

# A recession in trust?



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## Methodology

Our study was conducted by the independent research company Opinium among a nationally representative sample of 4,000 UK adults between 7 and 14 January 2026. Respondents were chosen on a nationally representative basis, weighted evenly by gender, age, region and value of financial assets. Of the overall sample, 1,931 (48%) were male and 2,060 (51.5%) were female, while 805 (20%) enjoyed a net worth of more than £100,000.

# Welcome to our Wealth Survey 2026



Welcome to the fourth edition of our national Wealth Survey.

We're delighted to bring you the latest iteration of this report, which applies a magnifying glass to the nation's wealth worries, its emerging, increasingly secretive, financial behaviours, its priorities, and the growing knowledge gap that's helping to separate the 'haves' from the 'have nots'.

For many, our survey points to missed opportunities when it comes to building long-term financial prosperity and security, and a lack of trust, in financial institutions, the government of the day and, when it comes to financial matters, our spouses and partners, and even our own children.

Fortunately, there are signs that much of the legacy of former generations, where traditional gender roles tended to define wealth planning, is starting to roll off.

While younger generations have been shaped by the ubiquity of the internet and social media, they don't share the same taboos as their elders when it comes to talking about money and how much they earn. Although this represents progress, of a kind, the great majority of Generation Z (Gen Z) – the so-called 'Zoomers' who succeeded the 'Millennials' – are part of a lost generation, excluded from financial advice by 2012's Retail Distribution Review (RDR).

As in previous years, we've invited our advice experts, with well over a century of combined client experience (myself included), to respond to some of this year's key findings. They provided a wealth of examples of where simple and timely advice has helped to remove complexity and to create trust; the cornerstone of successful long-term financial planning, whatever age you may be.

In a world that's running short of trust, we take our role as trusted wealth advisers very seriously. By conducting our annual Wealth Survey, and other regular client research, we hope to play a part in building a financial advice industry that's more trustworthy, more accessible, and more inclusive than the one we see today.

As always, we look forward to hearing your views on these topics.

**Stephen Cowling**  
Head of Wealth Management

01

# A recession in trust?

As this year's survey shows, trust levels in our modern society continue to erode.



Trust plays a fundamental role in how we manage our finances. Whether it's trusting financial advice, institutions, or even those closest to us, trust shapes the decisions we make about saving, investing, and planning for the future.

When it comes to our finances, this year's survey suggests we Britons have little trust in our financial institutions or financial advisers. Neither do we trust our financial knowledge, or the financial education we received at school. Nor do we trust our partners or even our children.

**“Unfortunately, there's no industry or government body responsible for promoting pensions, ISAs or the value of good financial advice. This accounts for why trust levels in our industry are so low.”**

**Stephen Cowling**  
Head of Wealth Management

**Quiet problems**

Trust is quietly eroding across several foundational areas of British life.

Academic studies<sup>1</sup> suggest that following lockdown, people in this country reduced their average working hours by 4.5 days a year, thanks to 19% of our 24.5 million full-time employees 'quietly quitting'. Such studies highlight the fading commitment that many of us now have toward our jobs as we transition from 'living to work' to 'working to live', and our diminishing trust in the promise that hard work delivers a successful future.

Meanwhile, almost half of 'Zoomers' don't believe the state pension will even exist when they reach retirement<sup>2</sup> with high numbers dubious that any pension company in which they invest will still be around when they come to collect.

As Stephen Cowling, Head of Wealth Management opines, "Trust has quietly been eroding in all walks of British life, including in the financial services industry, which has staggered from one major scandal to the next, and never succeeded in articulating the value inherent in high-quality financial advice.

"Then the onset of the Retail Distribution Review (RDR) in 2012 [which ushered in the age of fee-based advice] naturally drove a wedge between advisers and the great majority of British households.

"The confluence of these factors is why only 20% of us have a professional adviser; why 29% of young women rely on their favourite 'influencer'; and why 25% of Britons already agree that an AI chatbot is just as trustworthy as a financial adviser! Unfortunately," he says, "there's no industry or government body responsible for promoting pensions, ISAs or the value of good financial advice. This accounts for why trust levels in our industry are so low."

Wherever you look in today's Britain, there are signs of the old order breaking down. New patterns of behaviour are emerging that are threatening our established institutions. The institution of marriage is no different.

**Little white lies...**

This year's Wealth Survey found that trust between married couples and partners is in short supply: 29% of Britons admit to having wealth they keep secret from their significant other.

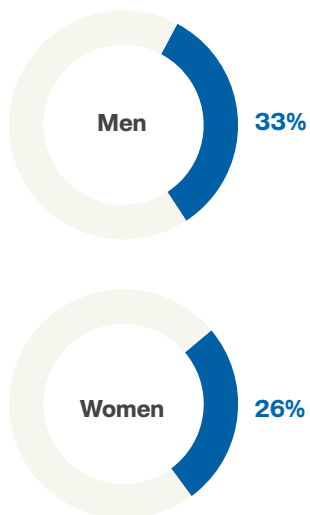
A full third (33%) of men are keeping money hidden from their partners! The most popular way is via secret current or savings accounts, but 11% also have illicit investments.

Meanwhile, 8% choose to hide physical cash around the house, with 5% claiming to also hold secret assets like property.

Sadly, 'secrecy' is seemingly the one area of our finances where there's no 'gender gap'.

The numbers are just as depressing for women: 26% claim to have money salted away from their other half.

**Who's keeping money hidden from their partners?**

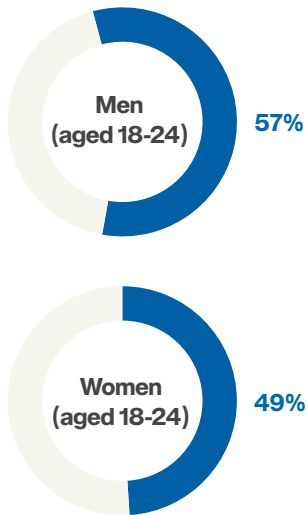


Our secret safety nets	Men	Women
Savings accounts	20%	16%
Current accounts	19%	16%
Investments	11%	5%
Cash (hidden around the home)	8%	6%
Other assets	5%	2%

<sup>1</sup> Is The UK Undergoing A "Quiet Quitting" Revolution? - London School of Economics.

<sup>2</sup> The Pensions Policy Institute.

**Who's the most secretive?  
(% with secret stashes)**



While the average man is hiding £40,070, the equivalent figure for women is £30,066. Although lower, considering the disparity between average wealth levels, our findings suggest that, among those people with secret wealth, women might be hiding a greater proportion of their assets than their male counterparts.

**When are we most secretive?**

Our results show that we're most secretive about our money when young; we become less so as we age.

57% of men in the 18-24 cohort have secret pots of wealth squirrelled away, while almost half (49%) of women this age have covert assets. These were the highest scores in our survey.

This broadly chimes with our findings on divorce. The female cohort most worried about the financial impact of divorce is the 18-24 year-old age group (33%) – the same group secretly putting the most to one side. Meanwhile, the male cohort most concerned that divorce will derail their finances is the 35-44 year-old group (40%). After the 18-24 group, this is the demographic that's hiding the second most wealth and hard cash from their partners: 51% of men this age have illicit wealth hidden from their partners.

**Marriage problems**

The tendency to amass secret stores of wealth comes as little surprise given wider trends now being observed around trust, marriage and coupling.

Recent studies show that Gen Z is prone to 'singledom' and less dating. According to the Office for National Statistics (ONS), 8.4 million people already live alone in Britain, but it expects this number to surge in the years to come. Indeed, 29% of men aged 18-24 now live alone according to this year's survey.

Although UK divorce rates have fallen from their 90s peak, it's still estimated that 42% of British marriages will end in divorce<sup>3</sup>, while a high proportion of surviving marriages are thought to be victims of 'quiet divorce'. Quiet or 'silent' divorce refers to couples who have 'checked out' of their marriage and who live 'parallel lives' to avoid conflict while maintaining their standard of living. It's another sign that the old order is breaking down. It also underpins the UK wealth and pensions gender gaps.

The fact that so many British couples are leading separate lives under the same roof is yet another reason why, on average, women face a far greater likelihood of poverty in retirement.

**Who's most concerned that divorce will impact their finances?**

	Men	Women	Total
Concerned	22%	17%	20%
Unconcerned	34%	30%	32%

**Men are still wealthier than women**

As in previous editions of our Wealth Survey, the gender wealth gap remains a significant issue.

A combination of factors continues to drive this disparity, including differences in earnings, career paths, and working patterns, alongside varying levels of engagement with long-term financial products such as pensions and investments.

While 28% of men reported total wealth assets (excluding their home) of over £100,000, just 13% of women were in this bracket.

**According to our 2026 findings:**

- There's a 37% wealth gap between the 'average' man and woman. In terms of the 'median' wealth for each, which is of more statistical relevance, there's a 53% gender wealth gap.
- There's a 42% gap in the value of the average pension pot. In terms of median pension pots, there's a 50% gender pension gap.
- Most worryingly: There's a 61% gap between the average pension pots of men and women aged 65 years and over. In terms of the median pension pot for each, there's a 79% gender pensions gap.
- Par for the course: 26% of men and 33% of women don't even know the current value of their pension pot.

<sup>3</sup> Stowe Family Law based on ONS 2025 data.

### Total wealth assets over £100,000 (excluding homes)

28% Men

13% Women

## Still alive and well: Britain's gender wealth gap

### The gender wealth gap

Wealth assets	Average Briton	Average man	Average woman	Gap
	£183,781	£224,928	£142,228	<b>£82,700</b> <b>37%</b>
Median Briton	Median man	Median woman	Gap	
	£37,500	£37,500	£17,500	<b>£20,000</b> <b>53%</b>

### The gender pensions gap

Pension assets	Average Briton	Average man	Average woman	Gap
	£253,687	£310,937	£179,326	<b>£131,611</b> <b>42%</b>
Median Briton	Median man	Median woman	Gap	
	£75,000	£75,000	£37,500	<b>£37,500</b> <b>50%</b>

### The bottom line: Pension pots in retirement – 65 years & over

Pension pots	Average Briton	Average man	Average woman	Gap
	£324,901	£440,579	£172,858	<b>£267,721</b> <b>61%</b>
Median Briton	Median man	Median woman	Gap	
	£75,000	£175,000	£37,500	<b>£137,500</b> <b>79%</b>

**“It’s clear that trust levels need to improve on both sides of the gender divide. Couples should take advantage of joint accounts and mortgages; think in terms of optimising *both* pension pots and other savings allowances; *and* have their own individual financial plans.**

**“Fortunately, our younger generations are much better at doing this. Simplicity and transparency are the best ways to build financial resilience and to rebuild the trust levels that are so lacking these days.”**

**Lydia King**

Wealth Business Controls Manager

### Fresh thinking

As business controls manager for Handelsbanken Wealth, Lydia King oversees an extensive team of paraplanners and support staff generating financial plans and projections for hundreds of UK clients a year. Lydia herself has spent decades guiding clients on how to build financial resilience and long-term family wealth by replacing complexity with simplicity.

“Among those clients who have reached ‘critical mass’ in their pension pots, or have other investment assets that justify professional advice fees, the ‘gender gap’ is far less apparent,” she says.

“I’ve advised many, many couples down the years where it’s the woman who wears the ‘financial trousers’ or has the most aggressive risk appetite when it comes to investing – it really isn’t a matter of the man knows best!”

As Lydia observes on the lack of trust in our industry today, “I think we’re paying the price for the excesses of the past. Back then, a pension was a ‘sales’ event, rather than an ‘advice’ event,” she laments, “consequently, the government and the regulator’s default position is that we’re now out to ‘scam’. This means cumbersome and expensive legislation that increases costs for clients, and complex documentation that puts a lot of people off – especially women.

“When it comes to the level of household trust revealed in our survey,” she says, “it’s clear that trust levels need to improve on both sides of the gender divide. Couples should take advantage of joint accounts and mortgages; think in terms of optimising *both* pension pots and other savings allowances; *and* have their own individual financial plans.

“Fortunately, our younger generations are much better at doing this,” she says. “Simplicity and transparency are the best ways to build financial resilience and to rebuild the trust levels that are so lacking these days.

“Probably the most worrying aspect of our survey,” says Lydia, “is that it highlights how Britain has become a country of ‘haves’ and ‘have nots’. The 20% who can afford to pay for financial advice is as good a proxy as any for the ‘haves’ in today’s Britain,” she observes.

# A failure to engage...

One thing we Britons share is the belief that we're in for a frugal retirement. While barely a third of us expect our golden years to be comfortable, that looks optimistic based on our findings.

Britain's pension regime is a complex beast, something that's only compounded by ever-revolving government policy. This is a great tragedy as, despite its shortcomings, the UK still boasts one of the most generous pensions systems in the world, but far too few of us possess the knowledge or the confidence required to make the proper use of it.

Surveys like ours only serve to underline that the great majority of us are marching toward poverty in old age with millions far more likely to end up in penury than they realise.

## No girls allowed?

Within this, the pensions industry has done an especially poor job of enfranchising women who, once again in our Wealth Survey, emerge as second-class citizens when it comes to pensions.

As a group, women continue to be the least knowledgeable and least confident when it comes to many aspects of our finances, but pensions stand out (as in previous surveys) as one of the least understood financial products. Only 'stock market investment' is seen as more impenetrable.

This year, just over a third of us (36%) were confident of retiring comfortably, although only 31% of women felt this way. This reflects the fact that the average woman's pension pot (median) is exactly half that of the average man's.



## Confident in a comfortable retirement

Age group	Men	Women
18-24	53%	38%
25-34	49%	38%
35-44	40%	29%
45-54	27%	18%
55-64	36%	27%
65+	44%	35%
<b>Total</b>	<b>41%</b>	<b>31%</b>

## Expecting a chilly retirement

Age group	Men	Women
18-24	20%	26%
25-34	19%	30%
35-44	26%	41%
45-54	38%	47%
55-64	25%	35%
65+	9%	14%
<b>Total</b>	<b>22%</b>	<b>31%</b>

## Number of people who don't know the value of their pension



## The gender pension gap for those aged 65 and over



(based on median findings)

For those aged 65 and over, the gender pensions gap is more of a chasm. Men of this age have over four and a half times more in their pension pots than women of the same age – a massive 79% gap (based on median findings).

Meanwhile, a third of women (33%) and a quarter of men (26%) don't even know the value of their pension.

## Standing on the precipice

Among women, the 45-54 year-old age group stands out: only 18% are confident of a comfortable retirement (47% disagreed with the idea – the highest level in the survey). Tellingly, only 27% of men this age are confident of a comfortable retirement – the lowest score recorded for any male age group.

Even so, we found that, generally, men are much more confident of a financially happy retirement than their female counterparts. We also found that the younger the male, the more confident he is of retiring comfortably.

Among the 18-24 year-olds, 53% were confident of a well-funded dotage – this was the highest score for any group. Male confidence in a comfortable retirement steadily declines over successive cohorts until it craters with the 45-54 year-olds. By then, men are only half as confident of a comfortable retirement (27%) as they were when younger.

Interestingly, male confidence then improves in each of the subsequent age groups. This means that, in statistical terms, there's a positive bias to how confident men feel on this issue, both the further away, and the closer they are, to retirement.

## Comparing apples and pears

Women continue to demonstrate lower levels of confidence and understanding across the board when it comes to investment, protection, banking and loan products.

While men score higher across every category in confidence and understanding, this could easily reflect the group's greater innate confidence levels and an 'evaluation gap' of which sociologists have been aware for decades<sup>1</sup>. Namely, that when evaluating their own skills, women take a modest approach and so tend to underrate themselves. Men, meanwhile, are prone to overestimate their own performance, regardless of the context.

## Making sense of the numbers

The most important takeaway here, is not that men and women have different levels of confidence and understanding when it comes to their finances; it's that levels of financial understanding in this country remain depressingly short of the mark.

Although our respondents showed a high level of confidence and understanding when it comes to bank accounts and credit cards, this is hardly a high bar. When it comes to the products that provide financial resilience and long-term prosperity in later life, the products that can literally be life-changing, such as life insurance and pensions, a worryingly low number of us claim to have a 'good understanding'.

This 'understanding deficit' has created a situation where, even among the most confident males in our survey, barely half of respondents expected to retire comfortably – even after 40 or more years of working full-time!

## The blind leading the blind?

There's little to choose between the sexes when it comes to the odd sources of advice they receive on their pensions, with both sides attributing low single-digits to sources such as partners, parents, friends and children.

What stands out, is that only 10% of us receive professional financial advice on our pensions, despite them being our most important savings vehicle.

For the great majority of working families, their pension savings are their second-most valuable asset after the family home<sup>2</sup>. The problem is that your pension pot needs to be worth a lot more than your home.

<sup>1</sup> Journal of Behavioural and Experimental Economics Dec 2025.

<sup>2</sup> Office of National Statistics Household total wealth study Apr 2020 – Mar 2022.

### A lack of progress: Women's pension pots stagnate from age 25\*

#### Two different journeys:

##### The 'average' man's pension pot

- By the time he reaches 18-24 years of age, the median British man has built a pension pot of **£37,500**.
- This doubles to **£75,000** by the time he enters the 25-34 age group.
- 20 years later, when the median British man hits the 55-64 year-old age bracket, his pension pot jumps to **£175,000**.

##### The 'average' woman's pension pot

- The median British woman also builds up a pension pot of **£37,500** when aged between 18 and 24.
- Unlike her male counterpart, her pension pot doesn't grow as she passes through the older age groups.
- Consequently, the median woman in this year's Wealth Survey arrives at retirement, 40 years later, with just **£37,500** in her pension pot.

\* Based on respondents who knew how much was in their pension.

## Women, pensions and the gender pay gap

According to the latest government figures<sup>3</sup>, the UK gender pay gap has been decreasing slowly over time – in 1997 it stood at 27.5%<sup>4</sup>, meaning that for every £1 paid to the average man, the average woman was paid just over 72p. By April 2025, it stood at 6.9%, down from 7.1% a year previously.

Even so, our survey shows that British women's pensions hit a brick wall at 25 years of age – the median pension pot never grows in value from here (see the blue box inset).

Our survey also showed that for both the 35-44 and the 45-54 cohorts – the 'make or break' decades for building a pension pot – more than double the proportion of women were oblivious to the value of their pension compared to men.

Christine Ross, Head of Private Office (North), follows our annual survey closely. "I think the problem stems from a lack of relevant financial education at school. You can't be confident about a topic without knowledge," says Christine. "There's a vicious circle of poor education, leading to low levels of knowledge, and low confidence. Most people don't know where to look for answers and this has created the so-called 'advice gap'," Christine explains. "This, along with UK governments constantly 'moving the goal posts' on pensions, means that trust in the advice industry is in short supply. For too many people, especially women, the shutters have come down on pensions due to the complexity and costs involved.

"My role as an adviser comes down to creating simplicity from complexity," Christine says. "When you create transparent solutions it immediately empowers clients. Once they can understand their position and they can participate in the decision-making process, their confidence and trust immediately grow."

When asked how the UK might narrow today's yawning gender pensions gap, Christine's advice is clear. "Ultimately, we need women to find ways of engaging with their finances and building up their knowledge."

### Hard truths

According to our experts, current expectations of pension wealth are wildly misguided with whole generations of British workers unknowingly marching toward penury in old age.

Recent figures from the Department for Work and Pensions<sup>5</sup> (DWP) align with this. The DWP suggests that some 15 million are falling short when it comes to saving for retirement, with almost half (45%) of working-age adults in this country still saving nothing toward their pensions.

The government now admits that the current crisis in British pension provision "risks tomorrow's pensioners being poorer than today's"<sup>6</sup>. Consequently, it's re-introduced the Pensions Commission, and tasked it with delivering a new set of recommendations in 2027 to help build a "future-proof pensions system" one that's "strong, fair, and sustainable".

It's 20 years since the last Pension Commission was convened. Its recommendations at the time led to the roll-out of automatic enrolment. Today, the government claims that, thanks to 'auto enrolment', some 89% of eligible UK employees are now saving into a pension<sup>6</sup>.

But as Stephen Cowling explains, that's part of the problem. "Around 10% still opt-out, while about half of those enrolled only make the minimum contribution of 8% of earnings – although definitions of 'salary' vary. Because it's based on banded earnings, actual contribution levels are much closer to 3%. Unfortunately," he says, "this isn't anywhere near what's required to deliver a worthwhile pension pot in retirement.

"Auto enrolment has led to a 'job done' mindset among many. Nothing could be further from the truth," he warns, "it's an obvious crisis waiting in the wings. The government hasn't launched a second Pensions Commission because auto enrolment was such a great success."

**"My role as an adviser comes down to creating simplicity from complexity. When you create transparent solutions it immediately empowers clients. Once they can understand their position and they can participate in the decision-making process, their confidence and trust immediately grow,"**

**Christine Ross**

**Head of Private Office (North)**

<sup>3</sup> Office of National Statistics: Gender pay gap in the UK 2025.

<sup>4</sup> HM Government: The Case for Change.

<sup>5</sup> Department for Work and Pensions 21 July 2025.

<sup>6</sup> Department for Work and Pensions 5 Aug 2025.

03

# That sinking feeling

We're becoming increasingly wary. Levels of apprehension are rising all around.

Average wealth levels have dropped notably. Financial safety nets are perilously thin. Cost-of-living, energy and inflation concerns remain overwhelming. Despite a decade of excellent stock market returns, there's little sign of the so-called 'wealth effect' in today's Britain.

There's also a pressing need to review our retirement plans, thanks to changes in the inheritance tax regime, but there's little trust in evidence between those generations gifting assets, and those receiving.



## Where are we most apprehensive this year?

### Investment decisions



### Pensions



### Mortgages



### Personal loans



**“Unfortunately, we’re genetically pre-disposed to ‘bad’ news. It’s part of our survival instinct to give more credence to bad news than to good. This is why studies<sup>1</sup> show that we feel the pain of investment losses twice as much as the pleasure of investment gains.”**

**Lydia King**

Wealth Business Controls Manager

## Something in the water?

There’s a distinct air of unease in this year’s Wealth Survey results.

According to our findings, we’re growing ever more apprehensive of our finances. This year, a third (33%) of us reported being apprehensive about investment decisions – a major jump from the 26% reported in our 2025 Wealth Survey. Likewise, 26% of us reported pensions anxieties – another significant jump from the 19% reported last year.

Alongside this, mortgage ‘jitters’ jumped from 15% in 2025 to 21% in 2026 (despite four interest-rate cuts), while our apprehension toward personal loans leapt to 20% from just 13% a year ago.

In most instances, women were considerably more concerned than men.

### Top 20: Britain’s biggest financial fears (based on impact to personal finances)

Financial fear	Men	Women	Total
1 Cost-of-living/recession	67%	76%	72%
2 Energy prices	66%	76%	71%
3 Inflation	66%	73%	69%
4 Global economic downturn	59%	59%	59%
5 Geopolitical instability	58%	53%	56%
6 Potential income tax increase	53%	53%	53%
7 Scams and frauds	49%	55%	52%
8 Stock market volatility	41%	35%	48%
9 Impact of care costs in later life	44%	48%	46%
10 Running out of money	36%	43%	40%
11 New inheritance tax on pensions	40%	39%	40%
12 Property market decline	35%	34%	34%
13 Illness or injury preventing work	33%	34%	34%
14 Capital gains tax (CGT) hike	34%	30%	32%
15 Losing job	33%	32%	32%
16 Losing control of family wealth	30%	26%	28%
17 Increased stamp duty on second properties	30%	26%	28%
18 Family disputes	26%	25%	26%
19 Retaining family wealth in the event of divorce	25%	18%	22%
20 Divorce	22%	17%	20%

We found that the value of financial assets (excluding your home) fell this year from the average £197,106 recorded in 2025, to just £183,781 in 2026. Despite stock markets performing well in 2025, we don’t seem to ‘feel’ any wealthier.

On the face of it, this might explain why Britain shows few signs of the ‘wealth effect’, namely the increase in consumption and investment that’s observed when wealth rises (it’s a byproduct of the greater financial security and confidence enjoyed by those who see their wealth rising).

But it’s more nuanced than that. The average man actually saw his net wealth increase over the last year. Meanwhile, the drop in net wealth for the average woman was substantial enough to drag down the national average!

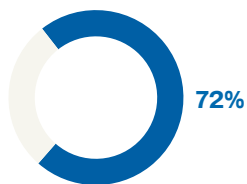
While the average man’s assets rose to £224,928 this year (from £217,988 in 2025), the corresponding woman saw her net assets drop to £142,228 (from £177,019) – a fall of over £34,000 in 12 months.

Consequently, our 2026 Wealth Survey saw the gender wealth gap widen sharply from a year ago.

Types of financial safety net	Men	Women	Total
Rainy day fund	43%	41%	42%
Retirement savings	42%	34%	38%
Emergency fund	39%	35%	37%
Life insurance	27%	22%	25%
No plan in place	16%	24%	20%
Health insurance	18%	13%	15%
Don't know	6%	6%	6%
Disability insurance	4%	2%	3%

### Top three financial concerns

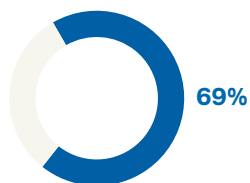
#### Fear of a second cost-of-living crisis



#### Energy price anxiety



#### Dread of inflation



### Living without a safety net

While 20% of us admit to having no financial safety net, a further 6% were forced to answer 'don't know' which, in the case of most financial disasters that come to mind, is another way of saying 'none'.

Worryingly, of those with safety nets, 12% reckon they have just a month or less of expenses set aside. Only 12% estimate their current arrangements would keep the roof over their heads for up to three months, with just 16% of us having up to six months of breathing room before the proverbial 'wolf' is at the door.

Meanwhile, only 25% of us have any kind of life insurance – one of the best safety nets in many financial crises – even though only 26% say they *haven't* experienced a situation that creates financial vulnerability.

Women are most at risk. The two highest-risk cohorts are women aged 18-24 and 45-54; 31% of these demographics confessed to living from one payday to the next (with 12% of the younger group answering 'don't know'). By contrast, the most 'at risk' male cohort is the 45-54 age group where 23% have no such buffer in place.

### Our top 20 financial fears

As our table (page 12) shows, women are habitually more worried than men when it comes to our finances. This might provide a partial explanation for why female wealth has retreated: namely, this year's figures could represent a more pessimistic female frame of mind when it comes to estimating the value of their assets.

As Lydia King, Wealth Business Controls Manager observes, "Unfortunately, we're genetically pre-disposed to 'bad' news. It's part of our survival instinct to give more credence to bad news than to good. This is why studies<sup>1</sup> show that we feel the 'pain' of investment losses twice as much as the 'pleasure' of investment gains.

"My sense is that, coming hard on the heels of the isolation of lockdown, which left a great many Britons feeling lonely, let down and drained of their resilience, the brutal cost-of-living crisis that followed, which saw 14 UK interest-rate increases in less than two years while food and energy prices were soaring, has left many of us – especially women – feeling shell-shocked when it comes to our finances."

### Night terrors: a top three

Indeed, cost-of-living, energy and inflation concerns dominate our financial nightmares: 72% fear a second cost-of-living crisis; 71% fear another bout of rising energy prices; with 69% dreading inflation. It's worth noting that our research was undertaken in early January 2026. With the outbreak of the Iran war at the end of February 2026, these fears came home to roost.

As Stephen Cowling opines on our findings, "The worst of the cost-of-living crisis is behind us now as a country," he says, "UK inflation peaked way back in October 2022 [at 11.1%] but it's still uppermost in our minds. The cost of living in the UK has been reset at a higher level," he explains, "but the transition has effectively traumatised many.

"There are millions of middle-aged Britons who had never experienced interest rates above 1% or inflation above 2%. The post-lockdown inflation pulse coupled with the Ukraine war taught British households just how vulnerable our country is to energy and inflation shocks," he says, "it's a lesson they haven't forgotten."

At the time of writing, early media polls suggested that the war on Iran had already seen British households tightening their belts to steel themselves for a second cost-of-living crisis.

### The generation gap

Somewhat counterintuitively, only 56% of parents in this year's survey said they liked being able to see their children or grandchildren enjoy the money they gift. Only 53% thought their descendants capable of spending the money wisely, while just a third thought their kids would look after them when they need it, even if they were to gift them money!

<sup>1</sup> Prospect Theory: Daniel Kahneman and Amos Tversky 1979. The phenomenon is known as 'loss aversion' see The Decision Lab.

## Who's most concerned about 40% inheritance tax on pension assets?

### Men aged 35-44



51%

### Men and women aged 25-34



47%

In keeping with this, the arrival of 40% inheritance tax (IHT) on pension assets (and death benefits) is far more of a concern for those inheriting, than it is for those now in retirement.

We found that men aged 35-44 were the most concerned by this (51%), closely followed by both men and women in the 25-34 age group (47%). Meanwhile, only 35% of men, and 28% of women, aged 65 and over listed this as a concern. Clearly, inheritance-tax planning remains a thorny issue with a significant divide between those gifting and those receiving.

A quarter of us (25%) fret about conflicts arising from our gifting decisions while 21% worry it can lead to family wealth being lost outside of the family. A concern that's exacerbated for those with assets of over £100K (32%). This lack of trust between generations highlights the difficulties that many advisers face when dealing with complex estate-planning cases.

## Creeping suspicions

The UK's much-feared 'tax creep' is also threatening the wealth of many families, increasing the need for professional advice. For example, millions more retirees now pay income tax than four years ago, with over a million UK pensioners now paying higher (40%) or additional-rate (45%) income tax – this figure has doubled in four years due to frozen tax thresholds (so-called 'fiscal drag') and rising state pensions.

It's forecast that by 2031, over 1.5 million UK pensioners will have been snared<sup>2</sup>. Those entering the higher and additional-rate bands will also find themselves facing additional tax bills on their savings income and capital gains.

## Tectonic shifts in the pensions landscape

As Mark Collins, Head of Tax, explains, "Our clients are only too aware of the UK 'tax creep'. Having ruled out rises in the three main taxes, the government has turned its attention to pensions and ISAs, inheritances, capital gains and savings, to raise much-needed revenue."

Today's increased financial pressures are echoed in the higher levels of apprehension seen among our survey respondents this year. "The pressure has been building steadily," he says, "and it's left Britain with one of the heaviest tax burdens in the developed world.

"Inheritance tax is often portrayed as a levy on the wealthy, yet it raises relatively modest sums. The decision to bring pensions into the IHT net from April 2027 is a genuine sea change; one that's set to reshape the face of financial planning," he warns.

This is because in the hierarchy of financial planning, pensions were previously sacrosanct.

"For years, pensions have been the last asset people touch because they're an IHT-efficient tax wrapper. From 2027, that logic is turned on its head," Mark observes.

This means that most British families will now need to update their retirement plans, or risk losing a significant slice of their wealth to the taxman.

As Mark explains, "Many will be better off drawing pension assets earlier, making full use of gifting rules and potentially exempt transfers, and moving funds into other efficient structures."

It's no coincidence that the Association of British Insurers (ABI) reported a significant jump in annuity purchases last year as the first wave of this great 'unpensioning' got underway<sup>3</sup>.

"We're already seeing increased lifetime gifting and demand for life policies held in trust to manage IHT exposure," Mark says, "offshore bonds are also seeing renewed interest as a tax-efficient way to manage investments – thanks to the dividend and capital gains tax (CGT) allowances being eroded, and a hike in CGT.

"The UK tax system has rarely been this complex or this fast-moving; our tax burden is rising through policy drift and frozen thresholds. In this environment, disciplined, proactive planning is essential. Bringing simplicity to complexity has never mattered more," he says.

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**"Inheritance tax is often portrayed as a levy on the wealthy, yet it raises relatively modest sums. The decision to bring pensions into the IHT net from April 2027 is a genuine sea change; one that's set to reshape the face of financial planning."**

**Mark Collins**  
Head of Tax

<sup>2</sup> The Office of Budget Responsibility (OBR) 3 March 2026.

<sup>3</sup> Association of British Insurers (ABI) February 2026.

04

# “The secret of getting ahead is getting started\*”

\* Mark Twain

The gulf between the average household and professional financial advice continues to grow; we remain hopelessly underinvested while women continue to stand out as woefully disenfranchised.



Top sources of financial advice	
Personal finance websites	38%
Family	28%
No advice	24%
Financial adviser	20%
Government websites	19%
Friends & colleagues	18%
Independent research	15%
Newspapers & online	14%
Social media	10%
TV & radio	10%
Podcasts	9%
AI assistants	9%

By far the majority of us don't interact with a financial adviser. This is probably because most of us feel we can't afford one.

The advent of fee-based advice as a result of the FSA's<sup>1</sup> Retail Distribution Review (RDR), which introduced new regulations way back in 2012, may have removed the conflicts inherent to commission-based advice, reduced the number of mis-selling scandals, and improved the professional standing of today's advisers, but it also made financial advice too expensive for most households.

Flash forward to 2026, and financial advisers now come a poor third behind personal finance websites, and family, as a source of financial advice, with a quarter of the country still happy to go it alone.

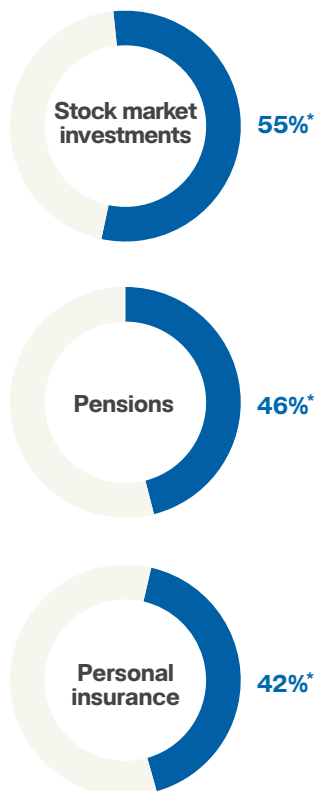
As our Wealth Survey shows, this has led to parlous pension and investment knowledge, which in turn has enabled our national obsession with cash and property investment. As a nation, it would be generous to characterise our level of understanding on financial products as 'mediocre'.

The products where we have the lowest levels of understanding are stock market investments – where 55% reported limited or no understanding – pensions (46%) and personal insurance products (42%).

Levels of understanding were lowest among women. As a group, they reported significantly lower levels of understanding on all financial products except bank accounts; the one area they reported the same level of understanding as men.

With such low levels of engagement, it's little wonder that the average Briton cowers at the prospect of stock market investment and remains significantly underinvested compared to their foreign peers. Meanwhile, this 'understanding gap' continues to power both the wealth and pensions 'gender gaps', the 'generation gap', and the hopeless optimism that AI might provide the answer.

### The products with the lowest levels of understanding



\*Limited or no understanding

### Between a rock and a hard place...

Lucy Allington is a Client Director, responsible for Devon, Cornwall and Somerset. Lucy has seen the financial planning sector of old, evolve into today's wealth management industry.

"Advice has become so much less accessible than it was in the days of roving regional sales teams. High-street banks have mostly withdrawn from the advice space," she says, "meaning that two generations have slipped between the cracks. There's little sense in a small investor, with £50 a month to invest, paying adviser fees that might equal their first three years of contributions," she points out.

"The industry is caught between two stools," Lucy observes, "there's a great number of Britons who can't afford financial advice while many marginal households, that would benefit from having a long-term financial plan in place, are put off by the headlines in the national press, and by the 'echo chamber' of social media.

"Unfortunately," she laments, "in today's 'attention economy' there's limited currency in a story about an adviser who quietly helps 500 families to improve their financial resilience and tax efficiency, and to build their pensions and investment wealth. Even though that wealth then funds school and university fees for generations of children; it pays for their weddings; their first-house purchases; hundreds of family holidays, hospital stays, and other family emergencies; and often funds new business launches.

"There's no obvious channel for positive reinforcement. Pensions and investments don't draw many likes on social media," Lucy observes. "At the same time, we're still dealing with the older generational models, where men dealt with the 'finances' and we didn't like to talk about money. This means there are no role models out there for younger generations, especially women. This will take decades to shake out," she says.

<sup>1</sup> The Financial Services Authority (FSA) preceded the Financial Conduct Authority (FCA) as industry regulator.

**Britain's recent savings habits**

- The long-term average (1955 to 2025) for the UK Household Saving Rate (HSR) is 7.83%.
- Between 2014 and 2019, the UK HSR fluctuated at historically low levels of between 4.5% and 7%.
- It dropped to 9.5% in the third quarter of 2025 from 10.2% in the previous quarter.
- The UK HSR hit an all-time high of 27.5% in the second quarter of 2020 thanks to the pandemic.
- Its record low (-0.9%) was way back in 1958.

Source: Office for National Statistics

**Failing to measure up**

According to our findings, the financial services industry is doing a poor job of supporting its customers, keeping them informed, and providing its products and services at 'fair value'.

Only 36% agreed that customer support was worthy of the name; just 39% agreed that the information provided was timely and clear (supporting good financial decision-making); with only 38% agreeing that products were offered at 'fair value'.

More tellingly, only 36% agreed that financial services companies don't try to push 'products or services I don't need'. That said, only 14% disagreed.

Among the biggest responses was 'neither agree nor disagree' (37%), with 9% in the 'don't know' camp – showing how difficult we find it to even offer an opinion on the financial services we receive.

**Left out in the cold**

Women consistently reported lower levels of satisfaction across all areas, reinforcing the need for greater inclusion and engagement while further underlining what a lousy job the industry's done in enfranchising women of all ages.

The most consistently disenfranchised groups of them all are women in the 55-64 cohort, and the 65 plus age group. They offered the lowest scores across all areas. This naturally corresponds with those cohorts who reported the lowest levels of financial understanding.

**Problems at school**

More than half of us (54%) stated that we received a poor education in managing money while at school. However, almost a quarter of us (24%) either couldn't decide if we had or not, or believed the question wasn't applicable. Even so, only 21% agreed with the statement: 'I'm naturally bad at managing my money'.

Considering the massive shortfalls in our financial safety nets and our pension savings, and our over-reliance on cash investing and the UK property market (we currently have some £360bn<sup>2</sup> stowing in cash ISAs and another £2trn on deposit<sup>3</sup>), this finding suggests a financial education so poor that it's failed to register.

**Where's worst?**

Regional variations also emerged in attitudes towards financial education and confidence. This might well reflect the regional differences in the cost-of-living across the UK, rather than any broader educational issues. There may also be a hint of regional cultural differences.

Consequently, we found that 36% of Londoners thought they'd received a good education on managing money at school – more than twice the number in regions like Northern Ireland and the South East.

Conversely, people in Northern Ireland regard themselves as having received a far worse financial education at school than any other regional group. Meanwhile, they also think of themselves as being by far the best when it comes to managing their money: 68% of respondents from Northern Ireland thought they'd received a poor financial education at school, but only 12% agreed that they were 'naturally bad at managing money'. Londoners, on the other hand, are the most likely to question their ability to manage money.

**Under educated and underinvested**

One consequence of receiving such a poor financial education, lacking financial confidence, and being unable to access professional advice, is the scarcity of financial safety nets; another is our pitifully low exposure to stock markets.

Britain is famous for its reluctance to invest in stock markets, both at home and overseas: 33% of us reported being apprehensive of the stock market. Consequently, it's estimated that the average British household has barely half the level of stock market investment seen across Europe, and less than a third the levels seen in the US. At the end of 2025, it was estimated that US households held 52% of their wealth in shares, compared to 30% for EU households, 20% for Japan and just 15% in the UK<sup>4</sup>.

**Who believes they received a poor financial education?**

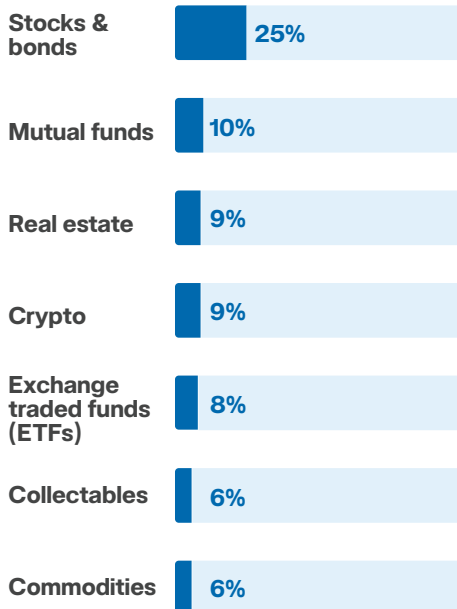
Age group	Men	Women
18-24 years	35%	37%
25-34 years	35%	41%
35-44 years	33%	56%
45-54 years	53%	65%
55-64 years	61%	65%
65 years +	68%	65%
<b>Total</b>	<b>50%</b>	<b>57%</b>

<sup>2</sup> HMRC Annual Savings Statistics Sep 2025.

<sup>3</sup> Bank of England Money and Credit Report Jul 2025.

<sup>4</sup> Financial Times 15 December 2025.

### What investments do we hold? (outside of pensions)



**“Despite the short-term volatility, stock market investments have an excellent track record of beating inflation and improving your buying power over time.”**

**Lucy Allington**  
Client Director

This means that while over 60% of Americans invest in the stock market, just one in four Britons do likewise, while around a third of Europeans hold stocks.

Our findings are exactly in line with this: only 25% of this year’s Wealth Survey respondents hold shares and bonds – split 33% men to 15% women.

Meanwhile, the median value of stock market holdings is only £8,750 for men and £4,500 for women. This tallies with recent industry estimates suggesting that while more than 22 million of us now hold an ISA (individual savings account), two thirds of these are dedicated to holding cash. Meanwhile, Bank of England figures suggest that by December of 2025, we held £276bn in non-interest-bearing accounts.

“This is a prescription for failure,” warns Lucy Allington. “Over the long term, the greatest threat to capital isn’t stock market volatility, it’s inflation.”

### The secret enemy

A simple illustration shows that by the end of January 2026, what was £10,000 worth of goods at the start of the century, cost £19,181<sup>5</sup>. Thanks to average annual UK inflation of just 2.54% over the period, the buying power of £10,000 had virtually halved.

“This underlines why Britons need to get the stock-market habit,” Lucy says, “as despite the short-term volatility, stock market investments have an excellent track record of beating inflation and improving your buying power over time.”

Lydia King agrees. “For most of our clients, regardless of gender, it’s the stock market that has generated lasting wealth for them and their families. Unfortunately, many households are put off by today’s copious risk warnings. As a result, I think the concept of ‘risk’ has been mis-sold.

“The real risk isn’t that stock markets fluctuate over time; it’s that if you don’t take enough ‘investment risk’, inflation will destroy your savings. With people living longer these days,” she says, “you either put more of your savings to work in the stock market, or you get used to the idea that you’ll be working well into your golden years.”

### Getting started

While the challenges highlighted in this year’s findings are significant, they also point the way toward potential remedies.

Improving financial education in schools and increasing access to advice and guidance, by better tailoring content for today’s kaleidoscope of different audiences and media channels, would be welcome first steps. As would encouraging earlier engagement with stock market investment by making better use of junior ISAs and self-invested pensions (known as junior SIPP) to empower and engage our children and grandchildren.

Not only do such products offer a means to bridge the generation gap, and to engage young minds in the business of regular investment, they also offer an elegant solution to the problem now facing millions of British retirees. Namely, that their once impervious pension savings become vulnerable to 40% inheritance tax in under a year’s time.

### Our key messages

When it comes to the key messages from this year’s survey, our experts all agree, it’s getting started that matters most. The earlier we start to engage with our finances, the better our long-term financial outcomes will be.

The first step toward building trust and long-term financial resilience is always to replace complexity with simplicity. Once you’ve done that, consistent, simple steps – even if small – will make a meaningful difference to your financial well-being over time.

<sup>5</sup> Bank of England Inflation Calculator.

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