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MONEY BOX LIVE

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DUGGLEBY: For years pensions were regarded as boring: the state provided the basic pension, plus various add-ons; public sector workers were guaranteed a fixed percentage of their final salary; and those in the private sector could rely on defined benefits within a company scheme. Now people are waking up to the fact that there is - and arguably never was - anywhere near enough money to pay for all this largesse. Returns from the stock market have proved woefully inadequate. We have rock bottom interest rates, and increased life expectancy is reflected in steadily declining annuity rates. Meanwhile the coalition government now recognises that civil service and public sector pensions are simply unaffordable as they stand and benefits will have to be reduced or contributions raised substantially, and indeed a report out this morning called the whole thing a Ponzi scheme - in other words it's one person paying the next person's pension and hopefully the following person is getting somebody else to pay on top of that. It was an art refined by Mr Bernard Madoff. You may remember his name. Anyway in the recent Budget, the Chancellor George Osborne sought to provide some cheer by announcing a triple lock on the basic state pension - that's in terms of increases - and we will explain that later in the programme. Less well reported and certainly not well understood, there were important changes in the rules forcing people to buy annuities at age 75. These are being scrapped from next April, but in the meantime anyone coming up to 75 can stick with income draw down for the time being; and from a tax standpoint, that's far more advantageous than an alternatively secured pension. We await further details from the various reviews looking into the future of pensions. I don't know how many

reviews there are, Tom McPhail. But you're one of our guests. Perhaps you can tell me?

McPHAIL: There's at least half a dozen. I mean they've got more reviews than a West End theatre guide at the moment. But they're looking to crack on with them fairly rapidly.

DUGGLEBY: Indeed. Tom from investment advisers Lansdowne is one of my guests. Michelle Cracknell is here. She's from the investment group Skandia. And Malcolm McLean is from Barnett Waddingham. Now the Money Box Live number you can call. The lines are open now. 03700 100 444. We've had a lot of calls from people in the public sector clearly very worried about the somewhat belligerent noises coming out from the government - so we'll take your call first, Tim, in Helensburgh.

TIM: Good afternoon.

DUGGLEBY: Good morning.

TIM: I retired from the Royal Navy in 1994 with a small RPI linked pension, and I watched very carefully and David Cameron on a BBC programme the day after the Budget promised that accrued rights would not be touched and yet I find that I will now only receive CPI indexation. My questions are: how much have I lost; and how has the government managed to time travel back 16 years to when I was their employee and tampered with my pension rights to my disadvantage?

DUGGLEBY: You haven't lost anything yet. What they've done is they've changed the measure against which future pension rises will be done. Which was always on the cards, of course, once the government adopted consumer prices rather than retail prices. Now before we answer that question, I'm going to bring in Carol from Maidstone because Carol again you're a public service worker?

CAROL: I was. I left nursing in 2003 with the superannuation scheme which I paid

into for 20 years. Because I've left the service, although I haven't drawn this pension or any annuities attached to it and I am due to retire or I can retire from this scheme in 2 years time, I'm concerned that it might change and I might not have the pension that I'm hoping I'm going to get.

DUGGLEBY: Indeed. So there, panel, two aspects of the same problem, which is changing rules on pension schemes. And clearly I mean it's really put the wind up a lot of our listeners. Malcolm?

McLEAN: As regards the inflation proofing of pensions, previously the measure that was used was the Retail Price Index, and every year they looked at the movement in the Retail Price Index and applied that to the pension in payment. Now from April 2011, the intention is to link the increases to be in line with a thing called the Consumer Price Index, which differs from the Retail Price Index in that it excludes housing costs. And from what I can see, the use of the Consumer Price Index will actually normally give a lower increase than the Retail Price Index. At the moment ... I checked the figures this morning. At the moment the Retail Price Index is running at 5.1% and the Consumer Price Index is 3.4%.

DUGGLEBY: So it's a money saving exercise?

McLEAN: Yeah, I think it is. And over 10 years, it's been estimated that you'd probably lose out about 10% on the increases.

DUGGLEBY: Okay. Now, Tom, it's a complex exercise the government's going in for. I mean it's designed to save money.

McPHAIL: Yes it is.

DUGGLEBY: I mean it's basically bigger contributions, less benefits. Okay indexation is a part of it, but there are probably going to be more important ones, as Carol's clearly frightened of.

McPHAIL: Well and the indexation I think, typically the RPI/CPI gap is about between 0.5 and 1% a year.

DUGGLEBY: It's going to be over a long period of time. It is going to make a difference.

McPHAIL: Absolutely. But one estimate I've seen this morning suggests that simply changing the public sector workers' pensions from RPI to CPI inflation proofing will over the totality of the government's pension promises they made save the government £180 billion in the long-term. So it's a big number, but spread out over decades to come. They're not going to stop there though. They're going to be looking for the existing workers to put more money into their pensions. They are still talking about preserving the existing rights that you've built up, and of course the point Tim was making is well aren't they attacking my existing rights? Well technically no. What they're going to do is increase the existing rights you've accrued more slowly than was the case before, and they're going to be looking at other things like getting people to retire later. But through all of this, they should preserve what you've built up and not take away the rights you've already got.

DUGGLEBY: You see that's a very, very important point, Michelle. A lot of misunderstanding about what a pension scheme - be it government or private sector - what it can do and what it can't do. I mean there's an email here from Richard who says, 'I'm thinking of going in for a public sector job in the near future. If I get in perhaps before the next Budget, will I get in under all the old rules and be fine?' Well the short answer: you may get in under the old rules, but it won't govern much of your service because they may change it.

CRACKNELL: That's right, it may not last very long, and they may close the scheme down not only for new members but also for existing members of the scheme. So you need to really sort of break it down into there are statutory requirements of pension schemes and one of those is that the accrued rights that you have up to your date of leaving or the scheme being closed is sacrosanct. Yet in this particular case, and certainly for you Tim, the indexes are slightly ambiguous because of course the

RPI and CPI have shifted over the years and that's the issue in this particular call.

TIM: Of course I don't think the CPI even existed when I left the Navy.

CRACKNELL: Absolutely.

TIM: And so every piece of documentation I have swears blind that you're going to be linked to the RPI, which is obviously in my favour.

CRACKNELL: Yes.

DUGGLEBY: Yeah. I think the problem here though is if the government uses a different inflation measure that is detrimental, then I think they probably have the legal right to do so. And anyway they could probably bring in legislation to simply ... It's not just your pension, I hasten to add Tim. I mean there are all sorts of things linked to the RPI. I mean one thing which is completely off the top of my head, but I believe that ISAs are now going to be increased by - is it the RPI or the CPI?

McPHAIL: The allowance that you can get over a year.

DUGGLEBY: Yeah, the allowance every year. Every year we have to revalue it in line with the ... Tom?

McPHAIL: But there's also ...

DUGGLEBY: Is it the RPI or the CPI?

McPHAIL: I think they're moving to CPI.

DUGGLEBY: Are they on that one?

CRACKNELL: Yeah.

McPHAIL: But it also affects a lot of other welfare benefits where again they're shifting a lot of this across to CPI.

DUGGLEBY: Yeah.

MCLEAN: Well in relation to Carol's query, she should have her NHS pension preserved for her within the scheme, held for her, subject to some sort of price inflation. And when she gets to the scheme pension age, she will be able to draw it and that will be secure.

DUGGLEBY: But the key thing to remember about pensions is what you actually have today is okay up until the moment they take it away. But it's always for future accrued benefits; it's not for past service. And another question that's come up, people are actually worried with pensions in payment saying oh my goodness, I've got you know a guaranteed link to the RPI in my pension fund. I retired 5 years ago. Is that going to be taken away from me? I think I'm right in saying, Michelle, that they can't do that. I mean that would have to be retained against the RPI.

CRACKNELL: Exactly. And the important thing to look at is there are statutory requirements. There are also rules in the scheme, which they cannot take away retrospectively. And so it guarantees ...

DUGGLEBY: *(over)* Yeah, but this of course contradicts slightly what's happened to Tim, you see, who's had it taken away.

CRACKNELL: I hasten to add I would draw a distinction between private scheme rules and public sector pensions in that regard.

DUGGLEBY: You mean what the government can do is different from what say Shell or BP can do?

CRACKNELL: *(over)* To its own employees. I think the other distinction to make

regarding you know pensions in payment when they *are* in payment - then that individual is protected if it's guaranteed increases. But a lot of these schemes have discretionary increases, which of course can be taken away at any time.

DUGGLEBY: Yes.

McLEAN: I think that point's well made. You only need to look at the state pension. They seemingly can just put back the date for drawing your state pension and there's no question of accrued rights or anything comes into that. They just do it.

DUGGLEBY: Okay. Right, we must move on now and take Terry in Skipton. Your call, Terry?

TERRY: Hello. I'm semi-retired. I've been saving into a SIPP for a few years. I'm now at the stage where I need to decide whether I should take an annuity or whether I should go into draw down, and I'm just wondering what are the advantages and disadvantages either way?

DUGGLEBY: A very timely question, Terry. Can I ask how old you are?

TERRY: 58.

DUGGLEBY: 58. Well you're relatively young for draw down. I was wondering whether in fact you'd be nearer age 75, but perhaps we'll come onto that. (*Terry laughs*) Tom, first of all, 58 a little bit young to draw down?

McPHAIL: It's quite young for buying an annuity, and the terms a 58 year old would get - particularly if you're in good health, Terry - they're not going to be overly generous because most people are still in good health at the age of 58 and so the annuity companies don't offer you a particularly good deal. I think part of this comes down to your appetite for risk - how comfortable you feel continuing with the money in a SIPP in the market, and whether you just want to take it all off the table and lock

into an annuity and play safe. You can of course do it with some of your money - so you could buy a little bit of annuity with your pension fund now, come back in a couple of years time and buy a bit more. There's nothing to stop you from mixing and matching, in phasing your way into an annuity, and indeed buying different types of annuity at the same time. So you can do a lot in the way of offsetting risks by mixing and matching with different arrangements.

DUGGLEBY: But essentially if you do go into a draw down, which is what it is - you know you convert your SIPP into a draw down - the first thing obviously you get is your lump sum if you want to take a lump sum out of it; and the second thing, as Tom says, you get the facility to invest. But that's a double-edged sword really. If you're successful, your pot grows and you can draw income out of it; but if you're not, then good heavens the last 10 years or so has been pretty dire for those who have been in the equity markets. Michelle?

CRACKNELL: You're absolutely right and it's really important that it's not an either/or decision. You can have a bit of both. And certainly, Terry, the thing I would say is that if you have a minimum income level requirement, the most important thing is to secure that and receive that income in a guaranteed way. And then other income that you can have on top, you may be prepared to take more of a risk.

DUGGLEBY: Indeed. Now the other issue which I referred to at the beginning of the programme - this question of the change at 75 - now what the government's done is they've said we're going to get a 2 year sort of additional, 75 to 77, while we think about what we're going to do. But, Tom, they've actually said basically we're not going to *compel* you to buy an annuity at 75.

McPHAIL: We're waiting for the details. The devil will be in the detail. What it means at the moment is if you're coming up to 75, it's probably still going to make sense for you to take your tax free lump sum at that point. However, you can then park your money in a draw down plan if you want, dip into it as you need to take income out. They're looking to do a very fast review and get new rules in place by the start of the next tax year, which they say will reform the rules around compulsory

annuitisation. We think they're going to go down the road of saying you have to secure a minimum level of income, and once you've bought enough income to satisfy us, you're never going to be a welfare risk, we'll give you more flexibility with the rest of the money. But we're waiting to see where they go with this at the moment.

DUGGLEBY: But the two issues here, of course, are the limits of the actual income that you can draw down, which in what we call draw down is 0% - i.e. taking nothing up to 120% of the dreadful GAD rules which nobody understands; whereas the previous system, which I now think is dead and buried (that's the alternatively secured income, which was incredibly restrictive) - it was 55 to 90 I think of the GAD rules. But the other key difference, Michelle, was this ability to get this lump sum out at or leave at death where in draw down it's 35% tax rate, but in the previous and now abandoned alternative secured income, it was 82%. Now where do we stand on that?

CRACKNELL: We don't know what the new rules are going to look like. There certainly was no benefit in the payments out after death unless you were giving it to charity under the post-75 rules because the level of tax that you would have suffered is draconian.

DUGGLEBY: Yeah, but they're now effectively abandoned, aren't they?

CRACKNELL: Yes.

DUGGLEBY: So currently the tax rate for these people in this ... not for those who've got it already, not for those people who are in alternative secured income at the moment - they're under the old rules. But those who are in this sort of short-lived band, on 35%. And I can't believe that's going to last very long, Tom. Surely they'll make it more than that?

McPHAIL: Relative to the 40% inheritance tax rules, who knows where they're going to go with this? I think it's important to stress the very fact they want to do this, they are looking for reform. However it's also going to be quite complicated to implement, so we're watching with great interest to see what they come up with on it.

DUGGLEBY: Indeed. Malcolm, have you got any steer on this?

McLEAN: Just to echo that last point of Tom's. They seem to make a right meal out of most things. The principle's good - the principle is they're not going to force you to take an annuity at 75 - but the actual detail as to how that's going to work is far from clear to me.

DUGGLEBY: Vivienne sent us an email wanting to pick you up and pick me up on my introductory remarks about triple lock. 'What is this triple lock and does it apply to everything?' The answer to the second is, yes, it only applies to the basic state pension, I think.

McLEAN: It does only apply to the basic state pension.

DUGGLEBY: But it is CPI basically. That's one of the locks.

McLEAN: Well for next year it's going to be RPI that's still going to be used. So the triple guarantee is you will either get your pension increased with the movement in earnings - and that's new of course ...

DUGGLEBY: That's average earnings.

McLEAN: Yes, yes, the movement in average earnings.

DUGGLEBY: Retail prices for next year.

McLEAN: Yes. Or 2.5% - whichever is the greater of the two. Now the SERPS element of the pension, as I understand it, will be increased in line with the CPI to complicate things.

DUGGLEBY: That's forever more?

McLEAN: Yes.

DUGGLEBY: We've got a one year reprieve for the basic one.

McLEAN: One year. I don't know why. For one year, they're going for the RPI. Which is good news, of course, because the RPI will almost certainly be higher than the CPI. But the SERPS bit and this caused the confusion last year when people thought that the 2.5% increase applied to *all* the pension. Because people don't see pensions as being in separate compartments. They see it as the amount they draw every week, for obvious reasons. So we've got this triple guarantee, which means you'll get the best of the three deals, but the SERPS element of it will increase in line with CPI.

DUGGLEBY: So what about the graduated bit that a few us oldies have got?

(laughs)

McLEAN: Well those are literally pence. I don't think anybody's mattered too much about that. That was the scheme that ran from 61 to 75.

DUGGLEBY: But that presumably, that doesn't fall within the RPI bit next year when you get your pension statement? *(laughs)*

McLEAN: That could well go up in line with CPI to confuse everybody, I think. So there we are.

DUGGLEBY: Oh dear, oh dear, what a muddle. Let's get another call. I think it's Philip in Edinburgh. Philip?

PHILIP: Yes, good afternoon. I'm 55 and I have a fairly low salary, just clearing maybe £1,000 a year, but I haven't put anything into a pension and I'm just wondering if it is now too late to really start putting things aside.

DUGGLEBY: Well it's never too late. And one piece of good news is if you could afford it or if you've for example got an inheritance or maybe won a small sum of money on the lottery, you can actually put 100% of your salary into a pension in a given year. But, Michelle, what would your advice to Philip be bearing in mind he's left it a bit late?

CRACKNELL: My starting point would be find out what you're getting from the state. And a couple of things to do there. First of all is to get yourself a state pension forecast to see what rights you've accrued under that, so you know what level of pension you'll get from the state at age 65. The second thing I think you need to investigate at your age is there is a pension credit, which is a minimum level of income that the state benefit provisions are brought up to, and you need to see whether any affordable pension contribution that you can make will take you above that level. The second point I would make is just go through your employment history and check that you didn't accumulate anything with a previous employer (if you were with a previous employer) because it certainly used to be the case that they could have put you into a pension scheme and you may not have noticed. So do go back and look at past employers and ask that question.

PHILIP: Yes. And if I have been put into something, what happens there?

CRACKNELL: Then they'll provide you with a benefit statement of your accrued pension rights and also what your entitlement might be at age 65.

PHILIP: Right, okay.

DUGGLEBY: Malcolm, you can add something to that, I'm sure.

MCLEAN: Yeah, I think it's obviously a good idea to start a pension plan at the earliest possible date. But, as we've said, it's never too late. The first thing to do, of course, is to check whether your employer provides a scheme or is prepared to contribute to one because if you don't join that scheme, you're effectively turning away wages. So that's always, always the right thing to do. But if he's not going to do

that, then you're on your own. You can take out a personal pension. Bear in mind that from 2012, it's likely that you will be automatically enrolled into either your employer's scheme (if he has one) or into a new National Employment Savings Trust scheme, which is coming along. We think it's coming along. The government's reviewing it of course at the moment, but we expect it to ...

PHILIP: The present employer does have a scheme, which they offer.

McLEAN: And they contribute too, do they?

PHILIP: Sorry?

McLEAN: Do they put money in too for you?

PHILIP: Yes - yes they do, yes.

McLEAN: Well, as I say, if you don't join that, you are effectively turning away money.

PHILIP: Yes.

McLEAN: And it is probably a good idea, subject to any other commitments you have and any other needs you have for your money, to seriously consider joining that.

PHILIP: Thank you.

DUGGLEBY: Okay, we've got an email from Frank in Nottingham, I think aimed at you, Tom. He says, 'I'm currently paying into a Self Investment Personal Pension receiving basic rate tax relief, but I'm a long way off retirement and I'm really worried that every year annuity rates keep on falling. What's the point of building up a pension pot if it's going to produce an increasingly small income in retirement?'

McPHAIL: Okay, couple of quick answers there. I mean one interesting point is that annuity rates may continue to fall, and we're looking at European legislation coming in in a couple of years time that is in effect already driving down annuity rates in anticipation of that. So in the short-term, we might see annuity rates continue to decline. However, as we've already discussed, the government's looking at reforming the compulsory annuitisation rules, so you may never need to buy an annuity. But the most important answer is you still need to save for retirement. Using a pension with the tax breaks on offer from a pension with a tax free growth, you get the tax relief. It's still for most people the most efficient way to do it.

DUGGLEBY: Yeah. It's not a single dimension anymore, this income. We really ought to refer to income in retirement and stop tying ourselves to things like pensions and annuities because actually it's the total resources you have available to you, the tax you have to pay on them, and again work out what you need and then work out the mix of investment that's necessary to provide it. I think that's what the government have singularly failed to do, governments have simply failed to do over the years. They've never seen it as a total as it were you know pocket of ... you know pot of money which doesn't just include the pension.

McPHAIL: I think for most people, looking at that regular contribution that you can make into a pension with the tax relief is probably the right core savings arrangement to have for retirement. But you also need to look at things like ISAs, perhaps to property, to other investments that you can make alongside that. Be flexible.

DUGGLEBY: And here's Kay who's emailed us from Plymouth, and she says she's hoping to retire in the next 12 months, Michelle. She's coming up to 60. She's got a final salary pension and her concern is should she take the full pension - this is a final salary pension - or should she commute part of it? Is it better to do so? Now that used to be an easy answer, but it isn't anymore.

CRACKNELL: It's not an easy answer and it does depend on both her tax rate and also the rate of conversion that the pension scheme offers from pension into a tax free cash sum as to whether it's in her best interest. The other thing is obviously what her

needs are. Does she need the lump sum for some reason such as paying off the mortgage? So she needs to take into account all of these factors.

DUGGLEBY: Another email suggests, well actually is asking us for investment advice. ‘What can I invest the commutable lump sum into to produce a better return than the income I’m giving up?’ Well again the multiple that you’re giving up has to be set against the sort of income if you’re going to use that commuted lump sum.

McLEAN: Yes, it is quite a complicated calculation that you’ve got to do here, but at the end of the day what you’ve got to do is maximise the returns one way or another. And, as Michelle says, a lot turns on what use you have for … you want to put your capital to. Do you want to pay off your mortgage? Do you want to take a cruise? Do you want to put a conservatory on the end of the house? Whatever it is, if you’ve got a case for a lump sum, then that is an argument pushing you in favour of taking the lump sum. If you haven’t, then it may well be a better option to go for the pension.

DUGGLEBY: Indeed. And of course you have to look, Tom, at the terms of that pension in payment - what sort of guaranteed rises (if any) have you got, what discretionary rises are? It’s very difficult.

McPHAIL: Absolutely. But I think start off, look at the commutation factor. Look at how much pension you have to give up for every pound of lump sum that you get and then take it on from there. And I think the point about where would you reinvest the money is also highly relevant.

DUGGLEBY: Right, Ann in Leicester, your call.

ANN: Oh hello. I’m 62 and I’m still working and I’ve deferred my state pension. I’m very pension poor. I hope to work until I’m at least 70. I’ve got a small business. Now is it the case that 8% is added each year to this deferred pension, and how will I be taxed at the end of the period if I want to take a lump sum?

DUGGLEBY: It's a bit more than that actually. We've had several calls about this deferral. I'll add Patsy in Hampstead to that call - in Hemel Hempstead, I'm sorry - because she's actually gone for deferral and she's been in it for 3 years and is wondering whether to continue for another couple of years up to her retirement. So again an issue for you, Malcolm.

McLEAN: Yeah, well the rules are actually that you get 1% added to your pension for every 5 weeks that you defer taking it, and that works out at 10.4% per year. So it is more than 8%. It's 10.4% that you would get. The other option of course is not to have the rate increased but to opt, if you delay for at least 12 months, to have the money paid back to you in the form of a lump sum - a taxable lump sum, which will be the amount of pension that you haven't taken rolled up and increased by a rate of interest which will be 2% above the Bank of England base rate. So you have that choice. Now your question about tax is a good one because a lot of people probably aren't aware of this. But if when you actually draw this lump sum, this hopefully largish lump sum, that will be paid to you in a tax year and could have the impact of actually moving you up a tax bracket - moving you from 20% to 40% for that particular year. Now the rules are that they will not allow that to happen.

ANN: Oh good.

McLEAN: So whatever your tax rate is without that lump sum, then that will be the tax rate that will apply to that lump sum.

DUGGLEBY: On the face of it, I mean 10% does seem a pretty generous rate. We've had it raised, Tom, as to whether the government will cut it back as part of the general review of trying to save costs.

McPHAIL: We don't think they will and certainly the Secretary of State for Pensions, the new Secretary of State for Pensions was talking very enthusiastically about this rate of return only last week. A helpful indicator perhaps on this is if you're going for the increased pension after deferral typically you need to live for around 8 or 9 years after you've started drawing your pension in order to be in the money, to

have benefited from the deferral. So if you're in good health in your 60s, the chances are you will live that long and you will benefit from it.

ANN: Thank you.

DUGGLEBY: Okay, Paul you're ringing us on a mobile.

PAUL: Yes, hello there. I'm currently in a situation where I have a pension scheme which has been winding up for about 3 years. It's a final salary scheme and it will mature at 65 at about £2,000 a year. I'm only 33 years old at the moment and the employer's made it clear they're unlikely to offer an enhanced buyout when they actually wind up the scheme. I was wondering if the panel could help me with suggestions as to whether it would be sensible for me to get out of my salary final scheme and get a buyout of that and put that into my stakeholder scheme? Or, if not, are there other options available to me?

DUGGLEBY: Michelle?

CRACKNELL: For your final salary pension, Paul, what you've accrued into that pension scheme will be revalued from your date of leaving up until your retirement age. There is also a protection that if something happens to your employer, there is a pension protection fund that would step in if the final salary scheme got into difficulty. If you moved that money and transferred it into a stakeholder scheme - and obviously without knowing all your individual circumstances, it's difficult to advise you - you would lose that guarantee of what the pension might be at retirement age and it's unlikely that you would be able to capture that guarantee in any other type of pension.

PHILIP: I think my concern is largely that the value of the pension at £2,000 in 30 odd years time is probably very low.

McPHAIL: A useful test on this. Get a financial adviser to do a transfer analysis.

They'll give you a critical yield number. What that's telling you is how much the stakeholder pension would have to grow by every year to match the final salary pension benefits that you're giving up. That's a very useful starting point: can you achieve that investment growth rate?

DUGGLEBY: A final quick question from Dawn, which I'd like to take. I can't take it on air, Dawn, but you've asked such a delightful question. You've got a 9 month old daughter and you say should she take out a pension for this 9 month old daughter at this stage. Quickly panel.

McLEAN: Why not? You're entitled to pay in for a child of that age or *any* age £2,880 per year, £3,600 grossed up with tax, so it's a very good nest egg for that child when it grows up.

DUGGLEBY: And of course grandparents can do it. Michelle?

CRACKNELL: Yes. She also needs some money probably to get through university and things like that, so some other savings might also be useful.

DUGGLEBY: Yes, it's tying it up for an awful long time.

McPHAIL: Good investment if you can spare the money. If you want to look at an ethical fund, look at a SIPP, you've got a big choice of green funds there you can go into.

DUGGLEBY: If you can afford it, then who are we to say no? Pensions are a long-term investment. We've run out of time, but thanks to Tom McPhail from Hargreaves Lansdown; Michelle Cracknell from Skandia; and Malcolm McLean from Barnett - Waddingham. And if you'd like more details on anything we've raised on the programme, you can check our website: bbc.co.uk/moneybox. And Money Box is very interested in hearing from listeners who are experiencing problems cancelling recurring payments on their credit or debit cards for things like subscriptions and

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