Are you on track for a comfortable retirement?

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[00:00:09] **Lucia Ariano:** This week is Pensions Awareness Week. The perfect opportunity to get on top of your savings for later life. Welcome to Witch Money. Hello, I'm Lucia Ariano and with me today I have two stellar guests. Paul Davies, witch Money pensions expert. Hi Paul.

[00:00:26] **Paul Davies:** Hello there.

[00:00:26] **Lucia Ariano:** And Charlene Young, uh, pensions and savings expert at AJ Bell.

[00:00:30] **Lucia Ariano:** Thank you for joining us. Oh, thanks

[00:00:31] **Charlene Young:** for inviting me.

[00:00:33] **Lucia Ariano:** Well, it's so good to have you both on the show today, um, during this very important week. Um, I mean, where should we start? Pensions can be very confusing and overwhelming, can't they? Um, I mean, how important is a week like this then?

[00:00:46] **Paul Davies:** So, obviously we all lead busy lives, so pensions won't be top of list of things to do, but it's great just to take a moment during pension awareness week to think about how many pensions we might have Last time we, um, had contact with our pension company.

[00:01:01] **Paul Davies:** And also to get a steer on on how much we've got saved to today. 'cause you know, money goes in via you, it goes in via your company. But it's, it's good to take some time to reflect, uh, how on track you are.

[00:01:13] **Lucia Ariano:** And would you agree it's an important week? I mean, it's been around a while, hasn't it?

[00:01:17] **Charlene Young:** It has. I mean, working in pensions and finance, it's kind of like Christmas week for me, so I appreciate that's not the same for everybody else.

[00:01:24] **Charlene Young:** Um, but it is a hundred days till Christmas as I found out earlier. So I think it's a really good, um, chance for us. To kind of sing the benefits of long-term saving and investing, um, why pensions are so great, why do we like to shout about them and help people kind of take a bit of control, um, of their savings and really help them work out how much they might need?

[00:01:44] **Charlene Young:** 'cause it is kind of a hard answer to get to sometimes.

[00:01:47] **Lucia Ariano:** Hmm. And we'll be trying to get to the answer for you as we go on today. I mean, shall we start with some kind of basics then? A, a bit, a bit of admin. I mean, most people will be on what's called a defined contribution pension. I mean, firstly, what is it and what's the difference between that and a defined benefit pension?

[00:02:05] **Paul Davies:** Well, yeah. Let's get stuck into the hard question straight away. Mm-hmm. Um, so a defy contribution pension. Um, most of you with workplace pensions will have a. Defined contribution or DC pension. This is where you, you pay money into the pot, your employer will probably pay money and you'll get pension tax relief, and then you will ultimately have a pension fund, so you'll end up with a certain amount and it's, it's up to you to decide what to do next, but the, the amount you end up with, uh, will depend on investment returns.

[00:02:34] **Paul Davies:** It obviously depend on how much you put in, and ultimately, you, you, you'll end up with a total pot size.

[00:02:40] **Lucia Ariano:** And I mean, Charlene, what would you say is the benefit then of having a, a workplace pension? Well,

[00:02:45] **Charlene Young:** thanks to something called auto enrollment, um, everybody who is employed earning a certain level of money, if you're over 22, it's automatically put into a pension scheme when they join a new employer.

[00:02:56] **Charlene Young:** Um, so you know, most of us will be invested without even realizing it in some cases. And the great benefit of that is your employer has to put in at least 3% of a band of your earnings now. To make the overall, uh, minimum, you need to then put in 5%. But what you might find is as part of your package with your employer, um, they're willing to put in more if you can also top it up.

[00:03:17] **Charlene Young:** Mm-hmm. So, you know, the real benefit of pensions as a defined, uh, contribution is just a part, as Paul mentioned, um, is that. What you hold in, that pension grows free of taxes. You get tax relief, a nice bonus boost on the way in from the government. Your employer also gets their own version of tax relief, and it all goes into this pot that can grow tax free until the point you come to access it.

[00:03:39] **Charlene Young:** I know we mentioned defined benefits schemes very quickly. Those are kind of older style, um, workplace schemes where rather than depending on a final pot value or fund value, what you get depends on how long you've been at your employer, how much you were earning, and it's guaranteed for life. Those, you know, if you're lucky enough to have one of them, that's a guaranteed source of income.

[00:03:58] **Charlene Young:** But most of us will be relying on this pot that we're building ourselves, that fund, and then we choose to turn it into an income turn on that trap when we come to access it.

[00:04:08] **Paul Davies:** Yeah. And as Charlene says, defined benefit. Pensions were the gold standard back in the day, but they're, they're quite rare these days.

[00:04:14] **Paul Davies:** You might have one if you work in the public sector, say if you are a, a doctor or a teacher. Um, but yeah, increasingly those, those are disappearing.

[00:04:23] **Lucia Ariano:** So this week then, I mean, is it a good time and is it recommended that people are thinking, okay, well, can I put in a bit more, uh, towards my, my pension a month?

[00:04:33] **Paul Davies:** It's a tricky question. Um, obviously we've had a few years where people, uh. We've not had spare cash due the cost of living crisis. But if, if you can increase your contributions, that's, that's good to think about at certain times. Um, I saw some research recently, so at the moment through auto enrollment, eight 8% goes into your pensions.

[00:04:54] **Paul Davies:** That's, uh, 5% via the individual and 3%. Fire your employer, uh, minimum contributions. But if you could increase that individual contribution from 5% to say 7%, that would ulti ultimately mean a, a final pot that's 50,000 pounds more. Mm-hmm. Than, than if you stuck with the 5%. So if, if you start an early at 22 is the initial age, you can, um.

[00:05:19] **Paul Davies:** Put money in via auto enrollment. If you've got 40, 45 years to contribute and you can put some more in, ultimately with compound interest and the pot just grown over the years, you'll have a much better outcome.

[00:05:31] **Lucia Ariano:** And, and, and what about, you know, I think it's, it's quite normal these days for people to have pots all over the place from previous jobs is now also kind of about thinking.

[00:05:43] **Lucia Ariano:** You know, should I put those together or should I try and track them down? What's your, your advice here?

[00:05:47] **Charlene Young:** Yeah, absolutely. I think the campaign as a whole, um, has moved from just purely awareness, which is great, to kind of, how do we strengthen people's, um, pensions, how do we help them be more resilient, um, towards their retirement?

[00:05:59] **Charlene Young:** You know, the first thing I would do is just check what you've got, try and track down what you've got. We've talked a lot about auto enrollment already. Um. You know, research suggests that people might end up with as many as 10 or 11 pots by the time they come to retire if they didn't sort of round them up or track them down.

[00:06:16] **Charlene Young:** And that is a frightening figure. It's about 30 billion, isn't it, Paul, of lost, allegedly lost pensions. Um, I'm not quite sure how you kind of quantify that. So, you know, there's a, there's a vast pot of money out there that people might have already squirreled away and lost track of, so, absolutely. First kind of bedrock of awareness is find out what you've got.

[00:06:34] **Charlene Young:** If you're worried that you might have lost track of one of your pensions, kind of have a think about where you've worked, even like dig out dust off that cv. Mm-hmm. I think that would be my kind of advice if you really aren't sure. Because even those of us who work in the industry pension providers change name, especially workplace ones over time.

[00:06:50] **Charlene Young:** Um, and there are ways you can track down lost pensions. So the government has a tracing service, which is really useful. Trying to find out maybe what that company is called now. Other companies, have other providers have services? Well, they, you know, you put your, some of your information, your work history and they will help you track down those workplace pensions.

[00:07:07] **Charlene Young:** So absolutely. Um, one of the first things to do is kind of just like, look under the bonnet. What have you got? Start looking at what the value of that pot might be, what you're paying, um, and what the investment options are because, you know, aut enrollment great for getting people into saving for pensions, defaulting them into it, but.

[00:07:27] **Charlene Young:** They might have other investment options under what you already have. And you know, can you round these pensions up perhaps into a lower cost account and then really take control of kind of your savings and move forward to strengthening them.

[00:07:37] **Lucia Ariano:** And is that something that is generally recommended? You know, putting all of your pensions into one pot?

[00:07:44] **Charlene Young:** I mean, everybody's personal circumstances are different, but the reasons I would advocate for rounding them up and consolidating them, if you like, or combining, um. It's easier, you know, we don't have statements all over the place, whether that's paper statements or lots of online logins. Um, you know, we've got different apps of all our banking and all of that.

[00:08:01] **Charlene Young:** If we can get our pensions in one place, it's so much easier to know exactly where we are. And then that just takes out some of that step and that hassle of figuring out how you can get to where you wanna be.

[00:08:11] **Paul Davies:** Yeah, eventually things should improve. There's, um, an, an initiative called Pension Dashboards, which we've, we've spoke, we've spoke, that

[00:08:19] **Lucia Ariano:** is something we've spoken about for a number of years on the podcast.

[00:08:22] **Lucia Ariano:** Exactly.

[00:08:23] **Paul Davies:** I think my children were at primary school when, um, when we first spoke about, uh, pension dashboards. But when hopefully back in the 2026, um, the initial dashboard should be launched. So this means you should see all your pensions in one place mm-hmm. Via an online portal. So you can easily see how much you've got in each, each part.

[00:08:40] **Paul Davies:** And I think eventually the idea is that you can move, move money around, um, between different schemes or consolidate, as Charlene says, into one place. Mm-hmm. Again, for convenience. So that, that's a little way off. But hopefully we're getting there. In, in term of terms of loss, pensions, I think the 30 billion figure is as astounding.

[00:08:57] **Paul Davies:** Mm-hmm. Um, so that, that constitutes 3 million loss pensions. So the adv, the average amount is about 10,000 pounds. So in, in terms of is it worthwhile to try and trace's lost pensions? Mm-hmm. Uh, I think for the sake of 10,000 pounds you'd say? Yes.

[00:09:12] **Lucia Ariano:** Yeah. It all feels so hypothetical, doesn't it? Like it's really hard to, you know, really, truly understand what this means.

[00:09:17] **Lucia Ariano:** All these pots of money, of like money that you know. Probably a lot of us don't have in other savings areas. It's

[00:09:25] **Charlene Young:** kind of, I think, um, you know, we looked at what could happen if you combined these pensions into a pot that just charges less. So if you move from a pot that was charging 1.5% a year all in to something.

[00:09:37] **Charlene Young:** L uh, half that took 0.75%. And there are plenty of options out there all in for that charge. And less, um, you could add an extra 7,000 pounds to your pot after 10 years rising to 20,000 pounds after 20 years, thanks to the benefits of compound growth and that tax free, uh, those tax free gains.

[00:09:54] **Paul Davies:** Well, there's a point.

[00:09:55] **Paul Davies:** You, you don't move all your pensions into one scheme that has higher charges. Obviously, you know, you, you lose out, um, to a certain degree. And some, some legacy schemes still have exit penalties. So you, you need to check whether moving your pension from one fund to another will incur penalties. Obviously that's something you don't want to do.

[00:10:13] **Paul Davies:** Yeah. And is this

[00:10:13] **Lucia Ariano:** something that you can do by yourself or do you really, you know, need an advisor to help you with this kinds of things?

[00:10:19] **Charlene Young:** It depends. So if you are a member of one of these defined benefit schemes, perhaps you worked at a company in the past that offered it. If you really are thinking about moving that you ab you, you must get advice according to the kind of pension rules and regulations anyway.

[00:10:33] **Charlene Young:** As Paul mentioned, we have exit penalties still in some of these legacy schemes. Um, and some schemes, um, do, even if it's a pot, might have some guarantees attached to them. So, you know, if you are at all unsure what's best for you, I'd always say go and speak to a financial advisor. But there are, um, you know, for example, at a J Bell we offer a pension finding service.

[00:10:52] **Charlene Young:** That does help you track down these pensions and it will give you, um, a dashboard with a kind of color code. So whether or not, um, the provider has told us whether you have guarantees what you should do next. And, you know, always take a breath, take a pause, have a look at what is under the bonnet, like we say, what you're invested in, what features that has, and then you can make an assessment about whether it's best for you or speak to an advisor.

[00:11:13] **Lucia Ariano:** And looking ahead to us, getting to the point where we talk about how much you need to have in your pot. Uh. To lead certain lifestyles, uh, in retirement. Shall we just talk about the different pots that, that make up a pension? Your final pension? And what I'm getting towards is the state pension here. Um, and I suppose just to start off with, you know, what do we need to know?

[00:11:34] **Lucia Ariano:** About the state pension pool.

[00:11:36] **Paul Davies:** You, you cu currently qualify for the state pension at age 66, but that's going up soon. Um, between 2026 and 2028, that's going up to 67. It's due to go up again. Um, but that's, um, the government's gonna come out another state pension age review shortly. So that, that's the first point.

[00:11:55] **Paul Davies:** You have to be very clear when you're actually going to receive it. And probably make sure you have enough private pension provision to, to bridge that gap. So if you wanted to stop working early and then had to wait till 66 or 67 to claim estate pension, you know, you need to factor that into your calculations.

[00:12:11] **Paul Davies:** So, so currently the, the full, the full level estate pension is around 230 pounds a week or 12,000 pounds a year. Um, not everyone will get that due to something called contracting out that happened before 2016 and the, the need to build up at least 35 national insurance years. Um, so that's cyber via working or obtaining credits, national insurance credits.

[00:12:37] **Paul Davies:** So when you see those headline figures of 230 pound, there's no guarantee you'll get that depending on your, as I say, your national insurance and contracts and our history. So it's a little bit complicated. But you can get a state pension forecast at any stage whereby. You, you contact the government and give them your details, including your national insurance number, and they will give you an indication of your state pension entitlement as of now.

[00:13:03] **Paul Davies:** So how much you've built up and also what you are on track to get, um, at retirement age. So again, they project forward, uh, assuming that you work in those intervening years. So that, that's always helpful just to give you a guide to, um, indicate what the government will give you alongside any private pension that you build up.

[00:13:23] **Lucia Ariano:** Mm-hmm. And, and if it's not the full state pension that you are entitled to, or, you know, you're not forecasted to, to get it, um, you can top it up. Right. So, I mean, how, how does that all work?

[00:13:34] **Charlene Young:** Yeah, absolutely. There's a couple of things I'd point out here. As Paul's mentioned, get your state pension forecast.

[00:13:38] **Charlene Young:** It will show you how many complete years you have towards that entitlement and then whether or not you've got any gaps. So gaps typically arise, perhaps if people have taken time off work to have children, um, taking time off to care for somebody and you can claim credits towards a full year of national insurance contributions.

[00:13:55] **Charlene Young:** Towards that state pension. Um, again, via the same website where you'd look at a forecast, there's also a chance, you know, particularly if you're close to retirement, to look back for six complete tax years to be able to top up your state pension record by making what's known, um, as a voluntary.

[00:14:12] **Charlene Young:** Contribution again. Firstly, I would check that you've claimed credits for the years first before you start looking at whether it's a good deal for you to do that. Mm-hmm. Um, until recently, you could go back quite a lot further to top up your record. It's now kind of six complete tax after the one we are looking at.

[00:14:28] **Charlene Young:** Um, but in a lot of cases it can still be worthwhile, but it's again, an assessment for your circumstances. So yeah, those headline figures we see banded around that kind of 12,000 pound of gear, you know, really useful, guaranteed bedrock of your income. But as Paul mentioned, you might get more, sometimes, sometimes you might even get more, but you might also get less.

[00:14:47] **Charlene Young:** Than that. Um, and I think some, some research we did was really interesting. Um, so we looked at people's expectations in retirement and we'll come on to like income levels in a second, but really noticing in this kind of map, the millennials, gen Z generation, um, skepticism about when and how much they might get from the state pension.

[00:15:08] **Charlene Young:** Which isn't ideal to have that skepticism, but also a bit of realism that, you know, it's not there as the only thing to rely on. Um, and a real expectation that they need to, um, look, it looks to us like they are taking control of their own pension saving, which is really encouraging 'cause there's a lot of figures banded around that can be a bit scary sometimes when it comes to pensions and how much you need.

[00:15:28] **Charlene Young:** So. It's, I always like to kind of pick out the positives and people really kind of engaging and hopefully taking control of their own savings.

[00:15:34] **Lucia Ariano:** Well, should we talk about then the different income levels you need for. The kind of lifestyle that you want during retirement?

[00:15:42] **Paul Davies:** Yeah, there's, there's a good benchmark, um, called Retirement Living Standards, um, by an organization called Pensions uk.

[00:15:49] **Paul Davies:** Um, and they have three levels of lifestyle or, or living standards as they call them, so minimum, moderate, and comfortable. So minimum is paying your, your monthly bills, basically not, not much in terms of le leisure spending or holidays abroad, moderate. Does include some, some trips away and, uh, maybe renew your car occasionally and then comfortable there's, there's some more luxuries or, you know, some, some leisure spending and, and more holidays.

[00:16:18] **Paul Davies:** So the latest figures are actually renewed this summer and for a couple, the minimum level is about 22,000 pounds. Mm-hmm. That's between two of you. Um, mod is about 44,000 pound per year. This is of course, and then comfortable is 61 for an individual. Those respective figures are 13,030 2040 4,000. So we're talking about some quite chunky figures here.

[00:16:43] **Paul Davies:** Um. To, to cover those, those levels. So it's, it's down to you to obviously, um, contribute to your, your private pension. We, we've spoken about the state pension, which, um, uh, at 66, 67 will, um, top up your, your private pension. But it's, it, it reminds, it should be a reminder that to, to deliver those, you know, levels of lifestyle, it, it means, it probably means starting early, probably means contributing when you can.

[00:17:14] **Paul Davies:** It certainly means not opting out of auto enrollment, which, uh, which is, um, obviously a, a bad move if you want to, um, make sure your pot grows over the years. Mm. Um, so yeah, so there's, there's some quite ambitious targets there. It's not to say, you know, everyone. Uh, we'll be on track at present, but, you know, through pension Awareness week, if more people think about their pensions and think about putting more money and think about, um, you know, what, what their targets are, it's, it's a step forward

[00:17:43] **Lucia Ariano:** and those figures are.

[00:17:45] **Lucia Ariano:** Per year. Um, so could you just give us an indication of, you know, comparing a couple of them what that would mean for the total pot that you'd need to save in into a private pension?

[00:17:55] **Paul Davies:** Yeah, again, we, we looked for a couple, so take taking the two higher figures. So, um, for, for a moderate, um, retirement living standard of about 40 4K.

[00:18:06] **Paul Davies:** That would, um, mean a total draw down pot of roughly about 390 grand. Mm. Um, 390,000 between the pair view, but that's assuming that the couple get the state pension as well. So it is, it's a balance between the private pension that you built up yourself and the state pension, looking at the higher level, the comfortable, um, that's, that's in the region of 700,000 pounds.

[00:18:31] **Lucia Ariano:** Mm-hmm. That's a lot of money we're talking about, isn't it's,

[00:18:34] **Paul Davies:** it is, but you're talking about. A, a couple over, say a 40 year working life. Mm-hmm. So again, if you start early and the money goes in and compounds and it's, you know, your employer will, will add to it, you'll get pension tax relief, um, to top it up.

[00:18:50] **Paul Davies:** So daunting figures. Mm-hmm. But you know, it's, it's achievable. Um, if you, you know, if, if you can, um, make sure that you, you, you spend the time and, and again, even if you take the time this week to see how much roughly you, you've, you've got in your, your part at the moment. And, you know, even do some simple calculations about how many, how many years you've got left to work and how much that might increase by.

[00:19:17] **Lucia Ariano:** Well, actually that got me thinking. Have either of you crunched the numbers on, on those figures to find out, you know, if you started saving into your pension pot in your twenties, in your thirties, in your forties, you know how much you'd need to be saving per month?

[00:19:31] **Charlene Young:** Yeah, I think. I'd echo the sentiment if you can.

[00:19:34] **Charlene Young:** The earlier you can start the better. Um, and please don't be put off by some of the figures. You know, they're really good numbers that falls crunched, um, to help people understand what part they'd need. I looked at a 30-year-old, mm-hmm. Earning 35,000 pounds a year, starting with absolutely nothing. Now, most people would've been auto enrolled by.

[00:19:51] **Charlene Young:** From 22, but we'll just start. Mm-hmm. For argument sake, with nothing, they've asked their employer to match their contribution. So they're putting in 5% and their employer is also putting in 5% and that's becoming increasingly common these days. So, um, it works out for the pension saver themselves, about 145 pounds a month.

[00:20:07] **Charlene Young:** Mm-hmm. Before any tax relief. Um, we had a look and buy 66, so the current state pension age, um, with. Pay rises. So getting about 3% pay rise each year, you could have a pot of over 300,000 pounds, about 315,000 pounds, assuming, you know, various investment returns and costs there. Um, looking at 40-year-old, um, earning about into 50,000 pounds if they already had an existing pot of 20,000 pounds.

[00:20:33] **Charlene Young:** Um, if you look back to that employer minimum that we talked about before, so your employer needs to pay in 3%. It's actually of a band of earnings, but we'll just say it's the whole 50,000. For, for these calculations, they'd need to, to get to that same level, they'd need to put in 8% a year from their own money.

[00:20:50] **Charlene Young:** Um, so it really does show the kind of power of time compounding, um, and the benefits of investing. And I think. Again with Pension Awareness Week, lots of people, if you ask people might not realize that they're already invested thanks to their auto enrollment pension scheme. Um, and it really, you know, obviously investments can go down as well as they can go up, but they really investing your cash, particularly in this tax free wrapper that we call a pension, is the best way of trying to.

[00:21:18] **Charlene Young:** Be inflation that we've all become very uncomfortably familiar with lately and trying to give you that kind of growing pot in retirement.

[00:21:25] **Lucia Ariano:** Um, really interesting to, to hear those figures. And I suppose another thing I got from that is just that, you know, it's never too late to start saving. And I suppose that's something that's a message that's being put across, but by this awareness week, uh, as well.

[00:21:38] **Charlene Young:** Yeah. And, and like we say, like, please, please don't give up. Please get started if you can. So again, we're all familiar with the cost of living pressures that we've lived through, so. Have a look at your budgeting though. Retirement living standards are really great place to start. They do make lots of different assumptions though.

[00:21:54] **Charlene Young:** Um, and you know, I look at the moderate one and I think, oh no, I need about three more holidays than that, but I might not have other costs. Um, and an important assumption is they don't include housing costs. Now, you know, a lot of people retiring now will have, hopefully paid off their mortgage, but some people might be renting.

[00:22:10] **Charlene Young:** So it's again, looking, um, they're a great starting point, but looking at tailoring something to you, so. One thing I would do, um, is have a look at what you're spending now. Yeah, what's going to be your, like red lines? What are you not gonna give up? So holidays for example. Mm-hmm. What might fall away?

[00:22:27] **Charlene Young:** Commuting. Hopefully. Um, I'm hoping some of like childcare costs might eventually go, although my eldest son says he wants to live with me forever. Um, so yeah, have a look at what you're spending now. Some people, you know, in the past we've looked at two thirds as a base point, but have a look, um, in today's money and again.

[00:22:46] **Charlene Young:** Those figures I've talked about what you need to put in to get a 300,000 pound pot, for example. You might not be able to afford that now, but have a look at what you can afford when you're doing your budgeting here and now explore that employer matching that I talk about a lot, but it's really important.

[00:22:59] **Charlene Young:** It's effectively you. You could be giving up free money. Hopefully your employer sings and dancers about it 'cause they want to attract people into these roles. But have a have a word with them. See what they say about potentially matching. Make sure you claim the tax relief. That you're entitled to. So one of the big benefits of pensions is that the government gives you a bonus on what you pay in.

[00:23:17] **Charlene Young:** It basically makes your contribution tax free. Um, there's various different mechanisms depending on the type of scheme you're in, but if you're saving into, um, a sip, for example, which is a self invested personal pension, you might be in, uh, entitled to claim more tax relief. It might not happen all of it automatically.

[00:23:35] **Charlene Young:** Um, so make sure you're claiming what you're entitled to. Um, have a look at the investments under the bonnet as well. Auto enrollment schemes are great. They have, they come with a charge cap for what's known as like the the default auto automatic fund. But you might have a look at someone in the, as someone in the twenties or thirties and go that, that fund's not tailored to me.

[00:23:53] **Charlene Young:** None of these funds are necessarily tailored to me, but I would prefer to take a little more bit more risk 'cause I've got a longer time to save for and try and really reap the benefits of the, the time to the point you come to access it. Have a look what's out there and, uh, I mean, I don't wanna preempt any questions, but we haven't mentioned self-employed people.

[00:24:11] **Charlene Young:** Um, it's a real, you know, auto enrollment. Brilliant to talk about it all the time. Love it. But. If you're self-employed mm-hmm. You don't get the benefit of your employer doing that for you. You have to take even more control. And I think pensions awareness suite, for me, the real spirit of it is trying to get people thinking about their provision.

[00:24:27] **Charlene Young:** Now, you know, again, that definitely might not be top of your list, um, if you're busy running your own business. Um, but if you can reap the benefits of that time horizon a little and often saving, there's a pot of money there for you. And actually. Paul, I dunno what your views on kind of lifetime ices are for under forties, but self-employed people.

[00:24:47] **Charlene Young:** Tend to sometimes find them attractive as a, an alternative for a pension.

[00:24:51] **Paul Davies:** Well, they come with a bon a government bonus again, which is o obviously attractive. And, and you're right. You know, I, I've got siblings who run their own businesses and, you know, they're, they're so busy and I, I try and portray myself as a pension expert and have a chat, um, across the dinner table and it's, yeah, it's not.

[00:25:10] **Paul Davies:** Top of their priorities. So, you know, a reminder that that, you know, there's, there's lots of people that don't have the benefit of their employer sorting stuff out for them.

[00:25:18] **Lucia Ariano:** I feel like we could keep, uh, talking about this for the rest of the day. And there are probably many other points that you'd like to bring up.

[00:25:25] **Lucia Ariano:** And I suppose just before we do wrap up, then, you know. Are there any things that we haven't mentioned that you just think we should raise today?

[00:25:31] **Paul Davies:** Yeah, I, I think to, to tie up to, um, finish three things to mention. I, I guess we've talked about auto enrollment, uh, a fair bit. You, you can opt out of auto enrollment, which you should never do.

[00:25:44] **Paul Davies:** Mm-hmm. Really for all the reasons we've been talking about in the, you know, even, even small contributions compound and build up over years. So, you know, if, if you're going through, uh. A, a time when your finances are stretched, you know, do your best to stay within your pension scheme, you know, it's such a good thing to do and on, on contributions.

[00:26:02] **Paul Davies:** Again, it it, it might be tough to increase your contributions, but if, if there was a time where you, you got a bonus at work or you got a pay increase, you know, if you can put a bit more into your pension. Again, some, some of. Daunting figures that we've talked about are achievable. Um, and something, something we haven't mentioned is, um, potential pension scams.

[00:26:21] **Paul Davies:** It should be a reminder that, you know, there are fraudsters out there that will look to try and get hold of your, your, you know, your, your pension savings. So, you know, look, look out for flags. Uh, so if you are offered, say, a free pension review out of the blue by someone calls you or con contacts you. Um, you know, that should be a big, big warning flag.

[00:26:42] **Paul Davies:** You know, a company wouldn't do that and you can't access your, your pension till you're 55 anyway. So, you know, early access or a free review should ring alarm bells. So, you know, it's, it's, it might be the biggest pot of money that you, you hold. So, you know, do your best to make sure that any, anything that, that seems dubious that, that you check up on.

[00:27:02] **Paul Davies:** Um, 'cause you know, it, it'd be horrendous if you, if you lost your pension savings.

[00:27:06] **Charlene Young:** Mm. Yeah, I think just kind of to go back to a point I've probably covered many times, but yeah. Please don't worry. It's never too late to start. Obviously if you can start earlier, the better. Even if it is putting away a little bit and often and, uh, I just realized that I think both of our dinner parties would probably be not, not what everyone would describe as fun.

[00:27:26] **Charlene Young:** Yeah. But you know, I do try. It's

[00:27:28] **Paul Davies:** when my siblings start, ignore my calls to, to come around. I'd maybe mention pensions a bit too much, but there you go. They, they're frank. Me in the end.

[00:27:36] **Lucia Ariano:** A bit more fun with a glass of wine as well. Um, exactly. But I mean, it's been so great to have you on the show today.

[00:27:41] **Lucia Ariano:** We've covered so much and we'll get, uh, some links into some useful resources, uh, sips. Gen General pension tips, um, lifetime ices a load of that stuff into the show notes of today. And thank you again for joining us.

[00:27:55] **Paul Davies:** Thank you. Thank you.

[00:27:59] **Lucia Ariano:** Thanks for listening to this podcast from which the UK's consumer champion, you can find plenty more advice about what we discuss today in the show notes. There. You'll also find a link to become a witch member for 50% off the usual price, an offer exclusively available to you, our podcast listeners joining, which will not only give you access to our product reviews, our app, one-to-one, personalized buying advice, and every issue of which magazine across the year, but you'll also be helping us to make live simpler, fairer, and safer for everyone.

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