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Is timing of the essence? Testing when to engage UK pension customers

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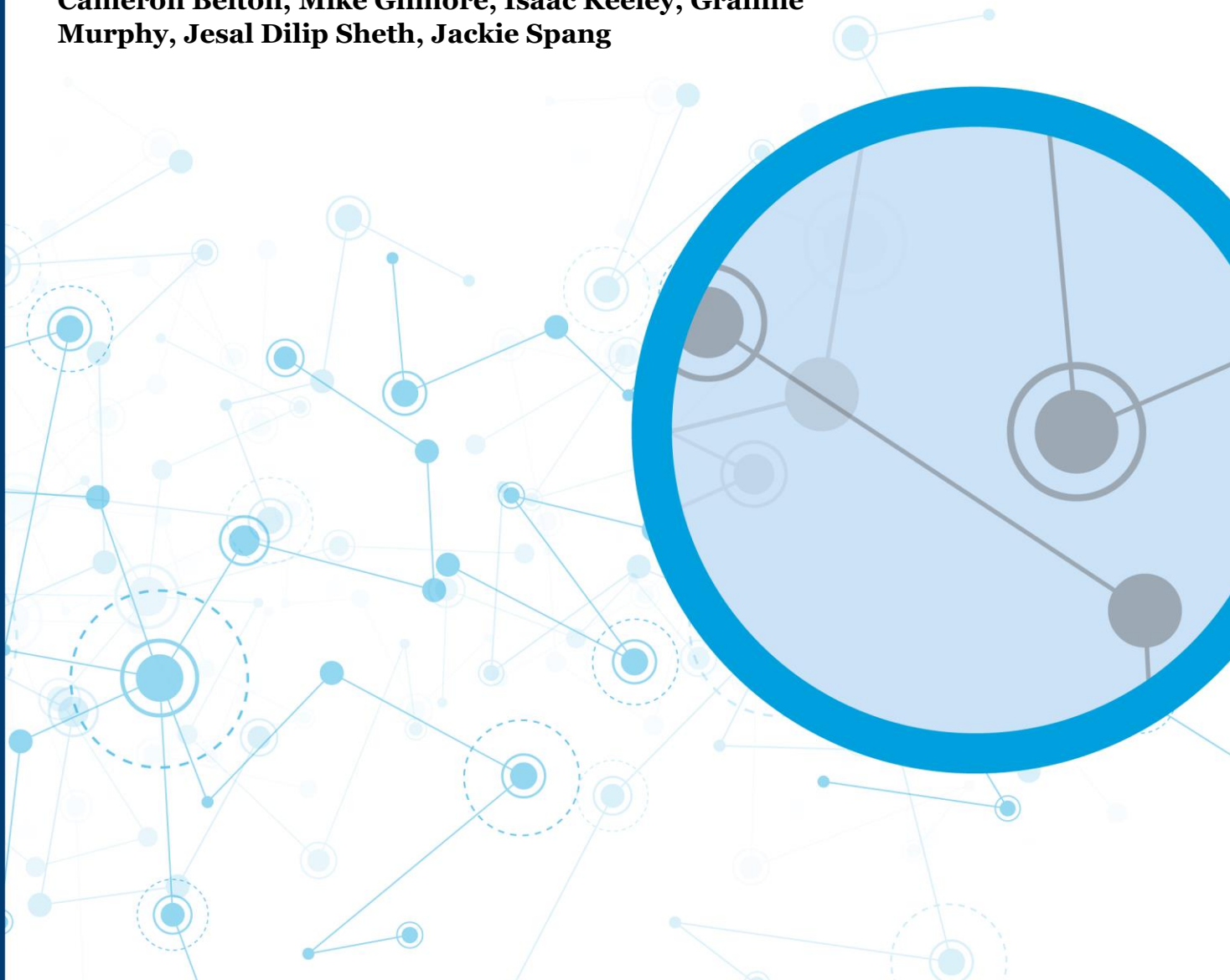

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Summary

For many consumers, choices of how and when to access defined contribution (DC) pension savings are complex and carry a number of risks. Firms can help consumers with these decisions by communicating in a way that engages and supports understanding. For example, by tailoring communications to meet the needs of consumers.

We have undertaken a programme of behavioural research to understand when and how to engage consumers with their pensions and to demonstrate how firms can test communications to find what works.

Our research used insights from behavioural science to design emails and subject lines that address common psychological barriers to engaging with pensions, such as present bias and information overload. We tested these quantitatively and qualitatively across three online experiments to examine whether behavioural messaging can attenuate these barriers. We then tested one of these behaviourally informed email and subject line combinations with customers of two pension providers in a field trial. This allowed us to see whether timing an email around a notable touchpoint could drive increased engagement with a) the email and, b) MoneyHelper, the Money and Pension Service's (MaPS) free online guidance service, which was linked in the email.

We ran the following three experiments as randomised controlled trials (RCTs), which tested variations of our draft emails and subject lines in online laboratory environments with different panels of UK residents:

- **Experiment 1**: used an artificial inbox set up and found that subject lines which highlighted 'the future you' and just a 'few more steps' could drive higher initial engagement, as measured by open rates. These were designed to mitigate the impact of present bias and information overload as behavioural barriers.
- **Experiments 2 and 3**: tested how our draft emails affected comprehension of the information in the emails and participants' attitudes towards MoneyHelper. The second experiment showed the value of pre-testing emails, as the graphic and colourful behavioural emails we tested proved to be off-putting and potentially raised doubts about the trustworthiness of the emails. This led us to launch a third experiment to test our redesigned emails which still leveraged behavioural messaging but through a simpler email design. The results from all our online experiments suggested that behavioural messaging could lead to increased engagement.

Our field trial sought to test whether the timing of a communication could make a difference to a pension customer's likelihood of engaging in the field. We collaborated with two pension providers - a large-scale workplace pension provider and a large UK employer's pension master trust - to test six behaviourally informed touchpoints centred around life events and changes to customer's financial situations. We recruited over 82,000 UK pension customers for our trial.

In our field trial, we found that:

- Engagement with emails was low. Click rates in the emails we tested were around 1-7%, depending on treatment and age group.
- Overall, we saw limited effectiveness of the touchpoints we tested. There were mixed effects, often with variation across touchpoint, age group, or firm that we were testing.
- Following up with consumers who are already somewhat engaged with their pensions can be useful to drive further engagement and encourage use of guidance services. In our case, this involved customers who had recently logged into their online pension account.
- It is difficult to drive downstream engagement behaviour, such as logging back into one's online account or engaging with the MoneyHelper website, using a traditional communication channel like email.

Overall, our research shows that it is challenging to drive initial engagement with pensions through emails and that adjusting the timing of emails to notable times may have limited scope to substantively move the dial on engagement. Moreover, the backfire effects captured in our online experiments show the value of pre-testing communications against their desired impact.

Future research for policy development and testing by firms can explore at least three different avenues – 1) touchpoints across wider financial customer journeys, 2) alternative approaches beyond engagement with pensions guidance for driving improved retirement outcomes, and 3) further consumer group segmentation.

Equality and diversity considerations

We have considered the equality and diversity issues that may arise from the proposals in this Occasional Paper. We recognise that digitally-excluded consumers were not included as part of this research.

Overall, we do not consider that the proposals in this Occasional Paper adversely impact any of the groups with protected characteristics i.e., age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment. The proposals may have a positive impact, particularly on older consumers, to become more engaged with their pension.

The proposals in this Occasional Paper operate alongside our guidance for firms on the fair treatment of vulnerable customers (FG21/1), including digitally-excluded consumers, and the Consumer Duty (FG22/5), which requires firms to act to deliver good outcomes for retail customers.

1 Introduction

Policy background and focus of this research

Automatic enrolment into workplace pensions has been a significant Government policy intervention that is designed to address shortfalls in retirement savings among the working age population. This policy intervention, introduced in 2012, fundamentally changed the way many people save into their pension. It created a default position so that the individual will save unless they take an active decision to opt out. It is one of the largest and most successful applications of behavioural insights for public policy in the United Kingdom.

Another significant intervention in the market was the introduction of Pension Freedoms in 2015. Pension Freedoms provide greater flexibility to consumers in accessing their pension savings but requires consumers to make more complex decisions about how and when to access their pension savings. In response, the Government and regulators have introduced several measures to help Defined Contribution (DC) pension savers – together holding £1.3tn in assets – make decisions in the run-up to and through retirement. Central to this has been coordinating efforts to increase consumers' engagement with financial support services to improve consumers' retirement outcomes.

One of the measures introduced is the stronger nudge to Pension Wise guidance, which came into force in June 2022 following evidence from a Behavioural Insights Team trial which showed the intervention to be effective (BIT, 2020). This requires firms to refer consumers to free Pension Wise guidance, a service from MoneyHelper, when they decide to access their DC pension savings. There are also other requirements in place to ensure firms support consumers; for example, the Consumer Duty now places expectations on firms to ensure their communications equip customers to make effective, timely and properly informed decisions (FCA, 2022a). Under the Duty, firms must tailor communications to meet the needs of the customers they are intended for and, where appropriate, test and monitor that they are doing so.

The Government, regulators, and industry have agreed that there is more they can do to support consumers throughout the pensions journey, particularly as the number of people with DC pensions and the size of their pots increases.

The first step to achieving better retirement outcomes relates to having sufficient savings to invest and grow the pots to fund retirement income. As a result, much of the existing evidence focuses on pensions accumulation (Hershfield and Greenberg, 2019; Benartzi & Thaler, 2013).

Another driver is how the pension savings are invested. 97% of memberships in DC occupational pension schemes in the UK are invested in the scheme's default investment strategy (TPR, 2023). While the default fund might be appropriate for many individuals, others might benefit from different strategies that are more consistent with their preferences such as taking on higher risks when they are young and moving to low-risk

funds when they get closer to retirement or investing in ESG funds (Madrian and Shea, 2001).

There is relatively less literature that examines what optimal decumulation decisions look like for individuals, and how to drive better outcomes during retirement through good decumulation decisions.

Consumer engagement can help consumers make good decisions about saving, how to invest, and how to decumulate. This includes engagement with their pension pots and with existing support services, such as MoneyHelper – the free government-backed guidance service provided by the Money and Pension Service (MaPS). However, engagement with DC pensions is low, with 51% of UK adults contributing to a DC pension in May 2022 having a low or very low level of pension engagement (Financial Lives survey, 2022).

As a result, this research seeks to understand how behaviourally informed and well-timed pensions messages sent at key moments during an individuals' life and pensions journey can increase engagement with free guidance services from MoneyHelper.

Literature review

Behavioural barriers to engagement

Existing research has focused on understanding and addressing the various behavioural barriers to good retirement decision-making through increased engagement with pensions. Research by The Behavioural Insights Team (BIT) for the Pensions Dashboard Programme investigates barriers to greater engagement with pensions. They identify several key barriers: inertia, present bias, friction costs to accessing information, choice overload, and lack of knowledge or ability (BIT, 2021). Similarly, DWP research finds that attitudes towards pensions often involve detachment, fear, and complacency. It also suggests that more easily interpretable pensions information and feeling sense of control over their pension outcomes could potentially motivate individuals to engage more (DWP, 2023).

We summarise the behavioural barriers around engaging with pensions under the headings below:

- Present bias

It is well established in behavioural science that people experience a cognitive heuristic known as present bias, in which individuals tend to prioritise immediate rewards over their future rewards, even if the future rewards are greater (Thaler, 1981). In the context of financial behaviour, such as saving for retirement, present bias can lead individuals to remain unengaged with their pensions, as the immediacy of other financial or life considerations outweighs the distant benefits of being prepared for retirement. The fact that people prefer money sooner rather than later is also reflected in the life annuity market where individuals nearly always buy a level annuity rather than an inflation-indexed annuity. The literature around pension engagement seeks to understand how and when individuals can be encouraged to start thinking about their pensions despite psychological barriers such as present bias.

- Inertia or status quo bias

Inertia refers to individual's inability to alter the ways they process information, sticking with default mental models. As a result, inertia has also been linked to the status quo bias, which describes our resistance to change (Samuelson and Zeckhauser, 1988). In the retirement savings context, most people are likely to stick with their 'default' pension decision and do not change it, both in terms of their default contribution rates and investment strategy. This may impact individuals who either need to make an 'active' choice to start up a pension or on those who are automatically enrolled but who contribute no more than their minimum contribution rate.

- Psychological distance

Research shows that one important determinant of intertemporal decision-making is an individual's sense – or lack thereof – of psychological connection to their future self (Thaler and Shefrin, 1981). Individuals have problems imagining the future and may fail to engage with their pensions because of a lack of belief or imagination to identify with their future selves (Hershfield et al., 2011). This may lead to sub-optimal decisions regarding saving for retirement.

- Information avoidance

A growing body of research suggests that, in contrast to classical economic theory, information itself influences people's emotions, and negative emotions can create an incentive to avoid information even when it is useful and free. This phenomenon is referred to as information avoidance (Golman et al., 2017). While communications around pensions may theoretically be ambiguous about whether it contains positive or negative information for an individual, individuals on average overestimate the amount of their pension savings, and any information that makes them engage with their pensions represents a negative shock. Added to this, retirement-related decisions are complex to make and products difficult to navigate. This, therefore, could make individuals avoid seeking information.

Overcoming barriers to engagement

Research has investigated how behavioural barriers could be overcome to engage consumers with their pensions. Nest Insight (2021) investigates which kinds of communication emails - saving for retirement, investing for retirement, or investing specifically in environmental, social, and governance (ESG) funds - encourages individuals to engage more with their pensions. They find that personalised communications, such as communicating about ESG investments to consumers concerned about ESG issues, can drive greater engagement with pensions.

BIT suggest that prompting people when they are likely to be most receptive ('Make it timely'), and encouraging action based on what the social norm is ('Make it Social') can increase chances of success (BIT 2014).

These studies suggest that personalising communications, prompting people at timely moments, making the future more salient, simplifying information, highlighting one's control over their pension, and leveraging social norms could be effective messaging strategies to overcome some of these barriers.

Timing of engagement

Several studies have investigated the 'when' of engaging people. Dai et al. (2013) attempt to understand when people are most motivated to pursue their aspirations. They empirically examine whether there are points in time, including the start of a new year or

week, which are associated with increases in aspirational behaviour. Across three field studies, they demonstrate that people are more likely to pursue various types of aspirational behaviour (e.g., dieting, exercising, goal pursuit) at the start of "new epochs" initiated by temporal landmarks such as the beginning of a new week, month, year, or a birthday. They document this phenomenon as the "fresh start effect". Beshears et al. (2021) use fresh starts to nudge increased retirement savings. They find that framing the future time point in relation to a fresh start date (e.g., the recipient's birthday, the first day of spring) increased the likelihood that the mailing recipient chose to increase contributions at that future time point without decreasing their likelihood of increasing contributions immediately.

In surveys and focus groups run by Nest Insight (Nest Insight, 2017), participants reported that life events, especially starting a new job, could trigger engagement with pensions, however the research also found that these events occurred at similar rates in the unengaged control group in their questionnaire. This research concluded that life events on their own are not strong enough trigger to behavioural change, but that more research on timed communication around these events is needed to determine whether they could be impactful.

Similarly, in qualitative research by The Pensions Regulator (TPR, 2022), individuals reported being heavily influenced by life events such as job changes and home purchases. Nest Insight (Nest Insight, 2020) finds that respondents reported that workplace and financial milestones, rather than personal milestones, were more likely to prompt them to reconsider their pension contributions. The MaPS rapid evidence report conducted by BIT (BIT, 2021) identifies life events like starting a new job, receiving a pay rise, or moving house as potentially effective prompts for pension engagement. The concept of 'fresh starts', such as the beginning of a new calendar year, also emerged as a potentially useful time to boost pensions engagement.

Most recently, DWP conducted qualitative research which investigated 'timely moments' to engage consumers with their pensions and offered a number of potentially fruitful touchpoints, including life events such as marriage/divorce, having children, getting older, and changes to finances such as starting a new job, buying a house, paying off a mortgage (DWP, 2023).

Our contribution

We build on this literature and investigate in a randomised controlled trial setting whether key moments in an individual's life and pensions consumer journey are potentially useful touchpoints for engagement. In particular, our study contributes to this body of literature by testing which messaging strategies are effective for driving engagement and comprehension and which touchpoints are effective for engaging consumers with their pensions. Testing these touchpoints quantitatively also allows us to better understand the revealed preferences around the timing of pensions communications, beyond stated preferences, as there is often a gap between what individuals report in surveys and focus groups and their actual behaviour (i.e., Nest, 2021). To our knowledge, this kind of quantitative approach to testing *when* to engage individuals with guidance relating to their pensions is a novel contribution to the literature.

Our approach

Our approach takes the useful contributions from the literature and the policy context above into consideration to deliver a programme of research comprising:

- A series of three online experiments which tested participants engagement, comprehension, and attitudes towards different email subject lines and email content, to inform the design of:
- A field trial, which uses the emails and subject lines tested in the online experiment settings, and tests different touchpoints identified by the literature to be potentially fruitful moments to engage people with their pensions.

2 Online experiments: the making of a pension email

Purpose of the online experiments

The first stage of our research programme focused on testing potential email message and subject line wording and designs. This stage involved 3 online experiments and a qualitative study to explore how behaviourally informed language and design can affect email open and click rates on an email's call-to-action, consumer understanding of the email content, and their attitudes toward the email and the free guidance services mentioned.

We conducted online experiments (RCTs) as a build up to a field trial to:

1. Estimate the effect of different behaviourally designed subject lines and messages on the open- and click rates of emails, allowing us to select the subject lines and messages which would be more effective for the field trial.
2. Test how the different behaviourally informed messages improved awareness of the decumulation decision and attitudes towards seeking guidance.

Online experiments allow participants to view stimulus such as email subject lines and content in a controlled environment 'as if' they would receive them in real life. It is then possible to probe participants' attitudes and comprehension of related measures to the stimulus shown in addition to their hypothetical behaviours (FCA, 2020). While field trials have the advantage of observing real behaviours, measures of attitudes and comprehension are harder to capture.

Experiment 1: Measuring opens and clicks

Overview

Our first experiment primarily aimed to understand how our behaviourally informed subject lines and email messages affected:

1. the open rate of our treatment email subject lines, compared to a control email subject line,
2. the click rate of the call-to-action of our treatment emails, compared to a control email.

The experiment used an artificial email inbox to replicate the consumer experience in a controlled environment, in which participants were shown a range of different email subject lines, designed to simulate a typical inbox. One of these was our test pension subject line. If participants opened the pension email, they were then shown one of our test emails. The content of this email included a clickable call-to-action link, and we recorded the participants interaction with this.

Subject line

Consistent with existing literature, we kept subject lines brief and simple, which we interpreted as keeping word count to less than 10 words for each subject line. We also

considered the findings from Nest's qualitative research around pensions messaging, for example, using wording like 'income' rather than 'pot', framing retirement as a series of gradual decisions, making retirement savings relevant, and avoiding jargon (Nest, 2022). With limited evidence to support how we might behaviourally-inform our subject lines, we relied on our own exploratory research around barriers to engaging with pensions to test different framings. For a more complete analysis of the relevant literature, see Annex 3.

Table 1 below shows the email subject lines that we used in the online trial, alongside a brief summary of the rationale behind each.

Table 1: Subject line treatments in Experiment 1

Subject line name	Subject line	Barrier targeted	Explanation
Control	Get free support from MoneyHelper	None	A clear and to the point subject line, aimed to be used as a comparison for the treatments. Adapted from an example provided by one of our field trial partner firms.
Few more steps	Only a few more steps until you're retirement ready	Information overload	Uses a foot-in-the-door technique to reduce the perceived burden of pensions.
Future you	The future you will thank you for this	Present bias	Makes the recipient place more value on future outcomes.
Key questions	Can you answer key questions about your retirement plans?	Overconfidence	Makes the recipient think critically about their own plans.
Take income	How will you take your retirement income?	Overconfidence/ present bias	Makes the recipient relate to their pension in a present-day framing of income.

Email messages

The emails we designed were styled on example communications provided by one of our trial partners, to leverage industry-specific marketing and communications expertise and to maximise their external validity.

All emails tested were designed to address the following general behavioural barriers:

- **Information overload:** Messages were kept short, with the call-to-action made salient near the end of the email
- **Inertia:** The click-through link was made as easy as possible to engage with, by linking directly to the most relevant page for the recipient

- **Information avoidance:** Leveraged perception of progress to encourage the reader to become more engaged, using phrases such as "Your pot is doing better than you think" and "You're already on your way to your retirement goals"

Since these were all included in the Control email, our treatment emails were intended to test the addition of content designed to tackle other specific behavioural barriers. The barriers targeted in each treatment email, and descriptions of how this was achieved, is shown in Table 2.

Table 2: Email message treatments in Experiments 1 and 2

Treatment group	Description	Barriers targeted
Control	Based on a typical email from a pension provider about seeking guidance regarding decumulation options. The call-to-action link is a regular hyperlink to MoneyHelper.	NA
T1 - Present bias	Frames pension pot as "retirement income" and gets reader to think about expenditure in retirement in a familiar way. Two critical questions are asked: one about reader's lifestyle, and the other about their income. Designed to challenge the assumption that just because they have the right resources and planning for their life today, they will also do so in the future.	Present bias, overconfidence
T2 - Specific questions	Asks three key questions about retirement plans, featured at the top of the email, to make the reader think about their future and induce a	Overconfidence

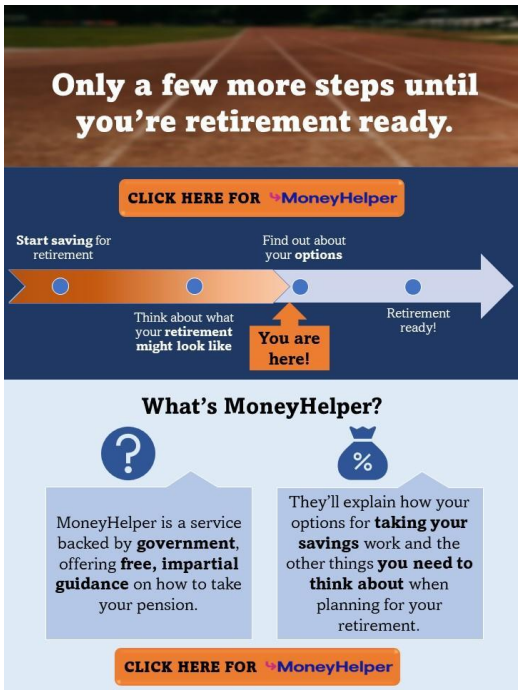
	critical assessment of the overconfidence they may have.	
T3 - Head start	Uses a checklist framing of the steps involved before decumulation and positions the reader as having already come halfway to encourage they continue onto the next step to seek guidance. The email featured a timeline that showed that the individual was already on the path to pension planning and to show that they're closer than they believe.	Inertia, information avoidance
T4 - Social norms	Uses social norms to try and encourage seeking guidance, using a statistic from DWP's Planning and Preparing for Later Life Survey findings. By showing that most people seek help when making retirement plans, it normalises help and makes people more willing to engage.	Mistrust, inertia

Our treatment emails also incorporated findings from our own past research around designing effective financial disclosures (FCA, 2022b). They used graphic, colourful

messages with large call-to-action buttons and salient behavioural messages rather than the simpler design employed by our partner firm. As with the subject lines, we used findings from Nest's recent research for writing the email messages (Nest, 2022). An example of a treatment email is shown below in **Error! Reference source not found.** a nd other treatment emails are available to review in Annex 3.

Figure 1: Control email vs. the 'Head Start' treatment email

Control

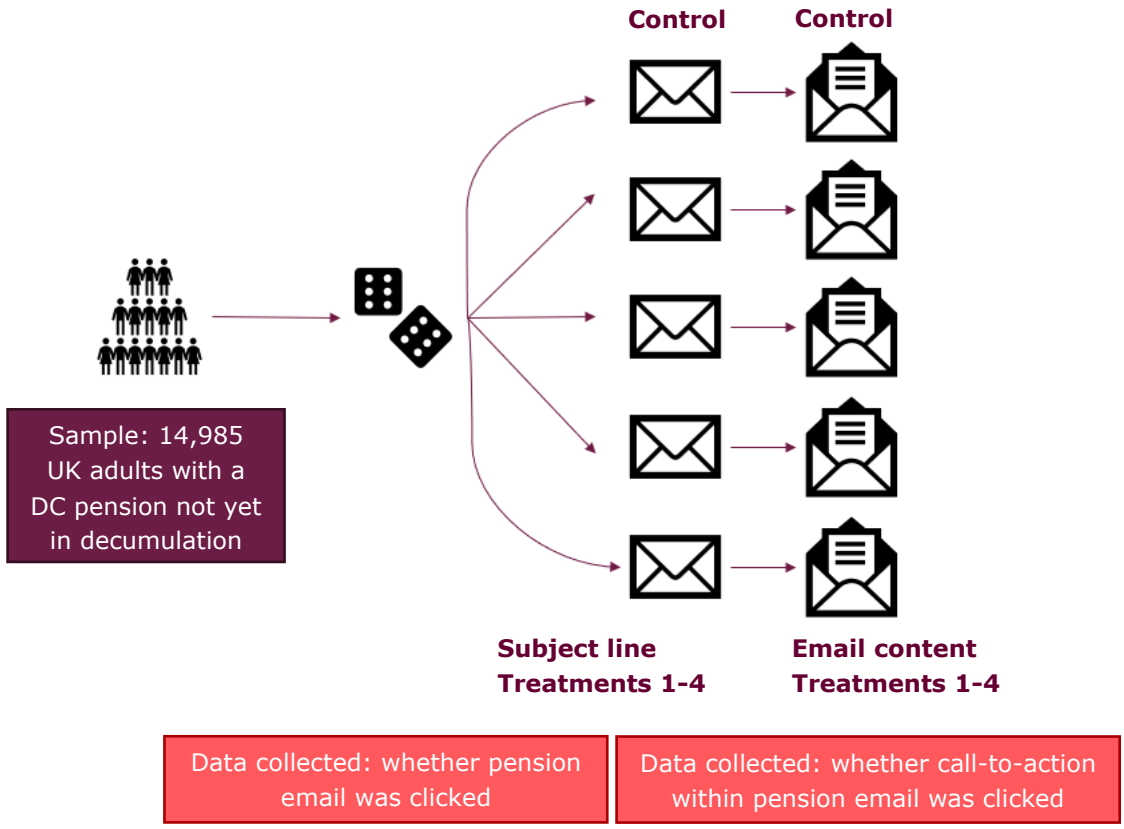


T3: Head Start

Experimental design

The experiment implemented a 5x5 factorial design. This means participants were first randomised into seeing one of the 5 control or treatment subject lines. They were also initially randomised to see one of the 5 control or treatment email designs (but this was only shown to them if they clicked on the initial email subject line to open the email). Figure 2 below outlines the experimental flow.

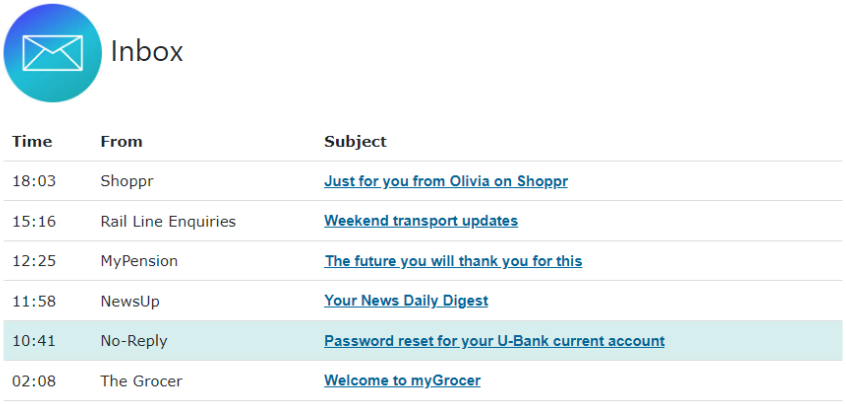
Figure 2: Experiment 1 flow



To measure engagement with subject lines, participants were shown an artificial email inbox. One of the emails in the inbox was the target pensions email with the randomised subject line, in addition to another 5 hypothetical emails with subject lines on display (all of which were common emails that people might expect to see in their inboxes).

Participants were instructed to imagine that the emails were meant for them. Whilst they were encouraged to consider which messages might be important for them to open they were not specifically told to look out for an email from their pension provider. This minimised the risk that participants might open all emails for the sake of it. Participants were also informed that they could click on content within the emails should they want to. They were able to open more than one email and navigate through the inbox. The inbox design in shown below in Figure 3.

Figure 3: Mock email inbox used in experiment 1



If a participant clicked on the pension subject line, they were once again randomised into one of 5 control or treatment arms for which email content they would see. The content of the email contained a call-to-action button which if clicked showed some brief information about decumulation options. They could also navigate back to the inbox. When they had finished reading and engaging with any emails, they could click a 'next' button to close the experiment.

We recruited a sample of 14,985 participants using an online panel provider, all of whom were ages 22-66 and resident in the UK. We restricted the age group in order to primarily recruit participants who had not already decumulated their pension. The sample size was chosen based on power calculations we ran to determine how many participants we would need in each treatment group to be able to detect statistically significant differences across the groups.

Outcome measures

Our primary outcome measures were:

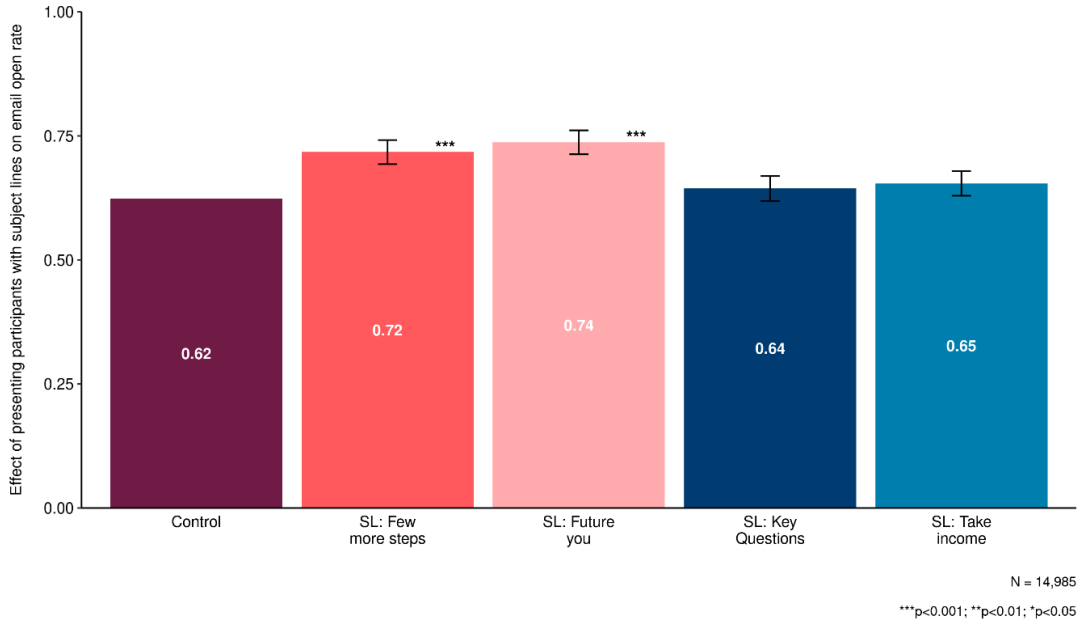
1. The open rate of the target pensions email in the artificial inbox
2. The call-to-action click rate within the target pensions email (measured among all participants, regardless of whether they opened the target pensions email)

For further details of our analytical strategy see Annex 3.

Results

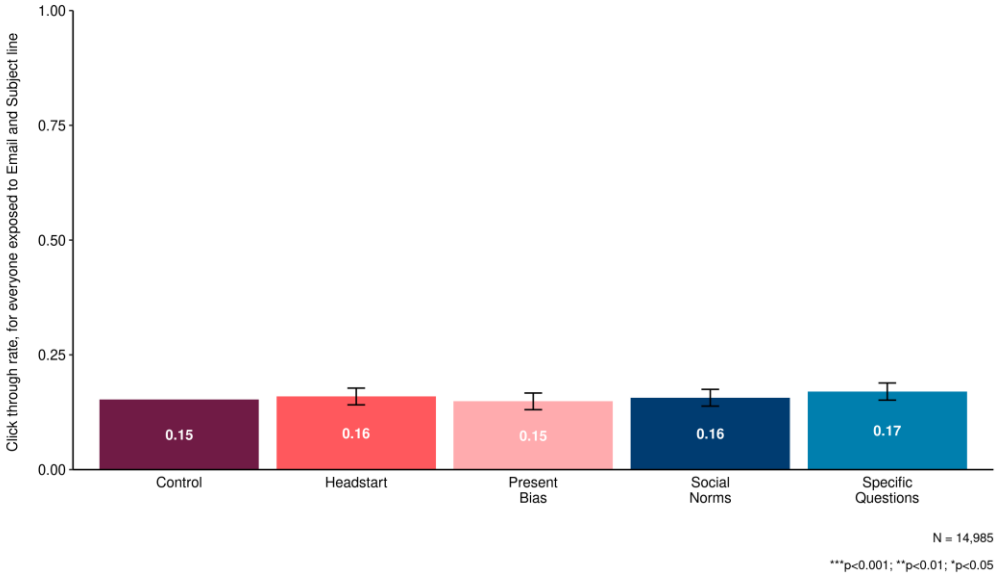
Figure 4 below shows that among those who saw the Control subject line, 62% clicked on the target pensions email. The models also find that 'Future you' and 'Few more steps' subject lines led to a statistically significant increase in open rates by 12 and 10 percentage points respectively, when compared to the Control. The 'Key questions' and 'Take income' subject lines had no statistically significant impact.

Figure 4: Effect of subject lines on likelihood of opening the pension email



However, none of these treatments drove a significant increase in the click rate of the call-to-action button within the emails themselves. Figure 5 shows that 15% of those who saw the Control clicked on the call-to-action in the email. We find no statistically significant difference in click rates among any of the treatment emails.

Figure 5: Effect of email content on likelihood of clicking the call-to-action



Experiment 2: Measuring comprehension and attitudes

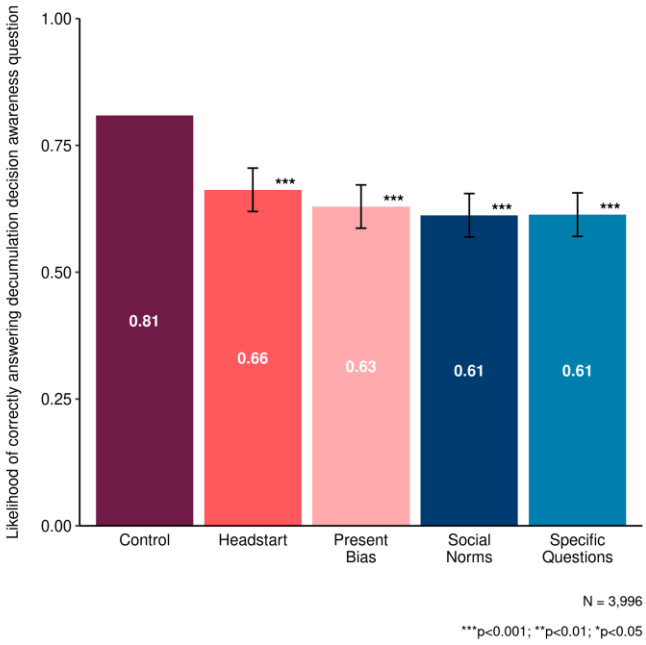
Whilst the first experiment focussed on open and click rates, the second experiment was designed to test how the treatments messages affect participants' awareness of having to make a decumulation decision and their attitudes towards seeking guidance. The primary aims of this experiment were to understand the effect of our treatment emails used in Experiment 1, compared with the control email, on:

1. Awareness of what MoneyHelper is (MaPS's free guidance service) and of the need to make a decumulation decision (measured by two multiple choice comprehension questions); and
2. Overall attitudes towards MoneyHelper (measured by four self-reported attitudinal questions).

In this experiment, all participants were randomly shown either the Control or one of the four treatment emails from Experiment 1. After seeing the emails, participants were asked a series of survey questions about their awareness of having to make a decumulation decision as well as their attitudes toward seeking guidance from MoneyHelper. These survey questions along with our outcome measures were developed through collaboration with FCA pension policy colleagues, who provided expertise on which information would be most important for consumers to know and which attitudinal measures would be valuable to capture from a policy perspective.

Results shown in Figure 6below find that among those who saw the Control email, 81% correctly answered the comprehension question about decumulation decisions. In contrast to their intended outcome, all four treatment emails led to a reduction in participants' abilities to correctly answer this question. The impact of this was large, reducing the proportion correctly answering by 15-20 percentage points, depending on the specific treatment.

Figure 6: Effect of email treatment on likelihood of correctly answering the pension decumulation awareness question



The treatment emails also seemed to negatively affect participants' attitudes towards MoneyHelper. The four attitudinal questions were Likert-style self-reported questions relating to whether the participant:

- Would be likely to use MoneyHelper service, ever
- Would be likely to use MoneyHelper service, in the next 12 months
- Thinks MoneyHelper service would be helpful
- Trusts the MoneyHelper service

Participants were scored a '1' if they selected 'very' or 'somewhat' in relation to each attitudinal question, a '0' otherwise. Table 3 below shows that all treatments led to a statistically significant reduction in attitudes towards ever using the MoneyHelper service, and perceptions that the service would be helpful. Some treatments also had a negative impact on trust in the service.

Table 3: Effect of email treatment on attitudinal measures

Treatment	Would use MH ever	Would use MH in next year	Would find MH helpful	Would trust MH
Control	51%	11%	85%	75%
Head Start	**-13pp*** **	+2pp	**-6pp*** **	**-11pp*** **
Present Bias	**-14pp*** **	+1pp	**-6pp*** **	**-7pp** **
Social Norms	**-11pp*** **	-1pp	**-5pp*** **	-2pp

Specific Questions	**-8pp*** **	+1pp	**-5pp*** **	-4pp

Experiment 3: Attempting to mitigate a backfire effect

Evidently, our treatment email content did not help as intended. Following a review of open-ended text questions in Experiments 1 and 2 we identified that several participants felt that our colour treatment emails, which we had designed to stand out, looked like spam or a scam, and that they would tend to switch off or lose trust if an email looks like marketing. We concluded that this could have therefore been explaining the negative impacts on comprehension and attitudes in Experiment 2.

This research was designed to help us understand how email wording could be optimised for our field trial which we were concerned was being undermined by our treatment email design. We, therefore, conducted a third experiment where we redesigned our treatment emails to mimic the style of our Control email, while keeping the behaviourally informed messaging.

To minimise the risk of unintended backfires, we shared the re-designed emails with 80 participants via qualitative research. Satisfied that these addressed concerns we identified with the original designs, we re-ran experiment 2 using these redesigned treatment emails with a new sample of 3,993 participants.

Across the attitudinal and comprehension questions repeated from Experiment 2, any negative differences between the Control and treatment emails were generally reduced with these re-designed emails. In particular, the 'Social Norms' and 'Head Start' treatment emails no longer performed any worse than our Control email. For other treatments, while the average differences between Control and treatment emails were smaller, there was still evidence of a negative effect of the re-designed treatment emails compared to the Control across some or all of the different measures. Our re-design had mitigated some of the issues from Experiment 2, but not consistently for all treatment emails, suggesting that not all behavioural wording is effective in this context. For more details of results in Experiment 3, see Annex 3.

Field trial email selection

Once we re-designed our treatment emails in Experiment 3, the behaviourally informed treatments 'Social Norms' and 'Head Start' performed equally at least as well as the Control email across all comprehension and attitudinal questions. In Experiment 1, we saw that even with the original email designs, some participants reported as looking like spam or a scam, click rates for 'Social Norms' and 'Head Start' were no worse than the Control. It is possible that some of the negative impacts of this original design were offsetting positive benefits of the behaviourally informed 'social norms' content. Since we did not explicitly test click rates for our redesigned emails in Experiment 3 we could not empirically validate this hypothesis. Nevertheless, drawing on the wider behavioural evidence of the potential value of social norms (Gerber & Rogers, 2009; Brent, Cook & Olsen, 2015), and the fact that we were confident we had mitigated any unintended

backfire effects in our re-designed email, we judged that our 'social norms' email from Experiment 3 had the potential to be most effective email design. We therefore elected to take this email design forward into the field trial, alongside the subject line that was, on average, the most effective of any other tested version in Experiment 1 - 'Future you'.

More broadly, the backfire effect we observed in Experiment 2 highlights the importance of pre-testing interventions to hone them before launching in the field.

3 Field Trial: Testing the timing

Research overview

The field trial assessed the effect of particular 'touchpoints' in a customers' pensions journey or life events on their likelihood of opening and clicking through a call-to-action pension guidance link. We examined touchpoints such as notable personal dates, times of year, or pension-related dates/activities and its effects on engagement. From the findings of all our online experiments, we hypothesised that using the 'social norms' email had the potential to be most effective. Using this, we partnered with 2 pension provider firms to test different timings of sending the same email.

Our primary and secondary research aims were:

- Primary aim: to test the effectiveness of each partner pension firm sending our email at a given touchpoint compared with an arbitrarily timed email, on the customers' engagement with decumulation guidance. We measured engagement by click rates from the email to age-appropriate financial guidance. Our primary analysis focused on click rate at each partner firm.
- Secondary aim 1: to estimate the effect of the touchpoints on the open rates of the email for each of our partner firms individually. We measured this to investigate whether there were differences in effective timings of opening an email.
- Secondary aim 2: to investigate how disparate our treatment effects were across our two partner firms and to report our results, pooled across the two firms.

Finally, as exploratory research, we investigate whether the treatment touchpoint affected customers' likelihoods of engaging in other activities relating to their pension, by analysing whether they engaged with their online pension accounts as well as how they engaged with the MoneyHelper or Pension Wise website after clicking through the link in the treatment email. We believe it is a unique contribution of our research to be able to trace the online activity on the MoneyHelper and Pension Wise websites back to our treatments through individualised URLs delivered in the emails.

Intervention design

To test the effectiveness of each different touchpoint, we sent a treatment email at each touchpoint to two age groups: those aged 40 to 49 (referred to as under 50s) and those aged over 50.

The under 50s and the over 50s saw slightly different versions of the treatment emails, including the call-to-action links used. For the under 50s, the wording described information about pensions, and the call-to-action linked to a page on MoneyHelper

about defined contribution pension schemes and the main ways to take money from them. For the over 50s, the wording described information about decumulation options, and the call-to-action linked to Pension Wise, a subsection of the MoneyHelper website. The key behavioural messaging and social norms remain consistent between two versions of the email, though there are some minor differences in the wording to be consistent with the informational needs of each age group for their stage of the pension journey. The two copies are shown in Annex 2, with differences in the under 50s version of the email highlighted in yellow.

The treatment emails were then given to our partner firms who adapted them using their own branding. We ensured that the key behavioural messaging remained consistent.

Subject line

Based on the results from our online experiments, we chose to use the subject line which led to the highest open rate in the online trial. As mentioned in section 2, we were unable to test personalised subject lines in the online experiment for practical reasons; however, there is evidence that personalised subject lines on average achieve a higher open rate (Scott *et al.*, 2022; Sahni and Chintagunta, 2016). Therefore, for the field trial we asked firms to use the recipient's name in the subject line. The final subject line we used in field was:

[first name], the future you will thank you for this

Touchpoints

Our main research aim was focused on when the best time to engage consumers with decumulation guidance is, so our key interventions were touchpoints – the timing of the email. The touchpoints were developed through our literature review of existing evidence, extensive behaviour and consumer journey mapping, engagement with partner firms, and preliminary firm data analysis. Through our design approach, we crafted a long list of potential touchpoint interventions, which we narrowed down through implementation feasibility, sample size, and data availability considerations.

Table 4 below provides information on the different touchpoints we tested, the rationale for testing them, and the definition of each touchpoint is detailed in the implementation column. It is important to highlight that neither the email messages nor the subject lines varied across these treatments, so participants were not explicitly made aware of the reason for the timing of the email they received. Our intention was to specifically test the timing itself, rather than any framing around the timing.

The thresholds around implementation timings were largely driven by sample size considerations as well as hypothesis-driven considerations around how soon to a particular touchpoint the email would need to be sent for it to be meaningful. For example, 4 months within starting a pension is a relatively short time in the broader context of the average pension policy tenure. We, therefore, judged this to be a reasonable implementation period. However, 4 months on from someone's milestone birthday is likely too far away from the date for them to associate the timing with their birthday, so we set a shorter implementation period for this. Due to sample size limitations and the nature of the touchpoints (i.e., approaching retirement only being applicable for over 50's), certain touchpoints could only be tested for particular age groups and firms. The touchpoints we tested are detailed in the field trial design section.

Table 4: Touchpoint interventions

Touchpoint	Rationale	Implementation
Milestone birthdays	Several sources in the literature point to milestone birthdays being a potentially useful time to think about your future and future finances, though this has not been tested in the field. DWP's Timely Moments qualitative research (DWP, 2024) also investigated this touchpoint through focus groups. We aimed to address this gap in the literature by testing the effectiveness of milestone birthdays on engagement.	Within 1 month before or after a milestone birthday
Starting a new pension	Based on firm data, members are typically more engaged when they first join a pension scheme, so we wanted to test if this engagement could be used to further engage with decumulation guidance	Within 4 months after starting a new pension
2 years before retirement	It is most critical for consumers to engage with their decumulation decision when they are approaching retirement. Though it is important for consumers to warm up to this decision earlier in the journey, we wanted to compare the effect of this touchpoint against others which occurred earlier in the pensions journey	Within 1 month of the date 2 years before nominated retirement date
Logging onto pension account	We hypothesised members who log into their pension account are typically more engaged with their pension in general, so we wanted to test if we can capitalise on this engagement to encourage engagement with decumulation guidance	Within 2 months following the log-on
Increase in contributions	In our literature review, changing financial circumstances are suggested as being a time when people may be more switched on to financial planning issues, so we tested if a change in contributions/change in salary increases engagement in the field	Detection of an increase in contributions 3 months prior to the send date when compared to the previous 6 months
New Year's	Literature, and DWP's Timely Moments qualitative research (DWP, 2024), points to New Year being a potentially effective time to engage people with their pensions as they think through financial resolutions and	In the first full working week of January 2024, with send dates on 10th and 11th January.

	about the future	
Anniversary of pension	We will use this as the control group because it occurs at a random time, and is also typically used by firms as a touchpoint for other communications, for example annual statements	Within 1 month of the anniversary of the scheme

Field trial design

We worked with two trial partners, which for confidentiality purposes will remain anonymous. We refer to them as:

- **Firm 1** - a large company master trust pension plan, meaning all their pension members worked at the same company.
- **Firm 2** - a large pension provider, which allowed us to sample from their workplace pension policy members as well as master trust policy members, giving us potential reach to members at many different employers.

Each firm has different member bases, and had different logistical constraints, which meant that we tested slightly different sets of touchpoints at each firm. We report results from pooled analysis and from each firm separately as there were inherent differences in the member bases of each firm and the firms' pre-existing engagement strategies.

Since we wanted to test engagement with age-appropriate guidance, the under 50s and over 50s in the trial were sent different MoneyHelper links and the emails had minor differences in the drafting to be tailored to the age groups. As a result, we split the trial and the analysis into under and over 50's. The experimental design for each partner firm is laid out below in Figure 7 and Figure 8.

Figure 7: Firm 1 trial design

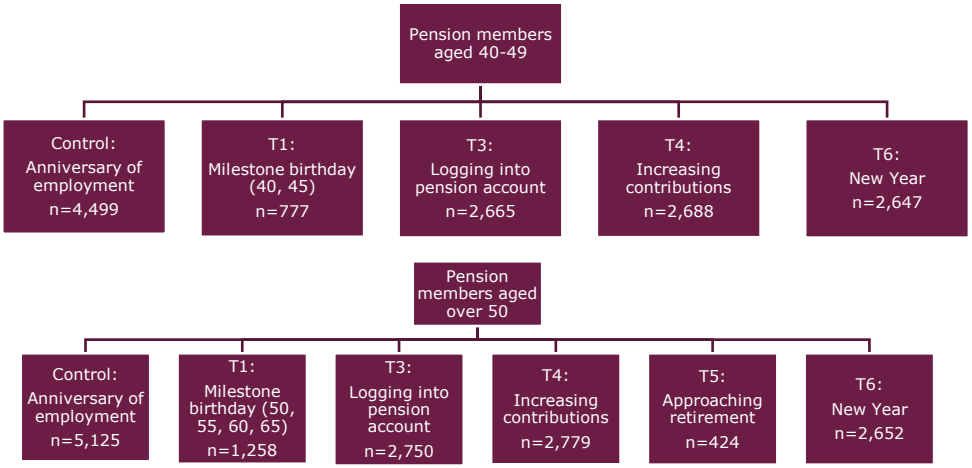
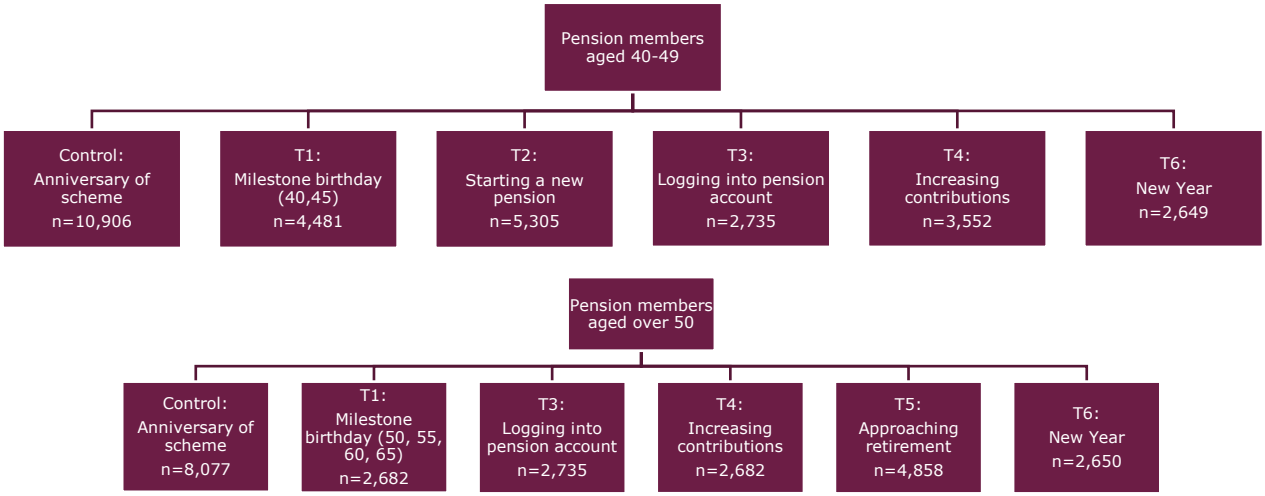


Figure 8: Firm 2 trial design



Randomisation

Due to the nature of some of the touchpoints we tested, we could not implement a pure randomisation into each treatment arm, as there were inherent features which restricted the pool of members who would be eligible for certain touchpoints. We therefore implemented a stratified randomisation for the control and some of the treatment groups.

Stratum 1: all participants

For the control (anniversary of scheme), starting a new pension, increasing contributions, approaching retirement, and New Year touchpoints, any DC pension member aged over 40 (or 50 for approaching retirement) would theoretically be eligible for these treatment groups. Therefore, for these trial arms all eligible trial participants were randomised into these groups, conditional on the trigger for the touchpoint.

Stratum 2: milestone birthdays

For the milestone birthday touchpoints, only participants of the relevant ages were eligible for this touchpoint. Therefore, the second strata randomised members aged 40, 45, 50, 55, 60 and 65 into either the control group or the milestone birthday touchpoint. The milestone birthday touchpoint occurred 1 month before or after their birthday, so only members who met these criteria were put in the milestone birthday treatment groups. We relaxed this condition to include anyone of those ages into the control group. We also instructed the firms to balance the proportion of ages within each group, for example to aim for 50% aged 40 and 50% aged 45 in the under 50s group. See Annex 2 for the full sample details.

Stratum 3: online account

For the pension account login touchpoint, only members who activated their online pension account were eligible to be randomised into this touchpoint. Therefore, the third strata randomised those with an online account into the control group and pension account login touchpoint. It is worth highlighting that even with this stratified approach, selection effects may still potentially impact our results, due to the nature of those eligible for the treatment touchpoint being someone having logged in *recently* to their

account rather than anyone with an account at all. It is likely that someone who logged in recently would be more engaged with their pension and thereby more likely to open and click-through the email. By virtue of the treatment being the email timings, it was not possible to compare like-for-like for this stratum, so our analysis includes some sensitivity checks to investigate whether treatment effects still hold once these selection effects are considered. Details on these checks are provided in Annex 2.

Timelines

We launched fieldwork on 5th October 2023 and our partner firms continued launching batches of emails until we reached our minimum desired sample size, which was 30 November for all touchpoints except New Year. We launched fieldwork again on 11th and 12th January 2024 for the New Year touchpoint. The partner firms collected our outcome measures for a period of 4 weeks following the treatment emails being sent.

Sample description

In our final sample, we ran the trial with 82,117 participants - 28,264 from Firm 1 and 53,853 from Firm 2. These were split across the treatment and control groups in order to match minimum required sample sizes calculated during the power calculations. This included considerations around multiple comparisons in strata groups where we would be testing multiple hypotheses in one comparison. Further details around power calculations and multiple comparisons can be found in Annex 2.

As we ran checks on our final sample, we discovered that there were a larger-than-expected proportion of people in the control group who were eligible for another treatment group. For example, around 40% of those in the control group also had a milestone birthday within a month, which meant that as well as having the anniversary of their pension scheme, they would have also experienced a milestone birthday within a month of receiving the pension email. We worked with Firms 1 and 2 to better understand the issue, and it seems that the sampling instructions the firms followed led to 'treatable' individuals being oversampled in the control group.

This meant that significantly more people than expected in the control group experienced the same email timing that those in the respective treatment group would have experienced. While in the real world, we would expect there to be coincidences of, for example, the anniversary of one's pension and their milestone birthday, we would not expect this to be around 40%. This means that out treatment effects are likely to be conservative estimates, since people in the control group who received the treatment are counted as controls and compared against those who received the same experience. To account for this, we conducted robustness checks. We reassigned someone who would be eligible for another treatment group to that treatment group instead of the control. Reassuringly, the results were qualitatively consistent with those we report here, with minor and expected differences around the magnitude of effects. These results are reported in Annex 2.

Outcome measures and analytical approach

Primary and secondary analyses

- Primary: click rate, by each age group and each partner firm. This was measured by whether the email recipient clicked the email's call-to-action link to go to the MoneyHelper website.
- Secondary: open rate, by each age group and each partner firm. This was measured by whether the email recipient opened the email.
- Secondary: pooled effects of each touchpoint across individual firms. This is to give an average effect of treatment across our sample of two firms. We again split this for the 40-49 age group and the over 50 age groups and by stratum.

For all of these, we ran separate models for each firm (apart from the pooled analyses), age-group, and stratum, equating to 12 separate models, which included controls for age, tenure of policy, firm (only for pooled analyses) and other routine pension communications received in the months around the field trial (specified in Annex 2). We used linear regression models for open rate analyses and logistic regression models for click rate analyses (see Annex 2 for further details on rationale). While we report outputs from these models in the main text, as a sensitivity analysis we also ran models without these controls (also included in Annex 2). While the inclusion or exclusion of these controls has some impact on the size of treatment effects observed, the directionality of the treatment effects is largely unchanged.

Exploratory analyses

In our exploratory analyses, we wanted to better understand how the treatment emails affected downstream behaviour. We gathered several datapoints from the firms as well as MaPS to analyse actions taken in one's online account in the week after opening the email and those taken on the MoneyHelper website after clicking the call-to-action link in the email.

To do this, we measured all the actions a recipient could have taken on their online pension account, as in Table 5 below. We liaised with the firms to understand what potential actions could be taken and the incidence rates we may expect to see in order to define these outcomes. Each of these additional engagement outcomes were measured only in the week following the email being opened to increase confidence in our interpretation that these actions were taking in response to reading the email. All these engagement outcomes were conditional on the email being opened. We analysed whether the touchpoint treatments led to any effect on the composite engagement score. Our sample sizes were not large enough for us to be sufficiently powered to run statistical tests, but we provide results from descriptive analysis.

Table 5: Exploratory outcome measures

Exploratory outcome measure	Description
Logging into account	Participant has logged into their online pension account following the email

Update retirement date	Participant has updated their target retirement date in their online account
Update marketing preferences	Participant has updated their marketing preferences in their online account
Update contact information	Participant has updated their contact information in their online account
Composite score	Score of 0-4, counting how many of the above activities each person did

We also wanted to explore downstream behaviour on the MoneyHelper website. However, small sample sizes prevented us from doing so. We, therefore, descriptively analysed the behaviours of those who entered the MoneyHelper website. The outcome measures we explored were time spent on MoneyHelper (under 50's page), time spent on MoneyHelper (over 50's page), whether Pension Wise pages within the site were accessed, whether a Pension Wise appointment was booked, whether the retirement savings calculator page was accessed, and calculator was completed, and whether the participant visited 'Taking money from your savings' page.

Results

Primary and Secondary Results

Baseline open and click rates

Baseline open rates ranged from 42.2% to 54.5% across both firms and age groups. We found that a higher proportion of individuals over 50 opened the email compared to those under 50 in both firms. This difference was particularly notable for Firm 1, where open rates ranged from 42.2% to 45.2% for individuals under 50 and from 50.9% to 54.5% for individuals over 50. In comparison, Firm 2 saw open rates of 48.0% to 51.7% for individuals under 50 and 48.3% to 52.3% for individuals over 50.

Similarly, we found differences in click rates across age groups. Baseline click rates ranged from 1.5% to 3.7%. As with open rates, click rates were higher among individuals over 50 ranging from 2.9% to 3.7% across both firms, compared to 1.5% to 2.0% for individuals under 50 across both firms.

Age related life event touchpoints

The milestone birthday and approaching retirement touchpoints both aimed to target times in people's lives when they may be more receptive to thinking about their financial futures. The evidence suggesting that these touchpoints are effective means of engaging people in decumulation advice is mixed. While we found some evidence that those approaching retirement may be more likely to open the trial email and click through the link, we found limited evidence to support the effectiveness of the milestone birthday treatment.

Overall, we found that targeting participants aged under 50 around their milestone birthdays seems to backfire, i.e., reduces the likelihood of opening emails by 2.5

percentage points (pp) relative to the control group. This is predominantly driven by a reduction in open rates of 8.1pp in Firm 1. For those aged over 50s, milestone birthdays do not have a significant impact on open rates. See Figure 9.

In terms of click rates, on average, we saw no statistically significant differences between the control and the milestone birthday treatment group. This was consistent across age groups and firms. This suggests that, despite the 8.1pp reduction in open rates for under 50's in Firm 1, we did not see a reduction in click rates for that cohort. See Figure 10.

Figure 9: Effect of milestone birthday touchpoint treatment on open rate

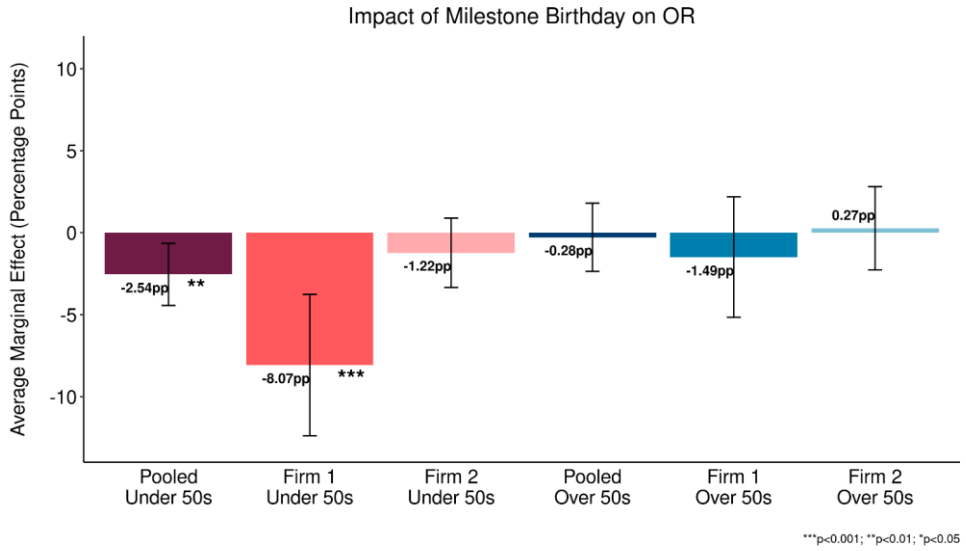
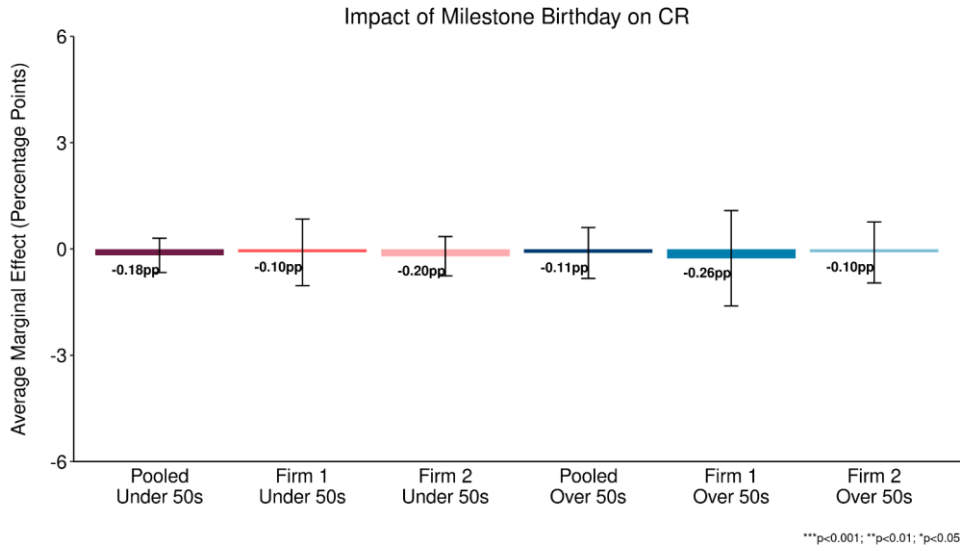


Figure 10: Effect of milestone birthday touchpoint treatment on click rate



The approaching retirement touchpoint was only tested among individuals over 50 due to the nature of the treatment. On average, we saw a positive and statistically significant effect of 2.7pp in open rates in this treatment group relative to the control. This was driven predominantly by a positive effect of 3.1pp of this treatment on Firm 2's over-50 group and we found no significant effect on Firm 1's over-50 group.

Consistent with the open rates, we found a positive and significant effect of the approaching retirement touchpoint on the click rate for Firm 2's over-50 group but no significant effect for Firm 1's over-50 group. However, due to small sample sizes in the Firm 1 over-50s group, we cannot determine with confidence whether the null effects observed for Firm 1 is due to genuinely differential effects of the treatment across the two firms.

Pension related touchpoints

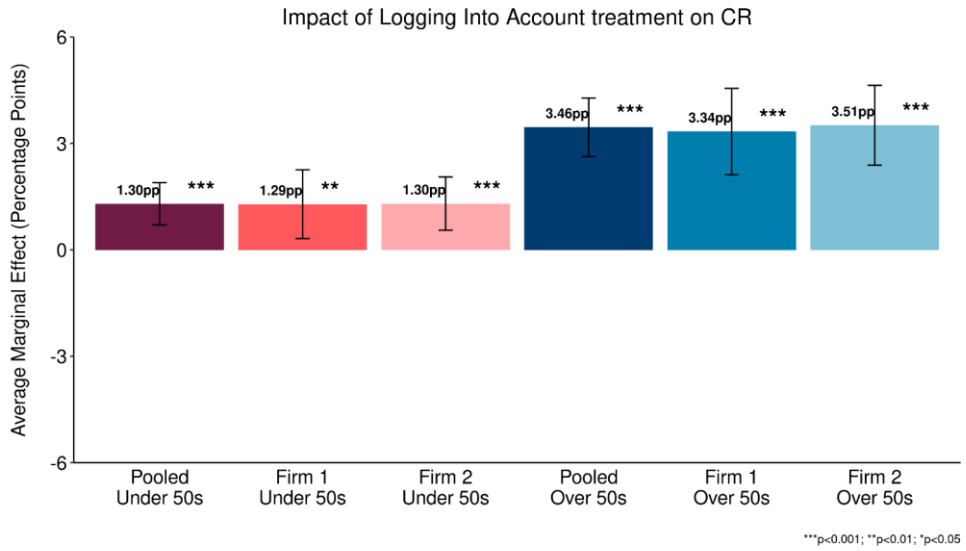
We used touchpoints which leveraged moments when people may already be more engaged with their pensions, such as logging into account, starting a new pension, and increasing contributions. Our findings suggest that the logging into account touchpoint may be an effective means of building engagement. However, we found limited evidence to support the use of the other two touchpoints - starting a new pension and increasing contributions.

Our pooled analysis of the logging into account touchpoint indicates that, on average, we see a 6.1pp increase in open rates for individuals under 50 and a 6.9pp increase for those over 50. This effect was consistent across firms, ranging from 5.4pp to 7.2pp, showing significant and positive effects of this touchpoint on the open rate across all age and firm groups.

We also found a similar pattern of results for the logging into account touchpoint on click rates. We saw, on average, a statistically significant increase of 1.3pp for individuals under 50 and a 3.5pp increase for those over 50. This effect was consistent across firms, ranging from 1.3pp to 3.5pp, showing significant and positive effects of this touchpoint on the click rate across all age and firm groups. Consistent with the open rates, the increase in click rates was higher among those over 50 in both firms. See Figure 11.

As mentioned above, we expect part of these effects to be driven by selection, i.e., those who are more engaged recently log into their pension accounts and are more likely to click through our email. Our sensitivity analysis detailed below suggests that more recent log in drives further engagement, but the effects may be smaller in magnitude than those reported here when compared with those that logged in in more distant past.

Figure 11. Effect of logging into account touchpoint on click rate



The starting a new pension touchpoint was only tested with Firm 1 for individuals under 50, so there is no pooled effect of this touchpoint across firms. We found that this touchpoint had a statistically significant negative effect on the open rate for this group, with a 5.3pp decrease from the baseline of 48.0%. The starting a new pension touchpoint also decreased click rates by 0.6pp.

On average, we did not find significant effects of the increasing contributions touchpoint on open or click rates. These effects were also consistent across the two firms and age groups.

Time of year touchpoints

The only touchpoint targeting a specific time in the calendar year was the New Year touchpoint. We found that this touchpoint had substantially different impacts on both the open rate and click rate across age groups and firms.

On average, we did not find a statistically significant increase in open rates for this touchpoint among those under 50. However, this effect was driven by Firm 2's under 50 group as we found a statistically significant increase in open rates of 5.9pp among under 50s in Firm 1. See Figure 12. The New Year touchpoint did not have a significant effects on open rates among those over 50.

For click rates in the New Year touchpoint, we observed no significant effects across either age groups. However, the average effects were masked by differential effects across the two firms. For individuals over 50: Firm 1 saw a 1.4pp increase, while Firm 2 saw a -0.9pp decrease in click rates and these effects are statistically significant. For individuals under 50: Firm 1 saw no significant effect, while Firm 2 saw a statistically significant 0.7pp decrease in click rates. See Figure 13.

Figure 12: Effect of New Year touchpoint treatment on open rate

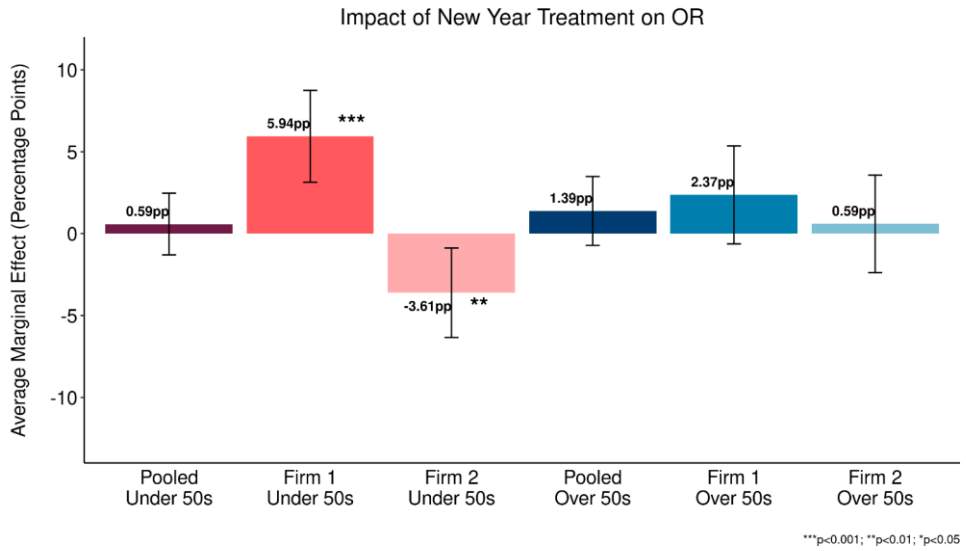
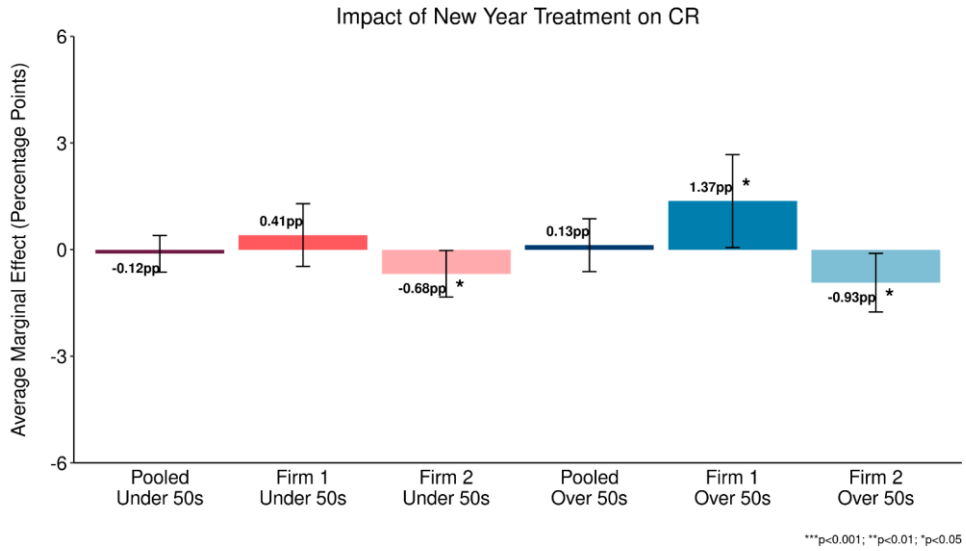


Figure 13: Effect of New Year touchpoint treatment on click rate



Exploratory results

Other engagement activities

We explored whether participants engaged in any activities in their online accounts. We found a higher average composite score among those in the logging into account treatment group compared with the control for both firms, and no effects across any other treatment groups. However, due to the very low engagement in these online activities, the sample sizes are too small to be statistically powered to draw inferences across treatment groups.

Very few people engaged in any of these online account activities. Only 2.8% of participants engaged in one or more of these activities. This was driven by people logging into their account because logging in is the first step to the other actions. That is, 2.7% (most of the 2.8%) of participants logged into their online account. Meanwhile, only

0.01% also went on to update their marketing preferences, 0.04% also updated their contact details, and 0.15% also changed their nominated retirement date.

MoneyHelper data

For under 50s who clicked on the MoneyHelper website, the median time spent on the site was 174 seconds, or around 3 minutes. For over 50's who clicked on the MoneyHelper website, the time spent on the site was about a minute less, with a median of 113 seconds, or around 2 minutes.

Among those under 50, around 58.8% accessed the pensions calculator and half of them (27.7%) completed it. Around 15% navigated to the 'taking money from your pension' page.

For those over 50, approximately 7% of customers clicked through to the Pension Wise site within the MoneyHelper website, 5% clicked on the 'book your free appointment' with Pension Wise page and about 20% of those went on to book an appointment (1.1%). Relating back to the total sample, individuals doing these activities represent a very small proportion; for example, only 1.1% of the approximately 3% who clicked on the link and spent time on the website eventually booked an appointment, the equivalent of about 3 in 10,000 participants.

Sensitivity analysis and robustness checks

To ensure that our results are robust despite some of the assumptions we made, we took a number of steps to run the analysis with alternative assumptions and found that our results were broadly consistent with the main results reported above.

The effects of logging into account treatment were prone to be driven by selection. This is because those who log into their accounts are definitionally more engaged and more likely to open and click through pension emails than the control group, comprising of people who have online accounts but have not necessarily logged in recently. To examine whether the effects of this touchpoint hold when we attenuate the selection effect, we created buckets of last log in times such as 0-2 months back (i.e., the treatment group, though there were also some participants in the control group who happened to log in within the last 2 months included in this), 2-4 months back, 4-6 months back, 6-12 months back, and so on. This allowed us to proxy for recency of engagement and compare the treatment group against other participants who also logged in relatively recently and would therefore have more similar engagement levels.

We then ran models that included time since last login as a control variable. We found that those who received the email within 2 months of logging in were significantly more likely to open and click through the email when compared against those who logged in 2-4 months before receiving the email. As expected, we saw a correlation between recency of last log in and likelihood of clicking/opening. The full details of this robustness check can be found in Annex 2.

We also conducted robustness checks to assess whether effects differed when we treated those in the control group who shared attributes with people in the treatment groups differently (i.e., those with milestone birthdays within a month of the send date who were allocated to the control group). For this, we ran models where we reallocated those

who *could* have been in a treatment group due to the experience of receiving the email within, for example, a month of their milestone birthday. We found that, as expected, the magnitude of effect sizes was larger than those reported in the main results. Our primary analysis reflects a conservative estimate, and our sensitivity analysis reflects an upper bound on the effect sizes of treatments. As the true effect sizes likely lie somewhere between these results, we do not overly interpret the magnitude of effects, rather we primarily consider directionality. Further details can be found in Annex 2.

4 Discussion

Targeting behavioural barriers can spark initial engagement

Our research contributes to the literature by testing behaviourally informed approaches to pensions communications in our online experiments. Overall, we found that addressing present bias and information overload was effective at driving the first step of engagement with pension communications: opening the email. These results align with existing qualitative research which suggests that making the future more salient and reducing the perceived psychological burden of pensions considerations can help overcome engagement barriers.

Pre-testing emails is important

We found that overly graphic emails may spark doubts about the legitimacy of the email. Many people may switch off or lose trust where emails come across as marketing. This may be because, in an age of heightened concern over phishing and scam emails, consumers are rightly weary of which emails they choose to open and which links to click on. More broadly, there may be value from firms pre-testing new communications with a smaller group first to gather feedback before broader roll-out.

Testing matters: different consumer groups are… different

Our field trial results show the value of testing communications with consumers. Our results were often sensitive to the age group or firm, showing that what works for one group of consumers may not work for others. For example, we found that New Year had mixed effects across groups as well as across measures of engagement, and they spent on average the least time on the MoneyHelper website. One hypothesis to explain this is that different touchpoints may drive different types or levels of engagement across groups depending on which psychological mechanisms are at play. More research on the mechanisms driving differential responses to the touchpoints across groups may be a fruitful avenue for research. It would be interesting to explore the emotions individuals experience when approaching milestone birthdays and if these positive, negative, or neutral emotions have different effects on how they respond to retirement planning nudges.

We observed differences in engagement between the under and over 50's. Across the board, we saw higher click and open rates among over 50's. However, exploratory results suggest they spent, on average, less time on the MoneyHelper website. While this could be due to varying levels of engagement, it could also reflect greater familiarity with the subject among over 50's, or greater likelihood of receiving financial advice. It is worth conducting further research to understand the types of support that are most useful to different age groups.

Our research demonstrates the value of quantitative testing in addition to self-reported preferences. Our results suggest that there is a gap between self-reported preferences and behaviour. For example, suggestions from the literature were that changes in

financial circumstances, such as starting a new job (and therefore a new pension) or experiencing a salary increase (and therefore increases to pension contributions) may be effective times to engage consumers. We did not find evidence to support this. This shows that asking consumers can be helpful in discovering a range of potential options and deriving hypotheses as to why they may work and quantitative testing is important to understand what works.

Capitalise on current (and especially recent) engagement to drive a virtuous engagement cycle

We tested whether recent engagement with pensions, i.e., those who had logged into their account in the 2 months before receiving the email, can be a fruitful trigger to engage individuals again. We found significant increases in all engagement measures among those who had logged into their account in the 2 months before receiving the email. Our sensitivity checks suggest that it can be effective to use more recent engagement as a touchpoint to drive further engagement with other materials such as guidance services. In other words, striking while the iron is hot may be an effective strategy for furthering engagement among those who show initial signs of engagement. However, it is also important to consider how to not leave the unengaged behind when it comes to finding what works for driving better pension outcomes.

Impact through traditional communications is limited

Our field trial results show that overall engagement with emails is low, with click rates of about 1.5% to 7%, depending on age group and treatment group. While this level of engagement was expected based on similar data we have seen from firms, it shows that there is no silver bullet when it comes to timing an email that will markedly increase engagement with pensions. Moreover, our exploratory research indicates just how difficult it is to drive downstream engagement behaviour through these engagement methods, with small proportions of those who clicked the email taking any detectable further actions within a week of opening the email.

Although we do not find a silver bullet to engage consumers in our setting, emails do remain an important channel for firms to reach their customers. Our research demonstrates the value in firms testing the way they communicate through these channels to craft more effective communications in terms of content and timing for different groups. Our results also highlight the importance of exploring beyond traditional channels like emails to communicate with customers.

Considerations for further research

Overall, our research suggests that encouraging engagement through communications like emails likely has limited impact on improving engagement with pensions. Further research is needed to consider whether and how other channels aside from traditional methods of engagement such as emails would better support consumers approaching retirement in a more substantive way.

However, our findings did show that there are engagement approaches that can be more effective than others. These findings highlight potential avenues for further exploration to refine ongoing engagement programmes.

Our communications did not explicitly refer to the touchpoint that they were targeting. For example, it was not explained to those who had received an email because they had recently increased their contributions that that was why they had been contacted. Future research could seek to build on our work by testing specific subject lines or email messages that highlight the respective touchpoint more explicitly.

Additionally, our research focused on delivering these messages through channels directly associated with pensions (e.g., increasing contributions). However, there are a number of other significant touchpoints in the financial journey of a consumer that could be critical moments of financial reflection for consumers (e.g., purchasing other financial products such as mortgages, life insurance, banking, or other investments). Future research could explore whether other such touchpoints could be effective in encouraging pensions engagement.

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Annex 2: Field trial

See Annex 2 here.

Annex 3: Online Experiments

See Annex 3 here.

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