

Client Case Study: Pension Transfer

“Last year I had a big sort out and was trying to get my paperwork in order. Flicking through my pension statements, I was surprised to see that my pension’s value had actually gone down. I was unsure why this was, and so I contacted my provider. They explained that my pension had been invested and that, as with all investments, the value could go down as well as up.

I was annoyed that my pension savings had been damaged in this way, as I thought that they were safe. I decided to find out how I could improve my pension, and that’s when I found Niche.”

Mr Alan Jenkins, age 49.



Our Solution

When Alan contacted us, we sympathised.

Given that saving in a pension is such an important part of everyone’s future it can be devastating if money is lost - especially when you are approaching retirement. However, as Alan’s provider explained, investments can go down as well as up.

On the other hand, if Alan’s pension had never been invested its value would not have gone up at all; not even in line with inflation - which would have been even more detrimental to his retirement income.

We reviewed Alan’s pension and discovered that actually his money was invested in very volatile and high risk options. Since he was approaching retirement, this option was totally unsuitable for his pension.

High risk investments can provide better growth and returns, but should really only be chosen if there is enough time for an individual’s pension to recover from a loss before they retire.

For Alan, this was not the case.

We helped him to transfer his pension to a new provider, who included a built-in ‘life styling’ option in their plans. This means that the closer Alan gets to retirement, the lower risk his investments will become – ensuring that the money he has saved is protected when it matters most, but without totally removing its potential for growth.

