



Over the past six years, the number of lost pension pots has doubled, climbing to an estimated 3.3 million. The collective value of these unclaimed pension funds now stands at a staggering £31 billion, highlighting a growing issue that affects millions of savers across the UK.

A pension pot is considered "lost" when the pension provider is unable to contact the individual who owns it. While this problem may seem abstract to some, it has very real financial consequences for individuals who miss out on funds they've diligently saved for their retirement.

### How do Pension pots get lost?

The phenomenon of lost pension pots can largely be attributed to the mobility of modern careers and lifestyles. Many workers today will hold multiple jobs throughout their lifetime, often with brief tenures at some positions. The small pension pots accumulated during these shorter periods of employment can easily be forgotten, especially if they were established years or even decades before retirement.

A few key factors contribute to pension pots becoming "lost":

- **Address Changes:** One of the most common reasons pension pots go missing is that savers move house but fail to update their address with their pension provider. Over time, this lack of communication causes the provider to lose track of the saver.
- **Loss of Provider Information:** If a saver forgets which company or provider manages their pension pot, reconnecting with the funds can become a significant challenge. This issue is further compounded if the employer who set up the pension no longer exists.

## The scale of the problem

The rapid growth in the number of lost pensions reflects the complexities of modern working life. With the average UK worker changing jobs 11 times during their career, it's easy to see how pension records can slip through the cracks. Moreover, the increasing digitization of pension schemes has made it possible for providers to consolidate and manage data efficiently, but it has also introduced challenges in maintaining long-term contact with savers.

For those approaching retirement, these lost funds can represent a significant shortfall in their financial security, underscoring the importance of actively tracking and managing pension savings.

## Tracing lost pension pots

For individuals who suspect they may have unclaimed pensions, there are several methods to reconnect with lost pots:

### 1. Contacting Former Employers

The first step is to reach out to the employer associated with the pension. If the company is still active, they should be able to provide the name of the pension provider and details of your contributions. However, if the employer has since ceased operations or merged with another company, this process may become more complicated.

### 2. Using Government Pension Tracing Services

The government offers a free Pension Tracing Service, which can help you locate contact information for workplace or personal pension schemes. However, this service has its limitations:

- You must have the name of the employer or pension provider to use the service effectively
- The service only provides contact details and does not confirm whether a pension pot exists or its value.

### 3. Private Pension Tracing Services

If government resources prove insufficient, private pension tracing companies may be able to assist. These services often have access to extensive databases and tools to track down lost pensions. While they come at a cost, they may be the only viable option in cases where little information is available.

## Avoiding Lost Pensions in the Future

To prevent pensions from becoming lost in the first place, savers should take proactive steps to keep their records up to date:

- Notify pension providers immediately of any changes to your address, contact details, or name.
- Keep a detailed record of all your employment history, including the names of employers and associated pension schemes.
- Regularly review your pension savings to ensure all contributions are accounted for and correctly attributed.

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## Why This Matters

The £31 billion tied up in lost pensions represents not only missed opportunities for individuals to enhance their retirement but also a significant inefficiency in the pension system. Reconnecting savers with their funds could help improve financial security for millions, reduce reliance on state benefits, and encourage greater trust in the pension system.

For those seeking to reclaim their pensions, the journey may require persistence and effort. However, with the right tools and support, it is possible to recover lost funds and take control of your retirement savings.

The government's free pension tracing service can be accessed [here](#).

## We can help

If you need further information, please call us on **01753 888 211** or email [info@nhllp.com](mailto:info@nhllp.com). We would be happy to help.