

## Statement of complaint

This complaint relates to a series of advertisements being run by the Department of Work and Pensions in support of auto-enrolled workplace pensions. This is a major campaign, with a budget of several million pounds, with advertisements in a wide range of media. Two specimen advertisements have been submitted but the complaint is about the campaign in its entirety.

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 the advertisements which form the basis of this complaint were placed before auto-enrolment started on 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 Hower, who is the central figure in many of the advertisements is over the state pension age and hence is not eligible for auto-enrolment, and has been reported as saying that, although he has a pension, he is not currently paying into a pension scheme. Karren Brady has been reported as saying that she does not have a pension ("Auto-enrolment cheerleader admits: 'I don't have a pension myself'" Daily Telegraph, 1/10/12. <http://is.gd/v5w49D>)

It is possible that by "I'm in" it is intended to convey that the speaker already has a pension. Even if true, this would 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.

The reason that this is important is that this campaign is aimed at the lower paid who are unlikely to have a sophisticated understanding of the financial implications of investing in a pension as opposed

to other reasonable courses of action. Endorsements from well-known business figures with reputations for financial acumen will therefore carry a lot of weight. "If these stars of the business world are investing their own money in these schemes, then it must also be a good idea for me." Is the line of thought that the advertisements are presumably intended to invoke. When, in fact, the celebrities are not investing in the schemes, and may not have any pension at all, this is deeply misleading to the vulnerable target audience. It is also damaging, in that it may cause them to take up a pension when it is not in their financial interest to do so.

I wrote to the DWP on 28 September 2012 by email (copy by post) and received an email acknowledgement on 1 October 2012 but have not had a substantive reply. As five working days have now elapsed and time is of the essence (since the marketing programme is ongoing and employees have limited time in which to opt out) I am now referring this to you as a formal complaint. I would like you, as a matter of urgency, to arrange for the campaign in its present form to be halted until it can be amended to make clear that the celebrity stars are not themselves taking out AE pensions. A more general expression of approval or advice might be acceptable, such as "It's not for me but could be a good deal for you". There should also be some clear indication that an AE pension may not be suitable for some people, such as those who are on means-tested benefits, nearing retirement age and who have credit card or other high-interest debt.

This complaint is being made on behalf of the Pensions Action Group, a loose association of people who lost some or all of their workplace pensions when their employers went bankrupt, in spite of having been promised in Government publications that our pensions were ". . . guaranteed whatever happens to your employer". We are concerned that a new generation of workers is being misled in the same way that we were.

Peter Lapinskas

On behalf of Pensions Action Group