

# Retirement Readiness:

How prepared do  
UK savers feel for  
retirement?

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# Retirement Readiness:

## How prepared do UK savers feel for retirement?

Retirement should be a time of freedom, fulfilment and peace of mind. Yet for many, the path to that future is paved with uncertainty. This report shines a light on how people across Great Britain are preparing for retirement—what they hope for, what they fear, and how ready they truly feel.

The findings are both encouraging and sobering. While many are taking positive steps, too many remain unsure, under-informed or disengaged. Nearly half of respondents don't have an up-to-date financial plan, and a striking 60% have never spoken to a financial adviser. These are not just statistics—they are signals that we must do more to support people in building the retirement they deserve.

Planning for retirement isn't just about numbers on a page. It's about choice, clarity and confidence. It's about knowing what kind of life you want to lead and having the tools to make it happen. That's why early engagement matters. The power of compound returns, and the reassurance of a clear financial plan can transform not just your future, but your retirement preparedness.

When people think about retirement, their biggest worry is often money. In fact, twice as many people say they're concerned about not having enough money compared to those who say they don't have a plan.

Our research found that people with an up-to-date retirement plan are 90% more confident than those without.

To put that into perspective:

- Increasing income from £55,000 to over £100,000 raises retirement confidence by **1.1 points** on a 10-point scale.
- But having a current retirement plan increases confidence by **3.3 points**.

**60%**  
of the respondents surveyed have never spoken to a financial adviser.

That's a powerful message—because while doubling your income might feel out of reach, creating a solid retirement plan is something most people can do. And it turns out; it's the most effective step they can take to feel more secure about their future.

Advice plays a vital role in this journey. It helps people navigate complexity, overcome hesitation and take meaningful action. At Schroders Personal Wealth, we believe that financial advice should be accessible to everyone—not just the wealthy or the well-informed. Because everyone deserves to feel confident about their financial future.



**Mark Duckworth**  
Chief Executive,  
Schroders Personal Wealth

“This report is more than a snapshot of public sentiment. **It's a call to action.** Whether you're just starting out or already retired, there's always a step you can take to **improve your financial wellbeing**. I encourage you to read the insights, reflect on your own journey, and—most importantly—act. Because the sooner you start planning with purpose, the better prepared you'll be to **live the retirement you truly want**.

**Let's get retirement ready —together.”**



# Introduction

Retirement should be a time of freedom, fulfilment and peace of mind. But achieving this vision needs thoughtful planning, informed decisions and timely action.

To better understand how people across Great Britain are approaching this important stage of life, we surveyed 1,500 people aged 45 and over. We asked about their expectations, habits and concerns around retirement and the results reveal a complex and varied landscape.

Many are taking proactive steps:



Here's what respondents said:

Over half (52%) check their pension annually and 57% have an up-to-date retirement plan.

Most began saving early with 70% before age 35. Yet 42% wish they'd started sooner. Confidence in retirement readiness is modest, with only 10% feeling extremely confident.



Yet significant gaps remain:

22% don't know the value of their pension, and 14% have no plan at all.

Only 10% feel extremely confident about their retirement readiness.

A striking 60% have never spoken to a financial adviser, often due to uncertainty or the belief that they don't have enough wealth.

Awareness of pension policy changes is low, and just 15% fully understand inheritance tax rules—despite 29% planning to pass their pension on to loved ones.

These findings highlight both progress and opportunity. Identifying the challenges is only the first step. That's why this report includes practical tips to help people take action—whether it's improving an existing plan or simply taking the first step.



By encouraging earlier engagement and open conversations around retirement planning, we aim to empower more people to take control of their financial futures. The sooner you start, the better prepared you'll be to enjoy the retirement you deserve.



# The power of early engagement

**When it comes to preparing for retirement, few factors are as influential as timing. Starting early doesn't just give you more years to save – it unlocks the full potential of compound growth.**

In a pension, your investment returns are automatically re-invested, and those returns begin to earn returns of their own. Over time, this compounding effect can help to dramatically accelerate the growth of your savings, even if your contributions remain modest.

It's encouraging to see that 70% of survey respondents began saving into their pension before the age of 35. This early action lays a strong foundation of financial freedom in later life. Yet despite this, 42% still wish they had started sooner – a clear indication of how powerful even a few extra years of saving can be.

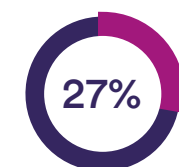
Of course, starting early is just one part of the equation. Staying engaged about how your pension is performing is just as important. More than half of respondents (52%) check the value of their pension at least once a year. However, 22% admit they have no idea how much their pension is worth, a figure that jumps to 28% among respondents aged 65 and older. This lack of awareness is concerning, especially for those nearing or already in retirement, when understanding your financial position is critical.

The benefits of early and proactive pension planning extend far beyond peace of mind - they directly shape the kind of retirement you can afford. To help people visualise what different retirement lifestyles might cost, Pensions UK has developed the Retirement Living Standards. These standards outline the annual cost of three retirement lifestyles – minimum, moderate and comfortable.

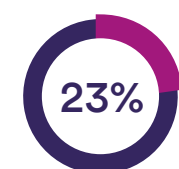
## According to findings:



of respondents believe they're on track for a moderate retirement.



27% expect to achieve a comfortable lifestyle.



Nearly a quarter (24%) anticipate only affording the minimum standard—a figure that rises to 28% among women.

# 42%

of people wish they started saving for retirement sooner



These findings highlight the importance of not just saving but tailoring your pension to meet your evolving needs. Pensions are flexible tools that can be adjusted to suit your goals—whether that means increasing contributions, switching investment strategies or updating your target retirement age. Yet many people aren't taking advantage of these options. In fact, 42% of respondents haven't made any changes to their pension at all.







# 21%

One in five (21%) retirees say they're spending more than they planned

Among those who have made changes, the most common triggers include:

38% A job or salary change

33% A conversation with a partner or friend

20% A milestone birthday

18% Proactive engagement from a financial adviser

Interestingly, proactive engagement from an adviser was more common for men than women (22% vs 14%), suggesting that advisers may need to rethink how they engage with female clients to ensure more inclusive support.

When asked how they plan to use their pension savings, most people say they will go towards essential living costs (53%), though many also want to use them to enjoy their later years – 40% plan to use their pension for lifestyle expenses such as travel, hobbies and home improvements. These dreams are achievable but only with effective planning. Among those who are already retired, one in five (21%) say they are spending more than they had anticipated, underscoring the need for realistic budgeting and ongoing financial reviews.

**The message is clear: it's never too early – or too late – to take control of your retirement savings. Whether you're just starting out or approaching retirement, a few small steps now can make a meaningful difference to your confidence and comfort in the years ahead.**

## Compound returns explained

### Top tips

#### 1 Put a small amount away today and make time work for you

Think of your pension like planting a tree—the earlier you plant it, the more time it has to grow. Even a small contribution today can set powerful growth in motion thanks to **compound returns**. That's when your investment earns a return, and that return starts earning returns of its own. Over time, this snowball effect can help to boost your savings—even if you never increase how much you put in.

**Action step:** Log in to your pension account today and consider setting up a monthly contribution—even a small amount can make a difference. The key is to start, and let time do the rest.

#### 2 Make the most of your workplace pension contributions

If you are part of a workplace pension scheme, increasing your contributions could help you build your retirement savings more effectively. Many employers offer matched contributions, meaning they will contribute more when you do. This is a valuable opportunity to boost your pension with additional funds from your employer—essentially free money that supports your future.

Increasing your contributions not only helps grow your pension pot faster, but it also takes advantage of tax relief on pension savings. Contributions are typically deducted before tax, which means you could pay less in income tax while saving more for retirement.

**Action step:** Review your workplace pension scheme and speak to your HR or payroll team to understand your employer's matching policy. If you can afford to increase your monthly contributions, even slightly, it could lead to a significantly larger pension over time.

# 43%

of people don't have an up-to-date financial plan



## Planning with purpose

**Retirement isn't just a destination—it's a journey that requires thoughtful preparation, ongoing reflection and a plan that evolves with you.**

A well-considered, personalised financial plan is one of the most powerful tools available to help people navigate that journey with confidence. Yet, despite its importance, it remains underutilised by a significant portion of the population.

Our research shows that just over half (57%) of respondents have an up-to-date financial plan or savings set aside for retirement. That's a promising start.

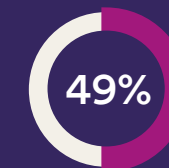
But for many others, the picture is less reassuring:

17% have only a basic or outdated plan

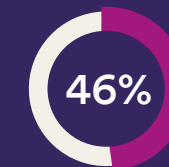
26% have no plan at all

This lack of preparation has a direct impact on how people feel about their financial future. Only 10% of respondents say they feel extremely confident about their retirement readiness. On average, confidence scores hover around six out of ten, with nearly a third (29%) rating their confidence between zero and four out of ten. That's a substantial group facing real financial uncertainty.

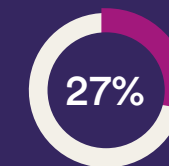
When we asked what contributes to these feelings of unpreparedness, the responses were telling:



cited not having enough savings



pointed to general uncertainty about the future



said they lacked a clear plan



admitted they didn't feel knowledgeable enough



had never spoken to a financial adviser—a simple step that could help them gain clarity, build a plan and establish better saving habits



## What's the biggest blocker to you living the retirement you want?

1 I don't know how long I'll live for

2 I don't know how much I'll need

3 I haven't thought about when I'll retire

4 I haven't factored in inflation/tax

5 I don't have a plan

These responses highlight a common theme: uncertainty. Whether it's about longevity, future costs or tax implications, many people feel overwhelmed by the unknowns. And without a plan in place, those uncertainties can become barriers to action.

But it doesn't have to be that way. A clear, evolving financial plan can transform uncertainty into confidence. It can help people set good financial habits, understand how much they might need to save and track their progress over time. Every step—no matter how small—builds a stronger foundation for the retirement they want.

Planning with purpose means more than just setting a savings goal. It means understanding your lifestyle aspirations, factoring in inflation and tax, and making informed decisions about when and how you'll retire. It's about creating a roadmap that reflects your priorities and your vision for the future.

And most importantly, it's about recognising that you don't have to do it alone. Whether it's through professional advice, digital tools or conversations with loved ones, support is available to help you take control of your financial future.

### Cash flow modelling explained



#### Top tip

#### 1 Use cash flow modelling to help reduce feelings of uncertainty

Uncertainty is one of the biggest barriers to confident retirement planning. Questions like *"How much will I need?"* or *"Will my savings last?"* can feel overwhelming—but they don't have to.

That's where **cash flow modelling comes in**. It's a powerful tool used by financial advisers to map out your income, spending and savings year by year tailored to your goals. It helps you see how your financial position could evolve over time, factoring in inflation, tax, lifestyle changes and even unexpected events.

Think of it as a financial roadmap that shows you the 'what ifs'—so you can plan with clarity, not guesswork. However, it's important to remember that cash flow modelling is only a guide and it's important to review this regularly.

**Action step:** Book a no obligation meeting with one of our financial advisers who can support you in building a personalised cash flow model if appropriate for your circumstances. It's one of the most effective ways to turn uncertainty into confidence—and to see your retirement plan in action.



# Advice matters

Navigating retirement planning can feel daunting, especially when you're not sure where to begin. The sheer volume of decisions, options and unknowns can leave even the most financially aware individuals feeling overwhelmed.

In these moments, professional financial advice can offer clarity, reassurance and a clear path forward. Yet, as our findings reveal, many people are still trying to go it alone.

A concerning 60% of those we surveyed have never spoken to a financial adviser about their retirement. While 34% are considering it, only 14% speak to an adviser regularly and 26% have done so just once or twice.

Among those who've never sought advice, the barriers are clear and often deeply personal.

28% feel they don't have enough money to justify seeking advice

28% simply don't know where to start

19% believe they still have plenty of time

10% feel overwhelmed or anxious about the process

These barriers are understandable but they're also largely based on misconceptions. Financial advice isn't reserved for the wealthy or the financially savvy. It's for anyone who wants to feel more confident about their future. Whether you're just starting out or approaching retirement, speaking to an adviser can help you understand your options, set realistic goals and take meaningful action.

We might think of these barriers as obstacles, but in reality, they're myths. Everyone deserves to feel clear about their financial future. Breaking down these myths—whether it's about cost, complexity or the fear of taking the first step—is essential to helping more people take control of their retirement planning.

At Schroders Personal Wealth, we're committed to making financial advice simple, accessible and affordable. Our mission is to ensure that more people feel confident about their financial futures, regardless of their starting point. That's why our initial meetings are completely free, with no obligation to proceed. It's a chance to ask questions, explore your options and take that first step—without financial pressure. If you choose to move forward, your adviser will always explain any fees that apply before you proceed, so you can make informed decisions with confidence.

Because sometimes, all it takes is one conversation to change the course of your retirement journey.

# 60%

of people have never spoken to a financial adviser about retirement



## Top tip

### 1 Start a conversation with a financial adviser

Yes—just one conversation is all it takes to start turning uncertainty into a clearer plan.

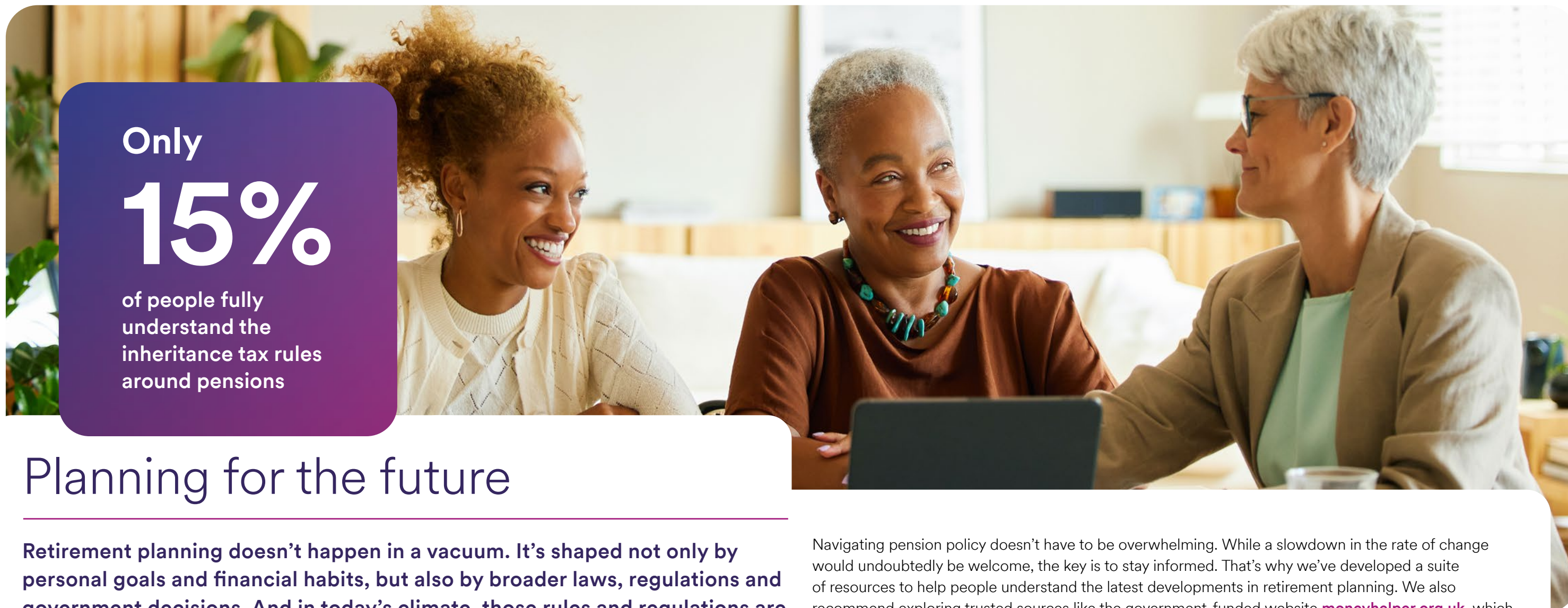
We know that speaking to a financial adviser can feel intimidating, especially if it's your first time or if it's been a while. But that first conversation is often the most important. It's where questions get answered, options may start to become clearer, and confidence starts to build.

At Schroders Personal Wealth, our mission is to make financial advice simple, accessible and affordable. That's why all meetings up to and including the presentation of your financial plan are completely free.

You'll only be charged if you choose to act on their recommendations—and your adviser will always explain any fees that apply before you go ahead. So, you can explore your options without any financial pressure.

**Book a no-obligation meeting with one of our financial advisers this week. Bring your questions, your concerns, or even just your curiosity. You don't need to have it all figured out—just be willing to start.**





Only  
**15%**

of people fully  
understand the  
inheritance tax rules  
around pensions

## Planning for the future

**Retirement planning doesn't happen in a vacuum. It's shaped not only by personal goals and financial habits, but also by broader laws, regulations and government decisions. And in today's climate, those rules and regulations are constantly evolving.**

From changes to pension rules and tax legislation to shifts in the State Pension Age, keeping up with these developments is essential—but for many, it's a real challenge.

Our research reveals that more than half (51%) of respondents are not at all aware of upcoming policy changes that could affect their pensions. This lack of awareness can have consequences. If people don't understand the rules, they can't plan effectively—for themselves or for their loved ones.

One area where this knowledge gap is particularly pronounced is inheritance tax planning. Just 15% of respondents say they fully understand the tax rules around passing on their pension and have planned accordingly. Nearly one-quarter (23%) admit they don't understand the rules at all. This is especially concerning given that 29% of people intend to pass their pension savings on to family or heirs, either in part or in full.

Navigating pension policy doesn't have to be overwhelming. While a slowdown in the rate of change would undoubtedly be welcome, the key is to stay informed. That's why we've developed a suite of resources to help people understand the latest developments in retirement planning. We also recommend exploring trusted sources like the government-funded website [moneyhelper.org.uk](https://moneyhelper.org.uk), which offers clear, impartial guidance on pensions, tax and financial planning.

Ultimately, staying informed is not just about being prepared—it's about empowerment. When people understand the rules, it can help them to make smarter decisions, avoid costly mistakes and build a retirement plan that truly reflects their goals.



## Top tip: Your guide to pension policy changes

Pension rules don't stand still—and neither should your retirement plan. Staying informed about policy changes is one of the most important ways to protect your financial future, yet it's something many people struggle with.

More than half of our survey respondents said they aren't aware of upcoming changes that could affect their pensions. That's a risk worth addressing—because if you don't know the rules, it's hard to make the right decisions for yourself or your loved ones.

**Here's a quick guide to some of the key changes on the horizon:**

### Pensions and Inheritance Tax (IHT)

Starting **April 2027**, defined contribution pensions will be included in your estate for inheritance tax purposes. This means your pension savings could be subject to IHT when you pass away, potentially reducing what your family inherits.

*The standard IHT rate is 40%, but it only applies to the portion of your estate above the £325,000 threshold.*

### Higher state pension age

The current **State Pension Age is 66** for both men and women. **It's set to rise to 67** over the next two years, and again to 68 between 2044 and 2046.

A government review could accelerate this timeline, so it's worth keeping an eye on updates.

### The Pensions Bill 2025

Although not yet passed, the proposed Pensions Bill could bring sweeping reforms, including:

- Clearer communication from pension schemes
- Automatic consolidation of small pension pots (under £1,000) to simplify management

### Gifts with reservation

Gifts you still benefit from count towards your estate, e.g. giving your home to a relative but still living there or giving away a caravan and still using it to holiday for free.



### Here's your action step:

Set a reminder to review your pension plan annually. Bookmark trusted resources like [moneyhelper.org.uk](https://moneyhelper.org.uk) and check in with your adviser when new legislation is announced. Staying informed means staying in control.



# Let's get retirement ready

Retirement should be a time of freedom, fulfilment and peace of mind. But as this report has shown, getting there takes more than hope—it takes action, clarity and support.

We've heard from people across Great Britain about their dreams, their doubts and their readiness. Many are making positive strides, but too many still feel uncertain, under-informed or stuck. That's why this report isn't just a reflection of where we are—it's a roadmap for where we can go.

Throughout this report, we've shared insights, uncovered challenges and offered practical tips to help you take control of your financial future. But the most important message we can leave you with is this:

**You don't have to do everything. You just have to do something.**

Whether you're just starting out or already retired, there's always a step you can take to strengthen your retirement plan. And small steps can lead to big change.

Here are a few simple actions you can take today:



Check the current value of your pension



Ask your employer about increasing your contributions



Set up a Direct Debit to contribute an affordable amount each month



Update your planned retirement age with your pension provider



Set a retirement savings goal—even a rough one



Book a free, no-obligation call with a member of our team. There are no hidden fees or charges, and you'll only pay if you choose to go ahead with the recommendations in your personalised financial plan.



**Whatever you choose, remember: every big plan starts with a small step. And every step you take builds confidence, clarity and control.**

At Schroders Personal Wealth, we're here to walk that journey with you. To make advice accessible. To help you personalise your plan. To empower you to live the retirement you truly want.

So, let's move forward—with purpose, with confidence, and with the support you deserve.

**Let's get retirement ready—together.**

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