

## Britons opt for 'pre-tirement' over total retirement

*'Retirement in the UK has become a process, not an event', says report from Zopa and Consumer Intelligence*

### Key findings:

- 'Pre-tirement' begins in 50s and runs well into 70s, as Britons ease themselves into retirement
- Britons cut working hours earlier in life, but continue in paid employment for longer: 17% of over-65s are still in paid employment and 30% of them are in unpaid employment
- 89% of 50-54 year-olds say they don't know when they will retire, and 35% expect to retire later
- Only 24% of those aged 55-64 said they would be financially secure if they had to retire immediately
- Giles Andrews, Zopa CEO: "Retirement is no longer about clearing your desk on your 65<sup>th</sup> birthday"

**London: 17 December 2014:** Changes in life expectancy, economic circumstances and government legislation are prompting a seismic shift in the way people retire in the UK, according to a new report released today from peer-to-peer lending platform Zopa and Consumer Intelligence.

A new trend towards '**pre-tirement**' has meant that retirement in Britain is no longer a single event, but a gradual process which takes place over a period of years or even decades. Almost half of respondents (49%) agreed that 'retirement is now a more fluid process than it was in the past' and one in five (21%) didn't or don't want to stop working as soon as they reach 65.

'Pre-tirees' are individuals in their 50s, 60s and even 70s who ease themselves gradually into retirement by reducing their working hours in favour of other interests such as volunteering, childcare, studying or exercise. Setting up their own business (12%), changing career (9%) and travelling more frequently (45%) were other hallmarks of those in pre-tirement, although many also continued to work (both paid and unpaid) well beyond the state retirement age. Britons are choosing to cut back on their working hours earlier in life, with one third of 50-54 year-olds who said they had already begun to do so.

In the study of more than 2,000 50-80 year-olds, it found 17% of those aged over 65 said that they remain in paid employment, while a further 30% do unpaid work. However, only a small minority (17%) of those who continue in paid work do so due to financial necessity, with 27% saying they work to keep their mind active, 16% to keep busy and 11% to stay healthy or physically active. Although those of retirement age earn significantly less on average, those working are more likely to command top wages; 3% earn over £75,000 per year, compared to 2% of 55-64 year-olds and just 1% of 50-54 year-olds.

The report underlines how confusion around shifting retirement ages is affecting those approaching the end of their working lives. 89% of 50-54 year-olds said they don't know for certain at what age they will retire, whilst 35% said they expect to retire later than they had originally planned. More than half of 50-64 year-olds believe that changes to the state pension age are making the retirement process more confusing, and 28% said they will need to retire later as a result. Worryingly, just 24% of those aged 55-64 said they would be financially secure if they had to retire immediately, while only half of those aged over 65 were confident that they would be.

Giles Andrews, CEO and co-founder of Zopa, comments: "Retirement in Britain is no longer an event that involves clearing your desk at 65. Having a more fluid retirement process is a result of many of us being fitter and healthier later into our lives, not wanting to simply down tools at age 65 or being unable to afford to stop working completely. On the other hand, many are choosing to improve their work: life balance by cutting their working hours earlier in life. The pre-tirement trend is a seismic shift in the way Britons think about retirement. It will require many of us to review our own financial situations much earlier in regard to how we will support ourselves when we choose to stop working full time."

Increased flexibility in the way people approach their retirement will also require more flexible financial products in line with people's more flexible working arrangements. With pension changes due to come into effect from April 2015, rigid pension products such as annuities lack the flexibility and returns compared to reliable alternative income products such as peer-to-peer lending.

The full report can be downloaded free from Zopa at [www.zopa.com/about#press](http://www.zopa.com/about#press)

**Notes to editors:**

Research was conducted by Consumer Intelligence between 02.12.2014 and 09.12.14. Sample: 2,005 respondents aged 50-80.

**Press contacts:**

Ollie Edwards/Hannah Warmington, Brands2Life  
[zopa@brands2life.com](mailto:zopa@brands2life.com)  
0207 592 1200

**About Zopa**

[Zopa](http://www.zopa.com) is the UK's largest peer-to-peer lending service - bypassing banks and their high charges to put more back into the pockets of the UK's lenders and borrowers. Zopa matches smart borrowers looking for lower-rate loans with lenders looking for higher interest. Since Zopa was founded in 2005, it has arranged more than £680 million in peer-to-peer loans and has been voted 'Most Trusted Personal Loan Provider' in the Moneywise Customer Service Awards for the past five years and Consumer Moneyfacts best overall customer service in 2014. Zopa has over 50,000 active lenders.