

Pensions Action Group  
c/o 26 Deepdene Wood  
Dorking  
Surrey  
RH5 4BQ

Ms Catherine Chan  
Department for Work and Pensions  
Caxton House  
Tothill Street  
London  
SW1H 9DA

*Tel: +44 (0)1306 88 25 28*  
*E-mail: Peter@Lapinskas.com*

28 September 2012

Dear Ms Chan,

### Automatic enrolment in workplace pensions

I am writing to you on behalf of the Pensions Action Group to request that you amend or cancel your current advertising campaign (which is promoting auto-enrolment (AE) in workplace pensions) on the basis that it is misleading.

The campaign is based around a range of well known celebrities and business leaders who are quoted as saying "I'm in" and "We're all in". To the man in the street this could only be interpreted as meaning that each of those people has taken out an AE pension in their own right. This would appear to be impossible, as auto-enrolment does not start until 1 October 2012.

Furthermore many, if not all, of these people are experienced and well-paid business people. It seems most unlikely that they would take out a pension which has been specifically designed for the low-paid. In particular, Nick Hewer, who is the central figure in many of your advertisements is over the state pension age and hence is not even eligible for an AE pension.

It is possible that by "I'm in" it is intended to convey that the speaker already has a pension. This would however also be misleading, as the personal circumstances of these individuals are very different from those in the target market of the campaign – what may be a sensible investment choice for a wealthy individual is unlikely to be equally sensible for the low paid, not least because of the additional tax relief given to those in higher rate tax bands. It would be rather like Sir Alan Sugar appearing in an advertisement for a cheap, small car saying "I've got one of those". This would be true, but only to the extent that he has a Rolls Royce and that is also a car.

If by "I'm in" it is meant that the individual will be offering AE to the employees of companies with which they are associated, then that could be acceptable if it were addressed specifically to other company executives in specialist publications. However, the advertisements are being run in mainstream media aimed at the general public, who are therefore likely to be misled. Furthermore, in many advertisements it is workers who use the phrase (where it is clearly intended to mean that they will take out AE pensions) and no attempt has been made to differentiate between the two possible meanings.

The phrase “We’re all in” is also misleading. This is a DWP advertisement. Employees at the DWP are members of the civil service and have their own pension scheme which is substantially better than the schemes on offer under AE, in that it is defined-benefit and index-linked. AE pensions on the other hand are investment vehicles, with no guarantees and no protection against inflation other than the performance of the underlying investments.

We invite you to discuss with us ways in which the advertisements may be amended to meet our concerns. Time is of the essence, as these misleading endorsements need to be corrected as early as possible. Accordingly, if we do not receive an acceptable proposal from you within 7 days of this letter we will refer the matter to the Advertising Standards Authority.

Yours sincerely

Peter Lapinskas (Dr)

On behalf of Pensions Action Group