
FCA Retirement income data - annuity market data

— FCA Retirement income market data —
April 2018 - March 2025

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Introduction

FCA - Retirement income market data

The FCA typically publish their Retirement income market data every year (typically between September and December). Each time the FCA publishes new data, I will endeavour to update this document as quickly as possible. This pack covers data from April 2018 to March 2025. A few general points of note concerning the FCA data:

- The FCA data refers to “pots” and “purchases” and not people
- I believe “pots” and “purchases” actually equate to a single annuity purchase and not, the number of individual pots being used to purchase an annuity. In my experience, on average, more than one pot is used per annuity purchase
- Any annuity quotations mentioned within the pack were achieved using a publicly available annuity portal in September 2025
- This document is something I have created as an individual. If you have any questions, feedback or spot any errors, please do let me know using mark.ormston@retirementline.co.uk or message me on any of my socials

Thank you and enjoy!

Report highlights

Report highlights

Key takeaways

The below points are what I believe to be some of the key takeaways from the data presented in this document.

- Although the annuity market has grown in recent reporting periods, the market has remained stable in line with the overall percentage of pots being accessed, with annuity purchases equating to around 9% of total pots being accessed for the first time
- Recent reporting periods have shown a substantial drop in annuity purchases with pot sizes of less than £10,000. From a peak of 27% of all annuity purchases in the 2021/22 reporting period, this banding has reduced to just 9% in the most recent reporting periods
- Using the total of annuity purchases and the total funds used we achieve an average annuity purchase price of around £76,640 for the latest reporting period
- Annuities purchased away from the existing provider is at its largest percentage since the FCA started producing this data. This will be seen as a positive sign for the open market
- In the latest reporting period, there was a drop in annuities purchased through regulated advice down from 32% to 29% and less than half of all annuity purchases (43% in total) received regulated advice or spoke with Pension Wise before the annuity was arranged
- There was a drop in the use of guaranteed periods in the latest reporting period and a very slight increase in the use of Value Protection. This is interesting to note due to slightly longer guarantee periods (around 12 years) can offer the same (if not higher) capital protection and a higher annual income payment (in general/most cases)

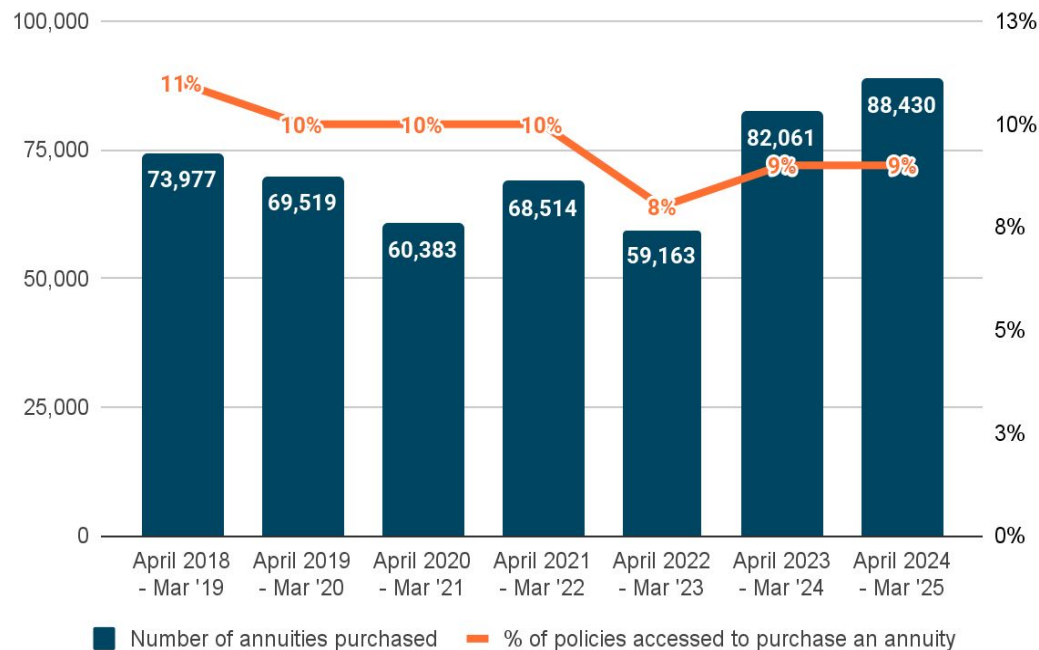
Size of the annuity market

Size of the Annuity market

How many annuities have been purchased?

Annuity purchases continue to feature in the bottom half of the pension access table, sitting behind full cash withdrawals and drawdown.

As can be seen, the latest reporting period saw another increase in the number annuities being purchased. This is largely expected, as annuity rates have been at their highest point for some time. With this said, as an overall percentage of pension accessed the take up of annuities remained static at 9%.



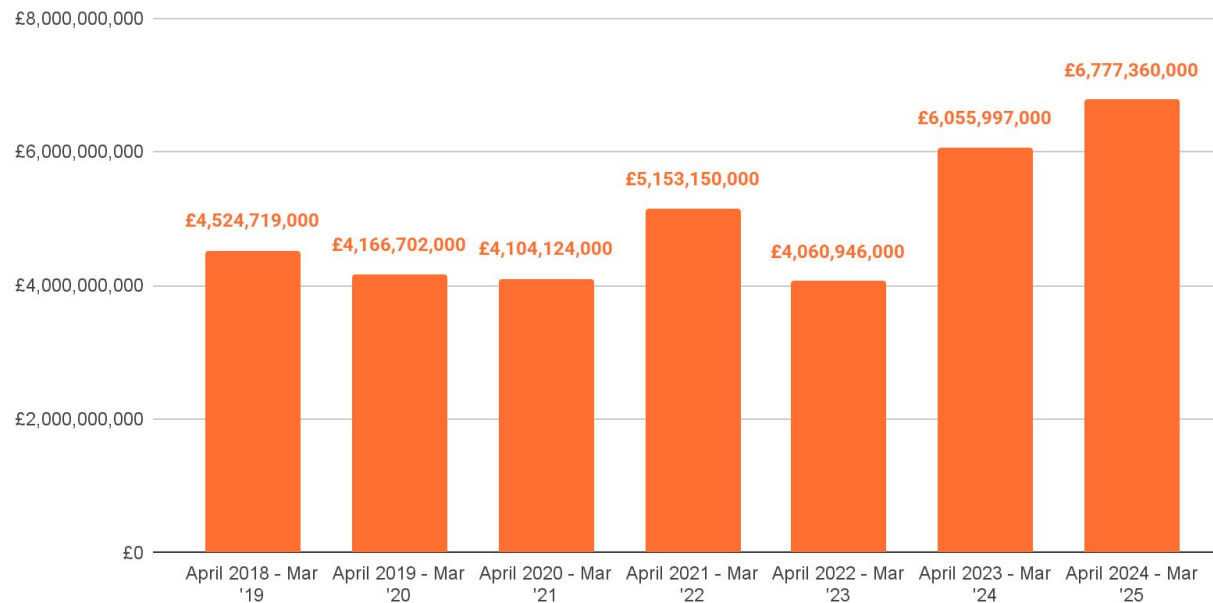
Size of the Annuity market

Total amount of funds being used to purchase an annuity

This graph shows the FCA data for “Assets Under Administration” (AUA). In essence, the total amount of funds used for each reporting year equated to annuity purchases.

As can be seen in the graph, the latest reporting period saw a noticeable increase of over 10%.

This data combined with the data on the previous page equates to the average annuity purchasing being around £76,640.



Age at purchase

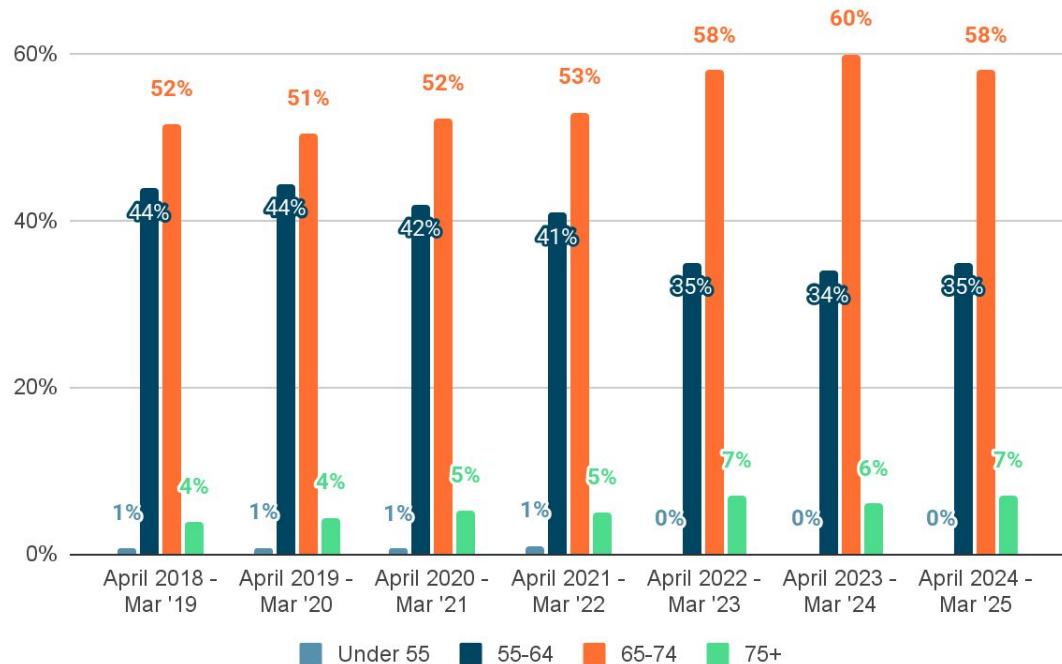
Age at purchase

At what age are people purchasing annuities?

The FCA's age bandings are fairly wide and include a section for under 55-year-olds which, as you would expect make up less than 1% of all annuities purchased.

The highest number of annuities were purchased by people aged between 65-74, with over 90% of annuities being purchased by people aged 55 - 74.

With some 'flex first, fix later' pension income journeys starting to be offered, it will be interesting to watch for any future growth in the 75+ age banding.



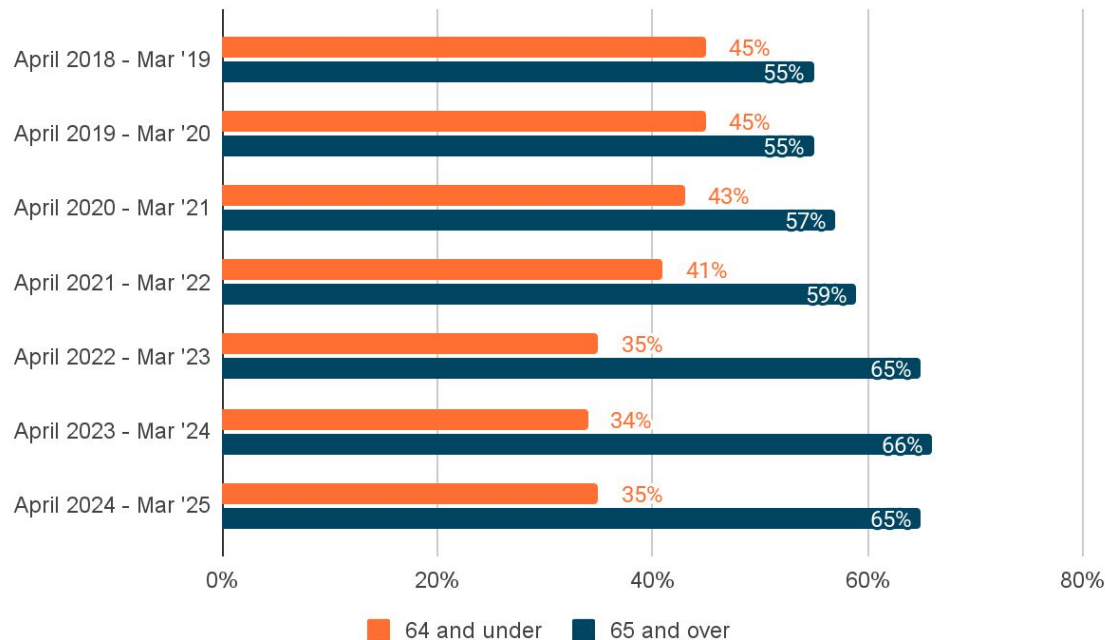
Age at purchase

At what age are people purchasing annuities?

This chart shows the percentage split between those who purchased an annuity at the age of 64 and under and those aged 65+.

As can be seen, this latest reporting period was the first where there wasn't an increase in annuity purchases by those aged 65+ (albeit it was only a 1% difference).

I suspect this was largely annuity rate driven, resulting in annuities being purchased earlier than originally planned due to the competitive rates on offer.



Annuity pot sizes

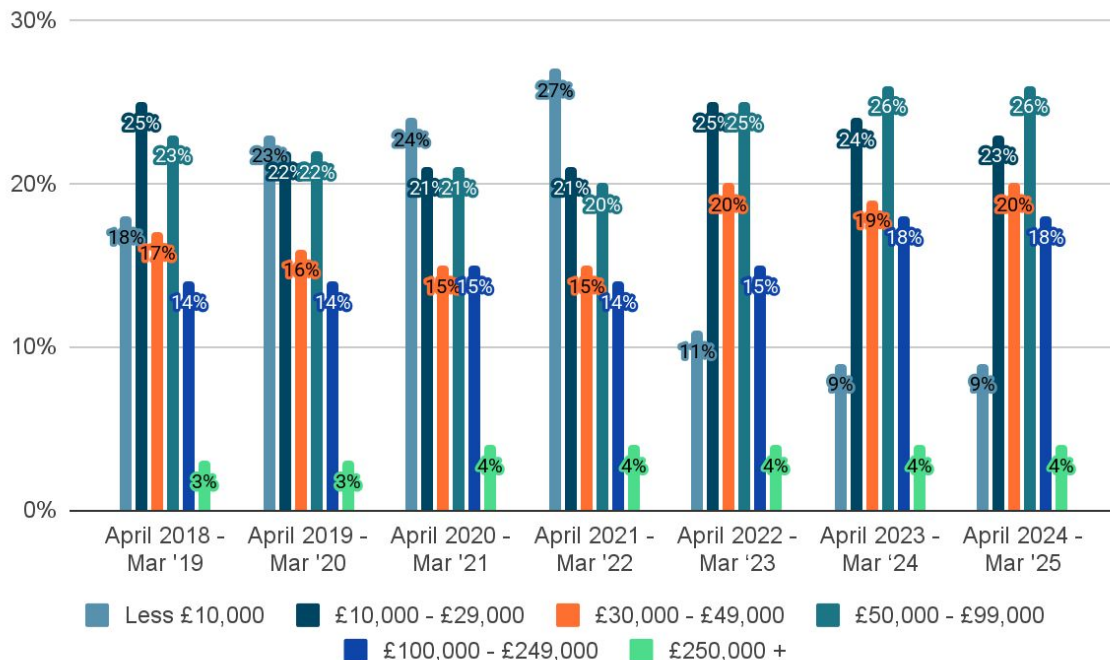
Annuity pot sizes

A noticeable drop in small pots

In the last few reporting periods, the number of purchases with pots of less than £10,000 has dropped significantly.

In the 2021/22 reporting period pot sizes of less than £10,000 equated to 27% of all annuity purchases. In the latest reporting periods, this band equated to only 9% of all annuity purchases.

The latest reporting period is incredibly similar to the last, with only a 1% difference between the £10,000 - £29,000 and the £30,000 - £49,000 fund bandings.

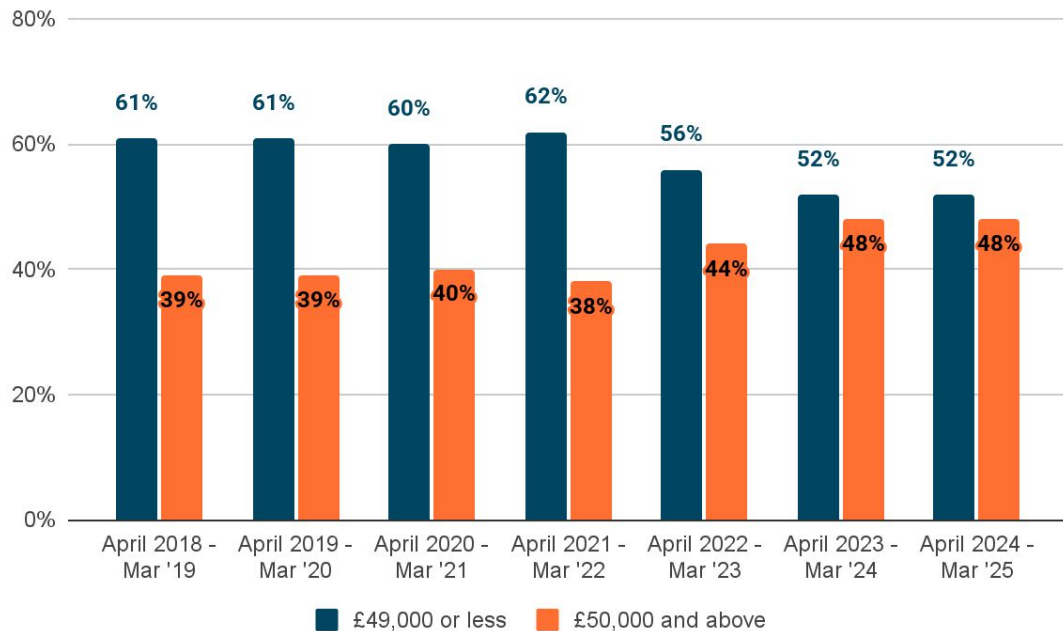


Annuity pot sizes

A noticeable drop in small pots

As the last graph was rather 'busy', I have put together this graph which shows how many pots of £49,000 or less were used to purchase an annuity.

I believe this graph more clearly shows a general trend of more annuity purchases with pot sizes of £50,000 or above over the reporting periods. However, annuity purchases of £49,000 or less still make up the majority (just!).



Annuity sources

Annuity sources

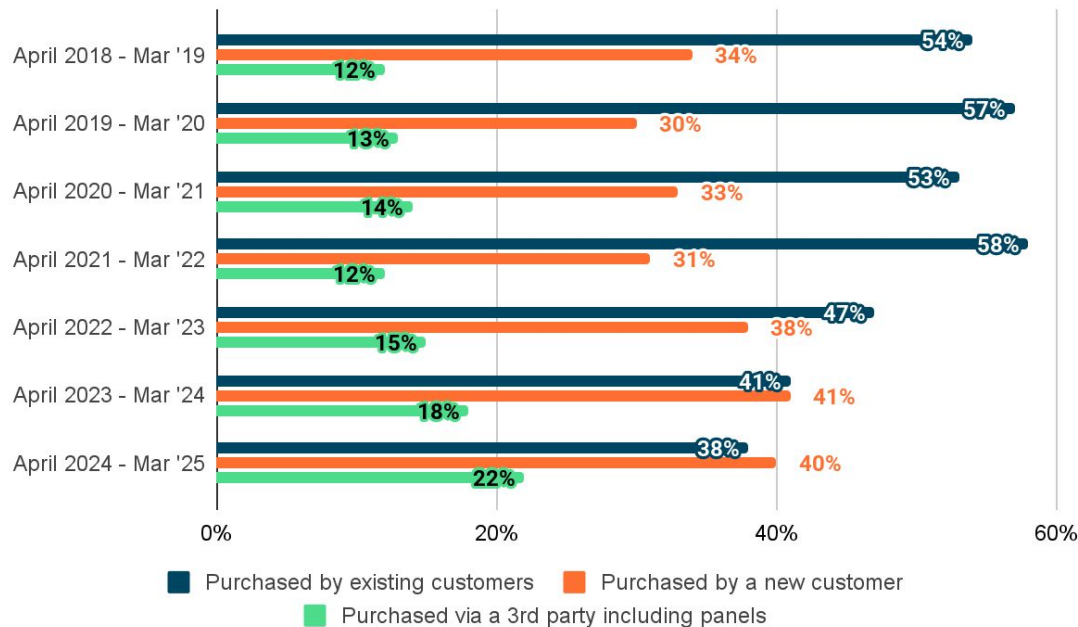
Where have people purchased their annuities?

The FCA data splits annuity sources into three categories:

- Annuities purchased by existing customers (from the incumbent pension provider)
- Annuities sold via 3rd parties (such as panels)
- Annuities sold to new customers (people going directly to an annuity provider)

This graph shows the breakdown between these three categories. As can be seen, until the last reporting period, annuities purchased from the existing provider was the largest category.

The last couple of reporting periods will be seen as a positive sign for the open market and people shopping around for the best annuity rates.



Annuity sources

Pot size matters

Unsurprising, pot size mattered. There is a difference between those who purchased an annuity with a pot size of £49,000 or less and those with a pot size of £50,000 or more.

In last couple of reporting periods, for those with a pot size of £49,000 or less, it has been fairly equal weather they purchased their annuity from their existing provider or not. However, in this latest reporting period, we can see a bigger shift to external purchases.

As can be seen, those with a pot size of £50,000 or more have been more likely to purchase an annuity externally.

	Pot size of £49,000 or less		Pot size of £50,000 or more	
	Purchased by existing customers	Purchased externally	Purchased by existing customers	Purchased externally
April 2018 - Mar '19	55%	45%	54%	46%
April 2019 - Mar '20	59%	41%	54%	46%
April 2020 - Mar '21	56%	44%	49%	51%
April 2021 - Mar '22	63%	37%	49%	51%
April 2022 - Mar '23	50%	50%	44%	56%
April 2023 - Mar '24	49%	51%	33%	67%
April 2024 - Mar '25	45%	55%	32%	68%

Annuity options

Annuity options

This section focuses on some of the key annuity decisions and options selected with an annuity purchase such as:

- single life vs joint life
- level payments vs increasing payments
- inclusion of capital protection/value protection

Understandably, all of the FCA's data on the annuity options are at a high level. However, with this said, the data still provides a good indication of which annuity options are being opted for over the reporting periods.

A note about guarantee periods

Due to the data being at a high level and knowing at least one annuity provider offers a one year guarantee period as standard, it can make this option a little more difficult to come to any conclusions.

Annuity options

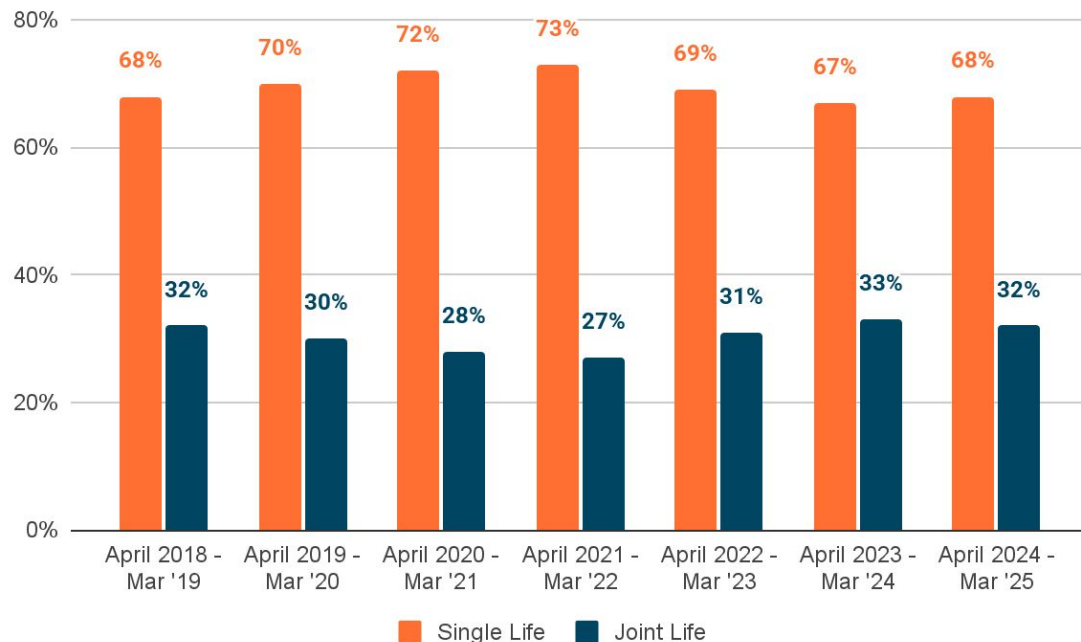
Single life or joint life annuity?

A single life or joint life annuity is typically one of the first annuity quote shaping decisions most people make when obtaining an annuity quotation.

The graph opposite clearly shows that most annuities are purchased on a single life basis.

The latest reporting period continues a trend of some stability within this option, with the last few reporting periods showing around a third of annuities have included the joint life option.

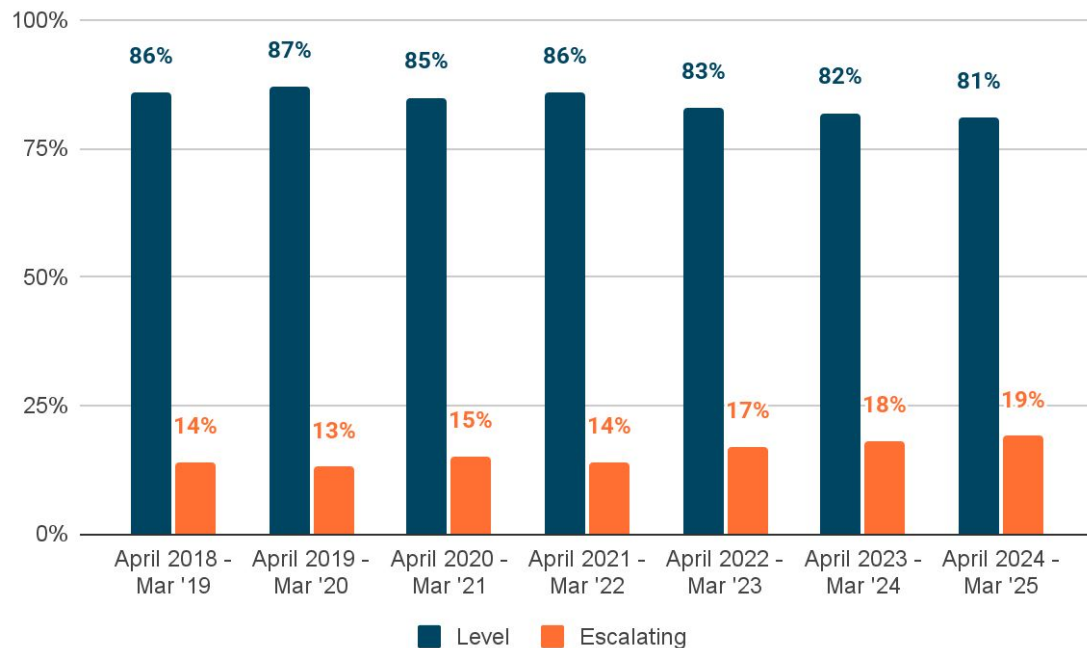
With changes in IHT expected from April 2027, there is some expectation that interest in joint life annuities may increase.



Annuity options

Level or escalating annuity payments?

Level annuity payments are overwhelmingly selected over escalating annuity payments. With this said, with annuity rates being competitive and many consumers being aware of the higher inflationary period we are living in, there has been a slight increase in the number of annuities being purchased with escalating annuity payments.



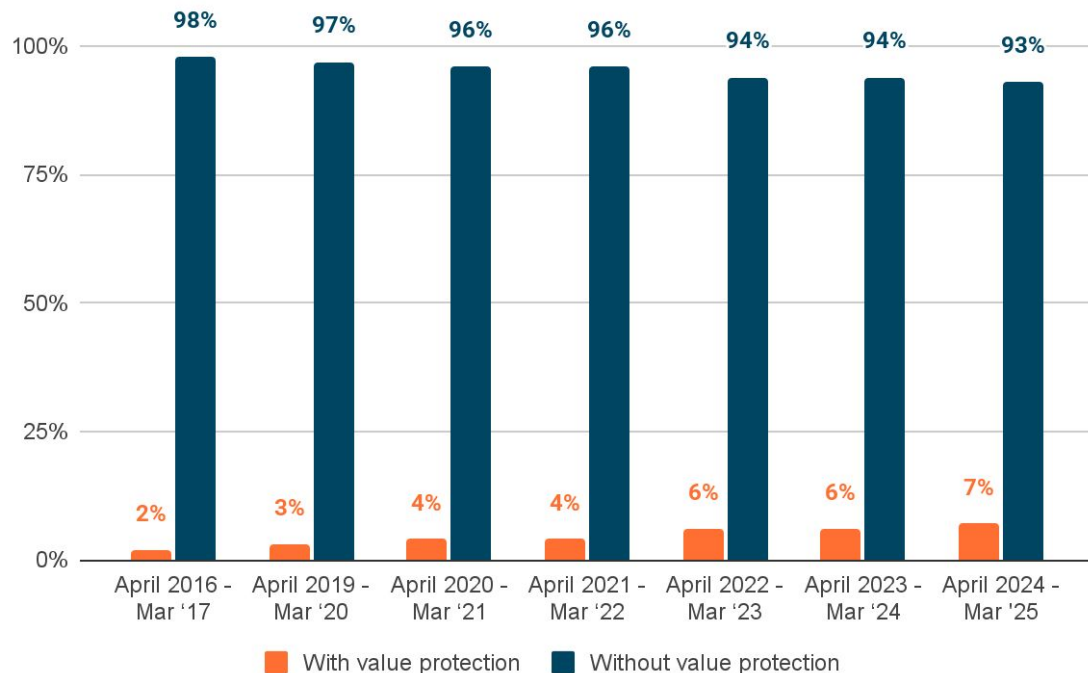
Annuity options

To capital protect or not to capital protect?

The next annuity option is capital/value protection.

Out of all the FCA annuity shaping options data, this option has the smallest take-up. With this said, there has been general increase throughout the reporting periods.

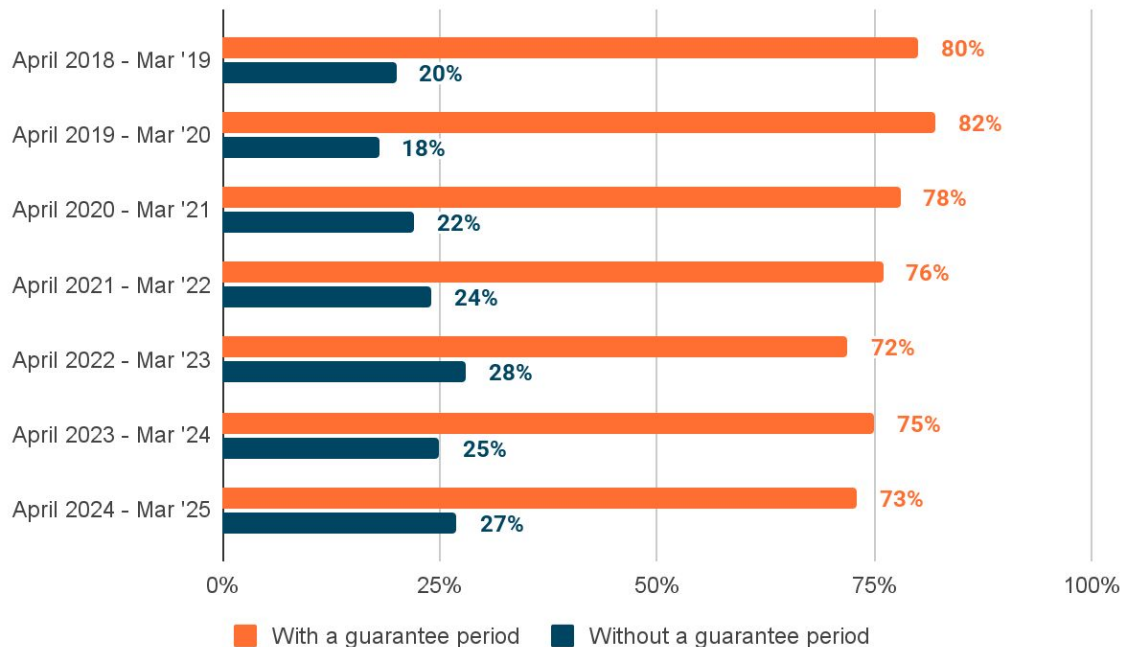
With annuity rates being so competitive, longer length guarantee periods can often achieve similar results as Value Protection and be more cost-effective.



Annuity options

Guarantee periods

As mentioned within the introduction of this section, the guarantee period data can be difficult to draw any solid conclusions from. However, what I believe can be said with a high degree of confidence, is that this is the most commonly selected annuity option.



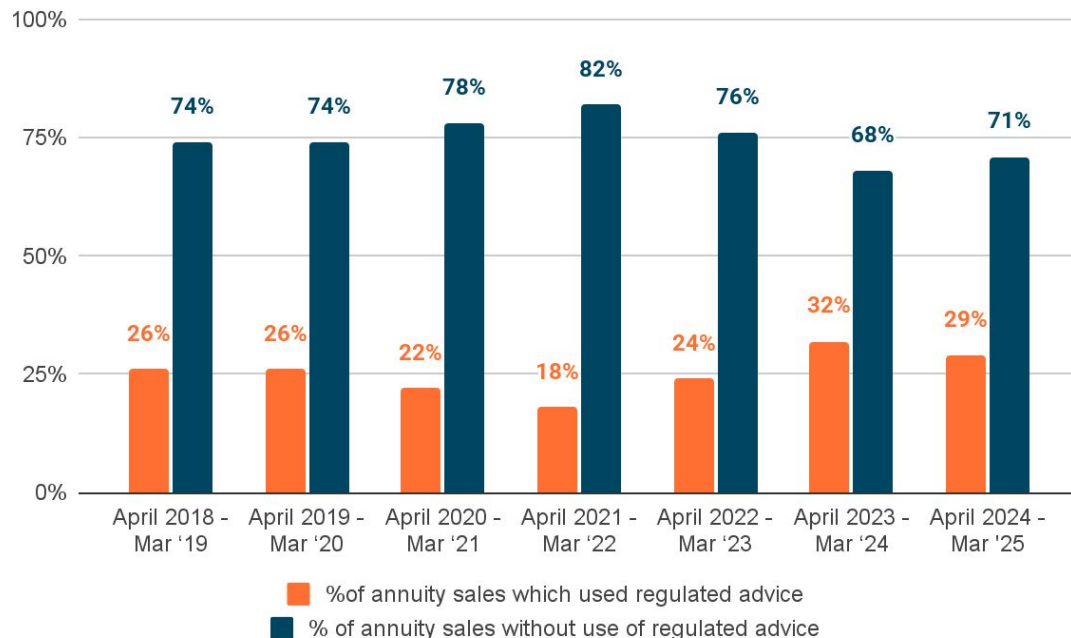
Advice & Pension Wise guidance

Advice and Pension Wise guidance

The use of regulated advice

After the 2023/24 reporting period showed the highest percentage of annuities purchased through regulated advice since the FCA started publishing this data. The latest reporting period shows a reduction in annuities being purchased through regulated advice. Although at 29%, this is the second highest data point shown.

With annuity rates remaining competitive, it feels likely that future reporting periods will show the number of annuity purchases through regulated advice will remain at a similar level or potentially increase.

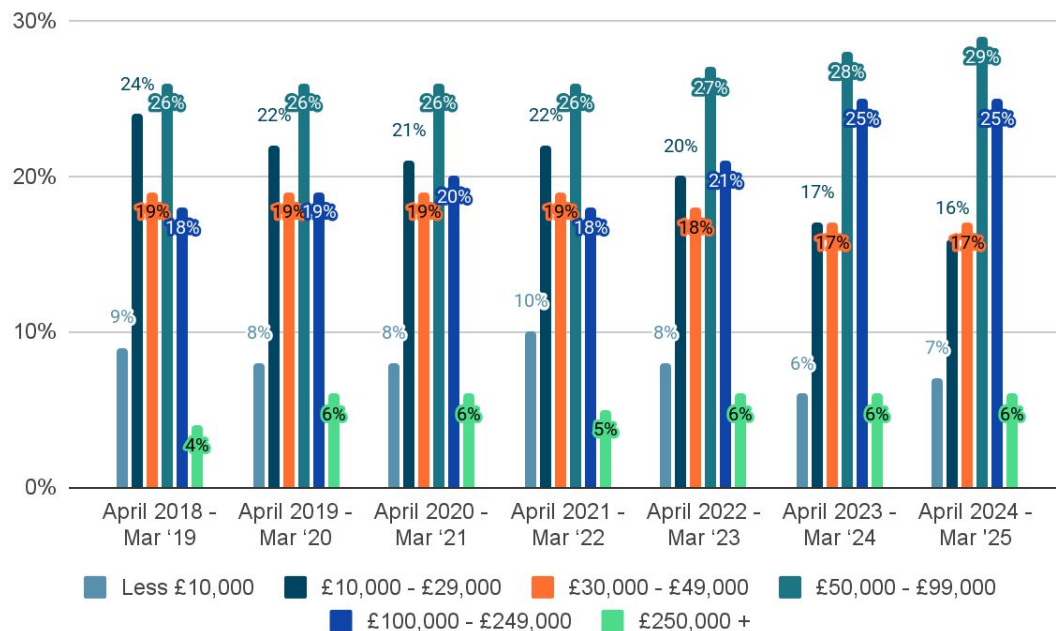


Advice and Pension Wise guidance

The use of regulated advice by pot size

This graph shows annuity purchases through regulated advice by pot size.

The lowest use of regulated advice to purchase an annuity is seen in the largest pot size banding of £250,000+ this has remained consistent across all reporting periods and pot sizes of £50,000 - £99,000 remains the most common pot size being used to purchase an annuity through regulated advice.

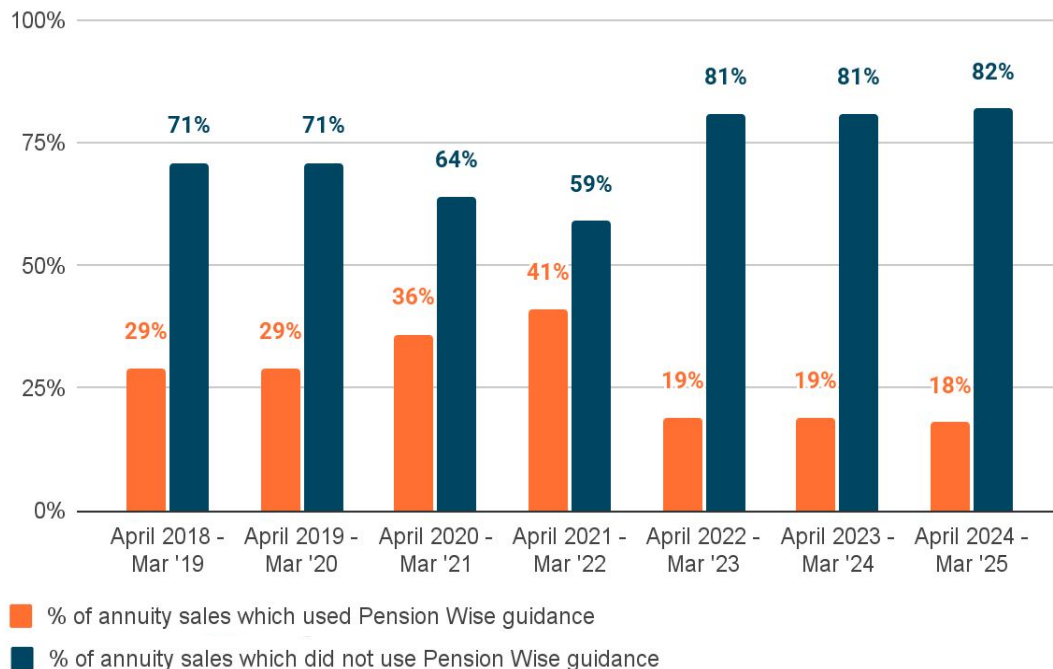


Advice and Pension Wise guidance

The use of Pension Wise guidance

This graph shows the percentage of annuity purchases after use of the Pension Wise service.

Somewhat surprisingly, annuity purchases after the use of Pension Wise has dropped dramatically in the 2022/23 reporting period and remained fairly static since.



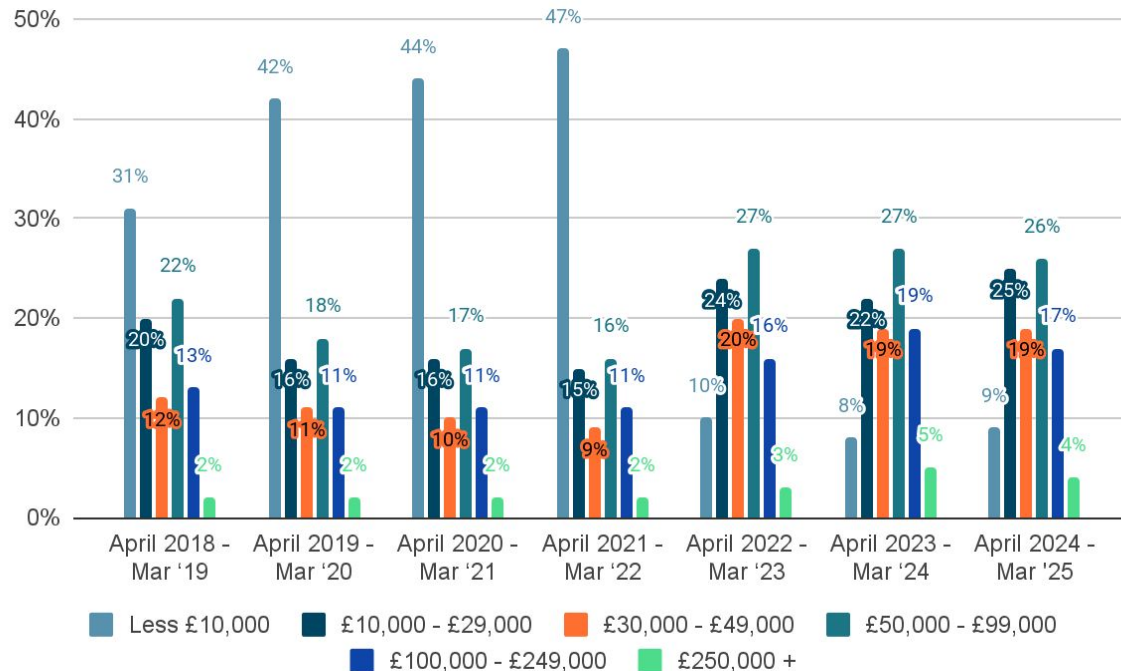
Advice and Pension Wise guidance

The use of Pension Wise guidance by pot size

This graph provides a breakdown of annuity purchases after the use of Pension Wise by pot size.

Potentially linked to big drop on the previous page. This chart shows a substantial drop in the number of annuities being purchased with a pot size of less than £10,000 after speaking to Pension Wise.

In the reporting period 2021/22, 47% of annuities purchased were with pot sizes of less than £10,000 after speaking to Pension Wise. In the latest reporting periods, this banding has equated to under 10% of all the annuity purchases after using the service.



Advice and Pension Wise guidance

The potential 60% target

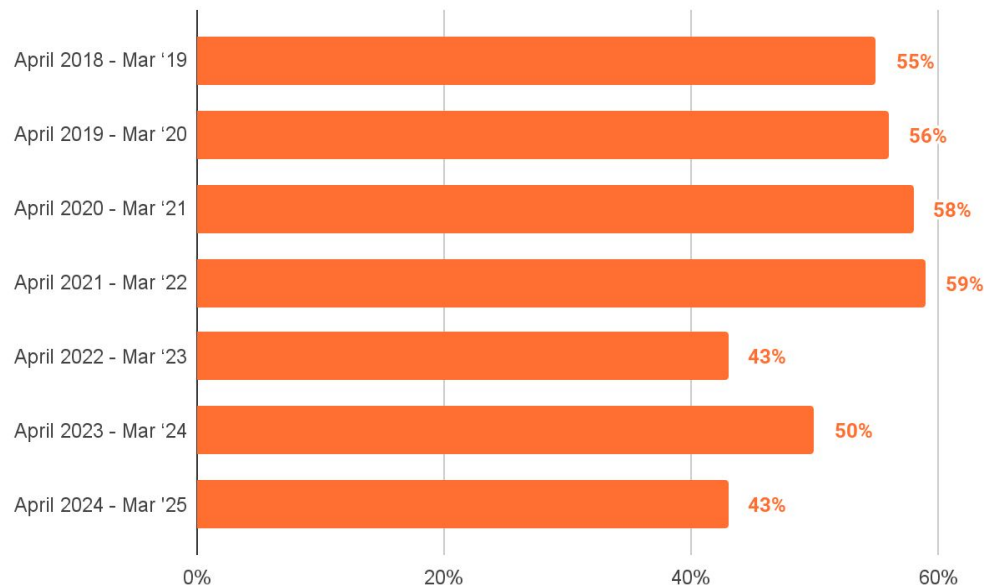
Not that long ago, there was a House of Commons Work and Pensions Committee report* which stated:

"the Government sets a goal for the Money and Pensions Service for the combined use of Pension Wise and paid-for advice when accessing pension pots for the first time. This goal should be at least 60 per cent."

The 60% figure was suggested due to the Government (at the time) ambition for the use of regulated advice and/or Pension Wise to become 'the norm'.

This graph shows that the current levels are falling short of the proposed 60% target.

*House of Commons Work and Pensions Committee Protecting pension savers—<https://committees.parliament.uk/publications/8514/documents/86189/default/>



Annuity rate chart

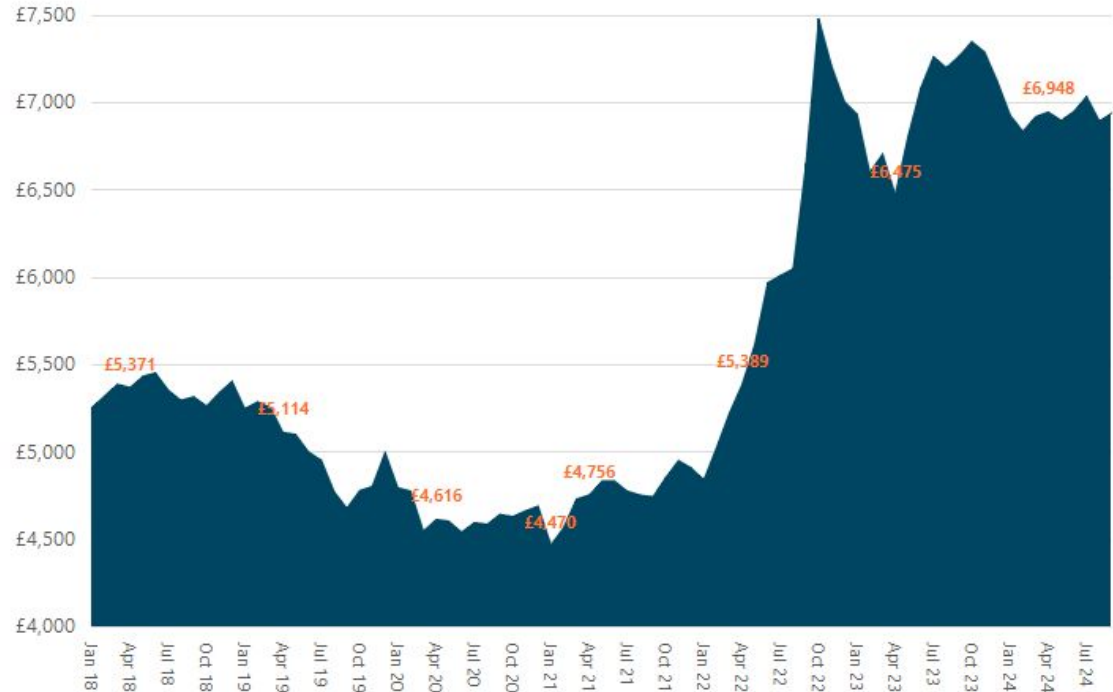
2018 - 2024 (Oct)

Annuity rate chart

Tracking annuity rates

This chart tracks standard annuity rates over the reporting periods. As can be seen and mentioned throughout this pack annuity rates have seen a noticeable increase within the last couple of reporting periods.

This chart shows the average top standard annuity rate each month using £100,000 purchase price for a 65 year old, on a level payment basis and a 5 year guarantee.



Thank you

Thank you to anyone who has read this document. I hope it has been useful.

The vast majority of the data used has been taken from the FCA's Retirement income market data full data tables, a copy of the latest data tables can be downloaded by clicking the link below:

<https://www.fca.org.uk/publication/data/retirement-income-underlying-data-2024-25.xlsx>

As mentioned within the introduction within this document, should anyone have any questions, feedback or spotted any potential errors, please do get in contact.

Mark Ormston

September 2025

Thank you