

# KiwiSaver Statements

Understanding KiwiSaver members' engagement with their annual statements

July 2022

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SECTION 1

# Executive summary



# Executive summary – KiwiSaver membership and fund types



Seventy-one per cent of New Zealanders identify as being a member of KiwiSaver, up from just over two-thirds in 2020.

Over six in ten KiwiSaver members are in a bank scheme while one-third are in a non-bank scheme. Growth, Balanced and Conservative fund types are still the most popular, although the proportion who are in a Conservative fund has significantly declined this year. An equal proportion say they are in an actively or passively managed scheme (just under 3 in 10); significantly fewer than in 2020 report being in an actively managed fund.



Three-quarters report that they have actively chosen the fund that they are in, while 16% have not made an active choice and 9% are unsure.

Women, 18-24-year-olds, Māori, and people on lower incomes are less likely to have made an active fund choice.

Reflecting the volatility in stock markets over the past two years, the proportion of KiwiSaver members reporting that their investment return has decreased in the past 12 months has almost doubled, from 1 in 4 in 2020 to just under half in 2021. Those in actively managed funds are more likely to say their investment return has increased.



Over three-quarters of KiwiSaver members are currently making regular contributions and almost 6 in 10 say that continuing their contributions is a priority for them despite recent market volatility.

Among those who are not currently contributing, the most common reasons are that they are unemployed, can't afford to make contributions, or that their income is irregular. Concerns around affordability have increased across the board, as a significantly larger proportion this year say they are not a member of KiwiSaver because they can't afford to make contributions, while half of current members say they can't afford to increase their contributions, significantly more than in 2020.

# Executive summary – engagement with annual KiwiSaver statements



Readership of annual statements has significantly increased this year with 8 in 10 KiwiSaver members having either thoroughly read or briefly looked through their statement. Those who read their statement thoroughly were more likely to be male, aged 65 and over, and in an actively managed fund.

Only 6% were not intending to read their statement. The main reasons for this were a general lack of interest or finding them overwhelming. Statement format appears to be less of a barrier than in 2020 as significantly fewer say they did not read their statement due to finding it too complicated.

The most useful aspects of KiwiSaver statements continue to be current balance, their contribution and details of investment gains or losses. This year members were more likely to notice the income projections on their statement.



Just under half of those who noticed their projected retirement balance said the amount was around what they were expecting, while 3 in 10 felt it was less than expected. Only 1 in 5 thought that their projected weekly retirement income would be enough to live on, significantly lower than in 2020. Consistent with this, more disagreed than agreed that they were on track to have enough money to retire on, and that they could rely on their KiwiSaver for retirement.

Over 6 in 10 KiwiSaver members say they check their balance at least monthly; males, those on higher incomes, and those in full-time employment are significantly more likely to check their balance regularly.



Half of KiwiSaver members who noticed their projected retirement income are planning to take action as a result, with the most common response being to increase their contributions, although only 2 in 10 are planning to do this as compared to almost 4 in 10 in 2020.

Affordability is again a key barrier, as the top reason for not taking action, and in particular for not planning to increase contributions, is that they can't afford to do so. Other reasons for not intending to increase contributions include prioritising paying off debts or loans, and preferring to save or invest more outside of KiwiSaver instead.

# Executive summary – overall satisfaction with KiwiSaver scheme



Performance returns, low and simple fees, and provider reputation continue to have the greatest influence when deciding on a KiwiSaver scheme, and these aspects have grown significantly in importance over the past two years.

Good communication, advice, and ethical fund management have also become more influential with at least two-thirds of KiwiSaver members saying these would be important to them when choosing a provider.



Just over half say the fees they pay for their KiwiSaver scheme are ‘about right’, while 3 in 10 say they are ‘too high.’ Fee perceptions are closely related to returns, as those who say their fund return decreased are significantly more likely to feel the fees they pay are too high.

In contrast, perceptions of their scheme’s value for money have significantly declined this year, with just over half rating this as ‘good’ or ‘very good’ compared to almost 6 in 10 in 2020. Furthermore, 4 in 10 say that their scheme’s value for money is worse than it was a year ago, and only 7% feel it is better than a year ago.

Perceptions of value for money are primarily driven by fees and investment returns, with fees having grown in importance since 2020.



Satisfaction with KiwiSaver providers has significantly declined compared to 2020, with under 1 in 5 saying they are ‘very satisfied’ with their provider compared to almost 1 in 4 in 2020. Overall, just under three-quarters were ‘quite’ or ‘very’ satisfied with their provider in 2022, as compared to almost 8 in 10 in 2020.

Satisfaction declined most among those in bank schemes and non-default schemes, and is significantly lower than average among members who reported a decrease in their investment return over the past 12 months. In line with this finding, poor fund performance is the leading driver of dissatisfaction, mentioned by over half of those who were ‘not that’ or ‘not at all’ satisfied.



SECTION 2

# Background & Objectives

# Introduction

The FMA commissioned FiftyFive5 to conduct research among New Zealanders to understand their views on KiwiSaver annual statements and how they use them.

The 2022 research represents the fourth iteration of the KiwiSaver Statements research, which is conducted every two years.

The main objectives of the research are to measure recall and readership of annual KiwiSaver statements and evaluate consumer satisfaction with KiwiSaver providers.

## Methodology

A 10-minute survey was conducted among a representative sample of 2,008 New Zealanders aged 18 and over from the 6<sup>th</sup> to the 14<sup>th</sup> of July 2022.

For further detail on the methodology, interpretations and quotas for this research please refer to the appendix.

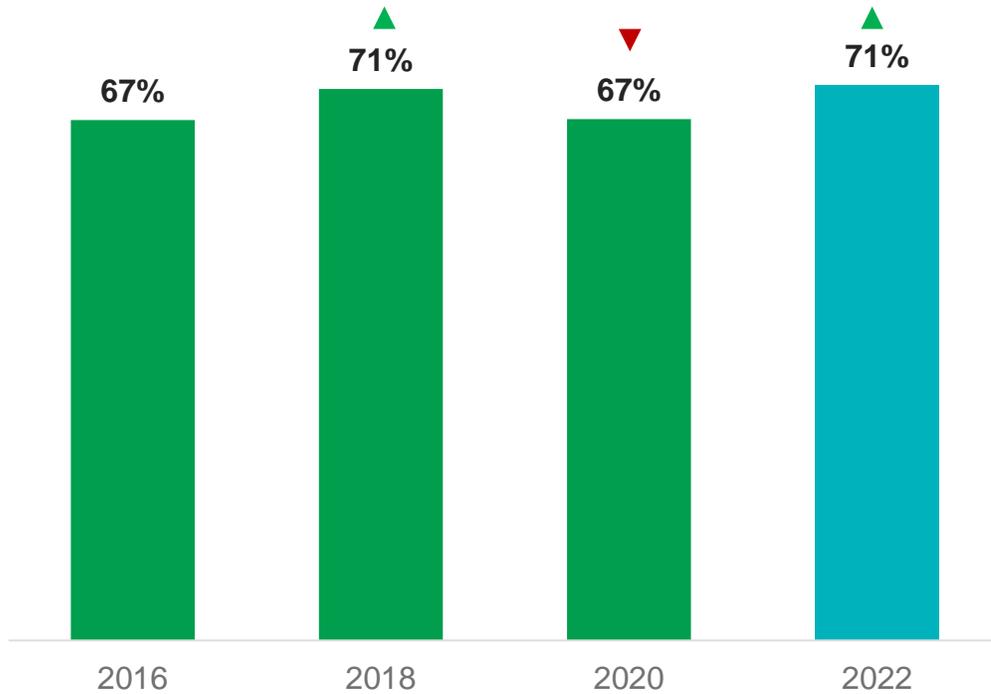


SECTION 3

# KiwiSaver membership and fund types



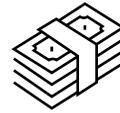
# KiwiSaver membership over time



## KiwiSaver members remain more likely to be:



**Under 55**  
 (63% of KiwiSaver members are aged 25-54, compared to 30% among non-members)



**Higher income**  
 (40% of KiwiSaver members have annual household incomes of \$100k and over, compared to 16% among non-members)



**Working full-time**  
 (56% of KiwiSaver members are in full-time employment, compared to 15% among non-members)

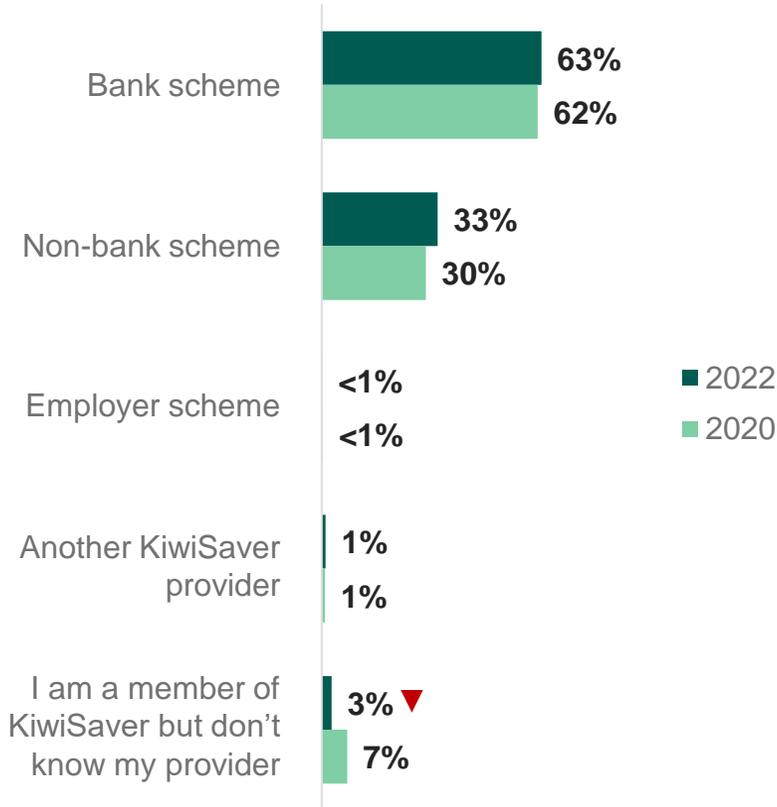
Over seven in 10 New Zealanders aged 18 and over identified as being a member of KiwiSaver in 2022. KiwiSaver members are more likely to be under 55, higher income and working full-time.

After declining in 2020, KiwiSaver membership has significantly increased this year and is now on par with 2018 levels at 71%.

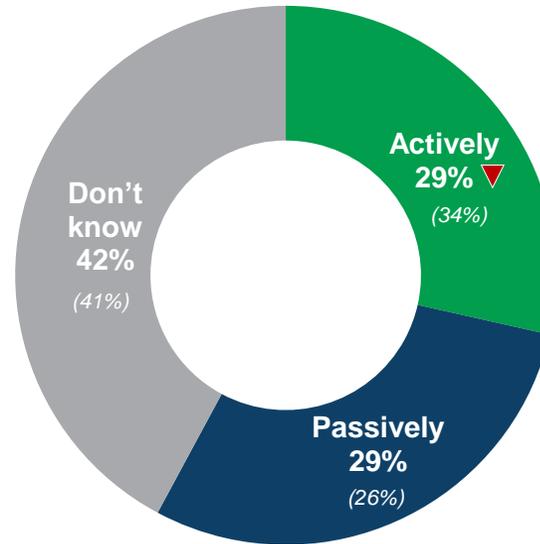
This figure is very similar to the true incidence of membership within the population which, for adults aged 18 and over, was 71% in 2021 (based on 2.8 million members aged 18 and over, as reported in the [FMA 2021 KiwiSaver Annual Report](#)).

# Type of KiwiSaver fund

Provider type



How fund is managed



(xx) 2020 figures

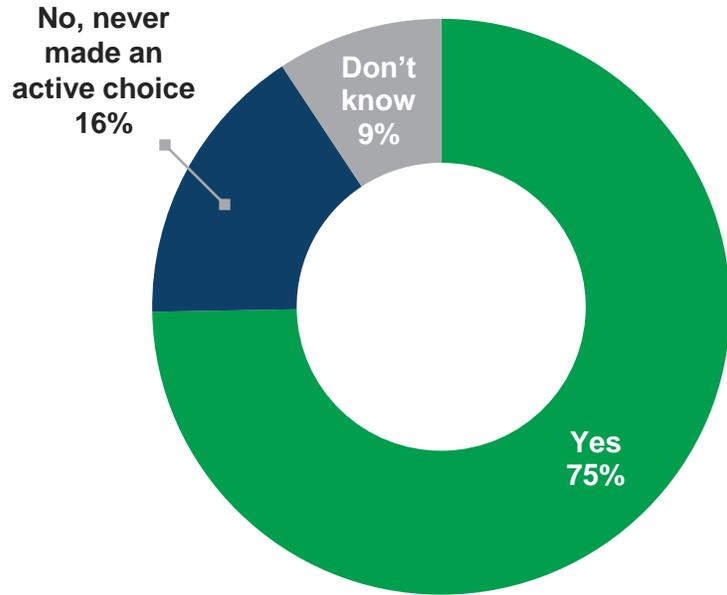
As in 2020, the majority of KiwiSaver members are in a bank scheme (63%). Slightly more report being in a non-bank scheme (33%, vs. 30% in 2020), while the proportion who don't know their provider has significantly declined (3%, vs. 7% in 2020).

Just under 6 in 10 know whether their scheme is actively or passively managed, consistent with 2020. However, the proportion who report being in an actively managed scheme has significantly decreased (29%, vs. 34% in 2020), while there are slightly more who say their fund is passively managed (29%, vs. 26% in 2020), although the difference is not statistically significant.

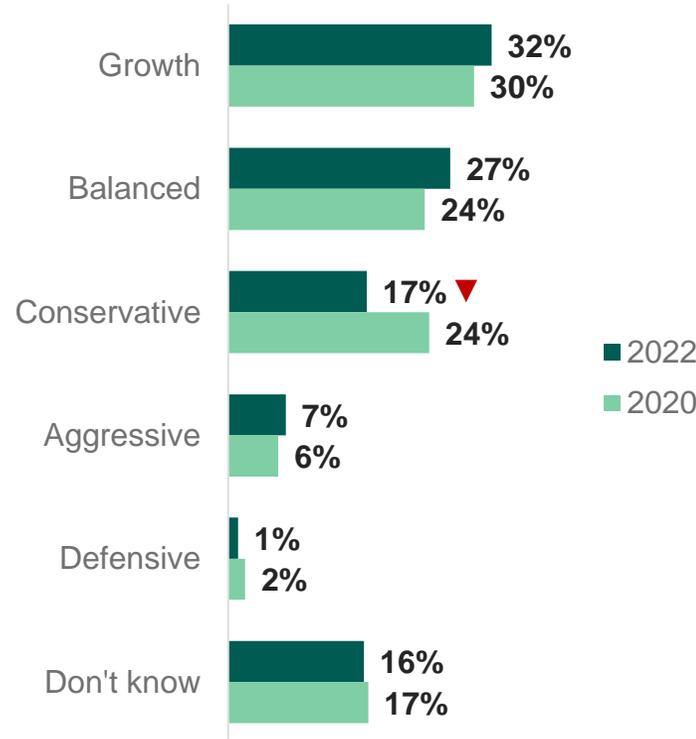
In line with 2020 results, those who are in an actively managed scheme are more likely to be male (59% identify as male, compared with 49% overall), and in full-time employment (62%, vs. 56% overall).

# Type of KiwiSaver fund

Whether have actively chosen their KiwiSaver fund\*



Type of fund



Three-quarters of KiwiSaver members (75%) have actively chosen the fund that they are in, indicating that they are in a non-default scheme. Although the way this question was asked has changed, this is comparable to the proportion in 2020 who indicated they were in a non-default scheme (74%).

Growth and Balanced fund types are still most popular (32% and 27%, respectively), while significantly fewer have their KiwiSaver in a Conservative fund type compared to 2020 (17% in 2022, vs. 24% in 2020).

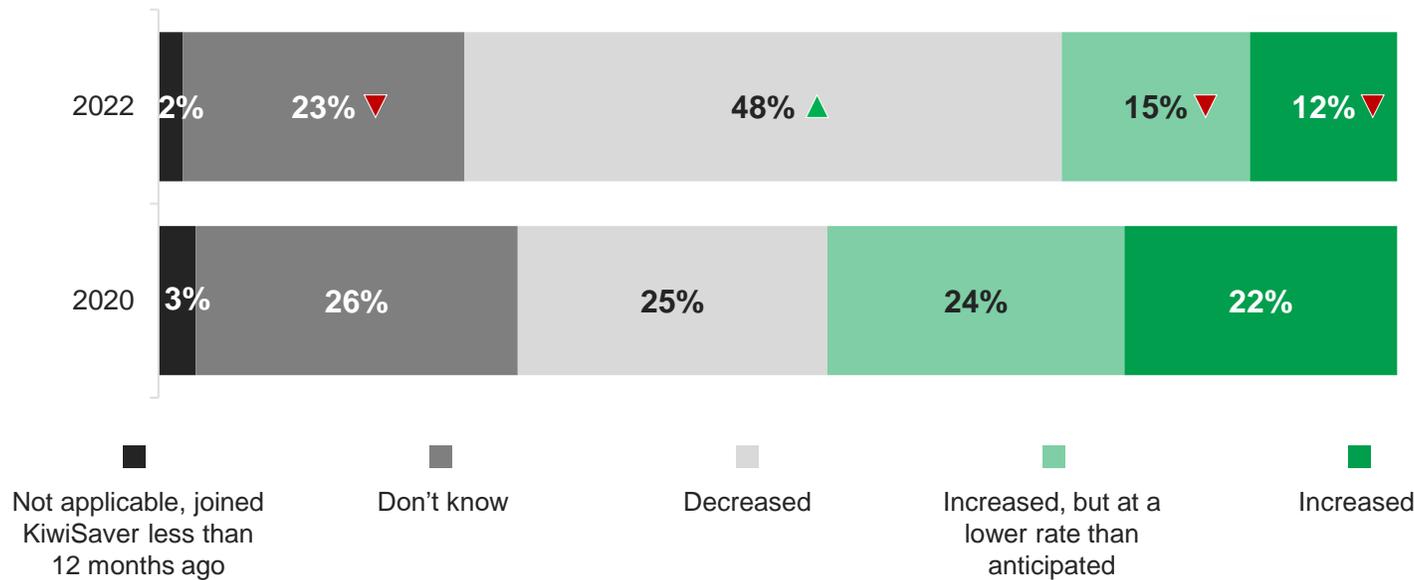
Those who have not made an active choice of fund are more likely to be:

- **Female:** 57% of those who haven't made an active fund choice identify as female, compared to 51% overall
- **Younger:** 18% are aged 18-24, compared to 13% overall
- **Māori:** 15% identify as Māori, compared to 11% overall
- **Lower income:** 25% have an annual household income of less than \$50,000, compared to 18% overall

\* New question added in 2022

# KiwiSaver fund performance

Change in investment return of KiwiSaver over past 12 months



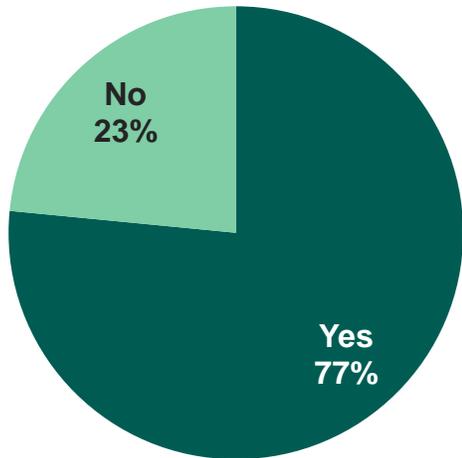
A significantly larger proportion of KiwiSaver members report that their investment returns over the past 12 months have declined, with 48% saying they have seen lower returns, compared to 25% in 2020. This is not an unexpected result, given the volatility in market performance over this period.

Across fund types a majority report that their investment returns have decreased, but especially those in Aggressive funds (63%), Growth funds (55%) and Balanced funds (54%). Those in Conservative funds are significantly more likely to say they 'don't know' how their investment return has changed over the past 12 months (27%, vs. 23% overall).

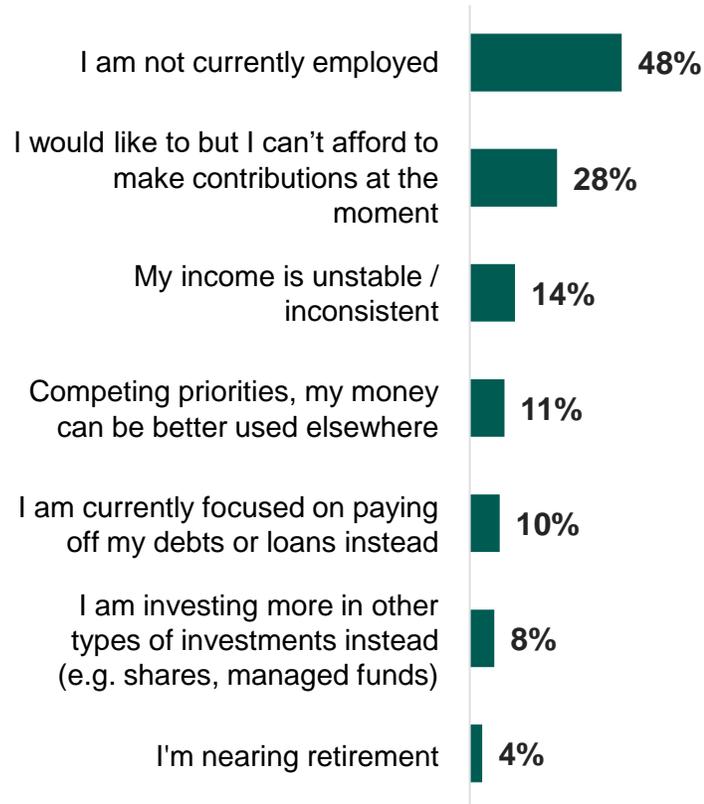
Those in actively managed funds are significantly more likely to say their investment return has increased (20%, vs. 12% overall).

# Reasons for not making contributions\*

Whether currently making regular contributions\*



Reasons for not currently making contributions



Over three-quarters (77%) of KiwiSaver members say they are currently making regular contributions. Among the 23% who are not contributing, the top three reasons are: that they are not currently employed (48%), that they can't currently afford to contribute (28%), and that their income is unstable or inconsistent (14%).

The following subgroups were significantly more likely to not be contributing regularly:

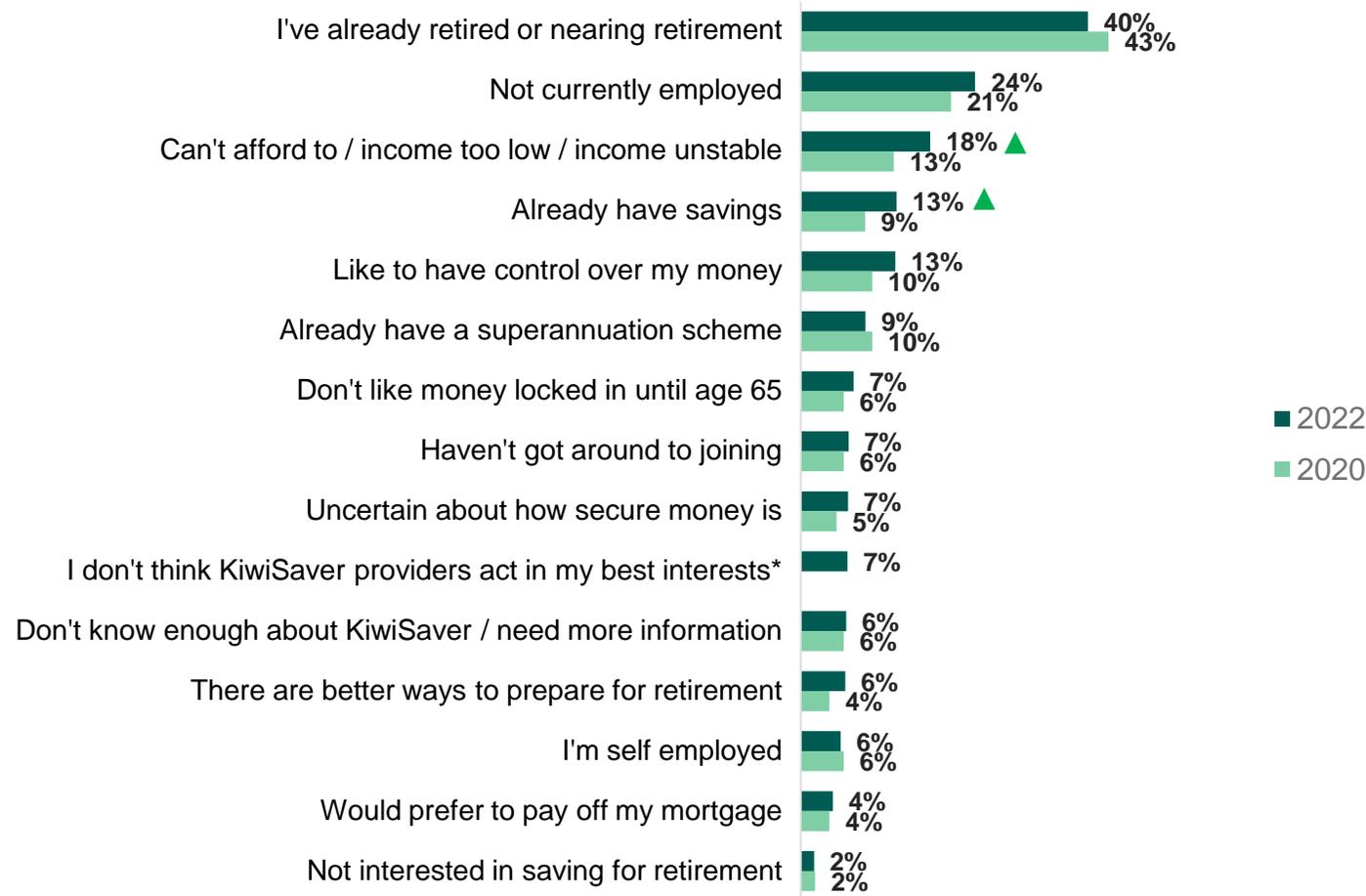
- Those aged 65 years and over (58%)
- Māori (32%)
- Those on annual household incomes under \$50,000 (53%)
- People who are unemployed (71%), retired (70%), stay at home parents (62%), students (46%), or self-employed (39%)

\* New questions added in 2022

A3a. Are you currently making regular contributions to your KiwiSaver fund?  
 A3b. Why are you not currently making regular contributions to your KiwiSaver fund?  
 Base for A3a: KiwiSaver members (2022 n=1,388)  
 Base for A3b: Not currently making regular contributions (2022 n=322)

\*The contribution figures on this page differ from the true incidence reported in the KiwiSaver Annual Report. The discrepancy could be due to a range of reasons including that our survey only includes respondents aged 18 and over whereas the KiwiSaver Annual Report includes all members. It also could be due to the inherent biases and limitations that are common across similar consumer surveys.

# Reasons for not being a KiwiSaver member



\* New option added in 2022

For those who are not currently a member of KiwiSaver, the most common reason is because they are already retired or approaching retirement (40%).

Among the remainder, the main reasons for not being a member are being currently unemployed (24%), having low or unstable income (18%), and already having other savings (13%).

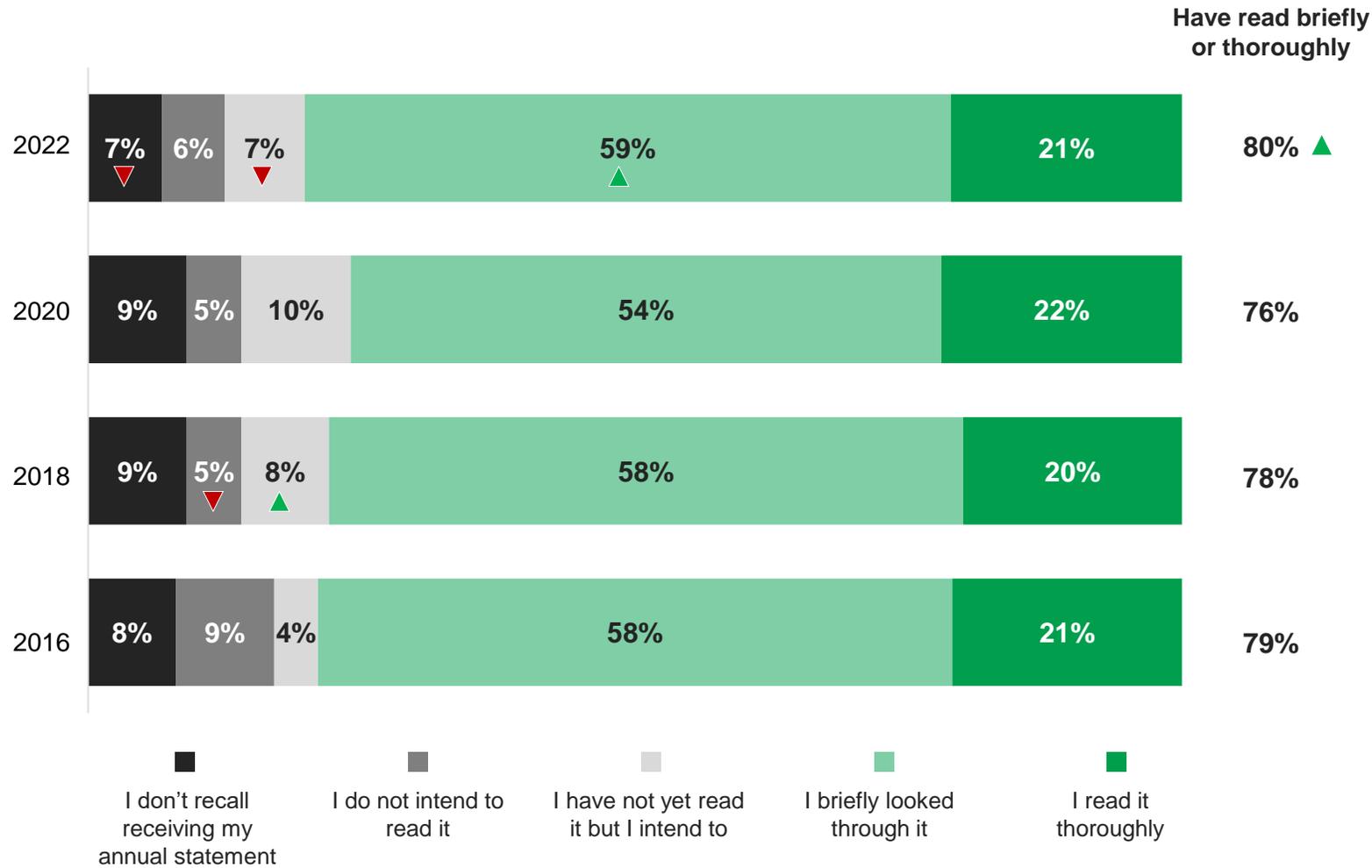
The proportion who say they are not a KiwiSaver member due to low or inconsistent income or having other savings has significantly increased from 2020.



## SECTION 4

# Engagement with annual KiwiSaver statements

# Readership over time



Engagement with KiwiSaver statements has significantly increased this year with 8 in 10 having either briefly looked at or thoroughly read their statement (up from 76% in 2020).

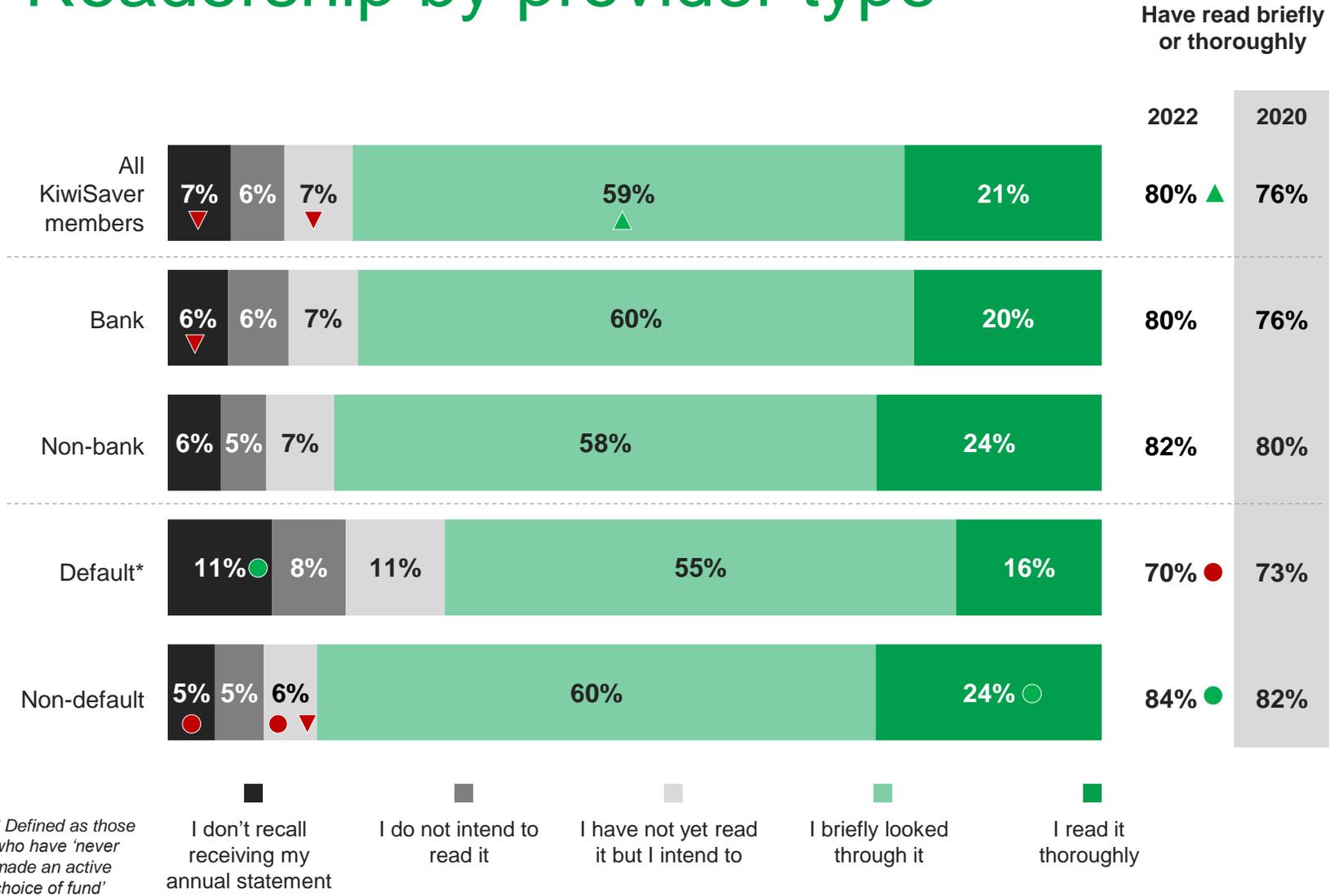
Those who **read their statement thoroughly** were significantly more likely to be:

- Male (59%, vs. 49% across all KiwiSaver members)
- Those aged 65 and over (13%, vs. 7%)
- In an actively managed fund (56%, vs. 29%)

Those who **briefly looked through their statement** were significantly more likely to be in a passively managed fund (33%, vs. 29% across all KiwiSaver members).

Those who **don't recall receiving their annual statement** were significantly more likely to be female (67%, vs. 51%), and to be unaware whether their fund was actively or passively managed (72%, vs. 42% overall).

# Readership by provider type



Readership of annual statements has increased most among those in bank schemes (from 76% in 2020 to 80% in 2022), although this increase is not statistically significant.

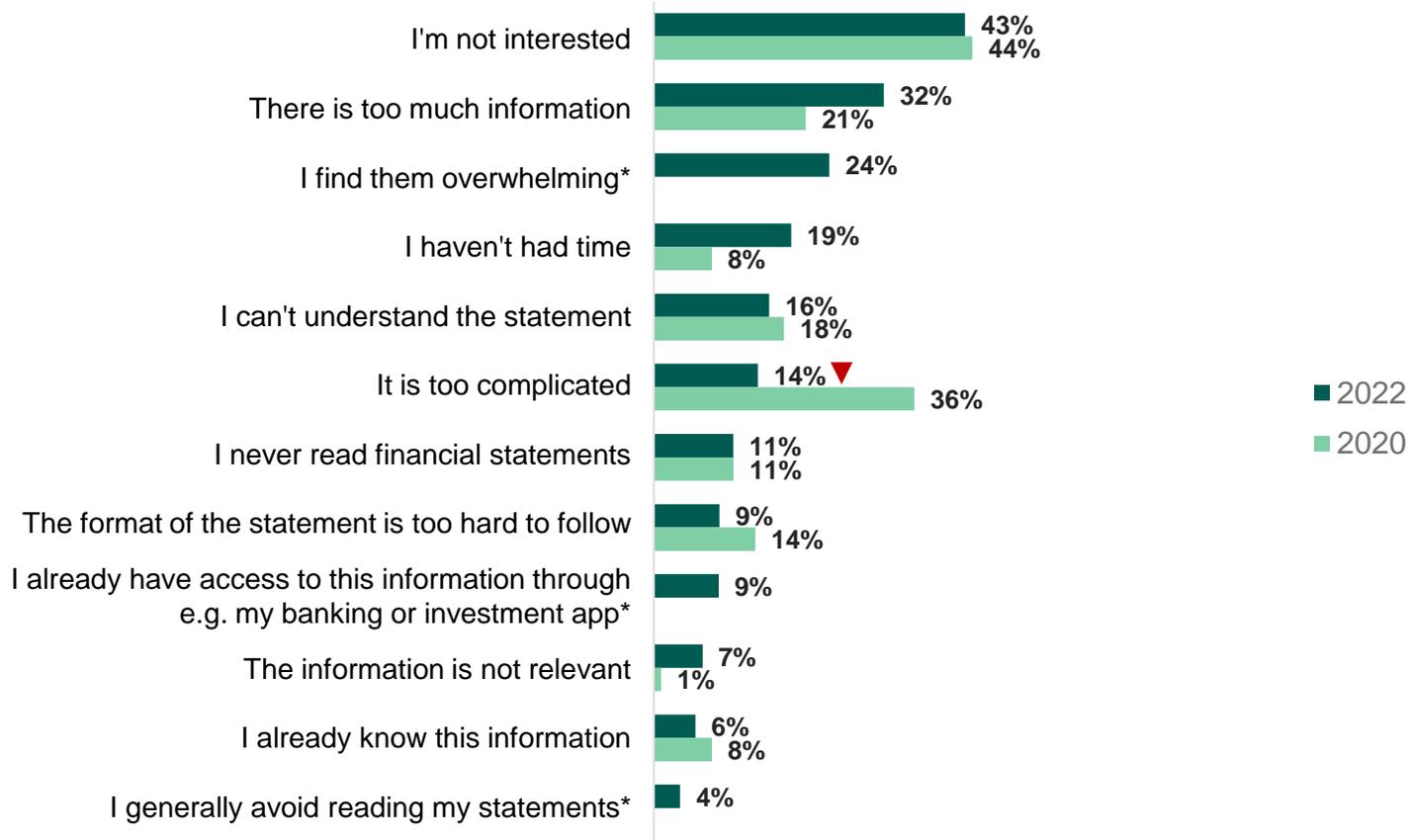
Those in non-default schemes are significantly more likely to have briefly looked through or thoroughly read their statement (84%, vs. 80% across all KiwiSaver members), while those in a default scheme are significantly less likely to have done so (70%), and are significantly more likely to say they don't recall receiving their statement (11%, vs. 7% overall).

B1. Each year your KiwiSaver provider sends you an annual statement either in the mail or by email. The annual statement contains information about your KiwiSaver account and the money you have invested. Which of the following best describes what you did with your annual statement?  
 Base: KiwiSaver members (All 2022 n=1,388; Bank n=863; Non-bank n=469; Default n=218; Non-default n=1,040)

●● Statistically significant vs Total to 95% confidence  
 ▲▼ Statistically significant vs previous year to 95% confidence

# Barriers to readership

## Reasons for not reading statement



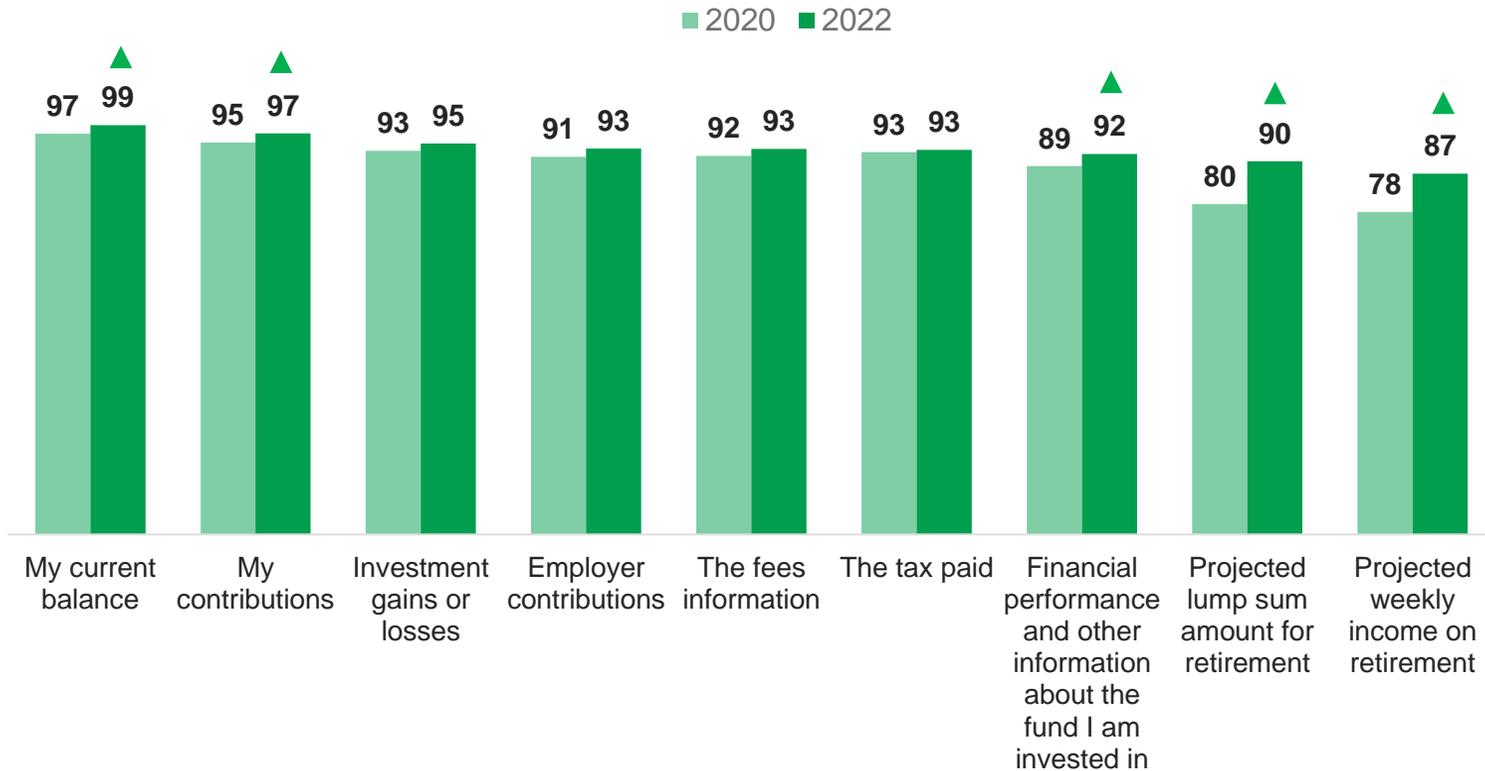
\* New options added in 2022

Among those who did not read their annual statement, the main reasons included a general lack of interest (43%), the statement containing too much information (32%), and finding the statement too overwhelming (24%).

The proportion who didn't read their statement due to finding it 'too complicated' has significantly declined from 36% in 2020 to 14% in 2022. Indicatively, the proportion saying that they found the format of the statement too hard to follow has also decreased (from 14% in 2020 to 9% in 2022), although the difference is not statistically significant.

# Noticed each aspect on statement

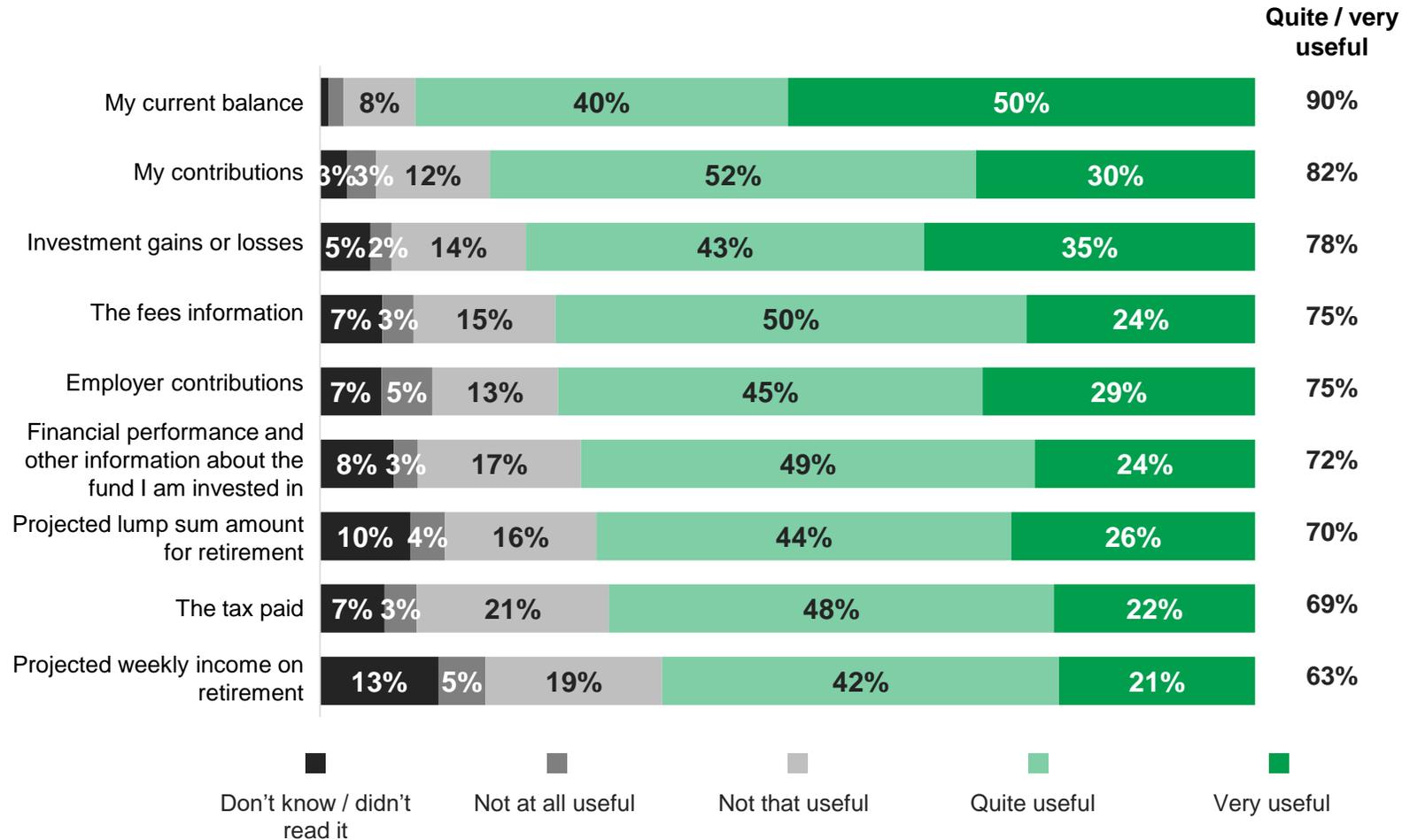
% gave a rating other than 'don't know / didn't read it'



The majority of those who read their statement noticed each aspect (ranging from 87% who noticed the projected weekly retirement income to 99% for their current balance).

This year the proportion who noticed the information about their current balance significantly increased (99%, compared to 97% in 2020), as well as the proportion who noticed their contribution amount (97%, vs. 95%), financial performance and other fund information (92%, vs. 89%), their projected lump sum amount for retirement (90%, vs. 80%), and their projected weekly retirement income (87%, vs. 78%).

# Usefulness of each aspect of statement

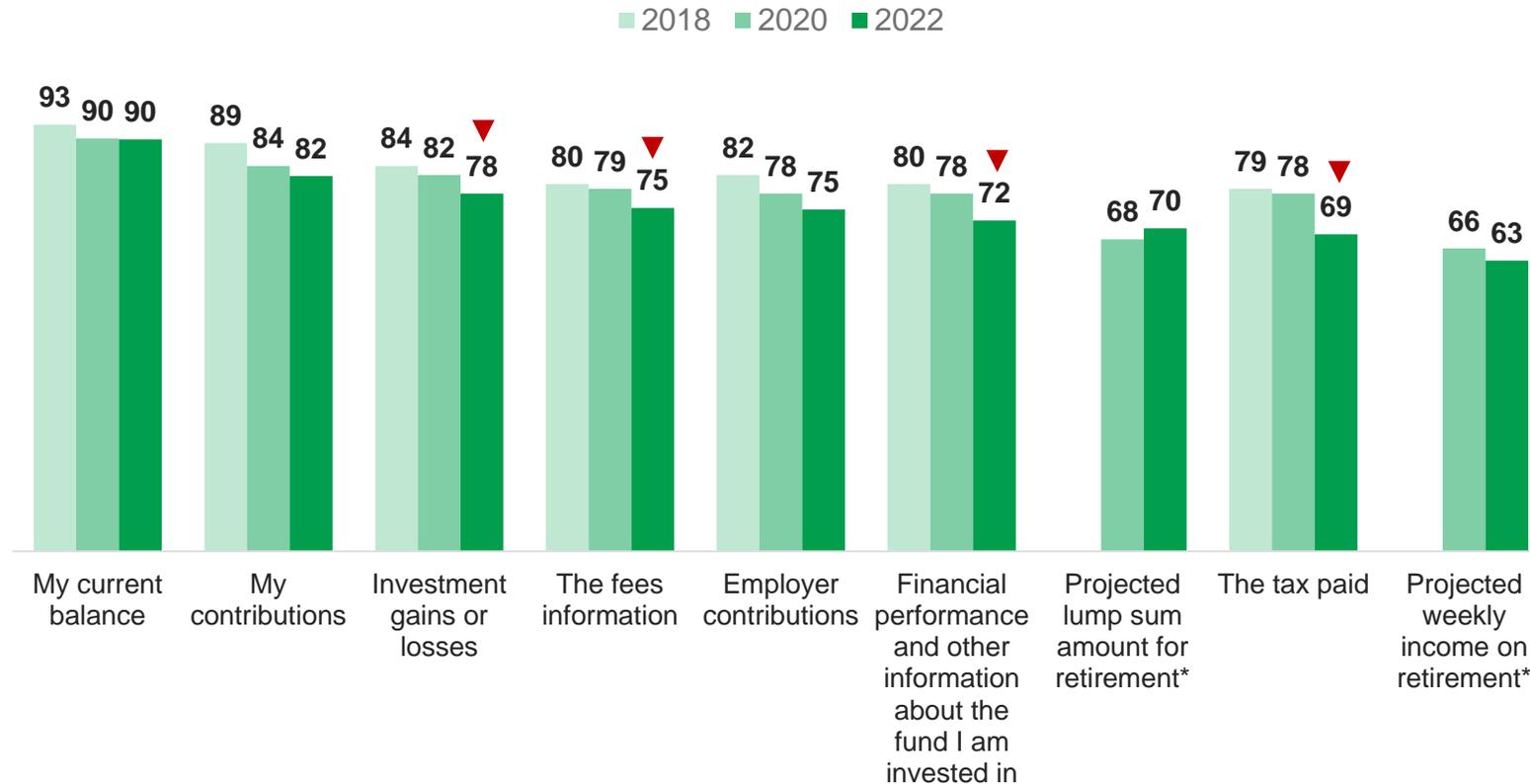


KiwiSaver members rated the following aspects of their statement to be most useful: their current balance (90% rated quite or very useful), their contributions (82%), and investment gains and losses (78%).

All aspects of their statement were felt to be useful, as over 6 in 10 rated each aspect as quite or very useful (ranging from 63% for projected weekly retirement income to 90% for current balance).

# Usefulness ratings over time

% quite or very useful

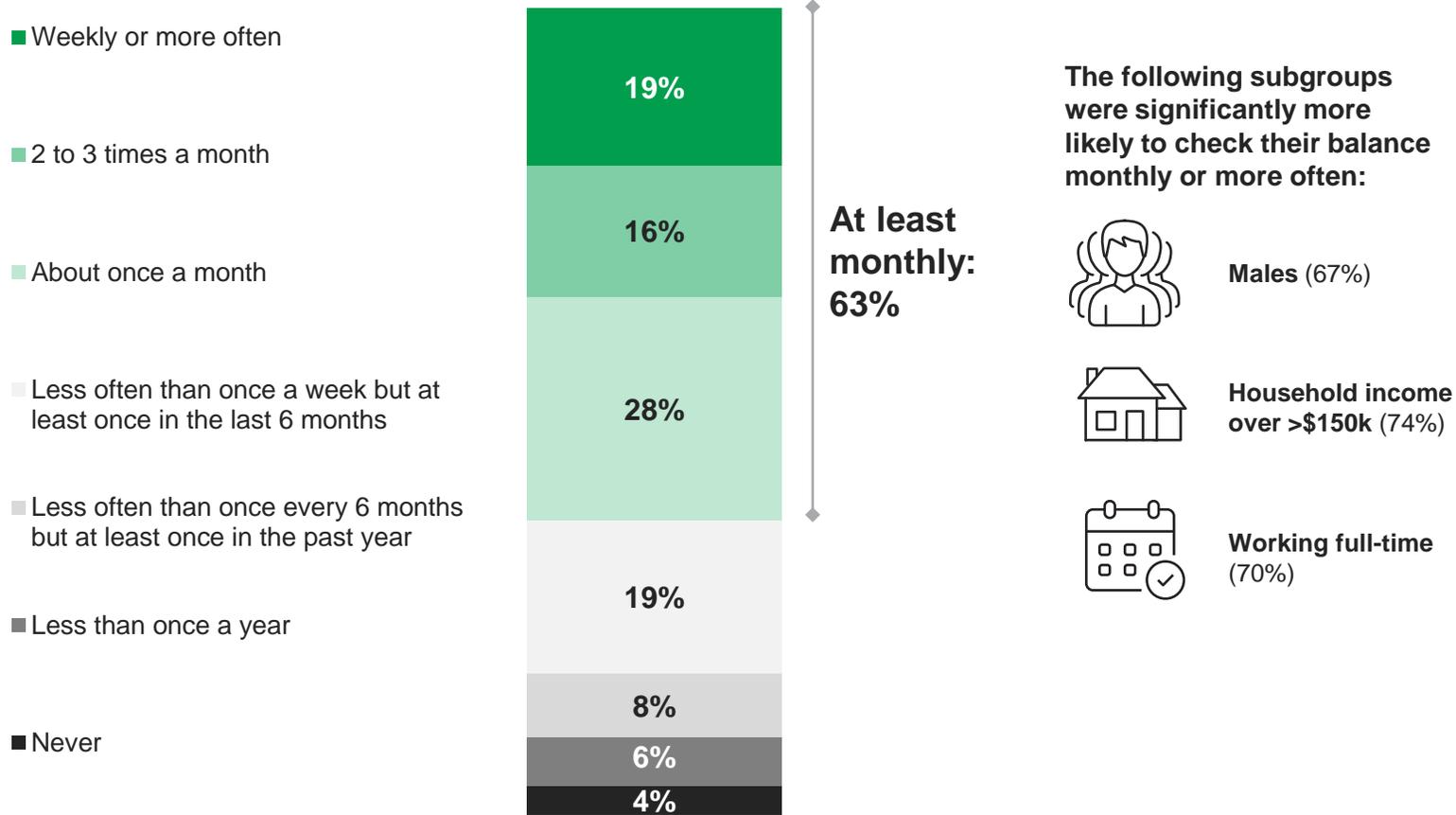


This year, although a majority who read their annual statement still found each aspect useful, usefulness ratings have generally declined, especially for the following aspects:

- Investment gains or losses (78% rate this as quite or very useful, compared to 82% in 2020)
- Fees information (75% vs. 79%)
- Financial performance and other fund information (72% vs. 78%)
- The tax paid (69% vs. 78%).

\* New questions added in 2020

# How often they check KiwiSaver balance\*



Over 6 in 10 KiwiSaver members say that they typically check their balance at least once a month (63%), with almost 1 in 5 (19%) checking their balance weekly or more often.

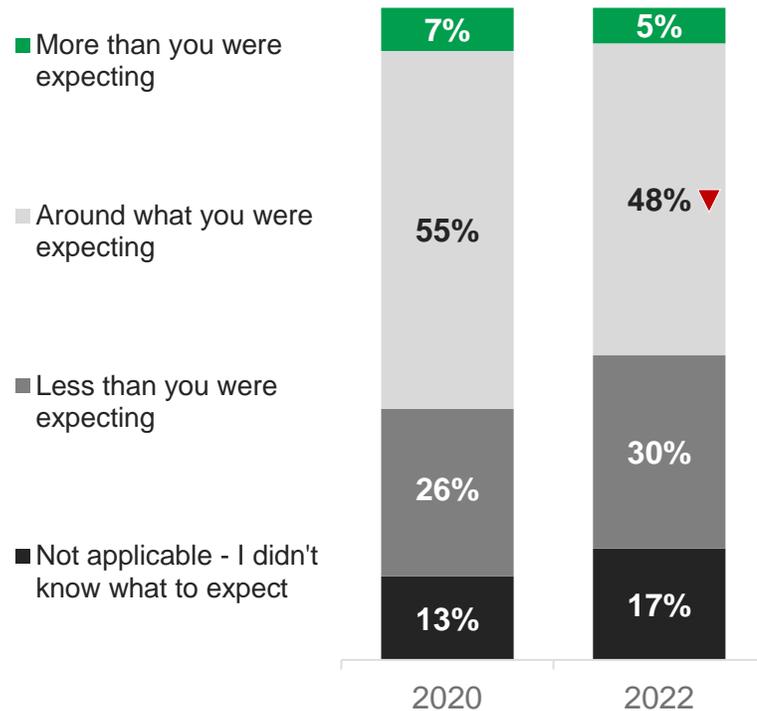
Among those who are checking their balance less frequently, just under 1 in 5 say they have checked their balance at least once in the last 6 months (19%), while just 4% say they have ‘never’ checked their balance.

Males, those on higher household incomes above \$150,000, and people in full-time employment are significantly more likely to check their KiwiSaver balance at least once a month.

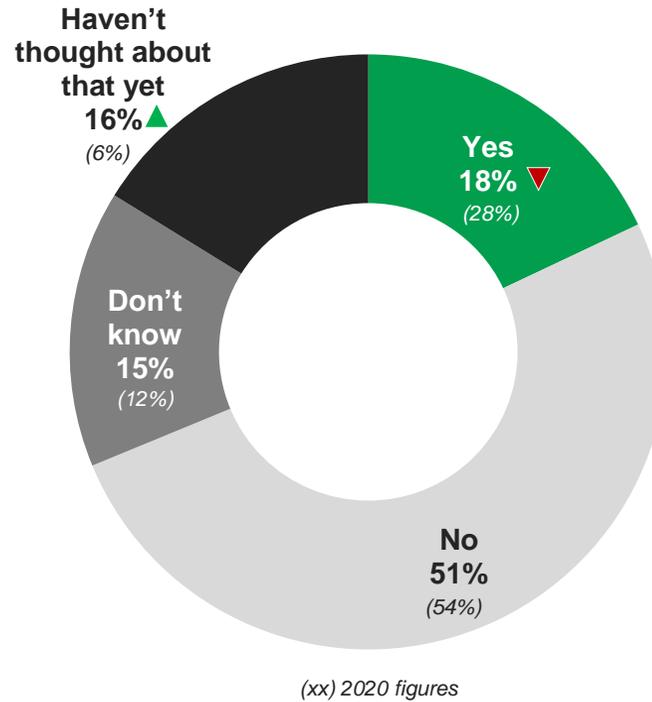
\* New question added in 2022

# Response to projected balance

## Projected retirement income is:



## Is projected KiwiSaver retirement weekly income enough to live on?



Among KiwiSaver members who noticed their projected retirement KiwiSaver balance, just under half (48%) felt the amount was around what they were expecting (a significant decrease from 55% in 2020). Meanwhile, slightly more said that the amount was less than they were expecting (30%, vs. 26% in 2020) or that they didn't know what to expect (17%, vs. 13% in 2020).

Māori were significantly more likely to indicate that their projected balance was **more than they were expecting** (14%, vs. 5% overall), while females (24%), students (39%), and stay at home parents (34%) were significantly more likely to say they **didn't know what to expect**.

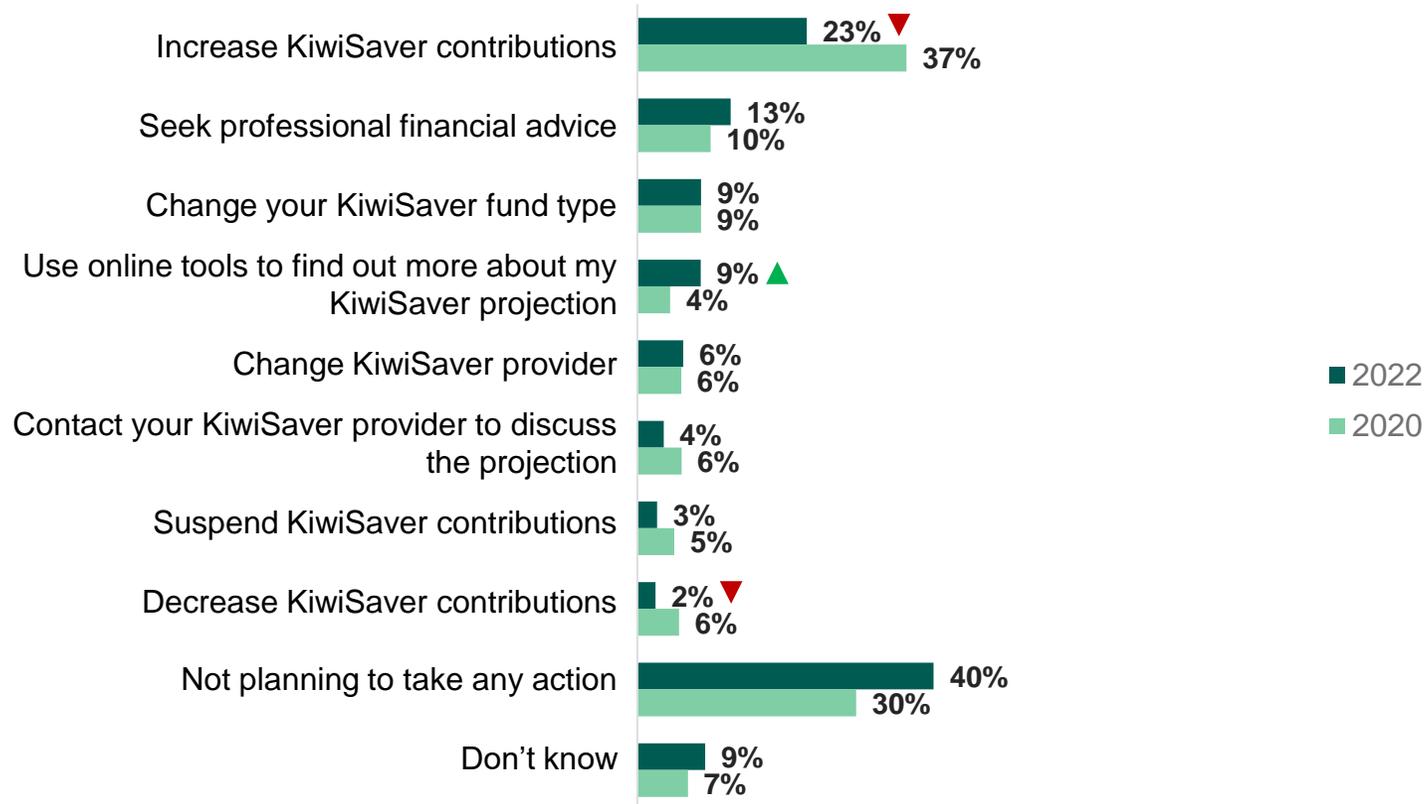
Just under 1 in 5 (18%) indicated that their projected weekly retirement income would be enough to live in, and this proportion is significantly lower than in 2020 (28%). Around half (51%) said it would not be enough to live on, while 15% were unsure, and 16% hadn't thought about that yet – significantly higher than in 2020 (6%).

Those on annual household incomes above \$150,000 were significantly more likely to think their projected weekly income would be enough to live on (30%).

B4. Now that you've seen how much your potential KiwiSaver retirement income will be, is this...?  
 B5. Now that you've seen your projected KiwiSaver retirement weekly income, do you think this is enough for you to live on (on top of NZ Super)?  
 Base for B4: Noticed projected retirement balance (n=1,005)  
 Base for B5: Noticed projected retirement weekly income (n=965)

# Actions in response to projected balance

## Planned actions based on projected KiwiSaver balance at retirement:

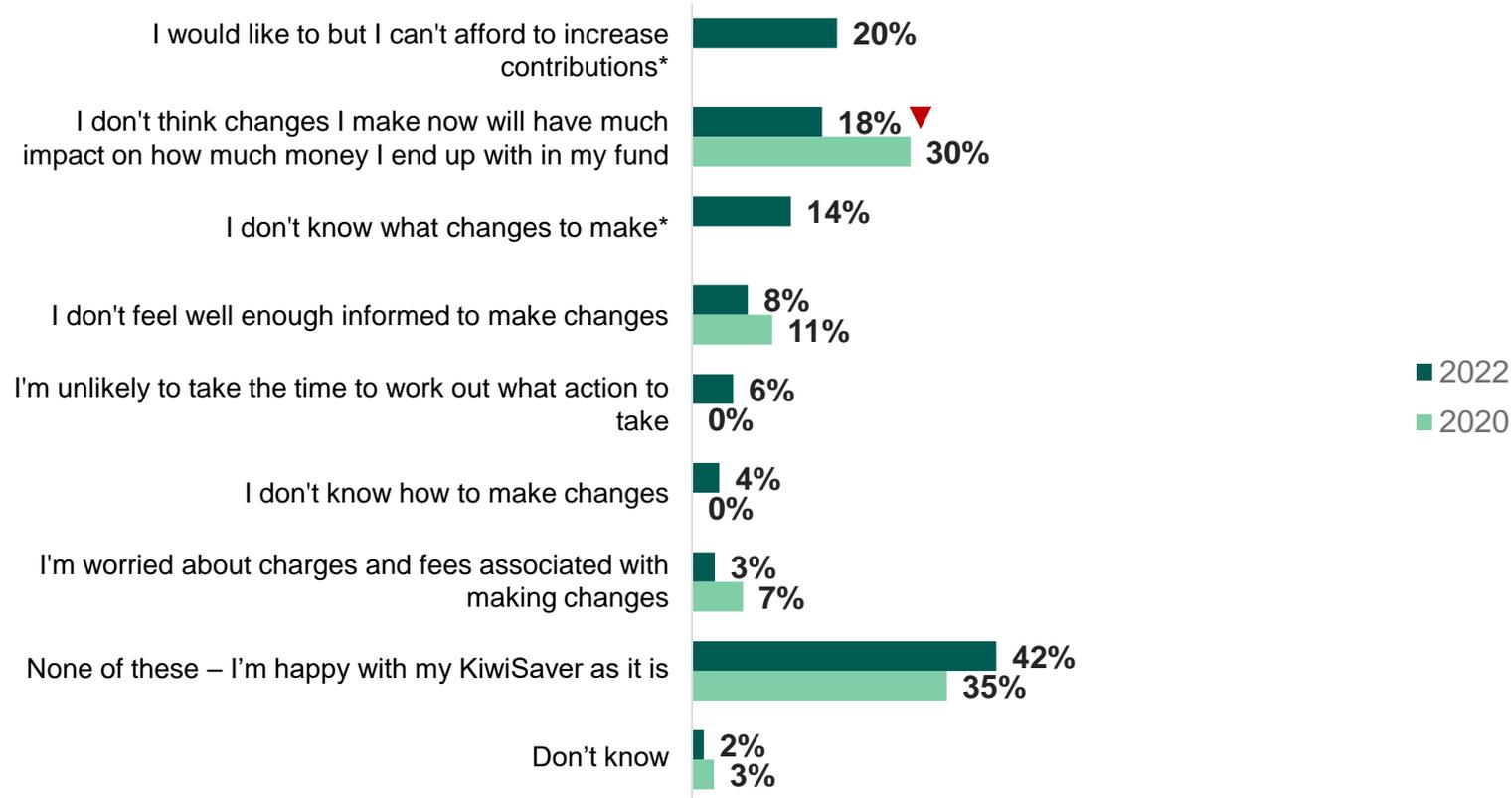


Half of KiwiSaver members who noticed their projected KiwiSaver retirement income now intend to take action as a result, with the most common response being to increase their contributions, although the proportion who are intending to do so has significantly declined this year (23%, compared to 37% in 2020).

Around 1 in 10 are also intending to seek professional advice (13%), change their fund type (9%), or use online tools to find out more about their projection (9%). The proportion planning to use online tools to find out more has significantly increased (9%, vs. 4% in 2020).

Forty per cent of those who saw their projected income are not planning to take any action, while a further 9% were unsure if they would take action or not.

# Reasons for not taking action



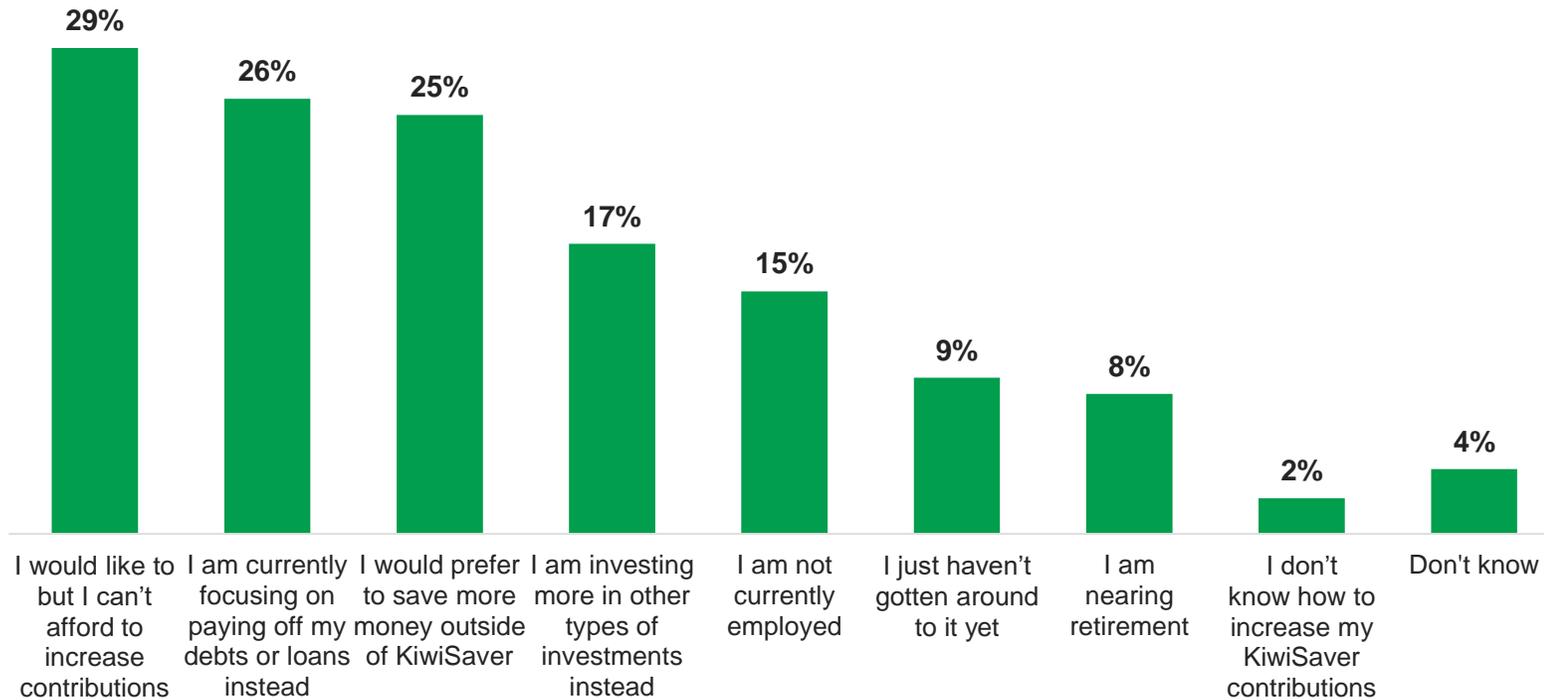
\* New options added in 2022

Among those who noticed their income projection on their statement but were not planning on taking any action, over 4 in 10 (42%) said this is because they are happy with their KiwiSaver.

For those who did face barriers to taking action, the most common reasons were: that they would like to but can't afford to increase their contributions (20%), that they don't think changes they make now will have much impact (18%), and that they don't know what changes to make (14%).

The proportion who said they are not planning to take action because changes they make now are unlikely to have much impact on the end result has significantly declined, from 30% in 2020 to 18% in 2022.

# Reasons for not planning to increase contributions\*



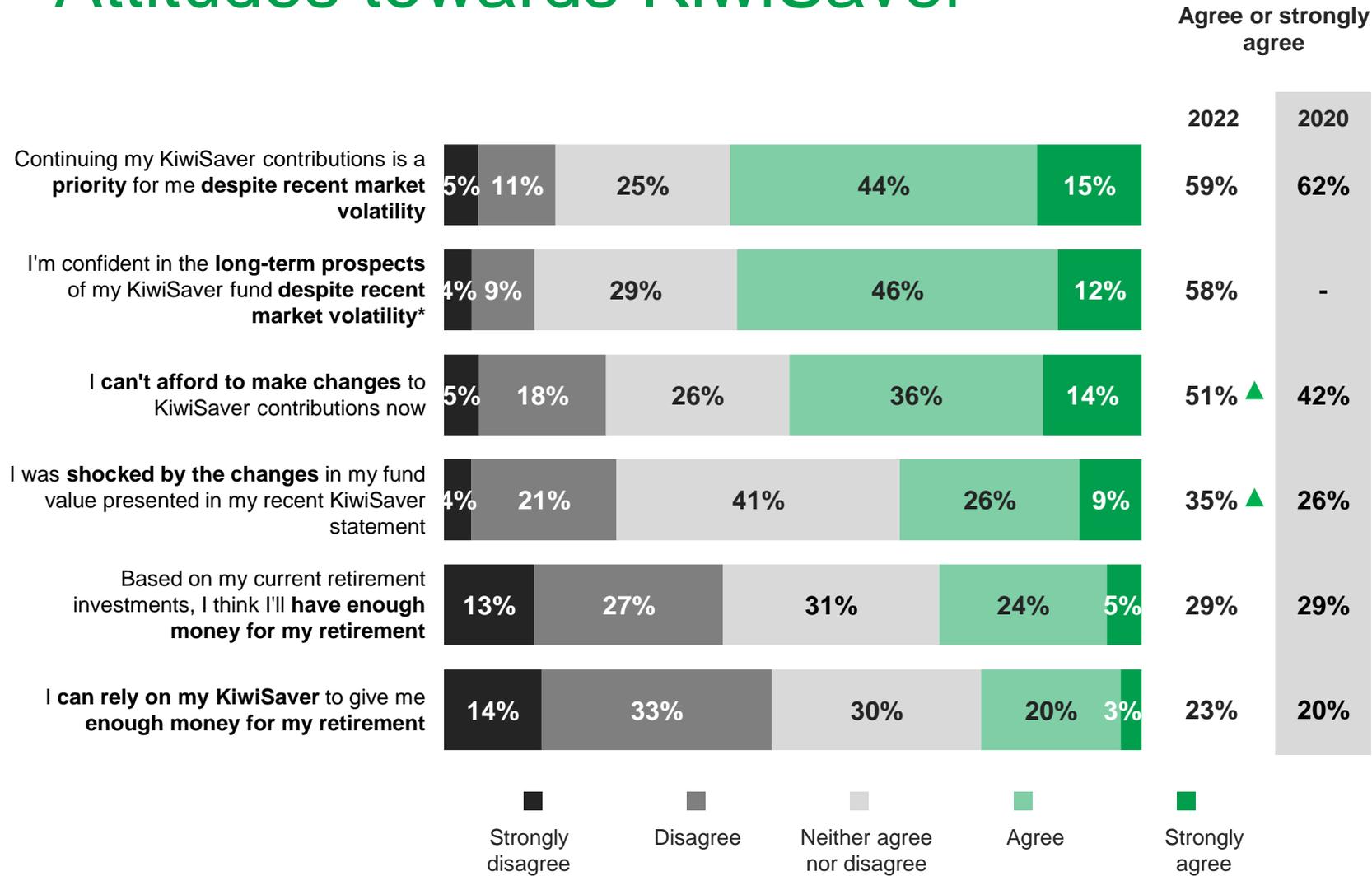
Among those who were not planning to increase their contributions, the top three reasons were: they would like to but can't afford to increase contributions (29%), they are prioritising paying off debts or loans instead (26%), or they would prefer to save more money outside of KiwiSaver instead (25%). Just 2% said that the reason they were not planning to increase their contributions was because they don't know how.

Some barriers to increasing contributions were significantly more prevalent among certain demographic groups:

- **35-44-year-olds** were more likely to be more focused on paying off debts or loans (38%, vs 26% overall)
- People with **annual household incomes under \$50,000** were more likely to say they are currently unemployed (43%, vs. 15% overall)
- **Māori** were more likely to say they just haven't gotten around to it yet (23%, vs. 9% overall)
- **Pacific peoples** were more likely to say they don't know how to increase their contributions (12%, vs. 2% overall)
- People of **Chinese ethnicity** were more likely to be investing more in other types of investments instead (39%, vs. 17% overall).

\* New question added in 2022

# Attitudes towards KiwiSaver



\* New question added in 2022

Almost 6 in 10 KiwiSaver members say they are committed to continuing their contributions, with 59% agreeing or strongly agreeing that this is a priority for them despite recent market volatility. A similar proportion also say they are confident in the long-term of their KiwiSaver despite the recent volatility (58%).

Just over half (51%) say they can't afford to increase their contributions at the moment, significantly higher than in 2020 (42%), and over one-third (35%) indicate that they were shocked by the change in fund value in their recent statement, also a significant increase from 2020 (26%). Those who said that their projected KiwiSaver retirement income was less than they were expecting were significantly more likely to say they were shocked by the change in fund value (50%).

Views are more polarised as to whether they are on track to have enough money for their retirement, as just under 3 in 10 (29%) agree or strongly agree that based on their current investments they will have enough money to retire on, while 4 in 10 do not think they will have enough (40% disagree or strongly disagree), and 31% have a neutral opinion.

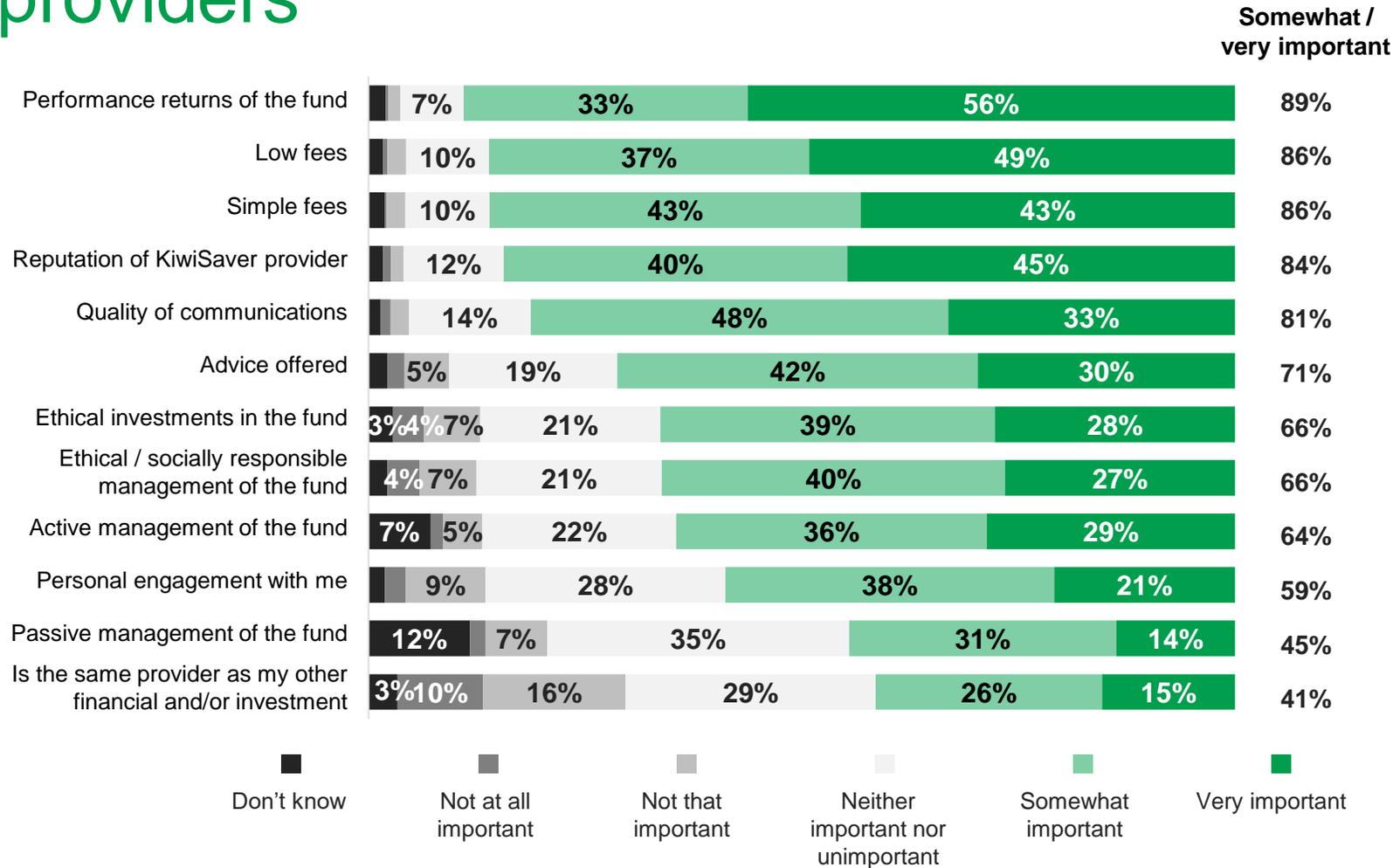
Similarly, under 1 in 4 (23%) agree that they can rely on their KiwiSaver to give them enough money for retirement. This is slightly higher than in 2020 (20%), although the difference is not statistically significant.



SECTION 5

# Overall satisfaction with KiwiSaver scheme

# Influences when deciding on KiwiSaver providers



When deciding on which KiwiSaver scheme to join, KiwiSaver members are most strongly influenced by performance returns (89% rated this as somewhat or very important), followed by low fees (86%), simple fees (86%), reputation of KiwiSaver provider (84%) and quality of communications (81%). The least important factors are passive management of the fund (45% rated as somewhat or very important), and that their KiwiSaver provider is the same as for their other financial and/or investment (41%).

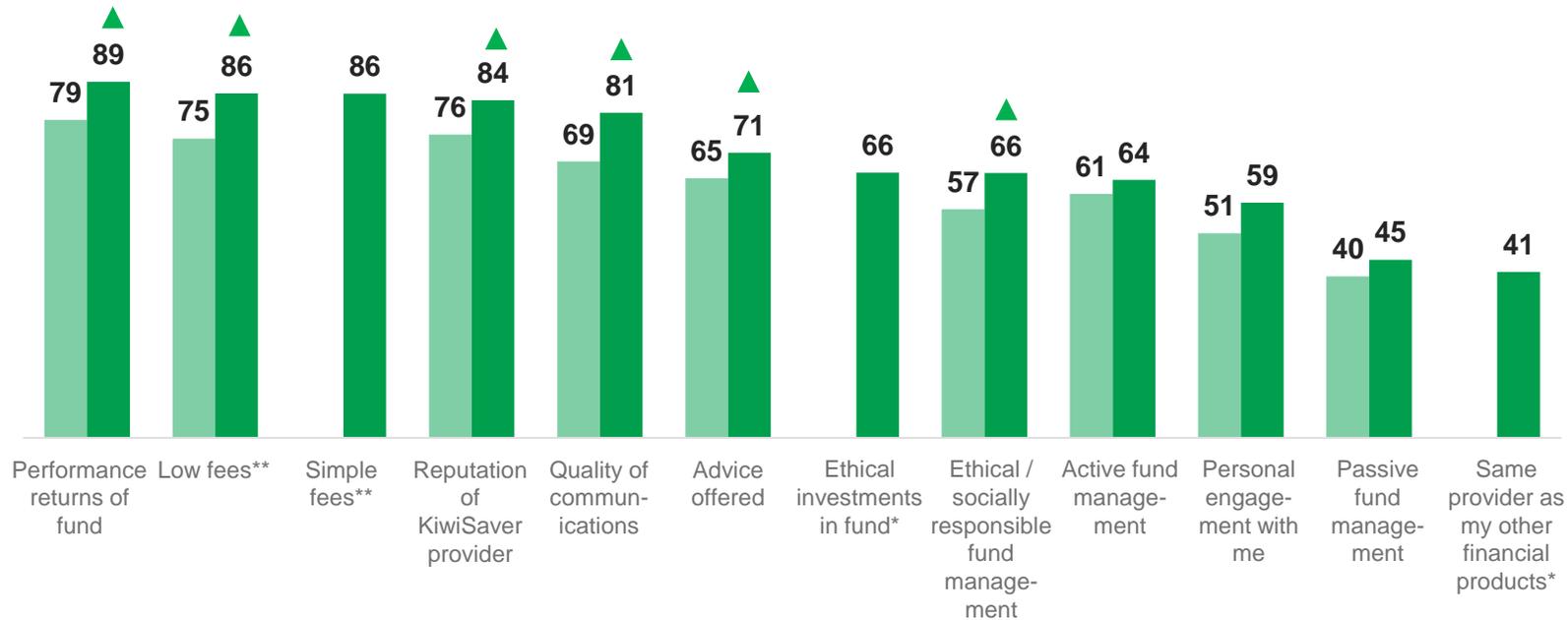
Key differences between demographic groups include:

- **Females** are significantly more likely to place importance on **low** and **simple fees** (90% of females rated this as somewhat or very important, vs. 86% overall), provider **reputation** (89%, vs. 84% overall), **ethical or socially responsible fund management** (75%, vs. 66% overall), and **ethical fund investments** (74%, vs. 66% overall).
- **18-24-year-olds** are more likely to value having the **same provider** for their KiwiSaver as for their other financial products (56%, vs. 41% overall)
- **Those aged 65 and over** are more likely to say provider **reputation** is important (94%, vs. 84% overall).

# Influences when deciding on KiwiSaver providers over time

% somewhat / very important

■ 2020 ■ 2022

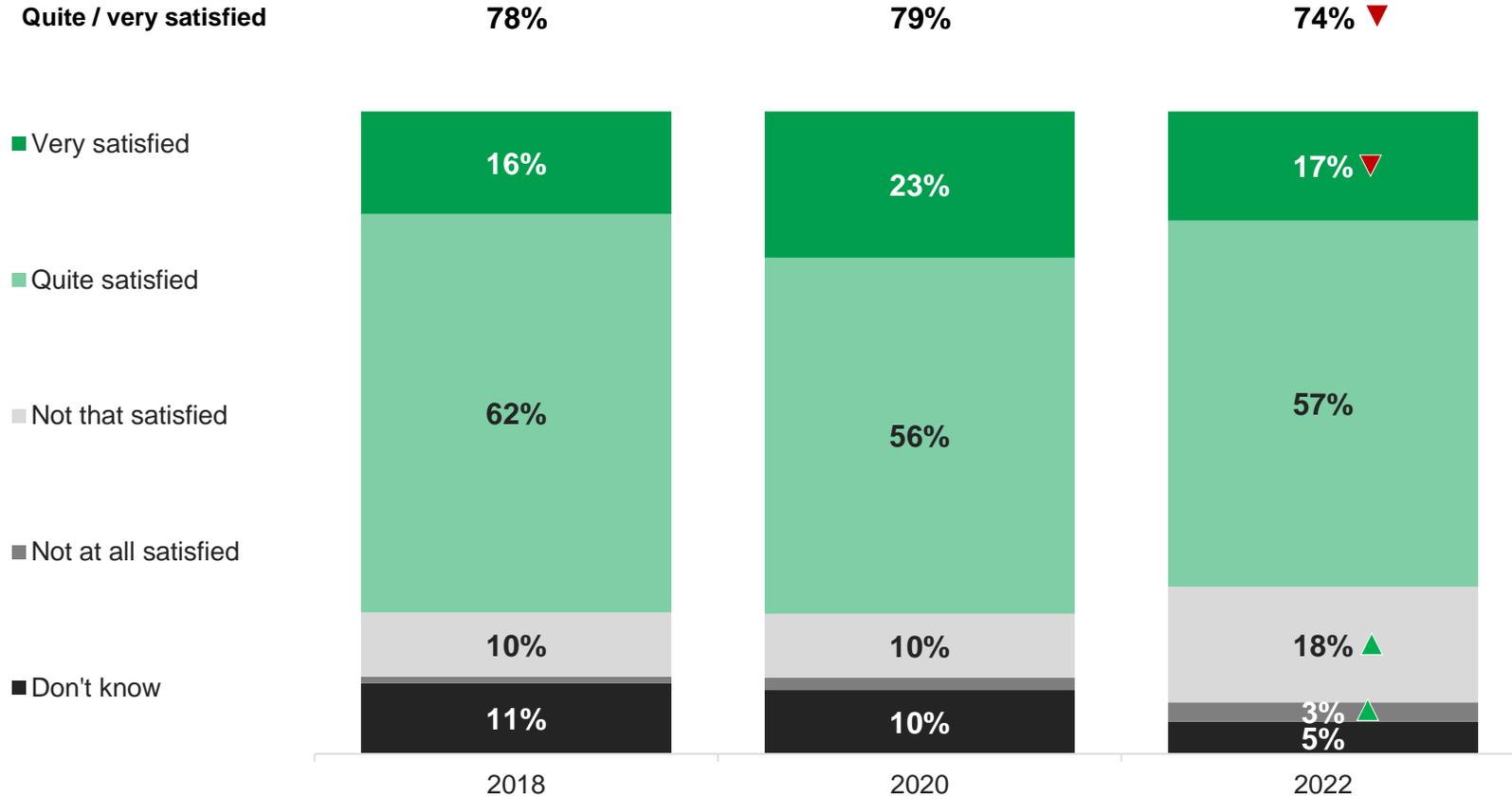


Several aspects have grown in importance this year as influences on choice of KiwiSaver providers, including performance return of the fund (89% rated as somewhat or very important, compared to 79% in 2020), low fees (86%, vs. 75% in 2020), the provider’s reputation (84%, vs. 76%), quality of communications (81%, vs. 69%), the advice offered by the provider (71%, vs. 65%), and whether the fund is managed in an ethically or socially responsible way (66%, vs. 57%).

\* New option added in 2022

\*\* Note: ‘fees’ has been split out into two components this year (‘low fees’ and ‘simple fees’) - previously asked as a single option (‘level of fees’)

# Overall satisfaction with provider



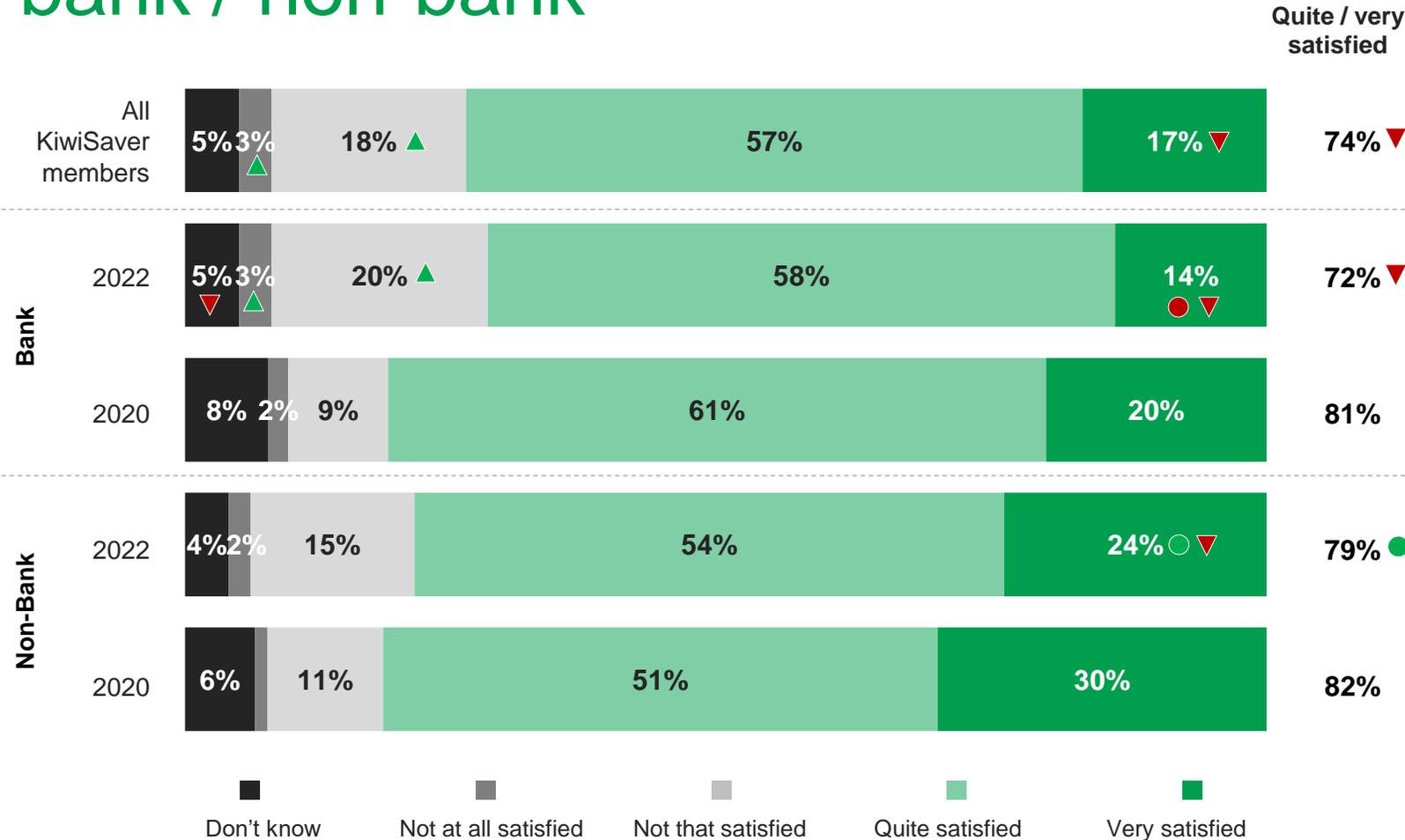
While still high, KiwiSaver members' satisfaction with their provider has significantly decreased this year, with almost three-quarters (74%) either 'quite' or 'very' satisfied with their provider, compared to 79% in 2020.

The proportion of members who are 'not at all' or 'not very' satisfied has also significantly increased, from 12% in 2020 to 21% in 2022.

As observed in 2020, those members who saw an increase in their investment return in the past 12 months were significantly more satisfied with their provider (89% quite or very satisfied, compared to 74% overall), whereas those who report a decrease in returns were significantly less likely to be satisfied (69%).

Those in Growth funds were also significantly more likely to be satisfied (82%), as were those in actively managed funds (86%).

# Overall satisfaction with provider by bank / non-bank



Those who have their KiwiSaver with a non-bank provider are significantly more satisfied than those with bank providers (79% of those in non-bank schemes were 'quite' or 'very' satisfied, compared to 72% in bank schemes).

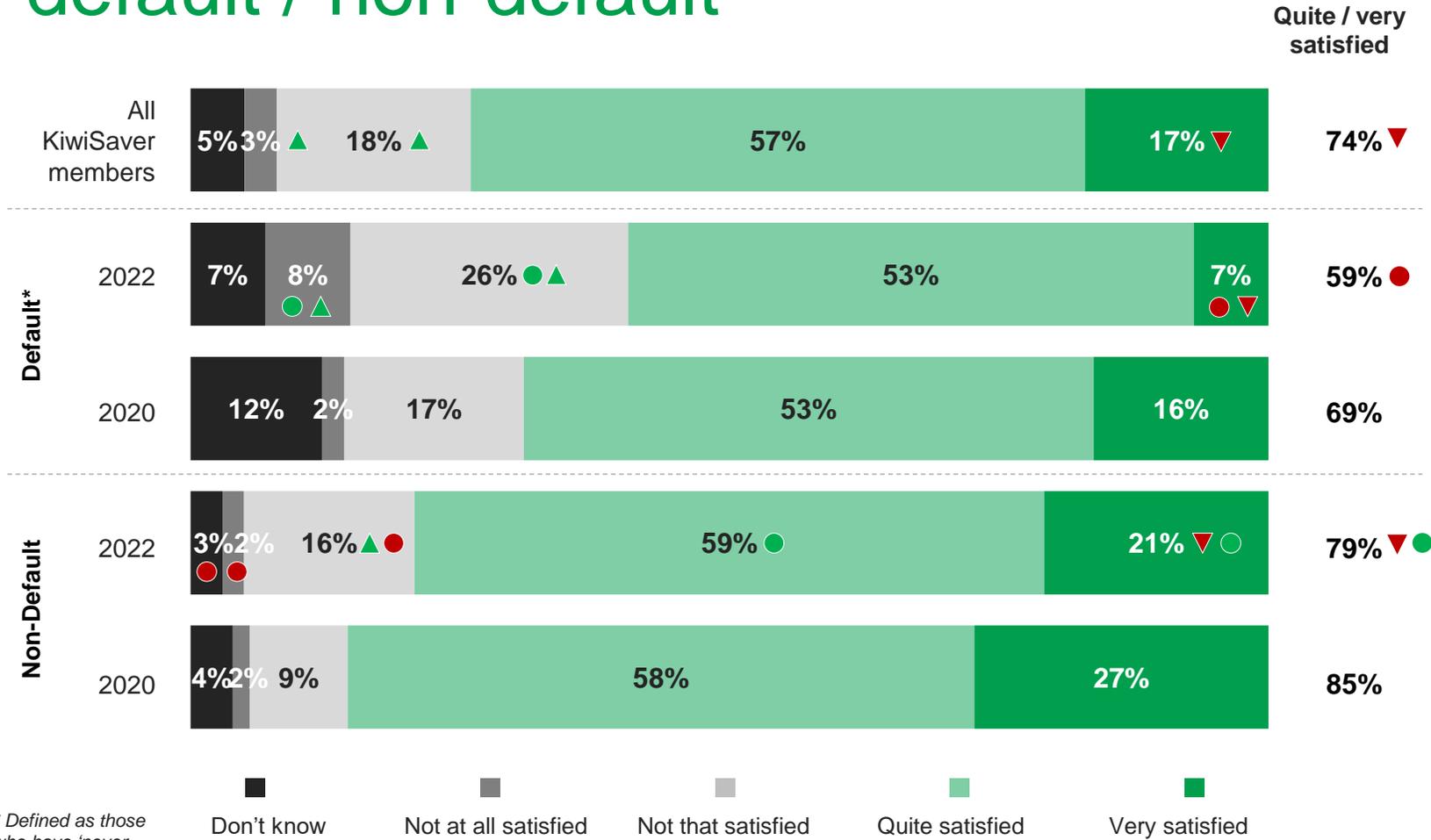
Among KiwiSaver members who are in a bank scheme, satisfaction with providers has also significantly declined (72% 'quite' or 'very satisfied', compared to 81% in 2020), while dissatisfaction has significantly increased (23% were 'not that' or 'not at all' satisfied, vs. 11% in 2020).

For those in non-bank schemes, there has been a significant increase in the proportion who were 'not that satisfied' (15%, vs. 11% in 2020).

Respondents were asked to provide comments as to the reasons why they were satisfied or dissatisfied (explored in more detail on pages 36 and 37). This open-ended feedback reveals that the reasons for increased dissatisfaction among those in bank schemes may relate to high fees (mentioned by 10% of bank scheme members, compared to 5% of non-bank scheme members).

● Statistically significant vs Total to 95% confidence  
 ▲ Statistically significant vs previous year to 95% confidence

# Overall satisfaction with provider by default / non-default



\* Defined as those who have 'never made an active choice of fund'

Satisfaction with KiwiSaver providers decreased significantly for both default and non-default schemes in 2022. For those in default schemes, almost 6 in 10 (59%) were 'quite' or 'very' satisfied, compared with almost 7 in 10 (69%) in 2020, while the proportion who were 'not that' or 'not at all' satisfied increased from 19% to 34%.

Meanwhile, satisfaction among those in non-default schemes also declined from 85% to 79%, while dissatisfaction increased from 11% to 18%.

Despite the decline from 2020, those in a non-default scheme remain significantly more satisfied than those in a default scheme (79% of those in non-default schemes were 'quite' or 'very' satisfied, compared to 59% in default schemes).

Respondents' open-ended feedback as to the reasons for their level of satisfaction with their KiwiSaver provider indicates that the lower satisfaction among those in default schemes may be related to poor customer service (mentioned by 27% of those in default schemes, compared to 10% of those in non-default schemes).

CB. Overall, how satisfied are you with your KiwiSaver provider?  
 Base: KiwiSaver members (All 2022 n=1,388; Default n=218; Non-default n=1,040; 2020 Default n=143; Non-default n=986)

●● Statistically significant vs Total to 95% confidence  
 ▲▼ Statistically significant vs previous year to 95% confidence

# Reasons for satisfaction with provider

## Most common reasons for satisfaction (coded responses to open-ended question)



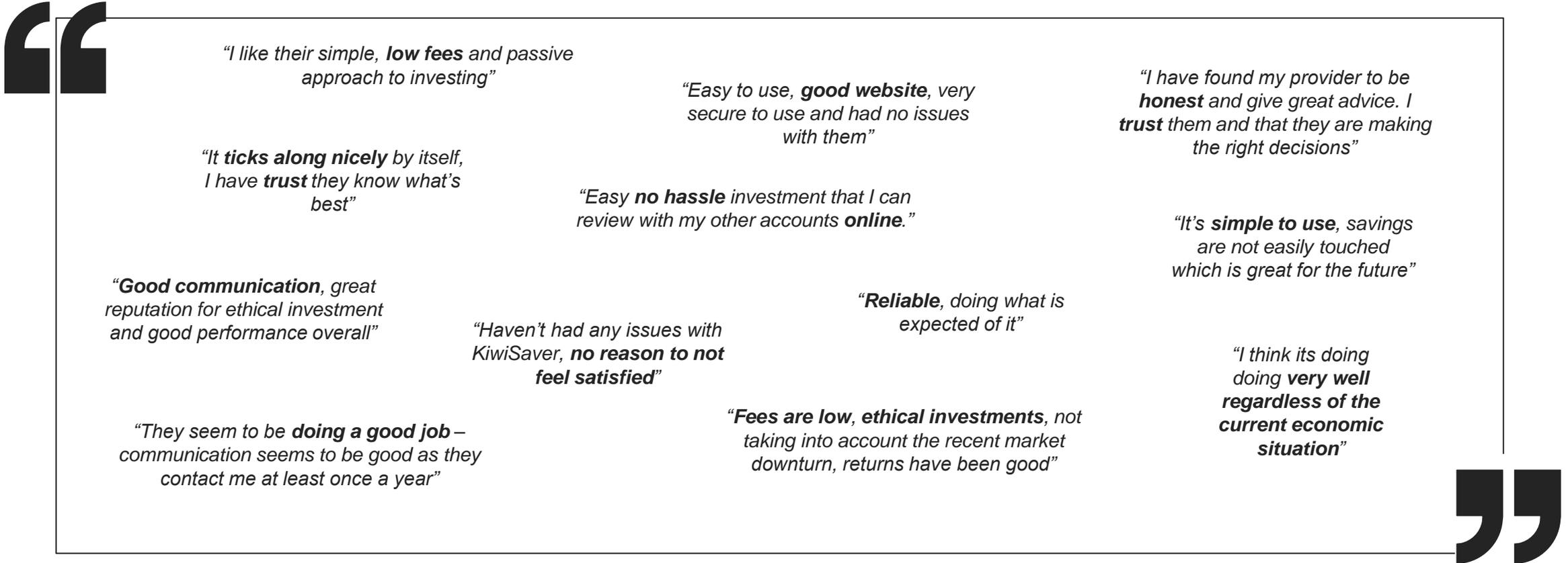
\* New codes added in 2022

Satisfaction with KiwiSaver providers is driven primarily by good investment performance, efficiency, and good customer service.

Among the 74% who were 'quite' or 'very' satisfied with their provider, the top reasons given for this were good performance or returns (mentioned by 19%), their fund working well or efficiently (16%), and good customer service (15%), while 14% mentioned simply having no reason to be unsatisfied.

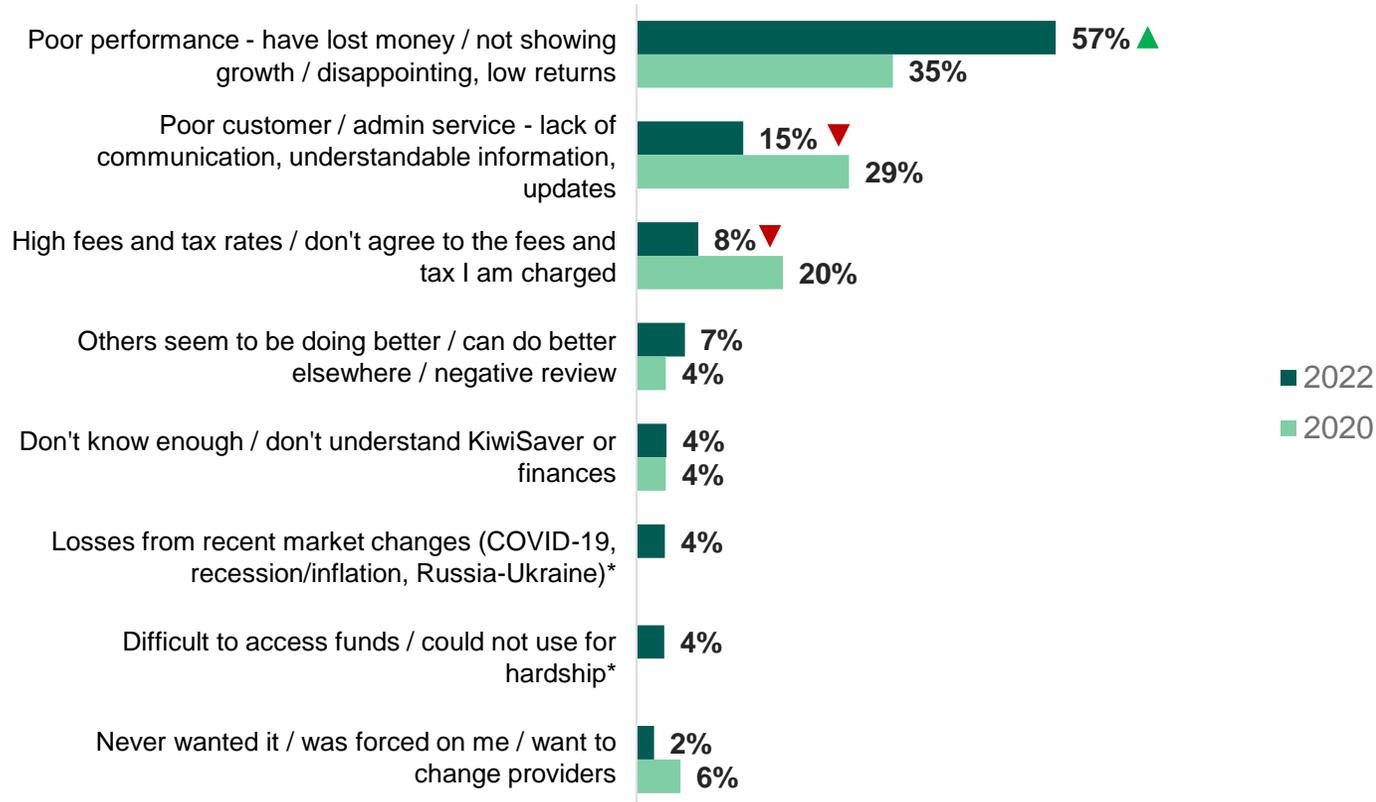
This year a significantly larger proportion said they were satisfied due to their provider being reliable / trustworthy (mentioned by 12% in 2022, vs. 6% in 2020), while significantly fewer mentioned efficiency, customer service and low fees as reasons for being satisfied.

# Example quotes – satisfied with provider



# Reasons for dissatisfaction with provider

## Most common reasons for dissatisfaction (coded responses to open-ended question)



\* New codes added in 2022

Among the 21% who were 'not very' or 'not at all' satisfied with their provider, the principal reason given for this was because of their fund having performed poorly over the past year, and this has grown significantly as a driver of dissatisfaction compared to 2020 (mentioned by 57% in 2020, vs. 35% in 2020).

Behind poor fund performance, the next most common reasons were poor customer service (15%) and high fees (8%), although significantly fewer mentioned these aspects than in 2020.

# Example quotes – not satisfied with provider

“

*“I need more regular information from them with updates”*

*“Disappointed in the lack of communication when transferred to the provider. Not making any money but losing it”*

*“Investing more than my return on investment – waste of time, I wish I could get my money out now as it will not help me later in life at this rate”*

*“Poor returns in the last year with no communication with what’s going on”*

*“Terrible customer service – don’t actually care about you just want your money”*

*“Don’t know enough about KiwiSaver, or really understand it”*

*“Returns are not impressive – fees seem very high”*

*“Can’t perform well enough to support me in retirement”*

*“Need to have clearer information like on their statements”*

*“Lack of communication, no regular updates. Basically signed me up and that was it”*

*“Encounters I’ve had when I’ve needed support have been unhelpful”*

*“The returns have not been great compared to other providers”*

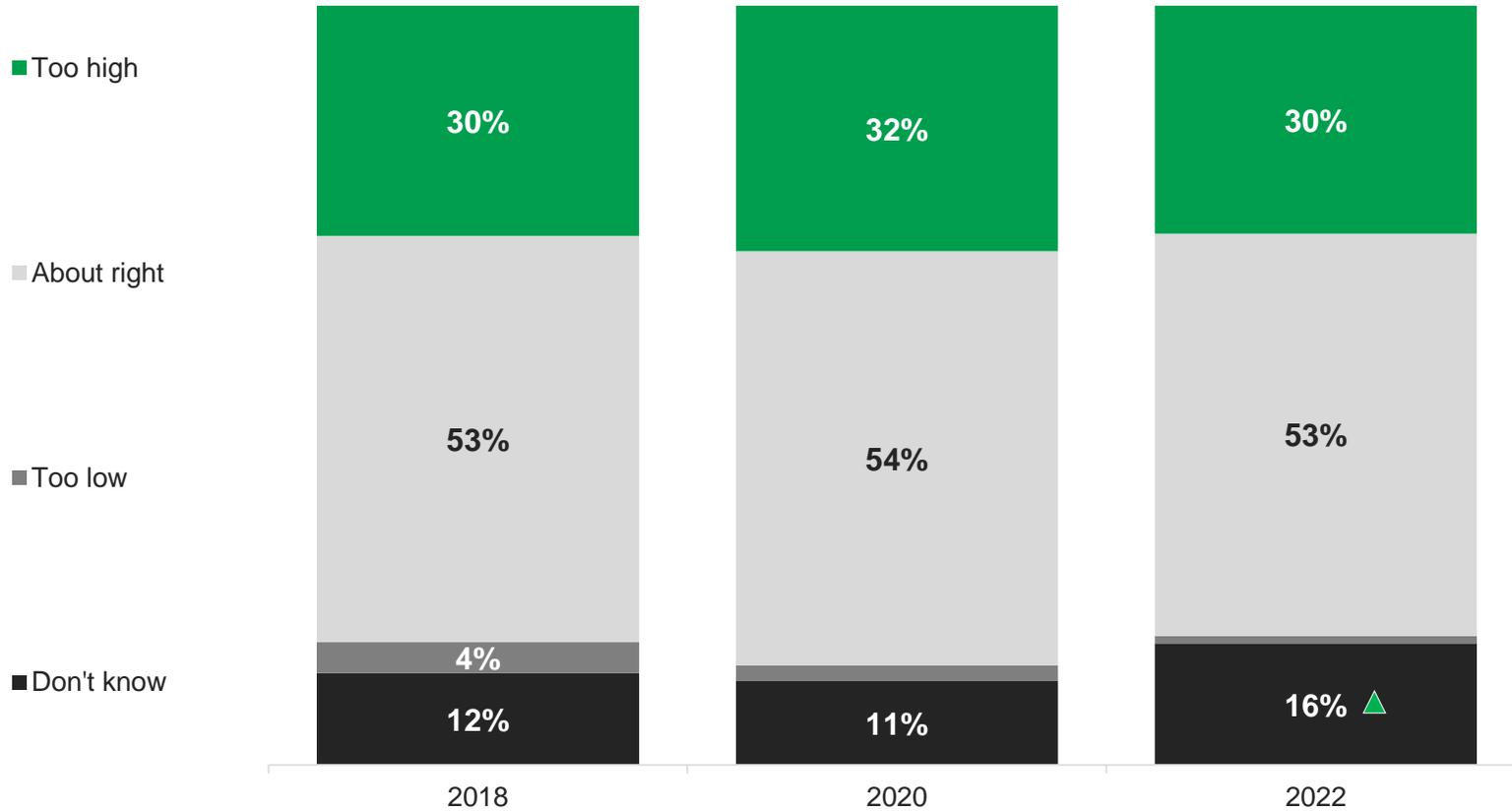
*“The returns have been negative but that’s to be expected under the current conditions. But I will be watching to make sure these improve”*

*“Difficult to withdraw funds for an emergency”*

*“Admin fees are high and not enough saving/returns happening”*

”

# Perception of fees over time



KiwiSaver members' response to fees was fairly consistent with results from 2018 and 2020. Just over half (53%) find their scheme's fees to be 'about right' while 3 in 10 say they are 'too high,' with these proportions remaining relatively stable over time.

The proportion of members who 'don't know' has significantly increased this year (16%, vs 11% in 2020).

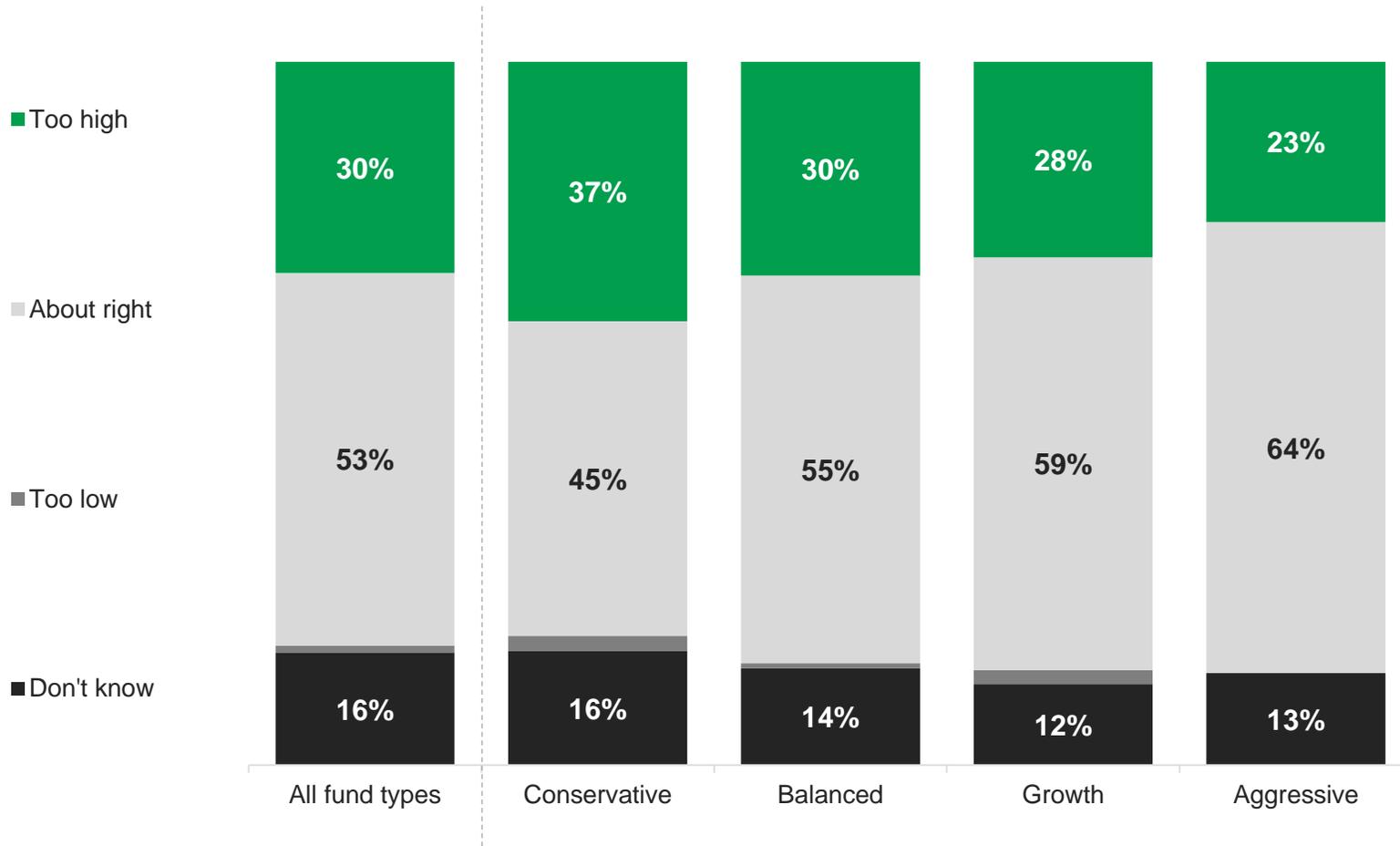
The following groups were more likely than average to feel their scheme's fees were **too high**:

- Those who say their investment return decreased in the past 12 months (37%, vs. 30% overall)

While the following groups were significantly more likely to say they were **about right**:

- Those who say their investment return increased (71%)
- Those in actively managed funds (62%, vs. 53% overall)
- Those who thoroughly read their statements (61%)
- Those in non-default funds (56%)

# Perception of fees by fund type



Those in Conservative funds are most likely to feel their scheme's fees are too high (37%, vs. 30% overall), while those in Aggressive funds are most likely to feel the fees they pay are about right (64%, vs. 53% overall).

# Reasons for fee perceptions\*

## REASONS FOR PERCEPTION THAT FEES ARE TOO HIGH

“*Very **high fees** and **poor returns**”*

“*For the returns I’m getting the **fees are too high**”*

“*My KiwiSaver **balance goes down** because of the fees”*

“*The **fees should be reduced** considering it’s my money I’m investing, already **getting minimal returns**”*

“***Too high** for the returns they are giving”*

## REASONS FOR PERCEPTION THAT FEES ARE ABOUT RIGHT

“*It’s about the right amount, I’m **satisfied with it**”*

“***Fees don’t seem like a very large amount** – I can afford it”*

“***Standard fee** – can’t change these as they are set by providers”*

“*I think the **fees are fair** and are doing what they can with the **resources available**”*

“*The **fees seem reasonable**”*

“***Fees are about right** for the service given”*

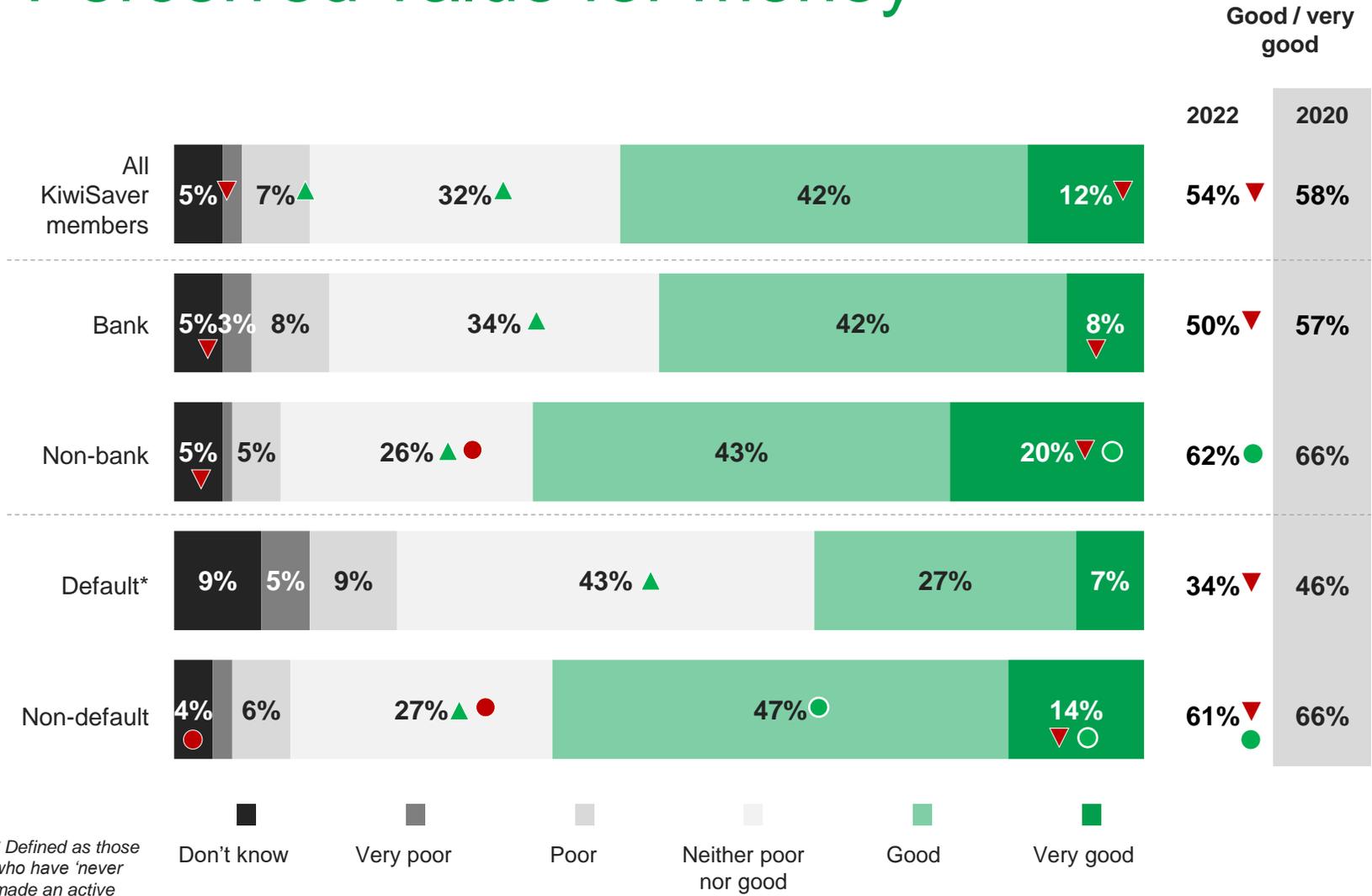
KiwiSaver members were asked to provide reasons for their perception of the fees they pay for their scheme.

Among those who felt the fees they pay are **too high**, open-ended feedback revealed that the most common reasons for this were that they felt the fees were too high considering the returns they get on their investment, or related to the impact of fees on their fund balance.

Meanwhile, for those who indicated that the fees they pay are **about right**, the most common reason given for this were that they felt the fees were reasonable and fair for the service provided.

\* New question added in 2022

# Perceived value for money



KiwiSaver members were asked to rate their KiwiSaver provider scheme in terms of providing good value for money.

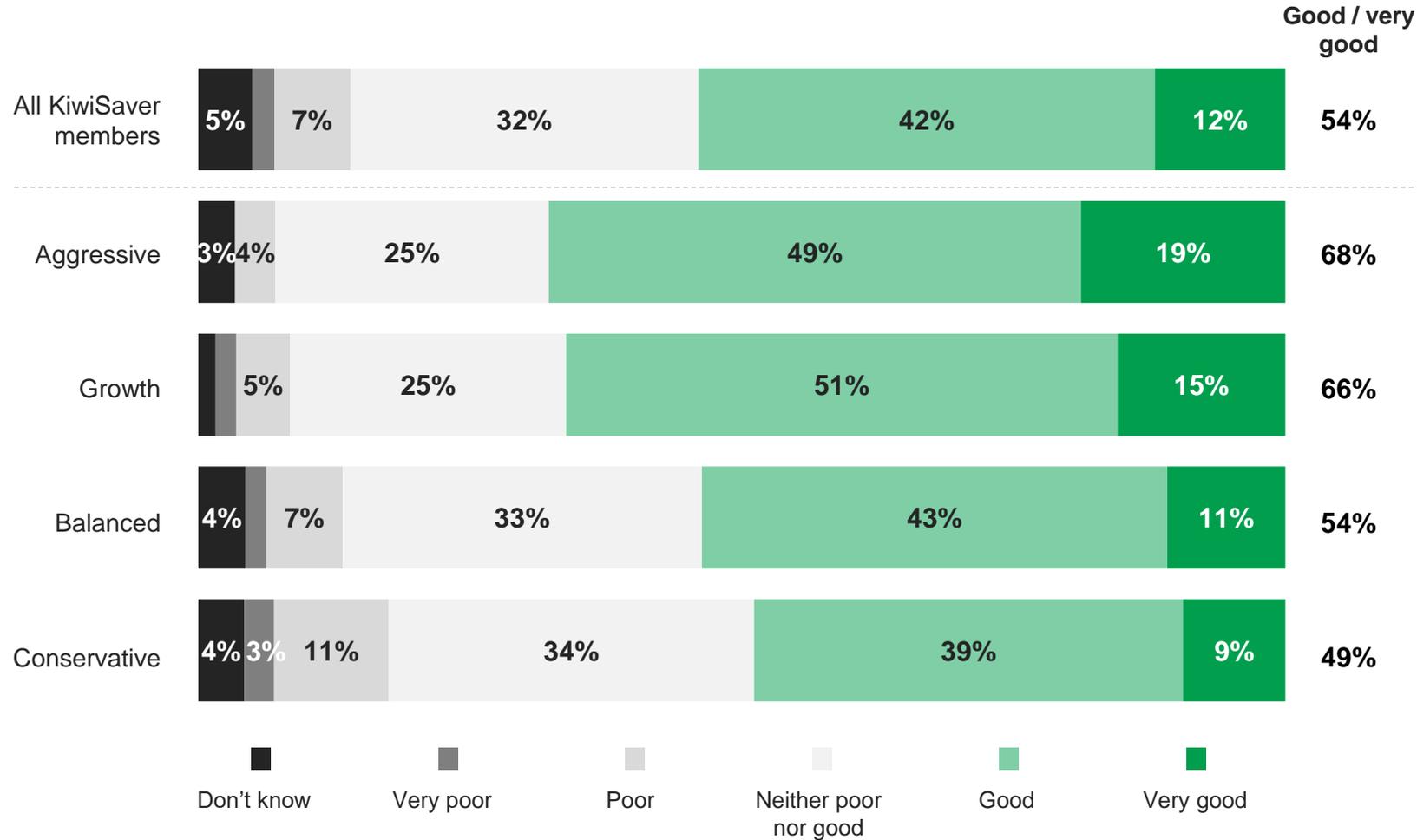
At an overall level, just over half of KiwiSaver members perceive their scheme's value for money to be 'good' or 'very good' and this has significantly decreased (54%, vs. 58% in 2020), while one-third express a neutral opinion (32%, up from 25% in 2020) and just under 1 in 10 are negative (9% rated as 'poor' or 'very poor').

Perceptions of value for money have declined across fund types, especially for those in bank (-7 percentage points) and default schemes (-12%).

Those in non-bank and non-default schemes give significantly higher ratings of their fund's value for money (62% and 61%, respectively).

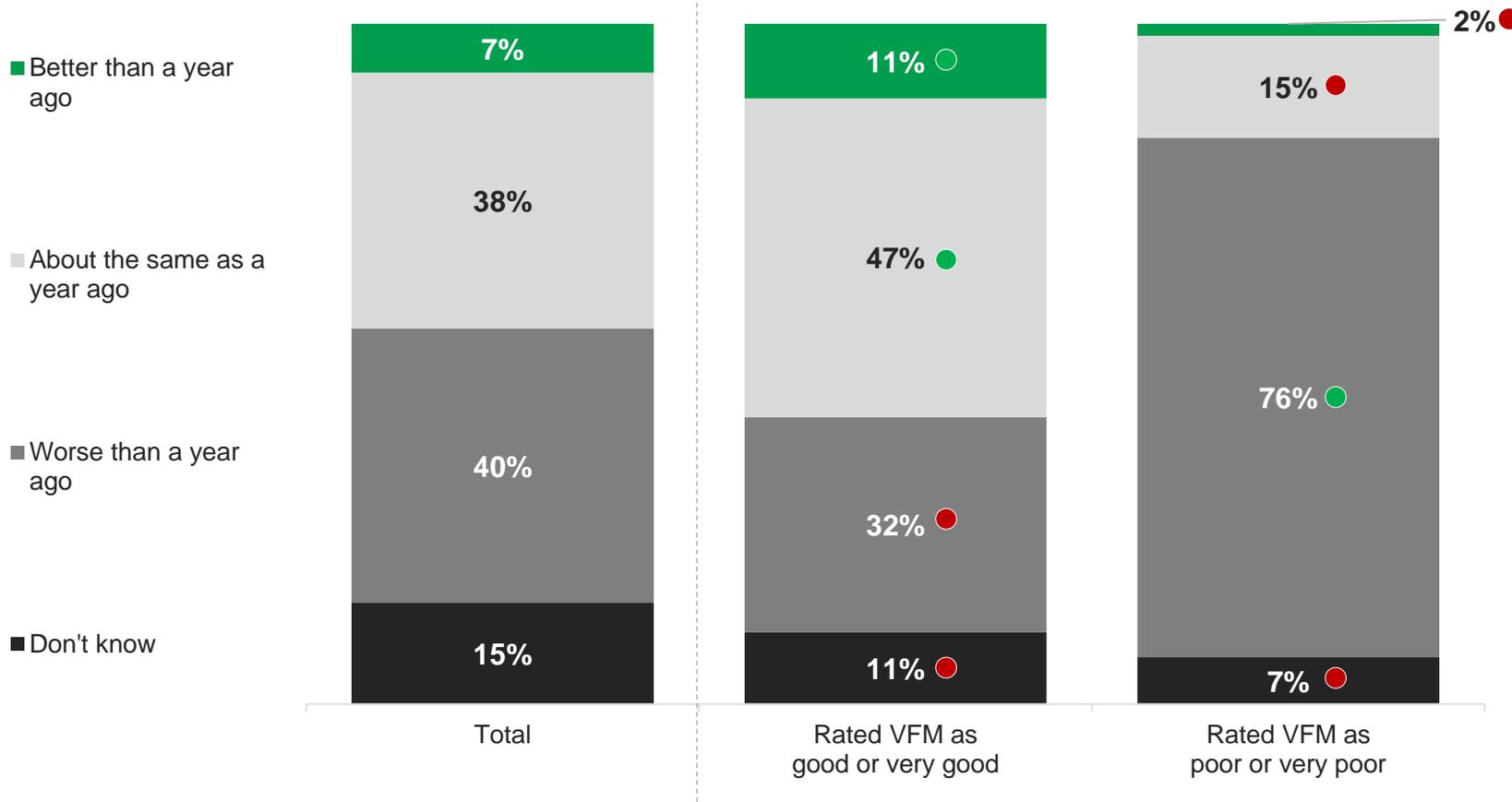
\* Defined as those who have 'never made an active choice of fund'

# Perceived value for money by fund type



KiwiSaver members who are in Aggressive and Growth funds are most likely to rate their scheme's value for money as 'good' or 'very good' (68% and 66% respectively, vs. 54% overall), while perceptions of value for money are lowest among those in Conservative funds (49%).

# Perceptions of how value for money has changed over the last year\*



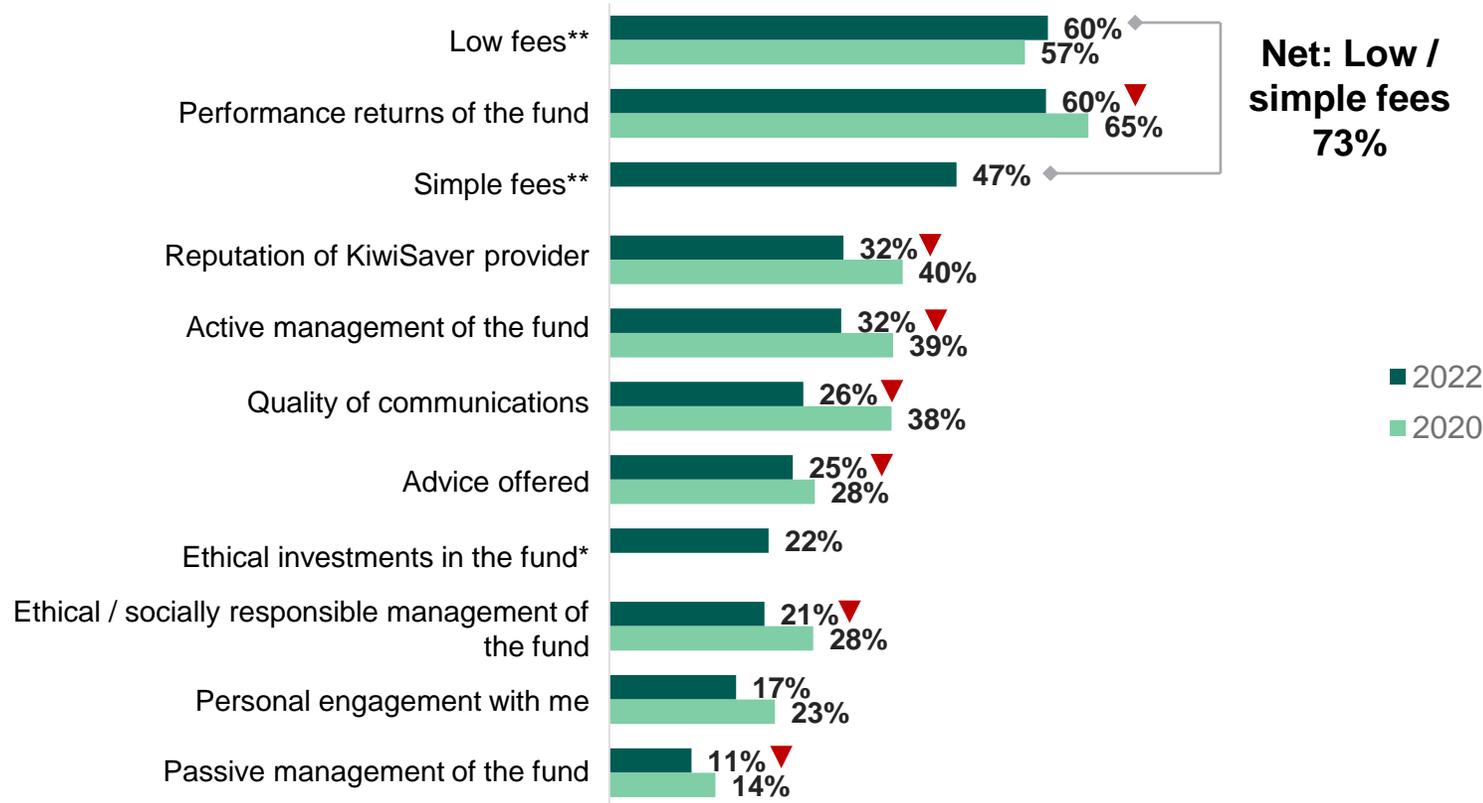
Just 7% think that they are getting better value for money from their KiwiSaver than they did one year ago, while about 4 in 10 think their scheme's value for money has gotten worse (40%) or is about the same as it was a year ago (38%).

Those who rated their scheme's value for money as 'poor' or 'very poor' are also significantly more likely to think the value for money they get is significantly worse than a year ago (76%, compared to 40% overall).

\* New question added in 2022

# Influences on value for money

Most important aspects when it comes to offering value for money:



KiwiSaver members were shown the same list of factors as when they were asked what is most important to them when choosing a provider, and asked to select which they felt were most important when it comes to offering value for money. Low fees and performance returns were felt to be most important, as 6 in 10 selected these two factors.

Other factors that are relatively important in determining a scheme's value for money include simple fees (selected by 47%), provider reputation (32%), and active fund management (32%).

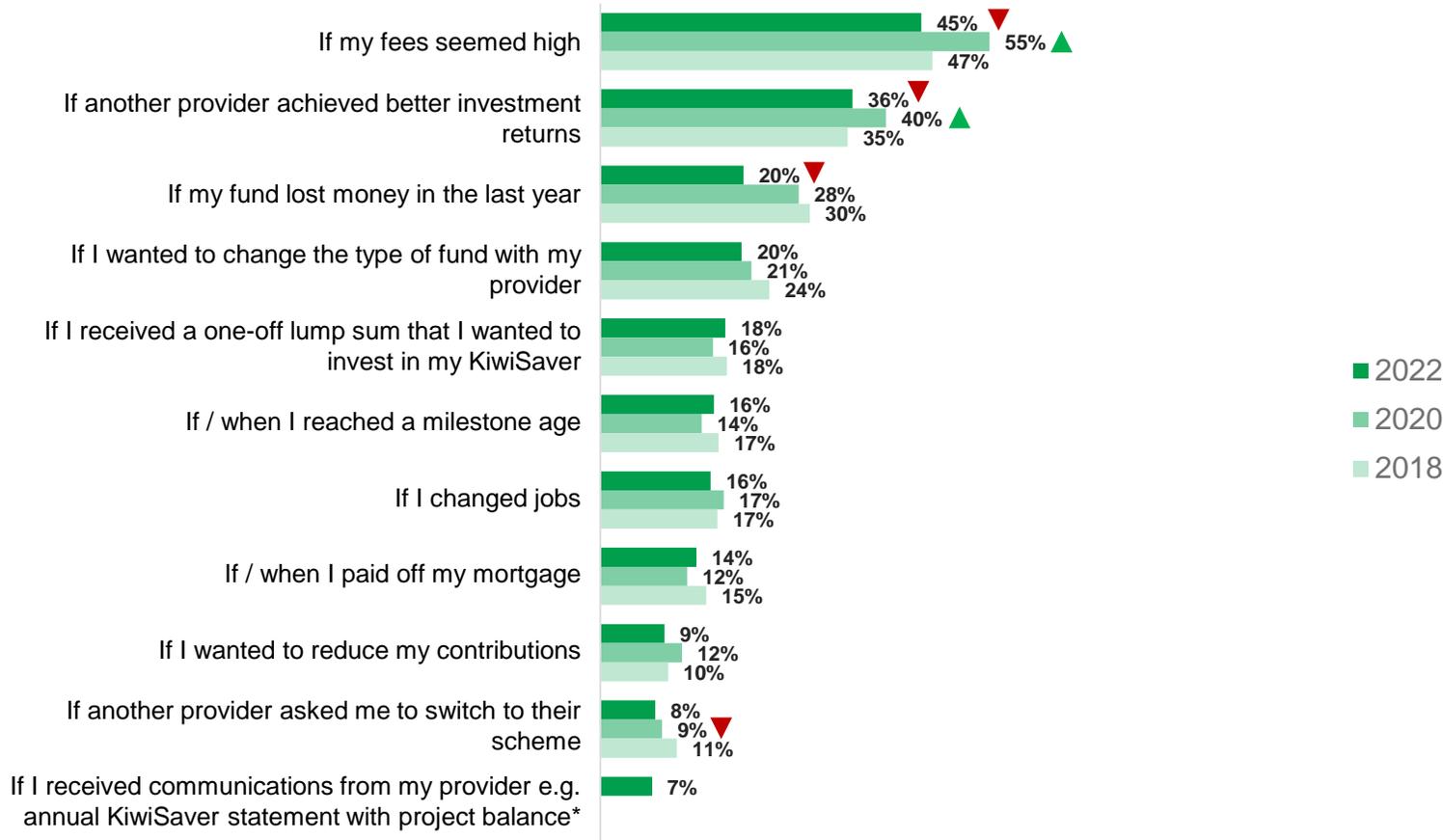
Results indicate that most aspects have become less important this year, while fees have become more important. This is reflected by the fact that almost three-quarters (73%) selected either 'low fees' or 'simple fees', while in 2020 only 57% indicated that fees were important in determining a scheme's value for money.

\* New option added in 2022

\*\* Note: 'fees' has been split out into two components this year ('low fees' and 'simple fees') - previously asked as a single option ('level of fees')

# Why people would make changes to their KiwiSaver scheme

## What is most likely to prompt changes to KiwiSaver scheme?



\* New option added in 2022

KiwiSaver members would be most likely to switch to a competitor scheme if they felt their fees were too high (45%), or if another provider achieved better investment returns (36%).

This is consistent with 2020 results, where these also were the factors that would be most likely to prompt switching. However, after increasing in 2020, the proportion who selected these options has significantly decreased, returning to 2018 levels. This indicates that fees and investment returns are potentially less ‘top of mind’ for KiwiSaver members than in 2020.

Only 1 in 5 indicated that they would consider making changes to their scheme if their fund lost money in the last year. This has continued to trend downwards since 2016 and represents a significant decline compared to the 2020 figure (28%), indicating that KiwiSaver members are increasingly becoming educated about the risks and drawbacks of switching schemes due to a short-term drop in fund value.

# Appendix

# Sample and methodology

## METHODOLOGY

A 10-minute survey was conducted among a representative sample of 2,013 New Zealanders aged 18 and over from 6 to 14 July 2022.

Quotas were set on age, region, and gender to ensure that the sample is nationally representative.

The data has also been weighted to ensure the sample is representative of the New Zealand population by age, gender and region.

## INTERPRETATION

This report shows overall results and, where applicable, highlights significant differences between subgroups or where subgroup results differ significantly from those of the total sample or other subgroups.

Where applicable, results have been analysed and compared to previous years' findings to demonstrate significant changes or trends.

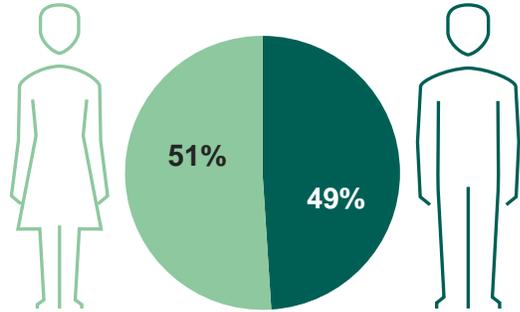
The margin of error on the overall sample of 2,013 is +/- 2.2% and statistical significance testing has been conducted at the 95% confidence level.

## QUOTAS (+/-5%)

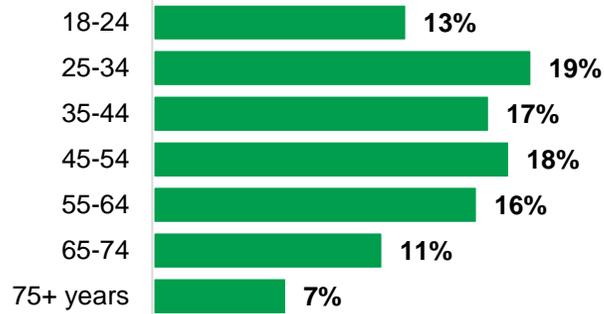
	Upper North Island	Lower North Island	Upper South Island	Lower South Island	TOTAL
MALES 18-24	69	28	22	10	129
MALES 25-34	104	40	31	13	188
MALES 35-44	87	36	27	11	162
MALES 45-54	90	39	30	12	172
MALES 55-64	79	36	29	12	156
MALES 65+	86	41	33	14	173
FEMALES 18-24	66	27	18	11	122
FEMALES 25-34	106	41	30	13	190
FEMALES 35-44	93	38	27	11	169
FEMALES 45-54	97	42	32	13	183
FEMALES 55-64	85	39	30	13	166
FEMALES 65+	94	46	36	14	190
<b>TOTAL</b>	<b>1056</b>	<b>452</b>	<b>345</b>	<b>147</b>	<b>2,000</b>

# Sample summary

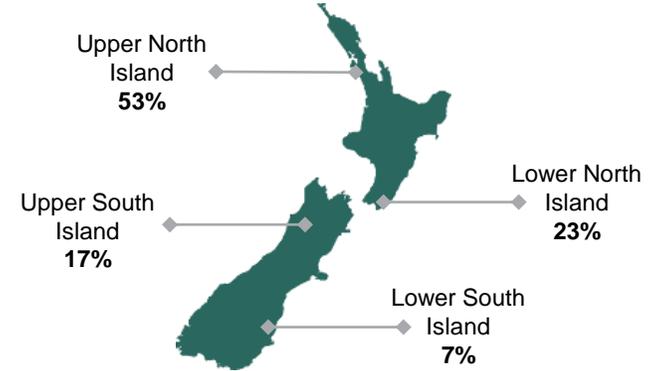
## GENDER



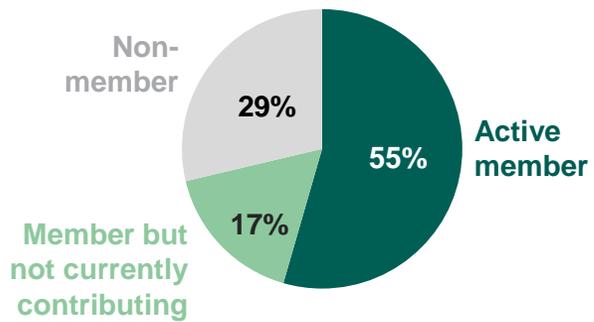
## AGE



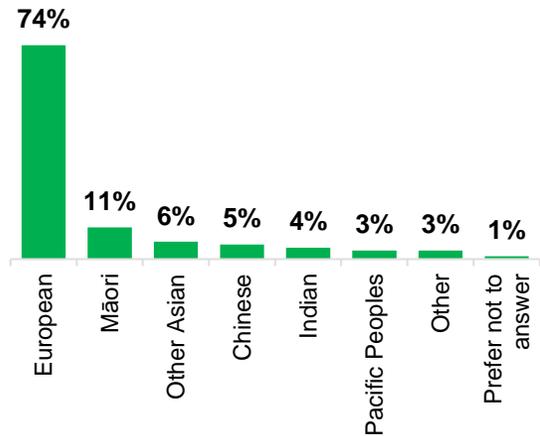
## REGION



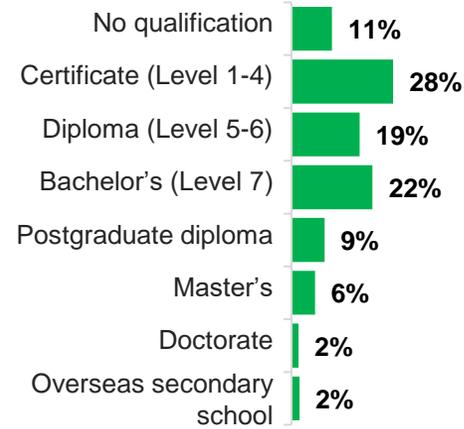
## KIWISAVER MEMBERSHIP



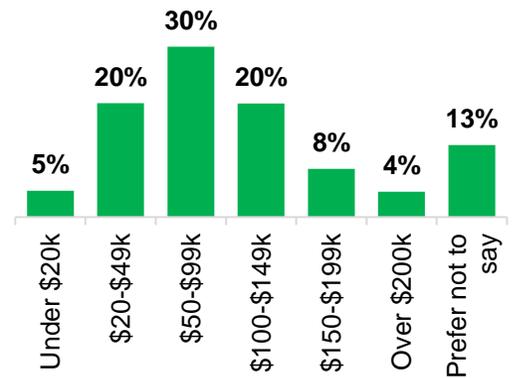
## ETHNICITY



## EDUCATION



## HOUSEHOLD INCOME



**fiftyfive5**

 **FMA**  
FINANCIAL MARKETS AUTHORITY  
TE MANA TĀTAI HOKOHOKO