



2024 Nigeria Pension Industry Customer Experience Survey

KPMG in Nigeria

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Foreword

The Nigerian pension industry has made significant strides since the introduction of the contributory pension scheme two decades ago, offering a framework to secure the financial futures of millions of workers. However, growth in participation levels has slowed, with significant gaps remaining, particularly among informal sector workers.

In this second edition of our Pension Industry Customer Experience Survey, we explore contributors' feedback and sentiments across various demographic groups. We observe different nuances in their engagement with the contributory pension scheme, particularly varying degrees of trust in the scheme and its operators. Trust remains a critical factor, driven by lingering skepticism from historical practices, alongside current challenges in accessibility, convenience, and transparency. Addressing these barriers is essential to boosting participation and ensuring the scheme fulfils its mandate.

While digital adoption is relatively high within the industry, poor user experiences and reliability issues continue to lead to missed opportunities. Globally, technologies such as artificial intelligence, blockchain, and machine learning have transformed pension systems by enhancing security, accessibility and personalisa-

tion. For Nigeria, the potential is immense, but their adoption must align with the country's socio-economic realities, prioritising practicality and scalability.

This edition takes a deeper look at the critical touch-points in a pension saver's journey, offering actionable insights to address pain points and enhance customer experiences. It highlights the role of partnerships, targeted campaigns, and innovative solutions in addressing contributors' evolving needs.

By demystifying pension systems, promoting trust in fund management and leveraging technology effectively, the Nigerian pension ecosystem can become more inclusive, transparent, and engaging. This report underscores the collaborative role of pension providers, the regulator, and stakeholders in achieving this shared vision.

We look forward to discussing the findings further.



Ngozi Chidozie
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MESSAGE FROM PENOP

The future is here

When pensions are discussed in Nigeria, the imagery often conjures old age, long queues, delayed benefits, and outdated manual processes. This was the harsh reality before the enactment of the Pension Reform Act of 2004, widely regarded as one of Nigeria's most impactful legislations. Prior to the reforms, pension administration was marred by inefficiency, inconsistency, and corruption. However, that era is now firmly behind us, with remarkable progress reshaping the landscape.

Private-sector pension fund managers have since professionalised the industry. They have introduced uniform standards, ensured the prompt payment of benefits, invested pension assets to deliver decent returns, and made the system far safer. These advancements have brought significant relief to pensioners and contributors alike, while also supporting the broader economy.

However, despite the considerable progress made since 2004, much remains to be done. For instance, expanding the pension net to include more Nigerians remains a critical priority. Sub-national governments must fully embrace the Contributory Pension Scheme (CPS) to shield their workers from the unsustainable defined benefit schemes. While there is a consensus that the industry has improved, it is equally evident

that service delivery, customer experience, and the adoption of technology still require enhancements.

To understand the journey so far, it is crucial to reflect on how pensions were handled before the reforms. Back then, many workers lacked clarity on their retirement entitlements, while retirees endured monthly visits to pension offices for verification and payment. Different organisations operated inconsistent systems. Today, every contributor has a Retirement Savings Account (RSA), much like a personal bank account, offering transparency and security through regular statements that detail contributions and earnings. This transparency empowers contributors to track their savings and plan for retirement with confidence.

That said, the industry cannot afford to rest on its oars. We must strive for a future where individuals can open pension accounts, make contributions, and process their benefits without leaving their homes or having physical contact with anyone. Employer contributions should flow effortlessly to RSAs, and voluntary contributions or participation in the micro-pension scheme should be equally straightforward. Furthermore, there is a need for greater innovation, including products that allow contributors to enjoy tangible benefits even before retirement. Contributors

should not have to wait until they retire to see the benefits of their savings.

Even though current service levels are commendable, they can be better. Pension Fund Administrators (PFAs) need to engage more proactively with contributors throughout their working lives, not just at sign-up or retirement. Engagement should be direct, personalised, and consistent, creating a relationship that contributors value and look forward to.

That is the future we envision. We want a pension system that is not only efficient and reliable but also innovative, customer-focused, and technologically advanced.

This independent report from KPMG is a valuable resource for our journey. It provides an objective assessment of the industry's current state, identifies gaps, and charts a path forward. By listening to contributors and pensioners – the most important stakeholders in this space – we gain a clearer understanding of their needs and expectations.

As we celebrate 20 years of the reformed pension system, we are proud of what has been achieved but remain committed to pushing boundaries for the benefit of contributors, pensioners, and the economy at large. This customer experience report is a testament to our dedication to continuous improvement and innovation. Together with stakeholders like KPMG, we are poised to meet and exceed the expectations of our valuable clients now and in the years to come.



Oguche Agudah

Chief Executive Officer
Pension Fund Operators
Association of Nigeria (PenOp)





The Nigerian pension industry – growing, yet untapped

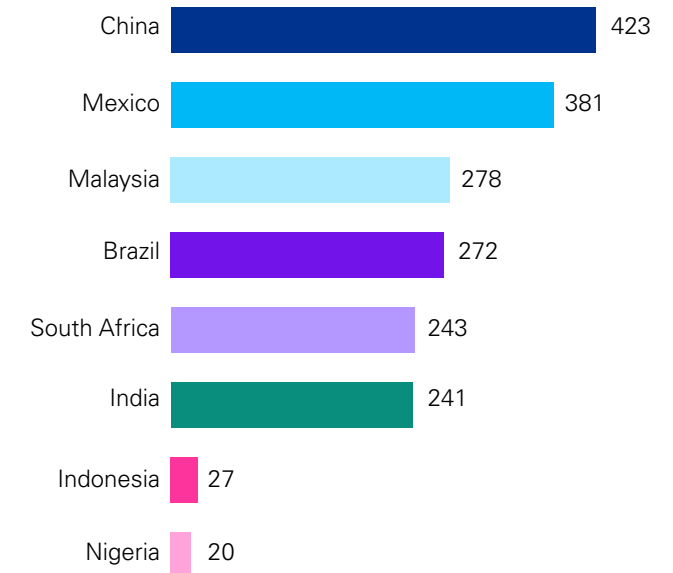
The Nigerian pension industry has undergone significant changes in recent years, particularly since the adoption of the Pension Reform Act (PRA) in 2004. This Act led to the establishment of the National Pension Commission, which regulates pension schemes in Nigeria, and introduced the Contributory Pension Scheme (CPS), both of which continue to shape the industry.

In 2014, the Act was amended to address key challenges, including enhancing regulatory oversight, expanding coverage of the informal sector through the Micropension Scheme, and improving employee retirement benefits. These reforms have yielded some positive results; however, pension coverage remains low, with only 15% of the working population – equivalent to 10.5 million contributors as of October 2024 – enrolled.¹ This reflects a clear disparity between the growth of the working population and the adoption of pensions.

Nigeria’s workforce predominantly comprises individuals in the informal sector, accounting for 92.6% of the total working population as of 2023.² Since participation in the Contributory Pension Scheme (CPS) is not mandatory for informal sector employees, only 2% are enrolled as pension holders.

Insights from our interactions with Retirement Savings Account (RSA) holders reveal that even in the formal sector, where contributions are mandatory, over 40% of respondents have never made or rarely make voluntary contributions (i.e. additional contributions beyond the mandatory contributions set by law) to their pension funds. In 2023, total pension assets reached 18.36 trillion naira, yet only 41.1 billion naira (0.22%) of this amount was from voluntary contributions,³ underscoring the limited engagement with pension savings across both sectors.

Total Pension Assets, 2023 (\$'bn)⁴



Size of the Nigerian pension industry (October 2024)

10.5 million
Registered Savings Accounts

N21.9 trillion
Assets Under Management (AUM)



Trust gap persists despite reforms

For many years, Nigeria’s pension system has been a source of frustration for citizens due to inefficiencies, underfunding, and perceived corruption. Despite the existence of various schemes in both the private and public sectors, many retirees still face delays or fail to receive their benefits after years of service. Although recent reforms have sought to improve transparency and accountability in the industry, challenges persist, and only 18% of Nigerians express high confidence in the system.

Three in ten respondents expressed trust in the pension system, in general, while six in ten respondents indicated trust in their specific pension provider. Among all demographic groups, only 12% of respondents aged 18-24 reported high levels of trust in the pension system – the lowest trust level across any age group. If the sector is to attract the next generation of workers, then a lot needs to be done to build trust and demonstrate value, notably around increasing transparency, ensuring higher returns on investments, and simplifying processes for accessing funds.

Engaging young workers will require digital tools that make it easy to monitor and contribute to pensions, enhancing financial education around retirement planning, and addressing the unique needs of younger demographics, who are typically more skeptical of traditional financial systems. In the absence of these efforts, the pension sector risks continued disengagement and low participation from future generations.

The erosion of trust in Nigeria’s pension landscape has created significant barriers to active participation and contributions, undermining the system’s effectiveness

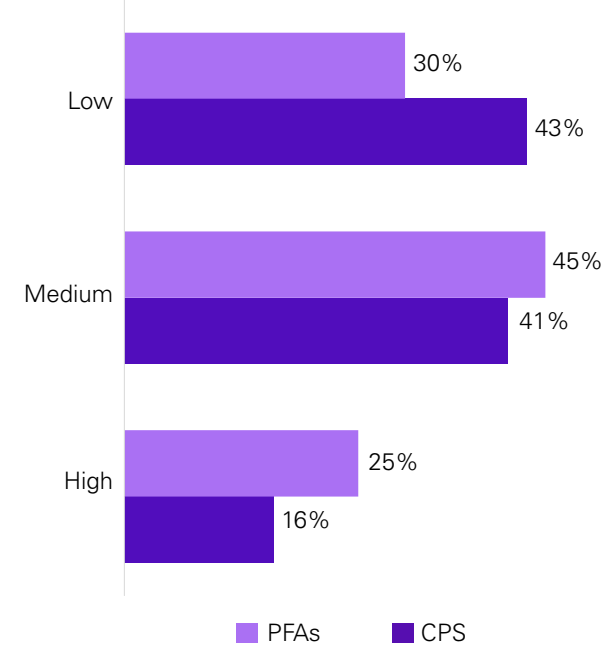
and sustainability. From our survey, a primary factor driving this distrust is the low returns on pension investments. Pension Fund Administrators (PFAs) invest about 60% of their portfolios in government securities,⁵ which tend to offer comparatively lower yields, often lagging inflation thereby diminishing the real value of contributors’ savings.

Another significant trust issue is the lack of transparency among some employers. While employees see monthly pension deductions from their pay, these funds are sometimes remitted late or not at all, despite the introduction of a 2% penalty on unremitted amounts. Moreover, many contributors have reported challenges accessing their Retirement Savings Account (RSA) funds in situation of urgent need e.g. health emergencies, job losses etc. and complex processes for fund release upon retirement.

These issues and more contribute to low pension coverage, especially in the informal sector, and to address this, the government introduced the Micro Pension Plan, specifically for informal workers. However, as of June 2024, the plan has only succeeded in enrolling 143,565 micro-pension contributors, with a total contribution of 860 million naira⁶ – a modest outcome for low-income earners, who often prioritise current expenses over retirement savings and who do not trust the scheme to release funds when needed.

Boosting participation in Nigeria’s pension scheme requires a strategic mix of incentives, trust-building measures, and tailored solutions for different population segments. Incentivising retirement savings is crucial, and lessons can be drawn from countries such as India, Kenya, and Mexico. In addition to

Trust in the Contributory Pension Scheme (CPS) vs. Pension Fund Administrators (PFAs)



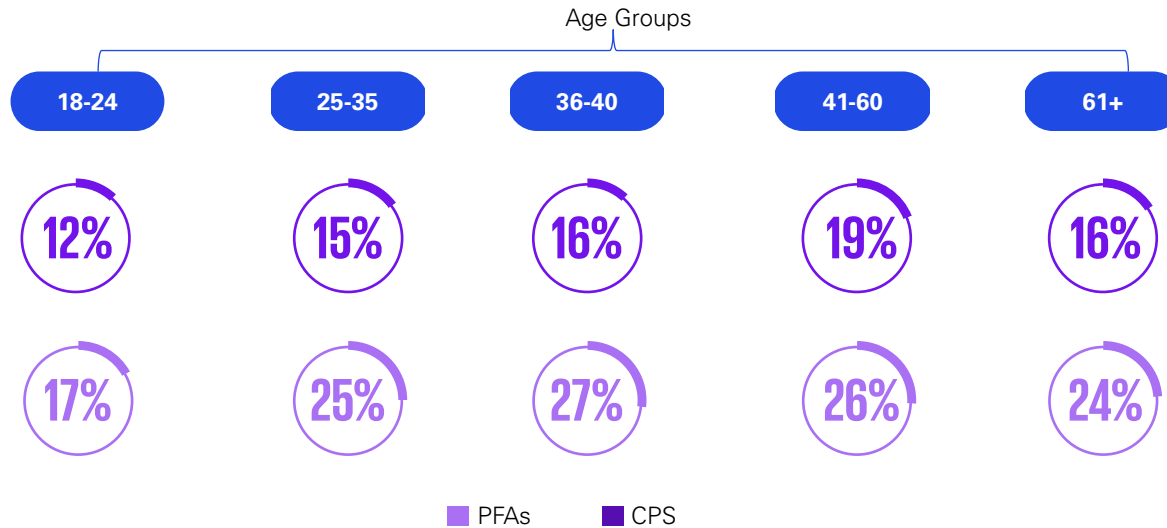
Source: 2024 KPMG Nigeria Pension Industry Customer Experience Survey

“The pension scheme in Nigeria has faced numerous challenges, but it has also provided crucial support to many families, particularly after their parents retired. I trust it will do the same for my family.”

Pension contributor



Trust in the Contributory Pension Scheme (CPS) vs. Pension Fund Administrators (PFAs), by Age Group

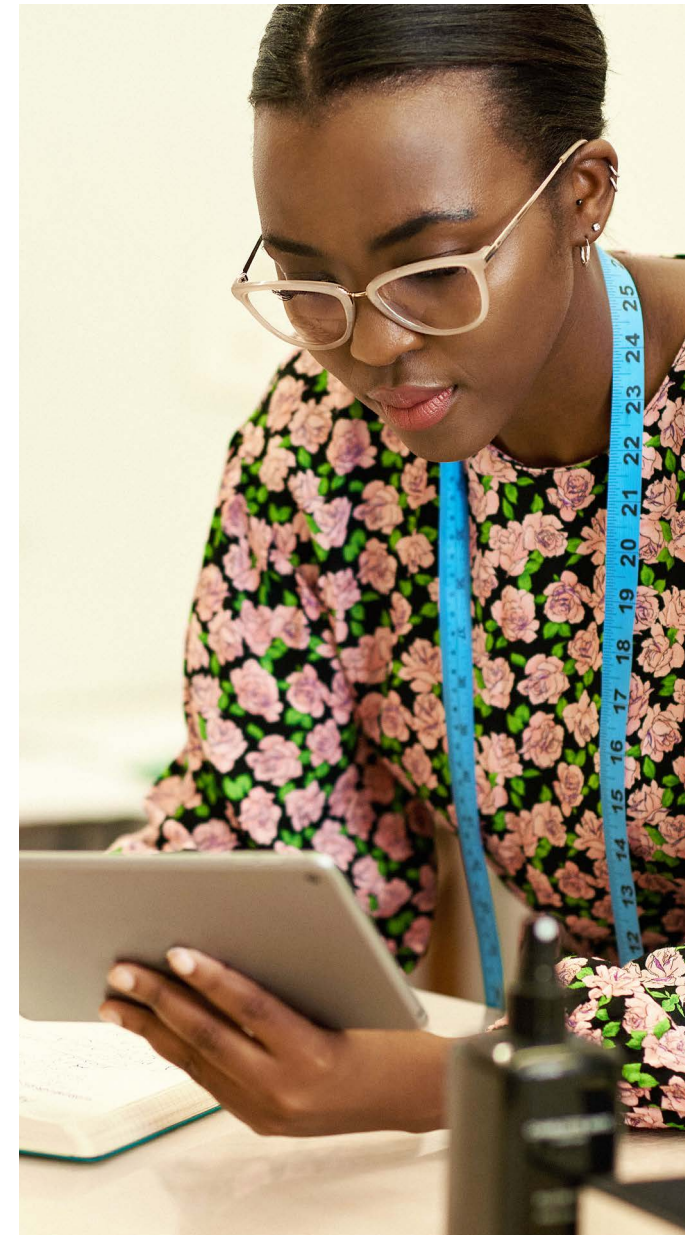


incentives, these nations have also successfully adopted fintech innovations, including mobile-friendly pension account setups, enabling workers to open accounts and contribute through accessible channels like ATMs, agents, and retail outlets. Community-based contribution models, specifically targeting informal sector workers, have also proven effective in expanding coverage.

Transparency and accountability in pension fund management can be improved by strengthening regulatory frameworks and conducting widespread financial literacy programmes. These initiatives educate citizens about their pension rights and responsibilities, helping to demystify the system and promote engagement. By promoting transparency in the management and disbursement of funds, pension

administrators can build the confidence needed to encourage participation.

Technology can also play a transformative role in addressing pain points such as accessibility, security, and personalisation. For instance, artificial intelligence (AI) can be deployed to analyse customer needs and suggest personalised savings plans. Digital authentication systems can streamline account management, reduce paperwork and improve the user experience. However, these technologies must seek to address specific challenges within Nigeria's socio-economic context, be scalable, user-friendly, and relevant to both formal and informal workers.





Update on the Transfer Window

On November 16, 2020, the National Pension Commission (PENCOM) introduced the Retirement Savings Account Transfer System (RTS), in accordance with Section 13 of the Pension Reform Act of 2014. This system enables contributors transfer their Retirement Savings Accounts (RSA) electronically, through a transfer window from one Pension Fund Administrator (PFA) to another under the condition that such transfers occur only once, annually.

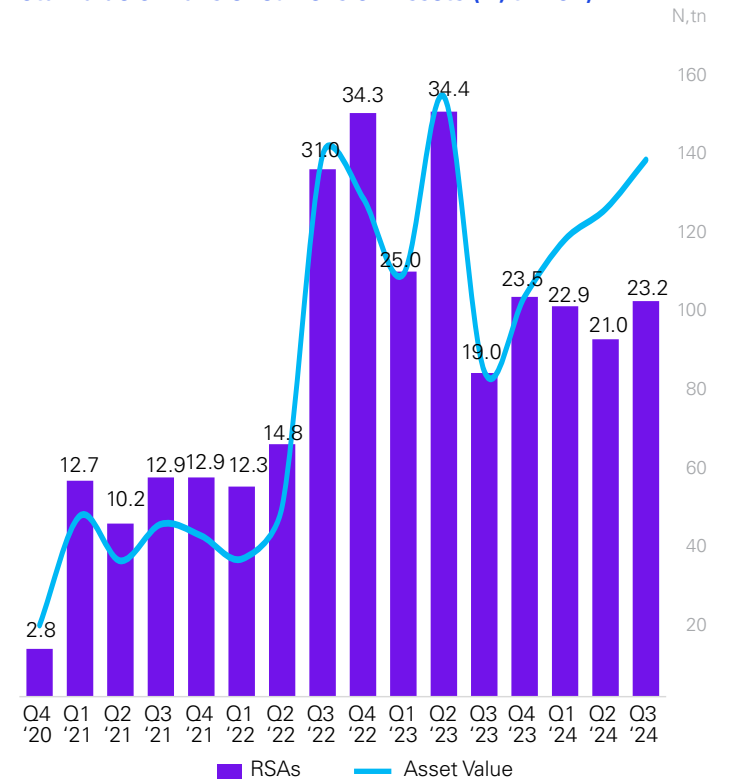
The transfer window aims to promote full and equitable pension asset portability within the industry, drive ethical competition among PFAs, and enhance service delivery to RSA holders. It empowers RSA holders to make informed financial decisions based on PFA performance metrics, especially in a challenging Nigerian macroeconomic environment marked by high inflation, monetary tightening, exchange rate fluctuations, and subdued growth. With the transfer window, contributors can select PFAs that consistently outperform industry averages, thereby securing better returns for retirement.

Since inception, over three hundred thousand RSAs, valued at 1.4 trillion naira,⁷ have been transferred. Our survey findings further show that customers switch between PFAs for three major reasons; interest earned on pension investments, value-added services, and recommendations from colleagues, family, and friends.

Twenty-seven percent of respondents cited interest earned on pension investments as a key reason for switching PFAs, indicating that customers prioritise providers who offer competitive returns and strong financial growth potential. The leading PFAs for investment returns include Access Pensions, Stanbic IBTC Pension Managers Limited, ARM Pension Managers Limited, and Leadway Pensure PFA Limited. For those switching based on additional value-added services, preferences include access to financial advisory support, research reports, and insights on financial markets.

Since inception, over three hundred thousand RSAs have been transferred with a value of N1.4 trillion.

Number of RSAs Transfers – by PFAs (thousands) and Total Value of Transferred Pension Assets (N, trillion)



Source: PenCom



Recommendations from colleagues, family, and friends also significantly influence PFA switching behaviour, with 11% of respondents identifying this as a deciding factor. This highlights the impact of word-of-mouth and personal experiences on customer choices within the pension industry – positive referrals and testimonials from trusted individuals strengthen customer confidence and loyalty towards a favoured PFA.

Following the introduction of the transfer window, PFAs have been actively enhancing their technologies and services to better serve their customers. The industry has seen increased innovation with upgraded digital channels and online platforms to deliver superior personalised experiences for both new and existing customers. Additionally, operators are making substantial investments in human capital including staff capacity building aimed at bridging skills gaps to harness growth opportunities.

Overall, the implementation of the RTS represents a progressive stride towards a more dynamic and customer-centric pension industry in Nigeria. By enabling RSA transfers and promoting healthy competition among PFAs, this system empowers contributors and underscores the commitment to enhancing pension services and outcomes for all stakeholders. As RSA holders gain greater control and choice over their retirement savings, the pension sector is poised to become more efficient, transparent, and responsive to the evolving needs of retirees and contributors alike.

“As someone nearing retirement, I faced challenges switching from my old PFA to my current PFA when I joined. There is a need to improve flexibility in transitioning between PFAs.”

Pension contributor

“The returns are so low, and more needs to be done in this area. It would also help if reminders or alerts are sent for missed contributions. For example, my previous employer did not remit my pension for several months, and I was unaware. I had to spend a long time reconciling records to resolve it. An automatic notification after a few days of delay in the usual remittance schedule would enable contributors investigate to see if there is a problem.”

Pension contributor

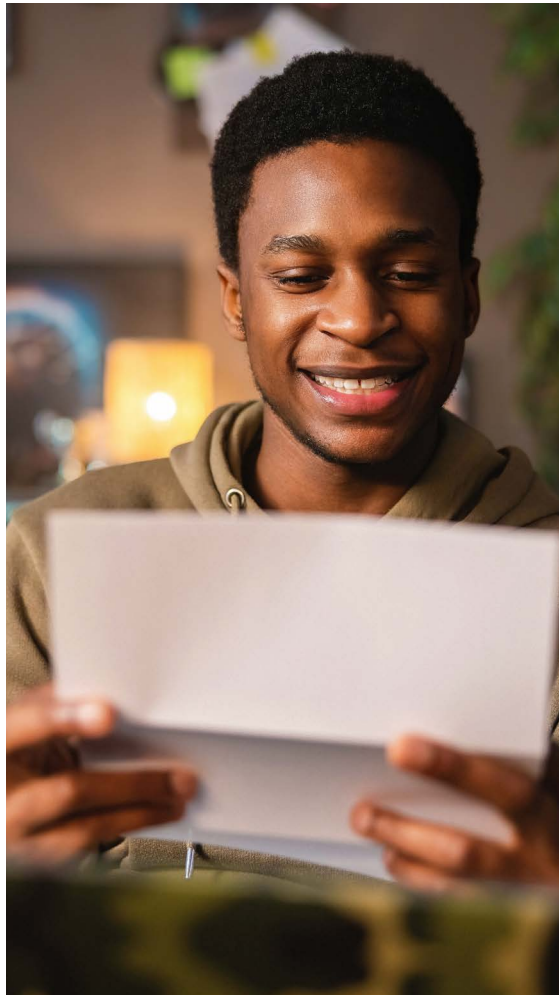
Reasons for switching to another PFA



Source: 2024 KPMG Nigeria Pension Industry Customer Experience Survey



The Six Pillars of Experience



The Six Pillars of experience excellence are inextricably intertwined and, in combination, provide a powerful mechanism to help organisations understand how well their customer experience is delivered across channels, industries and company types. Leading organisations demonstrate mastery of these pillars and are outstanding at all of them.

Customers evaluate their interactions with their providers across the Six Pillars of excellence.



Integrity

Being trustworthy and engendering trust.



Resolution

Turning a poor experience into a great one.



Expectations

Managing, meeting and exceeding customer expectations.



Time & Effort

Minimising customer effort and creating frictionless connection.



Personalisation

Using individualised attention to drive an emotional connection.



Empathy

Achieving an understanding of the customer's circumstances to drive deep rapport.



Integrity

Integrity is an outcome of consistent organisational behaviour that demonstrates trustworthiness. There are trust-building events where organisations have the need to publicly react to a difficult situation, and trust building moments where individual actions by staff add up to create trust in the organisation as a whole. For all customers, it is the degree to which the organisation delivers on its promises that is consistently top of mind.



Resolution

Customer recovery is highly important. Even with the best processes and procedures things will go wrong. Great companies have a process that not only puts the customer back in the position they should have been in as rapidly as possible, but also make the customer feel really good about the experience. A sincere apology and acting with urgency are two crucial elements of successful Resolution.



Expectations

Customers have Expectations about how their needs will be met, increasingly set by the best brands they have encountered. Understanding, delivering and, if possible, exceeding Expectations is a key skill of great organisations. Some organisations are able to make statements of clear intent that set Expectations (e.g. “never knowingly undersold”) while others set the Expectation accurately (“delivery in 48 hours”). And then delight the customer when they exceed it.



Time & Effort

Customers are time poor and are increasingly looking for instant gratification. Removing unnecessary obstacles, impediments, and bureaucracy to enable the customer to achieve their objectives quickly and easily have been shown to increase loyalty. Many companies are discovering how to use time as a source of competitive advantage. Equally, there are clear cost advantages to saving time, as long as the other Pillars are not compromised.



Personalisation

Personalisation is the most valuable component of most experiences. It involves demonstrating that you understand the customer’s specific circumstances and will adapt the experience accordingly. Use of name, individualised attention, knowledge of preferences and past interactions all add up to an experience that feels personal.



Empathy

Empathy is the emotional capacity to show you understand someone else’s experience. Empathy creating behaviours are central to establishing a strong relationship and involve reflecting back to the customer that you know how they feel. Then going that one extra step because you understand how they feel.



State of play

This year, the Nigerian pension industry recorded an overall customer experience score of 75, with performance driven by the Integrity pillar as RSA holders continuously seek for both safety of funds/benefits and funds availability upon retirement.

Personalisation stands out as a critical area of improvement across the industry as it ranked the lowest performing customer experience pillar. Each customer wants to be known, valued, protected, and treated as an individual, with targeted and personalised experiences that relates to their unique needs, stage of life, and level of financial engagement. To achieve this, PFAs need to create more personal and superior customer experiences across channels and customer journeys leveraging advances in technology and data and analytics.

On the Expectations pillar, return on investment (ROI) emerged as a critical measure for customers especially in light of a challenging macroeconomic environment and its negative impact on individuals and businesses. Customers require a wider array of investment options (including forex-linked investments) with varying risk levels to enhance flexibility and satisfaction.



Top rated PFAs

		CX Score
1	Guaranty Trust Pension Managers	76.5
2	Crusader Sterling Pensions	76.2
3	Fidelity Pensions	76.1
4	Premium Pension	75.5
5	PAL Pensions	75.3

Guaranty Trust Pensions emerged as the industry leader this year, performing well across key customer journey areas. The PFAs offer of tailored retirement solutions, focus on excellent customer service, and the transparency of its processes set it apart. GT Pensions excelled in three areas of greatest importance to customers i.e. the security of funds, competitive ROI, and ease of interaction. This commitment to long-term fund safety and robust returns has positioned the PFA as a trusted provider. Crusader Sterling Pensions and Fidelity Pension Managers also delivered strong performances, excelling in areas such as the ease of account onboarding, accuracy and completeness of information provided, and complaints resolution.

To better serve the evolving needs of pension savers, PFAs must deepen their understanding of customer journeys – a complex series of interactions and decisions that shape how individuals engage with their pensions throughout their working lives and into retirement. In Nigeria, this includes several critical touchpoints e.g. deciding when to begin saving, is a key milestone. While this is a standard requirement for employees in the formal sector, those in the informal sector often require additional encouragement and education. PFAs need to design targeted awareness campaigns and simplified onboarding processes that will enlighten informal workers on the importance of early retirement savings.

Determining the appropriate voluntary contribution amount is another vital decision for contributors. Many struggle to assess how much to contribute beyond the statutory minimum. PFAs can support these decisions by providing access to AI-enabled calculators or making personalised recommendations that align contributions with savers' incomes and long-term retirement goals.

Similarly, selecting the right fund options poses challenges and with the recent introduction of multi-fund structures, savers need clear and accessible investment guidance. PFAs can simplify this process by offering user-friendly digital tools and advisory services to help customers align fund choices with their financial goals and risk tolerance.

Finally, understanding how and when to access savings remains a crucial part of the pension journey. PFAs need to streamline withdrawal processes, ensuring they are transparent, seamless, and responsive to retirees' needs.

“I was pleasantly surprised by how the Guaranty Trust Pension Managers team patiently explained complex financial concepts, making them easy for me to understand.”

Pension contributor






“One recent standout experience with Crusader Sterling Pension was the efficiency in processing my withdrawal request. They promptly processed the request and disbursed the funds accurately.”

Pension contributor



The customer journey is rarely linear, as customers often revisit these decisions throughout their lives. Factors such as age, income, and employment patterns influence their pension choices, making it essential for PFAs to design flexible solutions that cater to diverse customer segments. For example, younger customers in Nigeria, who frequently change jobs, often face challenges in consolidating their contributions and reconciling records. While pensions remain tied to a single RSA, these administrative delays can complicate their ability to track contributions and access comprehensive guidance.

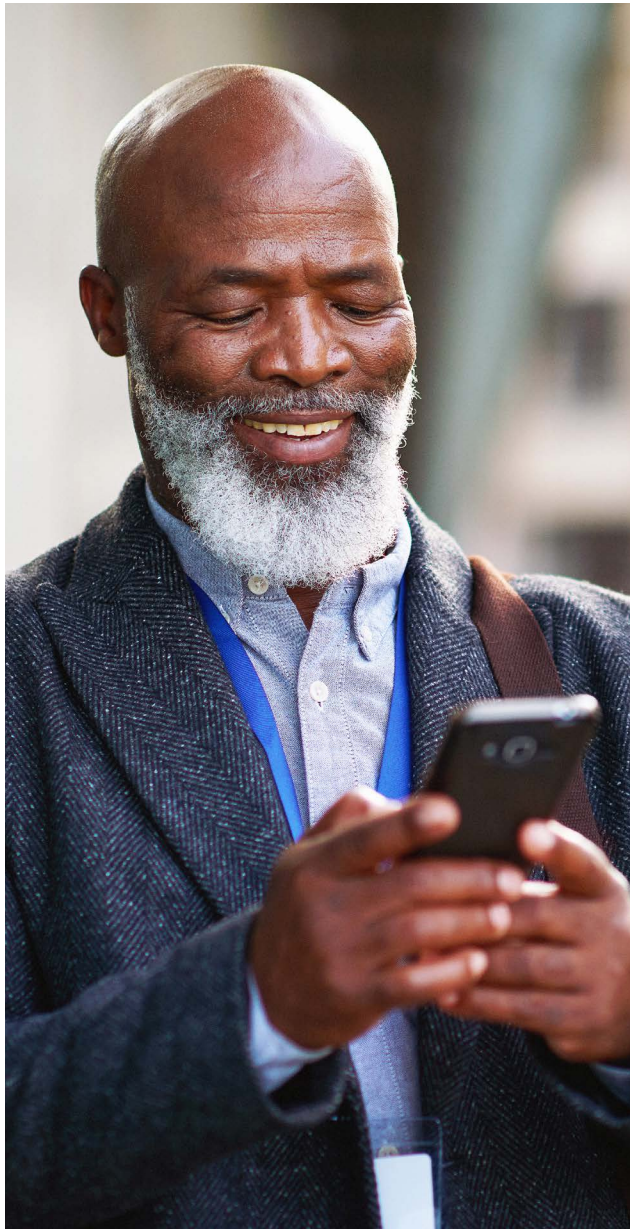
Generational differences also play a significant role in shaping expectations. Baby Boomers, Generation X, and Millennials all have distinct financial behaviours, requiring PFAs to tailor their offerings to meet these varying needs. To succeed in this dynamic environment, PFAs must focus on understanding the full customer journey and addressing pain points at every stage. By utilising technology and adopting customer-centric strategies, pension providers can deliver seamless and supportive experiences that not only enhance satisfaction but also strengthen their ability to serve a mobile and diverse workforce.

Critical Customer Touchpoints	Pillar	Actions PFAs can take
Deciding when to begin saving		<ul style="list-style-type: none"> Educational campaigns: Use data-driven SMS, social media, and mobile apps to target different demographics, especially the informal sector. Financial literacy tools: Develop apps or SMS platforms that show how savings grow over time, highlighting the benefits of early saving.
Determining the appropriate contribution amount		<ul style="list-style-type: none"> AI contribution calculators: Offer tools that calculate optimal contributions based on income, goals, and retirement age. Mobile payment integration: Enable automated, seamless contributions via mobile wallets or micro-payment systems.
Selecting the right fund options		<ul style="list-style-type: none"> Personalised recommendations: Use AI to match customers with funds that align with their risk profile and goals. Interactive tools: Provide intuitive apps or platforms that visually compare fund options with performance projections.
Knowing how and when to seek pension advice		<ul style="list-style-type: none"> Advisory chatbots: Deploy AI advisors that proactively engage users at key milestones, e.g. nearing retirement. Segmented webinars: Host online sessions tailored to specific groups, e.g., young professionals or retirees. Omni-channel support: Offer responsive advisory services via chat, email, or phone with a user-centric focus.
Understanding how and when to access their savings		<ul style="list-style-type: none"> Streamlined claims process: Provide fully digital, automated withdrawal options via mobile apps or web portals. Predictive analytics: Use AI to guide customers on the best times and methods to withdraw savings (e.g., lump sums or monthly payouts).



Customer Journey Stage	Points of Interaction	Top Rated PFAs
Discovery	Touchpoints in this journey stage cover content provided on social media and interactions with PFA staff. Good indicators of success include ease of getting information about the PFA.	Crusader Sterling Pensions, Guaranty Trust Pensions, Premium Pension, Fidelity Pension Managers, Trustfund Pensions
Onboarding	Completing the RSA opening form, submitting supporting documents, and getting RSA PINs when establishing a new relationship. Top performers strive for ease and speed of the onboarding process.	Guaranty Trust Pensions, Crusader Sterling Pensions, ARM Pension Managers, Fidelity Pension Managers, Stanbic IBTC Pension Managers
Transacting	Accessibility, timeliness, and quality of service from digital channels and security of funds define ratings for PFAs.	Guaranty Trust Pensions, Fidelity Pension Managers, Crusader Sterling Pensions, Premium Pension, FCMB Pensions
Benefits Processing & Fund Management	Ease of documentation, timeliness of processing benefits and flexibility of switching to preferred RSA fund are key measures of performance.	Fidelity Pension Managers, Guaranty Trust Pensions, Premium Pension, PAL Pension, FCMB Pensions
Complaints	Ability and ease of reporting issues and concerns as well as obtaining resolutions. Customers rate PFAs on timeliness and quality of feedback on issues.	Fidelity Pension Managers, Guaranty Trust Pensions, Crusader Sterling Pensions, Trustfund Pensions, ARM Pension Managers
Account Maintenance	This covers requests for account statements, general enquiries, and updates to account information. Information provided is tested for its accuracy and completeness.	Crusader Sterling Pensions, Guaranty Trust Pensions, Premium Pension, Fidelity Pension Managers, Leadway Pensure
Relationship Management	Quality of engagement with customers and demonstration of understanding of customer needs.	Trustfund Pensions, Guaranty Trust Pensions, Fidelity Pension Managers, PAL Pension, Crusader Sterling Pensions





Customer trends

In line with the broader trends across financial services, the pension industry is seeing stronger digital adoption. Mobile apps have become a primary interaction channel, with approximately 50% of customers using them monthly for activities like withdrawals, balance checks, and voluntary contributions. Email and web platforms provided by pension fund administrators (PFAs) complement this shift, offering additional avenues for digital engagement.

However, certain processes, such as seeking advice, issuing instructions, or lodging complaints, still rely heavily on physical interactions. This preference can be attributed to the complexity of these activities and the perceived trust and clarity of face-to-face interactions.

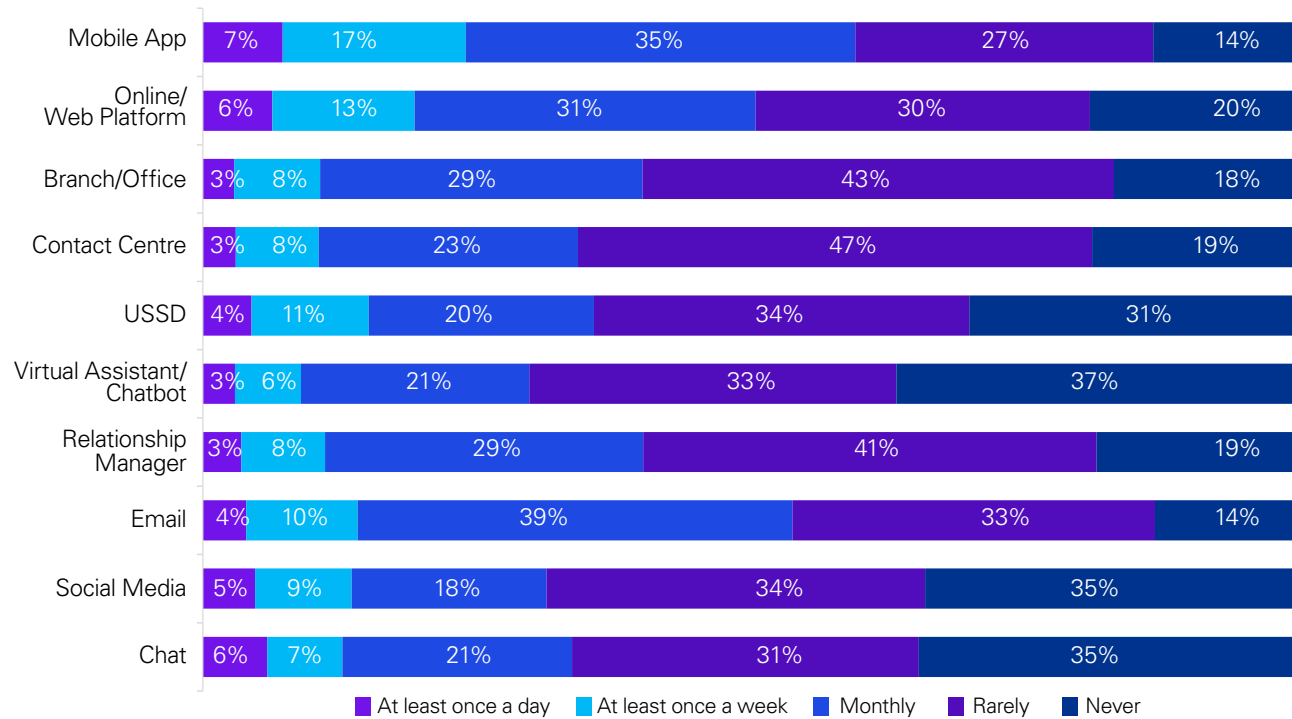
Recent regulatory changes, such as the PenCom circular on voluntary contributions under the Contributory Pension Scheme (CPS), which allows contributors access 50% of their voluntary contributions after one year (compared to the previous two-year requirement) creates an opportunity to enhance customer convenience and has the potential to improve digital adoption. However, many contributors still face hurdles in the contribution process in the form of manual procedures and dependency on physical approvals and these discourage active engagement.

To address these challenges, pension providers need to prioritise integrating digital solutions into the broader retirement journey. Seamless connectivity between banking platforms and pension accounts is key. Automating deductions from income accounts for timely and consistent contributions, alongside enabling direct transfers via mobile and online banking, would simplify the savings process. This may encourage higher participation rates and regular contributions in segments that are currently underserved.

Furthermore, the introduction of fully digital onboarding processes, encompassing sign-up, identity verification, and account management, can reduce friction and enhance customer acquisition. Such systems would also support real-time updates, improving transparency and enhancing trust in the industry.



Overall Channel Usage



The mobile app, web platform, and email are the channels most frequently used by customers.

Source: 2024 KPMG Nigeria Pension Industry Customer Experience Survey

As macroeconomic uncertainty drives risk aversion, pension providers must focus on building trust and providing personalised financial guidance. AI-powered analytics can transform the customer experience by evaluating financial health, income patterns, and spending behaviour to deliver tailored retirement plans. Advanced platforms can also offer financial planning services that help users understand the impact of their savings choices and enabling them make informed decisions towards retirement.

For informal-sector workers, digital micro-pension schemes should prove effective. By leveraging mobile money platforms, these schemes enable small, flexible contributions, enhancing financial inclusion for individuals with irregular incomes. Partnerships with telecom and fintech players can further extend the reach of these services.

While the rate of digital adoption is critical for the envisaged growth in the industry, it also introduces challenges, particularly around data security and fraud.

Pension providers must embrace the adoption of cybersecurity measures to enhance transparency and ensure the integrity of fund management. Additionally, robotic process automation (RPA) can streamline critical back-office operations such as reconciliation and reporting to achieve increased efficiency, reduce costs and errors, and make the industry more sustainable.

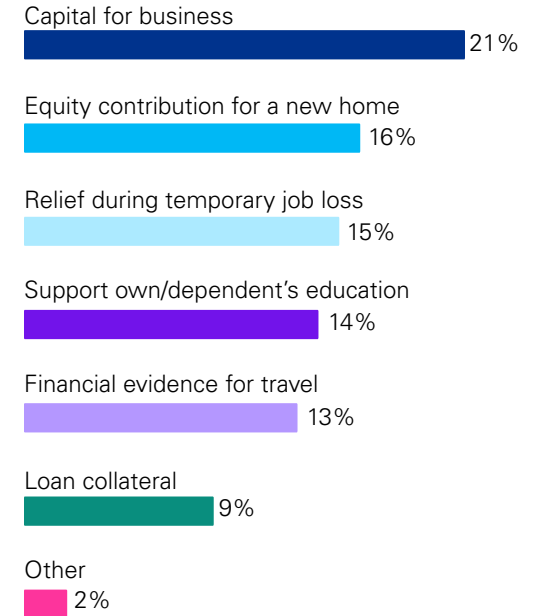




Given the current macroeconomic environment, there is an increased interest among customers to access portions of their pension savings. Twenty-one percent of customers express a desire to use part of their pension savings to start a business, while 16% would like to allocate it toward purchasing a home. In 2022, regulatory changes by Pencom allowed customers to withdraw up to 25% of their pension savings as equity contribution for a residential mortgage, enabling more flexibility. Other emerging customer needs include accessing pension funds to cover temporary job loss or defray educational expenses.

Employer requirements remain the primary factor driving PFA selection, as most customers are introduced to pensions through their workplace. This underlines the importance for PFAs to engage actively with employers and HR departments, ensuring they provide the necessary information and support.

Purposes for Accessing Pension Funds



“Beyond retirement, the funds primarily benefit the administrators. This policy should be revisited to empower individuals to decide how their funds are allocated at different points in time.”

Pension contributor

Reasons customers choose to start a relationship with their PFA

33%

Employer requirements

24%

Recommendations from colleagues, family and friends

13%

Image and reputation

8%

Interest earned on pension investments

7%

Availability and quality of digital channels

Source: 2024 KPMG Nigeria Pension Industry Customer Experience Survey



About this research

Since 2007, KPMG in Nigeria has been asking customers across industries about their individual experiences with businesses. Over this period, more than 500,000 customers have been interviewed across the country.

This year's research covered 7,118 individuals across Nigeria. The research for this report was completed across Q1 to Q3 2024. To participate in the research and to be able to respond to questions on a specific PFA, respondents must hold a retirement savings account with the PFA.

In reading this report, you should bear in mind the following considerations:

- This survey focuses on the perceived quality of customer experience delivery by PFAs from the customer's perspective.
- This survey does not represent the opinion of KPMG on the skills, capabilities or performance of any of the PFAs covered.
- KPMG is responsible for defining the survey questionnaire administered to the respondents.
- KPMG conducts the survey, but findings represent the opinions of the customers of each PFA.
- This survey does not seek to establish any absolute facts, but it reports the feelings and broader perceptions of customers with respect to services provided by their PFAs. The rankings are solely based on the customers' feedback received from the survey.

- Customer feedback and perception can be subjective; as a result, they may not be balanced or fair.
- PFAs rated in the survey vary by size, service offerings and customer profile. However, the minimum number of respondents required for each PFA in the survey guarantees that the results reflect the opinion of a representative customer group.
- This implies that PFAs with respondents below the minimum threshold were not rated.
- The rankings are based on the Customer Experience Score (CX Score) of each PFA.
- The CX Score is a composite of the satisfaction rating and corresponding importance rating for each experience measure as determined by each customer.
- The experience measures used in each segment are reflective of key aspects of the customer journey and are mapped to the Six Pillars discussed earlier in the report.

7,118
customers



How KPMG can help

Connecting the enterprise to the customer

Customer strategy

Using innovative approaches to product development and new business models, KPMG helps clients focus on their customer strategy. KPMG's network of strategic alliance partners brings innovation and mastery of new digital technology to help build strategies that respond to digital disruption.

Customer experience

We help to define winning customer experience strategies, help clients redesign customer journeys which improve customer loyalty and help maximise customer lifetime value.

Marketing, sales and service transformation

KPMG consultants can help you to digitally enable and transform the effectiveness of your marketing, sales and service functions to create a connected enterprise – integrating front, middle and back-office operations to enable a more agile and responsive business.

Employee experience

Helping clients to empower employees and improve the employee experience with engaging digital solutions.

Customer data, analytics and insights

KPMG customer analytics solutions and decision engines can help harness insights to power improvements in customer experience and customer lifetime value.

Digital transformation

KPMG digital specialists can help you to succeed in the digital world. From strategy to technology enablement to cultural change, our multi-disciplinary teams take a holistic view of how processes, platforms and behaviours across the front, middle and back offices need to evolve – and offer clear methodologies for executing that transformation.



Endnotes

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