Transforming pension communication In an age of instant information

A report by Quietroom

Defined Contribution Investment Forum

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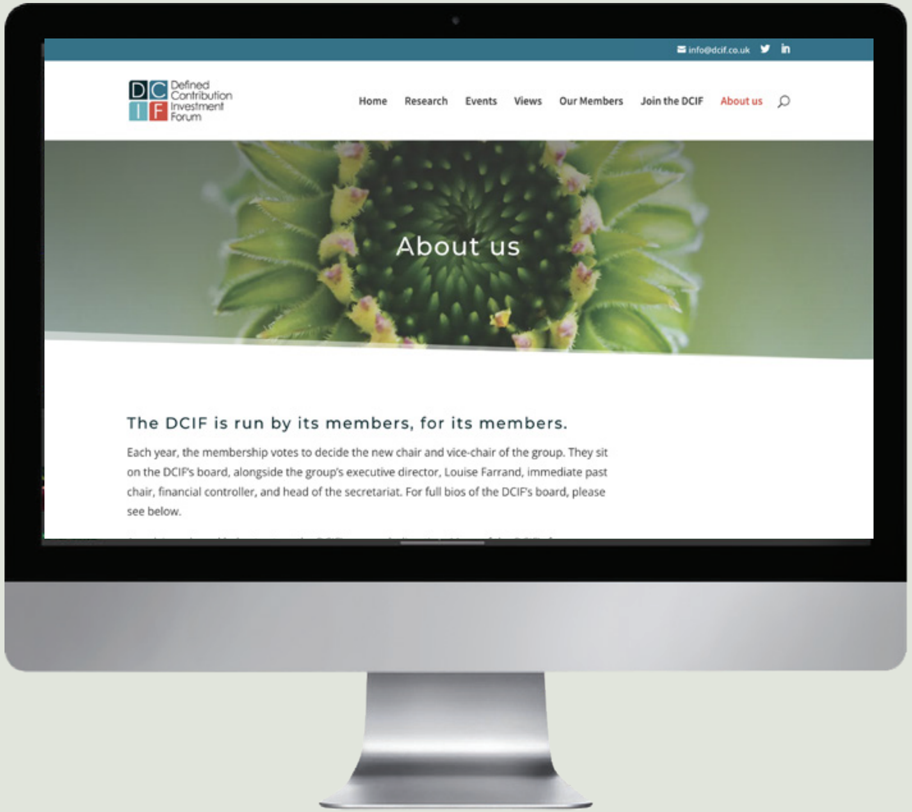

Who are we?

We're a group of asset managers who believe that a well-designed and diverse investment strategy has an important role in delivering a comfortable retirement for millions of DC savers.

A not-for-profit organisation, we commission and publish research which shines a spotlight on DC investment issues. We hope the people who determine DC pension schemes' investment strategies will use it to inform their work.

We also arrange events. From virtual roundtables to in person gatherings, they're a great way to learn more about DC investment issues and meet a like-minded community of trustees, pensions managers, investment consultants and more.

To find out more about our work and explore membership options, please visit: www.dcif.co.uk

Our members

Our members shape the DCIF's direction and steer research projects. They are:

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Transforming pension communication in an age of instant information

UK pension providers face an uncomfortable truth: they're losing the battle for people's attention. Over one-third of people in the UK don't engage with their workplace pension; either it's just not an imperative, or they find their pension difficult to understand.

Meanwhile, social media is becoming a go-to resource for younger generations seeking financial guidance and retirement planning information. It's not that people don't care – they're just not being served information in the right places or in the right forms.

Social media and the rise of finfluencers

Recent statistics highlight just how embedded digital channels like social media have become in our daily routines. Digital browsing habits across the UK (Ofcom's Online Nation, 2024 Report):

Online browsing

- UK adults spend an average of 4 hours 20 minutes online daily
- 18–24-year-olds spend the most time online, averaging 6 hours daily
- 65+ year-olds spend the least amount of time online, averaging 3 hrs daily

Social media

- 79% of the total UK population (54.8 million people) used social media in January 2025
- The average person in the UK spends 1 hour 27 minutes on social media each day
- 18–24-year-olds spend on average of an hour per day on platforms like TikTok

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> "TikTok ranks as the most popular platform for financial advice among 18–24-year-olds. But social media channels like this also play host to a large number of investment scams, according to Barclays."

It's no surprise that Gen Z and Millennials increasingly prefer social media for financial guidance – as Standard Life's research shows.

This shift represents both a challenge and an opportunity. With nearly 80% of the UK population using social media platforms, pension providers are presented with a massive potential audience they could reach through these channels – if they can adapt their communication strategies effectively.

So, what is it about social media that captures people's attention on financial topics? One word: finfluencers. Finfluencers are largely considered responsible for the rise in the numbers of young people turning to social media for financial information. Barclays' consumer research identifies two key factors that make this kind of content so compelling: accessibility and affordability. Young people reason that they see finfluencers offering "free access to financial experts". Plus they find this style of content "quick and easy to digest".

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Regulating financial information in the age of finfluencers

In October 2024, the Financial Conduct Authority (FCA) led a crackdown on "illegal finfluencers" and issued 38 alerts against finfluencer social media accounts that may contain unlawful promotions.

Platforms, including TikTok, do issue warnings, but social media investment disasters continue to be reported. The FCA warns that finfluencers may be putting their followers' livelihoods and life savings at risk.

Digital platforms are designed to prioritise engagement over accuracy. Algorithms push content that captures attention, not content that provides the best, most accurate advice.

This presents a further challenge for pension providers already struggling to get people to understand the basics of pensions. Unregulated financial advice proliferating across popular social media platforms may encourage members to act against their best interests – and without properly understanding the consequences of their actions.

Traditional pension providers will struggle to compete with the immediate appeal and accessibility of social media finfluencers. Because, simply put, people connect with people, not financial organisations. But that doesn't mean pension providers can't find success in this space.

Scottish Widows and Aviva are two providers that are already collaborating with – or adopting the style of – social media influencers. Aiming to counter misinformation about saving and investing, Scottish Widows briefed TikTok influencers, giving them facts and messaging about pensions, which they adapted into their style for their respective audiences. "Previously the pension industry wouldn't engage with TikTok," said Scottish Widows pension specialist Robert Cochran, speaking at the 2024 PLSA Conference. "Now we have embraced it and it is opening up new avenues". At the time, Scottish Widows' social media account racked up over 70 million impressions thanks to the collaboration.

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> "People connect with people, not financial organisations."

Lessons pension schemes can learn from finfluencers

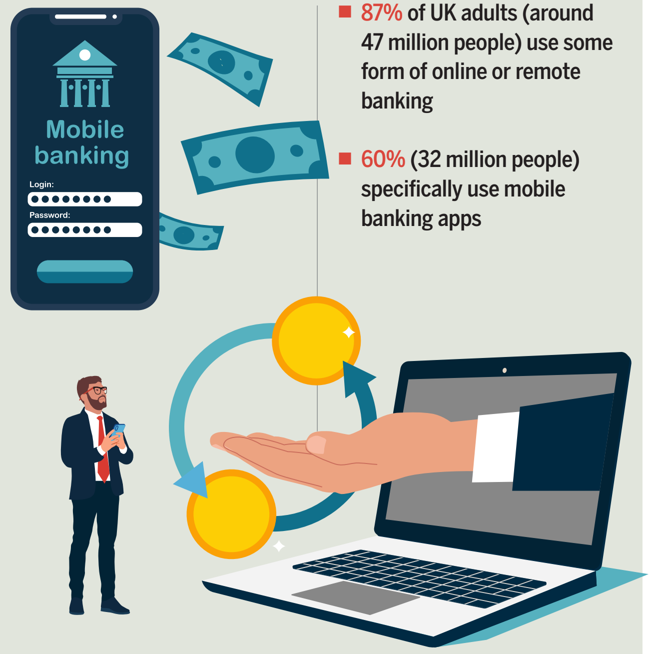
- Break down complex concepts into digestible formats. Create shorter videos to help maintain member attention.
- Use the language of your audience. It's not enough to remove jargon. Your members should be able to immediately understand your message. Use 'human' connection methods - face to face conversations, webinars and videos all have successful engagement rates.
- Use authentic storytelling and visual communication techniques. Consider working alongside finfluencers that your members already relate to, to help build trust and emotional resonance.
- Moderate community spaces where financial questions are discussed openly among members, to prevent the spread of misinformation.

Integrating pensions into everyday financial services

While social media presents one opportunity to engage members, it also highlights a broader principle: to engage effectively, don't force new behaviours, leverage existing ones. Well-adopted financial services like online banking provide another significant engagement opportunity.

Banking has undergone a digital transformation over the last decade, with providers like Monzo pioneering mobile-centred experiences with instant updates and notifications. These features satisfy the same desire for immediate gratification that makes social media so addictive, while helping consumers gain a clear picture of their financial situation. Pension providers that adopt similar approaches – offering real-time updates, visualising long-term growth, and providing instant feedback on contribution changes – could dramatically increase engagement.

Digital banking adoption in the UK (Finder, 2025):



- 87% of UK adults (around 47 million people) use some form of online or remote banking
- 60% (32 million people) specifically use mobile banking apps

In our previous article, we saw how digital tools like apps and calculators increased member engagement with pensions by allowing them to visualise their savings in a convenient and interactive way. But why stop there? Approximately half of Bravura's 2,000 survey respondents said they would engage more with their pension if it was accessible directly through their bank accounts, particularly via mobile banking. This represents a significant untapped opportunity to meet members where they already manage their finances daily.

This integration is already happening. Scottish Widows members can see their pensions alongside accounts they have with parent company Lloyds Bank. NatWest's acquisition of the Cushon Master Trust in 2023 marked another shift towards the consolidation of financial information and member-centred financial service design. Cushon members that bank with NatWest can see their pension pots in the same place as their ISAs, current and savings accounts – allowing them to better understand and plan for their financial future.

There are multiple opportunities for pension schemes to take advantage of this approach to centralising financial information. As more pension schemes in the UK join master trusts, we could see the pensions industry meeting the growing member demand for financial connectivity.

Could AI chatbots be the next frontier in pension guidance?

People want instant, personalised information. That is a massive challenge for providers stuck with traditional admin systems and processes. But artificial intelligence (AI) can help with this – if it's integrated carefully.

People are actively using AI in their everyday lives. And finding information is one of the main motivations for doing so. A large portion of Gen Zers would consider using AI-powered digital advice over a financial advisor. AI-enabled products could fill the gaps where traditional financial advice may be too expensive or out of reach.

But, while AI engagement is increasingly prevalent in people's online habits, confidence in the reliability of the information they provide remains low. Providers like NatWest Cushon have taken a clever approach with their interactive chat solution, Iris, where the technology enhances the efficiency of human-based help. For now, at least, technology works best when it enhances rather than replaces human interaction.

A unified approach for financial clarity

Successful engagement in the pension context means moving beyond information delivery to creating interactive experiences that prompt action, build understanding, and foster ongoing dialogue throughout members' lives.

The Pensions Dashboard offers another promising way to address the issue. Being able to view all their pension pots in one place will help people to better understand their retirement prospects. While this isn't due to land until October 2026, Richard Smith, consultant for the project, says the new tool will be a great example of the 'ACT' framework in action, whereby awareness + confidence + trust = engagement.

Many of the tools pension providers already offer are designed to help bridge the awareness gap, and they do so while boosting member's confidence in how their pensions work. But trust is a little trickier.

Members respond well to frequent, short messages tailored to their individual needs, and on the platforms they visit – across social media and other channels. Regular content also builds familiarity and connection, something pension providers struggle with when they only reach out at sparse intervals. When awareness, confidence and trust align, engagement naturally follows – not because members have been cajoled into action, but because they've been empowered to take control of their financial future.

The trustee imperative: championing effective member engagement

While innovative communication strategies are essential, trustees must play a crucial role in ensuring these approaches are effective, accurate and compliant. They'll need to bring together their knowledge of regulatory requirements with the practical realities of engaging younger members.

The Pensions Regulator's directive that trustees must act 'in the best interests of scheme beneficiaries' puts forward a compelling case for more engaging information across various digital platforms. This is particularly important in DC schemes, where members' decisions significantly influence their final pension values. The alternative is to risk an increasing number of members staring down the barrel of a pretty dismal retirement experience.

This governance role becomes even more vital as schemes navigate social media and AI-driven advice, where innovation and compliance must be carefully balanced.

Trustees could take several concrete steps to focus on member engagement:

- **Call for engagement metrics alongside traditional performance measures, monitoring open rates, digital interaction and evidence of member comprehension.**
- **Ensure their communication strategies reflect their specific membership needs, so younger members are targeted in the appropriate manner.**
- **Provide a vital 'reality check' on digital initiatives. Innovations should solve a known problem that members face, like problems with misinformation around financial planning.**
- **Continue to develop new expertise on advancing technology like AI and chatbots. This could involve appointing trustees with specific technical and digital communication experience.**

Building tomorrow's pension engagement today

As automatic enrolment brings more young members into the pension system than ever before, pension schemes face a critical opportunity to establish meaningful financial relationships with tomorrow's retirees.

The stakes couldn't be higher – today's financial landscape features rising housing costs, growing interest rates, student debt, and stagnant wages, all creating significant barriers to saving. Gen Z may be the first generation to benefit fully from auto-enrolment, but the Pension Policy Institute projects a median earner at the minimum auto-enrolment rate would build up a retirement income of just £13,000 a year. Addressing the engagement gap now could encourage younger generations to save more into their pensions – and help millions achieve financial security in retirement.

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While engagement alone won't guarantee good outcomes, thoughtful collaboration could help steer members in the right direction. Regulated providers can lend their expertise to digital channels, while adopting the accessibility and emotional resonance that make those channels so effective.

Different channels offer opportunities for engaging certain demographics. Providers can consider these channels when they are reviewing their communication strategies, offering tailored content that meets members at different life stages across their preferred platforms.

We learnt in the previous article that significant life events make for prime engagement opportunities, like getting married, buying a home and starting a family. Social media platforms excel at targeting users during these precise moments, offering pension providers a powerful opportunity to deliver relevant guidance exactly when it's most likely to resonate.

The future of UK pension provision depends not on whether we can force younger generations to engage with traditional communication methods, but on our willingness to adapt to theirs. The pension providers that thrive in the coming decade will be those that recognise that the digital transformation is not a threat to be resisted, but an opportunity. And one to be embraced with urgency, creativity and genuine commitment to meeting members where they are.

Acknowledgements

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