am, The Times



Thousands of people have pensions savings lying unclaimed or forgotten GETTY IMAGES

There is nearly £20 billion in unclaimed pension pots that UK savers have lost track of, according to the Pensions Policy Institute.

Its study, carried out on behalf of the Association of British Insurers (ABI), estimates that there are about 1.6 million lost pension pots worth £19.4 billion, an average of £13,000 per pot, which is enough for a luxury cruise or a new VW Polo. The figures would be even larger if you included public-sector pension schemes.

Dr Yvonne Braun, the director of long-term savings and protection at the ABI, says: “People lose track of their pensions when changing jobs or leaving home. The typical adult will have about 11 different jobs over their lifetime and move home eight times. Nearly two thirds of UK savers have more than one pension, and changing work patterns mean that the number of people with multiple pensions will increase.”

The ABI says that pension companies make considerable efforts to reunite people with their pension pots: in 2017 they tried 375,000 times to contact people and succeeded in restoring £1 billion. That still leaves billions unclaimed. As one pensions expert put it: “Failing to claim your lost pension pot is like throwing away 5 per cent of your wage packet and turning your back on the chance of a more comfortable retirement.” Here’s what you should do.

Leave no stone unturned

It may be that correspondence from a pension company or former employer has not been forwarded.

Write to your previous employers asking if you have any money in their schemes. The Money Advice Service has template letters on its website that pinpoint the details that will help employers to search their records, such as national insurance number, the dates you joined and left the company.

Ask if it was a final-salary scheme, where your pension will depend on your salary and your years of contributions, or a money-purchase scheme, where the size of your pension pot depends on the size of contributions and the performance of your investments. If your employer provided access to a personal pension or stakeholder scheme, get details of the pension provider and write to the company.

If you are trying to track down a personal pension, contact the company you think operated it. David Woollett of Phoenix Life, the UK’s biggest consolidator of closed pension funds, says that if you can’t remember the company, you should check your old paperwork or bank statements for payments you don’t recognise.

Once you have contacted the company, ask how much is in your pot, the likely value at retirement, the charges being levied and any penalties if you transferred it elsewhere.

If you can’t find your pension, try the government’s Pension Tracing Service at gov.uk/find-lost-pension, making sure you are on the right site, because there are several rivals with similar names. You can also contact the Pension Tracing Service by phone on 0800 7310193 or at the Pension Service, Mail Handling Site A, Wolverhampton WV98 1LU.

The website will ask for the name of your pension provider. If you need help tracking this down, try the Financial Services Register at register.fca.org.uk, which can help to find a company that has changed its name.

In future you should be able to track your pension pots through a pensions “dashboard”, which the government promoted, but declined to fund.

Lauren Wilkinson, a policy researcher at the Pensions Policy Institute, a research group, says: “The idea is that, once an individual has logged on to it, they will be able to see all their pension pots, even those that they have lost track of. There was a danger that the dashboard would not happen because the government was not going to provide the money for it. The pensions industry, however, will come together to provide the dashboard, but it will not be available until at least next year.”