



# British Retail Consortium Roadmap to Financial Wellness and Freedom

July 2025



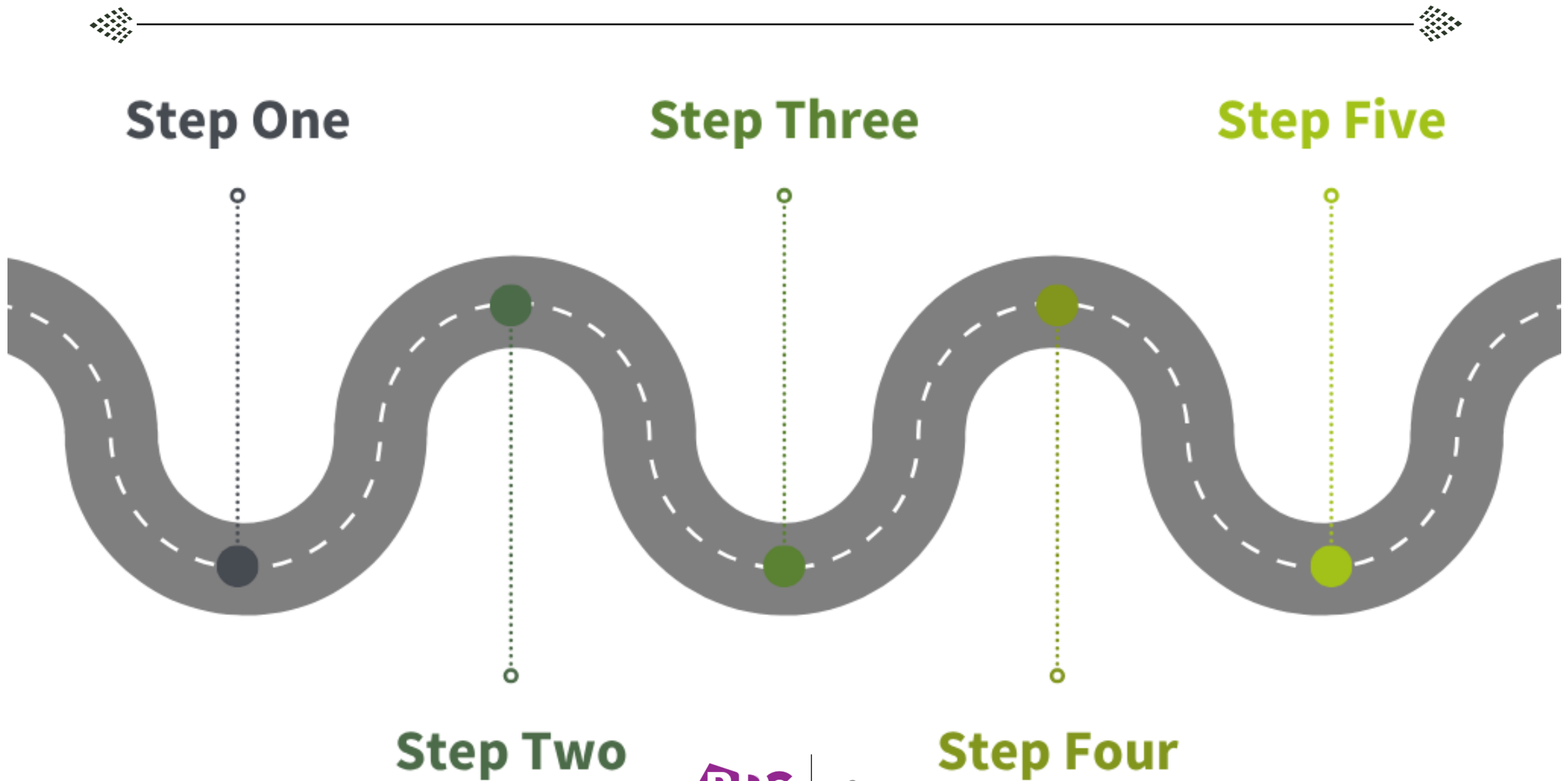
# What is Financial Wellbeing?



It's about making the most of your money from day to day, dealing with the unexpected, and being on track for a healthy financial future. In short: financially resilient, confident and empowered. People who experience financial wellbeing are less stressed about money.

- Over half (52%) of all UK employees admit that cost-of-living pressures are influencing how they are feeling and performing at work. ([HR News](#))
  - 45% of workers lose sleep over money worries. ([Zellis](#))
- 59% of employees admit financial concerns prevent them from performing their best at work. ([HR Hub](#))

# Create a Financial Roadmap



# Take Control of Your Finances, DESPITE Everything!



**Debt** – keep control of debt and use to your advantage – pay off credit cards each month, review interest rate payments, consider “saving to spend”

**Emergency** – ensure you have an emergency fund/rainy day savings – ideally 3 – 6 months’ salary

**Savings** – more formalised, longer-term goal-based savings – holiday, car or wedding etc

**Pension** – make the most of your Workplace Pension – use Salary Exchange, Bonus Exchange, build up contribution levels, remember the tax breaks

**Insurance** – protecting the important things in life & covering the what ifs if things don’t work out right

**Investment** – build up longer term savings alongside pension for future goals – school/university costs, house move etc

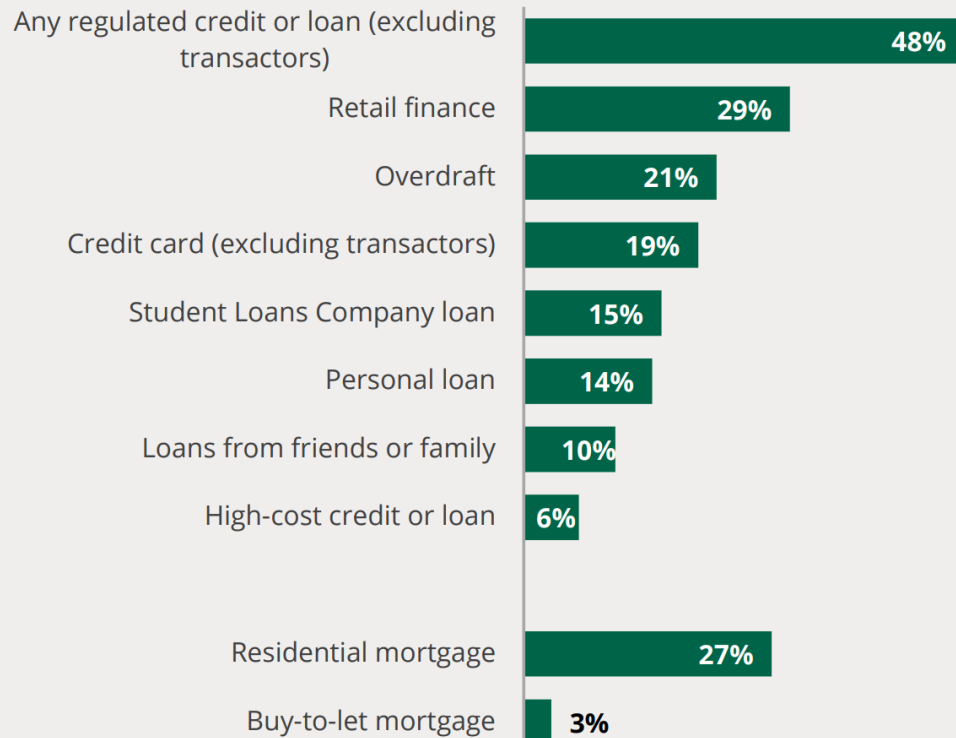
**Tax-Efficient** – use tax breaks to turbo-charge your investments – use ISAs, pension top ups and tax-incentivised investment like VCT/EIS

**Exciting** – make your money work hard for your goals – use the right type of plan and the right strategy

# Distribution of UK Household Debt, 2024

## UK adults who have consumer credit products

2024



“Transactors” are those who pay off credit cards, store cards and catalogue debt in full each month.

**Source:** Financial Conduct Authority, Financial Lives Survey 2024

# Median Debt by Age Group



## Median personal debt outstanding by age group

2024, £ per person, all UK adults, excludes mortgages and transactors

	All	18-24	25-34	35-44	45-54	55-64	65-74	75+
Including student loans	6,300	7,900	12,500	7,500	3,800	3,800	2,300	2,300
Excluding student loans	2,500	400	2,100	3,800	3,800	3,800	2,300	2,300

**Source:** Financial Conduct Authority, Financial Lives Survey 2024, Figure 3.4

# Debt – 5 Second Rule?

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- Do I need to borrow?
- How long am I prepared to borrow for?
  - What is the interest rate?
  - What is the monthly cost?
- What are the penalties for paying off early?

# Living on the Edge?

- 22% of people have less than £100 savings.
- 60% of adults are struggling to keep up with bills.
- 17% often borrow money to buy food or pay bills.

**Source:** Money & Pensions Service



# Creating Emergency Savings



- “Me First” Payments
  - Treat your savings like a bill. Pay yourself first each month before spending.
- Payment Round-Up
  - Automatically round up purchases to the nearest pound and save the difference.
- Penny-a-Day Strategy
  - Start small and increase daily. Save 1p on day one, 2p on day two, and so on.
- Use a Linked Savings Account
  - Keep your emergency fund separate from your main account to avoid dipping into it.
- Set a Target
  - Aim for 3–6 months of net income as a financial buffer.
- Know When to Stop
  - Once you hit your goal, stop adding to your emergency fund and redirect savings to long-term goals.

# Savings – Why Bother?



It's estimated that over **£366 billion** is currently held in UK current and savings accounts with banks and building societies - earning **less than 1% interest**.

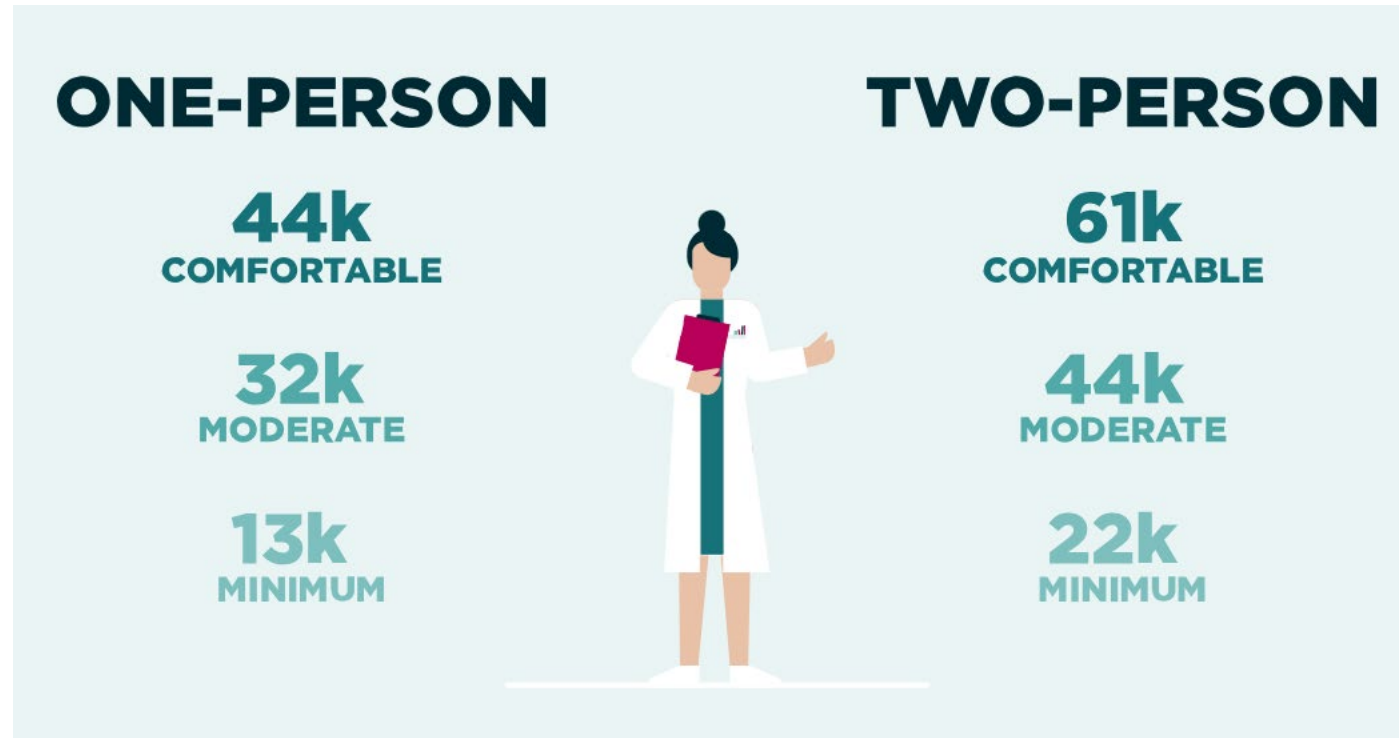
At the current “best buy” easy access account interest rates, this money could be generating **£18 million a year** – approximately **£49,335 per day** in gross interest.

Basic Rate tax-payers in the UK can earn up to £1,000 tax free from interest on savings accounts.

This would require savings of circa £20,500 at current rates.

**Source:** Yorkshire Building Society

# What Does Good Retirement Income Look Like?



The Pension & Lifetime Savings Association (PSLA) publishes an annual standard for current retirement living standards based on today's costs and services. The above numbers assume full basic state pension applies.

# Is the State Pension Enough?

- The current full new state pension (2025/26) is £230.25 per week, equivalent to £11,973.00 per annum.

To qualify for the **full new State Pension**, you need **35 qualifying years** of National Insurance contributions. These can include periods of employment, self-employment, National Insurance credits (such as time spent on Jobseeker's Allowance, Employment and Support Allowance, or as a carer), and Home Responsibilities Protection (for years before 2010, now replaced by NI credits for parents and carers).

- Get a state pension forecast – BR19 - to check your entitlement.
- If you're short on qualifying years (minimum 10) — **fill the gaps** where possible!

# Pension Savings Rule of Thumb

Age	Target Pension Fund Value
30	1 x Salary
40	3 x Salary
50	6 x Salary
60	8 x Salary
67	10 x Salary

The above numbers are based on research provided by Fidelity, linked to the “4% rule”, assuming you aim to draw a sustainable income of 4% per annum gross for the remainder of your lifetime.

As a rule of thumb, this is not offered as advice but helps to provide a realistic milestone to which one can adjust plans over future years.

# Building Your Retirement Plan

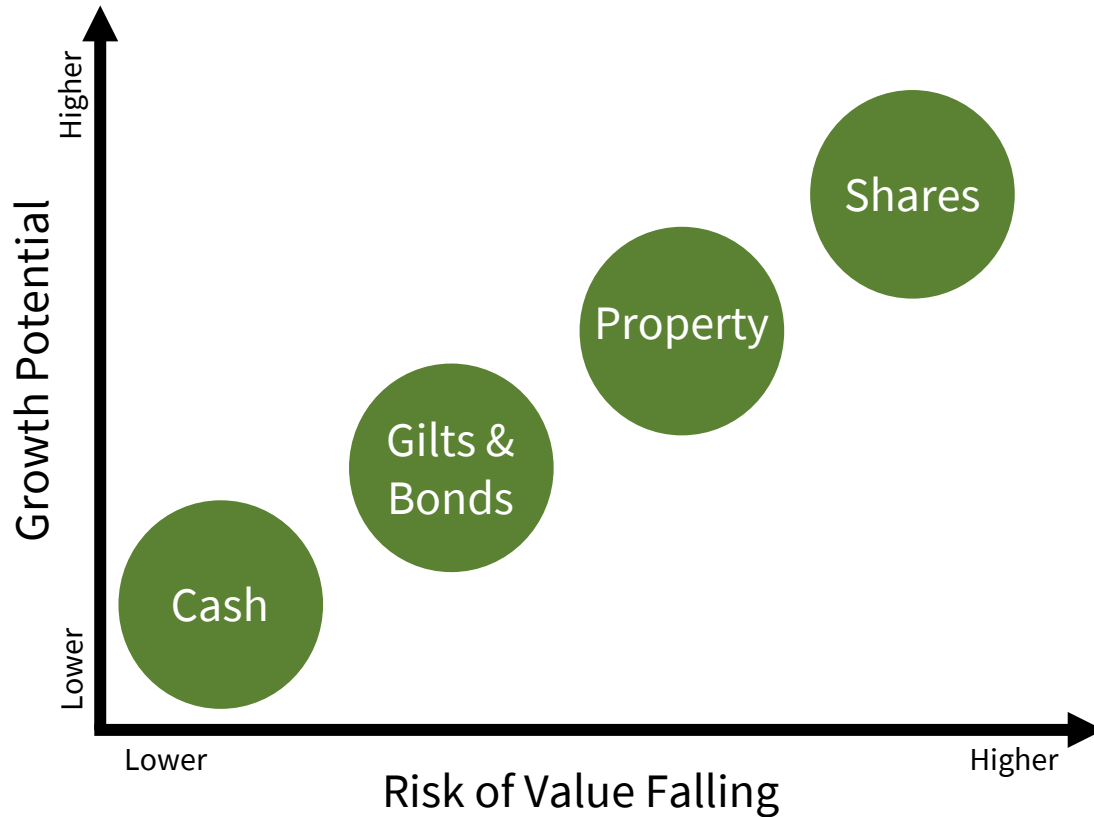
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Your pension pot is funded by the contributions paid in:

- By the company – 6% salary
- By you – 4% salary (may be boosted further via Salary Exchange)
- By any additional contributions you choose to make
- By other pension funds you may choose to transfer in

# 4 Major Asset Classes

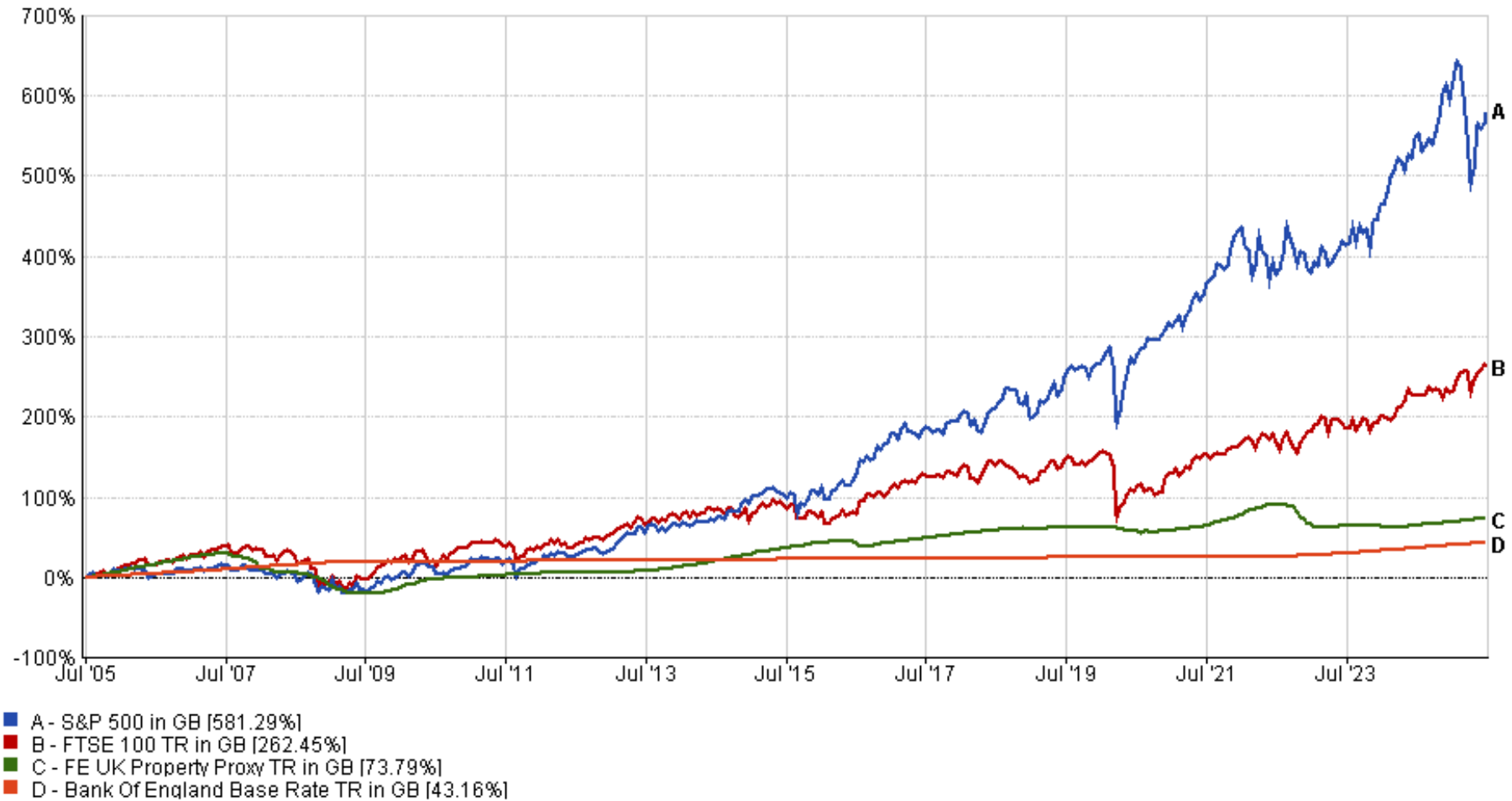
This diagram shows where each type of investment sits relative to each other, in terms of potential for growth versus the risk of sudden drops in value:



- Cash: money on deposit (e.g. cash in a bank or building society) and short-term loans to raise cash
- Gilts and Bonds: loans to companies or the UK government
- Property: physical buildings – usually commercial property
- Shares: stakes in a company (also called ‘Equities’)

While the diagram shows the general performance of investment over a long-term, it's important to note the way an investment has performed in the past isn't necessarily how it will perform in the future.

# Investment Time, Risk & Reward



30/06/2005 - 30/06/2025 Data from FE fundinfo2025



# Insurance

- Spend a bit of your budget on the what-if's
  - What things might derail your plans?
  - Seek to cover the big unexpected
- Something is always better than nothing
  - Remember to shop around!

# Investment, Tax and Excitement

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- Achieving Long Term growth alongside pension
  - Tax Efficiency
    - Tax breaks
- Long term investment strategy (more risk “excitement”)

# Action Plan – Financial Roadmap

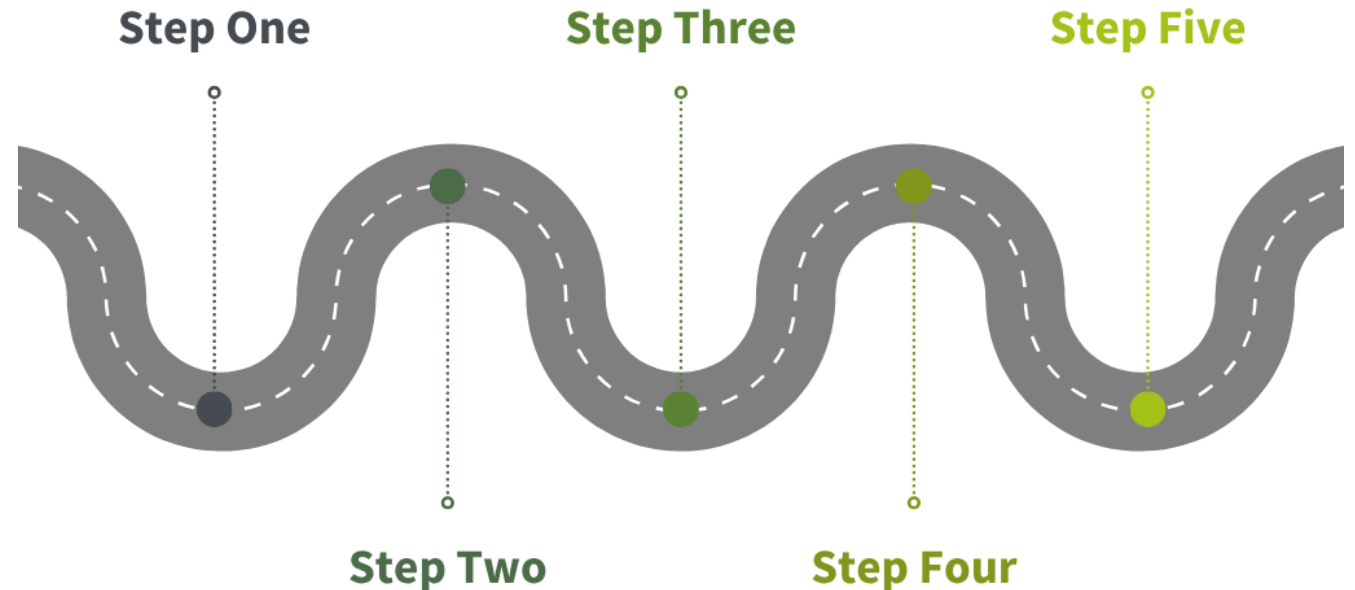
Assess your current financial position

Set financial goals (SML and SMART)

Develop Your Plan

Review and Monitor

Seek professional advice from experts



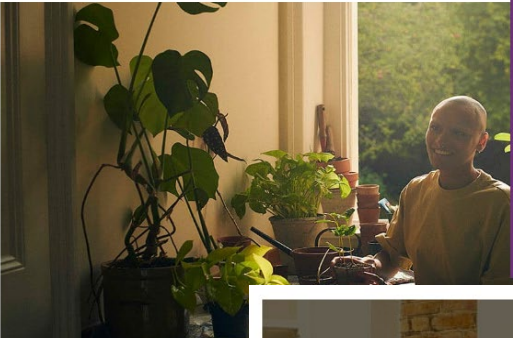
# Workplace Pension & Support Services – Keep on Track

Visit: [Royal London Workplace Pensions](#)



## How salary exchange works

Salary exchange (sometimes called salary sacrifice) is a tax-efficient way to pay into your workplace pension.



## Investment types explained

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## Transfer into your Royal London pension

Choosing to transfer your other pensions to your Royal London plan could simplify your pension savings and help you feel in control of your financial future.

[Don't have a Royal London pension?](#)

[Why combine pensions?](#)



[Should I transfer my pension?](#)



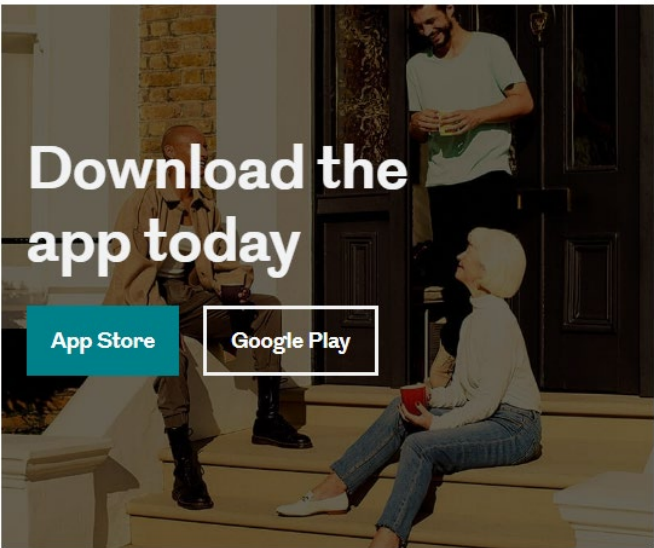
[Find a lost pension](#)



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# Group Life Assurance Protection – Added Benefits



As well as providing a tax-free lump sum in the event of death, or regular income if you are unable to work due to injury or illness, your Group Life Assurance policy comes with additional benefits which you may not be aware of.

These are:

- **Free bereavement and probate support** for employees' families, including help with registering a death and obtaining probate or letters of administration.
- **Up to 6 face-to-face bereavement counselling sessions**, offering emotional support during difficult times.
- **24/7 helpline**, available 365 days a year, providing practical guidance and emotional support.
- **Access to wellbeing and legal services** from day one of cover—not just during bereavement, but for everyday life challenges too.

# Useful Links & Contacts



## Useful Links:

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### Bristol Office

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### London Office

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EC3V 9DU

[Pensions & Lifetime Savings Association](#)

[Application for a State Pension Forecast](#)

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[Your Additional Wellbeing Services with  
Aviva Group Life Assurance](#)



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# Questions

