

## Money and Mental Health response to the FCA/TPR call for input on pensions consumer journey

The Money and Mental Health Policy Institute is a research charity established in 2016 by Martin Lewis to break the vicious cycle of money and mental health problems. We aim to be a world-class centre of expertise developing practical policy solutions, working in partnership with those providing services, those who shape them, and those using them, to find out what really works. Everything we do is rooted in the lived experience of our Research Community, a group of 5,000 people with personal experience of mental health problems.

Our response to this call for input draws on research we have conducted over the past five years, including a survey of 444 Research Community members which ran from 11-24 June 2021. Below, we discuss how regulators and others can support people with mental health problems to help them achieve better outcomes, recognising the specific challenges that mental health problems can lead to. In this document, we respond to questions 1-5 and 7.

### Background

- In any given year, one in four people will experience a mental health problem,<sup>1</sup> and over a lifetime this rises to nearly half the population<sup>2</sup>. However, we do not always know when we are unwell, or receive treatment. Over a third (36%) of people with a common mental disorder have never received a diagnosis, and 62% are not currently receiving treatment.<sup>3</sup>
- Common symptoms of mental health problems, like low motivation, unreliable memory, limited concentration and reduced planning and problem-solving abilities, can make managing money significantly harder.<sup>4</sup> Such symptoms can also make it more difficult to interact with financial products and firms, including in the pensions space.<sup>5</sup>
- People with mental health problems are three and a half times more likely to be in problem debt as those without, and half (46%) of adults in problem debt also have a mental health problem.<sup>6</sup>
- The median income of people with common mental disorders like anxiety and depression is £8,400 lower than that of those without such conditions.<sup>7</sup>
- Three key factors contribute to this income gap:

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<sup>1</sup> McManus S et al. Adult psychiatric morbidity in England, 2007. Results of a household survey. NHS Information Centre for Health and Social Care. 2009.

<sup>2</sup> Mental Health Foundation. Fundamental facts about mental health. 2016.

<sup>3</sup> McManus S et al. Mental health and wellbeing in England: Adult Psychiatric Morbidity Survey 2014. NHS Digital. 2016.

<sup>4</sup> Holkar M. Seeing through the fog. Money and Mental Health Policy Institute. 2017.

<sup>5</sup> Holkar M, Evans K and Langston K. Access Essentials. Money and Mental Health Policy Institute. 2018.

<sup>6</sup> Holkar M. Debt and mental health: a statistical update. Money and Mental Health Policy Institute. 2019.

<sup>7</sup> Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.



- A lower likelihood of being in work - employment rates for people with mental health problems are significantly lower than the national average, and 300,000 people with a long-term mental health condition lose their job each year.<sup>8</sup>
- Lower wages when in work - people with mental health problems are overrepresented in both part-time roles and lower-paying occupations.<sup>9</sup>
- Limited support from the benefits system - people with mental health problems are more likely to rely on social security payments, leaving little additional money for savings.<sup>10</sup>
- These same factors are likely to lead to lower pension savings at retirement, making it even more important that people with mental health problems are supported to make informed decisions about pensions.

**Q1: Is this understanding of the consumer journey an appropriate foundation for regulatory policy making? If not, what other elements of the journey should we be considering and how might the changing nature of retirement and working patterns in the future shape the support required?**

The consumer journey as laid out in the call for input offers a useful top-level view of the stages that most savers will move through. While the call for input notes consumers will not always follow a straight path, challenges faced by people with mental health problems can make the journey circuitous and difficult.

The call for input highlights complications such as varying circumstances over the course of a saver's life, tracking multiple small pots and interpreting often complex communications from a range of firms. Each of these specific factors are likely to be of particular relevance to people with mental health problems, and will overlap and interact for many such savers.

While our responses below explore these points in more depth, a key additional consideration for people with mental health problems is the higher risk of earlier retirement. This means the accumulation journey may be much shorter for these savers, limiting the amounts that can be saved into a pension and the options someone will have upon reaching retirement. But recognising the higher risk of early retirement due to poor health faced by this group, and the difficult decisions that can entail precisely at the moment when you are unwell, should be factored into efforts to better communicate and engage with the one in four of us with a mental health problem.

**Q2: Have we identified the correct overarching harms in the consumer journey? If not, what others are there?**

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<sup>8</sup> Stevenson D and Farmer P. Thriving at work. 2017.

<sup>9</sup> Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.

<sup>10</sup> Ibid.

The three key harms identified in the call for input are some of the most important issues that emerged in our research. That said, people with mental health problems face specific challenges that can increase the risk and/or severity of these harms.

### **Struggle to make decisions that optimise their pension saving**

Our survey of our Research Community asked similar questions to those posed in Financial Lives, with similar results:

- 27% did not know how much they were regularly paying into their pension
- 43% did not know how much their employer was paying into their pension
- 33% knew how much they had saved for retirement.<sup>11</sup>

While these percentages do not differ significantly from the wider population, our Research Community respondents explained how their mental health problems could make it harder to engage with their pensions and advice. This affected people at various stages of their pension journey, from initial decisions to monitoring investments to decumulating.

*“Having mental health problems (PTSD and also executive dysfunction traits from Asperger's Syndrome) means it's probably going to be hard to keep track of so many little pension pots here, there and everywhere.”* Expert by experience

*“My mental health means I don't feel confident dealing with finance companies who I feel would steal or lose my money anyway.”* Expert by experience

Paragraph 4.3 of the call for input states that “engaged and supported consumers, with access to suitable guidance and regulated financial advice, are more likely to understand how the decisions they make now will impact their retirement... [leading to] better outcomes than reliance on inertia alone”. This is an admirable goal, and one that should be achievable for customers who experience mental health problems too in line with the FCA’s wider guidance on fair treatment of vulnerable customers regarding outcomes not being worse.

It will, however, require regulators, pension providers and others in the sector to factor in the specific needs of people with mental health problems. Our response to Question 4 identifies relatively simple steps that can be taken to make it easier for people with mental health problems - including, through an inclusive design approach, those who may be undiagnosed or unaware of their condition - to better understand, engage with and take control of their savings.

While understanding of and engagement with retirement finances should be a positive for most consumers, a number of our survey respondents underlined how valuable the inertia associated with auto-enrolment can be.

*“My mental health doesn't really affect my pension because of automatic enrolment. Even if I do nothing, I end up contributing and that makes it easy.”* Expert by experience

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<sup>11</sup> Bases for these questions were, respectively, 212, 182 and 314 members of our Research Community.



### **Remain in badly-performing products**

Experiencing a mental health problem could increase your risk of remaining in an unsuitable product. This can play out in a number of ways. Low motivation and anxiety are common symptoms of many mental health problems, making people less likely to engage with their pensions. Our Research Community members noted that pension providers and employers often contribute to this, through unclear or inaccessible communication, provided in an unsupportive manner.

*"[My] work pension send me emails to access the details of the pension but I haven't been able to do this and there is no phone number to ring. I have messaged them several times but they just send me the original message back. I do not understand why it cannot be made simple."*

Expert by experience

Among those who had been able to access their pension paperwork, difficulty understanding complex information - another common symptom of mental health problems - made it hard to weigh up different options and identify the best choice for their circumstances.

*"Sent paperwork from pension providers. But I've not done anything with it. Found it too much to sort out. Following up on pensions is stressful & my understanding is poor, so I don't deal with it."*

Expert by experience

### **Susceptible to scams**

Nationally representative polling conducted in 2020 for our report on online scams found that people with mental health problems were three times more likely to have lost money or personal information to a scam than the rest of the population (23% versus 8%).<sup>12</sup> While our research did not focus specifically on pension scams, the factors our analysis identified as driving this greater risk are transferable to pensions too:

- Impaired decision-making, increased impulsivity and low motivation can all make it difficult for people with mental health problems to spot scams.
- People with mental health problems are also more likely to be in positions that put them at risk of being victim to an online scam, such as being isolated or experiencing financial difficulties.

While our Research Community reported few examples of having lost out to a pension scam, for those who had, the financial and mental health impact could be devastating.

*"I took some money out of my pension early and it was a scam. The liquidators are trying to help myself and many others recover some money back as we have lost thousands of pounds. My mental health has been impacted a lot."* Expert by experience

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<sup>12</sup> Holkar M and Lees C. Caught in the net. Money and Mental Health Policy Institute. 2020.

While only a handful of Research Community respondents who have not saved into a pension mentioned that this was due to a fear of pension scams, people with mental health problems told us that worries about being scammed affected their mental health and their financial behaviour. For some, this meant avoiding useful and potentially money-saving options, like online shopping or banking. For others, it made using the internet an anxiety-inducing experience, beyond the appropriate level of caution for internet users. This concern regarding scams should be borne in mind when trying to engage with pension savers, focusing on building trust in impartial services like Pension Wise and the Money and Pensions Service.

### Q3: Have we identified the main behavioural biases which influence saver engagement with pensions? If not, what others are there?

#### Short-termism

While our Research Community respondents expressed a range of common views on the value of saving today for retirement, there were a number of recurring themes more specific to those with mental health problems. This included a belief held by some respondents that their mental health condition would mean they would die before they were old enough to receive their pension.

*“When you cannot see yourself living, planning for a future is not possible.”* Expert by experience

*“I was too ill to work for 25 years and during most of that time I didn't expect to survive because of the constant risk of suicide. I didn't expect to survive long enough to need a pension so I didn't plan. I'm trying to say that mental illness makes it really difficult to plan for the future and we need some sort of help with that.”* Expert by experience

This could lead to people experiencing these feelings saving less during their working lives but also not engaging with the details of accumulated savings, raising the risk of losing track of pots and investments. As noted in our response to later questions, this makes the Pensions Dashboard and well-designed portals all the more important for this group.

*“Mental health difficulty and its impact on your life makes it impossible (if not moot) to plan for retirement. If it's a struggle to get through today then thinking about 50 years away? Forget it!”* Expert by experience

*“My mental ill-health makes it hard to plan for a future that I don't expect to have. I have a pension through current and previous employers but I have never studied the details. It's something I never give any thought to because I don't expect to be alive to reach old age.”* Expert by experience

In contrast, some respondents reported being overly-focused on the adequacy of their income in retirement. For some, this led to worrying about retirement and saving excessively into a pension in response, to the detriment of their living standards today. Communications should



therefore be aware that inducing a sense of concern for the future, while a powerful tactic, can have serious and unpleasant consequences for some.

*"[My mental health problem] made me more focused on [my pension] to reduce the anxiety about not having enough when I retire."* Expert by experience

*"My mental health has affected me in a way that I am so worried for the future that I dare not spend anything at all now. So I kind of over-save and don't enjoy life now."* Expert by experience

### **Other behavioural biases**

While the call for input's discussion focuses on the role that (not) progressing through lifecycle landmarks can have, our respondents discussed their lack of confidence with regards to pensions as being a source of embarrassment and shame. This could mean they did not seek out advice and support.

*"Could not approach someone for advice because I would feel like an idiot for not knowing."* Expert by experience

*"I still haven't worked up the courage to speak to anyone about adding into my existing pension pots. It's just too much for me to cope with."* Expert by experience

Other respondents mentioned the terror that could come from thinking about their pension when they had not begun to save, with the distress caused by even thinking of engaging with their retirement position preventing them from acting. While anxiety around finances and the future can affect anyone regardless of their health, this can be particularly powerful for people with mental health problems who already struggle with anxiety and managing worries.

*"I look at pensions every now and again because it terrifies me that I don't have one, but it's too overwhelming and when it comes to any big decisions like that I just can't face it, I lose confidence in myself and my anxiety only increases."* Expert by experience

*"I find making decisions at all very stressful, pensions are so complex and my fear of making the wrong decision so great, that I feel too paralysed to act at all."* Expert by experience

### **Q4: Have we identified the right structural issues impacting pensions and do others also have a material impact? How can the pension consumer journey be improved to address poor outcomes caused by structural issues?**

There are a number of structural issues affecting people with mental health problems that directly affect their ability to save into and engage with a pension.

- Employment
- The social security system
- Fluctuating nature of mental health problems



- Difficulties controlling spending
- Debt
- Challenges engaging with pensions when unwell

## Employment

While people with mental health problems can have relatively undisrupted careers, for many their condition makes it nigh-on impossible to enter work, or to retain a job for an extended period. The Mental Health and Income Commission<sup>13</sup> found that people with mental health problems were, compared to the rest of the population:

- less likely to be in work. Even with the labour market at its tightest in 2019, there remained an 31 percentage point employment gap for people with mental health problems as a group<sup>14</sup>, with significantly lower employment rates for those with more severe conditions like schizophrenia<sup>15</sup>.
- more likely to be in part-time work when in employment. Among people with mental health problems who were in work, 37% worked part-time, compared to 24% of the rest of the population.<sup>16</sup>
- more likely to be in the lower-paying occupational groups when in employment. People with mental health problems were overrepresented in some of the lowest-paying roles.<sup>17</sup>

These employment outcomes are not driven by a single factor. For some, being out of work, working fewer hours or in a less demanding role can be the best way to manage their mental health. For others, a lack of opportunities and discrimination can prevent them getting more flexible, well-paid positions. Either way, this can lead to people with mental health problems struggling to contribute to a pension, falling below the auto-enrolment threshold, accumulating small amounts and/or paying into numerous different pensions as a result of more frequent job changes.

*“Saving for retirement is something which affects my mental health. I am currently unable to afford to be part of my workplace pension as the contributions are too high. I plan to join the scheme once I have paid off some debt and have more money leftover each month.”* Expert by experience

*“[My mental health problem] affects my income as I have to work part time and I am below the threshold for automatic enrollment.”* Expert by experience

*“My mental health has been up and down and so I've been in and out of work. The lack of stable employment - and doing 'temp work' in my twenties - has meant that I rarely qualified to*

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<sup>13</sup> Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.

<sup>14</sup> Money and Mental Health analysis of ONS, Labour Force Survey. For more detail see Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.

<sup>15</sup> NatCen analysis of the Adult Psychiatric Morbidity Survey 2014. For more detail see Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.

<sup>16</sup> Money and Mental Health analysis of ONS, Labour Force Survey. For more detail see Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.

<sup>17</sup> Ibid.



*join company pension schemes (before they became compulsory), and in more recent years being in and out of work, doing short-term contracts, means I have a few months' contributions in several different pensions.” Expert by experience*

This can lead to confusion about which pots people have paid into but also deep concern that they have been unable to save enough to have a decent standard of living in retirement.

*“Due to a sporadic working life down to my mental health affecting how much I can earn I have opted out, opted in, been put in company pensions then moved jobs (as I couldn't fulfill contracted hours) so I do not know where I am up to, or who with.” Expert by experience*

*“I'm 51 years-old, haven't ever had a job for more than two years, have often moved sideways rather than be promoted, and have been discriminated against due to mental health and disability. I am terrified of living in poverty in old age.” Expert by experience*

Self-employment can also be a popular option for people with mental health problems, providing greater flexibility. Of those who are self-employed, 45% of people with mental health problems do so on a part-time basis, compared to 25% of those without such conditions.<sup>18</sup> This means that the challenges of being outside the auto-enrolment system and being on a low income can be compounded.

*“Due to my mental health I lost my employment. I started a business as I knew self employment was my only option as job interviews were impossible with my anxiety, but I don't earn enough to pay into my pension now.” Expert by experience*

As noted in response to question 1, early retirement is also a necessity for many people with mental health problems. This can leave them grappling with smaller-than-hoped-for savings along with difficult decisions and the challenge of tracking down pots when unwell.

*“My mental health has completely overtaken being able to work, save, trying to keep my home; all aspects of my life!” Expert by experience*

*“I have been unable to work for a number of years due to my mental health. Prior to that, I worked, and contributed to my pension through my work pension fund (teachers' pension mostly), but since stopping work, I have NO idea what has happened with that, or how to check.” Expert by experience*

### **The social security system**

Among those we surveyed who were not saving for a pension, 71% reported this was because they couldn't afford to do so.<sup>19</sup> People reliant on social security payments were prominent

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<sup>18</sup> Money and Mental Health analysis of ONS, Labour Force Survey. For more detail see Bond N and D'Arcy C. Mind the income gap. Money and Mental Health Policy Institute. 2020.

<sup>19</sup> Base for this question was 78 members of the Research Community.





among this group, with a range of concerns raised. Many respondents felt that benefit levels were too low to provide a decent standard of living and that

*“Existing on UC of £409 a month for last 3 years. Had to often go without food, heating and such to live, never mind having any money to pay into a pension.”* Expert by experience

But even recognising the difficulty of saving into a pension while dependent on benefits, many suggested that saving into a pension would make them ineligible for Universal Credit or other social security payments, even when under 55 and not intending to draw from their pension in the near future.

*“Unsure if I'm allowed to save for private pension with only being able to save up to about 6k total.”* Expert by experience

*“I don't even know if I am allowed to start a pension if I am on benefits only and whether if I have one, it will impact my eligibility for benefits now or in the future.”* Expert by experience

*“Even if I could scrape together savings from what I get, I'd lose my benefits. At this point, I don't even know if I'll make it to retirement age, and I'm anxious and depressed about what will happen if I do.”* Expert by experience

### **Fluctuating nature of mental health problems**

For many people with a mental health problem, their symptoms fluctuate. This can mean that, while able to work and contribute to a pension for an extended period, poor mental health may require them to reduce or stop working. With benefit payments being low relative to earnings, a number of our respondents felt that having money saved that they can draw on when unable to work was a helpful safety net. This meant, however, that locking savings away in a pension is less desirable.

*“Worry about future bouts of illness and if I will need that money, has made me put off saving into a pension. The idea of that money being locked away until 55 is scary when I don't know how well I will be in the future.”* Expert by experience

The lack of clarity regarding the social security system's savings rules and the treatment of pensions was raised from this perspective too.

*“Locking money away into a pension (or non pension retirement planning) is dangerous if you are disabled. Eg LOTS of benefits and support a disabled person (both of working age and esp when older) might need are means tested so you're actually penalised for having been 'financially responsible'. This is a HUGE issue, and welfare reforms have only made this worse.”* Expert by experience

These fluctuations can also mean that a person who previously felt confident in their financial knowledge and capability now struggles to make effective decisions, meaning that pension

firms and regulators cannot assume that once a person has been provided information and has been engaged that they will not be in need of support in future.

*“Mental health difficulty can make even intelligent and formerly financially active people struggle cognitively to e.g. read docs or do comparisons to make the informed decisions for pension planning.”* Expert by experience

### **Debt**

Money and mental health problems are closely linked, with mental health problems leading to financial difficulty and vice versa. Together, this vicious cycle contributes to half of those in problem debt having a mental health problem.<sup>20</sup> While this can contribute to people being unable to afford to contribute to a pension, it can also mean people are forced to take more drastic action in order to manage their debts, which can impact on both accumulation and decumulation of a pension.

*“Mental health issues led to me being in huge debt and being forced to declare bankruptcy. I (wrongly) cashed in all but one of my private pensions. I was also forced into retiring early from my only remaining private pension - at the age of 59 - so I could access a lump sum and a much reduced monthly pension. This means I have about half of what I was hoping to retire on in terms of monthly private pension payments.”* Expert by experience

*“I now have an extended mortgage and will struggle to pay it off so I will have to work extra years to keep my house.”* Expert by experience

### **Challenges engaging with pensions when unwell**

There are a wide range of mental health problems that can affect people in a variety of ways, many of which can make it harder to save into, engage with and make effective decisions regarding pensions.

A number of symptoms of mental health problems can mean people are more at risk of uncontrolled spending. This can be due to increased impulsivity or seeking something to raise a low mood.

*“My mental health affects whether I save for retirement as when my mental health declines, I tend to spend more to feel better and opt out of pensions contributions in order to receive the extra money to continue spending.”* Expert by experience

*“I'm a spender. I regret not managing my money better throughout my life. Buying 'stuff' gives a 'high' so bank savings never last long and I haven't a clue what to do with the mound of paperwork from 2 work pensions. It worries me. A lot.”* Expert by experience

As has been noted in much of this response, engaging with a pension is made much harder by the symptoms of mental health problems.

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<sup>20</sup> Holkar M. Debt and mental health: a statistical update. Money and Mental Health Policy Institute. 2019. Contact: [conor.darcy@moneyandmentalhealth.org](mailto:conor.darcy@moneyandmentalhealth.org)



*“I cannot get my head around pensions. I don't know how much this is to do with my depression or just me. I suspect the depression has a good deal to do with it as I do shut off if it feels too difficult for me.”* Expert by experience

As well as understanding information provided, these symptoms can also make it harder to know where to turn to for advice. In our survey, only in three (34%) respondents agreed they knew where to go if they have questions about pensions, with 47% disagreeing.<sup>21</sup>

*“Due to my general confusion, not knowing how and where to find accurate unbiased trustworthy help, and general problems with maths, concentration and motivation.”* Expert by experience

*“My mental health issues make it very difficult to access information, advice and support about it as my energy reserves are being fully used up managing my life in the here and now.”* Expert by experience

### **How to improve the pension consumer journey**

The structural disadvantages that people with mental health problems face as a result of the interaction between their symptoms, the employment landscape, the social security system and wider financial issues are not unique to pensions. Indeed, the FCA's work on its guidance for firms on the fair treatment of vulnerable customers and the proposed new consumer duty highlight a number of the key areas that actors in the pensions landscape should be considering to support and empower consumers with mental health problems.

Communication is among the most important of these areas and is reflected in the experiences of our Research Community. As outlined above, paperwork and other contact from pension providers can often be counterproductive, leaving savers with mental health problems feeling too distressed to engage or confused by jargon and unclear information. Pension providers should proactively ask savers for their preferred communication method, recognising that commonly-used methods like sending letters by post can present difficulties.

*“Having a portal for my pension provider means I can easily access information when I want to as postal letters can be anxiety inducing for me.”* Expert by experience

This carries through into the delivery of advice. With 47% of our survey respondents disagreeing they knew where to go if they had questions about pensions, continuing to raise the profile of impartial, free advice is a vital first step. But ensuring the advice is delivered in a way that meets the needs of customers is vital. Symptoms of mental health problems can include trouble concentrating and processing complex information. This can make the provision of advice through phone calls or face-to-face meetings less effective. Providing advice through a variety of channels, and offering an easy-to-understand summary of the discussion

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<sup>21</sup> Base for this question was 377 members of the Research Community.



afterwards can help people with mental health problems to re-engage with the questions they have at a later point.

*"I recently had a 1 hour Pension Wise appointment and could hardly understand what he was saying. Then I got a written summary - which was 30 pages long. I don't think this would be taken on by most people, let alone someone who is mentally not well or stable."* Expert by experience

As discussed, people with mental health problems may be particularly likely to have multiple pension pots due to their health requiring moves in and out of employment. This challenge can be compounded by the symptoms of mental health problems. A Pensions Dashboard should therefore be especially valuable to customers with mental health problems, avoiding the need to have login details and information for numerous providers. But even before the Dashboard is up and running, well-designed provider websites that support savers to engage with and understand their pensions can be hugely beneficial.

On employment, with people with mental health problems more likely to be in part-time and low-paying roles - and therefore below the auto-enrolment threshold - the risk of being left behind on pension saving is a concern. This is not an issue that applies solely to people with mental health problems, and the discussion around the appropriate level of the auto-enrolment trigger is a long-running one. But ensuring that those below the threshold receive at least occasional information and options on saving for retirement may help to promote engagement with the wider issue.

With early retirement seen as a possibility for many of our respondents, ensuring that people with mental health problems receive appropriate information on this is key. While the moment at which early retirement is actively being considered is the most important opportunity to do so, this may be an option that many people with mental health problems consider for some time before acting. As such, developing and publicising resources that set out people's options around early retirement could be helpful in preparing people ahead of time, recognising that the moment of early retirement may be when they are unwell and find it difficult to make effective decisions.

Our survey flagged much confusion and frustration directed towards the Department for Work and Pensions (DWP). Clear and proactive communication from the DWP, regulators and pension providers about the rules regarding making contributions or having a pension pot while receiving benefits could reduce the uncertainty that many people face, both current claimants and those who feel they may need to rely on benefits in future. The current situation in which some people do not want to save for retirement in case this negatively impacts their income when unwell is undesirable both for the individuals and the government's aim of promoting personal contributions towards retirement.

Similarly, and bearing in mind the wider financial difficulties that many people with mental health problems face as a result of their condition, efforts like the sidecar savings project could be

particularly valuable. This would provide people with reassurance that some of their money can be used if required, reducing the reluctance to begin, continue or increase their savings into a pension.

**Q5: Are there other barriers to engagement that we have not identified? Are there solutions to the barriers to engagement that regulators, industry or others should consider?**

Our response to question 4 covers a number of these barriers and some proposed approaches for regulators and others.

**Q7: What learnings from other industries could the pensions market use to drive the use of technology as an engagement tool and what would stakeholders find useful for regulators to do to facilitate innovation, for example creating a panel or additional TechSprints?**

Technology which helps people to keep better track of their pensions would be of particular benefit to people with mental health problems for the reasons explained in responses to previous questions. When operational, the Pensions Dashboard should provide an opportunity to boost engagement, though the difficulties caused by ineffective communication raised above should be borne in mind in terms of its design, marketing and the support provided to customers to use it. Open Finance too presents a particular opportunity to boost engagement with pensions, making it part of a broader suite of financial products that people can view in one place, without the need for multiple usernames and passwords.

TechSprints and regulatory sandboxes in other parts of the financial services sector have focused specifically on the needs of vulnerable customers, including those with mental health problems. A similar exercise, engaging with some of the issues we have raised here, would be welcome. For further information on using data to engage customers with mental health problems, see Alpin K and Holkar M. *Data protecting: Using financial data to support customers*. Money and Mental Health Policy Institute. 2019.