



Freedom and choice: public attitudes a decade on

2025 updated study

Freedom and choice: public attitudes a decade on

Introduction

Since April 2015 individuals have had greater flexibility in how they can access their pension benefits, for example they are no longer required to take an annuity and can now access their benefits as cash or transfer them to a drawdown arrangement. This change offers individuals much more choice and flexibility. A good thing – but are people aware of how to use these new freedoms and confident in doing so?

This raises another question as to whether individuals are making informed choices and good retirement decisions generally. In **2016**, one year into the new changes, the Institute and Faculty of Actuaries (IFoA) carried out preliminary research into how people were responding to these new flexibilities. The research found that there were reasonably high levels of awareness, albeit mixed views as to whether the flexibilities were a good or bad thing.

In **2022**, and now in 2025, the IFoA have updated the results to see whether public attitudes to the reforms have changed and to assess the current state of play as to how individuals understand and manage their pension a decade after 'pensions freedoms' were introduced.

Like many organisations, the IFoA remains concerned that many UK households are not saving enough for later life, are not accessing free guidance or paid-for financial advice and remain ill-equipped to deal with the risk of running out of money in retirement.

The survey

The research was carried out by YouGov between 14-18 March 2025 and covered 2,166 adults in Great Britain aged over 55. This compares to the 2022 survey which covered 2,065 adults in Great Britain aged over 55.

The sample was split according to various characteristics.

- Gender
- Age bracket
- Geographical region
- Social grade
- Employment status
- Health status
- Cohabitation status



2166
adults

Survey respondents

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Headline results

The main findings of the 2025 survey:

- **Awareness of reforms** - more people now perceive the changes as beneficial than at the time of their introduction.
- **Access to guidance and advice** - many people retire without either taking guidance or seeking advice - only 1 in 5 accessed Government guidance such as 'Pension Wise'.
- **Retirement worries** - Almost 1 in 4 people worry that they will make the wrong decision and run out of money in retirement.
- **Diversity and inclusion** - there is evidence that those from lower social groups and women are less likely to access advice.
- **Financial education** - many people have only a limited understanding of the factors that impinge on retirement savings decisions.

How do they compare to 2022 results?

- **Less people taking advice or guidance** - When surveyed in 2022, 22% of respondents indicated that they used Government guidance such as 'Pension Wise'. In 2025, that number has reduced to 20%. Furthermore, 43% did not take any advice/guidance at all (an increase from 40% in 2022). When asked why they did not take guidance or advice, 56% said that they felt that they didn't need to and 14% said they took advice from family and friends (increases from 51% and 10% respectively in 2022).
- **Greater retirement worries and a lack of understanding** - When comparing results from 2022 and 2025, there is clear evidence of an increase in worries about running out of money in retirement and a lack of understanding of the options available. When surveyed in 2025, 24% indicated that they were worried about making the wrong decision and running out of money - up 2 percentage points from 2022 and almost representing 1 in 4. Overall, 15% of respondents indicated that they did not fully understand their options (11% in 2022), with 11% not understanding pension products and charges (up from 7% in 2022).
- **Reduction of living standards in retirement** - In 2022, 28% of those surveyed said that 100% of their normal regular expenditure in retirement is being met or is expected to be met by their pension. When asked in 2025, that number has decreased to less than 1 in 4 (23%). Worryingly, 10% of respondents indicated that less than 25% of normal regular expenditure is being or will be met by their pension.



Only 20% had used Pension Wise

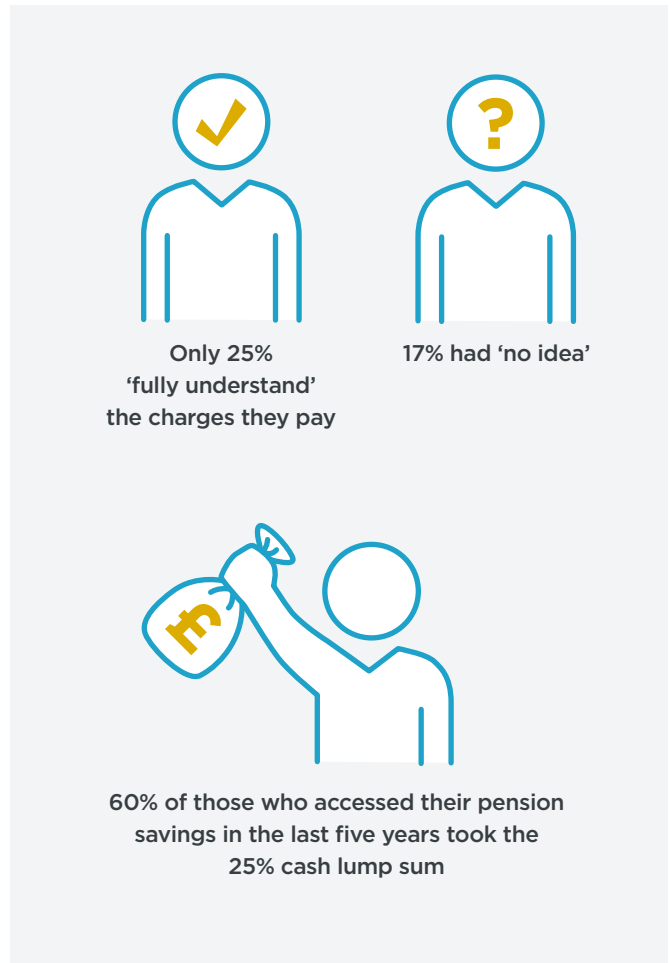


43% took no advice or guidance at all



24% worry about running out of money in retirement

- Changes in accessing retirement savings** - In 2022, just over half (51%) of those surveyed who had accessed their pension said that they had taken their 25% tax free lump sum - in 2025 that number increased to 60%. For those who did not access a lump sum, less people in 2025 (21%) entered an income drawdown arrangement (26% in 2022) and slightly more (8%) purchased an annuity (6% in 2022).
- Limited understanding remains an issue** - Despite a high number of respondents claiming advice was not necessary (56% - an increase of 5 percentage points from 2022), a larger proportion of people showed a worrying lack of understanding of pension products. In 2025, only 1 in 4 (25%) fully understand the charges they are paying in their 'defined contribution' pension (26% in 2022). The numbers for those who do not understand those charges at all (17%) remained the same in 2022 and 2025. Furthermore, only 28% (down from 31% in 2022) understood where their pension was invested, while 44% (up from 42% in 2022) had 'no idea at all'.
- Gender imbalance** - The figures from 2025 show a gender imbalance, with 64% of men who had accessed their pension since 2015 stating that they did not need to take guidance or advice, compared with 49% of women. Furthermore, where advice was required, men were 7 percentage points more likely to take tailored regulated financial advice, whereas women were 4 percentage points more likely to take generic advice such as Pension Wise and 14 percentage points more likely to ask friends or family.



What do the updated results show?

The 2025 survey results point to worrying trends in relation to how people are accessing pension savings, the guidance or advice they might take, the amount they understand about their options and their worries about running out of money in retirement.

- Less people are taking advice or guidance in 2025 than they did in 2022.
- In 2025, less people understand their options, pension products, or the charges that they might be paying as opposed to 2022.

- In 2025 more people are worried about running out of money in retirement than ever before.
- In 2025, more people are taking a 25% tax free lump sum than in 2022, and less people are entering into income drawdown arrangements.
- There is persistent evidence of gender and social imbalances when it comes to accessing pension savings.
- Evidence from 2025 points to less people having their regular expenditure in retirement being 100% met by their pension than in 2022.

Contact

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