For financial advisers only

See the bigger picture when you bring everything together

Consolidation factsheet

Bringing your client's pensions and investments all together onto Aegon Retirement Choices (ARC) or the Aegon Platform might be the right move for you and your clients. It could reduce the overall charges your clients pay and make it easier to see savings all in one place. Consolidation may not be the best option for your clients. It's important your clients are comfortable with the investment choices they make as they may lose features, protections, guarantees or other benefits when they transfer.

To help you understand how your clients might feel about consolidation, this guide shows the results of research we conducted with 1,012 people in June 2022 as part of our UK consumer panel, which gives some insight on why your clients might want to consolidate and when.

The value of your client's pensions or investments after any consolidation can still fall as well as rise and they may get back less than invested or paid in. Any new funds you move your client's money into will have their own set of risks that will be detailed in the fund information available to you.

Could your clients benefit from consolidating their pension savings?

Our research has found that 59% have considered consolidating their assets, and almost half of those we surveyed already think there are benefits of consolidation.

According to our research, people feel the main advantages of consolidation are:

- Ability to manage all assets in one place (74%)
- Less paperwork / administration (56%)
- Lower charges (62%)
- Ability to see all funds online (68%)
- Ease of tracking all funds' investments performance and responsible investment (44%)
- Ease of planning for retirement (39%)

For more support material and help about consolidating with us, go to aegon.co.uk/advisers/supporting-your-business/resources/consolidation-toolkit

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have considered consolidating their pensions, those with higher awareness of where their pension pots are and their value were more likely to do so.

74%

think that being able to manage their assets in one place is a benefit.

49%

believe there might be benefits in combining pensions - younger audiences are more likely to recognise the benefits.

What might your clients' concerns be about consolidating?

You may have clients who are apprehensive about consolidating. Our research showed that some of the most common barriers include:

- Wanting to spread the risk between providers (36%)
- It's a defined benefit scheme and I would lose a guaranteed retirement income (34%)
- I want to, I've just never got round to it (4%)
- Process seems too complex (15%)
- There may be adviser fees (15%)
- Felt it was too risky to transfer (15%)
- My other pension(s) have guaranteed annuity rates (17%)

What can make your clients think about consolidation?

64% of the people we surveyed have a workplace pension with more than one provider. They could potentially benefit from moving them all to one pot. Awareness of consolidation is high and finding the right opportunity to encourage them to take action can be crucial.

Pension freedoms

Pension freedoms have led to people thinking about moving their pensions, with 24% saying the rules were a trigger.

Nearing retirement

Around 34% of those we asked want to discuss consolidation when they're near retirement.

Redundancy

While it may not be a pleasant time for many, some people accepting redundancy may find themselves with a cash lump sum. This uncertain time led to nearly 5% of the people we surveyed wanting to consider consolidation.

Divorce

Another potential financially tough time could be when someone is going through a divorce. This could lead to a change in their financial circumstances. Divorce triggered around 3% of the people we surveyed to consider consolidation.

Media coverage

Barely a week goes past without pensions being mentioned in the media. They're always a hot topic for discussion by political parties and as a result this triggers around 8% of people to want to discuss consolidation with their advisers.

What can make your clients think about consolidation? continued

New job

A new job usually comes with a new pension pot. Compounded by the introduction of auto-enrolment, it's possible that many people could have several pots over the course of their working life. 20% of people considered consolidating when they got a new job and by consolidating at this stage, it could help reduce their overall charges.

60th birthday

A 60th birthday is a milestone in everyone's life, and is also the decade people generally receive their state pension. It might also be the time they start finalising their retirement plans. Our research shows that nearly 7% of people use their 60th birthday as a trigger to consider consolidation.

Windfall

While we feel like it will never happen to us, lottery wins do happen to some people. People also financially benefit as recipients of inheritance or the sale of a property. With this new-found wealth, it may be a good time to discuss consolidation.

Making a will

No one likes to think too much about dying, and planning what will happen to their assets can seem a lengthy and complicated task. However, it can save their family and loved ones a great deal of financial complication when they die. Unclaimed pensions are included in wills, so discussing consolidation at the same time as writing a will could help beneficiaries in the long run.

Consolidating with us could also reduce the overall rate of platform charges your clients pay, either through ARC's £250,000 price cap or the Aegon Platform's tiered charging structure. For more information, read our ARC charges guide or Aegon Platform annual charge guide.

Consolidating with us

We've designed Aegon Platform and the ARC Platform to help you and your clients keep things simple, so you have one place to view your client's Aegon investments online. Our product wrappers, and the variety of funds we offer, give your clients lots of ways to save for their future.

Self-invested personal pension (SIPP)

Offers tax-efficient savings and retirement income solutions – clients can accumulate savings and take a retirement income as and when they need to.

Individual Savings Account (ISA)

A tax-efficient way of saving – free of capital gains tax and income tax.

General Investment Account (GIA)

The GIA is our non-tax-wrapped account. Your clients can hold a wide variety of investments with no upper limit on how much they can invest.

Each product has a cash facility, making it easier for you and your clients to keep track of incoming and outgoing investments, and credits and debits related to the product.

The favourable tax treatment of SIPPs and ISAs may not be maintained in the future and is subject to changes in legislation. The value of any tax relief depends on your clients' individual circumstances.

All references to taxation are based on our understanding of current taxation law and HMRC practice, which may change.

There's no guarantee that fund objectives will be met. The value of an investment can fall as well as rise and isn't guaranteed.

Investment options

There are over 5,000 funds on ARC and over 4,000 on the Aegon Platform[1], including over 200 sustainable and responsible options, giving you the scope to build model or bespoke portfolios for clients to match their investment goals and beliefs. Our ready-made investment portfolios are an easy option for clients who prefer simplicity, providing a complete portfolio in a single fund to match their risk appetite.

For wealthier clients, we also offer access to model portfolios from a range of discretionary fund managers (DFMs).

Our Risk-Managed Portfolios

Available in a pension, ISA or GIA, our six Risk-Managed Portfolios each offer a complete investment solution in a single fund. They're available to ARC and Aegon Platform investors.

Focused on value, the Risk-Managed Portfolios come with expert asset allocation, risk management and robust governance built in, all for a fixed OCF of 0.25%.

A simpler way to invest

We believe a simpler approach to multi-asset investing leads to better outcomes for clients. Therefore, the Risk-Managed Portfolios are:

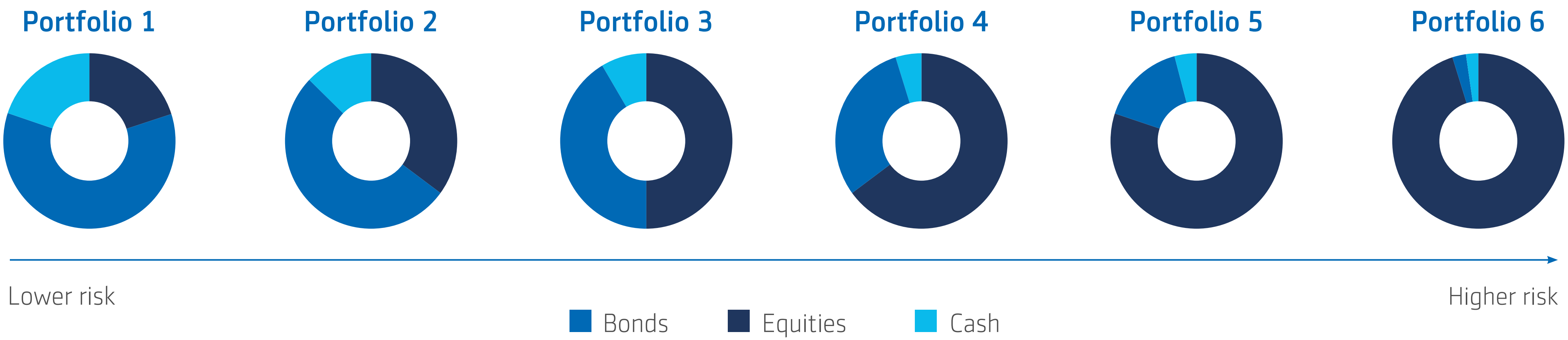
- Matched to a broad range of risk preferences, from lower risk to higher risk.
- Easy to use and explain.
- Available across pensions, ISAs and GIAs.
- Designed to take advantage of market gains while keeping costs low.

Managed by multi-asset experts

Our Portfolio Management team manages the Risk-Managed Portfolios with BlackRock managing the passive fund components. It's a powerful combination.

Asset allocation input provider and underlying fund managers can change. For more information and fund specific risks, see the Key Investor Information Documents, available on our website.

You can find out more about our investment options at **aegon.co.uk/adviser/investments**



[1] As at December 2022.

Contact us

For more information about consolidating your client's assets with us, please get in touch with your usual Aegon contact or get in touch with the team on 03456 100 083 (choose option 1, then option 1 again), or email **advisersolutions@aegon.co.uk**

Please don't email any personal, financial or banking information as it's not a secure method of communication. If you have a dedicated secure email service with Aegon, for example Unipass Mailock, please use this service.

You can also take a look at our consolidation hub by visiting **aegon.co.uk/adviser/supporting-your-business/resources/consolidation-toolkit**

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