

“pension freedom” changes

what are the new “pension freedom” changes?

In April 2015 the Government introduced major changes to the options available to people with a “defined contribution” pension.

With a “defined contribution” pension you build up a pot of money that you use to provide an income in retirement. Unlike “defined benefit” schemes – which promise a specific income when you retire – the income you get from a “defined contribution” pension depends on the amount you pay in, how it performs and the choices you make at retirement.

Because the new changes give people with a “defined contribution” pension a lot more choice, the changes in April 2015 are often called the new “pension freedom” changes.

From April 2015 people who are 55 or over no longer have to buy an “annuity” with the money they’ve built up in their pension pot. Instead, they can take the money they’ve built up and use it how they chose.

Pensions can seem complicated – and many people worry about what to do. To help people understand more about the pension options now available to them, the government has set up a free impartial service called Pension Wise.

how can Pension Wise help me?

People with a “defined contribution” pension now have a range of choices.

Taking professional advice, you could choose to invest your pension pot in all kinds of ways to suit your personal circumstances. You can still buy an “annuity” – as people had to do in the past. Or you could withdraw money from your pension to spend – in slices or as a single lump sum.

To help people start thinking about these decisions, Pension Wise provides free impartial guidance about the options available – what questions to ask, how to shop around and what to look out for.

But Pension Wise won’t recommend any specific products or tell you what you should do with your money.

The Pension Wise website (www.pensionwise.gov.uk) sets out the steps you need to take, to help understand how to turn your pension pot into income for retirement.

If you prefer to speak to someone, you can also talk to an impartial guidance specialist from Pension Wise on the phone or face to face. You can make an appointment either on the Pension Wise website or by phone (0300 330 1001).

can Pension Wise help with pension problems too?

Pension Wise can help by giving unbiased guidance on the options available to someone who is 55 or over – and has a pension based on how much they’ve got in their pot (a “defined contribution” pension).

Things aren’t always simple – and sometimes misunderstandings and mistakes happen. So if you’re worried about a pension problem – or think you have a complaint – there are other people who can help too.

It doesn’t matter if you’re not sure who to talk to. Pensions can seem complicated – but everyone mentioned on this factsheet will be happy to listen to you.

And if they can’t help you themselves, they’ll know who *can* help – and point you in the right direction.

so who else can help with a pension problem?

There's lots of free unbiased help available. So if you're worried about a pension problem, you needn't feel you're on your own.

- **The Pensions Advisory Service** offers free impartial guidance to people with workplace and personal pensions. They can give information and guidance on pension options. And if there's a problem, they can help you make a complaint to the right people.
www.pensionsadvisoryservice.org.uk
phone 0300 123 1047
- **The Pension Service helpline** can help if you're unhappy with how the Pension Service – part of the government – has handled your state pension claim.
www.gov.uk/complain-pension-service
phone 0345 606 0265
- **The Financial Ombudsman Service** can help with complaints about annuities and investments as well as the sale of personal pensions. From April 2015 this includes looking at complaints about advice from an FCA-regulated firm to transfer from a “defined benefit” pension scheme to a “defined contribution” scheme.
www.financial-ombudsman.org.uk
phone 0300 123 9 123

- **The Pensions Ombudsman** investigates complaints about how pension schemes are run.
www.pensions-ombudsman.org.uk
phone 020 7630 2200

watch out for the pension scams!

Fraudsters are working harder to try to cheat people out of their pension pots. Lots of the scams start off with an unexpected phone call, text or email, tempting you to:

- Invest your pension pot in exotic speculation or schemes you've never heard of.
- Take your pension money *before* you're 55 (which is something you can only do in rare cases).
- Take out large lump sums in cash to be invested on your behalf.
- Transfer money quickly – or make rush decisions – to take advantage of “special investment opportunities”.

If you have any suspicions at all, just hang up – or delete. And always check if the person or company contacting you is on the official Financial Conduct Authority (FCA) Register (www.fca.org.uk/register *phone* 0800 111 6768).

This factsheet for consumers is only a general guide. It is not legal advice. We look at each case on its own individual facts and merits. We will always give you the chance to query anything you don't understand or agree with.

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