



Press Release

22 May 2015

1/3 of consumers are daunted by “financial jargon” with younger adults struggling most.

Public missing out on potential savings due to lack of understanding and inertia.

Findings from a survey commissioned by Protection specialists Royal London (Ireland) and conducted by research company IReach on 1,000 Irish consumers nationwide, have found that 32% of people say a lack of confidence in their understanding of ‘financial jargon’ is their primary deterrent from changing insurers. According to the experts at Royal London, these results signal a big problem that has long hung over the financial services industry – a lack of understanding amongst the public and their perception of the complexity of these much needed financial products and services.

Speaking about the findings, Joe Charles of Royal London commented, “Financial products like Life cover are serious in nature and as such the reason for buying them, or not, should be well thought out. But the fact that almost 1/3 of people don’t change their insurer due to a lack of understanding is worrying. The act of changing insurers, can save people hundreds if not thousands of Euro over the lifetime of a product.

Most companies have worked hard, especially in recent years, to ensure that their products and their marketing materials are clear and concise, so people should not feel intimidated by them. And of course, for those that still feel they need some guidance in this area, their local Financial Broker will be able to help them.”

The Royal London survey also revealed that 31% of all respondents feel they simply do not need to move insurers – but experts at Royal London contend that this logic can too be flawed.

Joe went on to say, “From the research findings, it appears men are the least aware of these cost savings with 44% revealing that they really don’t see any need to switch, compared with just 24% of women.

People should however, be reassessing their financial products and services on a regular basis, because there is also often an opportunity to save money as a result. The Life assurance market is particularly competitive at the moment and there are large variations in the premiums charged by various insurers, which means that there is considerable scope for consumers to opt for a different insurer with a less expensive premium.. Consumers should also be happy to know that in this market a lower price does not in any way signify an inferior product. They provide exactly the same level of Protection, just at a cheaper price

Even if your circumstances have changed, for example your health, you should still talk to your local Financial Broker as they will be able to research the market to help ensure you have the best product in place to meet your needs.”

Other findings from the survey were as follows – when asked “**What is your biggest deterrent from changing Life assurance companies/insurers?**”

Respondents answered as follows:

	All	Male	Female	18 - 34	35 - 54	55+
Not confident as to my understanding of all the financial jargon	32%	24%	37%	36%	31%	31%
I just don't see the need to do so	31%	44%	24%	24%	32%	38%
The time it takes to look around	24%	21%	24%	31%	23%	15%
Feel a bit of loyalty to my current provider	13%	11%	15%	9%	14%	16%

Joe continued, “When we drilled down into the results we saw that younger respondents (aged 18-34) appear to have the poorest understanding of ‘financial jargon’, which is understandable in some ways, as financial issues like this may not currently be on their radar for many in this age group. In addition, the “time it takes to look around” would put 31% of younger people off.

This is also understandable to a degree, with the advent of online shopping this demographic are used to instantaneous transactions. The purchase of Life assurance, while not particularly time consuming, would often take a greater degree of understanding and time than say, the purchase of car insurance”.

“Loyalty to current provider” appears to play little importance to many Life assurance customers with males and young adults showing the least loyalty – Royal London say that this is a welcome departure from the old way of thinking, as many people over the years will have got their insurance from a Bank. Banks generally have access to only one product provider, whereas Financial Brokers usually have access to all the product providers on the market. This means they can find the best product at the best price to meet your individual needs. So in this case, not being loyal could pay dividends!”

- ENDS -

Note to the Editor

About Royal London:

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