

HOW PENSION CONSOLIDATION CAN SIMPLIFY RETIREMENT PLANNING

Discover how managing one pension can make
tracking and planning easier



Diss Business Hub
(DBH 29), Hopper Way,
Diss, Norfolk, IP22 4GT

Tel: 01379 454508
Email: info@dgfs.biz
Web: www.dgfs.biz

D G Financial Services Ltd is Authorised and regulated by the Financial Conduct Authority.
D G Financial Services Ltd is entered on the Financial Services Register <https://register.fca.org.uk/> under reference 523247.



Chartered

HOW PENSION CONSOLIDATION CAN SIMPLIFY RETIREMENT PLANNING

Discover how managing one pension can make tracking and planning easier

Many people build up several pensions over their working life. Each time you change employer, you may join a new workplace pension scheme, while older pensions are often left with previous providers. Over time, this can make retirement planning feel more difficult than it needs to be.

At DG Financial Services, we help clients understand whether pension consolidation could make their retirement planning clearer. Consolidation means bringing some or all of your pensions together into one plan. This can make it easier to track your savings, review investment performance and understand whether you are on course for the retirement you want.

The scale of workplace pension saving shows why this matters. According to the Pensions Policy Institute, in 2024, around 89% of eligible employees in Great Britain were saving into a workplace pension, representing 21.7 million eligible employees. Total annual workplace pension savings for eligible savers reached £149.7 billion in 2024. As more people save through auto-enrolment,

more small and forgotten pension pots are likely to accumulate unless savers keep track of them.

WHY PENSIONS BECOME HARD TO MANAGE

Pensions often become fragmented because modern working lives are more mobile. Many people change roles, employers or career direction several times, and each move can create another pension record to manage.

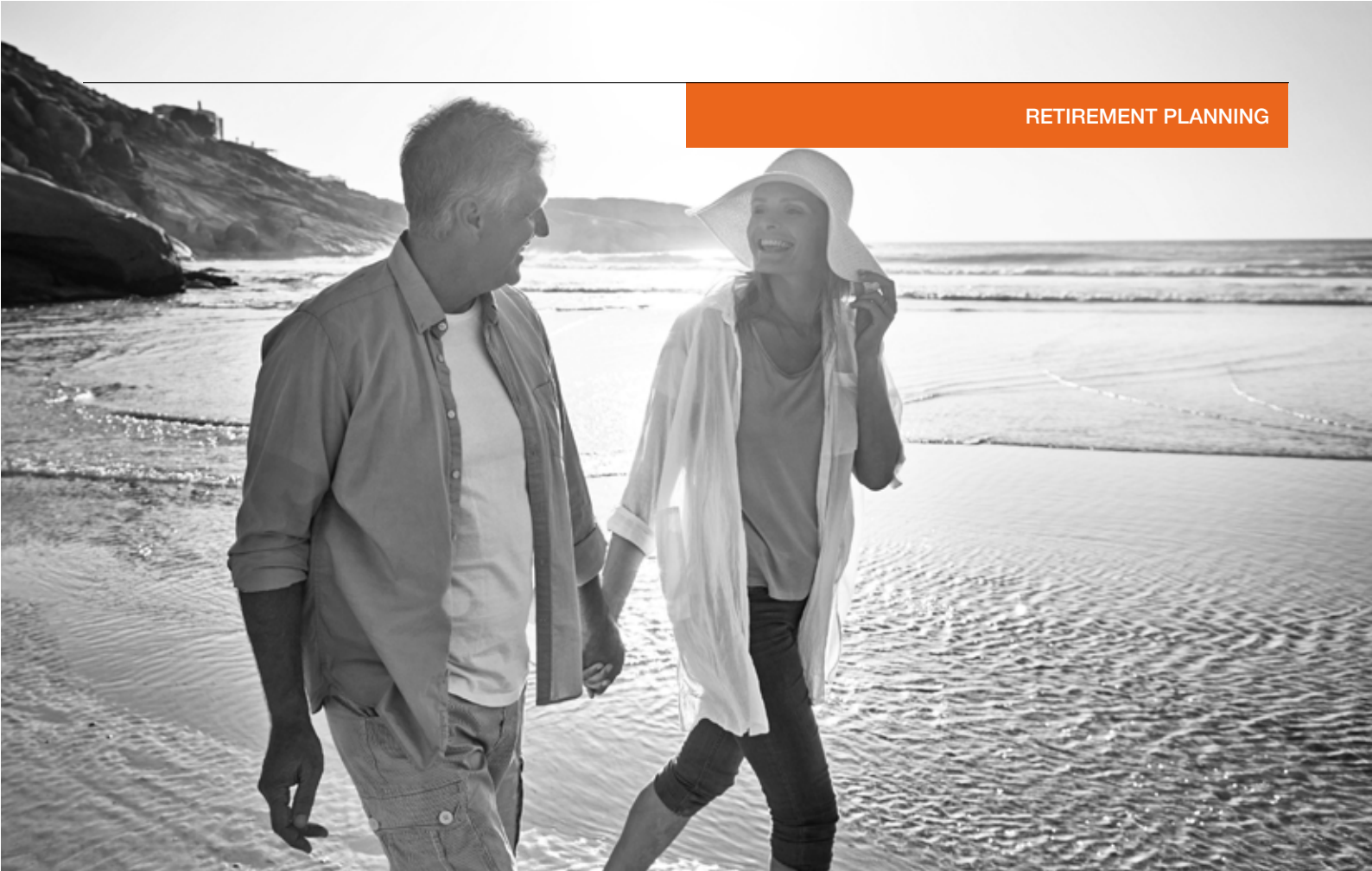
This can leave you with different providers, online accounts, investment funds, charges, retirement dates and statements. Some pensions may still hold outdated contact details, while others may be invested in default funds that no longer match your goals or attitude to risk.

Lost pensions are already a significant issue in the UK. Research from the Pensions Policy Institute estimated that there are around 3.3 million lost pension pots, containing £31.1 billion in assets. The average value of a lost pot is highest among those aged 55 to 75, at £13,620.

These figures show why keeping track of pensions is more than an admin exercise. A pension that has been forgotten, duplicated or left unmanaged could affect your retirement income and your ability to plan with confidence.

WHAT PENSION CONSOLIDATION MEANS

Pension consolidation involves transferring one or more existing pensions into a single pension plan. The aim is usually to make retirement



savings easier to manage, although consolidation should only be considered after reviewing the benefits, charges and features of each pension.

For some people, consolidation can provide a clearer view of their overall pension position. Instead of reviewing several statements from different providers, you may have one pension value, one investment strategy and one set of charges to monitor.

This can also make retirement planning more practical. When your pensions are in one place, it may be easier to estimate future income, review whether contributions are on track, and decide how you may eventually access your money.

However, consolidation is not automatically the right choice. Some older pensions may include valuable guarantees, protected tax-free cash, guaranteed annuity rates, lower charges, or other benefits that could be lost on transfer. Professional financial advice should always be sought.

HOW CONSOLIDATION CAN SUPPORT RETIREMENT PLANNING

One reason to consider pension consolidation is simplicity. Managing fewer pension plans can make it easier to stay engaged with your retirement savings and to make informed decisions.

A consolidated pension can help you review your investment strategy more clearly. If your pensions are spread across several providers, you may have overlapping funds or a level of investment risk that no longer suits your circumstances. Bringing pensions together can make it easier to align the strategy with your retirement goals, time horizon and risk profile.

It may also make income planning easier. When you approach retirement, you need to understand how much you have, how your pension is invested and how withdrawals could affect the long-term sustainability of your income. Having one pension can make these questions easier to answer.

There may also be practical benefits for beneficiaries. Keeping pension details clear and up to date can make it easier for loved ones or executors to understand what exists and who to contact if something happens to you.

WHAT TO CHECK BEFORE CONSOLIDATING PENSIONS

Before consolidating pensions, it is important to check what you already have. This should include each pension's value, charges, investment options, performance, retirement flexibility and any special benefits.

Defined benefit pensions require particular care. They provide a promised level of retirement income, usually based on salary and length of service. Transferring out of a defined benefit scheme is a major decision and is not suitable for everyone. Specialist regulated advice is usually required when safeguarded benefits exceed certain thresholds.

You should also check whether any pension includes a guaranteed annuity



rate, protected pension age, protected tax-free cash or exit penalty. Losing one of these features could outweigh the benefits of consolidation.

Charges also matter, but they should not be considered in isolation. A lower-cost pension is not automatically better if it offers weaker investment choice, less flexibility or poorer planning support. The right decision depends on the overall value and suitability of the pension arrangement.

A CHANGING PENSION LANDSCAPE

The government and the wider pensions industry are also working to make pensions easier to track. Pensions dashboards are being developed so individuals can view pension information in one place. Providers and schemes are required to connect to the digital architecture by 31 October 2026.

The government has also highlighted the problem of small pension pots. Its workplace pensions roadmap noted that small pots can create higher costs and administrative waste, with the creation of new pots each time someone starts with a new firm contributing to around £240 million a year of waste.

These developments show that pension simplification is increasingly important across the market. However, dashboards and future reforms do not remove the need for personal advice. Your

pension decisions should still reflect your retirement goals, tax position, investment risk and financial circumstances.

IS PENSION CONSOLIDATION RIGHT FOR YOU?

Pension consolidation can be appropriate if you want a clearer view of your retirement savings, fewer accounts to manage and a more cohesive investment strategy. It may also help you feel more engaged with your pension planning and more confident about the decisions ahead.

However, consolidation should be approached carefully. Transferring a pension without checking the details could mean forfeiting valuable benefits or moving into a less suitable arrangement.

At DG Financial Services, we can help you trace old pensions, review existing plans and assess whether consolidation could support your retirement planning. Our team can compare charges, benefits, investment options and retirement flexibility, then

help you decide whether consolidating your pensions is right for you. ■

THIS ARTICLE IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE TAX, LEGAL OR FINANCIAL ADVICE.

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55, RISING TO 57 FROM APRIL 2028 UNLESS THE PLAN HAS A PROTECTED PENSION AGE OR ANOTHER EXCEPTION APPLIES. THE VALUE OF INVESTMENTS AND ANY INCOME FROM THEM CAN GO UP OR DOWN. YOU MAY GET BACK LESS THAN YOU INVEST. TRANSFERRING OR CONSOLIDATING PENSIONS MAY RESULT IN THE LOSS OF VALUABLE BENEFITS, GUARANTEES OR PROTECTIONS. DEFINED BENEFIT PENSION TRANSFERS REQUIRE SPECIALIST ADVICE AND ARE NOT SUITABLE FOR EVERYONE.

Could pension consolidation make retirement planning easier?

Managing several pensions can make it harder to understand your retirement position. Contact DG Financial Services to review your existing pensions, trace any old plans and explore whether consolidation could help simplify your path to retirement.



Diss Business Hub
(DBH 29), Hopper Way,
Diss, Norfolk, IP22 4GT

Tel: 01379 454508
Email: info@dgfs.biz
Web: www.dgfs.biz

D G Financial Services Ltd is registered in England and Wales no. 06405618.
Registered office: 47 Butt Road, Colchester, Essex, CO3 3BZ.

D G Financial Services Ltd is Authorised and regulated by the Financial Conduct Authority.
D G Financial Services Ltd is entered on the Financial Services Register <https://register.fca.org.uk/> under reference **523247**.

If you wish to register a complaint, please write to russell.golledge@dgfs.biz or telephone **01379 454508**

A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at www.financial-ombudsman.org.uk or by contacting them on **0800 0234 567**.

