

Intermediaries' understanding and activity relating to automatic enrolment and evaluation of communications campaign

Spring 2015 Tracking Report
August 2015



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1. Executive summary

1.1. Introduction

This report summarises the results from the Spring 2015 survey wave carried out by Jigsaw Research, an independent market research agency, on behalf of The Pensions Regulator (the regulator). It follows a series of previous biannual survey waves conducted since 2011.

The main objectives of the research were:

- To identify and track intermediaries' awareness, understanding, knowledge, attitudes and intended actions in relation to automatic enrolment; and
- To determine the impact of the recent advertising activity aimed at intermediaries carried out on behalf of the regulator.

The survey wave comprised 451 interviews with intermediaries advising or informing micro and small employers (with between 1 and 49 employees) about automatic enrolment. The sample broke down into 126 accountants, 125 bookkeepers, 100 payroll companies and 100 IFAs. Interviews were conducted between 18 February and 20 April 2015.

1.2. Overview of findings

1.2.1. Awareness¹ of automatic enrolment remained almost universal, while levels of understanding² reached its highest levels among accountants and bookkeepers

Following the Spring 2015 campaign, there was almost universal (between 97% and 98%) awareness of automatic enrolment amongst all types of intermediaries, with bookkeepers similarly high (94%).

Levels of understanding of automatic enrolment differed somewhat between the four types of intermediaries, although the differences were less than in previous survey waves. Understanding among IFAs remained almost universal (95%) and among payroll administrators understanding was similarly high to last wave at 89%. Understanding among accountants and bookkeepers was at its highest level for both audiences (85% and 78% respectively).

1.2.2. Understanding levels of the detailed aspects of automatic enrolment remained more varied between audiences and different aspects

In terms of more detailed understanding of the various aspects of automatic enrolment that employers need to take into account, few changes have occurred since the Autumn 2014 wave and knowledge gaps have remained. The majority (80% on average) were aware

¹ See page 8 for full definition of awareness

² See page 9 for full definition of understanding

of the eligibility criteria. Awareness of the earnings criteria was lower (ranging from 39% of bookkeepers to 71% of IFAs), with only a minority correctly identifying all the types of workers eligible for automatic enrolment (ranging from 6% of bookkeepers to 25% of IFAs).

This wave saw an increase in awareness among both accountants (rising by 14% to 60%) and bookkeepers (rising by 21% to 60%) that employers need to submit their declaration of compliance to the regulator, although these levels still lagged behind IFAs and payroll administrators.

The survey revealed that knowledge levels improved significantly once intermediaries started acting on behalf of clients. Those with a client (or clients) who had already passed their staging date were more knowledgeable on several aspects.

1.2.3. The regulator was, for the first time, recognised by more intermediaries as a sponsor of advertising on automatic enrolment than the DWP and HMRC

The majority of intermediaries (89%) said they had seen advertising about automatic enrolment recently, an increase from 63% in Autumn 2014.

The regulator was for the first time more likely to be recalled as a sponsor of advertising on automatic enrolment (70%) than the DWP (58%) and HMRC (44%).

1.2.4. The regulator's advertising campaign appears to increase understanding levels

The regulator's digital advertising campaign aimed at intermediaries appears to have had an impact on understanding levels, with 94% of intermediaries who recalled the digital campaign understanding automatic enrolment vs. 84% who did not recall the advertising. However those who saw the advert were no more likely to have a better understanding of the more detailed aspects of the reforms.

1.2.5. The main messages recalled from the advertising related to all employers having to take action and to do so urgently. The adverts were seen as relevant by most and clear on what action was required

The strongest messages conveyed by the digital advertising aimed at intermediaries were those relating to compliance, "*all employers need to comply*", (ranging between 19% (IFAs) and 27% (bookkeepers) and urgency "*businesses need to act now*" (ranging between accountants (18%) and IFAs (24%).

The digital advertising was rated highly in terms of relevance, creating a sense of urgency (between 71% and 81% agreeing that the adverts achieved this), and clarity of sponsor (between 65% and 79%). But ratings were lower in terms of helping intermediaries know where to go for help (between 49% and 63%). Despite this, an increasing proportion of most intermediary types reported visiting the regulator's website.

A minority of intermediaries claimed to have acted, or be planning to act, as a direct result of seeing the digital advertising: 12% of payroll administrators, 10% of bookkeepers, and fewer IFAs (6%) and accountants (7%). The most common claimed response was to talk with clients about it (33%) or to go to the regulator's website (26%).

1.2.6. The upwards trend of intermediaries seeing automatic enrolment as a business opportunity continued, as did planning to act as an agent for clients

This wave saw a continuing trend of greater engagement, with increasing proportions of intermediaries planning to act on behalf of their clients, as opposed to taking more passive roles of providing information or technical advice (payroll administrators 71%, IFAs 53%, accountants 44% and bookkeepers 42%).

The vast majority (96% or more) of accountants, bookkeepers and payroll administrators planned to provide a service to micro employers, while most IFAs did (78%).

The majority (85%) of payroll administrators and IFAs have been contacted by clients and an increasing proportion of accountants and bookkeepers have now received enquiries (74% and 61% respectively).

Related to this there was an increase in the proportion if all four intermediary types seeing automatic enrolment as a business opportunity since the Spring 2014 survey, with accountants and IFAs in particular much more likely to say this than six months previously.

1.2.7. Reflecting understanding levels, the ability of intermediaries to answer their clients' questions was higher among IFAs and payroll administrators than accountants and bookkeepers

Payroll administrators reported a significant increase in their ability to answer clients' questions, with 54% (up from 33%) believing they are fully able to answer queries. IFAs were most likely to report they could fully answer queries (63%), with fewer accountants (34%) and bookkeepers (20%) saying this.

1.2.8. Knowledge of the regulator continued to increase as well as use of its website

Between 89% and 99% of each of the four intermediary groups reported that they knew at least "a little" about the regulator. There was significant increase in the proportion of accountants, bookkeepers and IFAs saying this.

The majority of all four intermediary types (78% on average) reported that they had visited the regulator's website. Most intermediaries have now visited the regulator's website and, in the case of accountants and bookkeepers, usage has increased significantly since the last wave (rising by 15% to 68% and by 19% to 75% respectively). Among those who had visited the website, there was an increase in the proportion rating the site as very useful among all intermediary types, with IFAs showing the greatest increase, rising by 18% to 75%.

2. Background and methodology

2.1. Background to automatic enrolment

The workplace pension reforms³ are set out in the Pensions Act 2008 and were introduced in October 2012 with large employers being subject to the duties first. Large employers became subject to the duties (i.e. had their staging date) between October 2012 and February 2014, medium employers between April 2014 to April 2015 and small/micro employers from June 2015. Large employers are those with 250 or more employees; medium: 50 to 249 employees; small: 5 to 49 employees; micro: 1 to 4 employees.

Under the reforms, employers are required to automatically enrol certain members of their workforce (eligible jobholders, who are aged at least 22 but under State Pension Age, working or ordinarily working in the UK and earning more than £10,000⁴ per annum) into an automatic enrolment workplace pension scheme and contribute towards it, unless the worker is already a member of a qualifying pension scheme. Eligible jobholders can, however, choose to opt out of pension scheme membership. Depending on their level of earnings and age, other members of an employer's workforce will be able to opt in to an automatic enrolment pension scheme and, if they do, they will also receive employer contributions⁵. Other workers can join a pension scheme but the employer is not required to make contributions towards it.

Employers may choose to enrol eligible jobholders into an existing pension scheme provided it meets or exceeds the criteria set out in legislation.

Alternatively employers can set up a new scheme which meets these requirements or amend their existing pension arrangements to meet or exceed the criteria set out in the legislation.

Employers must also complete a declaration of compliance with the regulator to notify that they have complied with their duties within five months of their staging date.

2.2. Communications campaign aimed at intermediaries

The regulator has sought to increase the awareness and understanding of the reforms amongst employers and those intermediaries who support them through a broad programme of advertising and communications activities. Two recent advertising campaigns have been undertaken, one targeted at small and micro employers, the other at intermediaries. The regulator used both radio and digital advertising to target the employer audience, while intermediaries were reached through digital advertising. These

³ The reforms are also referred to as 'automatic enrolment' in this report.

⁴ This amount is in 2013 / 14 terms and will be reviewed annually.

⁵ Where 'pension scheme' is referred to in this report this always relates to a workplace pension scheme unless otherwise stated.

campaigns ran alongside and complemented TV advertising undertaken by the DWP, which sought to raise awareness amongst individuals affected by the reforms.

Other communications channels used to target the intermediary audiences included:

- Webinars
- “Bite-size” video tutorials
- newsletters
- partnership communications with other government bodies; DWP, HMRC and BIS
- an online guide which mirrors that of the step-by-step employer guide, and;
- intensive engagement with professional employer bodies representing professions including accountants, bookkeepers, IFAs and payroll providers.

The regulator started specifically advertising to intermediaries in 2013, with further campaign bursts in Spring 2014, October 2014 and early March 2015. This latest campaign was aimed at accountants, bookkeepers, payroll administrators and IFAs who support employers with their automatic enrolment duties. The campaign was of relatively short duration, its end date being affected by the General Election campaign, and it ran alongside activity aimed at small and micro employers. The aim of the intermediary advertising campaign was as follows:

- Raise awareness of the regulator
- Ensure all intermediaries know that automatic enrolment may affect their clients in some way
- Ensure that all intermediaries know that the regulator’s website is the trusted source of information for automatic enrolment.

The communications campaign targeted at intermediaries comprised of digital advertising.

A parallel survey took place among micro, small and medium sized employers with between 1 and 49 employees, which sought to evaluate the impact of the campaign targeted at them⁶.

2.3. Research objectives

The objectives of the research were:

1. To identify and track intermediary awareness, understanding, knowledge, attitudes, actions and intended actions in relation to automatic enrolment
2. To determine sources of awareness of and information about automatic enrolment
3. To determine the impact of the intermediary advertising campaign and understand intermediaries’ perceptions of it
4. To understand what support intermediaries have provided and intend to provide to employers regarding automatic enrolment

⁶ Employer report, www.tpr.gov.uk/research

5. To identify any issues that prevent intermediaries from supporting employers about automatic enrolment
6. To measure awareness, knowledge and associations of the regulator
7. To research these topics and assess differences among four key intermediary types; accountants, payroll administrators, bookkeepers and IFAs.

2.4. Survey methodology

The survey took the form of a telephone survey comprising 451 interviews, conducted between 18 February and 20 April 2015. To be eligible to participate, intermediaries had to be providing information to/advising small and micro employers on automatic enrolment. The survey included four different types of intermediaries: accountants, payroll administrators, bookkeepers and independent financial advisers (IFAs). Quotas were set to ensure that a readable base of each type of intermediary was achieved for analysis purposes. The breakdown of interviews achieved is shown in Table 1, below:

Table 1: Interview breakdown in Spring 2015 survey

	Type of intermediary			
	Accountants	Payroll administrators	Bookkeepers	IFAs
Number of interviews achieved	126	100	125	100

When answering questions in the survey about the intermediary specific advertising, respondents accessed copies of the digital advertising on a dedicated website for the purposes of the survey.

2.4.1. Presentation of survey data

Results have been rounded to the nearest percentage point, which may mean that in the reporting some percentages may not add up to exactly 100%. For example, if there are 48.5% answering 'agree' and 51.5% answering 'disagree', these figures would be rounded up to 49% and 52%, totalling 101%. This explains the instances where summary text does not match a graph or table to which it is referring.

2.4.2. Statistically significant differences

The survey data is based on a sample of the four intermediary groups. Results are therefore subject to sampling tolerances, and not all differences are statistically significant. Throughout this report, where differences are noted (between sub-groups or over time) they are statistically significant at the 95% level of confidence⁷.

⁷ Strictly speaking, calculations of statistical significance apply only to samples that have been selected using probability sampling methods. However, in practice it is reasonable to assume that these calculations provide a good indication of significant differences in quota surveys like this one.

2.4.3. Technical Report

This report is accompanied by a Technical Report, also prepared by Jigsaw Research, which details the responses to all of the questions asked during the survey, broken down by the four intermediary sub-groups⁸.

⁸ Technical report Spring 2015, www.tpr.gov.uk/research

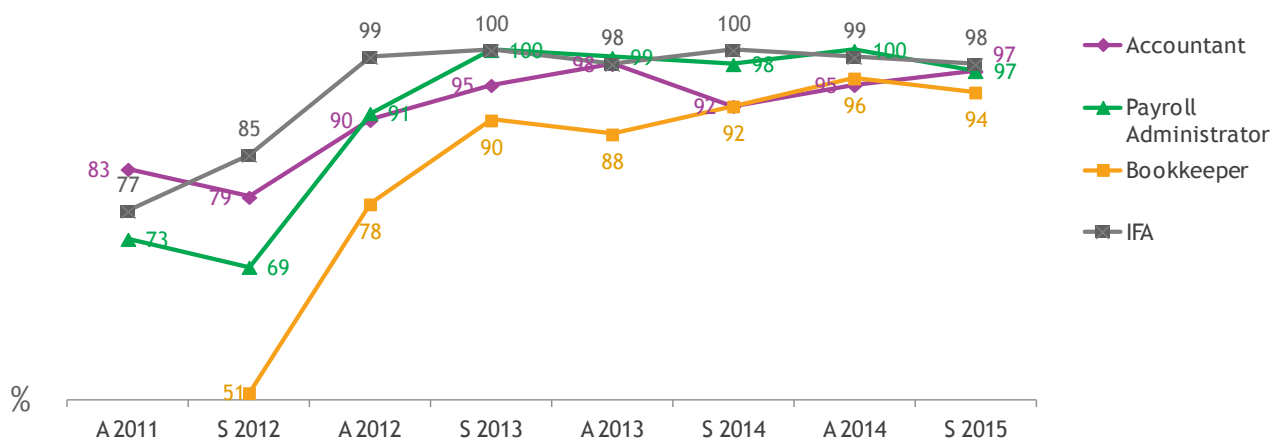
3. Key findings

3.1. Awareness and understanding of automatic enrolment

Awareness of automatic enrolment remained almost universal amongst intermediaries across all three elements⁹, as can be seen in Figure 1.

In this wave, accountants, who were marginally behind IFAs and payroll administrators in the two 2014 surveys, reported similarly high levels of awareness to these two groups, at 97%. In 2012 and 2013, bookkeepers lagged behind the other key intermediary audiences on awareness. More recently, their levels of awareness have risen significantly.

Figure 1: Awareness of automatic enrolment by type of intermediary, over time



⁹ The regulator classifies intermediaries as having awareness of the workplace pension reforms if they have sufficient knowledge to know what the main requirements and implications are for employers when prompted, namely they know all of: employers will have to automatically enrol UK workers; employers will have to provide a pension scheme for automatic enrolment; and, employers will have to contribute to their employees' pensions.

In terms of understanding¹⁰, the levels reported differed somewhat between the four types of intermediaries, although the differences were less than in previous survey waves. Understanding among IFAs has been consistently high over time and remained almost universal (95%). Among payroll administrators' understanding was similarly high to last wave at 89% (the change from 95% last wave is not a statistically significant shift).

Understanding among accountants and bookkeepers was at its highest level for both audiences (85% and 78% respectively).

Figure 2: Understanding of automatic enrolment by type of intermediary, over time

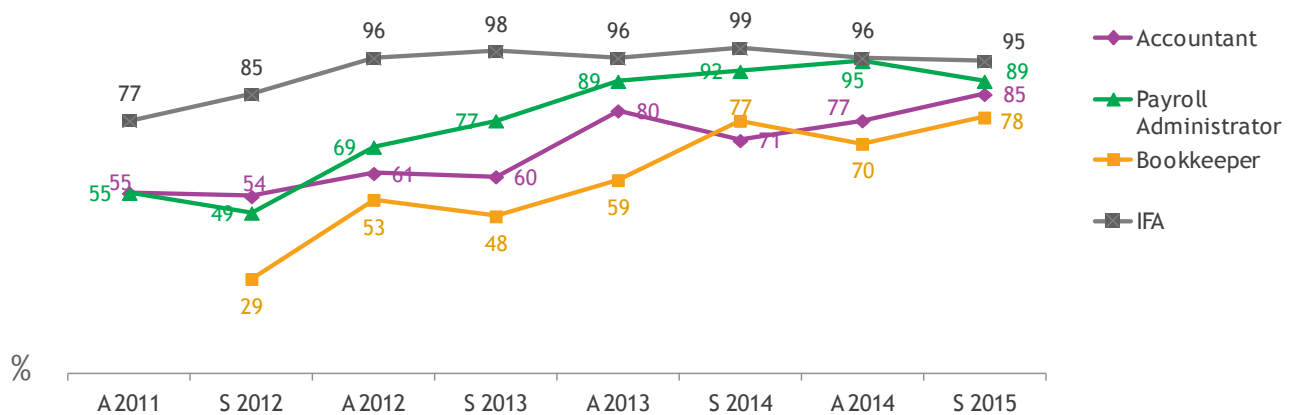


Table 2 shows that the aspect of automatic enrolment that was least well understood among all types of intermediaries remained the employer's requirement to complete a declaration of compliance with the appropriate government body. Understanding of this element was lowest among bookkeepers (83%), which is the explanation of why they continued to lag behind other intermediaries at an overall level. Bookkeepers' understanding of this aspect has continued to increase, rising from 77% in Autumn 2014 to 83% in this wave.

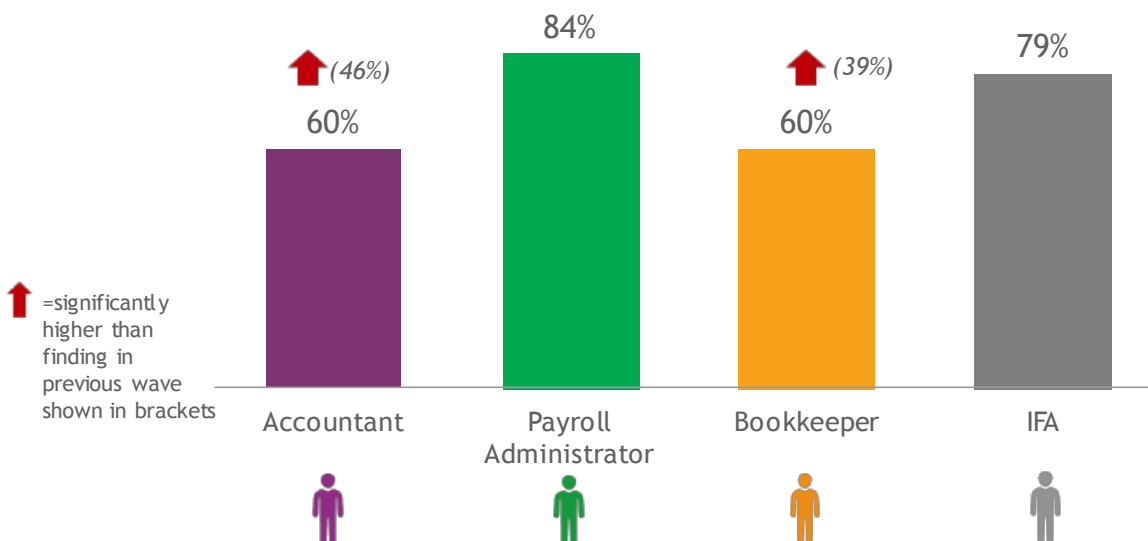
¹⁰ The regulator classes intermediaries as understanding how to discharge their duties if they know enough about their legal requirement to proceed to plan for, and take action towards, compliance. Specifically, understanding is defined as an employer knowing all of the three elements of the awareness definition (as set above) plus knowing two additional features when prompted. Therefore an employer is classed as having understanding if they know all of the following: employers will have to automatically enrol UK workers; employers will have to provide a pension scheme for automatic enrolment; employers will have to contribute to their employees' pensions; employers will have to complete a declaration of compliance (registration) with the appropriate government body to confirm they have met their duties; and, employers will need to communicate to UK workers on an individual basis.

Table 2: Understanding of different elements of auto-enrolment, by type of intermediary

	Type of intermediary			
	Accountant	Payroll Administrator	Bookkeeper	IFA
	%	%	%	%
Employers will have to automatically enrol UK workers into a pension scheme	99	99	99	100
Employers will have to provide a pension scheme for automatic enrolment	98	98	97	99
Employers will have to contribute to their workers' pensions	98	98	98	99
Employers will need to communicate to UK workers on an individual basis	96	96	93	98
Employers will have to complete a declaration of compliance with the appropriate government body to confirm they have met their duties	90	93	83	96
Base (all intermediaries)	126	100	125	100

This wave of the survey saw an increase in the levels of awareness that the declaration of compliance should be made to the regulator among both accountants (by 14% to 60%) and bookkeepers (by 21% to 60%). These groups continued to lag behind both IFAs (79%) and payroll administrators (84%) in this respect.

Figure 3: Understanding that TPR is the body with which employers need to complete declaration of compliance with, by type of intermediary



Intermediaries were asked about several other important, more detailed aspects of automatic enrolment including: types of workers, eligibility factors, types of earnings and what type of information must be provided by the employer.

Figure 4 illustrates these findings. It shows that most intermediaries (at least 82% of each type, and 90% on average) were aware of the need for employers to identify workers who are eligible for automatic enrolment.¹¹ This was unchanged since the Autumn 2014 wave.

However, notably fewer intermediaries understood the five earnings factors that employers need to take into account¹², and only a minority (no more than 25% of any group) understood the three types of workers that employers needed to consider. On both these elements, accountants and bookkeepers continued to lag behind other intermediaries. In terms of understanding the three types of workers that are eligible for automatic enrolment¹³, it was a lack of knowledge relating to the need to enrol directly employed contractors that depressed knowledge levels.

IFAs demonstrated a significant increase in understanding this wave in terms of the types of earnings that need to be taken into account (increasing by 14% to 71%). This represents the only significant change since the last wave across all elements and audiences.

In terms of the types of information that employers need to provide their employees¹⁴, the majority of all types of intermediary types (between 64% and 73%) demonstrated an accurate understanding of all four types. This aspect remained unchanged from the previous wave.

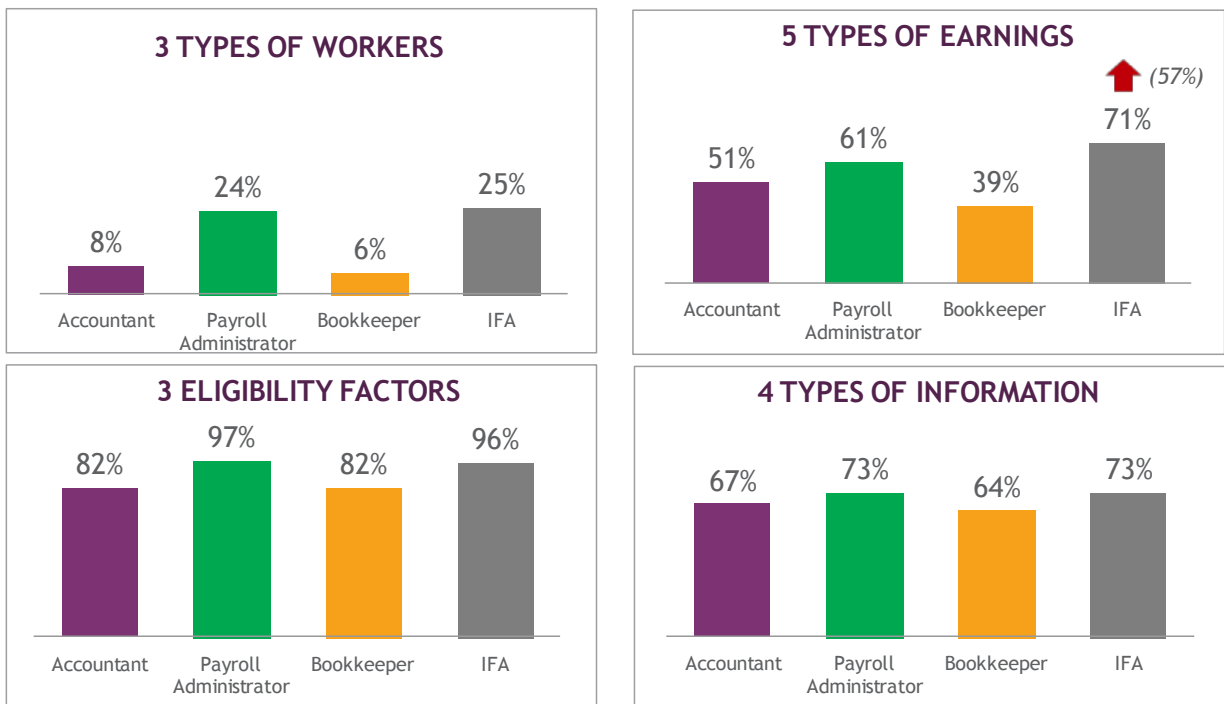
¹¹ See section 2.1 for details of eligibility criteria

¹² The five types of earnings that must be taken into consideration are: Salary/wage, commission, bonus, overtime, statutory pay (e.g. sick, maternity, paternity, adoption).

¹³ The three types of worker to be assessed are: Full time permanent employees, part time permanent employees and contractors who are contracted directly by the employer

¹⁴ The types of information that must be provided by employers to their employees are: Information that the worker has been automatically enrolled, Information stating that the employer has postponed automatic enrolment, Information that the worker is already a member of the employers' pension scheme, information that the worker has not been automatically enrolled but may choose to opt in to the employer's pension scheme.

Figure 4: Understanding of other aspects of automatic enrolment



The regulator’s digital advertising campaign aimed at intermediaries appeared to have had an impact on understanding levels, with 94% of intermediaries who recalled the digital campaign understanding automatic enrolment vs. 84% who did not recall the advertising. However those who saw the advert were no more likely to have a better understanding of the more detailed aspects of the reforms, namely; worker types, eligibility factors, earnings factors or information types.

More significantly, the survey revealed that knowledge levels improved significantly once intermediaries started acting on behalf of clients. Those with a client (or clients) who had already passed their staging date were more knowledgeable on several aspects. This is illustrated in the following table.

Table 3: Understanding of automatic enrolment among intermediaries who have clients who have passed their staging date versus those who have not





	Have clients who have passed their staging date	Do not have any clients who have passed their staging date
	%	%
Understand the reforms (according to the definition on page 9)	94	84
Aware that TPR is the correct body to which the Declaration of Compliance must be submitted	91	70
Understand the three eligibility factors	95	85
Understand the four types of information that employers need to provide their staff	75	63
Understand that there are five earnings factors	70	45
Understand that there are three types of eligible workers	25	8
Base (all intermediaries)	186	231

3.2. Sources of information about automatic enrolment

As is consistent with previous waves of the survey, intermediaries had become aware of automatic enrolment via a variety of sources, with mainstream media (including TV advertising and press/media) being a particularly important channel for all, as shown in Figure 5.

Websites, including the regulator's, played a significantly smaller role this wave but remains salient for around one in three payroll administrators and bookkeepers. A significant minority of accountants and IFAs had heard about automatic enrolment via trade bodies and industry events/seminars. In fact trade bodies were a more important source of information this wave for IFAs (rising by 13% to 24%).

Figure 5: Sources of information about automatic enrolment (top mentions)

	% Accountant 	Payroll Administrator 	Bookkeeper 	IFA 
TV adverts	31	46	34	35 (51) ↓
Press Adverts	31	17 (32) ↓	16	38
Website	12 (34) ↓	33	31 (54) ↓	18 (38) ↓
Trade/professional body	22	13	13	24 (11) ↑
Events/seminars	22	8	9	29
Letter from TPR (to clients)	12	13	11	9
Email (other)	9	10	17	9
Professional/trade magazine	12	10	8	14
Radio adverts	4	16	7	14
Emails from TPR (to clients)	10	11	6	13
Pension provider	4	11	2	23
Payroll company	10	8	16	2
Professional advisor	13	7	2	9
Word of mouth	2	5	5	3
Internally from colleagues	2	1	2	8
Leaflets/books	4	2	3	2
OTHER e.g. HMRC, SAGE/software provider	13	23	20	10

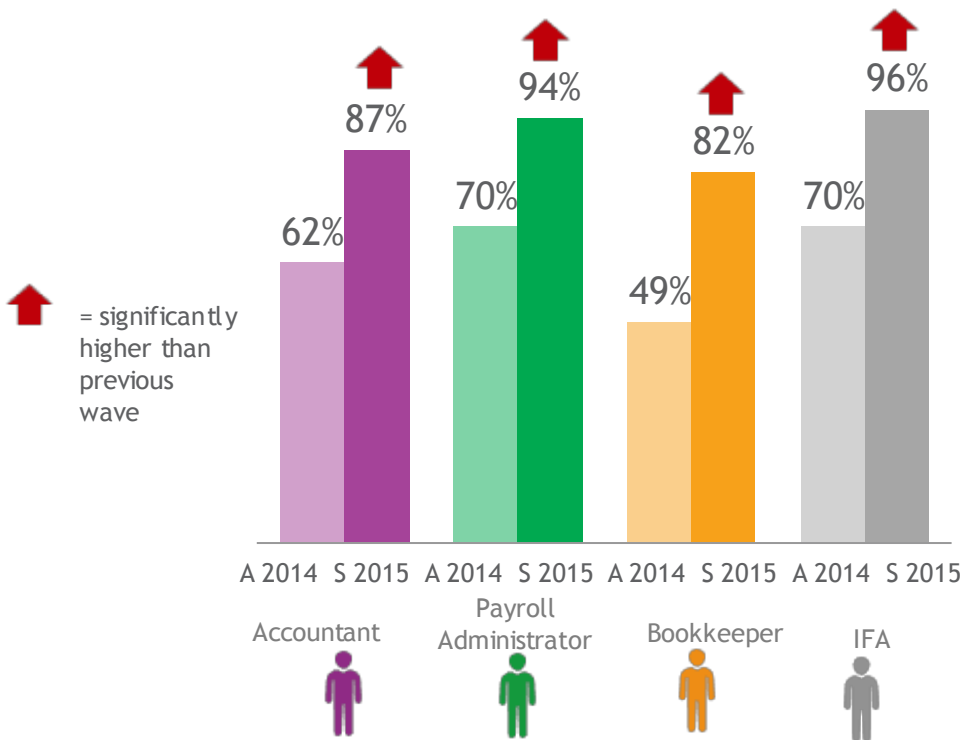
3.3. Spontaneous and prompted recall of advertising

3.3.1. Spontaneous (top-of-mind) advertising recall

Intermediaries were asked if they had seen or heard any advertising in the last six months about automatic enrolment. This wave, 89% on average across all intermediary types said they had, an increase from 63% in Autumn 2014.

As Figure 6 illustrates, recall among IFAs and payroll administrators was almost universal (96% and 94% respectively), while among accountants and bookkeepers it was slightly lower at 87% and 82% respectively.

Figure 6: Spontaneous advertising recall



Television continued to dominate as the advertising channel that intermediaries recalled. This level of recall was driven no doubt by the DWP's automatic enrolment TV campaign which was aimed at individuals (as opposed to employers or intermediaries).

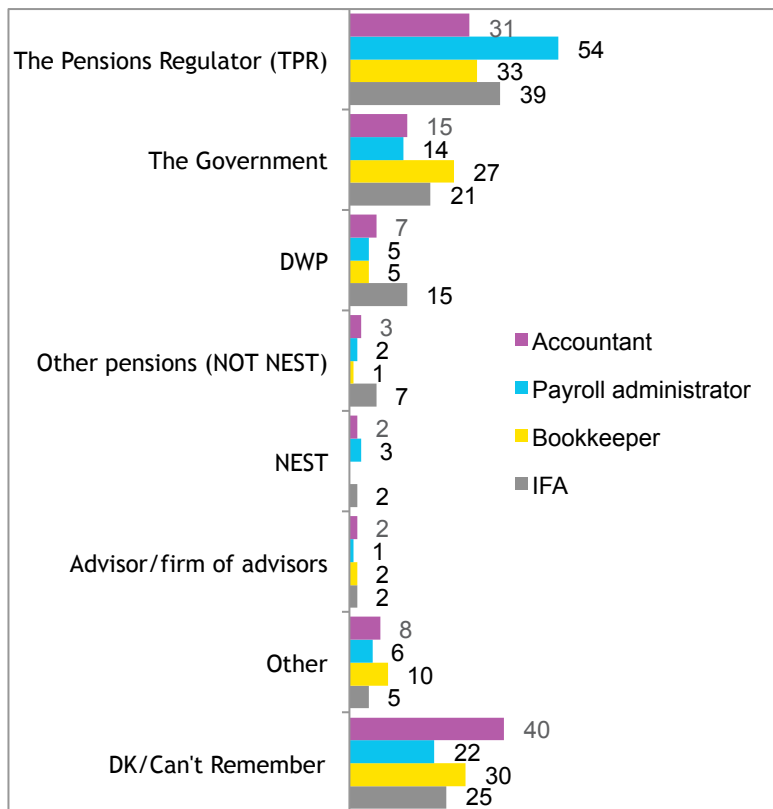
Table 4: Spontaneous advertising recall

	Type of intermediary			
	Accountant	Payroll	Bookkeeper	IFA
		administrator		
	%	%	%	%
Recall any advertising about automatic enrolment in last the six months	87	94	82	96
Base (all intermediaries)	126	100	125	100
Television	68	87 (72)	75	77
Radio	13	27	18	29
Trade press	15	15 (3)	6	17
PC/Laptop	17	12	13	10
National Press	15	7	8	21
Mobile/Tablet	2	2	0	5
Local Press	3	2	1	2
Base (all intermediaries who have seen or heard advertising in the last six months)	110	94	102	96

Figure 7 shows that for the first time, the regulator was more likely to be associated with the campaign than the DWP by all intermediary types.

Unprompted levels of association vary by type of intermediary. Payroll administrators displayed the greatest certainty with regard to the advertising's sponsor (just 22% didn't know), and were most likely to identify TPR as the sponsor (54%). Conversely, Accountants were the least sure of who the sponsor was (40% didn't know) and the least likely to identify TPR (31%).

Figure 7: Spontaneous recall of advertising sponsor (among all those aware of advertising)



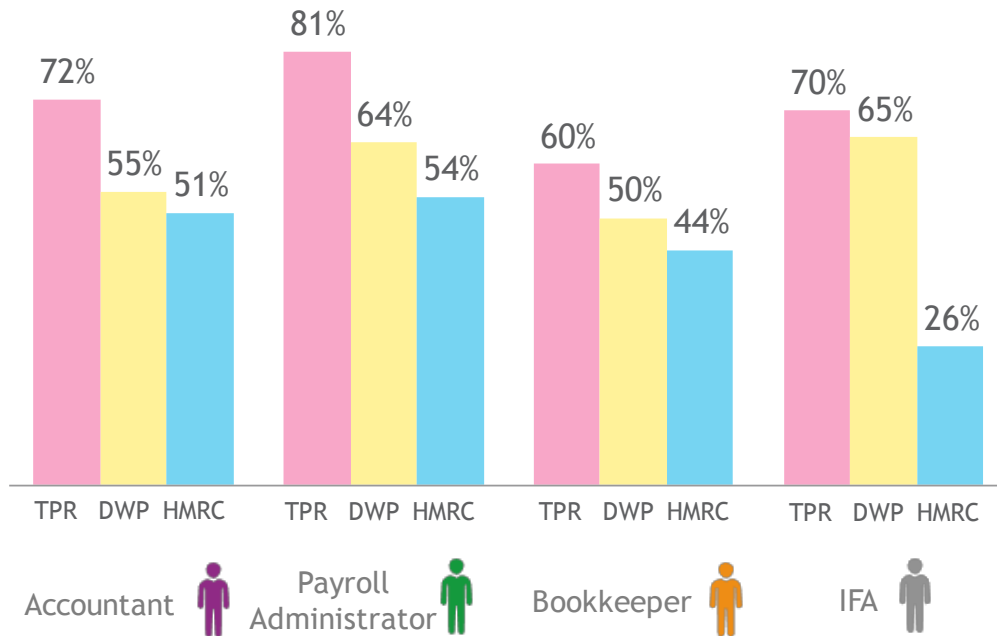
In terms of attribution by channel, the highest level of recognition of the regulator as the advertiser was by radio, with 56%. The lowest level of attribution was the found for the digital adverts, with 28% of respondents identifying them as being on behalf of the regulator.

3.3.2. Prompted advertising recall

When prompted with a list of government organisations, the regulator was the most widely recalled sponsor of the automatic enrolment advertising across all types of intermediaries, leading DWP and HMRC for the first time. Recognition was highest among payroll administrators (81%).

Two fifths (40%) of bookkeepers, however, were unable to identify TPR as the sponsor even after prompting.

Figure 8: Prompted recall of advertising sponsor (among all planning to be involved in automatic enrolment)



The regulator’s radio advert aimed at *employers* was described to respondents and they were also shown the TPR digital advertising aimed at intermediaries. Table 4 below shows that just under a fifth of each type of intermediary recalled hearing the radio advert. Slightly more, on average around a quarter, recalled the regulator’s digital advertising. Recognition varied between intermediary types, with the highest recognition amongst payroll administrators at 29% and the lowest amongst bookkeepers, at 17%.

Table 5: Prompted recall of the regulator’s advertising (among all planning to be involved in automatic enrolment)

	Type of intermediary			
	Accountant	Payroll Administrator	Bookkeeper	IFA
	%	%	%	%
Radio	14	17	16	18
Digital	20	29	17	22
<i>Base (all intermediaries who haven't decided to have nothing to do with AE)</i>	119	100	122	99

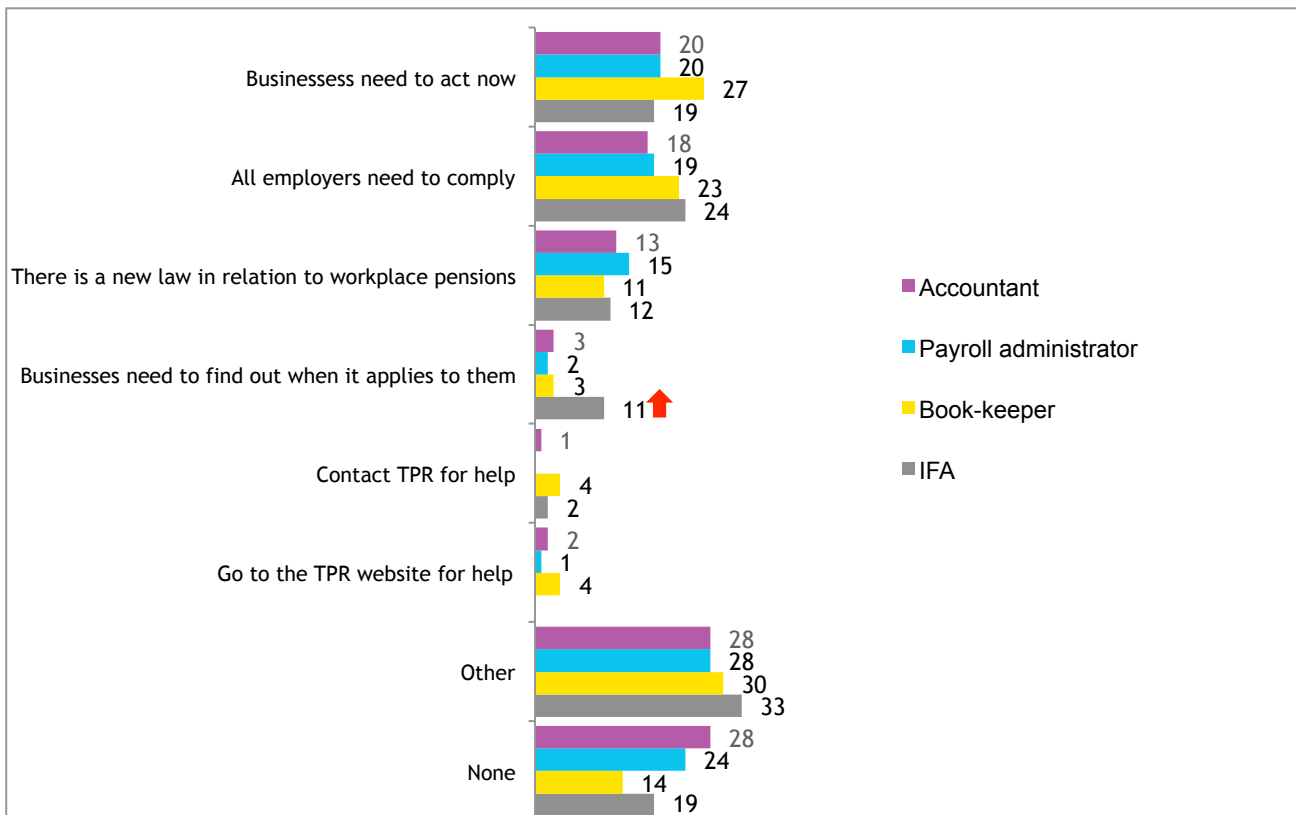
3.3.3. Message take-out from the digital advertising

Figure 9 illustrates the messages that intermediaries (in their own words) took out of the digital advertising aimed at intermediaries, after viewing it during the interview.

The strongest messages conveyed by the digital advertising were those relating to compliance, “*all employers need to comply*”, (ranging between 19% (IFAs) and 27% (bookkeepers) and urgency “*businesses need to act now*” (ranging between accountants (18%) and IFAs (24%).

Message take-out was consistent between intermediaries with a couple of notable exceptions: bookkeepers were more likely to recall messages around the need to take action (27%), while IFAs were more likely to recall messages around businesses needing to find out what applies to them (11%).

Figure 9: Message take-out from digital advertising (among all planning to be involved in automatic enrolment)

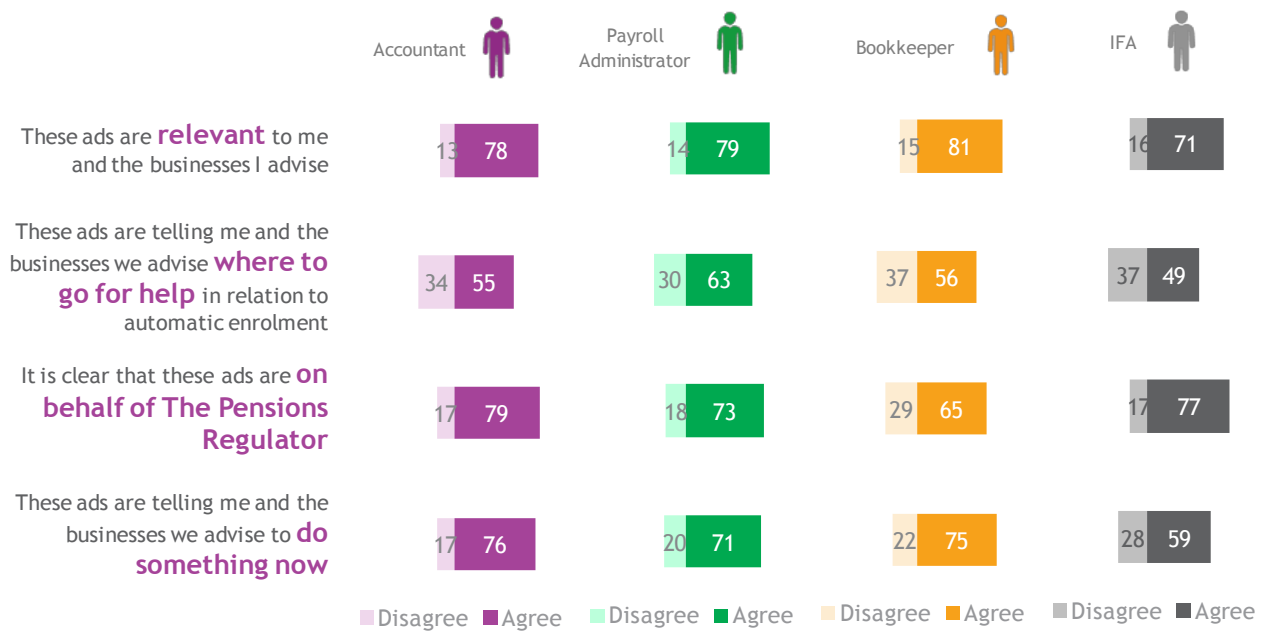


3.3.4. Perceptions of the digital advertising

As Figure 10 illustrates, the digital advertising was rated highly in terms of relevance, creating a sense of urgency (between 71% and 81% agreeing that the adverts achieved this), and clarity of sponsor (between 65% and 79%). But ratings were lower in terms of helping intermediaries know where to go for help (between 49% and 63%). Despite this, an increasing proportion of most intermediary types reported visiting the regulator’s website.

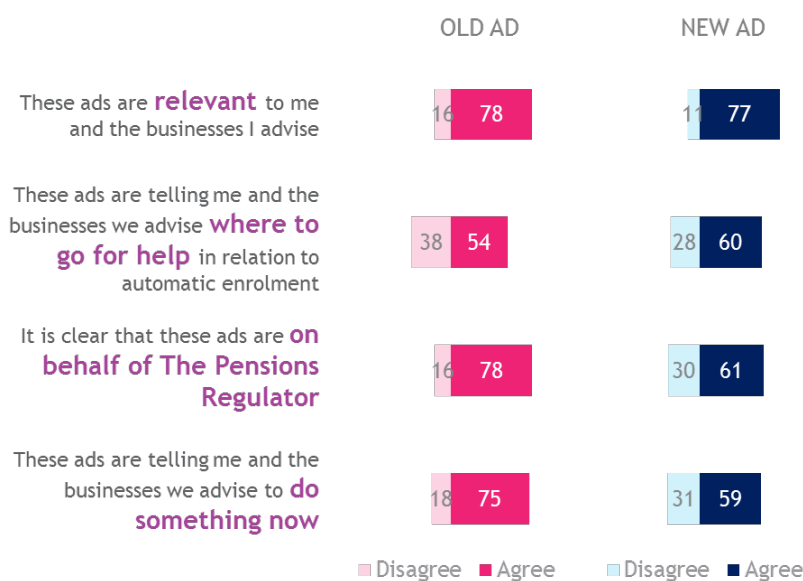
There were some notable differences between intermediaries on these statements. Bookkeepers were less likely than other types of intermediaries to agree that the adverts were clearly on behalf of TPR (65%), which is consistent with the lower levels of attribution described previously. IFAs were notably less likely to agree that the adverts either helped them know where to go for help (49%) or conveyed a sense of urgency (59%).

Figure 10: Attitudes towards the digital advertising (among all planning to be involved in automatic enrolment)



Two digital adverts aimed at intermediaries were shown in the survey, namely the ‘new’ advert and the previous ‘old’ advert. Figure 11 illustrates that the ‘old’ advert was more effective than the ‘new’ one at conveying a sense of urgency and at identifying the regulator as the sponsor.

Figure 11: Comparison of attitudes towards the two digital adverts shown during fieldwork (among those seeing each digital advert)

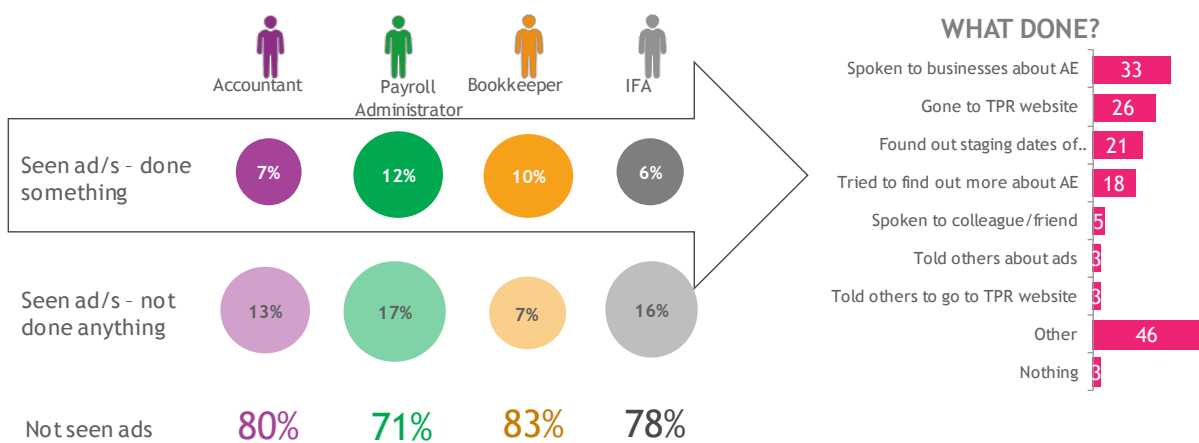


3.3.5. Response to the digital advertising

Around one in ten payroll administrators (12%) and bookkeepers (10%) had taken some type of action as a result of seeing the digital advertising. IFAs and accountants were half as likely to say they acted as a direct consequence of the adverts (6% and 7% respectively).

The most common responses were to get in touch with clients to talk to them about automatic enrolment (33%), to visit TPR's website (26%) and to find out their clients' staging date (21%).

Figure 12: Response to digital advertising (among all planning to be involved in automatic enrolment)



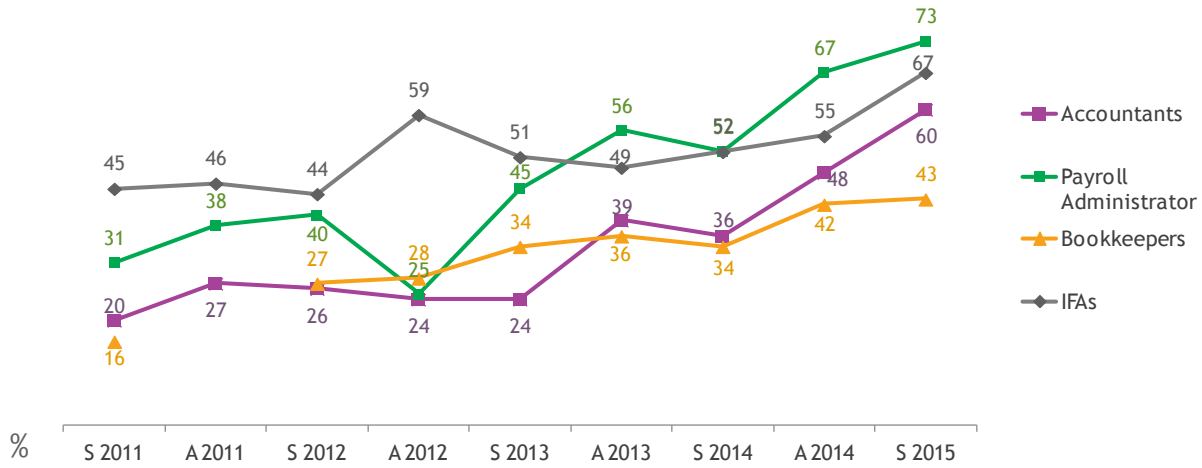
3.4. Intermediaries' level of engagement with automatic enrolment and the extent to which they support employers

Overall, levels of engagement with automatic enrolment were at their ever highest reported levels, with intermediaries reporting that they not only saw automatic enrolment as a business opportunity, but also that an increasing proportion are either already advising clients, acting on their behalf, or have plans to do so.

3.4.1. Intermediaries' view of automatic enrolment as a business opportunity

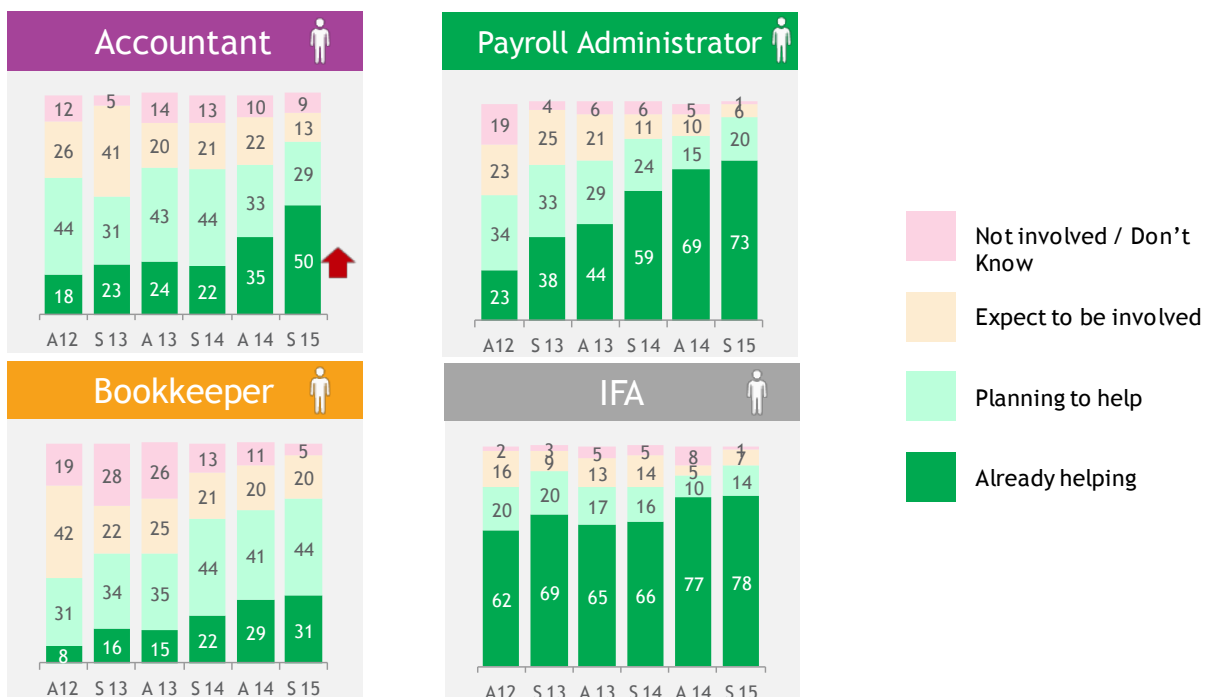
Related to this there was an increase in the proportion if all four intermediary types seeing automatic enrolment as a business opportunity since the Spring 2014 survey (at least 60% did). Accountants and IFAs in particular are much more likely to say this than six months previously.

Figure 13: % intermediaries who agree that introduction of automatic enrolment is likely to increase business







This finding was reinforced by this wave of the survey reporting the highest level of intermediaries currently acting on behalf of clients. As Figure 14 illustrates, the majority of IFAs (78%) and payroll administrators (73%) were already helping clients. Although accountants (50%) and bookkeepers (31%) continued to lag behind them, the proportion of accountants who were actively engaged with their clients had increased significantly this wave (by 15%). Moreover 44% of bookkeepers reported that they are planning to help in future.

Figure 14: Levels of engagement with automatic enrolment



There was a degree of consistency across intermediary types in terms of the key tasks in which they were most actively engaged, as shown in Figure 15 below. The main task intermediaries reported they led on was finding out about their clients' staging dates. For all but payroll administrators, the second and third key tasks were 'understanding how the legislation applies' and 'working out a timetable'. As might be expected given their core business function, payroll administrators reported that they were currently more involved with identifying eligible workers than understanding how the legislation applies.

Figure 15: Top three tasks currently undertaken on behalf of clients (among all planning to be involved in automatic enrolment)

		1	2	3
Accountant		Finding out staging date (76%)	Understanding how legislation applies (55%)	Working out timetable (47%)
Payroll Administrator		Finding out staging date (91%)	Working out timetable (65%)	Identifying eligible workers (64%)
Bookkeeper		Finding out staging date (80%)	Understanding how legislation applies (34%)	Working out timetable (29%)
IFA		Finding out staging date (85%)	Understanding how legislation applies (79%)	Working out timetable (79%)








Considering more broadly the full range of tasks required to prepare for automatic enrolment, it can be seen from figure 16 that IFAs and payroll administrators believed they were better prepared than other intermediaries, based on the breadth and depth of their current involvement.


Some notable increases in activity can be seen this wave, namely:

- Accountants were significantly more likely to be actively understanding how the legislation applies to their clients (rising by 9% to 55%), and helping their clients work out timetables (rising by 14% to 47%) / identify eligible workers (rising by 15% to 39%).
- Bookkeepers were significantly more likely to be helping their clients find out their staging dates (rising by 19% to 80%).

- IFAs are slightly more likely to be working out timetables with their clients (rising by 12% to 79%).

Figure 16: All tasks currently undertaking on behalf of clients (among all who know what service they will provide)

	Accountant 	Payroll Administrator 	Bookkeeper 	IFA 
Understanding how legislation applies	55 	63	34	79
Finding out staging date	76	91	80	85
Working out a timetable	47 	65	29	79 
Identifying eligible workers	39	64	26	64
Transferring data to pension provider	22	54	14	45
Communicating changes to workers	15	43	11	51
Choosing a pension scheme	13	15	6	70
Providing/configuring software	27	59	25	32
Completing Declaration of Compliance	15	30	12	45

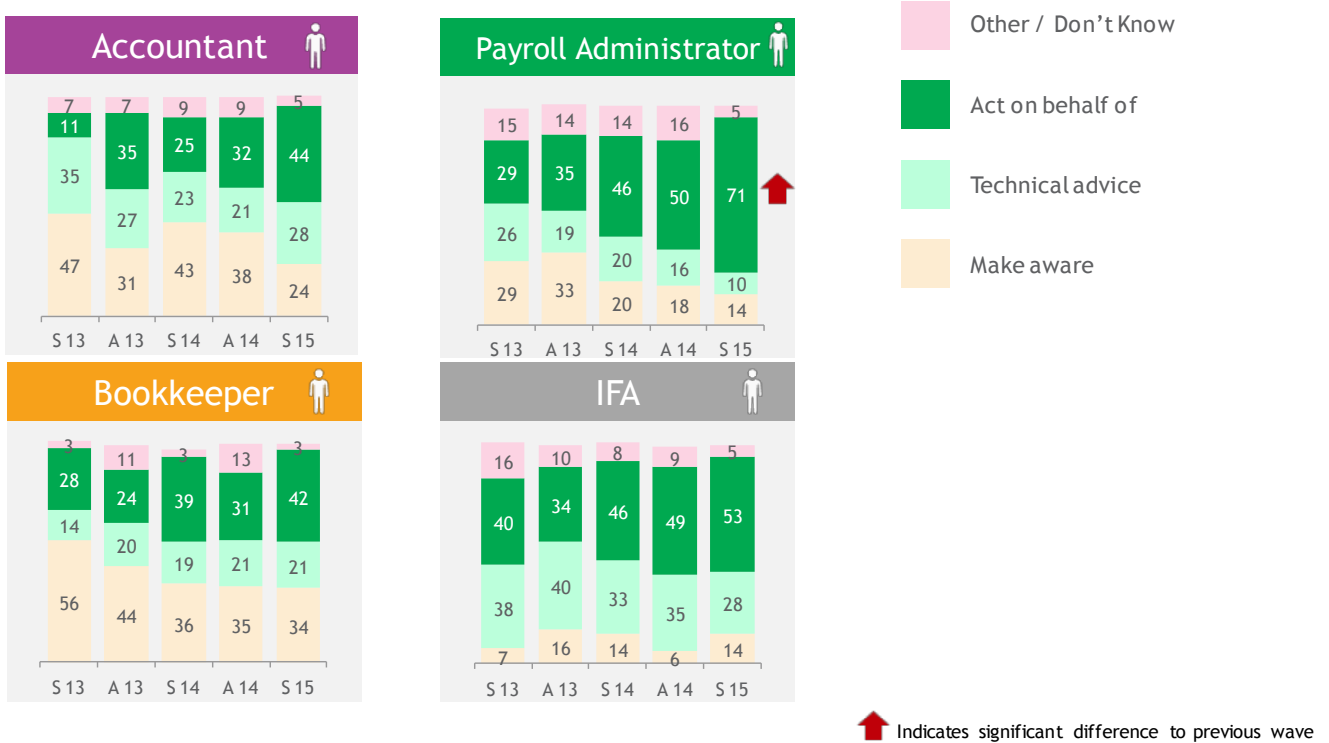
 Indicates significant difference to previous wave

3.4.2. Intermediary planned engagement with automatic enrolment

This wave saw a continuing trend towards increased engagement, with increasing proportions of intermediaries reporting that they were planning to act on behalf of their clients (as opposed to taking more passive roles as providers of information or technical advice), as shown in Figure 17 below. All intermediary types reported an increase in undertaking activity on behalf of their clients.

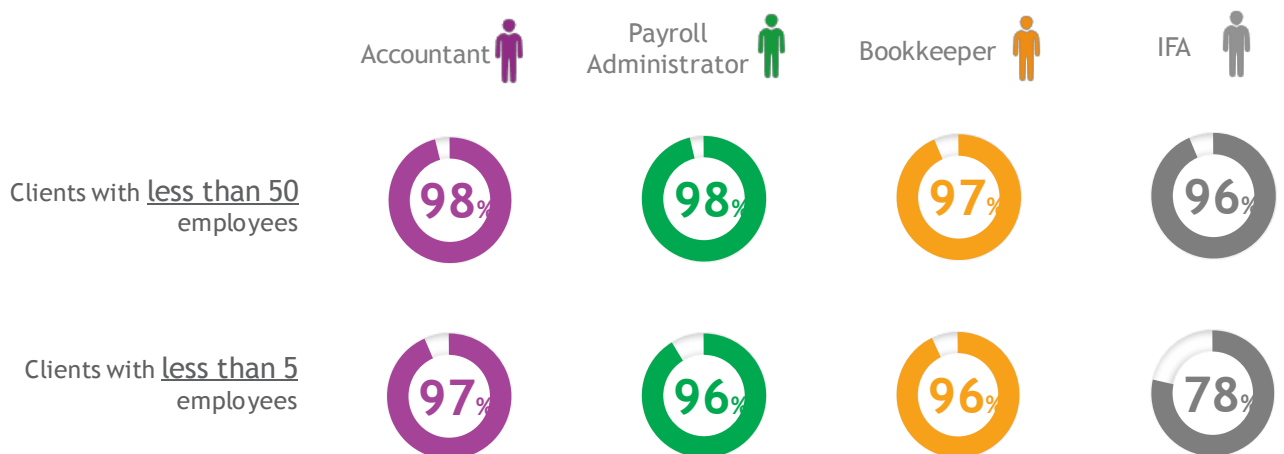
- Payroll administrators demonstrated the greatest commitment to actively representing their clients, with a significant increase this wave in the proportion planning to do so (rising by 21% to 71%).
- Bookkeepers were least likely to be already acting on behalf of their clients, but they reported an increase.

Figure 17: Main type of service will provide in relation to automatic enrolment (among all planning to be involved in automatic enrolment)



The findings in Figure 18 show that micro businesses remain attractive to the vast majority of intermediaries. IFAs are the only audience less likely to offer services to micro clients than small clients.

Figure 18: Types of employers planning to provide service to (among all who know what service they will provide)

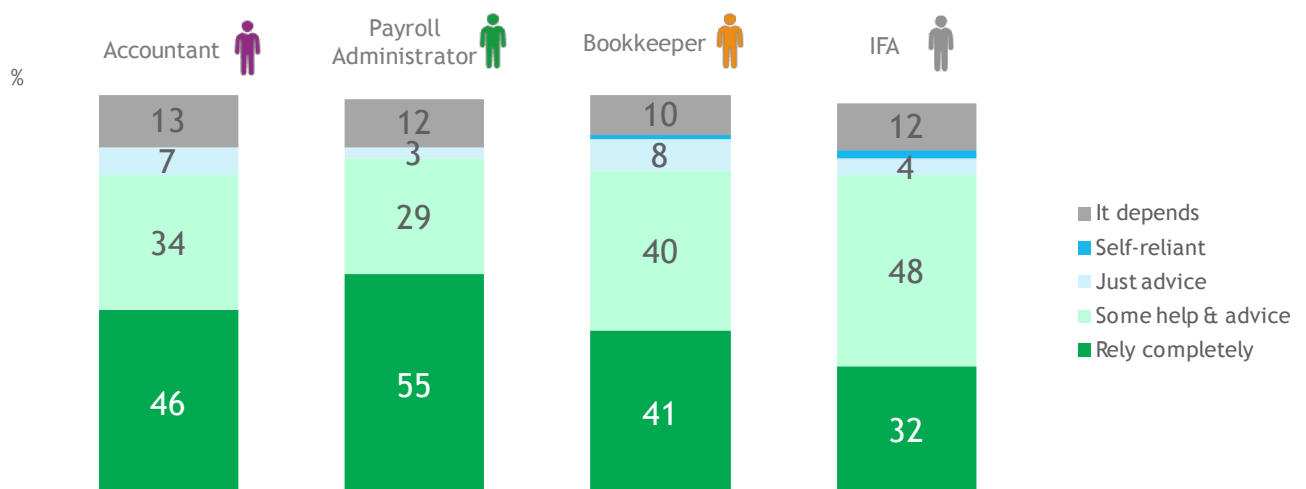


3.4.3. Employer engagement with intermediaries

As was the case in Autumn 2014, many intermediaries expect that their clients will be heavily reliant upon them, as shown in Figure 19 below. This is particularly the case for

Payroll administrators, more than half of whom (55%) believe their clients will rely upon them *completely*. Accountants and bookkeepers are more divided in terms of those who thought their clients would rely on them completely (46% and 41%, respectively) versus those who will just want ‘some help and advice’ (34% and 40% respectively). IFAs anticipate their clients being less demanding than this, estimating that 32% will rely completely on them.

Figure 19: Expected client reliance on intermediary (among all planning to be involved in automatic enrolment)



The majority (85%) of both Payroll administrators and IFAs reported that they had already been approached by their clients about automatic enrolment. It was also the case that an increasing proportion of accountants and bookkeepers had also received enquiries; as many as 74% of Accountants and 61% of Bookkeepers claimed to have been asked about automatic enrolment by their clients this wave (increases of 26% and 19% respectively since the previous wave).

Direct contact from the regulator seemed to have driven much of this contact, as Figure 20 illustrates. This was the case for all types of intermediary, with all four types reporting this as the primary reason for the client to initiate contact relating to automatic enrolment. This was particularly true for payroll administrators, with an increase of 26% to 73% reporting this as the main reason that clients had contacted them.

Figure 20: Primary reason for client contacting intermediary (among all who had clients contact them)

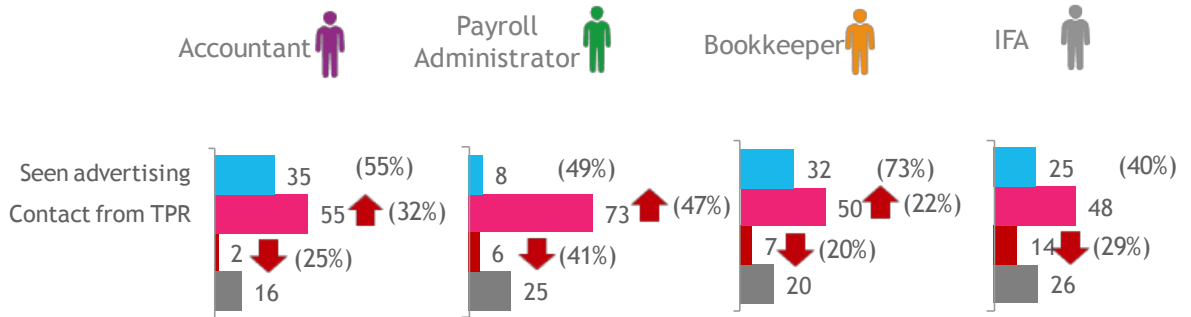
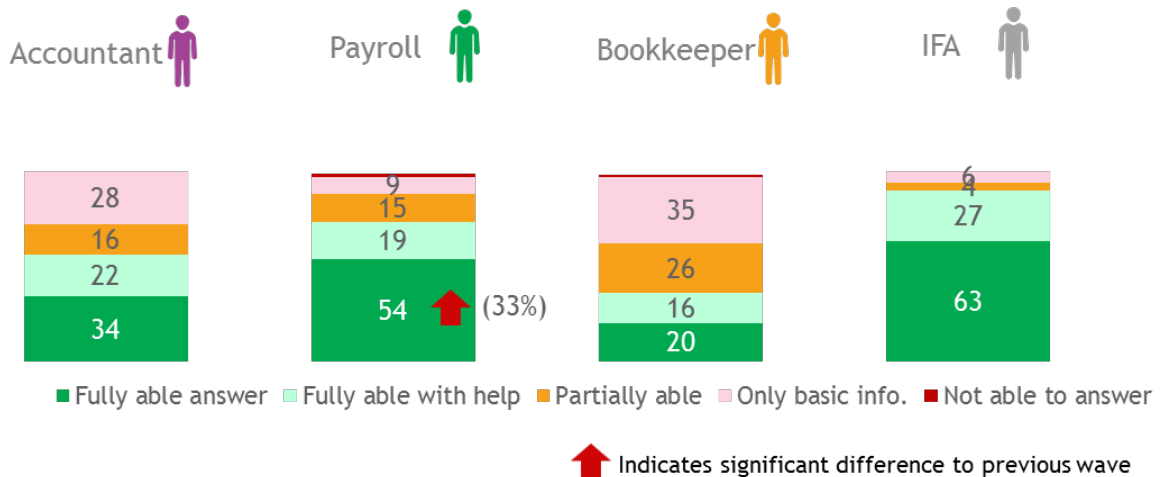


Figure 21 shows how different types of intermediary feel in terms of their ability to answer clients' enquiries. The majority of both IFAs (90%) and payroll administrators (73%) claimed they had been fully able to answer their clients. Payroll administrators showed a significant improvement in their ability to answer questions unaided since the last wave (up 21% to 54%). Accountants and bookkeepers, however, appeared to be less well prepared than other intermediaries: over a quarter of accountants (28%) and a third of bookkeepers (35%) could only provide basic information.

Figure 21: Extent to which intermediary could answer clients' questions (among all who had clients contact them)



3.4.4. Perceptions of client readiness for automatic enrolment

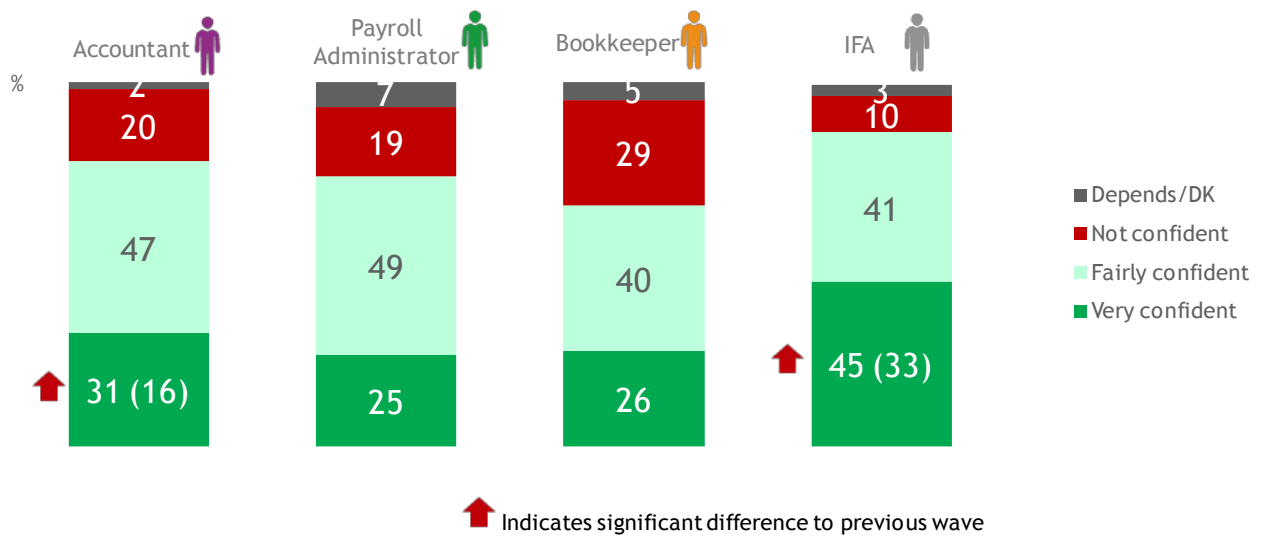
As shown in Figure 22 below, IFAs displayed higher levels of confidence than other intermediaries that their clients will be fully prepared for automatic enrolment by their

declaration of compliance deadline (86% confident, 45% 'very' confident). This represents a significant increase in optimism over the past year.

Accountants were also more optimistic this wave, with almost a third now 'very' confident (up 15% to 31%).

Bookkeepers remain the least confident overall, with (29%) reporting that they are *not* confident that their clients will be ready in time.





Figure 22: Confidence that clients will be ready by their declaration of compliance deadline (among all planning to be involved in automatic enrolment)



3.4.5. Key intermediary challenges in dealing with clients

A lack of time, costs and lack of understanding were cited by intermediaries as key challenges in trying to engage with their clients on automatic enrolment. In addition, 19% of payroll administrators believed that some of their clients do not perceive a need to participate.

Figure 14: Top three client challenges intermediaries will face in helping clients comply with automatic enrolment (among all planning to be involved in automatic enrolment)

		1	2	3
Accountant		Lack of understanding (19%)	Costs (18%)	Lack of time (14%)
Payroll Administrator		Client perception they don't need to participate (19%)	Lack of time (16%)	Lack understanding, lack knowledge, costs (all 15%)
Bookkeeper		Lack of time (17%)	Lack of understanding (12%)	Costs (12%)
IFA		Lack of time (26%)	Costs (19%)	Lack of understanding (12%)

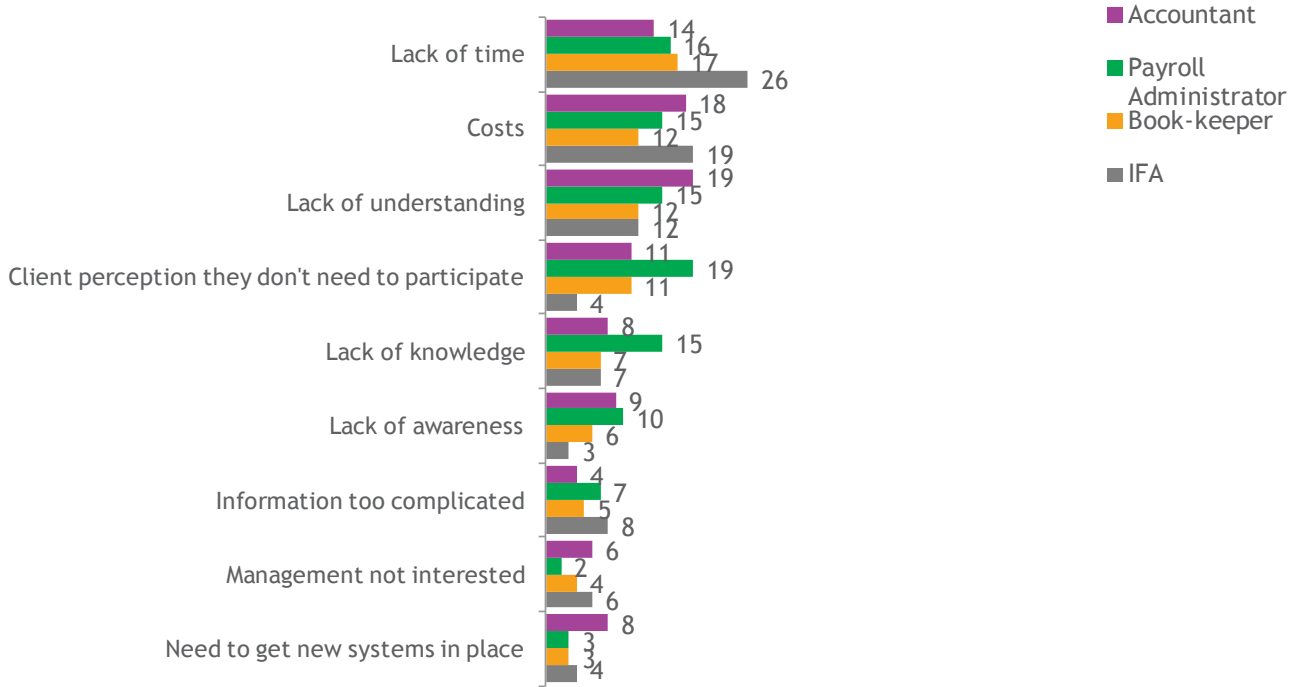
Looking more broadly across the full range of challenges that intermediaries face, it is clear from Figure 24 that these varied quite considerably by type of organisation;

- Lack of time, for example, was cited by a notably larger proportion of IFAs than other intermediaries (26% feel this is their main challenge).
- Payroll administrators were more likely to cite a lack of knowledge (15%) and a belief among their clients that they did not need to participate (19%) as their main challenges.
- For accountants, a lack of understanding (19%) and the need to get new systems in place (8%) were more of a challenge than for other intermediaries.

Other less frequently cited hurdles included:

- inertia on the part of clients
- them leaving it to the last minute
- difficulties finding/choosing a suitable scheme
- administration requirements
- software limitations.

Figure 24: Key client challenges intermediaries will face in helping clients comply with automatic enrolment (among all planning to be involved in automatic enrolment)

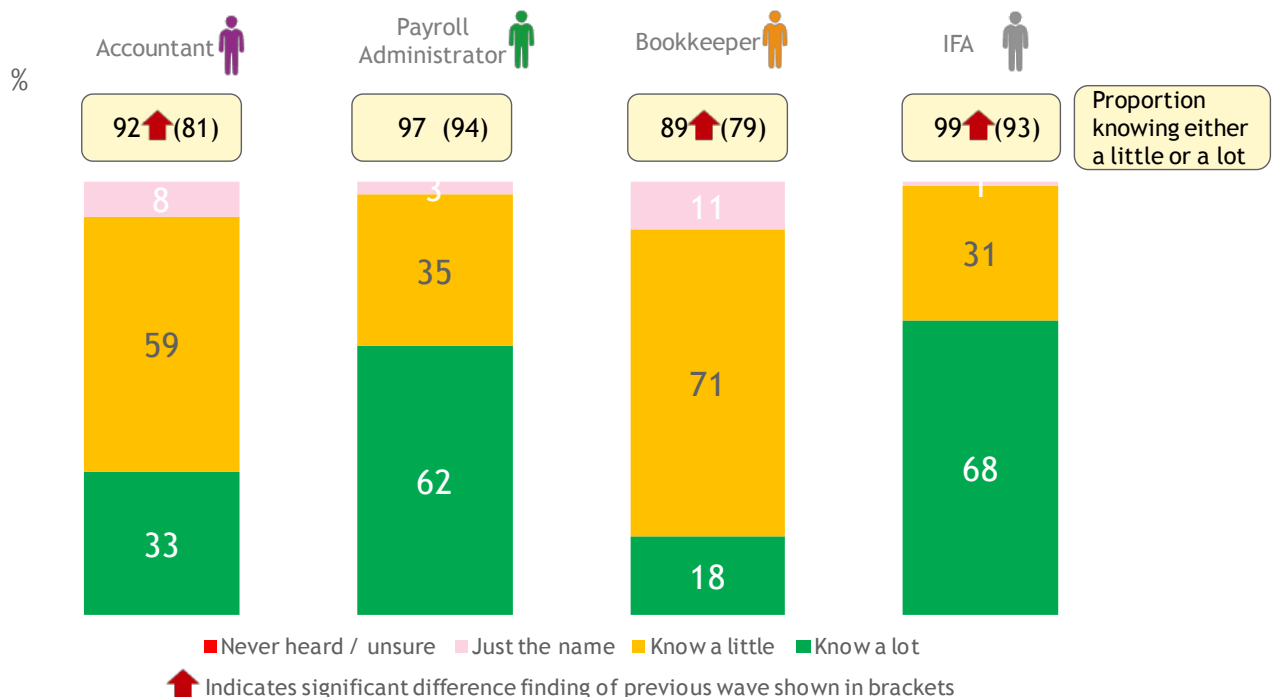


3.5. Knowledge of and dealings with the regulator

3.5.1. Knowledge of the regulator

Between 89% and 99% of each of the four intermediary groups reported that they knew at least “a little” about the regulator. There was significant increase in the proportion of accountants, bookkeepers and IFAs saying this.

Figure 25: Knowledge of TPR (among all planning to be involved in automatic enrolment)

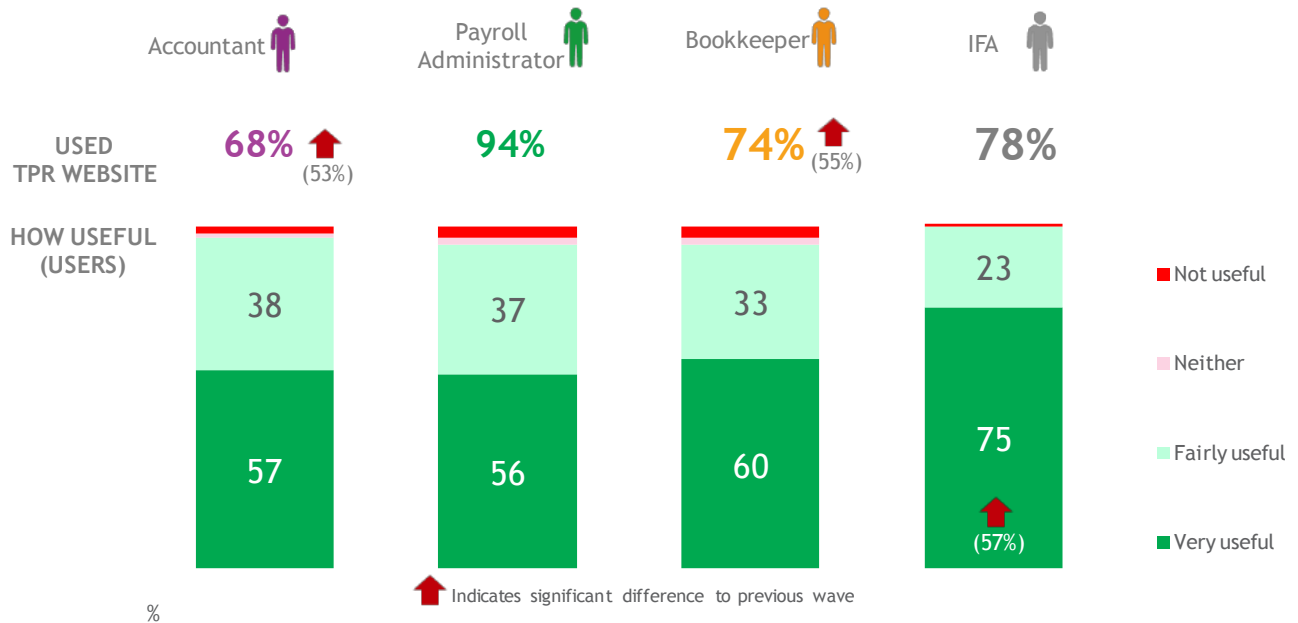


3.5.2. Use of the regulator’s website

Figure 26 shows that the proportion of accountants (68%, rising by 15%) and bookkeepers (74%, rising by 19%) who had used the regulator’s website had increased significantly on the previous wave. A majority of all intermediary types reported that they had visited the site to find out about automatic enrolment. Payroll administrators were the most likely to have used the site, with 94% reporting at least one visit.

Among those who had used the website, a majority of all intermediary types found it ‘very useful’. IFAs appeared to find the site most useful, with 75% reporting they found it ‘very useful’, a significant increase from 57% in the previous wave.

Figure 26: Use of TPR website (among all planning to be involved in automatic enrolment) and usefulness of site (among intermediaries)



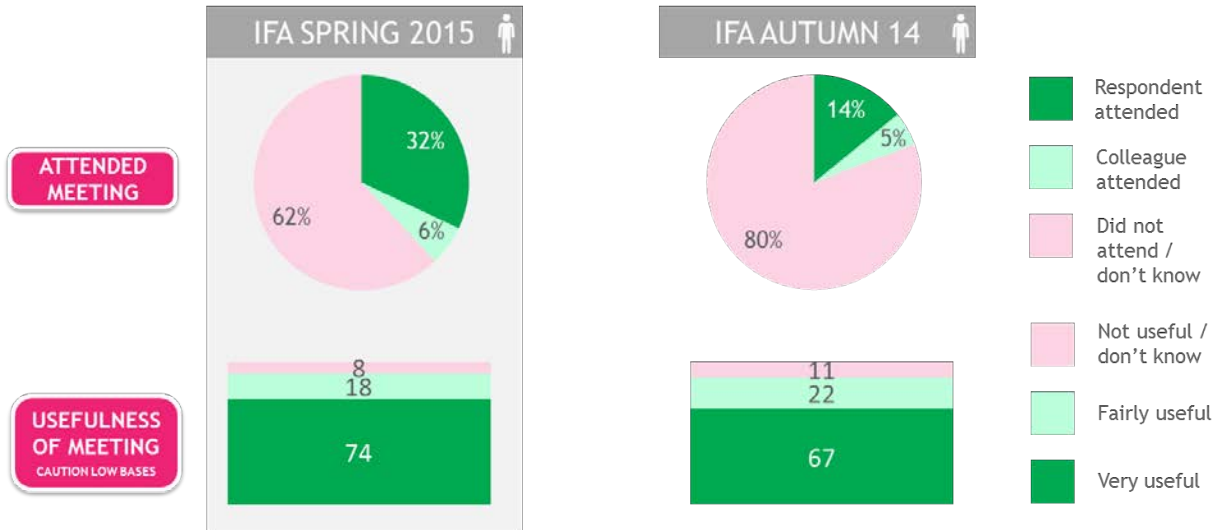
3.5.3. IFA attendance at TPR events and meetings

Figure 27 shows that the proportion of IFA firms attending meetings or events with the regulator with TPR has doubled since the last survey, up from 19% to 38%.

Of those attending, a majority (74%) found the meeting 'very useful', up from 67% in the previous wave. Following these meetings, 39% reported that their firm had modified its approach or engagement strategy as a result.

(Please note that caution must be exercised with these figures, as the base size is low, n=38).

Figure 27: Attendance at TPR meetings about pension reforms (among all planning to be involved in automatic enrolment)





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