

Trafalgar House Trust and Confidence Index shows most important factor for building trust in pensions with public is better communication

Press release: 21 May 2024

Trafalgar House, a specialist third-party pensions administrator, today announced the second batch of results from their latest Trust & Confidence Index*. In a [release last month](#), it was announced that there was an increase in the public trust score for the fourth year running to 5.26 out of 10.

But where is this coming from, and what are the factors that impact trust and confidence?

Respondents were asked if their level of trust in pensions was influenced positively or negatively by elements like friends and family, personal experience and the media.

While the impact of people's personal experience has remained static since 2022, there was an increase in the positive influence of friends and family (3.2%), as well as the transparency shown by the industry (3.9%). The most concerning figure in this part of the research was the continuing negative influence of media coverage. Whilst it has dropped by 5%, it still has the highest negative impact at 35.4%.

What the results have also shown is that **the most important factor for building trust in pensions is clear communication, rising from 11.7% in 2022 to 16.5% in 2023 – a 41% increase**. Unsurprisingly, face-to-face communication remains important for many people, achieving the highest score for trusted interaction. However, outside of financial advice, face-to-face communication with pension providers is relatively rare. Whilst online communications compare reasonably well to more traditional hard copy communications, this has replaced post, surprisingly, as the area of communication with the highest level of mistrust (12.4%).

Karla Bradstock, Technical & Communications Manager at Trafalgar House commented: "The notion of interaction and communication when it comes to pensions is a grey area. For some, interacting with their pension simply means opening and reading their annual benefit statement, while for others it could mean changing investment strategies or planning their retirement. Whatever the purpose, it's essential that they have a positive experience to maintain trust and engagement. It's concerning then that the proportion of members saying their experience was either very or fairly positive has fallen substantially from 54.1% to 46.3% – the first time this has fallen below the 50% mark.

"For good or bad, clarity of information is by far the most important factor for people in how they rate their interaction – with 41.4% of those whose interaction was positive citing this as the main reason. On the flip side, 30.5% also blamed clarity for their negative experience. Technology is also becoming more prevalent with more than one in five (22.3%) saying the availability of an app or website is the most important factor for them – up from 21.4%.

But with technology also comes mistrust, as we have seen. This could be due to the rise in media coverage on scamming. This awareness isn't a bad thing, but as an industry this is something we need to address – that members can trust their online interaction is safe and secure and we are empowering them to spot the signs of scammers.”

Bradstock added: “What’s clear is positive perceptions of pensions are chiefly driven by the necessity for straightforward communication and comprehension – this will drive engagement and, ultimately, better member outcomes. Seems simple. As individuals we are used to instant accessibility in all walks of life – be that our banking, shopping or indeed recreation. We are able to get instant, accurate and up to date information and we are therefore able to make pretty accurate and instant decisions that work for us. It’s not good enough to keep saying we need to do better as an industry. Prompt action must be taken.”

(ENDS)

* The research, covering a broad spectrum of more than 2,000 people over the age of 18, was completed at the end of 2023. Conducted annually, the research seeks to understand how the British public feel about the pensions industry and aims to establish how much the industry is trusted, and what level of confidence people have that their retirement needs and objectives will be met by the pensions industry. Using a scale of 0 to 10 with 0 being ‘not at all’ and 10 being ‘a lot’, the public are asked to rate different elements relating to their pensions.

Further results of the survey will be announced in coming weeks and will include members’ own decisions and an in-depth look at technology.

Notes to editors:

Trafalgar House is a specialist pensions administrator.

Founded in 2006, our mission is to set the highest standard of pensions administration by any recognised measure. We achieve this through sustained investment in our people, processes, and systems.

We started life as an in-house administrator. Our foundations are in quality and member experience. Since our creation, we have grown as a third-party administrator. Adopting technology and innovation from across the market, we have emerged as a business of administration experts.

We have offices in London and Farnborough, over 30 clients and 160 staff. We hold internationally recognised accreditations for quality, security, development, customer service and environmental protection.

Media Contact:

For all media enquiries please contact KBPR using the details below:

kate@kbpr.agency | 07930 442 883

KBPR.
keeping you connected