



Press Release

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Eight in ten pension holders ‘play it safe’ with retirement savings

Fear of losing money is the main reason pension holders take a conservative approach to investments

The buck stops with you: Four in ten believe people are individually responsible for educating themselves on pension investments, while one in four (25pc) say it’s up to banks or financial institutions

Lack of pension awareness and knowledge most prevalent among those aged 18 – 34

“Being too cautious with your pension savings can hurt your retirement just as much as taking too much risk would”

Eight in ten (79pc) pension holders prefer to ‘play it safe’ with their retirement savings, favouring conservative pension investment options even if they risk losing out on better returns with this approach. Fear of losing money is the main reason pension holders prefer conservative pension investment options - such as cash and bonds, with almost three in ten (29pc) saying they did so for this reason.

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This is according to a new survey from Royal London Ireland, one of Ireland's leading life insurance and pensions companies¹. The research also revealed that when it comes to who is responsible for pension education, people hold differing views depending on age. Just 16pc of the general population believe that it's up to schools to educate people about their investment options around pensions, though this figure rises to 34pc of 18- 24 year-olds.

Just over half (51pc) of those over the age of 55 say it's up to the person themselves to inform themselves while fewer younger adults (under 35s) hold this view.

More than four in ten respondents aged 25-34 (42pc) said financial institutions and banks should take responsibility for education around pension investments compared to the national average of just 25pc.

The Top 5 Reasons Pension Holders 'Play it Safe'

Headline findings of the survey, which surveyed 1,000 adults nationwide, reveal that the top five reasons pension holders are conservative with pension investments are:

1. Fear of losing money (29pc of pension holders cite this reason)
2. A preference for guarantees – even if the returns are lower (28pc)
3. A desire to have instant access to money (17pc)
4. A lack of understanding of how investment funds work (14pc)
5. A lack of knowledge of alternatives to conservative investments, such as shares (10pc).

Commenting on the survey findings, **Mark Reilly, Pension Proposition Lead with Royal London Ireland** said:

“Those saving into a pension often think they are ‘playing it safe’ by investing their pension savings in so-called ‘low-risk’ investments, such as cash or bonds and indeed our research shows that most pension holders take this view. However, this can be an expensive mistake. Being too conservative with your pension investments can limit growth on your pension savings and eat into the buying power of your pension pot. This in turn could leave you with a much smaller annual pension or retirement income than you had been expecting. While taking huge investment risks with your retirement savings is not a good idea, having a well-diversified investment portfolio with some risk is often necessary to retire comfortably. Being too cautious with your pension savings can hurt your

¹ Conducted by iReach

retirement just as much as taking too much risk would. There are numerous online tools and calculators available to assess your risk tolerance when investing. Consulting a Financial Broker is a prudent first step to better understand your attitude towards risk and how it may affect your investment decisions.

“Some consider cash deposits to be ‘risk-free’ because the capital is guaranteed and they usually earn interest on the amount deposited. However, cash deposits are not risk-free and this is largely due to inflation. If the current inflation rate is higher than the rate of interest or return earned on cash deposits, the deposit amount is losing value over time.

“Age seems to have a major bearing on people’s views on personal responsibility for getting up to speed on pension investments. Interestingly, the group closest to their school years, but with least knowledge and awareness around pension investment options, the 18–24 year-olds, are most likely to say it should be up to schools to educate their pupils on these subjects. However, those aged 25–34 – arguably the group most likely to be considering pension options or starting a pension – are the most likely to believe financial institutions and banks should take responsibility for education around pension investments, with more than four in ten (42pc) expressing this view.”

Other headline findings to emerge from the Royal London Ireland survey include:

- Only one in five (21pc) pension holders are willing to take a reasonable level of investment risk with their pension savings, with men more inclined than women to do so (24pc versus 17pc)
- Age matters when it comes to understanding and awareness of investments. Lack of understanding of how investment funds work or poor awareness of investment alternatives is more common amongst 18–24 year olds (34pc) than the over 55s (16pc).
- Pension holders in the socio-economic group dominated by the working class² are significantly more inclined, than the middle class³, to be worried about losing their money if they don’t take a conservative approach to their pension savings (34pc versus 26pc).

Pension Education

The survey also asked Irish adults who they believe bears the most responsibility for educating people about pension investments.

² Class C2DE

³ Class ABC1

Highlight findings to emerge from this element of the Royal London Ireland research include:

- Four in ten (38pc) of the general population believe people are individually responsible for educating themselves on pension investments.
- One in four (25pc) believe it's up to banks or financial institutions to do so.
- More than one in five (21pc) believe the Government bears the most responsibility for educating people about their pension investment options, with women more inclined than men to (24pc versus 17pc) to hold this view.

Mr Reilly added:

“Given that a lack of understanding and poor awareness of pension investments are amongst some of the main reasons people are conservative around pension investments, there would certainly be merit in people getting better educated in this regard. Having a better understanding of investment risks and strategies should help people to make more informed decisions around their pension investments and should ultimately boost their retirement income in the future.

“The stock markets can seem like a daunting place – particularly to those who are new to it and who don't like to take any risk with their money. However, generally, the more investment risk someone is prepared to take, the higher the potential gain – as long as you are careful in your choice of investments, have a well-diversified investment portfolio and have time to spend in the market. Those who invest wisely have a much better chance of making a good return on their money over time than those who leave their money in ordinary deposit accounts – as long as the right decisions and choices are made.

“A lot of people keep way more than they need in a deposit account and could generate higher returns by proactively investing a portion of the money that they don't need in the short-term. It's useful to talk to a Financial Broker to find out what approach might suit your individual circumstances.”

- ENDS -

Notes to editors

About Royal London Ireland:

Royal London Ireland has a history of protecting its policyholders and their families, and it is committed to continue to do so for a long time to come. Our businesses heritage in Ireland is 190 years starting when the Caledonian Insurance Company's first office opened on York Street, Dublin 2 in 1824. Today, Royal London Ireland is owned by The Royal London Mutual Insurance Society Limited – the UK's largest mutual life insurance, pensions and investment company, and in the top 30 mutuals globally, with assets under management of €210 billion, 8.7 million policies in force, and over 4,500 employees. Figures quoted are as at 31 December 2024.

Royal London Ireland's office is based at 47-49 St Stephen's Green, Dublin 2.

Appendix:

Royal London Ireland Pension Choice and Education Survey 2025

Table 1

Types of Investment for Pension Funds [Pension Holders Only]														
If you are deciding which type of investment to selecting for your pension fund, would you prefer to go for the conservative option such as cash or bonds? If so, why?														
Cell content: Column%	What gender are you?			Age					Region				SES	
	Total	Male	Female	18-24	25-34	35-44	45-54	55+	Dublin	Rest of Leinster	Munster	Connacht + Ulster	ABC1	C2DE
Sample Size	764	394	370	74	150	159	138	244	225	196	215	126	472	293
Yes, because I don't understand how investment funds work	14%	12%	17%	25%	17%	14%	12%	11%	13%	14%	17%	13%	13%	17%
Yes, because I am afraid of losing money	29%	28%	30%	22%	32%	26%	31%	30%	25%	38%	27%	24%	26%	34%
Yes, because I prefer guarantees, even if the returns are lower	28%	25%	32%	29%	26%	28%	26%	32%	32%	27%	26%	28%	31%	25%
Yes, because I don't know about the alternatives (e.g. shares)	10%	8%	12%	9%	17%	14%	8%	5%	10%	11%	7%	13%	13%	6%
Yes, because I have been advised to do this	7%	10%	5%	9%	4%	6%	9%	8%	4%	10%	10%	4%	7%	7%
Yes, because I prefer to have instant access to money	17%	18%	16%	9%	17%	17%	15%	20%	19%	16%	14%	20%	14%	22%
No, I'm willing to take a reasonable level of risk	21%	24%	17%	21%	21%	20%	21%	21%	22%	20%	21%	19%	25%	14%

Q: If you are deciding which type of investment to selecting for your pension fund, would you prefer to go for the conservative option such as cash or bonds? If so, why? (Multiple select. n=1000).

Table 2

Responsibility for Educating People about Investment Options

Who do you think bears the most responsibility for educating people about investment options for pensions?

	What gender are you?			Age					Region				SES	
	Total	Male	Female	18-24	25-34	35-44	45-54	55+	Dublin	Rest of Leinster	Munster	Connacht + Ulster	ABC1	C2DE
Sample Size	1000	489	511	110	185	209	175	321	269	262	281	185	535	465
The government	21%	17%	24%	21%	17%	20%	27%	19%	17%	21%	24%	19%	19%	22%
Banks	8%	9%	6%	12%	14%	8%	5%	4%	6%	12%	5%	8%	5%	11%
Financial institutions	17%	17%	17%	6%	28%	18%	17%	14%	20%	16%	18%	14%	22%	11%
Schools / educational institutions	16%	18%	15%	34%	22%	13%	11%	12%	15%	19%	12%	22%	15%	18%
Individuals themselves	38%	39%	38%	28%	19%	41%	40%	51%	43%	32%	41%	37%	39%	38%

Q: Who do you think bears the most responsibility for educating people about investment options for pensions? (Single select, n=1000).

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